Côte d’Ivoire’s forests have come under huge pressure in recent decades. At current rates of deforestation, Côte d’Ivoire could lose its entire forest cover by 2034 (FCPF, ONU-REDD, 2014). Agricultural expansion for food and cash crops (in particular cocoa, oil palm and rubber), logging, mining and heavy reliance on wood fuel for cooking mean that few areas remain unlogged (Ect Terra, 2016). Many of these activities also increase vulnerability to the impacts of climate change, threatening the productivity of the land on which Côte d’Ivoire’s economy depends.

There is an alternative. Greening the hundreds of billions of West African CFA francs (FCFA) spent annually on business-as-usual agriculture in the country could increase productivity without sacrificing the country’s forests. The Government of Côte d’Ivoire has recognized this opportunity and set to work developing a National REDD+ Strategy and Investment Plan to implement zero-deforestation agriculture and forest cover goals.

The Landscape of REDD+ Aligned Finance in Côte d’Ivoire shows public finance that was already contributing to limiting deforestation and encouraging sustainable land use in the country in 2015, it provided a baseline against which to measure progress towards the levels of investment required to drive sustainable agriculture and reforestation. It also identifies opportunities to increase finance available for implementation of the National REDD+ Strategy.

The Landscape of REDD+ Aligned Finance in Côte d’Ivoire identifies the nature and volume of domestic and international public finance that was already contributing to limiting deforestation and encouraging sustainable land use in the country in 2015, it provided a baseline against which to measure progress towards the levels of investment required to drive sustainable agriculture and reforestation. It also identifies opportunities to increase finance available for implementation of the National REDD+ Strategy.

In 2015, FCFA 84.2 billion (USD 140.7 million) of public money was invested in “grey”, business-as-usual agricultural intensification which did not explicitly account for deforestation risks and may have contributed to deforestation and forest degradation, due to lack of strong land use planning and secured land tenure. As a minimum, priority should be given to ensuring that existing “grey” flows do not contribute to deforestation and forest degradation. Ideally, these flows should help to enhance and restore forest cover in line with REDD+ objectives.

Greening existing agricultural finance from domestic, and especially international sources, could increase REDD+ aligned finance by over five times to FCFA 311 billion (USD 169 million)

The Ministry of Agriculture and Rural Development has the most potential to leverage REDD+ co-benefits and deliver impact. In 2015, the ministry spent FCFA 70.5 billion (USD 117.8 million, or 85% of its investment budget) on “grey” activities. Such activities need to be aligned to REDD+ objectives in the future.

KEY FINDINGS AT A GLANCE

- • Meansthat do not yet match ambition. Current investments are a fraction of the expected needs for implementing the country’s REDD+ strategy.
- • Forests need to become a national planning priority. Forest protection is yet to be mainstreamed into Côte d’Ivoire’s national and sectoral development strategies, and is not among domestic and development partner spending priorities.
- • Côte d’Ivoire and its partners have an opportunity to green significant shares of existing finance. By greening existing agricultural finance from domestic and especially international sources Côte d’Ivoire and its partners could deliver over five times more REDD+ aligned finance.
- • Increased finance for enabling environments is needed to drive investment in productive and resilient land use. Sustainable land use planning in Côte d’Ivoire is severely underfunded.
- • Opportunities exist to raise finance from new sources and improve effectiveness of spending, including through fiscal measures, incentives for local government, and a National REDD+ Fund.

The Côte d’Ivoire government and its partners have opportunities to green existing finance

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Greening existing agricultural finance from domestic, and especially international sources, could increase REDD+ aligned finance by over five times to FCFA 311 billion (USD 169 million)

Minimum amount necessary to achieve the 20% forest cover objective*  

FCFA 3.8 bn for reforestation and sustainable forest management

FCFA 173 bn per year through 2030

* Preliminary estimate: includes costs for planting and plantation maintenance only. Does not include administrative or indirect costs, such as security personnel, identifying and negotiating alternative livelihoods for current forest users and establishing new protected areas.

underlying low levels of investment in reforestation and sustainable forest management and the need to mainstream climate objectives in their land-use investments.

Three major gaps in national public institutions also need to be addressed:

- SODEFOR, the national agency responsible for forest management and reforestation of classified forests, has lacked the financial resources and governance track record to deliver REDD+ objectives. Drastic changes are needed to address this blockage and unlock resources for forest restoration.

- Responsibility for the domestic energy sector should be delineated more clearly between the Ministry of Petroleum and Energy, the Ministry of Environment and Sustainable Development and the Ministry of Water and Forests, since there was virtually no domestic investment in sustainable domestic energy in 2015.

- The Ministry of Industry and Mines, in coordination with other key ministries and agencies, will need to dedicate additional resources and authority to tackling illegal mining and promoting sustainability in the mining sector, with just FCFA 96.6 million (USD 0.2 million) spent on the former in 2015.

Figure 2: 2015 investments in reforestation and sustainable forest management versus estimated annual minimum needs to meet the 20% 2020 forest cover target

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Improved enabling environments are needed to drive investment in productive and resilient land use

Increasing green finance requires improved national policy frameworks. FCFA 11.3 billion (USD 18.9 million)
was spent in 2015 on REDD+ enabling environment measures such as land management, land tenure, green economy planning, Monitoring, Reporting and Verification (MRV) systems, tracing commodity supply chains, research and development, and capacity building. However, much more is needed to leverage significantly larger investments in more productive and resilient land uses.

In particular, sustainable land use planning in Côte d’Ivoire is severely underfunded. Only FCFA 447 million (USD 0.7 million) was spent by the Treasury in 2015 and there was no international support. Further support is also needed to put in place commodity traceability and MRV systems, as well as funding for research and development on for sustainable land-use practices.

In addition, just FCFA 3.3 billion (USD 5.5 million) was spent on securing land tenure in 2015, with most support coming from international partners. Securing land ownership across a larger portion of Côte d’Ivoire’s rural areas is necessary to attract investment in sustainable land use and will require a significant increase in funding to accelerate beyond current efforts.

Opportunities exist to raise finance from new sources and improve the effectiveness of existing spending

Additional domestic sources of finance for REDD+ could be generated by taxing activities that drive deforestation, in particular in the agricultural sector, or earmarking existing tax revenues. No information is available on the impact of existing deforestation taxes incumbent on timber producers and mining and no specific incentives are in place to encourage the private sector and smallholders to support forest restoration.

The creation of a dedicated National REDD+ Fund for Côte d’Ivoire is foreseen in order to coordinate future resources aimed at implementing the REDD+ strategy. Specific funding windows could help address investment gaps and imbalances in spending across REDD+ priority activities. Lessons should be learned from the performance of existing funding instruments and institutions in Côte d’Ivoire, to create a strong institutional setup capable of attracting resources from multiple sources and deploying those resources effectively.

At present, local governments play a minor role in the REDD+ financial landscape. There are opportunities to incentivize local governments to conserve natural resources whilst increasing the resources available to them to do so.