



OFLP OVERVIEW



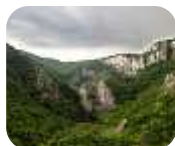
BioCarbon Fund
Initiative for Sustainable Forest Landscapes



**COLOMBIA - Orinoquía
Sustainable Integrated
Landscape Program**



**ETHIOPIA - Oromia Forested
Landscape Program**



**MEXICO - Mexico Strengthening
Entrepreneurship in Productive
Forest Landscapes Project**



**ZAMBIA- Zambia Integrated
Forest Landscape Program**



Fig. showing distribution of ISFL Programs
across the globe

BioCF ISFL Profile

ISFL AT A GLANCE

OPERATIONAL
SINCE: 2013



PROGRAM
COUNTRIES:

Colombia
Ethiopia
Indonesia
Mexico
Zambia

DONORS:

Germany
Norway
Switzerland
United Kingdom
USA

FUND CAPITAL:

\$355
million



BIOCF ISFL Funding Streams

BioCFplus-ISFL and T3 Funding Instruments

BioCFplus-ISFL

\$133 million total pledged contributions



- Supports countries in making improvements to their enabling environment for sustainable land use
- Supports piloting of activities and key partnerships, including engagements with the private sector
- Provides countries with resources to develop systems for monitoring, reporting, and verifying reductions in GHG emissions to prepare jurisdictions for payments



BioCF Tranche 3

\$222 million total pledged contributions



- Provides results-based finance through the purchase of verified emission reductions



- Provides incentives for countries to shift to a sustainable development trajectory for each jurisdiction



- Supports successful interventions that ensure sustainable land use in each jurisdiction

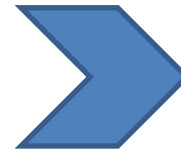
OFLP Funding Envelope

Trust Fund Contributions for Ethiopia_OFLP

- Norway Ministry of Climate and Environment US\$ 9,450,000.000
- United States Department of State US\$ 8,550,000.00



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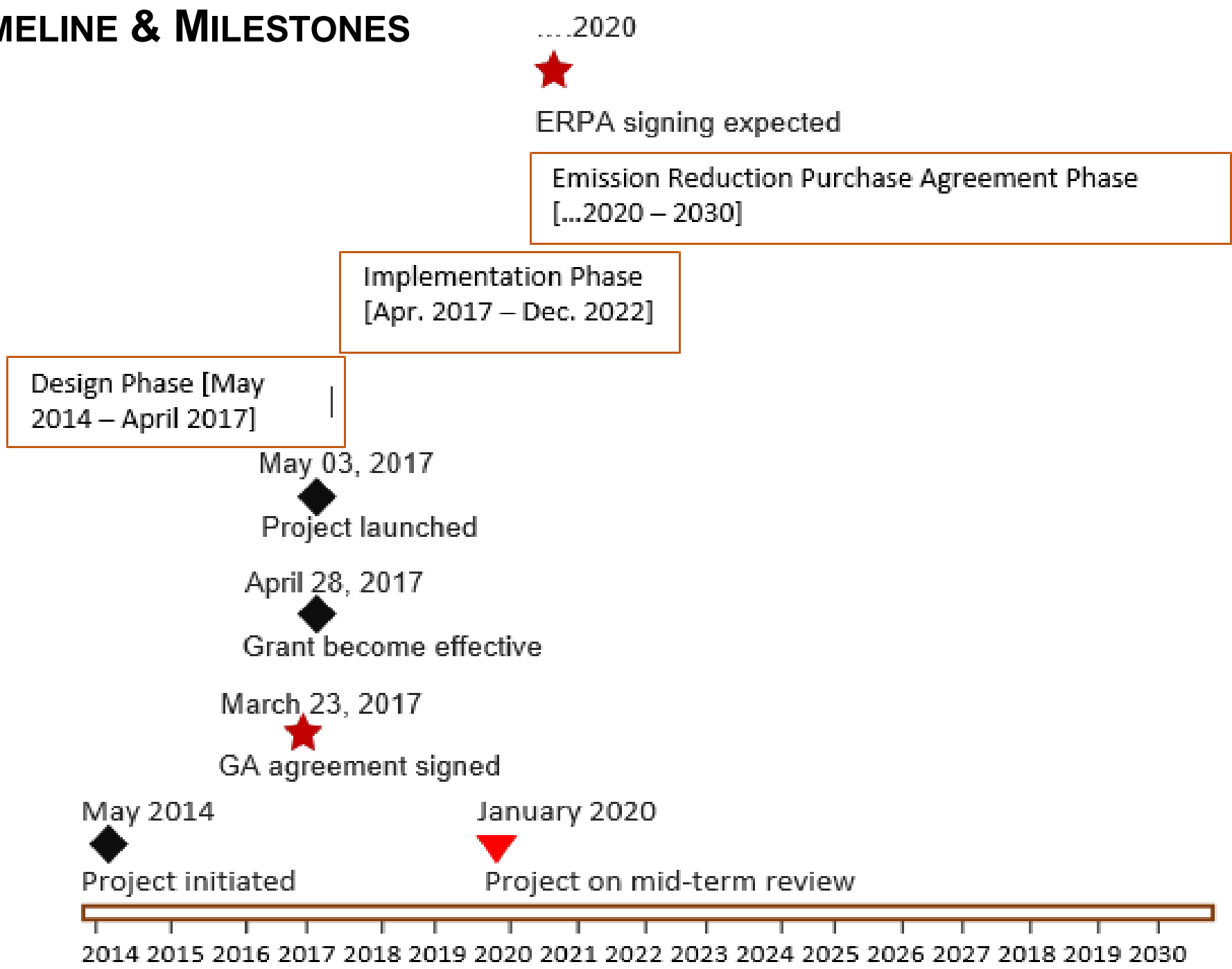


US\$ 18,000,000.000
mobilization grant



US\$ 50,000,000.000 ER
Payments

TIMELINE & MILESTONES



OFLP Components

18M grant aims to create enabling env't, piloting activities & develop Systems for Carbon Financing

US\$ 50M ER payment aims to incentivize adoption of sustainable LU

(i) Enabling Investment

- Integrated Land Use Planning TA;
- Investment & Extension;
- Forest Management Investment in 79 deforestation hotspots Woredas

(ii) Enabling Environment

- Institutional Capacity Building;
- Enabling Environment Enhancements;
- Information; and
- Safeguards Management
- Financial & Procurement Management

(iii) Emission Reduction Purchase Agreement [ERPA]

- Against an agreed baseline in two ERPA phases
- Payments upon verified ERs by 3rd party
- Payments upon safeguards due diligence;
- Payments disbursed as per Benefit Sharing Plan

Overall Implementation Progress



OFLP Benefit Sharing Mechanism/Plan

ER Program Scope

- Jurisdiction –wall to wall
- ER accounted from agriculture, forestry and other land uses (AFOLU) : in two phases of ERPA
- Ex-ante estimate of emission reductions: 63.5 million tCO₂

Approaches for Design of Benefit Sharing Plan



Definition of Benefits

Multiple Benefits

- Monetary and non-monetary benefits (carbon benefits from ER proceeds)
- Non-carbon benefits (institutional capacity, additional ecosystem benefits and improved income from better LU mgmt., etc.)

Benefit to share

Net Payment = gross payment – (operation cost + performance buffer)

Benefit Sharing Arrangement

Eligibility – who are eligible for benefit

Two tier process

- Vertical sharing
- Horizontal Share

Vertical Sharing involves gov't, community and the private sector

Horizontal sharing is among communities within the OFLP landscape

Share proportions

Federal gov't -----5%

Regional gov't -----15%

Community -----75%

Private forest dev't--5%

Benefit Sharing Arrangement

Factors for horizontal sharing at zonal level

- **Share of Benefit/Zone** = *(Total community share X ((0.6 X performance of the zone/total performance across Oromia) + (0.4 X Forest area of the zone/forest area in Oromia)).....Eq. 1.*

Criteria	Reason	Rank	Weight
Performance	Existence of different level of performance	1	60%
Forest area	Forest stewardship	2	40%

Note: Performance in this context refers to avoided deforestation and/or forest enhancement

Benefit Sharing Arrangement

Sharing within Zones (woredas), three factors

Forest dev't - (30%)

Forest area (stewardship) – (50%)

Forest Management Coops establishment – (20%)

*Share of benefit/woreda x = total community share of zone n * ((0.5 * forest area of woreda x / total forest area of zone n) + (0.3 * area of forest developed of woreda x / total area of forest developed in zone n) + (0.2 * number of FMCs in Woreda x / number of FMCs in zone n)).....Eq. 2.*

Sharing within woreda (kebeles) – two factors:

- **Forest dev't - (40%)**

- **Forest area (stewardship) – (60%)**

*Share of benefit/kebele x = total community share of woreda n * ((0.6 * forest area of kebele x / total forest area of woreda n) + (0.4 * area of forest developed of kebele x / total area of forest developed in woreda n))....Eq. 3.*

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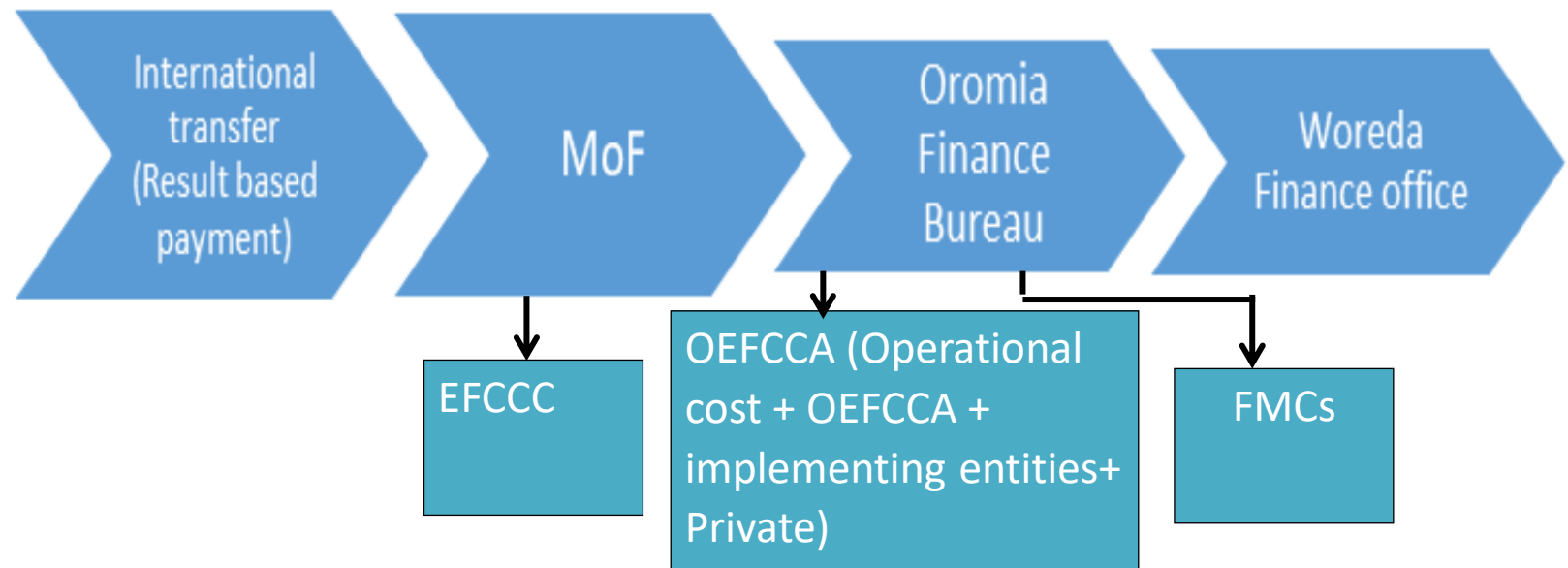
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Benefit Disbursement

Flow of ER proceeds



Potential Use of Benefits

Potential uses of the benefit

No	<i>Activities used to generate ERs</i>	<i>Social development/livelihood improvement</i>
1	Seedling production for income	Maintenance of school
2	Coffee outside forest	Maintenance of clinic
3	Tree planting for income and own consumption	Maintenance of road
4	Fuel saving stove	Bee keeping
5	Fruit tree planting	Fattening (intensive and through cutting and carry system)

For more information please visit
websites below

<https://www.oflp.et>

<https://www.biocarbonfund.isfl.org>

**THANK YOU FOR YOUR
ATTENTION**