

Reducing emissions from deforestation and degradation (REDD+): innovation for Conservation

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1. The Concepts behind REDD+
2. REDD+ Governance Developments in Peru
3. Project level REDD+ examples and insights in MDD
4. The emerging REDD+ Value Chain & Regime
5. Concluding insights from REDD+ for other ecosystem service schemes

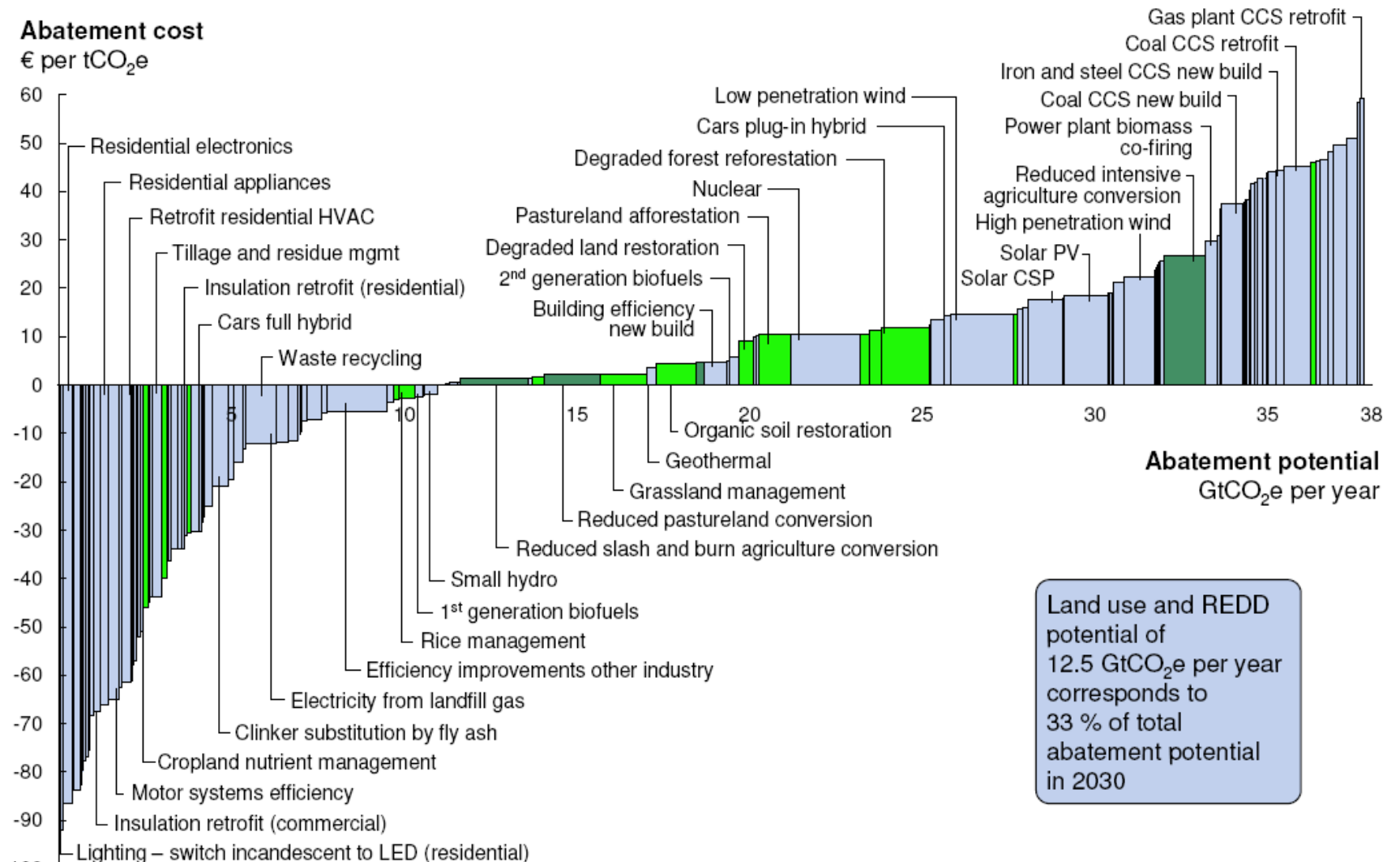
What is REDD+?

REDD+ after COP-16 in Cancun

- Promotes that all Parties address human pressures that result in GHG emissions from Forests by:
- Reducing emissions from Deforestation - RED.
- Reducing emissions from Degradation - REDD.
- Conserving carbon stocks in Forests - +.
- Sustainably managing forests - + .
- Increasing carbon stocks in forests -+.
- The Nested Approach as a stepping stone to a full National Approach.

The market logic behind REDD

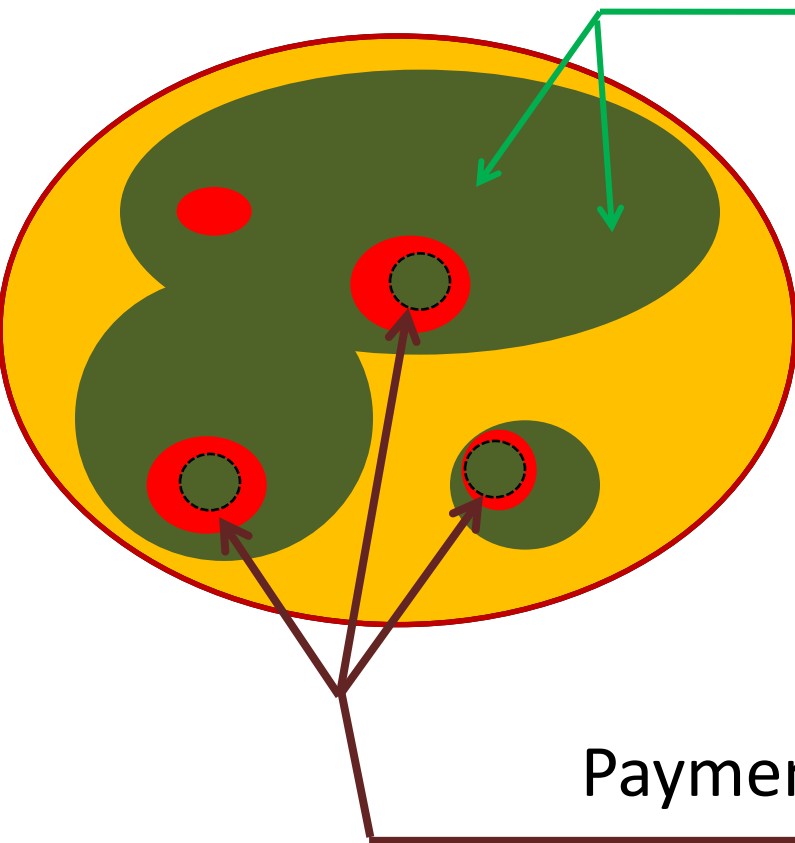
Global GHG abatement cost curve beyond business-as-usual – 2030







What is REDD+?

Payments or premium

for other Benefits: +



-  Country
-  Non-Forest
-  Forest (National definition)
-  Threatened Forest 2010-20
-  Avoided Deforestation 2010-20

According to BAU
Baseline

Payments for results: REDD

The REDD+ Opportunity in Peru

- More than 66 million hectares of forests.
- Social demand for a sustainable development path for Amazonia.
- Interest & capacity in civil society (REDD Roundtables)
- Interest from the international community as a 'REDD+' country.
- Synergy with financial mechanism of National Forest Programme.

What does Peru need for REDD+?

- An **inclusive** development process.
- **Integration** with the National Forest Strategy.
- A coherent approach for setting BAU **deforestation & degradation baselines**.
- A national system for **Monitoring, Reporting and Verification (MRV)** of emissions.
- Clear **Rights and Responsibilities** relative to forest carbon.
- A **National Registry** that integrates REDD+ data.
- Improved **inter-sectoral** cooperation to fulfil the above tasks.

REDD+ Governance Development in Peru

REDD+ Governance

ROLES



Comisión Nacional de CC
Participants: MINAM (leads), FONAM (promotes), MINAG, MEF, working groups

Political and legal support for REDD strategy implementation



REDD Working groups
Participants: Public organizations, NGO, CCII, Research Institutions, Finance Sector, Universities, others.

Review and evaluation of technical proposals



Technical working group

Legal and Institutional working group

Finance working group

Review and evaluation of technical proposals. Regional opportunities assessments.



Regional REDD working groups
Participants: Public organizations, NGO, Research Institutions, Finance Sector, Universities, local communities, others.


The REDD+ Governance Challenge


- Poor cross-sectoral mechanisms, within government and across government, civil society and business (specially regarding land-use planning).
- Uncertainty and lack of trust (justified) regarding distribution of the benefits of REDD.
- Weak technical and institutional basis for the implementation of a national system for forest monitoring and verification.
- Short life span of laws and regulations in the country.

Project level REDD+ in Madre de Dios

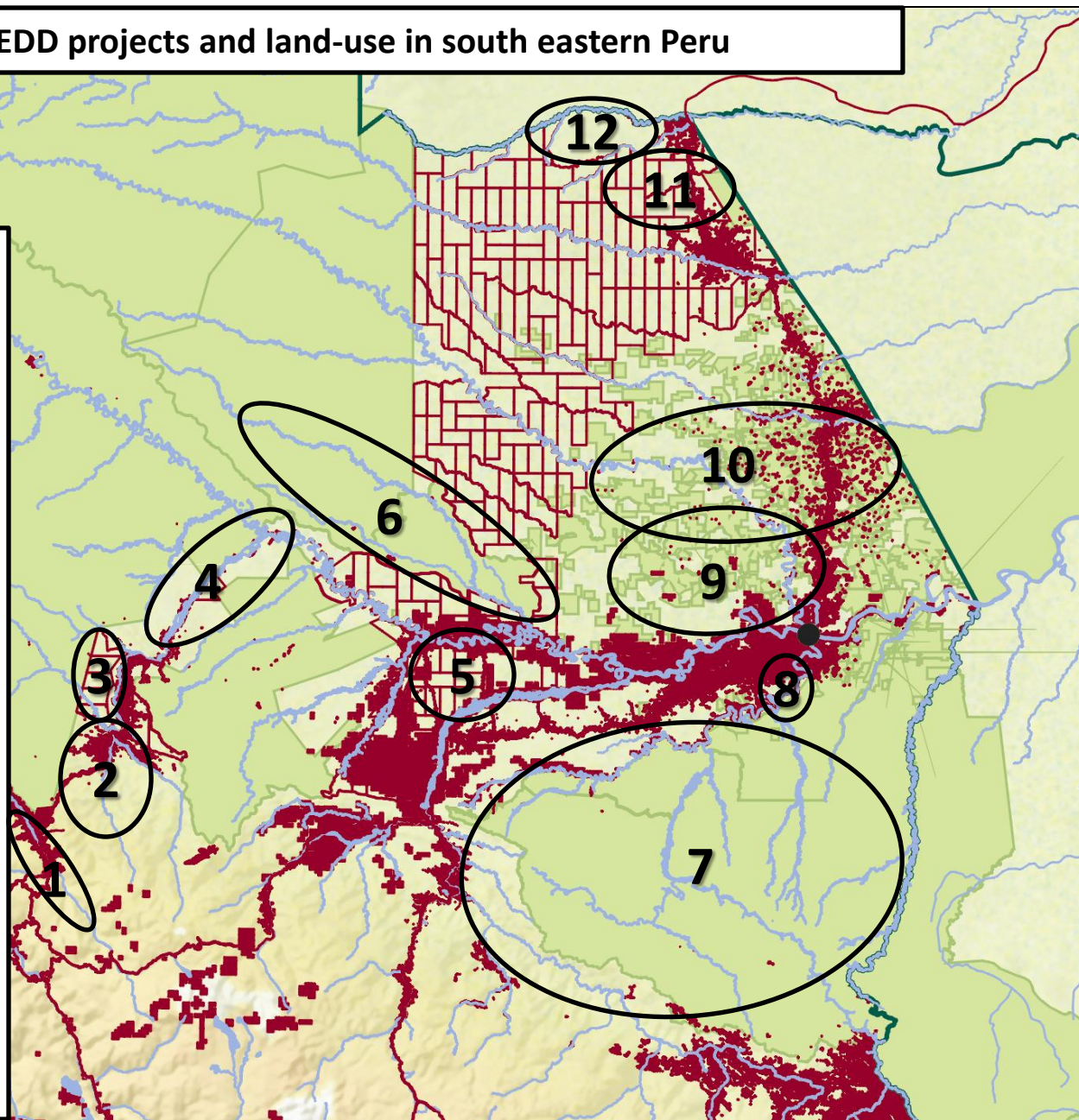
REDD projects and land-use in south eastern Peru

Key

 Land-uses that entail Deforestation (mining, urban, agriculture, logging concessions)

 Land-uses that keep Forest in place (Brazil nut, nature tourism Concessions, PA's)

-  1 ACCA-Acjanaco
-  2 DRIS
-  3 CREES
-  4 SePerú
-  5 SFMBAM-Reforest
-  6 ACCA-SFM Amigos
-  7 AIDER-Tambopata
-  8 CN Infierno
-  9 SFMBAM-Castañeros
-  10 ACCA-Castañeros
-  11 Proyecto Belgica
-  12 Maderacre

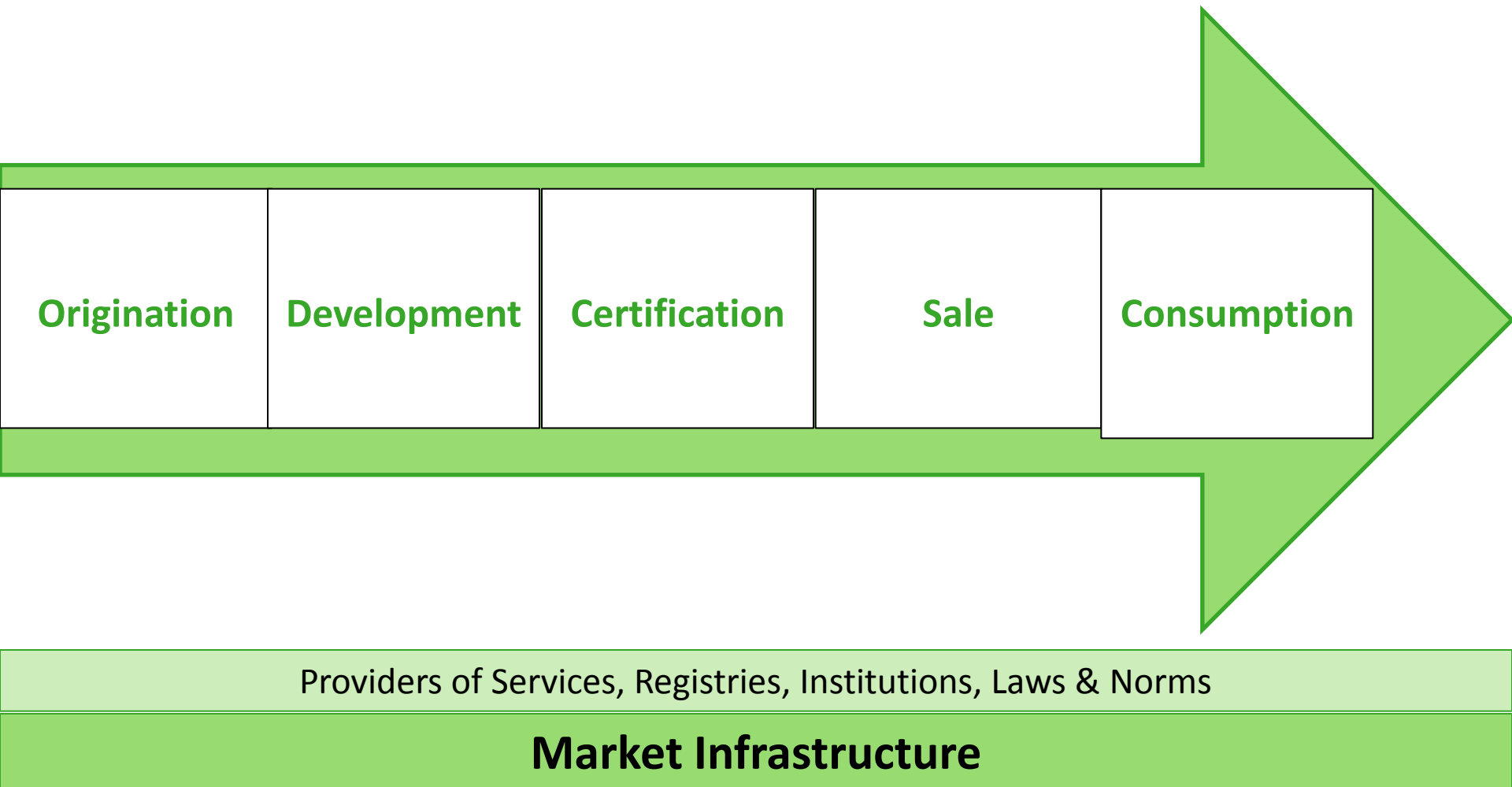


Basic characteristics of each Project

- An Asset Holder & Project Developer in each Project.
- They contribute different forms of capital to the Project.
- Working in low to high opportunity cost areas for conservation, from 20,000 to 600,000 hectares.
- Each addressing their own technical, legal, political and social 'bottlenecks' and influencing in different ways the regional and national REDD+ governance process.

The emerging Value Chain & Regime for REDD+ in Peru

Generalized Value Chain for Ecosystem Services



Structure and Positioning of Actors on the emerging REDD+ Credit Value Chain

Forest Asset Holders:

owns land/ has rights to forest services: Peruvian State, Belgica & Diamante Indigenous Communities, Forest Concessionaires, amongst others

Certifiers & validators:

Validation, verification and registration of credits: SCS, Rainforest Alliance, Markit Environmental Registry, CCB Standards, Voluntary Carbon Standard.

Buyer / End User:

Uses the credit to offset carbon emissions or 'accrue' biodiversity or social co-benefits: Scotiabank

Number initiatives at Origination:
12

Number initiatives at Development:
7

Number initiatives at Certification:
5

Number initiatives at Sales:
3

Number initiatives at Purchase:
1

Developers:

Builds networks and capital to develop the Project: Aesorandes, ACA, AIDER, BAM, CREES, SePeru.

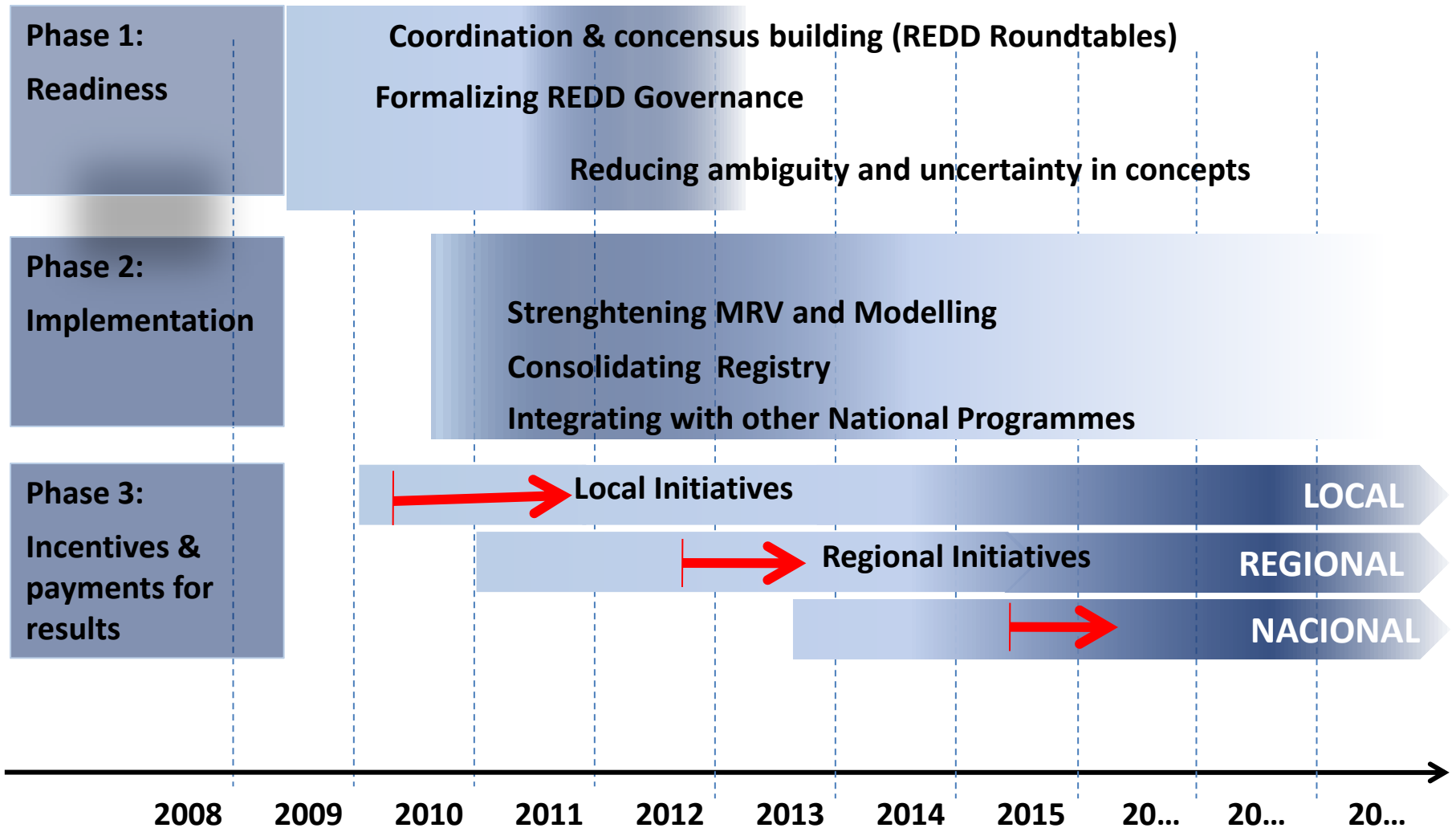
Marketing & Sales:

Matches buyers and sellers, manages delivery risk and structures deal: Aesorandes, GREENOXX, BAM, Maderacre.

Service Organizations & Institutional Infrastructure active in south-eastern Peru: Information Providers (Ecosystem Marketplace, Katoomba Incubator), Financiers (SEM Chile, SFM Ltd, Moore Foundation, Profonanpe, ITTO), Technical, Legal and Social Development Consultants (Carbon Decisions, Ecosystem Services Ltd., SPDA, WWF-Peru, Winrock International), Due Diligence & Advisory Consultants (New Forests Inc., Ecosecurities) and Local, Regional and National Authorities (MINAM, MINAG, SERNANP, GOREMAD, OSINFOR, amongst others)

Market Structure: International Policy, National & Regional Laws & Standards

Where is REDD+ in Peru now? From a Project to a Nested to a National Approach



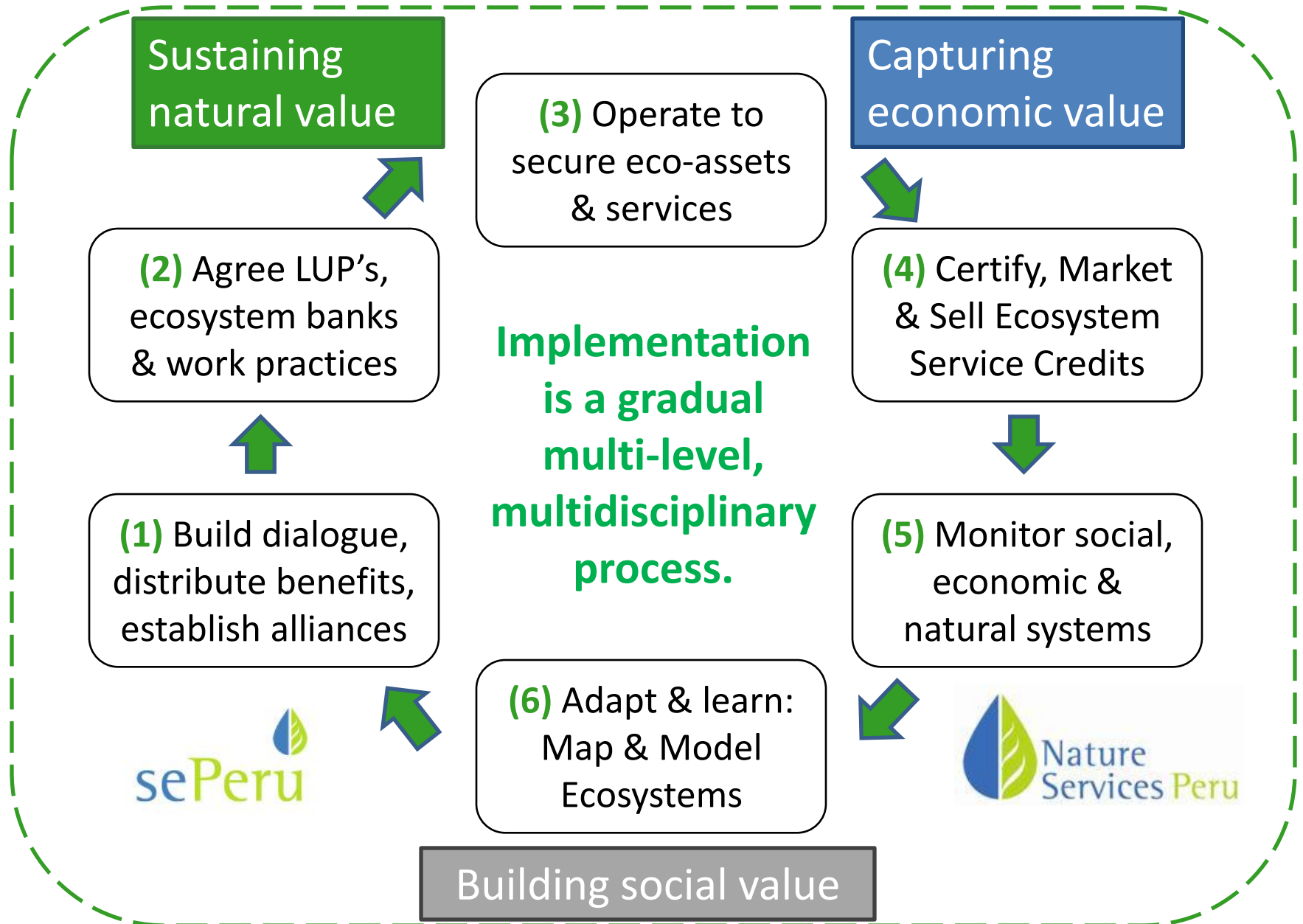
Concluding insights from REDD+ for other ecosystem service schemes

Needs of ecosystem service schemes



- How do we make the product tangible? good science, proven certification & registry concepts & micro-structure.
- How will we make the credit durable? flexible legal contract, robust social contract.
- How do we create momentum? Markets, technology, consensus building
- Necessity to build institutional architecture that bridges current organizational capacities.
- Choice between individual payments and collective compensation, whichever works to align incentives with conservation.

Adaptive Co-Management for Sustaining Ecosystem Services



Thankyou!

