Community of Practice:

"REDD+ and best practices integrating forests and tree-based mitigation and adaptation in response to climate change in Africa"

BASIC CONCEPTS ON REDD+

By

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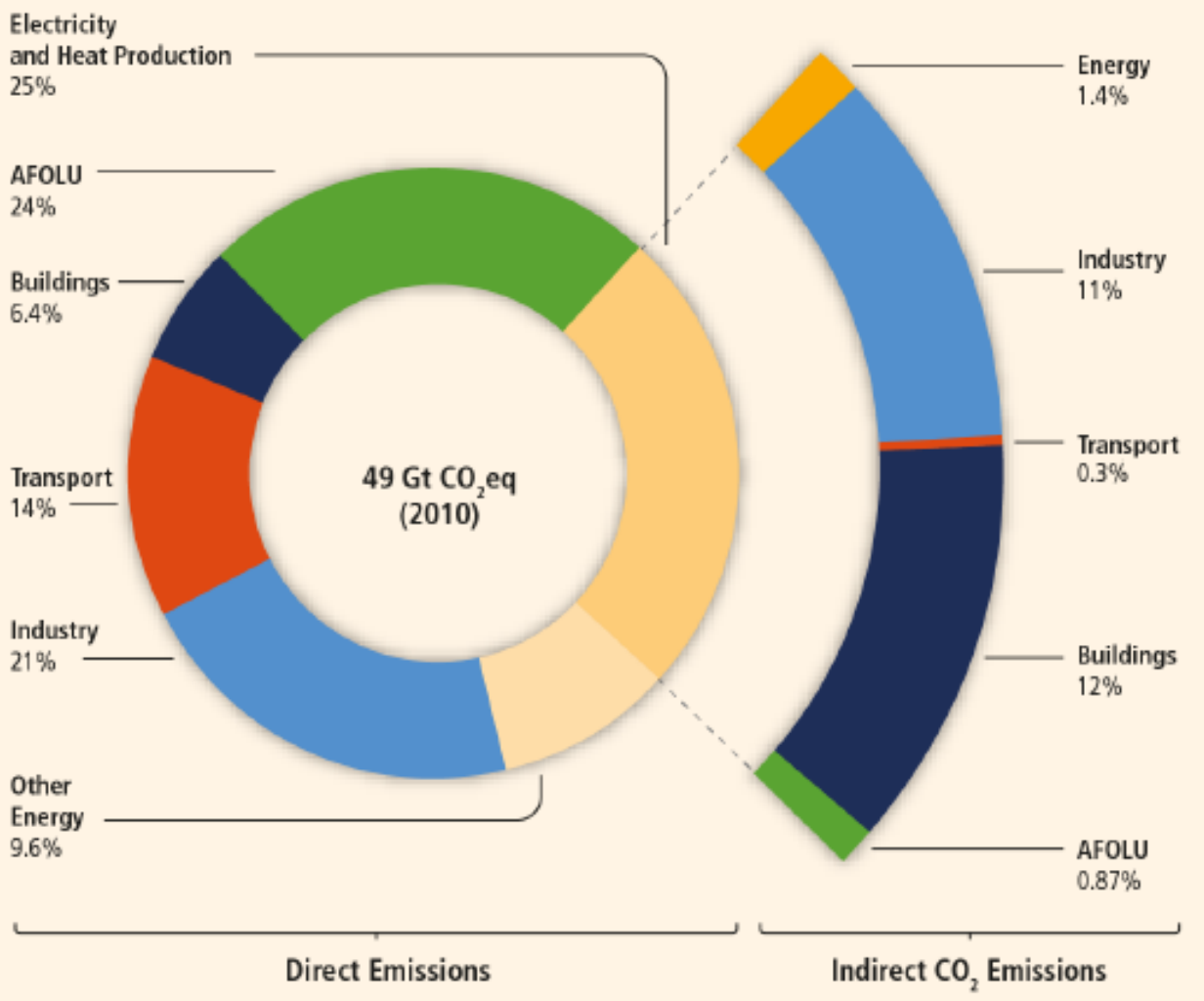
Context



Tropical forests store significant amounts of carbon in above- and belowground biomass, dead wood, litter, and soil, yet they are being converted and degraded at alarming rates.

Deforestation impacts global GHG emissions by releasing carbon dioxide (CO2) to the atmosphere.

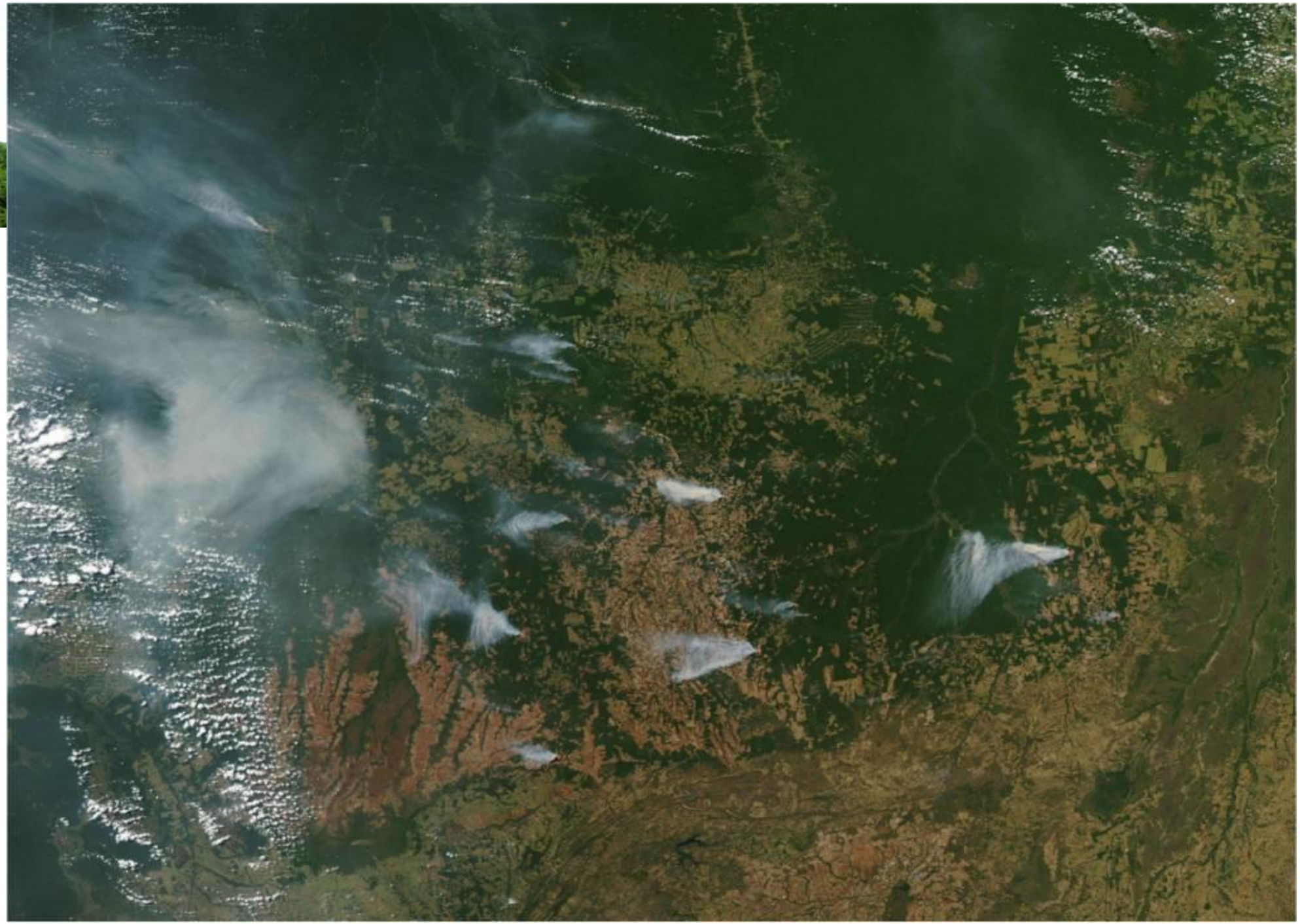
A significant amount of emissions is from deforestation.

IPCC,2014

Context

Forests play an essential role in global climate regulation as well as catchment protection; conservation of biodiversity; food availability, availability of fuelwood for local communities.

The increase in the rate of deforestation and forest degradation in recent decades has raised concerns due to many reasons, these are loss of biodiversity, contribution to climate change, negative impacts on rural livelihoods and damage to ecosystem services such as water supply.



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Context

Deforestation and forest degradation account for about 10 to 12% of total global anthropogenic greenhouse gas (GHG) emissions responsible for climate change (Le Quéré et al. 2015, Hansen et al. 2013). In response to the situation in 2005, tropical countries, initiated a discussion on deforestation as part of the negotiations within the United Nations Framework Convention on Climate Change (UNFCCC).

From these discussions, the concept of reducing emissions from deforestation and forest degradation (REDD) emerged. The concept of REDD was then expanded to include conservation of forest carbon stocks, sustainable forest management and enhancement of forest carbon stocks. The combination of the REDD concept associated with these three additional activities is called REDD+.

Context

2005	**COP11 Montreal** RED discussions started. Papua New Guinea and Costa Rica asked for new agenda item: “Reducing emissions from deforestation in developing. countries: Approaches to stimulate action.”
2007	**COP13 Bali** Bali Action Plan was provided, in which the RED concept was broadened to REDD+.
2009	**COP15 Copenhagen** Methodological guidance for REDD+ activities was developed.
2010	**COP16 Cancun** Cancun Agreements were established, including policy approaches and positive incentives on issues relating to REDD+.
2013	**COP19 Warsaw** REDD+ package was developed, including modalities and guidance for establishing national forest-monitoring systems; measuring, reporting, and verification (MRV); and forest reference (emission) levels and addressing safeguards and drivers.

What is REDD+?

The UNFCCC through the IPCC has demonstrated through research that forest sector activities are an opportunity to reduce emissions and increase removals in a cost-effective manner. The concept and types of activities known as Reducing Emissions for Deforestation and Degradation (REDD+) deal with:

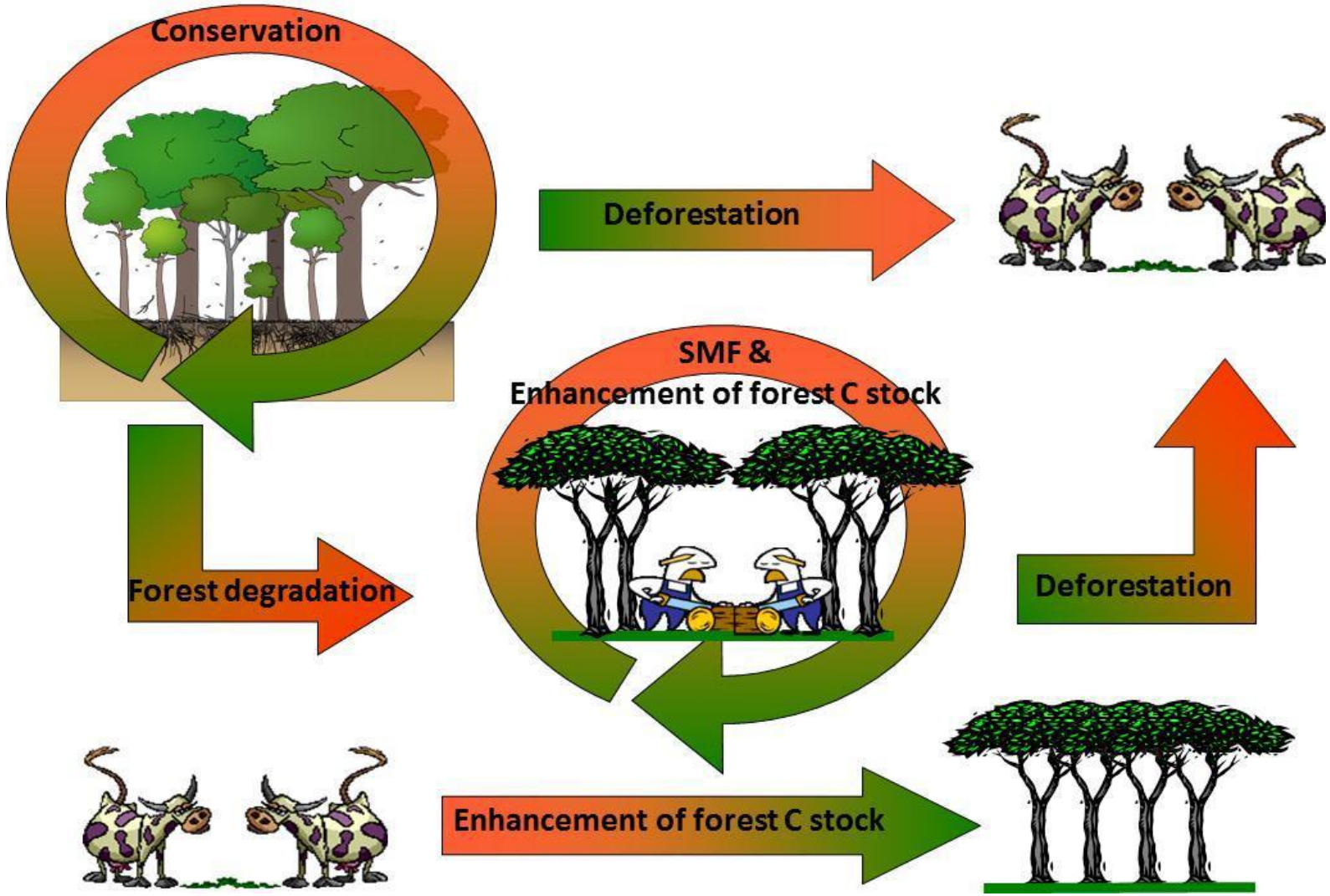
"Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries" (UNFCCC, 2010).

What is REDD+?

In concrete terms, it is a mechanism that aims to reward financially actions in developing countries that aim to:

- *Reducing greenhouse gas emissions from deforestation and forest degradation;*
- *Promoting conservation and sustainable management of forests;*
- *Increasing and enhancing forest carbon stocks*

REDD+ Activity Cycle



REDD+ principles

- Parties should collectively aim to slow, halt, and reverse forest cover and carbon loss, thereby addressing the five REDD+ activities.
- Participation is voluntary and in accordance with respective capacities and national circumstances.
- Performance-based payments are based on the difference between actual forest emissions and a reference level, which requires:
- Methodologies to estimate actual emissions and removals
- Establishment of a reference level with the same coverage of emissions and removals
- REDD+ results-based actions should be measured, reported, and verified (MRV); full implementation requires national monitoring systems.

Phased Approach for implementation

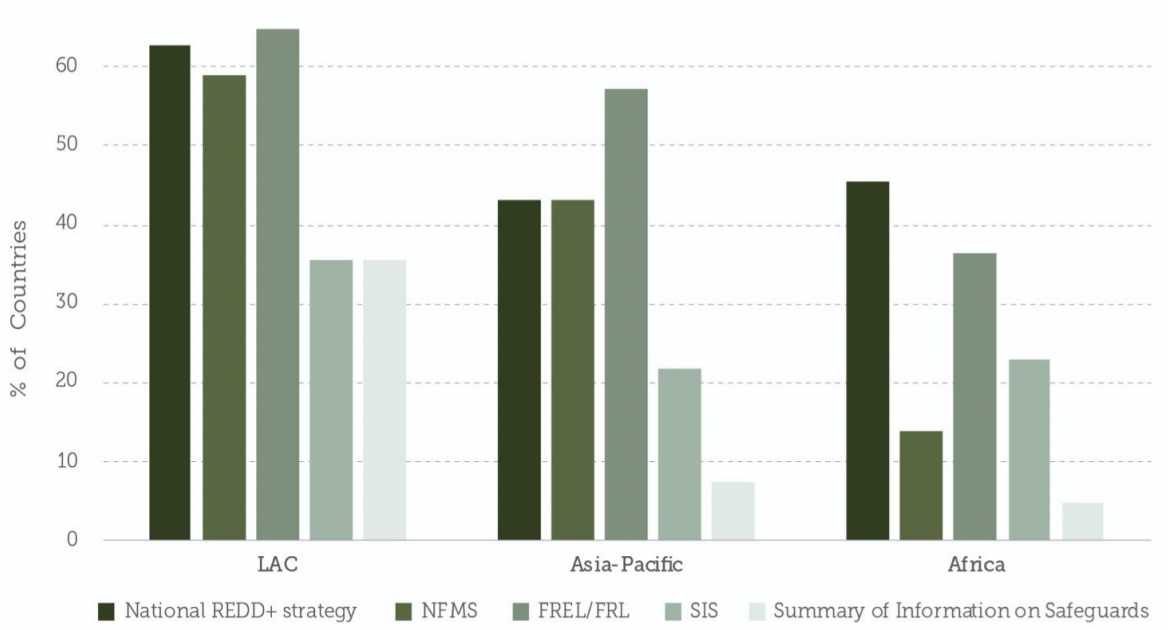
Phases		Characteristics	MRV activities
Phase 1	Readiness	National strategy or action plan formulation, development of policies and measures and capacity building	Capacity-development needs; roadmap development
Phase 2	Transition, implementation, and capacity building	Implementation of national policies and measures and national strategies or action plans (further capacity building); technology development and transfer and results-based demonstration activities	Demonstration activities; monitoring system development
Phase 3	Full implementation	Implementation of national policies and measures on the whole national territory; results-based actions that should be fully measured, reported, and verified	national performance monitoring system; fully operational MRV system to report REDD+ mitigation performance in CO_2e

Brief focus on Phase I key activities

Countries are required to :

- Produce a readiness plan idea note (R -PIN) for REDD+, after which a readiness preparation proposal is developed (R-PP).
- Setting-up of the Institutional arrangements including REDD+ readiness process coordination
- Coordination and implementation of the REDD+ readiness process;
- Recruitment of REDD+ technical experts to support the national REDD+
- Capacity building
- Strengthening of stakeholders' engagement in the REDD+ process,
- Develop the National Forest Monitoring System
- Develop the NRE/FREL
- Analysis of drivers of deforestation and forest degraation and designing strategic options for REDD+
- Conducting of a Strategic Environmental and Social Assessment (SESA),
- Support of the early implementation of the feedback and grievance redress mechanism;
- Support of the REDD+ implementation framework by analysing legal and institutional issues
- Development of the benefit sharing mechanism
- Support of activities geared at developing a national REDD+ strategy ;
- Etc.

The Warsaw Framework



Regional REDD+ progress towads achieving the Warsaw famework accordin to GCF survey in 2019

REDD+ Contribution to Climate Change Adapatation

- Forests play important roles in livelihood resilience and poverty reduction for many hundreds of millions of people. In 2004, the total value of cash and non-cash forest income to forest dependent rural households in the developing world is estimated at more than 130 billion dollars. It is certainly worth more today.

- REDD+ has the potential to contribute significantly to benefits for people and nature, but if badly designed could inadvertently harm people.

REDD+ Contribution to Climate Change Adapatation

REDD+ has the capacity to conribute directly to:

- Promotion of sustainable farming practices with agroforestry systems;
- Promotion of sustainable agricultural production;
- Biodiversity enhancement;
- Promotion of participatory governance of sustainable harvesting and marketing of NTFPs;
- Promotion of ecotourism activities with communities engagement;
- Improved water supply in the community

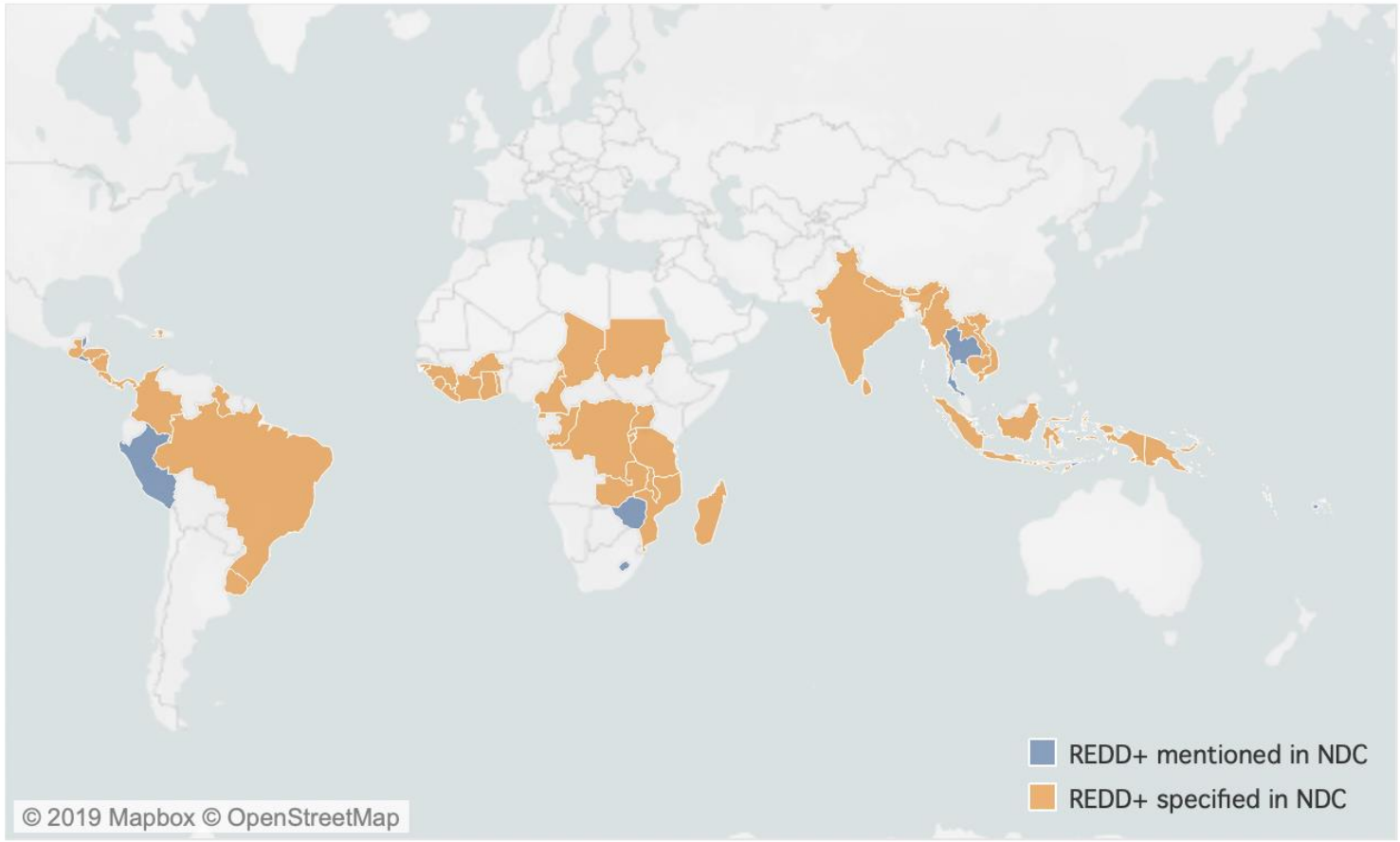
Indirectly, carbon payements could be insvested in productive sectors like agriculture development, thus fostering population resilience against Climate Change

REDD+ Contribution to Climate Change Mitigation

- African tropical forests are characterised by high carbon storage per unit area and consistently low alpha-diversity (even the most species-rich African plot had fewer species than the median species richness recorded in South America and Asia).
- REDD+ could contribute to encrease forest carbon stoage and prevent millions of tonnes of carbon dioxide from reaching the atmosphere and contributing to global climate change.
- REDD+ offers a great opportunity for meeting the 1.50C temperature reduction target stated in the Paris Agreement.

REDD+ Contribution to Climate Change Mitigation

Through their existing NDCs, several countries have communicated that their mitigation efforts in the forest sector will be coordinated through their REDD+ frameworks, highlighting the importance of REDD+ in national efforts of reducing global emsisions of GHG.



How to share benefit from REDD+?

The Sofala community carbon project in Mozambique (Expected 796,005 tCO2e GHG emission reductions by 2048). The payment from the expected results to be shared as follows:

Community (50%):

- 10% for collective social investments (schools, benefit the entire population). Such investments could be considered as co-benefits of the sustainable forest management
- 40% for (i) individual or collective productive investments in income-generating activities and improvements of the agro-pastoral system, and (ii) direct incentives for conservation.

Project (30%):

- 20% for the PA and REDD+ Project manager to cover management and operating costs;
- 3% for the trust agency responsible for managing and disbursing carbon funding;
- 3% to cover specific technical fees for the carbon project (MRV, reference scenario updates);
- 4% for marketing/trading fees;

State (20%)

Examples of benefit sharing approach

Kariba REDD+ project in Zimbabwe (expected to generate 196,513,929.00 tCO2e of emisson reduction)

Benefit sharing:

- Mbire Rural Development Council (34%)
- Nyaminyami Rural Development Council (29%)
- Binga Rural Development Council (20%)
- Hurubgwe Rural Development Council (17%)

Examples of benefit sharing approach

The Kasigau Phase II project, in Kenya (38,759,010 tCO2e anticipated emission reduction within 30 years of crediting period)

Benefit sharing:

Local community (1/3) (given to a group (e.g. women's group, youth groups etc) for the implementation of an activity which will generate new incomes.

Shareholders of the land (1/3)

WWC (1/3).

Some Challenges on development and implementation of REDD+

- Financing of REDD+ process and projects;
- Stakeholder engagement and capacity building;
- Development of Benefice sharing mechanism;
- Clarifying benefit to different stakeholder;
- Development of a nested system for REDD+;
- REDD+ Project Development;
- Private sector engagement;
- Carbon stocks Measurement and Monitoring;
- Etc.

REDD+ Financing

REDD+ at its conception was to be financed based on the following principles:

« Increased, additional, predictable and adequate funding from both public and private sources should be made available to developing countries. Financial commitments by developed countries should come primarily from public sources, and funding through private sources should be complementary to, not a substitute for, such funding »

The principle of common but differentiated responsibility stipulates:

« Developed countries, because of their "historical responsibility" for the responsibility" for the degradation of the world environment, must financially support the developing countries. Developing countries must participate in global efforts to fight against against CC, because the protection of the environment is no longer presented as an obstacle to development »

REDD+ Financing

During climate negotiations, parties proposed 2 financing options:

- Climate funds
- The carbon market

REDD+ Financing

Climate funds:

a) Carbon Tax

From developed countries (current and historical polluters) or Annex 1 countries that credit them through the Carbon Tax generally applied in the energy sector (fossil fuels) with a repercussion on derivatives and users; renewable energies are automatically exempted; It is applied per ton of carbon emitted and costs vary by country from 0.99 to 113 €/tco2 (Mexico, Sweden).

b) National budgets

Climate funds are financed by national budgets in countries where carbon taxation is not effective or is still implicit.They are also financed by other types of taxes, like the tax on financial transactions and the tax on airline tickets; but also funds for sustainable development

REDD+ Financing

Examples Climate funds:

- The Forest Carbon Partnership Facility (FCPF),for which the World Bank serves as the Trustee of the funds and Secretariat of the Facility, the Forest Investment Program (FIP), also managed by the World Bank, and the United Nations collaborative initiative on REDD+ (UN-REDD). Upon approval of the R-PP by the Participants Committee (PC) of the Forest Carbon Partnership Facility (FCPF), the country in question signs a grant agreement after which it receives a readiness grant of up to US$ 3,600,000 from the FCPF. Countries have possibilities to further receive up to USD 200 000 from the FCPF to strengthen their national grievance and feedback mechanisms.
- The UN-REDD supported over the last past decade (2008 – 2018), 65 countries of which nearly 50% are from Africa. Six country donors (Denmark, Japan, Luxembourg, Norway, Spain and Switzerland) contributed USD 293.1 million to the UN-REDD Programme, and the EU added USD 26.46 million, reaching a total of USD 319.63 million for the 10-year period (2008-2018)

REDD+ Financing

Examples Climate funds:

- The Forest Investment Program (FIP), established in 2008 with USD 749.9 million as part of the Climate Investment Funds, has built a portfolio of 34 projects, 21 of which projects are under implementation in eight countries (Brazil, Burkina Faso, the Democratic Republic of the Congo, Ghana, Indonesia, the Lao People's Democratic Republic, Mozambique and Mexico), accounting for a total of USD 340.6 million of active investments (Climate Investment Funds, 2019).
- GEF-7 has a total replenishment level of USD 4,068 million for programming, of which USD 511 million is dedicated to the climate change focal area (GEF, 2018a). As of September 2018, 96 countries had received a total funding of USD 25 million for the preparation of their BURs (USD 400,000 on average per country)

REDD+ Financing

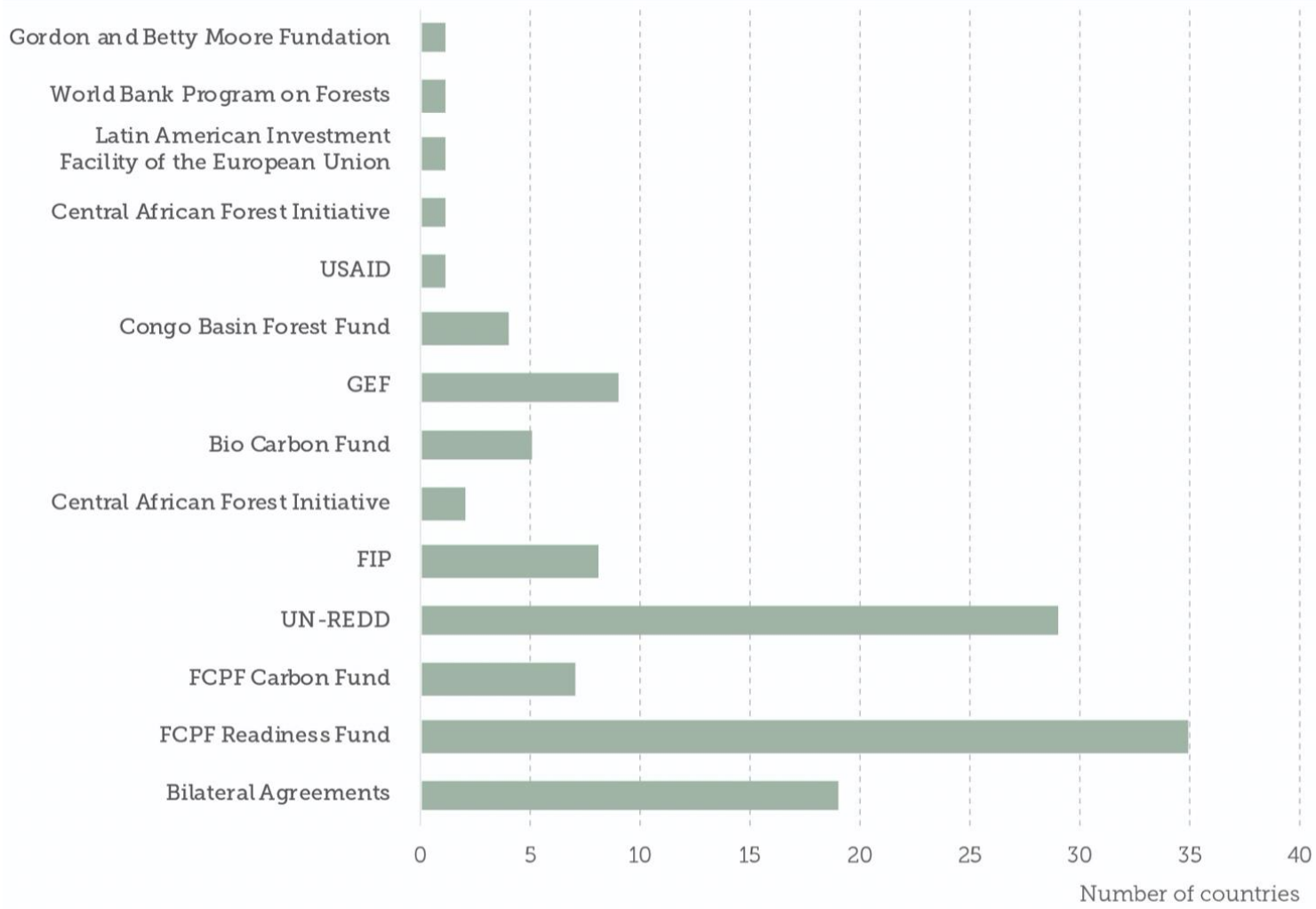
- the GCF portfolio with USD 300 million in GCF resources and the mobilizing additional USD 330 million. In addition, GCF readiness support to enable fostering forest-related investments is being implemented in eight countries,3 accounting for USD 4.5 million.

- The EU Programme on Global Public Goods and Challenges 2020 (EU, 2018). Under this programme, the EU states its interest to continue supporting REDD+ and the implementation of the forest and land dimension of NDCs (e.g. through its REDD facility the EU supported several countries in Africa and Asia and is currently scaling up in Latin America12).

REDD+ Financing

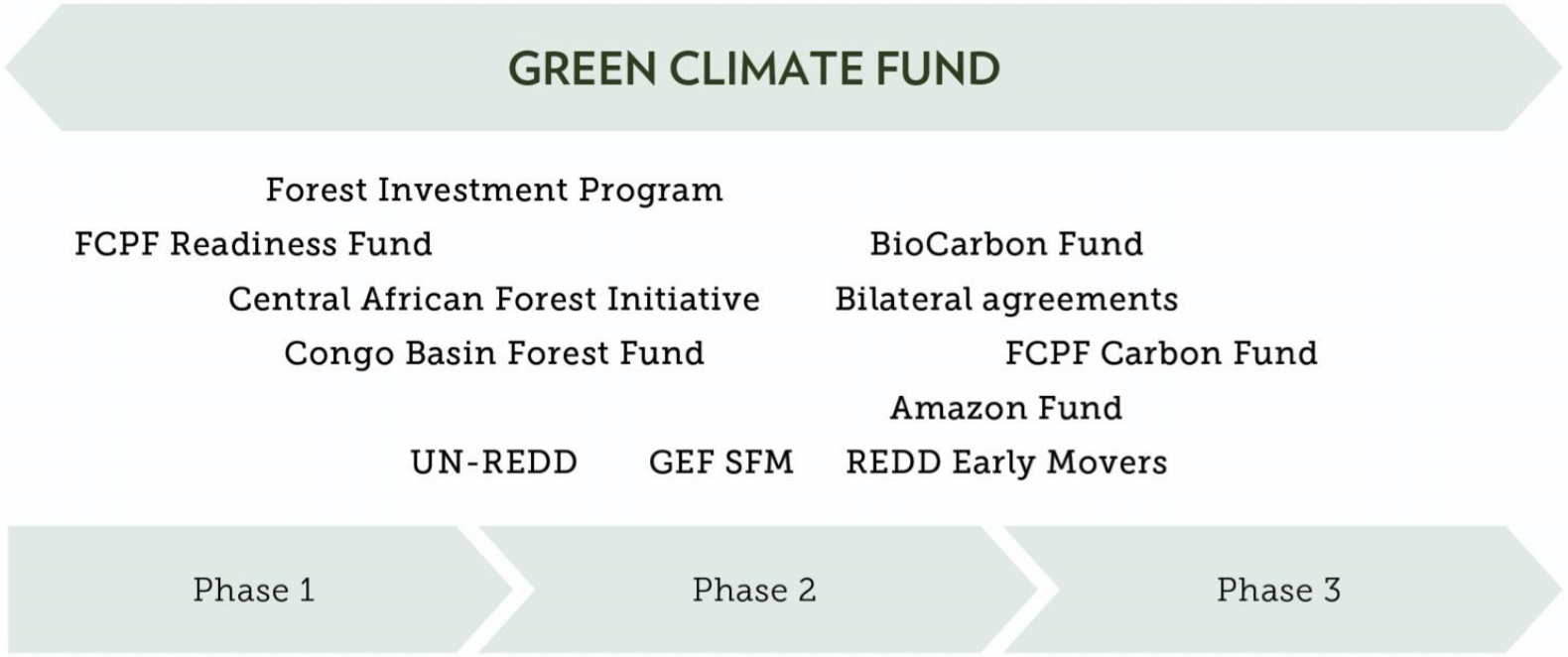
- ✓The African Development Bank has been supporting REDD+ national projects under its Climate Smart Agriculture Program (ACSA, 2018-2025)
- ✓Congo Basin Forest Facility(CBFF) of the AfDB;
- ✓Central Africa Forest Investment Funds(CAFI)
- ✓The G8 Climate Investment Funds housed at the World Bank (Clean Technology Fund (CTF) and Strategic Climate Fund (SCF)
- ✓The Bio Carbon Fund created to support private sector projects, using the mechanism of forward contracts on carbon credits which guarantees a certain level of income for these projects
- ✓Etc.

REDD+ Financing



Most frequent sources of funding for REDD+ indicated by countries (GCF, 2019)

REDD+ Financing



REDD+ major funding across phases (GCF, 2019)

REDD+ Financing

The Limits of Climate Funds:

- Climate funds tend to replace official development aid instead of being a plus;
- They have unstable budgets due to the regular crisis;
- The funds collected under climate funds are not always destined for CC activities. Less than 30% are really invested in them;
- Those intended for developing countries still have very high operating costs of over 27%;
- The procedures for mobilization, use and justification are not always easy to master;
- Not easily accessible to certain types of actors like the private sector;
- The conditions of eligibility are often not adequate: example of the condition of effective democracy;

REDD+ Financing

The Carbon market

It is a market for the negotiation and exchange of greenhouse gas emission rights (CO2, methane,...). 2 types exist:

a) The Kyoto market (CER financial market). Projects carried out in Southern countries generate credits that are sold in industrialized countries to "emitters subject to reduction »

a) The Voluntary markets where organizations or individuals buy carbon credits to offset their emissions, for ethical reasons or for public image. These markets are characterized by a wide variety of players, processes and types of intervention (from the classic purchase of credits produced by a third party to the financing of the production of these credits).

REDD+ Financing

Carbon market: Limitations

- The carbon market remains closed and highly conditioned to eveloppping countries ;
- Setting up REDD+, NAMAS and CDM projects is complex;
- Setting up MRV systems is costly;
- Investment costs are very high;
- The CO2 prices is not incentive enough for the production of CERs and

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Thank you