



NATURE, PEOPLE AND CLIMATE PROGRAM

Human actions have accelerated the degradation of our worldwide ecosystems - severely altering 75% of all terrestrial environments, and significantly contributing to climate change; +24% of GHG emissions are caused by unsustainable practices in agriculture, forestry and other land uses. The impacts of these actions are profound for all of life on Earth, but some are carrying more of the burden. Indigenous Peoples in developing countries are the most vulnerable to climate risks.

The way we manage our natural resources is changing, but more urgency is needed. In recognition of the complex interdependencies between land use, people and climate, the case for accelerating and financing the shift to sustainable management of our natural capital is now compelling.

THE CHALLENGE: HUMAN ACTIONS ARE DEGRADING OUR NATURAL RESOURCES

The science is undisputed - climate change presents a profound threat to our global ecosystems and the critical services that this natural capital generates for people and planet.

Human actions, the unsustainable ways in which we manage natural resources, significantly expands the threat to our forests, rivers, farmlands, coastal systems, marine environments, and the intricate web of life supported by all these habitats.

Our actions have measurable consequences...

75% of terrestrial environments have been "severely altered" by humans¹

An estimated 23% of total anthropogenic greenhouse gas emissions were derived from agriculture, forestry, and other land use between 2007 and 2016². While changes in land use and land cover caused by these areas of human activity significantly contribute to our climate crisis, climate change itself further stresses our natural systems. It accelerates land degradation and biodiversity loss and threatens the livelihoods of climate-vulnerable rural peoples.

1 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)

2 IPCC Special Report on Climate Change, Desertification, Land Degradation, Sustainable Land Management, Food Security, and Greenhouse Gas Fluxes in Terrestrial Ecosystems (IPCC, 2019)

Left unaddressed, the rate of disruption to our ecosystems, our natural resources and our economies will increasingly spiral. There will be a higher price to pay for some...

The 2022 Intergovernmental Panel for Climate Change sixth assessment report warned that Indigenous Peoples and local communities, who are closely tied to the land will bear more of the brunt from climate change than anyone else.

PEOPLE AND NATURE ARE ALSO A PART OF THE SOLUTION

Productive and sustainable use of the earth's natural resources is essential to the health, food security, nutrition, and economic well-being of people all over the planet.

Empowering Indigenous Peoples and local communities as agents of viable climate solutions; harnessing the knowledge, gleaned from their lived experience at the sharp edge of climate change, is the key to securing a just transition.

This is what we know:

- 1 | The need to address competing land-uses to tackle climate risks is now urgent
- 2 | The shift towards sustainable management of our natural resources needs to be accelerated
- 3 | The impetus to ensure a just transition to benefit the most vulnerable must intensify

Now is the right time for...

THE NATURE, PEOPLE AND CLIMATE PROGRAM – HOW IT WILL HELP SOLVE THE CHALLENGES AHEAD

EMPOWERS INDIGENOUS PEOPLES TO DRIVE CLIMATE CHANGE SOLUTIONS

The program prioritizes and promotes the participation of indigenous peoples through a unique feature – a direct financing initiative called the Dedicated Grant Mechanism (DGM) that was first piloted within the CIF Forest Investment Program (FIP). The CIF Nature, People and Climate Program builds on the learnings from this earlier pilot to:

- Empower and directly finance Indigenous Peoples and local communities to lead in driving climate change solutions
- Harness the knowledge, experience, and capacities from those at the coal face of climate change into climate action

These communities are often critical to the success of nature climate solutions change, but their important role is often undervalued.

The program aims to reverse that perception and is crucial to giving a much-needed voice to those who stand to shoulder the biggest climate change losses.

By financing local sustainable, socially inclusive enterprises, the program purposefully works to

reduce the impacts of climate change on those who are already poor, marginalised or otherwise vulnerable.

RECOGNISES THE INTERDEPENDENCY BETWEEN LAND USE, CLIMATE CHANGE AND PEOPLE

By managing these complex relationships and understanding and balancing the trade-offs between them, lasting impact is possible. By applying an integrated land management approach with key national, regional, and local actors to adapt to and mitigate for climate change across a diversity of land uses, the program aims to deliver multiple benefits. These include:

- GHG emissions mitigation
- Building climate resilience
- Biodiversity conservation
- Disaster risk reduction.
- Sustainably supporting many different livelihoods and communities
- Helping to reduce poverty and share prosperity
- Preserving the identity of Indigenous Peoples

PROVIDES A SCALED UP, WIDE-RANGING AND HOLISTIC SUPPORT PACKAGE

Aiming to protect, restore and connect a diversity of ecosystems across multiple landscapes, the scope of support ranges from diagnostics, to planning, to financing at scale that is underpinned by multilateral development bank partners.

The program will collaborate with the beneficiary partners to assess, and then address, their climate risk needs; to accelerate ambitious and transformative policy and investments actions. It features three phases that can be delivered sequentially, simultaneously, or singularly:

A rapid landscape diagnostic phase works with all stakeholders to identify and assess risks, requirements, and priorities

A strategy and project pipeline development phase arises from the diagnostic. It involves defining the strategy and the types of projects required to meet local climate objectives

The implementational roll-out phase focuses on financing and delivering the strategy and the identified nature-based solutions and projects which could include

- Assistance to local government in preparing bankable projects to help attract private sector investment
- Local policy development and legislative advice to create the enabling circumstances for identified projects
- Climate-smart interventions into e.g., agriculture, forestry, coastal restoration, disaster risk reduction or land and community resilience strengthening
- The creation, nurturing and stimulation of enterprises or markets for nature-based products and services

The program is set to benefit from the learnings gained by CIF's impressive breadth of experience in nature based solutions:

WHY CIF?

CIF is a global leader in climate finance, with a unique model of delivering flexible, secure, highly concessional climate finance and co-funding, in tandem with on the ground technical expertise. We pilot and scale cutting edge climate solutions and innovations to those nations bearing the brunt of the climate crisis.

THE CIF FOREST INVESTMENT PROGRAM (FIP)

The FIP's approach to tackling forest loss and degradation by empowering local communities has been operating for over ten years. Under its auspices, 41.3million hectares of land has been brought into sustainable land management practises and interventions in 23 countries including Peru, Brazil, Guatemala, Indonesia, Nepal, Mozambique, Burkina Faso, and Ghana. 1.1 million livelihoods have benefitted from FIP interventions so far.

THE CIF PILOT PROGRAM FOR CLIMATE RESILIENCE (PPCR)

This US\$1.2 billion program supports developing economies in building their resilience to the impacts of climate change. While this program is not exclusively focussed on Nature Based Solutions, it includes many projects which are e.g., in Nepal, the world's fourth most climate vulnerable country, PPCR funding supports the strengthening of forest ecosystems.

CIF have been helping developing and middle-income countries adapt to and mitigate climate change since 2008 - channelling over \$60 billion from governments and the private sector to support more than 350 projects in 72 countries in that time.

Our approach helps to stimulate local economies and kickstart new markets in those countries we partner with. Our programs act as a catalyst to crowd in additional private sector finance and boasts an impressive average co-financing generation rate of 1:8.

CIF has a proven track record of working in collaboration with multilateral development banks, local governments, and Indigenous Peoples and Local Communities; to accelerate their ambitions for sustainably managing natural resources while helping to deliver a just transition - as the following case studies show:

CASE STUDIES

Burkina Faso

Burkina Faso lost 22% of its forest cover and 18% of other woodlands between 1990 and 2015. Forest resources are critical for livelihoods. This is significant; 80% of the population are rural and 51% of those rural folk live below the poverty line.

Livestock husbandry, widespread subsistence farming, agricultural expansion of food and cotton production, over harvesting of firewood and gold mining have exacted a toll on the country's forests.

Approved in 2013, the \$16.5M Decentralized Forest and Woodland Project is a collaboration between the World Bank and the African Development Bank under the CIF Forest Investment Program.

The Project is designed as an inclusive, sustainable community forest management regime, developed with local stakeholders, and underpinned with a regulatory framework. This has supported afforestation and reforestation activities in the Sahelian belt offering ground breaking lessons and experience around dry forest and carbon mitigation.

The adoption of integrated land management techniques has:

- improved reforestation efforts
- increased milk production from livestock
- increased incomes of dependent communities including women-led cooperatives.

In addition, alternative forest income activities financed through the DGM is generating green jobs while reducing pressure on the forest scape.

Peru

Peru has experienced significant growth, low inflation, and stability, but some people have been left behind. Forest dwelling Amazonian indigenous peoples suffer high levels of malnutrition, limited access to education and healthcare - many are living in extreme poverty.

120,000ha of forest has been lost annually between 2001 and 2014. 45% of deforestation has taken place on lands with no legal status. Increasing pressure on forest-related resources has resulted in growing social conflicts, as forest dwellers see their primary source of income encroached on by agriculture and grazing.

Authorized in 2018, the US\$12.2M Integrated Forest Landscape Management Project in Atalaya, Ucayali aims to strengthen the capacity of forest dependent communities to sustainably manage forest landscapes. The project is tied to the CIF Forest Investment Program and is expected to generate huge transformation in the next 10-15yrs which include:

- Reduced emissions caused by deforestation/ degradation
- 380,500 hectares to be brought under sustainable landscape management
- At least 1500 forest households will have land-use or ownerships rights
- 11,500 forest dwellers will have adopted sustainable practices

Ghana

The annual rate of forest loss in Ghana is among the highest in the world. An estimated 4.7 million hectares have vanished between 2000-2015.

Actions needed to reverse this situation include changes in how cocoa (Ghana's main crop) is cultivated, gold mining (their second biggest export) and timber production and harvesting. There are many stakeholders who could be affected by tighter regulation of these activities. To add extra complexity, 80% of Ghanaian land is overseen by traditional chieftains who wield considerable influence over natural resource management activities.

The further challenge is that sustainable transitions in Ghana will occur against a backdrop of significant poverty - a socially inclusive approach in their transition program is vital.

In partnership with the African Development Bank and the World Bank, the CIF Forest Investment Program has been supporting an integrated land management process in Ghana's High Forest zone to achieve sustainable and inclusive aims including:

- Supporting innovative tree-based agriculture techniques
- Increasing cocoa productivity
- Increasing farmer incomes and in the process boosting jobs for youth and women in the cocoa sector
- Slowing encroachment of agriculture into the high conservation forest zones
- Enhancing tree systems to scale up the mitigation potential of the cocoa sector
- Building the resilience of dependent communities while safeguarding the cocoa global supply/value chain.



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