

REDD+ in Africa: progress, potential, challenges



John Mason
Nature Conservation Research Centre

Global Carbon Markets



- Carbon markets grew rapidly over past decade reaching USD 142 billion in 2010.
- Regulated markets shrunk in 2010 but voluntary carbon grew by 32%.
- Forestry and agricultural sectors represent a small portion of this market but are expanding rapidly.
- REDD+ transactions represented 28% of voluntary market in 2010.
- European carbon trading system does not allow tropical forestry credit trading. California Cap & Trade system will limit tropical forestry credits to 10% of annual trading. Australian system expected to include tropical forestry credits.

Types of Carbon Products



- Four (4) broad types of carbon finance products:
 - CDM - Clean Development Mechanism credits
 - Soil and/or Agricultural credits
 - REDD+ credits
 - Wet or blue carbon (mangroves, wetlands) credits
- REDD+: Performance-based financial incentive system for countries to reduce the rate of emissions from deforestation and forest degradation:
 - Payment only be made after performance;
 - Payment not made for standing forest, but for the reduction of the deforestation RATE;
 - Payment for the service of protecting threatened habitat and its inherent carbon stocks;
 - Payment for enhancing existing carbon stocks in degraded forests.

REDD+ Carbon



- Stern Report (2006), Eliasch Review (2008) identified reducing deforestation and degradation as the most economically effective approach in short term.
- Bali Roadmap in 2007 recognized major role REDD could play in climate mitigation. Solid progress on REDD negotiations during the COPs in Copenhagen, Cancun and Durban. Still not covered by legally binding treaty yet.
- REDD has evolved to include biodiversity, community, gender and poverty values. This more inclusive form now called REDD+.
- REDD+ is guided by international standards and certification systems. Majority of projects designed and certified to VCS and CCBA standards. External 3rd party validation at end of design phase.



REDD+ Carbon

- Projects, once implementation begins, are audited by external 3rd parties on regular basis (every 3 years or more frequently) through project life.
- Voluntary markets for REDD+ carbon credits. No regulation yet. More flexible than regulated markets and do not require prior qualification to participate. But volumes smaller and prices lower.
- REDD+ as currently evolving must compete with other land uses. Each land use type has a different opportunity cost.
- REDD+ projects must understand the lost opportunity cost resulting from stopping deforestation. REDD+ not applicable everywhere.



REDD+ Readiness Requirements

To participate in future UNFCCC REDD+ mechanism, each country should demonstrate capacity in:

- Technical - monitoring & accounting of forest carbon emissions over time.
- Institutional – government enact & enforce forest protection laws; clear forest land tenure; transparent accounting of national emissions.
- Social – safeguards for multi-stakeholder in REDD+ – including forest dependent communities, local government, NGOs.
- Economic – design and implement REDD+ for equitable sharing of financial benefits.

REDD+ Readiness Pathways

- World Bank
 - Forest Carbon Partnership Facility – FCPF
 - Cameroon, CAR, DRC, Congo-Brazza, Ethiopia, Gabon, Ghana, Kenya, Liberia, Madagascar, Tanzania, Uganda
- UN-REDD Programme
 - “Quick Start” country programmes
 - DRC, Nigeria, Tanzania, Zambia + Ethiopia, Cote d’Ivoire, CAR, Gabon, Kenya, Congo-Brazza, Southern Sudan
- Countries on dual pathway:
 - DRC, Tanzania, Ethiopia, CAR, Gabon, Congo-Brazza, Kenya

REDD+ Progress in Africa



- Countries need qualify to participate in future regulated REDD+ carbon transactions.
- Countries selected in 1st tier of Forest Carbon Partnership Facility and UN REDD Programme have all prepared their R-PINs.
- Majority of 1st tier countries have completed RPP (Readiness Preparatory Proposal) or National REDD Action Plans. Significant progress but with major challenges.
- Funding released for national institution building in 1st tier countries. Progress on MRV, baselines, registries, national institution building.
- Readiness and RPP funding not intended to support pilot projects.

Progress on REDD+ in Africa



- Cross River State, Nigeria acceded to Governors' Taskforce on Climate Change in Dec 2009. 1st African sub-national jurisdiction to join. Oromia State, Ethiopia considering applying. No other African country eligible – non-federal states.
- National level REDD+ policy dialogues have been held with key segments of society in various countries.
- National carbon mapping for Ghana and Gabon completed. Carbon mapping currently being assessed for East African countries.
- International dialogues bridging East and West Africa have begun to ensure learning and exchange between African countries. Also South-South exchanges with Brazil have started.

Progress on REDD+ in Africa



- Progressive engagement in international climate change negotiations at recent COPs.
- Early generation REDD+ pilots started in Ghana, Liberia, Nigeria, Kenya, Madagascar, Tanzania, Ethiopia, DRC, Uganda. Early PINs and PDDs being completed.
- 1st sales of REDD+ credits have been completed in Kenya. USD200 million signed in Kenya in last 18 months. Realized high prices.
- Private sector developer / investor interest grew during 2011. New project agreements with private sector involvement signed in growing number of locations.
- Africa Terrestrial Carbon Centre (ATCC) being established in Accra and Addis Ababa to provide technical and financial support to start-up carbon projects on the continent.

REDD+: potential



- Large area of land could be REDD+ eligible in coming years. Millions of hectares in many countries may be considered.
- Extraordinary interest & desire to learn by broad set of stakeholders – governments, private sector, NGOs, communities, academics.
- Elevated interest in African credits resulting in relatively higher prices. Recent REDD+ prices to developers at 3 times average BioCF price.
- Growing African human technical capacity within the space.
- Reduction in opposition to REDD+ from civil society.
- Increasing REDD+ methodologies providing greater flexibility in design. Now 15 VCS approved REDD+ methodologies.

REDD+: potential

Durban Platform results

- Negotiations on REDD+ technical text successfully completed.
- Reaffirmation of market-based mechanisms in the post-2012 and post-2020 climate frameworks and incentives for unilateral action by developing countries. Expect more attention to Nationally Appropriate Mitigation Actions (NAMAs), sectoral crediting, including REDD+ projects.
- Agreement to expand and rewrite some Kyoto rules in relation to market mechanisms – notably around the treatment of land use, land-use change and forestry (LULUCF) activities – greater opportunities for carbon markets.

Challenges – policy & institutional



- Territorial in-fighting between key national ministries (EPA n Forestry) and growing tendency toward centralization of control in certain countries.
- Absence or low participation of critical Ministries in Climate Change debates especially Agriculture, Finance and Energy. Low interest in involving them while territorial challenge remains.
- Central government with low reach/effectiveness in program delivery especially in forestry n agricultural sectors. Runs counter to increasing centralization and effectiveness for REDD+. Will NAMAs work in these contexts?
- Need for nested approach with national and sub-national initiatives if results are to be achieved but resistance from some governments.

Challenges – policy & institutional



- Clarity of land, tree and carbon tenure. Varies from country to country. Only 1 country carried out legal analysis for REDD+.
- Designing, negotiating and agreeing appropriate benefit sharing mechanisms under various land and resource tenure contexts because existing sector sharing formulas will not work for carbon.
- Appropriate roles for private sector participation without losing the necessary emphasis to address poverty, rights, gender & biodiversity issues.
- Significant gap between Francophone & Anglophone countries. With exception of Congo Basin countries, Francophone countries not engaged on REDD+.



Challenges – on the ground

- Credible baselines have been a challenge but improving. Locations with recent conflict/wars have unique challenges in establishing baselines.
- Challenges to aggregate small-holder land owners across various situations to allow participation in carbon finance.
- Culturally appropriate community/farmer level institutional platforms upon which to build carbon initiatives are missing.
- Traditional land user rights can clash with carbon agendas - landowners vs settler/migrants vs pastoralists.
- Paucity of local technical capacity and financial resources to move forward early pilots. Overly reliant on external expertise.

Future: 5 - 10 years



- Anticipate increasing role for sub-national efforts as growing realization of the limits of national agencies in successful implementation of REDD+ is recognized.
- Expansion of private sector developers of REDD+ initiatives in Africa. Anticipate many errors to occur but must be highly iterative if success will be achieved. Carbon prices will move upwards.
- NAMAs will be tested in numerous countries but will under-deliver enormously due to low reach and effectiveness of governments.
- Early successes with REDD+ projects will generate a new land use option in rural communities' decision making. Locations that deliver solid benefits for communities will witness positive changes in land use.