

FORESTS, CLIMATE AND PEOPLE

EU SUPPORT TO COMBAT
TROPICAL DEFORESTATION
(REDD+) 2006-2014



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From 2006 to 2014, the EU and its Member States provided EUR 3 billion in support of REDD+ activities, through a wide range of thematic areas, countries and funding channels.



EU SUPPORT FOR REDD+ ACTIVITIES 2006-2014

The European Union and its Member States strongly support REDD+ as a measure to preserve and strengthen the role of tropical forests in climate change mitigation, adaptation and development. From 2006 to 2014, the EU and its Member States provided EUR 3 billion in support of REDD+ activities. This support covered a wide range of thematic areas, countries and funding channels. This brochure aims to analyse how this funding has been used and to share the experience from past successes and ongoing programmes.

TACKLING DEFORESTATION

Forest landscapes, particularly tropical forests, play a critical role in climate change mitigation, adaptation and development. Forests regulate the Earth's climate through the carbon and water cycles, removing carbon dioxide (CO₂) from the atmosphere and storing it in trees and the soil, buffering floods, droughts and heatwaves, or regenerating clouds through evapotranspiration, pulling rain further inland through 'rivers in the sky'¹.

Greenhouse gas emissions from deforestation and forest degradation are estimated to represent about one-eighth (12%) of all global emissions². Moreover, deforestation and forest degradation reduce the long-term capacity of forests to store carbon. Yet this forest sink is critical to ensure "near-zero net emission levels within the second half of this century" and to achieve the objective of keeping the global average temperature rise below two degrees, as targeted within the context of the United Nations Framework Convention on Climate Change (UNFCCC).

Therefore, action to address the drivers of deforestation and forest degradation is essential to protect forests and to slow, halt and reverse global emissions from the forest sector and contribute to climate change mitigation. According to the New Climate Economy Report³,

climate-smart land management could represent 30% of achievable mitigation potential by 2030. Drivers of deforestation and forest degradation are context specific and vary across regions and countries. Globally, however, deforestation and forest degradation are mainly driven by a switch to agriculture, to satisfy a growing demand for a few commodities – mainly palm oil, soy, cattle (beef and leather) – and to respond to the demand for bioenergy (fuel-wood, charcoal).

Recently, a significant effort has been made to produce these commodities in ways that reduce their impact on forests. Businesses increasingly acknowledge the competitive advantage of eliminating deforestation and promoting sustainability in their supply chains, as a way of securing both supply and markets. Today, several hundred companies with

a total market valuation of over EUR 3.5 trillion have already made public commitments to eliminate deforestation from their supply chains by 2020⁴.

Promoting sustainability

However, private-sector voluntary initiatives alone are insufficient to effectively reduce deforestation on a meaningful scale. Public measures that can stimulate a sound enabling environment, as well as public-private partnerships, are important to further encourage businesses and investors to adopt and promote the most sustainable practices. Over the past 20 years, Brazil has demonstrated that it is possible, and can be cost effective, to drastically reduce deforestation while simultaneously increasing land productivity sustainably.



To contribute to these objectives, Parties to the UNFCCC have designed a framework called REDD+, which stands for “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”. The REDD+ framework incentivises developing countries either to reduce greenhouse gas emissions or to increase the removal of CO₂ from forest land. Safeguards have been

built into the framework to ensure that REDD+ activities do not harm people or the environment.

Furthermore, REDD+ can generate other substantial benefits in addition to climate change mitigation. These could, for example, include positive impacts on biodiversity, climate change adaptation, low emission development, and strengthening forest peoples’ rights and livelihoods. REDD+ can also

stimulate private-sector action, and enable cooperation with businesses to reduce deforestation associated with the production of key global commodities by providing additional incentives for sustainable land and forest management, as well as for investments in land-use governance, land tenure and land-use planning, and forest-monitoring capacity.

¹ Douglas Sheil & Daniel Murdiyarto, “How Forests Attract Rain: An Examination of a New Hypothesis”, *BioScience*, April 2009, doi:10.1525/bio.2009.59.4.12.

² IPCC, 2014. *Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change: Chapter 11. Agriculture, Forestry and Land Use (AFOLU)*. Cambridge and New York: Cambridge University Press.

³ The New Climate Economy Report was commissioned in 2013 by the governments of Colombia, Ethiopia, Indonesia, Norway, South Korea, Sweden and the United Kingdom. The Commission operated as an independent body.

⁴ Forest Trends, 2015. *Supply Change: Corporations, Commodities, and Commitments that Count*. Washington, DC: Forest Trends.



EU REDD+ FINANCE

A growing body of literature is investigating the financial flows that contribute to reducing emissions from deforestation and forest degradation. Quantifying REDD+ and forest-related finance is challenging from a methodological point of view due to the lack of formal criteria for what constitutes REDD+ finance. A recent attempt to aggregate pledges of public and private REDD+ finance estimates the total global financing for REDD+ at about USD 9.8 billion, 90 % of which comes from the public sector⁵. EU (Member States and Commission) is the second largest sponsor of REDD+, globally shouldering about 30% of the financial effort. The next pages illustrate the scope and repartition of EU finance between thematic areas, phases and recipients.

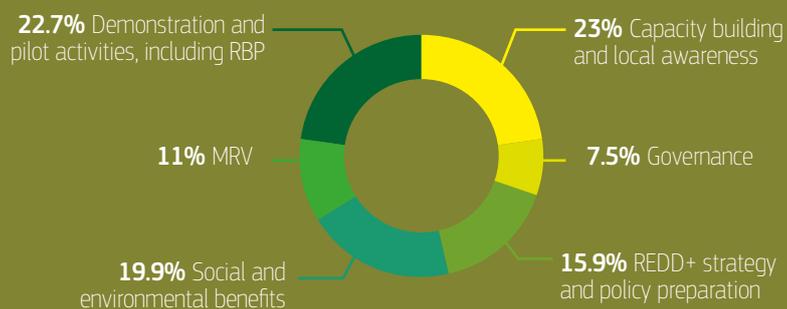
⁵ M. Norman, S. Nakhoda. 2014. "The state of REDD+ finance". CGD Working paper 378. Washington DC: Center for Global Development: 27.

THE ANALYSIS

The analysis presented in this brochure focuses on finance committed by the EU and its Member States to REDD+ activities in the period 2006-2014⁶. Based on data provided by the EU and its Member States, overall indicative EU REDD+ financing amounts to **EUR 3 billion**.

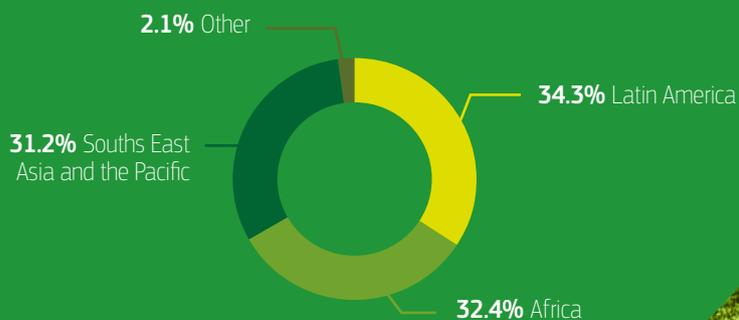
EU REDD+ finance by thematic area

The three thematic areas where most EU REDD+ support has been concentrated to date are capacity building and local awareness; social and environmental benefits; and demonstration and pilot activities.



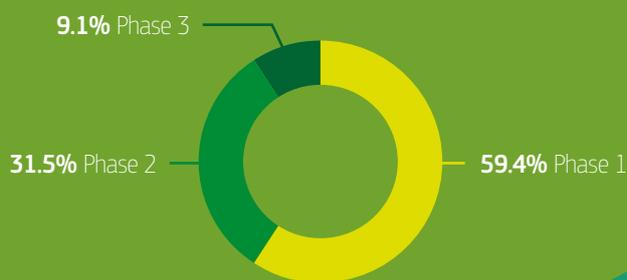
EU REDD+ finance by recipient regions

The regional distribution of EU REDD+ financial commitments across the three main recipient regions appears significantly more even than the regional distribution of global REDD+ finance, which focuses much more on Latin American and Asia than on Africa⁷.



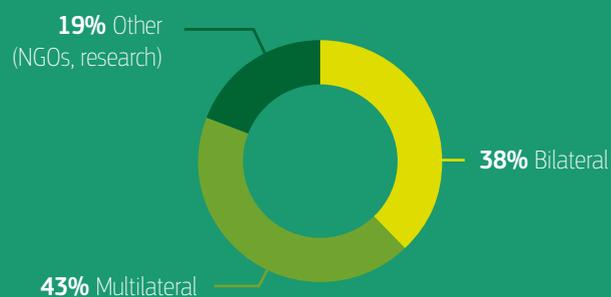
EU REDD+ finance by phase

Most of the funding committed up to 2014 by the EU and its Member States went into phase 1-type activities, which contribute to the development of national strategies or action plans, policies and measures, and capacity building. Smaller, but growing streams of finance are going into both phase 2 – contributing to the implementation of national policies and measures and national strategies or action plans that could involve further capacity building, technology development and transfer and result-based demonstration activities – and phase 3, which covers result-based actions that should be fully measured, reported and verified.



EU REDD+ finance by recipient type

Most EU REDD+ support is channelled either through multilateral organisations (i.e. the UN REDD Programme, the Forest Carbon Partnership Facility and Forest Investment Program, the Global Environment Facility, as well as regional organisations) or bilaterally. A smaller part of the support is channelled through other organisations, including NGOs and research organisations, both from REDD+ countries and from donor countries.



Source: European Forestry Institute (EFI), based on European Commission (EC) and Member State information

⁶ The finance data is collected at the level of commitments.

⁷ M. Norman, S. Nakhooda. 2014 ("The state of REDD+ finance". CGD Working paper 378. Washington DC: Center for Global Development: 21-22) and Voluntary REDD+ database: www.fao.org/forestry/vrd (data accessed in July 2015).





CASE STUDIES

This section highlights a number of past and ongoing REDD+ initiatives supported by the EU and its Member States, spanning a wide range of thematic areas, countries and funding channels. The case studies are grouped thematically: measurement, reporting and verification (MRV); testing results-based payments; safeguards and governance; working with the private sector and supply chains; towards climate-smart land use; and mitigation, resilience and development.

MEASUREMENT, REPORTING AND VERIFICATION (MRV)

CAPACITY DEVELOPMENT FOR SATELLITE-BASED FOREST-COVER MONITORING IN CENTRAL AFRICA

EU MEMBER STATE OR INSTITUTION INVOLVED: **FRANCE**

FUNDING AMOUNT: **EUR 11.85 MILLION**

THEMATIC SUB-AREAS:

CAPACITY BUILDING; TECHNOLOGY DEVELOPMENT AND TRANSFER

Central African forests house the most abundant biodiversity on the continent and are one of the world's main carbon sinks. However, the possibility of participating in REDD+ depends, among other things, on the ability of Central African countries to provide information on past and current levels of greenhouse gas (GHG) emissions from deforestation and forest degradation.

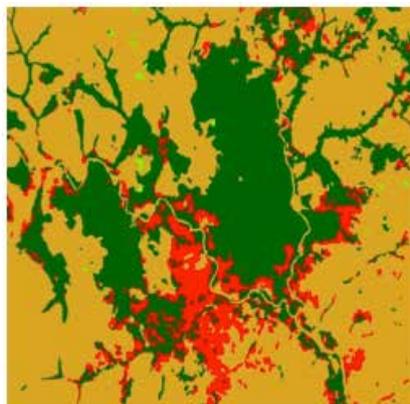
France is supporting an initiative, launched in 2011, to stimulate the use of spatial data to monitor forest cover, build the capacities of local actors to use these technologies, and develop national forest mapping in order to better assess the effectiveness of policies to combat deforestation.

The French Development Agency, in partnership with Airbus Defence and Space, provides support to administration, research institutes and civil society organisations

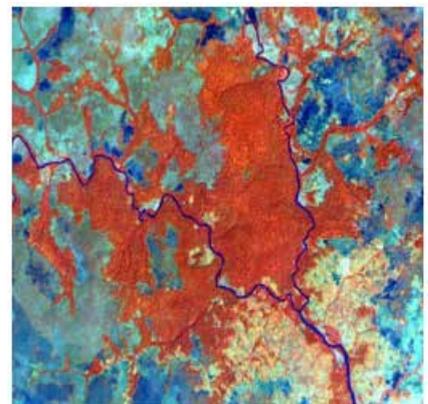
that work for the sustainable management of Central African forests, using high-resolution SPOT satellite imagery (EUR 8.5 million).

The French Global Environment Facility is assisting in the capacity building and adoption of satellite-processing methodologies within the GEOFORAFRI project (EUR 3.35 million).

Target countries: Democratic Republic of the Congo (DRC), Republic of the Congo, Cameroon, Gabon, and the Central African Republic. Further information: <http://bassinducongo.reddspot.org>



Map Showing land-use change between 2000 and 2010 (dark green: dense forests, yellow: no forest, in red: deforestation, light green: regeneration).



SPOT4 image, 20-metre resolution, in colour (red: dense forests).

PROJECT RECaREDD: CAPACITY BUILDING FOR IMPROVING THE ASSESSMENT OF FOREST DEGRADATION

EU MEMBER STATE OR INSTITUTION INVOLVED: **EUROPEAN COMMISSION**

FUNDING AMOUNT: **EUR 5 MILLION**

THEMATIC SUB-AREAS:

CAPACITY BUILDING; TECHNOLOGY DEVELOPMENT AND TRANSFER

In 2003, the Intergovernmental Panel on Climate Change (IPCC) suggested a framework for the definition of forest degradation as “direct human-induced long-term loss (persisting for X years or more) of at least Y% of forest carbon stocks (and forest values) since time (T) and not qualifying as deforestation”. Ever since, making this definition operational has proved problematic. Yet, in a number of tropical countries, the forest area affected by degradation is considered to be even larger than areas of forest loss, with associated carbon losses which can be in the same order of magnitude.

Methods for estimating emissions from forest degradation are still lacking, mainly because of the finer spatial scales at which degradation occurs, and because the traces in the canopy disappear in a matter of months. In the near future, satellite imagery, such as that received from the European Space Agency’s

recently launched Sentinel-2 satellite sensor, will provide a more accurate and more frequent assessment of a forest’s condition.

In tropical countries, the capacity for estimating deforestation has improved considerably in recent years, particularly under the impetus of REDD+ initiatives. The main aim of the ReCaREDD (Regional Capacities for REDD+) project is to further enhance the ability of institutions in partner countries to report on forest degradation, in a reliable and cost-efficient manner. Where assessing the percentage of carbon loss per hectare (relative to previous carbon-carrying capacity) proves too difficult, it would at least help to identify those forest areas exposed to degradation and to derive proxy estimates of associated carbon fluxes.

In the initial phase, methodologies and satellite imagery will be tested in ‘focus countries’:

- In Africa: Côte d’Ivoire, Cameroon, Rep. of the Congo, Dem. Rep. of the Congo, Tanzania, and Intergovernmental Authority on Development (IGAD) countries;
- In South East Asia: Cambodia, Laos, and Vietnam;
- In South America: Colombia.

Institutions from other tropical countries are welcome to access methodologies and forest-monitoring tools developed by ReCaREDD, as well as to contribute and participate in workshops organised by the project (‘associated countries’).

The project duration is scheduled for four years (November 2013 to October 2017).

SUSTAINABLE FOREST MANAGEMENT IN A CHANGING CLIMATE PROGRAMME

EU MEMBER STATE OR INSTITUTION INVOLVED: **FINLAND**

FUNDING AMOUNT: **EUR 16.25 MILLION**

THEMATIC SUB-AREAS:

CAPACITY BUILDING; TECHNOLOGY DEVELOPMENT AND TRANSFER

The ongoing programme, which was initiated in 2009, focuses on innovative approaches to forest resource inventory and monitoring, national forest carbon stock assessment, building capacity, and delivering good practices and methods on sustainable forest management at the national level.

Thanks to the support of the programme, national forest inventories have been concluded in Ecuador and Tanzania. In Peru and Zambia, inventories are well under way. In Vietnam, a country that has already conducted several national forest inventories, the work has focused on improving inventory methodologies to better meet evolving needs and efficiency requirements, such as the MRV requirements of REDD+.

The programme is also developing forest resource maps by combining field information from the inventories with remote-sensing data. This work is being done in

collaboration with the UN-REDD Programme. The first biomass maps are ready for Tanzania and Ecuador, and mapping is being tested in Zambia and Peru. Biomass maps can be used to develop reference emission levels and for REDD+ monitoring.

A set of open-source data tools has been released under the Open Foris Initiative: <http://www.openforis.org>



A forest ranger taking measurements of a tree at MegeniKitasha in the Rombo District in Moshi, Tanzania.

TESTING RESULTS-BASED PAYMENTS

REDD FOR EARLY MOVERS (REM) PROGRAMME – THE CASE OF THE STATE OF ACRE/BRAZIL

EU MEMBER STATE OR INSTITUTION INVOLVED: **GERMANY⁸**

FUNDING AMOUNT: **EUR 25 MILLION**

THEMATIC SUB-AREAS: **MITIGATION; SOCIAL AND ENVIRONMENTAL
BENEFITS; DEMONSTRATION AND PILOT ACTIVITIES**

Acre/Brazil was the first region to receive results-based REDD+ payments in 2012 from Germany's REM Programme which was launched mid-2012 at the Rio+20 conference. REM receives funding of EUR 65 million (KfW and GIZ) to support and reward particularly engaged REDD pioneers, providing accessible bridging finance to countries which have already taken action independently towards mitigating climate change⁹.

Since 1998, the Government of the State of Acre has set up institutional structures and developed instruments to effectively and efficiently protect forests and to implement REDD, providing the basis for a results-based payment system. Successful emission-reduction

efforts at the state level (jurisdiction) are remunerated ex post. At the same time, the prevention of deforestation has a positive impact on biodiversity conservation. Benefit sharing is based on the innovative criteria of 'stock and flow' which distributes benefits in a balanced way to those who reduce emissions (flow, agricultural frontier) and to others who conserve their forests (forest carbon stocks, traditional forest protectors). This helps to provide sustainable support to those populations who live in and off the forest.

As of May 2015, REM remunerated 5.5 million tonnes of CO₂ with funds flowing to: i) extractive reserves supporting alternative income streams (natural rubber,



non-timber forest products such as nuts); ii) agricultural cooperatives, farmer associations, etc. to foster sustainable agriculture (grazing management, sustainable meat and dairy production, commercialisation); iii) the state's environmental service incentives system to strengthen and develop institutional structures further.

⁸ Funded by the Federal Ministry for Economic Cooperation and Development (BMZ) and the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB); and implemented by KfW Development Bank.

⁹ Besides the State of Acre, other Early Movers, such as Ecuador and Colombia, are likely to join and profit from the programme soon. These new country programmes are financed jointly with Norway. They are each expected to deliver around 12 Mio t CO₂ emission reductions and will be implemented by KfW and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH).

FOREST CARBON PARTNERSHIP FACILITY'S CARBON FUND

EU MEMBER STATE OR INSTITUTION INVOLVED:
EUROPEAN COMMISSION, FRANCE, GERMANY, UNITED KINGDOM

FUNDING AMOUNT:
**TOTAL AMOUNT USD 450 MILLION, 49% SPONSORED BY THE EU AND
ITS MEMBER STATES (EQUIVALENT TO ABOUT EUR 195 MILLION)**

THEMATIC SUB-AREAS: **MITIGATION; SOCIAL AND ENVIRONMENTAL
BENEFITS; DEMONSTRATION AND PILOT ACTIVITIES**

The Forest Carbon Partnership Facility (FCPF) Carbon Fund is a pilot initiative for disbursing results-based payments to those countries that manage to reduce forest emissions in the coming years, while respecting robust socio-environmental safeguards. As of 31 March 2015, the EU and its Member States have sponsored 49% of the USD 450-million fund (hosted by the World Bank).



The carbon fund's payments are intended to provide an incentive to the recipient countries and various stakeholders – including forest-dependent indigenous peoples, other forest dwellers, or the private sector – in 10 to 12 countries, to achieve long-term sustainability in financing climate-smart forest management programmes.

The methodological development of the fund enables donors and recipients to experiment and bridge the rather conceptual UNFCCC framework with actual project development and associated contractual arrangements. The agreed methodological framework will then provide technical and programmatic experience to countries preparing a REDD+ emissions reduction programme, be it within or outside the FCPF, with a



view to ensuring equitable benefit sharing and promoting future larger-scale positive incentives for REDD+.

Some EU Member States have already announced they are ready to support more emission-reduction programmes, thereby providing predictability to REDD+ countries that their efforts could be rewarded.

GOVERNANCE, SOCIAL AND ENVIRONMENTAL BENEFITS

SUPPORTING REDD+ AND AGRO-ECOLOGY IN PARAGUAY

EU MEMBER STATE OR INSTITUTION INVOLVED: **AUSTRIA**

FUNDING AMOUNT: **EUR 0.3 MILLION**

THEMATIC SUB-AREAS:

**ADAPTATION; MITIGATION; GENDER AND WOMEN EMPOWERMENT;
CAPACITY BUILDING**

Forests and forested landscapes distinguish local and indigenous communities' territories in Paraguay. Supporting them also contributes to the maintenance of forest ecosystems. Similarly, the project aims to strengthen local communities' agro-ecological and forestry practices.

The initiative is being implemented within the framework of cooperation between Centro de Estudios e Investigaciones de Derecho Rural y Reforma Agraria (CEIDRA, Catholic University), Servicio Nacional de Calidad y Sanidad Vegetal y de Semillas (SENAVE), Instituto Paraguayo del Indígena (INDI) and Instituto Forestal Nacional (INFONA).

The situation in every community was discussed extensively during participatory workshops at the beginning of the project. The



Indigenous women practising ecological agriculture in their vegetable garden in Arroyo Guazú community.

participants also decided on the type of practices they wanted to implement. The six communities are located in areas affected by soy expansion, so the project is hoping to contribute to reducing emissions and strengthening the resilience of the communities.

The initiative encompasses manifold activities such as setting up a seed production strategy, demonstration production plots and tree nurseries, implementation of an inventory of

seed varieties and of a simplified forest inventory, development of participatory forest, water and soil management plans, implementation of soil conservation activities, training on food preservation techniques, diversification of agricultural production and support for the commercialisation of the products, and training on ethnic, human and environmental rights, etc.



The forest in the Miri Poty Community. Indigenous and small-peasant communities support the conservation of forest resources in Paraguay.

EU REDD FACILITY

EU MEMBER STATE OR INSTITUTION INVOLVED: **EUROPEAN COMMISSION, FRANCE, GERMANY, IRELAND, SPAIN, UNITED KINGDOM**

FUNDING AMOUNT: **EUR 11 MILLION**

THEMATIC SUB-AREAS:
MITIGATION, SOCIAL AND ENVIRONMENTAL BENEFITS; CAPACITY BUILDING; DEMONSTRATION AND PILOT ACTIVITIES

The EU REDD Facility, hosted by the European Forest Institute, supports partner countries in improving land-use governance as part of their effort to slow, halt and reverse deforestation. It also supports the overall EU effort to reduce its impact on deforestation in developing countries and the implementation of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan.



Building institutional capacity on REDD+ and FLEGT at decentralised level in Bandundu, DRC.

The Facility provides flexible and demand-based expertise on REDD+ to partner countries as well as to the EU and international forums. This includes field testing innovative and solution-oriented approaches to contribute to partner countries' national REDD+ and FLEGT processes, and informing EU and global policy development.

The EU REDD Facility's actions contribute to:

- Improving land-use governance through building institutional capacity at decentralised level in the Democratic Republic of the Congo (DRC), exploring options for independent monitoring by civil society in Central Africa, and strengthening arrangements for benefit sharing in the Republic of Congo;



Engagement with local stakeholders in the Republic of Congo to understand how existing benefit-sharing arrangements (local development funds in the forest sector) can be used for channelling REDD+ incentives.

- Clarifying tenure and improving spatial planning at the root of (illegal) forest conversion in Vietnam and Indonesia;
- Engaging the private sector and supporting smallholders in forest-friendly commodity supply chains in Côte d'Ivoire.

PRO-POOR REDD+

EU MEMBER STATE OR INSTITUTION INVOLVED: **DENMARK**

FUNDING AMOUNT: **DKK 50 MILLION**

THEMATIC SUB-AREAS:
GOVERNANCE; SAFEGUARDS

With funding from Denmark's Development Cooperation (Danida) since 2009, IUCN's Toward Pro-Poor REDD+ project is working with stakeholders in Cameroon, Ghana, Guatemala, Papua Province in Indonesia and Uganda, to develop national REDD+ strategies that address the needs of the poor, and to increase the engagement of civil society, indigenous peoples, women and other forest-dependent communities in national REDD+ efforts. From developing gender roadmaps and equitable benefit-sharing mechanisms, to stakeholder capacity building and assessing forest dependency, all five countries have made progress in developing REDD+ strategies that ensure the needs of the poor are addressed.

Pro-poor approaches for REDD+ draw attention to the interests of forest-dependent people and the need for REDD+ not to harm vulnerable groups but rather to strengthen their rights and improve their livelihoods.

Particular importance is given to the interests of women, indigenous peoples and other local communities.

Pro-poor REDD+ activities include: participatory assessments of the causes of deforestation and degradation; strengthening the participation of vulnerable groups in defining REDD+ activities; participatory processes to define and clarify property boundaries and discuss carbon rights; analysing

the impacts that REDD+ can have on the livelihoods of forest communities; as well as defining and monitoring social baselines as indicators of the impact of REDD+ in forest communities. The success of REDD+ and the permanence of any emission reductions is largely dependent on the extent to which rights and interests are recognised and livelihoods are improved or sustained.



UK'S INTERNATIONAL CLIMATE FUND: SUPPORTING SUSTAINABLE FORESTED LANDSCAPES

EU MEMBER STATE OR INSTITUTION INVOLVED: **UNITED KINGDOM**

FUNDING AMOUNT: **GBP 600 MILLION, INCLUDING GBP 115.1 MILLION FOR BIOCF IFSL (AS OF 31 MARCH 2015)**

THEMATIC SUB-AREAS: **MITIGATION; SOCIAL AND ENVIRONMENTAL BENEFITS; DEMONSTRATION AND PILOT ACTIVITIES**

Addressing deforestation is a priority for the United Kingdom's GBP 3.87-billion International Climate Fund (ICF) which, since 2011, has programmed over GBP 600 million for forest-related investments, with significantly more in the pipeline.

The UK's forestry portfolio supports a range of complementary initiatives, with the overall aim of driving transformative change in the way that we approach forested landscapes to deliver development, climate and biodiversity benefits. This includes investments in performance-based REDD+ emission reduction pilots through major multilateral forest funds; developing knowledge, tools, evidence and learning; and strengthening the enabling environment through governance, market and land-tenure reform.

The conversion of forests to cultivate agricultural commodities is now the largest single cause of deforestation.

Many private-sector stakeholders are responding with commitments to zero-deforestation supply chains. The UK is working through a number of innovative public-private partnerships to catalyse sustainable private-sector investment to curb the loss of natural forests. This includes the Tropical Forest Alliance 2020, and a major new programme, Investments in Forests and Sustainable Land Use, which is focusing on accelerating the process of change in markets for palm oil, soya, beef and timber.

The UK is also a founding donor and significant contributor to the BioCarbon Fund Initiative for Sustainable Forest Landscapes (the other donors being Germany, Norway and the US). By aligning forest nations' actions with payments for emission reductions and private-sector investments, public-private partnerships can help 'forest-proof' the sourcing of commodities and redirect market forces towards

more sustainable land-management practices. This supports forest nations in implementing ambitious plans to halt deforestation while meeting their development needs.



In Oromia, Ethiopia, the BioCarbon Fund will work with the private sector to support sustainable coffee to reduce emissions from land use.

DUTCH REDD+ BUSINESS INITIATIVE

EU MEMBER STATE OR INSTITUTION INVOLVED: **THE NETHERLANDS**

FUNDING AMOUNT: **EUR 0.5 MILLION**

THEMATIC SUB-AREAS:
MITIGATION; ADAPTATION

The Dutch government gives financial support to REDD+ mainly via the multilateral channel of the World Bank's Forest Carbon Partnership Facility. Dutch scientific institutes, such as Alterra/Wageningen University Research, work on interdisciplinary research and capacity building regarding MRV, governance, forest management and climate change mitigation, ecological and social benefits and REDD+ finance. IUCN-Netherlands works as an NGO on REDD+ capacity building in partner organisations in REDD+ countries.

Dutch companies have joined forces with FMO, the Dutch Development Bank and the Dutch Platform



The participating companies visited Tambopata in December 2014.

'Biodiversity, Ecosystems and Economy'¹⁰ to work on reducing tropical deforestation as a way to tackle climate change, preserve biodiversity and help local people to increase their income. The partners, working together as the REDD+ Business Initiative¹¹, will invest EUR

0.5 million in the Tambopata project in Peru by purchasing CO₂ credits. The project involves improving the local cocoa cultivation in a national park buffer zone, as well as better park management.



A local settlerfarmer who receives assistance from the Tambopata REDD project points out a local cocoa variety.

¹⁰ Platform Biodiversity, Ecosystems and Economy is an initiative of the Confederation of Netherlands Industry and Employers (VNO-NCW) and the Dutch Committee of the International Union for the Conservation of Nature (IUCN NL). It is supported by the Dutch Ministry of Economic Affairs. Contact: Erik van Zadelhoff, Secretary, Platform Biodiversity, Ecosystems and Economy; zadelhoff@platformbee.nl

¹¹ <http://www.platformbee.nl/evenement-dutch-redd-business-initiative/>

ALTHELIA: SUSTAINABLE LAND USE FOR SUSTAINABLE LIVELIHOODS

EU MEMBER STATE OR INSTITUTION INVOLVED: **EUROPEAN INVESTMENT BANK**

FUNDING AMOUNT: **EUR 25 MILLION**

THEMATIC SUB-AREAS:

MITIGATION; ADAPTATION; SOCIAL AND ENVIRONMENTAL BENEFITS

The EIB has carried out its first operation to support REDD+ by investing EUR 25 million in the Althelia Climate Fund (<http://althelia.com/>), an innovative financial product which will reduce carbon emissions by promoting sustainable land use and forest conservation.

A key example is Althelia's investment in the Tambopata National Reserve and the Bahuaja-Sonene National Park, two 'biodiversity hotspots' in Peru. By restoring 4000 hectares of degraded land, at least 3200 tonnes of certified zero-deforestation organic and Fairtrade cocoa will be produced annually, thereby helping to improve the livelihoods of 1100 small farmers and their families.

Meanwhile, protecting the forests is delivering additional revenues through the development of REDD+ credits for the voluntary carbon market. By both protecting forests and developing sustainable livelihoods, this project is helping to prevent the emission of 4 million tonnes of carbon over the seven-year investment period.

In recognition of the innovative approach to conserving threatened landscapes, Althelia has won the Environmental Finance Award for Sustainable Forestry Deal of the Year.



Sunset on Lago Sandoval, Tambopata.

COMPENSATION PAYMENTS FOR RESOURCE AND LANDSCAPE MANAGEMENT CONDUCTIVE TO CARBON STORAGE

EU MEMBER STATE OR INSTITUTION INVOLVED: **GERMANY**

FUNDING AMOUNT: **EUR 4 MILLION**

THEMATIC SUB-AREAS: **MITIGATION; ADAPTATION; SOCIAL AND ENVIRONMENTAL BENEFITS; DEMONSTRATION AND PILOT ACTIVITIES**

Central America is the tropical region most severely affected by climate change worldwide. Soil degradation, forest loss and monocultures make it even more vulnerable to climate change. The project is working closely with the Comisión Centroamericana de Ambiente y Desarrollo (CCAD) to create a carbon sink through forest landscape restoration (FLR) across the entire region. FLR is seen here as a comprehensive approach in a fragmented forest landscape that enhances ecosystem services and treats the entire landscape as a whole, thereby contributing to enhanced resilience to climate change as well as to mitigation. Improved agricultural and forest management practices can increase the carbon content in soils by 20-30%.



Watershed in Belize.

The project involves the various user groups, associations and indigenous peoples in a participatory process to strengthen the co-management capacities for land-use planning at local level.

Ultimately, the supporting measures for preserving landscapes take into account the different types of land use that lead to increased carbon storage and which have to be considered when designing



Parrots in Costa Rica.

a compensation mechanism. The lessons learned, especially with regard to the implementation of a compensation mechanism related to FLR, will be fed into the international debate on climate change and REDD+.

FOREST SECTOR SUPPORT PROGRAMME IN BURKINA FASO

EU MEMBER STATE OR INSTITUTION INVOLVED: **LUXEMBOURG**

FUNDING AMOUNT: **EUR 11 MILLION**

THEMATIC SUB-AREAS:
MITIGATION; ADAPTATION; SOCIAL AND ENVIRONMENTAL BENEFITS

The intervention's overall objective is to enhance forest resources, thereby strengthening the foundations of sustainable rural development. The programme has four specific objectives:

- to contribute to the sustainable and participatory management of forest products;
- to increase the contribution of forestry to the national economy and the people's well-being;
- to strengthen the capacity to adapt to climate change in connection with the management of forest resources; and
- to support the Ministry of Environment to ensure the efficiency and effectiveness of public intervention in the forestry sector.

The programme supports the implementation of Burkina Faso's National Rural Sector Programme and is contributing to achieving its objectives: 1) to increase the

vegetative coverage; and 2) to increase revenue related to the management of forest resources. It works closely with the Environment Intervention Fund, financing projects through this mechanism in the fields of sustainable management of natural resources, reducing the pressure on forest resources, restoration of the environment, and the fight against desertification, mitigation and adaptation to climate change. This is resulting in emission

reductions and the protection of forest carbon stocks and thus contributes to the REDD+ strategy.



Forest inventory by Burkinabe authorities.

GLOSSARY

MRV refers to activities aimed at building capacities and infrastructures to measure, report and verify forest cover and changes, and monitoring systems.

Demonstration and pilot activities, including RBP, refers to pilot projects, jurisdictional initiatives, testing of result-based payments approaches, as well as programmes promoting sectorial transformation to sustainable forest management practices.

Governance refers to activities aimed at strengthening forest and land use governance, transparency, tenure.

Social and environmental benefits refers to activities aimed at strengthening social and environmental benefits of REDD+, livelihood support, biodiversity.

Capacity building and local awareness refers to activities aimed at strengthening capacities of stakeholders in REDD+ countries, information sharing and stakeholder engagement.

REDD+ strategy and policy preparations refers to activities aimed at supporting the development of REDD+ strategies and policy processes at national and international level.



