Mapping finance to achieve forest and climate objectives

Introduction to the Land-use Finance Tool

22 February, 2019
Agenda

1. What is land-use finance mapping and how can it help?
2. Introduction to the Land-use Finance Tool
3. Conclusion and Q & A
What is land-use finance mapping and how can it help?
Land use finance – current status

$ 215 billion public international climate finance in 2015/2016

Source: CPI (2018)

$9 bn land use

Source: Climate Focus (2017)

USD billions, cumulative since 2010
What is a land-use mapping exercise?
How can the Land-use Finance Tool help?

Planning
What are the main financing gaps, opportunities and priorities?

Aligning
How to align unsustainable investments to forest and climate objectives?

Monitoring
How much money has been spent on reducing deforestation over time?
How can the Land-use Finance Tool help?

Planning

What are the main financing gaps, opportunities and priorities?

- Understand the nature and volume of finance in land-use, main sources, actors and activities supported
- Identify financial gaps and barriers to investment to prioritise action and mobilize resources
Example: Planning REDD+ at sub-national level in Vietnam

Results

- Quantified the volume of planned financing for REDD+
- Identified key financing gaps for the implementation of REDD+ at sub-national level
- Integrate forest safeguards in new Planning Law
How can the Land-use Finance Tool help?

- Identify options to redirect investments against forest and climate objectives to sustainable activities
- Inform national/jurisdictional cross-sectoral discussion on coherence and coordination of land-use investments
Example: Redirecting forest-risk investments in Côte d’Ivoire

Results

✓ Identified and quantified public investments potentially increasing the pressure on forests

✓ Informed cross-sectoral dialogue on the coherence of spending

✓ Mainstreaming of forests in the planning process
How can the Land-use Finance Tool help?

Monitoring

How much money has been spent on reducing deforestation over time?

- Baseline for implementation of REDD+ strategy or program
- Periodic assessments
- Increase transparency & accountability
Example: Tracking climate finance in Indonesia

Results

✓ Baseline of public spending for climate action to inform investment planning and track resource mobilisation

✓ Led to budget tagging for climate change
Status of domestic climate finance and land-use mapping

Land-use finance mapping
- In Progress/Interested
- Published

Climate finance mapping
- Published

Other climate finance analysis methodologies: CPEIR, PCEIR, I4CE, IKEM
Introduction to the Land-use Finance Tool
About the Land-use Finance Tool

Objective

Countries, regions, jurisdictions can conduct land-use finance analysis

MODULE 1
Scoping the mapping exercise

MODULE 2
Stakeholder engagement

MODULE 3
Building definitions in context

MODULE 4
Setting the mapping framework

MODULE 5
Data collection

MODULE 6
Data consolidation

MODULE 7
Data analysis

MODULE 8
Using the results

Initiator
Stakeholders
Project team
Stakeholders
**Objective**

Develop a ‘vision’ for the project and set a clear purpose

<table>
<thead>
<tr>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• What is the purpose for the analysis?</td>
</tr>
<tr>
<td>• What scoping questions need to be raised with stakeholders: context, scale, period, sectors, sources…?</td>
</tr>
<tr>
<td>• What data is available?</td>
</tr>
<tr>
<td>• What resources are needed?</td>
</tr>
</tbody>
</table>
Developing a stakeholder engagement strategy

Objective

Develop an idea about who to involve and consult, why and how often

Questions

- Who should be involved & what will their role be?
- What challenges are foreseen in engaging stakeholders?
- What are the benefits/ incentives for each stakeholder to engage and share information/data?
- How and when should stakeholders be engaged?
## Module 3

### Objective

Assess options for building a land use finance definition and typology.

### Questions

- What steps should be followed to develop a detailed national/jurisdictional level definition of climate-relevant land use?
- How do you classify land-use finance according to national definitions & potential impact on forests?
- Which sectors and activities might be considered misaligned / aligned / conditionally-aligned?
Developing a land-use finance definition

Examples of Activities

- **Climate-aligned**
  - contributes to climate change mitigation and/or adaptation
  - Plantation forestry management
  - Sustainable forest management
  - Afforestation/reforestation
  - Enabling conditions (e.g., policies, enforcement and capacity building)
  - Conservation of forests
  - Forest monitoring systems

- **Conditionally-aligned**
  - can contribute to climate change mitigation under certain circumstances
  - Increased productivity of family agriculture
  - Improved yields for small-holders in palm oil production
  - Increased demand for family agriculture produce
  - Road building and freight subsidies
  - Extension services for small-holder producers

- **Climate-misaligned**
  - is a driver of deforestation and/or forest degradation or decreases resilience in land use systems
  - Unsustainable commercial logging
  - Subsistence agriculture
  - Commercial agriculture
### Module 4: Setting the mapping framework

**Objective**

- Identify elements of the land-use finance mapping framework

**Questions**

- Which dimensions of flows are to be mapped?
- How do flows relate to each other?
- What format should the output have?
### Setting the mapping framework

**Example of a typical life cycle of finance**

<table>
<thead>
<tr>
<th>SOURCES/INTERMEDIARIES</th>
<th>INSTRUMENTS</th>
<th>DISBURSEMENT CHANNELS</th>
<th>USES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government</td>
<td>Budget Transfer Mechanisms</td>
<td>Central Government</td>
<td>Mitigation &amp; Adaptation</td>
</tr>
<tr>
<td>Local Government</td>
<td>Grants</td>
<td>Local Government</td>
<td>Direct &amp; Indirect</td>
</tr>
<tr>
<td>International Development Partners</td>
<td>Loans</td>
<td>International Development Partners</td>
<td></td>
</tr>
<tr>
<td>Funds</td>
<td>Equity</td>
<td>State-owned Enterprises</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Private &amp; NGO</td>
<td></td>
</tr>
</tbody>
</table>
Objective

Identify data sources and how to fill potential gaps

Questions

• Where to find data?
• How to assess its quality?
• How to identify gaps in data and fill them?
• How to assess supporting information?
### Module 6: Data Consolidation and Categorisation

**Objective**

Clean, consolidate, and classify data in a database

<table>
<thead>
<tr>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How to construct a consolidated database?</td>
</tr>
<tr>
<td>• How to check quality of consolidated data?</td>
</tr>
<tr>
<td>• How to categorise data to support objectives of mapping?</td>
</tr>
<tr>
<td>• How to develop and meet strict documentation requirements?</td>
</tr>
</tbody>
</table>
# Module 7: Data Analysis and Presentation

**Objective**

Understand options for analysing and presenting data

<table>
<thead>
<tr>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• What are the key quantitative and qualitative analytical questions to consider?</td>
</tr>
<tr>
<td>• What visualisations can be helpful/constructive?</td>
</tr>
<tr>
<td>• What to do if results are inconsistent with other sources, controversial or limited?</td>
</tr>
</tbody>
</table>
Data analysis and presentation

Examples of data presentation
## Objective

Interpret results and inform policy or project processes

## Questions

- How can results be used for monitoring and reporting?
- How can results be used to align finance to climate objectives?
- How can results be used for resource mobilisation?
A decision-support tool:

- Flexible, to be adapted to your objectives
- Based on an iterative approach
- Freely accessible (EN, FR, ES)

www.landusefinance.org

- With a growing community of practice
Q & A
More questions?
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