



FLR: Ambitious commitments; challenging practice – the role of financing

Global Landscapes Forum
Bonn, Germany
December 20th 2017

Bank aus Verantwortung

KFW

LESSONS FROM GERMAN FINANCIAL COOPERATION PROJECTS FOR FLR

Grit Techel

GLF Bonn, 20.12.2017

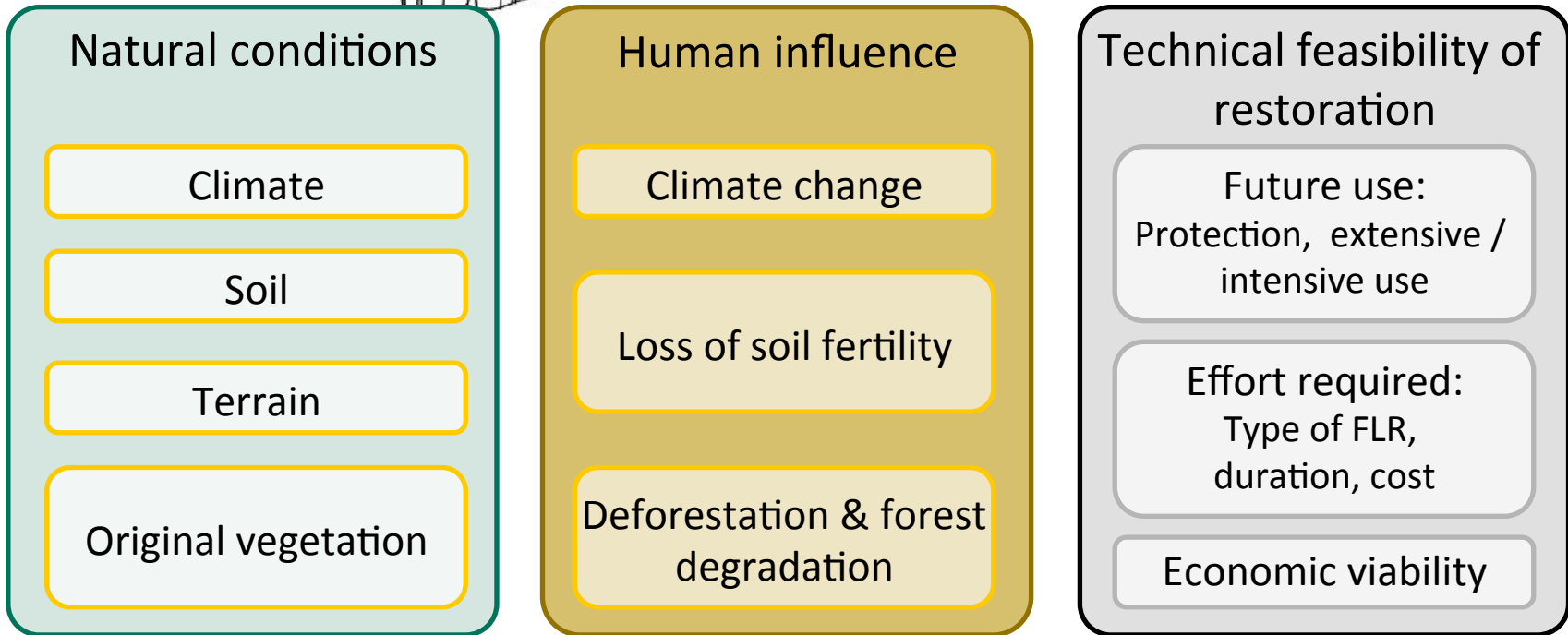
Background

- **Global momentum for Forest Landscape Restoration (FLR)**
 - Bonn Challenge, AFR100, New York Declaration on Forests
 - Aichi Targets (CBD), Paris Agreement (UNFCCC), Land Degr. Neutrality target (UNCCD)
 - “Transforming our world: the 2030 Agenda for Sustainable Development”
- **German technical and financial cooperation: long history of support for forest sector and sustainable management of natural resources**
- **Study objective: identify lessons learned and success factors of forestry projects for successful implementation of FLR**
- **Scope and approach**
 - Systematic analysis of 42 impact evaluated forestry projects implemented by KfW since 1990
 - Validation of findings through interviews & expert discussion



Findings: Success factors for FLR (I)

Bio-physical conditions

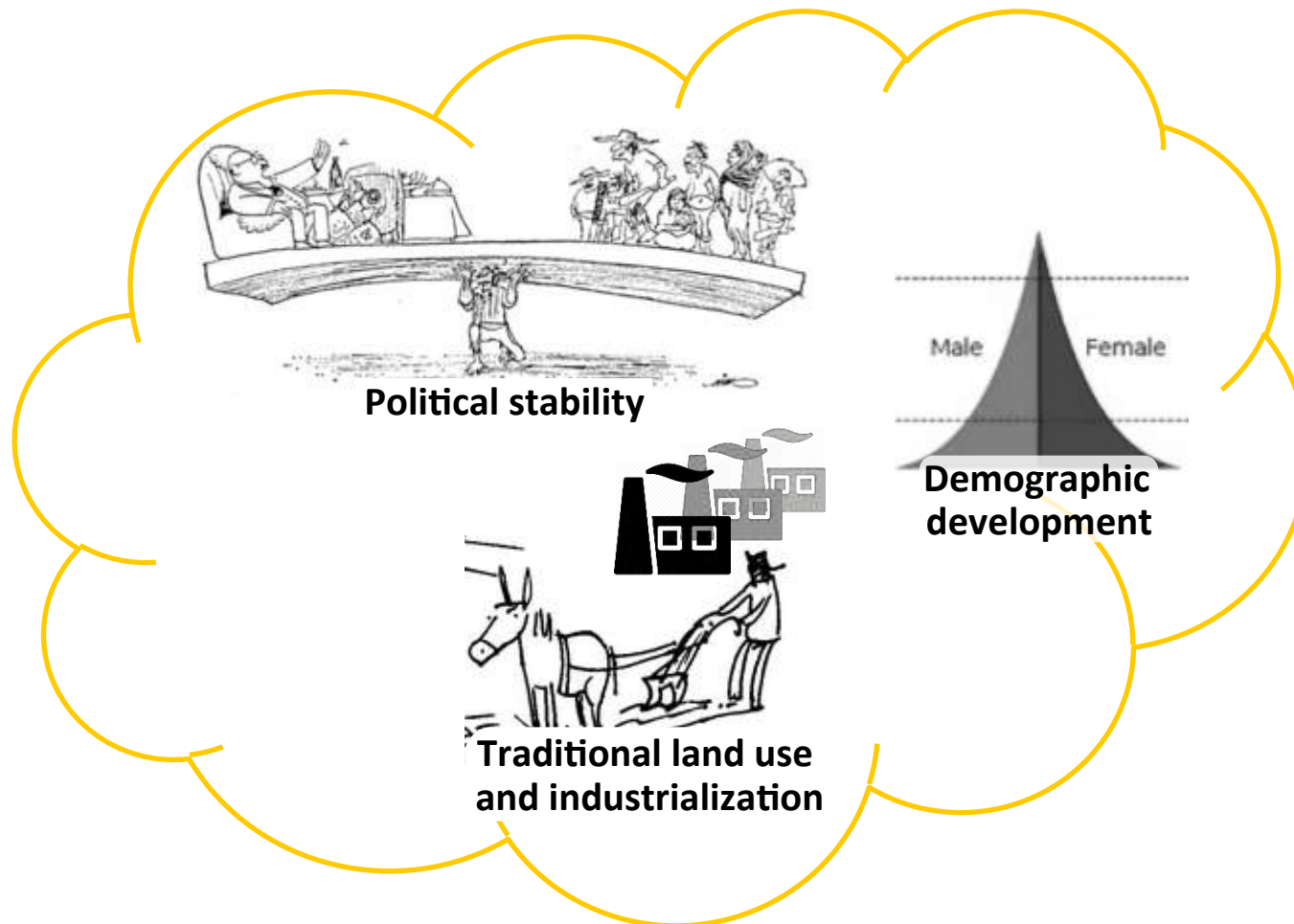


The bio-physical conditions define the potential for future use of restored landscapes and the level of effort required.

Findings: Success factors for FLR (II)

Socio-economic conditions

- Macro-economic factors

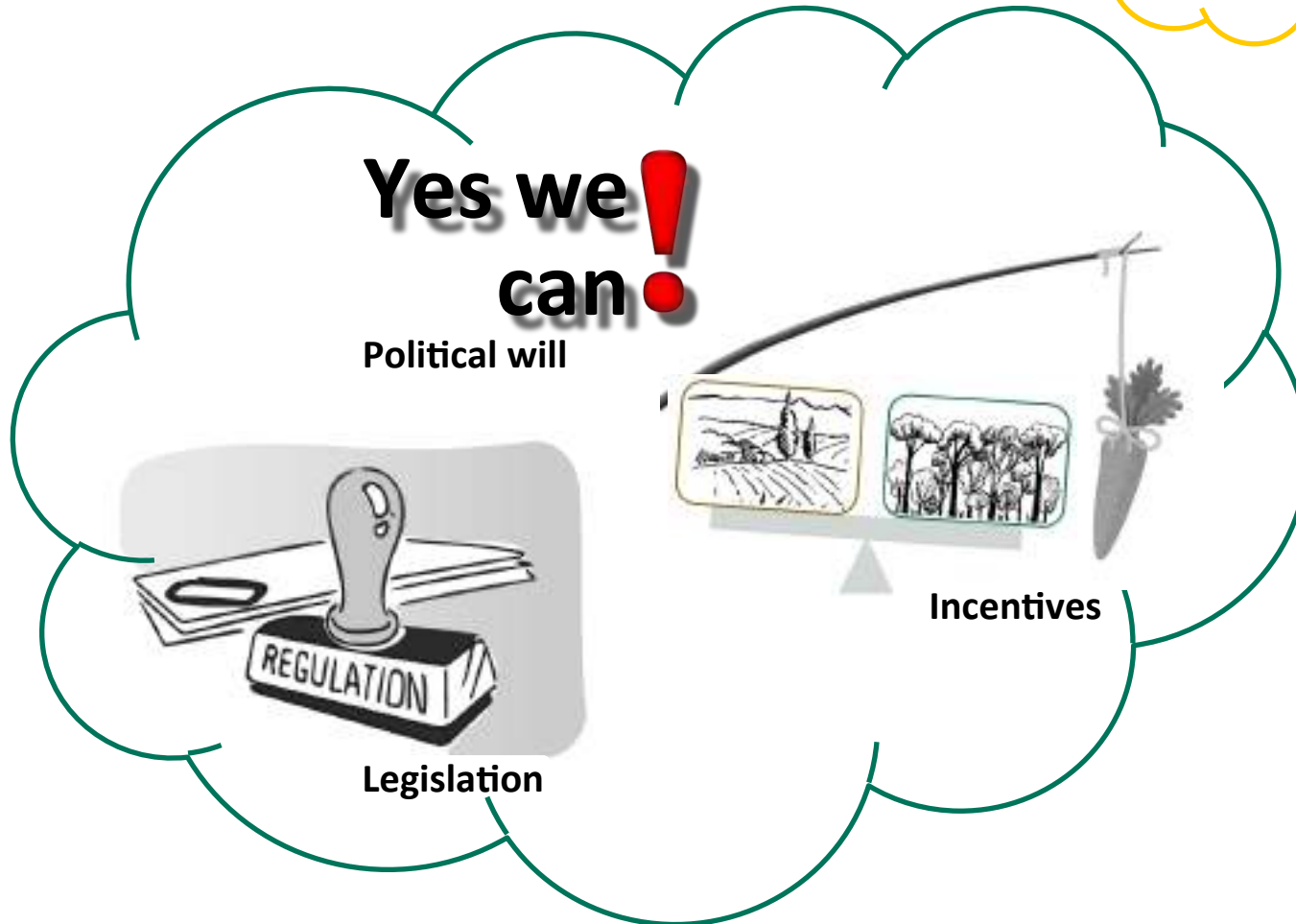


Findings: Success factors for FLR (III)

Socio-economic conditions

- Political environment for FLR

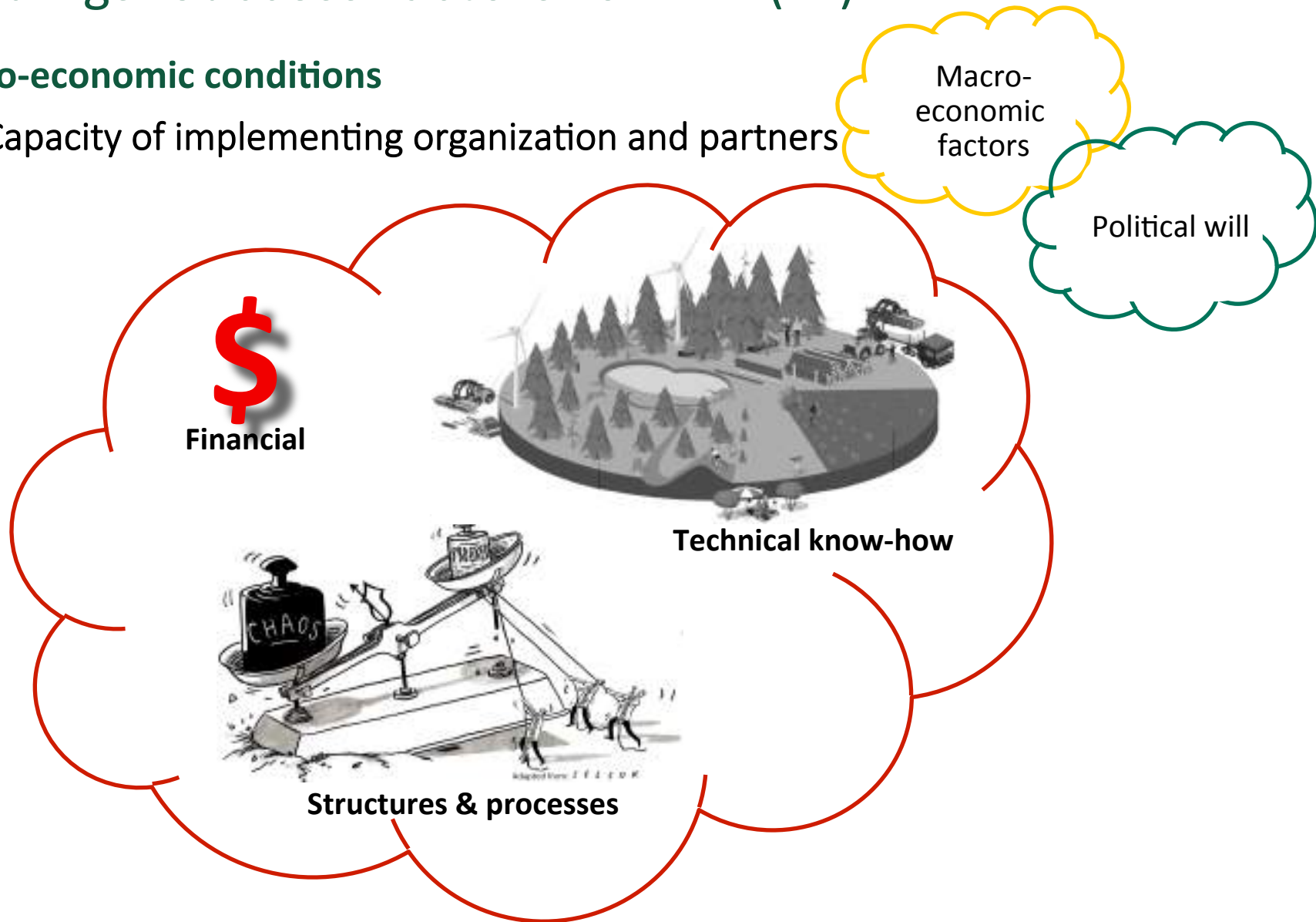
Macro-economic factors



Findings: Success factors for FLR (IV)

Socio-economic conditions

- Capacity of implementing organization and partners



Findings: Success factors for FLR (V)

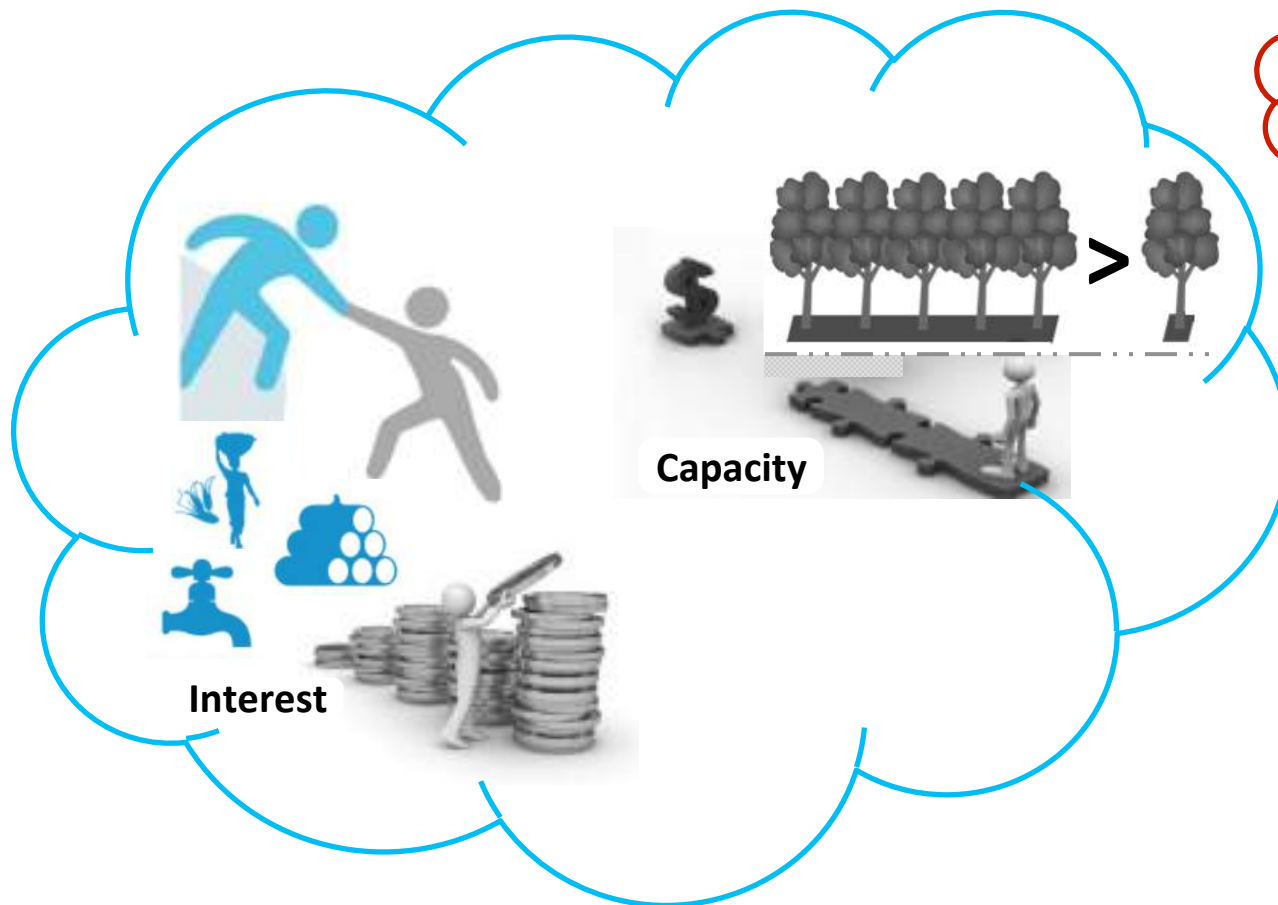
Socio-economic conditions

- Interest and capacity of the target group

Macro-economic factors

Political will

Capacity of implementing organization and partners



Findings: Success factors for FLR (VI)

Socio-economic conditions

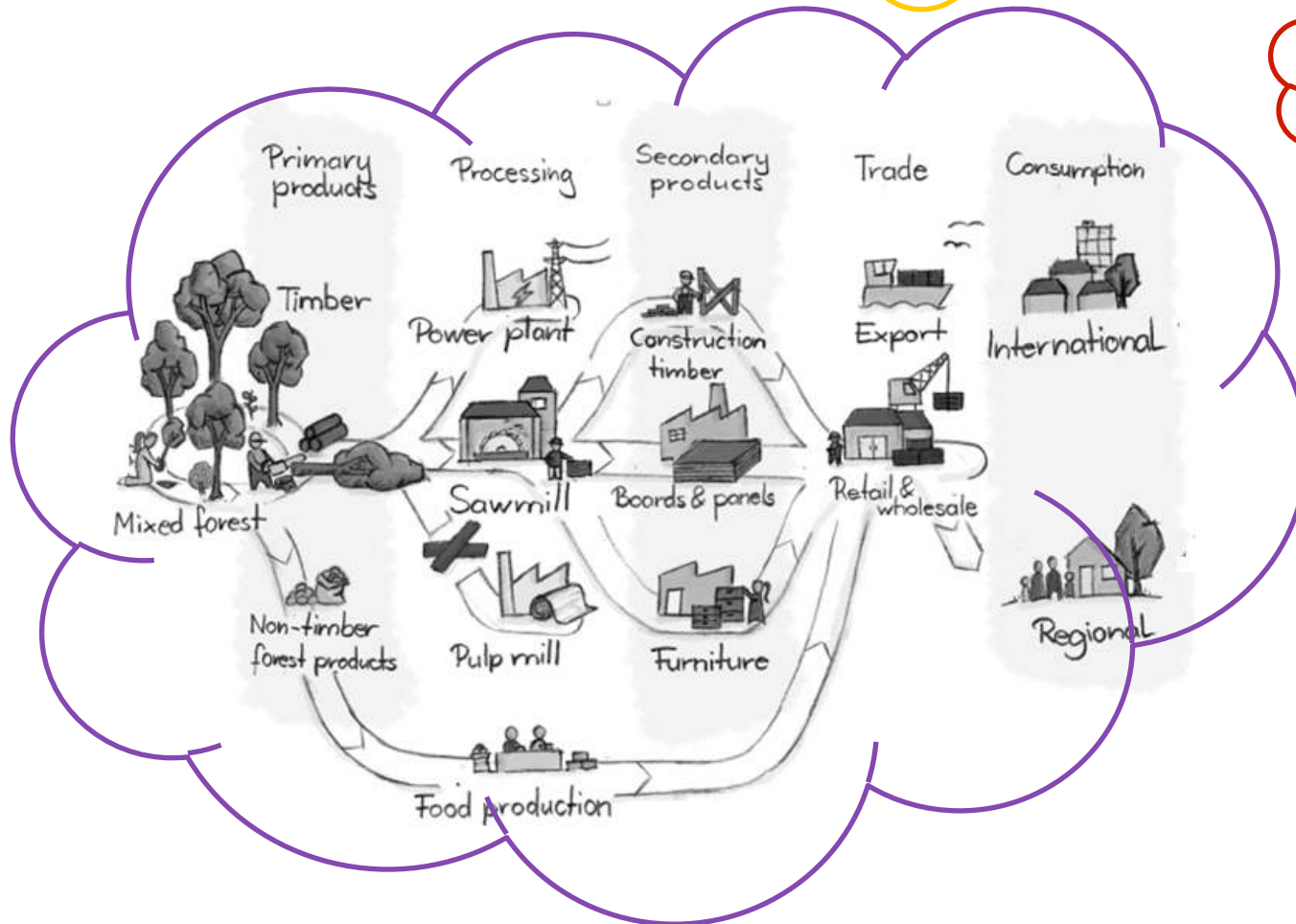
➤ Markets and value chains

Macro-economic factors

Political will

Capacity of implementing organization and partners

Interest and capacity of the target group



Market access and value chains

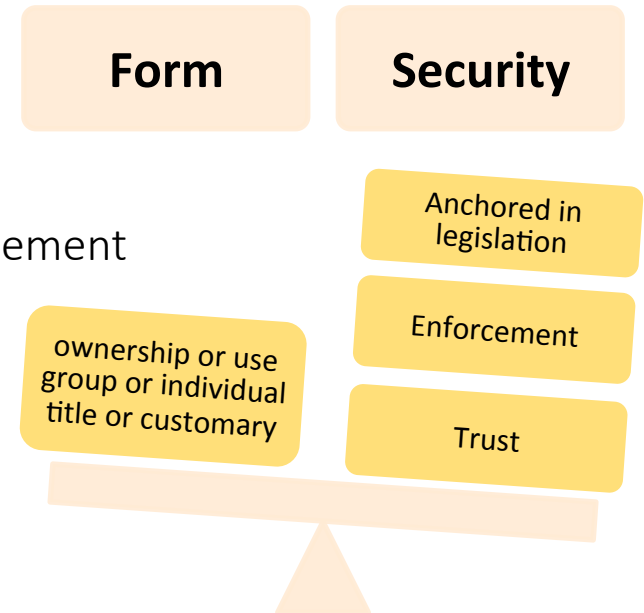
- **Measures can aim to:**
 - Increase productivity
 - Improve market access
 - Add value
- **Advantages:**
 - Financial incentive for participation of the target group
 - Opportunity for private sector involvement
- **Challenges:**
 - Long planning horizon (building on successful resource restoration)
 - Often linked to lengthy organizational development
 - Potentially need for investments into infrastructure
- **Risk:** Creating drivers of forest degradation and conversion

Lessons learnt:

1. Financial income from forests & agroforestry is very important to make restoration sustainable.
2. Local & regional value addition, and related private sector investments and employment will help to create acceptance at political level.
3. Need for complementary measures to avoid excessive use or conversion of natural forests

Land ownership and land use rights

- The most effective form of land/use rights for FLR is context specific:
 - Natural forest management or reforestation
 - Low investment or high investment
 - Strength of traditional land mgt. forms
- **Advantages:**
 - Incentive to invest in sustainable resource management
 - Improve access to financial services
- **Challenges:**
 - Functioning procedures to issue titles of ownership or user rights
 - Additional coordination requirements
- **Risks:**
 - Customary rights may be compromised
 - Landless farmers excluded if project activities are linked to formal titles



Lessons learnt:

1. The (perceived) security of land/use rights is more important than form
2. Need to use participatory approaches, e.g. for land use planning

Costs of FLR? (I)



Different measures:

full protection

sustainable forest management

planting trees

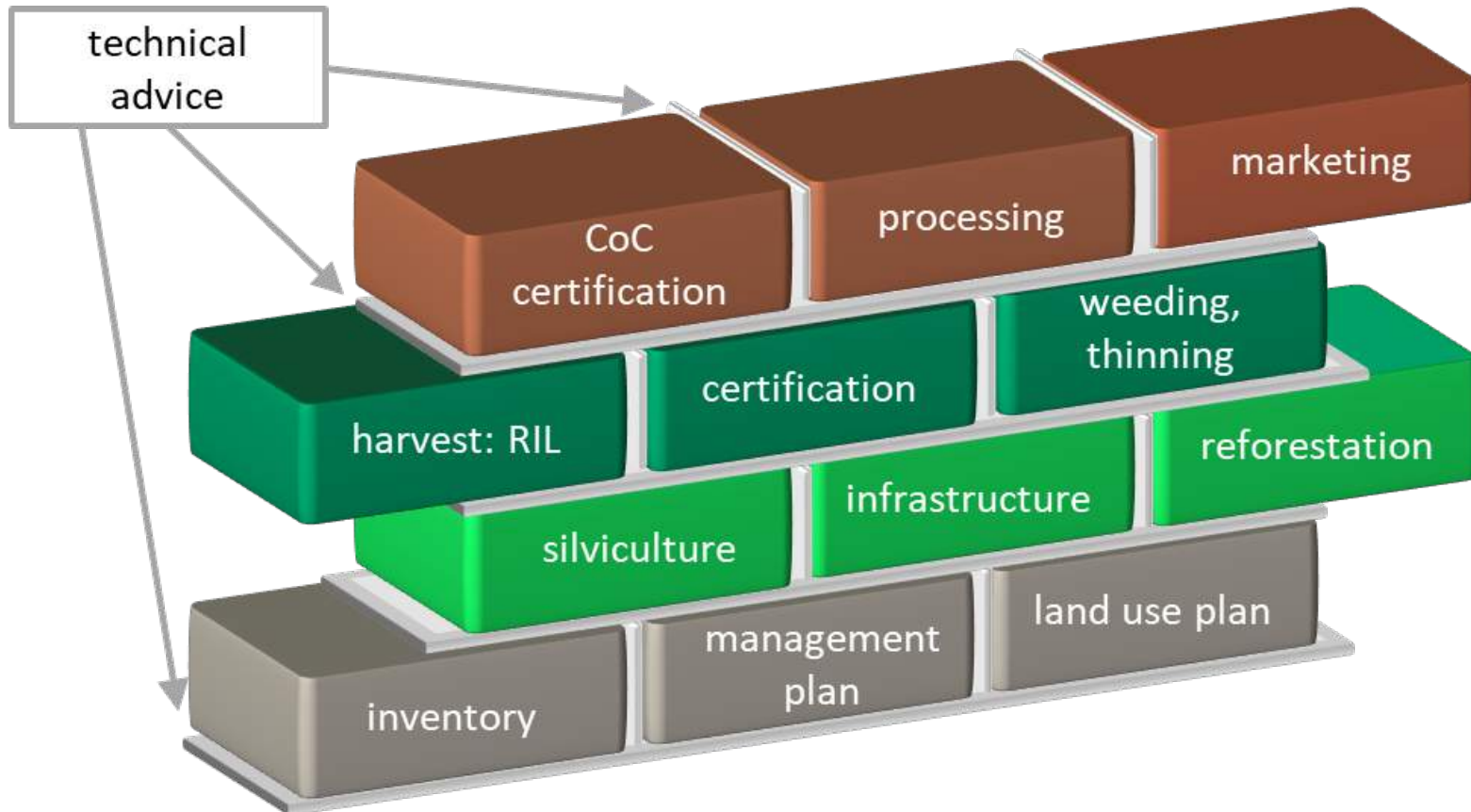
restricting use for natural regeneration



Costs of FLR? (II)

Lessons learnt:

1. Applying average cost to FLR does not reflect the reality of the wide spectrum of starting points, targets and measures needed.
2. For high level planning of FLR use cost ranges for specific measures/activities.



Conclusions

- Distinguish between “hard” success factors (should be given) & “soft” success factors (good to have)
- Design of FLR projects and programs should take into account:
 - Need for long implementation time frame (10 years +)
 - Flexibility in planning & implementation to cater for sequential nature of FLR (planting, forest management, marketing & value addition)
 - Forest *landscape* restoration → combine different measures
- **Need for scale and/or bundling of project areas, to:**
 - Achieve tangible environmental and economic impacts
 - Implement projects cost-efficiently
 - Generate interest of national partners
- Identify and implement **cost efficient** approaches (type of reforestation, PPP) and **sustainable financing** approaches within the project (financial profit of target group, entry points for private sector, state)
- **Apply participatory approaches**, especially land use planning and ensure inclusiveness for all parts of the population

Schnewlinstr. 10
79098 Freiburg, Germany
Tel: +49 761 208534 – 0

unique@unique-landuse.de
www.unique-landuse.de

This study was commissioned by KfW

On behalf of





FLR: Ambitious commitments; challenging practice – the role of financing

Global Landscapes Forum
Bonn, Germany
December 20th 2017

Bank aus Verantwortung

KFW