



# Governors' Climate & Forests Task Force

## Day 3 Wrap-up & Recommendations

September 22, 2011



[www.gcftaskforce.org](http://www.gcftaskforce.org)

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INDONESIA Aceh, Central Kalimantan, East Kalimantan, Papua, West Kalimantan

MEXICO Campeche, Chiapas | NIGERIA Cross River State | USA California, Illinois



## **(1a) Alignment of State and National REDD+ Policies**

- **Mexico – Rosa Maria Vidal, Pronatura**
- **Brazil – Mariano Cenamo, Idesam**
- **Nigeria – Odigha Odigha, Cross River**
- **Indonesia – Mubariq Ahmad, World Bank**



# (1a) Alignment of State and National REDD+ Policies

## Summary:

- At Subnational level expectations are **high** and funding is **low**
- Need to deal with community expectations and guarantee their involvement and ensure benefits are delivered
- Need for capacity building at subnational level
- Need to sort out the issue of carbon rights and benefit sharing
- Need to better define what are the specific roles at national and subnational level
- Guarantee consistency among policies at different levels



# (1a) Alignment of State and National REDD+ Policies

## Main challenges and questions

- How to find best ways for the states to move forward ?
- What is the most efficient level for crediting REDD+ ?
- Alignment of financial incentives between national and sub-national
  - In regards to incentives matter, ensure consistency
- Harmonization of baseline methodologies and creation of integrated system for MRV recognizing the different scales.



# (1a) Alignment of State and National REDD+ Policies

- Capacity building, opportunity to strengthen decentralization processes at subnational level in alignment with national policies.
- REDD+ must be taking full involvement of right-holders and stakeholders- primarily indigenous peoples and forest dependent community. – set up guidelines based on general principles.
- Move further to sub-national arrangement for it is essential requirements for REDD+



# (1a) Alignment of State and National REDD+ Policies

## Main challenges and questions

- Capacity building, opportunity to strengthen decentralization process of sectors at State Level.
- REDD+ must be people oriented – set up guidelines based on general principles
- Move further to sub-national arrangement for it is essential requirements for REDD+



# **(1b) New Opportunities for REDD+ Finance, Land Use & REDD+ Institutional Arrangements**



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## **(1b) New Opportunities for REDD+ Finance, land Use & REDD+ Institutional Arrangements**

### ***1. Think outside of the UNFCCC box***

- GCF as agile motor of innovation— we should take advantage of it!

### ***2. REDD is threatened by rising commodity prices that demands new rural development model***

- REDD must become one component of a new rural development paradigm
- Need broader political support



# (1b) New Opportunities for REDD+ Finance, land Use & REDD+ Institutional Arrangements

## 3. *Priority: transition from project to jurisdictional*

- With state- and province-wide programs, focused on lowering jurisdiction-wide deforestation/degradation, greater focus on policy alignment, institutional innovation that are core of development
- Lower transaction costs: less need for project-level carbon accounting
- Standards and safeguards under development for jurisdictional REDD—very important challenge
- Projects important source of lessons and innovation
- Project developers still more comfortable with REDD projects



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# (1b) New Opportunities for REDD+ Finance, land Use & REDD+ Institutional Arrangements

## 4. *We need to grow demand for GCF credits beyond California: opportunities with public finance*

- Potential for other subnational jurisdictions to engage with GCF in Europe, Australia *\*\*\*Interested GCF states should talk with ClimateFocus\*\*\*\**
- FCPF carbon fund with \$213M committed and \$350M target could provide flexible funding to GCF states/provinces that are linked with national REDD strategy; FIP

## 5. *Growing Demand: Roundtables & REDD Virtuous Cycle?*

- Commodity roundtables: international standards (environmental, social) for commodity supply chains for soy (RTRS), palm (RSPO), sugar (Bonsucro)
- Place restrictions on deforestation; safeguards; broad farmer engagement
- Virtuous cycle: Farmers (wishing to certify) needing funding and funding (REDD) needing farmers—**build this bridge**
- There are existing field programs of support for farmers that are not yet linked to REDD
- Need jurisdictional farmeworks



# (1b) New Opportunities for REDD+ Finance, land Use & REDD+ Institutional Arrangements

## 6. ***Growing Demand: Lowering Risk for Private Investors***

- *GCF needs private investment if REDD to become development paradigm*
- *REDD Private Investors faced with many forms of risk: performance, market, political, natural disasters*
- *Creative mechanisms for lowering risk: insurance for REDD credits*
- *REDD Bonds, Feed-in tariffs, minimum price for REDD credits*
  
- ***Potential: GCF Fund as an efficient, non-bureaucratic instrument of finance in support of low-emission rural development***



## (2a) Safeguards and REDD+: Lessons and Opportunities for Jurisdictional Programs



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# (2a) Safeguards and REDD+: Lessons and Opportunities for Jurisdictional Programs



Governors' Forests and  
Climate Task Force  
2011 Palangkaraya  
Central Kalimantan  
Republic of Indonesia



# Safeguards Mandate: Cancun Agreement

**“...safeguards...should be promoted and supported.”**



REDD+ countries are *requested to* develop...

“a system for providing information on how the safeguards referred to in Annex I...are being addressed and respected...”

# Cancun Agreement Annex I

The following safeguards should be promoted and supported:

- (a) **Actions ...consistent with the objectives of national forest programs**
- (b) **Transparent and effective national forest governance structures**
- (c) **Respect for the knowledge and rights of indigenous peoples and members of local communities, ....and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;**
- (d) **The full and effective participation of relevant stakeholders, in particular, indigenous peoples and local communities...**
- (e) **Actions are consistent with the conservation of natural forests and biological diversity...**

# Designing jurisdictional safeguards

- **Takes into account Cancun Agreement Annex I?**
- **Good stakeholder process in place?**
- **Easy to implement? Easy to monitor? Enforce?**
- **Conforms to current state legal framework?**
- **Concern/provision for indigenous rights?**

# Recommendations to the GCF (1)

**from the 20 Sept “Peoples’ Demands” Statement:**

“there should be a **guarantee on peoples’ full involvement and representation** in every process and stage, especially in the projects’ decision making processes. Peoples should be guaranteed the same rights as other parties.”

(Example: Acre’s standing commission, comprised of ½ government personnel, and ½ civil society reps.)

## Recommendations to the GCF (2)

### **Free Prior and Informed Consent (FPIC): leveling the playing field for REDD+**

Should be extended to ALL land allocation decisions, not only for REDD projects.

Confining FPIC to REDD actually will put REDD at a competitive disadvantage.

*“true community consent could only happen if thousands of hectares of concessions were revoked and the consultation process was begun anew”*

# Recommendations to the GCF (3)

## **GCF jurisdictions should use REDD+ SES standards**

- Validated internationally through multi-stakeholder processes (Government/Non-Govt/Private Sector)
- Represents “Global Best Practice”
  - ...can be ‘retailed’ to legal needs of jurisdictions
  - ...standards still involving, GCF can help shape them
- Indicators should be agreed upon as part of the monitoring system involving communities

# Conclusion

## High-quality jurisdictional safeguards:

- Attract interest from responsible investors
- Provide a framework for on-going capacity building, and a mechanism for government – NGO consultation
- Help clarify legal guarantees/rights for communities
- Reduce the costs and increase community involvement in monitoring and evaluation
- Make positive contributions to livelihoods



## (2b) Legal Frameworks & Institutional Arrangements for Subnational REDD+



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# (2b) Legal Frameworks & Institutional Arrangements for Subnational REDD+

## Summary

- *Effective REDD legal frameworks are essential to create a safe and predictable environment for governments, landowners, companies and investors engaging in the low carbon forest based economy at the national and sub-national level.*
- *Identifying the key points and major problems help States and Stakeholders to design their Public Policies and Tailor solutions to their own REDD policies, laws, and regulations.*
- *States have common issues and challenges that could profit from the experiences, best practices and successful policy's already implemented or in implementation.*
- *Sharing experiences, identifying key issues, major problems and recommendations should create the right environment to leading the discussions and achieve the best common solutions.*

# REDD Legal Framework – Key Issues

- 1 - Institutional Framework (Design and Models)
- 2 – Planning Instruments
- 3 - Regulatory Institutions/Supervision / Monitoring
- 4 - Accountability and Registry
- 5 - Governance (Civil Society and Government's)
- 6 - Economic Benefits Distribution Mechanisms (Legal Models)
- 7 – Execution Instruments and Mechanisms (Market and non Market) with Market languages
- 8 - Interoperability with National Structure (Subnational and National Schemes – Need to fill the Gap's)
- 9 - International Cooperation (Legal Models - Gap's and Legal Challenges)
- 10 - Nested Approach (Models - Jurisdiction Scalable Solutions and Harmonization between the different levels)

# Obstacles

## Major Obstacles:

- ❑ Legal Status of Carbon Credits
- ❑ Legal Status of Forests Areas and non-Forest Areas –
- ❑ Legal Tenure – Inside and Outside
- ❑ Clear Definition of the Right Holders for the Carbon Rights (How to recognize them)
- ❑ Mechanism's and Solutions to answer Conflict Resolution Issues
- ❑ Legal Status of Subnational REDD Strategy's
- ❑ Decentralization versus Centralization – the right equilibrium
- ❑ Regulatory Coherence between different levels of Public Institutions and Policy's (Vertically and Horizontally)
- ❑ Integrating Coordination and Governance and increase MRV capacity's
- ❑ Eligibility Criteria's and Minimum Standards
- ❑ Benefits Sharing – No market Experience in Performed Based Mechanisms
- ❑ Tools to calculate costs and benefits
- ❑ Tools to talk with the Markets

# Recommendations

- **Recommendations:**
- GCF should create a list of good practices and best technical and legal models that could help the different States to adapt and/or integrate in their own internal Public Policies.
- GCF should work on the contribution to integrate vertical and horizontal Public Policy's between the different levels of regulatory Institutions in order to achieve a minimum of Regulatory Coherence on those Policy's.
- GCF recommends that the initial design and approval of the new Public Policy's on REDD should be pursued as a strategic action to assure the future success of Programs and Policy's on REDD, including all the "forces" of society (Public and Private).
- GCF could contribute to create tools to help Stakeholders to increase the coordination between different Policies and Levels of Regulation on REDD.



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