Guidance on Setting up a Country Package for Forests, Climate and Nature

This document provides suggestions for how to think about, develop, and implement a Country Package for Forests, Climate and Nature, based on the initial experiences of countries that have progressed along this path, and their partners. As there is no single approach to a successful Country Package, the document is intended simply to help inform discussions. A summary of the six Country Packages launched to date can be found on the FCLP website here.

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¹ While the Forest & Climate Leaders' Partnership (FCLP) has been a pioneer promotor of the Country Packages model, the approach is not solely intended to support FCLP country members. The model, lessons learned, and knowledge resources may be of use to a range of interested countries and other stakeholders.

1. Introduction

'Country Packages for forests, climate and nature'² are integrated packages of technical, financial, and diplomatic support; investment; and business partnerships that aim to support the achievement of a developing country's ambitious forest, climate and biodiversity goals. As such, they are designed under the leadership of each developing country and reflect their needs and priorities, based on their national circumstances, policies and legislation.

As part of the Country Package design process, the host country engages a range of public, private, multilateral and philanthropic institutions in an actively coordinated arrangement to support the national goals. A coordinated approach brings many actors together to create a unified whole-of-government and multisectoral approach towards delivering nature targets and can help tackle a range of challenges such as implementation capacity or budgetary constraints.³ This intensive coordination can help partners identify opportunities to co-invest, use public finance to de-risk private sector investment, coordinate technical assistance, or sequence support tools. It can also help minimise duplicative programs.

While there is no Country Package branding or rule book, there is value in building a common conceptual base to inform thinking about potential for this approach, help identify relevant tools and instruments, learn from previous coordination experiences, and socialise the concept amongst potential partners.

A Country Package will look very different in each country. Its content, structure, and coordination approach will need to be highly customized to reflect the ambitions, capacities, challenges, and current programs of the relevant country, and capacities of interested partners.

² Referred to throughout this document as 'Country Packages'

³ Country Packages are expected to benefit a full range of participants and stakeholders. For the country itself, the Package could provide welcome investment, finance, and technical support to help accelerate implementation of forest and climate strategies, and facilitate even more ambitious goals in the future. For indigenous peoples, local communities, landowners, and other stakeholders on the ground, Country Packages could help drive support for conservation, restoration, and sustainable agriculture, and other economic activities consistent with host government NDCs and NBSAPs. For other partners, they could help reduce overlaps (and gaps) in programmes and financing, generate opportunities for co-investment and blended finance, help unlock barriers to investment, and help better synchronize policy, finance and investment around a mutually recognised set of goals.

Still, the models presented here are suggestions for good practice based on experiences of other Country Packages and should be adapted to the country context and priorities of the partners.

2. Conditions for success

While Country Packages will vary greatly from country to country, early experiences point to certain elements which may enhance the effectiveness of the Country Package model and make participation by a range of partners more attractive. Common elements identified include:

- Clear, ambitious national forest and climate goals: The purpose of a Country Package is to help
 achieve a country's own ambitious climate, forest, and nature goals, and the Package should be
 designed with this aim in mind. Where goals have not been clearly and formally articulated, it is
 more difficult to design and promote a coherent Country Package. Examples of ambitious goals
 include zero deforestation by 2030, or achieving a net carbon sink in the land sector by 2030.
- National strategy: A Country Package does not take the place of a robust national strategy for achieving the national goals, and associated domestic policies, programmes and budgets. The form of this strategy may differ; examples include: a national forest strategy, national REDD+4 action plan, or the forest component of a national climate strategy. As an approach that aims to bring in a wide range of partners with diverse investment, financing, and support approaches, national policy and legal frameworks should be open to and conducive of private sector investment and business, philanthropic grants, bilateral and multilateral partnerships, etc.

 Where private sector support is limited by policy and legal frameworks, or made less attractive by macroeconomic conditions, the Country Package model may not be as suitable.
- Country leadership: As a model that aims to support a country's own goals and fill gaps in the implementation of its strategies, a successful Package needs a country's teams to be clearly in the lead in the Country Package design and coordination, and have dedicated capacity for the initiative. This leadership should extend from the leader/ ministerial level to technical teams. External consultants do not replace country leadership, but can help bolster technical capacity. An ecosystem of support resources is emerging to help build capacity; see section 6. Support for setting up a Country Package for details.
- **Co-creation**: Partners interested in the Country Package model have been clear that they want to contribute to the design from early phases, and not presented with a fully formed proposal. This allows partners to suggest ways they might support national goals, identify challenges with proposed approaches, and help design an approach that attracts additional support. The Country Packages moving fastest have engaged a range of partners early.

⁴ Per the UNFCCC, reducing emissions from deforestation and forest degradation, plus the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks.

3. Structure and coordination

The host country drives the priorities and content of a Country Package, ensuring cross-government consultation and ownership, and appropriate policy reforms. At the same time, the coordinated model of a Country Package also requires structured engagement with a range of partners, as well as with domestic stakeholders. A governance structure for the implementation of a Country Package may want to consider the following components:

- Lead Minister and ministry. This could be the country's Finance or Planning minister (or similar), with a core group of other Ministers and ministries (e.g. Environment, Agriculture, Planning) providing input and support.
- In-country delivery/coordination team: The day-to-day implementation of the Country Package could be undertaken by a Delivery Team, which may include non-national experts and which can also serve as the Secretariat. The Secretariat may operate under the direction of a ministerial department and could be responsible for (i) partner engagement (ii) programme coordination and project implementation in conjunction with relevant agencies, (iii) development of technical products (iv) communications and (v) engagement with domestic stakeholders. The delivery/coordination team would be overseen by the host country.
- Delivery Committee: A platform that brings together partners who have allocated (or are
 interested in allocating) resources and the host country representatives together with the
 secretariat. The Delivery Committee would meet periodically to help design the Package,
 provide guidance on priority areas of interest, identify opportunities to coordinate and leverage
 support, and receive updates from the host country. The frequency of meetings may vary, for
 example monthly during the design process and quarterly during implementation. Chaired by
 host country.
- Country Steering Committee: This committee may include relevant government agencies, represented by high level officials, representatives from the private sector and civil society organisations. The Country Steering Committee would meet regularly to provide the strategic country focus for the Country Package.
- Stakeholder engagement platform: The host country may wish to consider structured ways to engage a broad range of domestic stakeholders in order to provide transparency on the Country Package process, discuss opportunities to support stakeholder activities consistent with the package and address concerns. Relevant stakeholders may include: subnational governments, indigenous peoples, local communities, civil society, and domestic private sector entities. The host country may elect to use existing engagement platforms or to create a bespoke approach for the Country Platform.



Figure 1: A potential governance structure of a Country Package, noting that not all components are applicable for all countries.

4. Identifying and engaging partners

In addition to the country government there will be a range of relevant or interested international and local actors that should be considered as potential partners. These partners can assist in filling implementation gaps identified by the host country through a range of tools. Some may already be active in the country, others may have interest in engaging. The appropriate mix of partners will depend on the implementation gaps the host country has identified, and the potential range of support tools that could help fill those gaps (see below). Examples of categories of partner include:

- Governments: Bilateral partners may provide support to Country Package implementation through a range of tools including bilateral grant and technical assistance programs, resultsbased payments, and purchases of carbon credits.
- Multilateral development banks (MDBs): MDBs may coordinate new programmes, or adjust the
 work of existing programmes, to support Country Package implementation. Some MDBs also
 provide credit guarantees and political risk insurance, or manage results-based payment and
 carbon crediting programmes.
- Development finance institutions (DFIs): DFIs manage a range of tools that may help attract
 private finance and investment, including credit guarantees and political risk insurance. DFIs
 may also provide direct equity investment for projects consistent with the Country Package's
 aims.
- Private finance institutions: Financial institutions, whether domestic or international, manage a
 range of tools that may facilitate implementation of activities in support of a Country Package.
 These include equity investments, long term loans, and bond issuances. They may also offer
 lines of credit with preferential terms to clients in an area adopting best practices promoted to
 achieve Country Package aims.

- Investment firms: Investment firms and private investors, small or large, may provide direct
 investment activities that support a Country Package. They may take a senior or junior stake, or
 provide "angel" investment. Some firms also aggregate smaller projects into larger investment
 vehicles, helping make them more attractive to commercial investors, and increasing
 implementation scale. Note that some large civil society organizations also manage investment
 arms.
- Private sector companies: Private companies may play a range of roles in supporting Country
 Package implementation. Traders or large buyers could offer offtake agreements with
 preferential terms for products produced in a region covered by package activities. Companies
 with a footprint withing a package area may commit to better practices, for example zero
 deforestation or land restoration. Agribusiness or forestry companies may enhance extension
 services to expand the application of best practices. Companies may offer financing to
 producers or clients to adopt more sustainable practices. They may purchase carbon credits
 generated in a package area.
- **Philanthropy**: Foundations may provide direct grants to host governments or other organizations to implement activities that help fill gaps identified through the Country Package process. They may also provide "angel" or junior-tranche investments for projects in the package area.
- Civil Society: Civil society organizations may provide technical assistance to help implement
 projects consistent with the Country Package, and may implement projects financed by the
 types of partners noted above to fill gaps identified through the package process.

The FCLP's International Working Group on Country Packages is a good entry point to support in identifying potential new partners. Please contact secretariat@forestclimateleaders.org for more details. Limited technical and financial support may also be available to help identify and engage partners; see section 6. Support for setting up a Country Package.

Process for setting up and implementing a Country Package

The design and implementation of Country Packages are likely to be processes comprising multiple phases/steps. Below is a suggested model of sequencing and timelines based on country experiences; this model should be adapted to the country context. These can be summarised into four broad phases:

- Phase 1: Internal government consultation, agreement on country priorities and identification of interested partners
- Phase 2: Partner engagement and mobilisation
- Phase 3: Announcement
- Phase 4: Consolidation and implementation

Limited technical and financial support may be available to help identify priorities, gaps, and potential support tools, and to help coordinate partners - see section *6. Support for setting up a Country Package*.

Phase 1: Internal government consultation, agreement on country priorities and identification of interested partners [estimate: 6 months – 1 year]

1. Define the objective of a Country Package for the country

a. Identify which high-level national goal the package will support, e.g. zero deforestation by 2030, or converting the land sector to a net carbon sink by 2030. To be most compelling, the goal should reflect an established national priority, be clearly defined, and be quantified or quantifiable.

2. Compile information on existing status

- a. Identify domestic actors, governmental and non-governmental, with significant influence on the achievement of the target;
- b. Identify the strategy/ strategies or plan(s) that guide work towards the goal;
- c. Assess existing policies, programs, support and partnerships, domestic and international, that contribute to the achievement of the identified goal.

3. Identify critical gaps in progress towards the goal, and potential avenues to filling these gaps

- a. Determine what additional policy, actions, investments, infrastructure or capacity are needed to achieve the goal;
- b. Consider different approaches to implementing what is needed, and different support types (e.g. technical assistance via bilateral project, or via extension service of a partner country, or investment or loan to build a facility);
- c. Consider whether there are some 'quick wins' e.g. scaling existing projects or initiatives.

An inventory of support tools document produced by the FCLP outlines the types of financial and technical support that may be relevant to Country Packages, and provides examples of the types of organizations that manage these tools. Please contact secretariat@forestclimateleaders.org for a copy.

Phase 2: Partner engagement and mobilisation [estimate: 6 months - ongoing]

- 1. Identify potential partners, international and domestic, existing and new. Consider the types of partners that may help fulfill implementation gaps identified (see above), and the tools and instruments they might deploy. Best practices might include:
 - a. Consider the types of partners that manage the tools relevant to filling identified gaps (e.g. carbon credits offtake agreements, technical assistance programs, equity investments, credit lines);
 - b. Reach out to potential partners (see below)

- c. Consider if there is an existing partners/ donors coordination mechanism to build on. If
 a successful mechanism exists, it might be adapted or expanded upon to help
 coordinate country package partners;
- d. Identify which organizations have already expressed an interest in being engaged in a country package discussion in a given country, and should form part of the country partners group.
- e. Identify other partners that would help fulfill obvious gaps in relevant instruments, and invite them to form part of discussions. (The composition of a country partners group may expand as Package discussions evolve.)
- 2. Begin outreach to potential partners using appropriate channels, including but not limited to:
 - a. Discussions with existing development partners;
 - b. Conversations with embassy and/or representatives in capital;
 - c. Outreach via national development banks or agencies;
 - d. Contact with relevant national or international sectoral associations, e.g. International Cocoa Foundation;
 - e. Targeted presentations at key national or international events, e.g. Davos, national investment weeks.

Some host countries have found it useful to work closely with a handful of lead partners, who can in turn help identify additional partners to engage. The FCLP International Working Group may also help connect a host country to potential partners that manage specific tools or have expressed an interest in relevant topics.

- **3. Initiate consultations with potential partners.** Familiarize relevant organizations with the Country Package model, the goals of the specific package, and the process envisioned. Seek to better understand the institution's priorities, the tools and instruments it manages, and its own process. If initial interest is sufficient, identify a point person for engagement in the Country Package process. Maintain regular contact.
- **4. Convene key stakeholders**. Each country partner group may bring together the partners interested in supporting the Country Package government and philanthropic, multilateral and private sector, etc. Partners may be international or domestic. This is the heart of the Country Package model coordination amongst a diverse set of institutions working to support a common aim. Partners should be brought together early enough in the package design process to help inform the design. This allows partners to:
 - a. Help identify areas where their potential tools or instruments could help accelerate action, as well as policy or other roadblocks that could be addressed to facilitate the use of these tools.
 - b. Identify opportunities where one partner's engagement might leverage the support of others, for example: (i) A government providing a credit guarantee that facilitates

private sector investment; (ii) One investor taking a junior position in an equity investment, allowing a larger investor to come in at lower risk in a senior role; (iii) One partner providing technical assistance that allows key stakeholders to better access lines of credit, grants, or procurement processes offered by another partner; (iv) Partners providing technical assistance in neighboring, rather than overlapping, jurisdictions to expand coverage.

Processes to facilitate coordination of partners may include: (i) Establishing an email group or other system to facilitate sharing of materials – for example, on existing programs or partnerships, strategies, investment plans, investment pipelines. (ii) Considering the appropriate frequency for virtual meetings to share information and identify potential co-investment, etc. opportunities. Monthly may be appropriate to start. (iii) Exploring the need for smaller discussions amongst subsets of partners, for example around specific activity types, geographies, or partnership or investment opportunities. (iv) Considering whether there are planned events or summits that may serve as opportunities to bring partners together in-person (e.g. national climate summits or investment weeks, NY Climate Week). Also consider whether bespoke events like investment fairs or roundtables are appropriate.

- **5. Design and develop a plan of action** including the plan of needed actions, associated investment plan(s) and resource mobilisation mechanisms, working with partners (see above):
 - a. Compile the information on the gaps remaining to achieve the identified national goal, and the actions needed to fill these gaps;
 - b. Identify for each action the tools or instruments that may support undertaking the relevant action. In some cases more than one type of tool may be relevant. For example, an expansion of agricultural extension services in a region might be undertaken via a grant to the agriculture ministry, a technical assistance program implemented by a partner, or an enhancement of extension services by a commodity company;
 - c. Consider which potential partners might provide the identified tools or instruments. In many cases, these might build on existing programs/initiatives;
 - **d.** Continue to identify potential additional partners and types of support needed to fill any remaining implementation gaps.

Phase 3: Announcement

Host countries and partners may elect to make a high-profile public announcement of the Country Package once the design process and partner engagement are sufficiently advanced. Such an announcement provides a platform for generating interest and excitement, showcasing ambition and attracting more investment. In most cases, a public announcement will include the following elements:

- The national goal supported by the Country Package;
- High-level summary of the package design (e.g. thematic areas of focus, geographical priorities);

- Identification of partners supporting the package to date;
- Enhanced actions the host government is taking;
- Opportunities for further support and engagement;
- Point of contact for the host government

In some cases, host countries and partners have chosen to also provide more detailed information on the activities being supported by different partners, and on overall support and investment mobilized to date. This might be done through an annex to a shorter announcement, or on for example a ministry website that is easily updated. Host countries may also wish to make available their plans of action and investment plans, to help make visible additional support and investment opportunities.

Announcements may be made at high-level national or international fora (e.g. Oslo Tropical Forests Forum, UNFCCC or CBD Conferences of the Parties, New York Climate Week, or Davos). Host governments might also convene a high-level announcement event specifically focused on the Country Package without tying the timing to another event. These events can serve as a political mechanism to build coalitions and consolidate support.

Announcements might also take place via a more simple press release, or a posting on a governmental website.

Phase 4: Consolidation and Implementation

The implementation of a Country Package will be ongoing and iterative. Elements include:

- Implementation of individual components of the package, e.g. technical assistance programs, investment to build a facility, design of domestic lines of credit;
- Continued coordination amongst partners to ensure awareness of package implementation, identify additional opportunities for support, and help resolve challenges that may arise;
- Identification of additional gaps and support needs that may arise;
- Continued identification of any additional partners that may be needed to help fill implementation gaps;
- Refinement of strategic documents and delivery plans, in-country governance and process.

While each individual component of a Country Package is monitored as appropriate to that tool, instrument, or partnership, the host government may wish to consider also monitoring the implementation of the package as whole. This will provide opportunities to understand progress towards achieving the identified goal, assess the effectiveness of the package approach, identify opportunities and problems early, and propose refinements or adjustments as needed. The host country might wish to report on such monitoring regularly to partners, and consider making these reports available publicly via published reports, government websites, or public presentations, as appropriate.

6. Support for setting up a Country Package

While the Country Package process is host country-led, limited support may be available for the design and coordination of a package. This is separate from, and complementary to, support to implement components of the package. Different kinds of support will be more applicable at different stages of the Country Package development, see diagrammatic representation below:

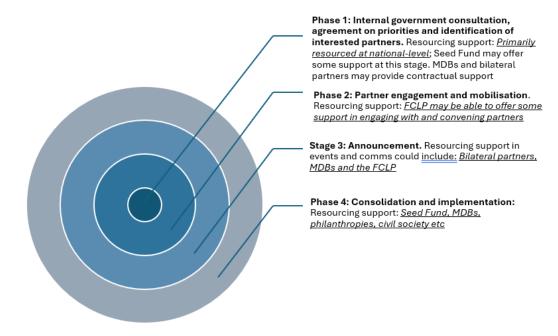


Figure 2. Some suggested support potentially available at different phases of the Country Package development.

Host countries may turn to different sources for support for Package development. Notably, the USD 115m **Seed Fund:** was established by France, Conservation International, the Moore Foundation, and the Walton Foundation for countries considering setting up a Country Package and for implementing deeper and more ambitious Country Packages. The Seed Fund can support both the initial design of the Package, and implementation. The criteria for investments are relatively broad, as the Seed Fund seeks to support country-driven priorities. The Seed Fund is looking to invest in supporting Country Packages; please contact Herbert Lust hlust@conservation.org for more information.

A range of partners could provide the technical, financial, and diplomatic support; investment; and business partnerships necessary to implement the comprehensive frameworks. The most appropriate combination of partners will depend on the specific priorities and needs of each Country Package. Resourcing may be available from (non-exhaustive list):

- **Bilateral partners:** Where a country has partnerships with other governments in the forests and climate space, existing projects might be able to provide limited resources to hire consultants, support convenings, or facilitate meetings in support of the development of a Country Package.
- Multilateral development banks: Similarly, a country may be able to draw on existing projects
 implemented by MDBs to help support the development of a Country Package by contracting
 consultants to carry out studies or work on coordination, or by supporting meetings and
 consultations.
- **Philanthropies:** Several philanthropies with portfolios in Country Package host countries have expressed an openness to supporting in-country capacity and coordination for emerging packages.
- Civil society: Where host countries have close relationships with civil society organizations, these NGOs may be willing to provide limited human capacity to support the development of a Country Package, help facilitate consultations, develop documents, etc.

The **Forest & Climate Leaders Partnership** focus on Country Packages is at the global level, helping to build a shared understanding of best practices and mobilize support for the model. The FCLP, through its global-level International Working Group (IWG) on Country Packages, is able to work to connect interested partners to countries, based on opportunities identified via the IWG or the Packages Advisory Group, high-level events, or direct conversations. For FCLP member countries, the FCLP is able to provide very limited support, budget permitting, to coordinate the Country Package process in-country. This may take the form of time-limited support to hire an in-country coordinator of the host country's choosing, to facilitate the development of a package and coordination of partners. The expectation is that resourcing for this person will over time be supported by the host country or other partners.