



Conservation, Restoration and Sustainable Use of Natural Carbon Sinks

REDD+ is a crucial strategy to keep global warming below 2°C

Globally, forests are the biggest terrestrial carbon sink. Their destruction and unsustainable use cause major greenhouse gas (GHG) emissions which contribute considerably to global climate change. Currently, forest loss is particularly severe in tropical developing countries – mainly due to the rising global demand for agricultural and livestock products such as soy, palm oil, coffee, cocoa, rubber, meat and leather. Halting deforestation and re-growing forests can contribute approximately 24 to 30% of the global greenhouse gas (GHG) mitigation potential. In other words, keeping global warming well below 2 °C can only be achieved if we jointly manage to significantly reduce deforestation and enhance forest restoration in the coming years.

A concept to Reduce Emissions from Deforestation and Forest Degradation in developing countries, including forest conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+) has been developed under the United Nations Framework Convention on Climate Change (UNFCCC). REDD+ has become an integral element of the Paris Agreement. REDD+ assigns an economic value to carbon in order to create incentives to conserve forest carbon reservoirs. By providing financial incentives for verifiable forest conservation and sustainable use, REDD+ can play an important role in halting deforestation.

REDD+ is a complex concept with close interdependencies among international climate policy and national implementation. Special technical, methodological, institutional as well as human capacities are needed to plan, establish and implement it properly. Another major challenge is to identify the drivers of forest area change and to find workable socio-economic and financial solutions for tackling them. Consequently, REDD+ activities need to be managed in view of the related complexity of heterogeneous interest groups in various institutional settings, while respecting social and environmental safeguards. The creation of appropriate technical, legal, financial and institutional conditions to reduce forest carbon loss requires the coherent yet pragmatic implementation of national REDD+ strategies in a sound governance framework.

REDD+ in the International Climate Initiative

The International Climate Initiative (IKI) by the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) provides carefully targeted support for projects that target the conservation, restoration and sustainable use of natural carbon sinks of forests and other ecosystems. Within the context of REDD+, the IKI focusses its support for partner countries to practically implement ambitious national REDD+ policies. Through activities in this funding area, important synergies between climate- and biodiversity protection can be created and strengthened.



PROJECT EXAMPLE

Unlocking Forest Finance (Global Canopy Programme)



Since 2008, the IKI has been financially supporting projects which contribute to the conservation, restoration and sustainable use of forests worldwide. Up to now the IKI has supported 103 projects with a total funding volume of about €331 million – positioning BMUB as a major global REDD+ donor.

Project examples range from the support for the development of regional Measuring, Reporting, and Verification (MRV) systems, data generation and capacity building on innovative remote sensing techniques, the assessment for high-biodiversity REDD+ potentials to decision-support tools for reference level establishment. In recent years the focus has moved away from readiness support towards spurring the transformation towards REDD+ business models that protect and restore forests at landscape level.

The projects cover a wide range of countries in South America, Southeast Asia, Africa as well as Oceania and involve a broad variety of international NGOs, governmental agencies, research organisations, private industry, indigenous peoples and local stakeholder groups. Lessons learned from these projects are widely disseminated and also provide valuable impetus for the international climate negotiations and national and regional strategies on REDD+.

Unlocking Forest Finance (UFF) – a project that focuses on the Amazon region – offers decision-makers at provincial level in Peru and Brazil support needed to implement REDD+ in their country. With the help of financial analyses and land-use models, it can show economic and environmental consequences of different forms of land-use. The economic benefits of ecosystems are assessed and, inter alia, the value of the stored carbon is determined. At the same time, the capital costs and earnings associated with various forms of use and their environmental impact are modelled. Provincial governments, together with scientists, financial analysts and the implementing institutions are jointly developing alternative low-carbon land-use pathways as a basis for optimised strategies to protect forest resources and make agriculture more environmentally and economically sustainable. The project's findings show, inter alia, that currently common land-use practices, such as large-scale forest clearing to create agricultural land, are not only damaging the climate but are also detrimental to sustainable economic development, for example due to the financial loss incurred when forest functions such as water regulation and erosion protection are lost. Moreover, missed opportunities from alternative sources of income, such as tourism, have a greater impact in the long term than short-term profits from forest clearance. Therefore, the project partners identify sustainable, climate-friendly types of land-use, for example using optimised agricultural methods to improve yields or reducing the amount of land needed. Furthermore, innovative financing mechanisms designed to make REDD+ equitable and affordable are being tested in cooperation with the private sector. The project has already shown its practical relevance: in Brazil, the government of Mato Grosso has used UFF's data and results to define their Sustainable Development Strategy. In Peru, the government of San Martin has a nearly final investment plan that has attracted informal backing and an investment pledge estimated at USD \$14.5 million to finance low-carbon land use alternatives.

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