



Forest Carbon Partnership Facility (FCPF): REDD+ MRV

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Satellite Data and Monitoring Systems for REDD+

Forest Carbon Partnership Facility: Two Mechanisms

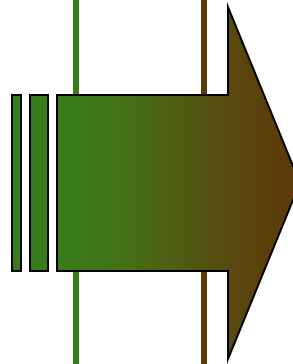
Readiness Mechanism

READINESS FUND

*Capacity
Building*

(since 2008)

\$239 million



Carbon Finance Mechanism

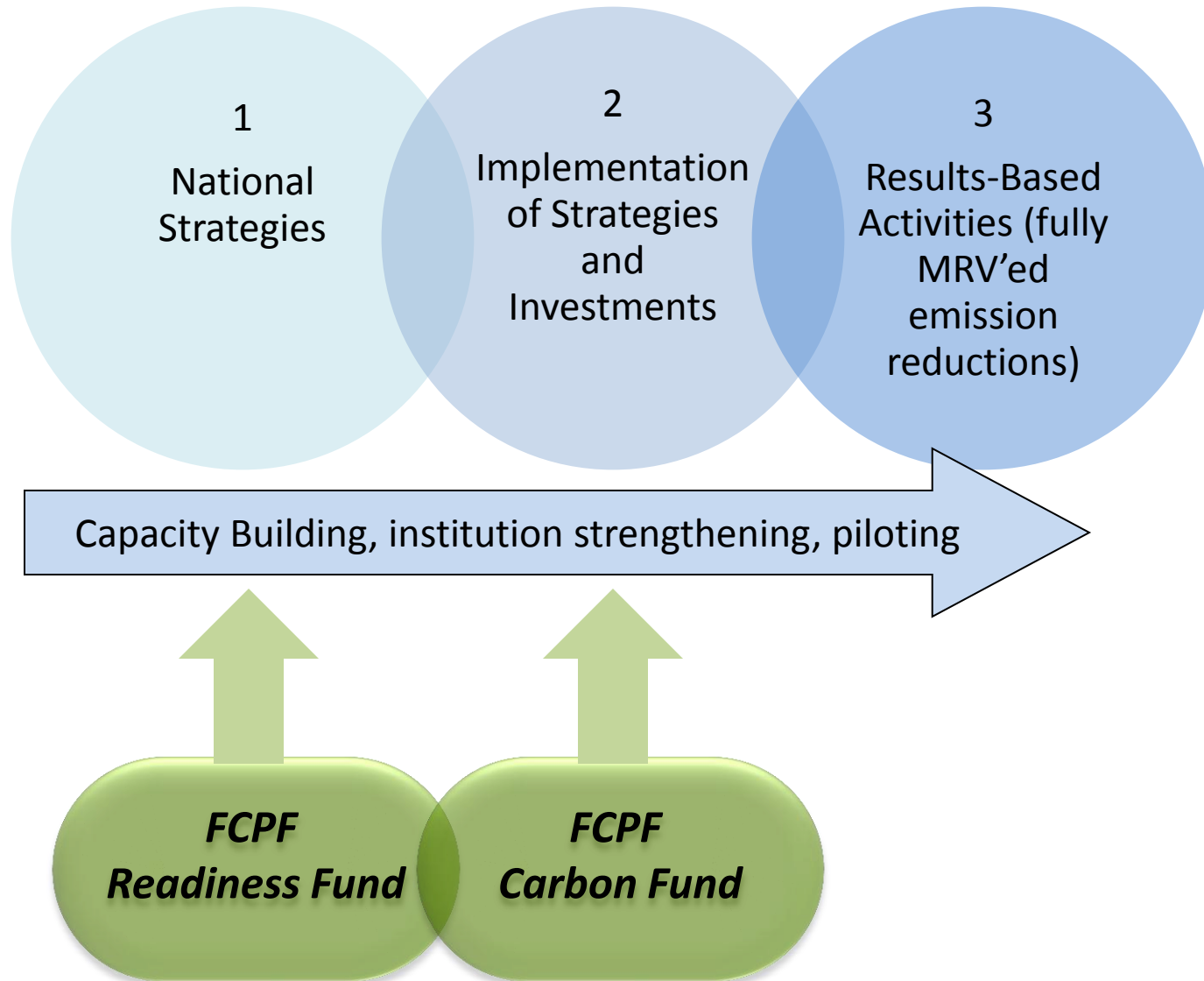
CARBON FUND

*Emission
Reductions*

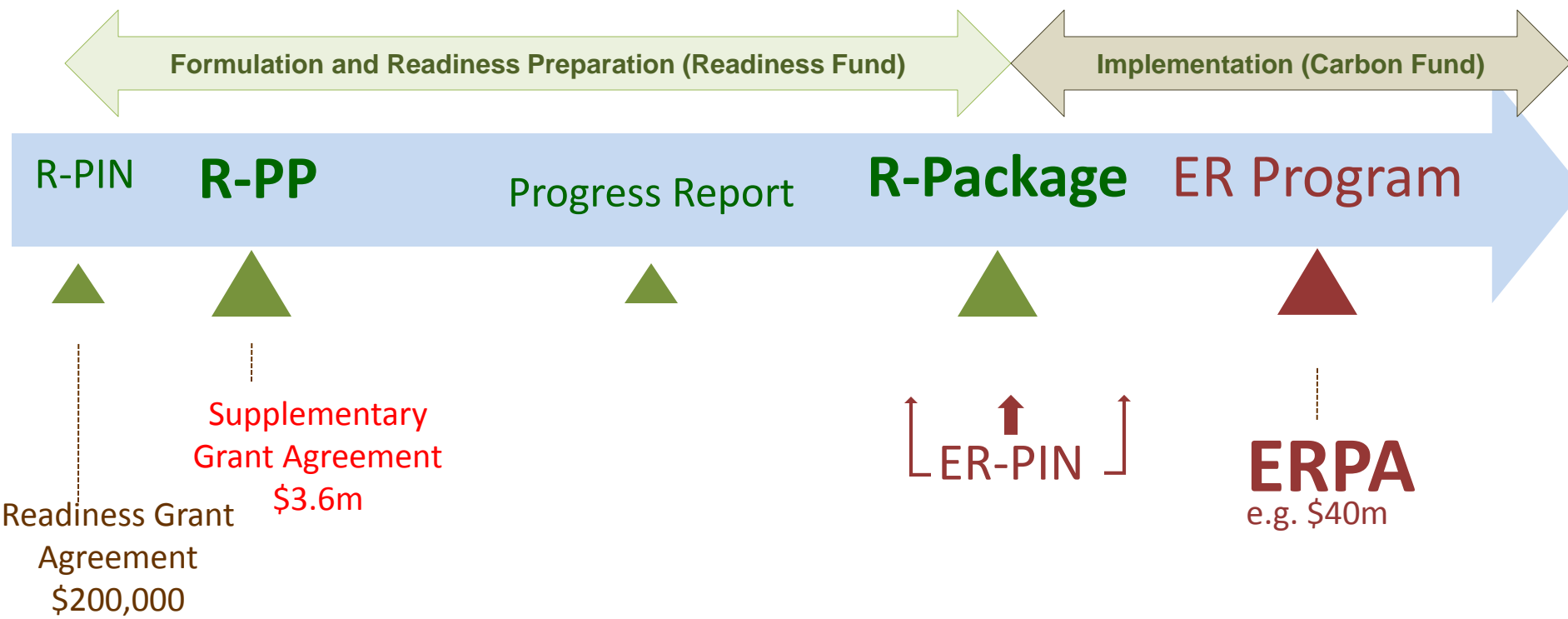
(since 2011)

\$ 218 million

3 REDD+ Readiness Phases (per Cancun Agreements)



From Readiness to Performance Payments



FCPF Readiness Grant Agreements (Sep. 2012)

- Signed: Costa Rica, DRC, Ghana, Indonesia, Liberia, Nepal, Rep. Congo
- Signed soon: Colombia, Ethiopia, Lao PDR, Mozambique, Nicaragua, Vietnam

Components of the Readiness Package (R-Package)

1. Readiness Organization and Consultation

- a. National REDD management arrangements
- b. Consultation, Participation, and Outreach

2. REDD+ Strategy Preparation

- a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance
- b. REDD Strategy Options
- c. Implementation Framework
- d. Social and Environmental Impacts

3. Reference Levels

4. Monitoring Systems for Forests and Safeguards

- a. National Forest Monitoring System
- b. Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards

Assessment of Readiness in the FCPF

- Readiness assessment framework (in draft)
 - National scope, all readiness activities
 - Country self-assessment
 - International assessment through FCPF Participants Committee
 - Supported by independent Technical Advisory Panel
 - Assessment criteria and progress indicators for each R-Package components (approx. 40 total)
- Not all FCPF countries use FCPF funding to develop RL and MRV system development

How are FCPF REDD countries approaching MRV?

- National Readiness Preparation Proposals
 - RL/MRV are mostly at proposal stage, some at implementation
 - Proposals often are revised/updated during implementation
- Combination of Forest Inventories and Remote Sensing
 - Use existing/ongoing NFI's or propose to implement NFI
 - A variety of remote sensing approaches
 - Seeking synergy with other mapping and NRM activities
- REDD countries start from very different starting points
 - Institutional arrangements are often not clear and take time to establish, e.g. capacity for operational data and information management

... many implementation challenges

... and little cost-benefit analysis

FCPF Carbon Fund: Piloting REDD+ Performance Systems

- Piloting Carbon Finance
 - Project/business cycle currently being developed
 - Focus on transaction and performance
- Development of Emission Reduction (ER) Programs
 - PC agreed (in June '12) on Elements for Carbon Fund Methodological Framework
 - **Accounting Elements**
 - Programmatic Elements
 - Guidance on Pricing
 - Full framework to be developed by spring 2013


FCPF Carbon Fund: Carbon Accounting Elements

- **Stepwise approach to reduce uncertainties**
 - ER Program data and methods are ***consistent with IPCC Tier 2 standards***, and ER Programs should, by using ***conservative assumptions*** and quantitative ***assessment of uncertainties***, be incentivized to reduce uncertainties associated with all aspects of accounting, *inter alia*, reference levels, monitoring, and reporting (i.e., such that reductions in uncertainty are rewarded by a corresponding upward adjustment in ER volume).
- **Reference Levels**
 - ERs from an ER Program should be conservatively measured and reported relative to ***a transparently presented*** and ***clearly documented*** forest reference emission level (REL) or forest reference level (RL) for the ER Program area, following the guidance of the Carbon Fund Methodological Framework and informed by the emerging national REL/RL.

FCPF Carbon Fund: Carbon Accounting Elements (cont.)

- **Consistency with Monitoring System**
 - ER Programs shall monitor and report ERs and other non-carbon variables consistent with the ***emerging national forest monitoring system***, using ***methods appropriate*** for ER Program circumstances, including community monitoring, that are transparently presented and clearly documented.
- **Address reversals**
 - ER Programs should identify potential sources of reversal of ERs (non-permanence); have the ***capacity to monitor and report any reversal*** of previously monitored and reported ERs; and have ***measures in place to address major risks*** of anthropogenic reversals for the ER Program area, to the extent feasible.
- **Address displacement**
 - Potential sources of domestic and international displacement of emissions (leakage) are identified by ***assessment of all drivers of land-use change relevant for the ER Program***; and measures to minimize and/or mitigate the risk of displacement of domestic emissions are incorporated into ER Program design and the estimation and monitoring of ERs.

MRV challenges in REDD countries (1)

- Thus far national REDD management teams have primarily focused on consultations and strategy development
 - Work on REL/RL and MRV system development is ongoing, but not always well coordinated and integrated with strategy development
- The consistency, relationship, and sequence of
 - (i) drivers analysis
 - (ii) strategy options
 - (iii) REL/RL, and
 - (iv) MRV
- Risk: ‘miss the forest for the trees’
 - Focus on policies and drivers, not just carbon
 - *reduce* emissions not just *monitor* them

MRV challenges in REDD countries (2)

- PROs and CONs of different monitoring technologies
 - Confusing/inconsistent expert advice, lack of or unclear guidance
 - Potential of R&D approaches vs. established robust techniques
 - Getting the right external assistance; alignment of donor activities
- Role of local communities, including Indigenous Peoples
 - Role in monitoring systems
 - Participatory Forest Monitoring
 - Links with benefit sharing
- Nesting: from pilots *to* sub-national demonstration activities *to* full national system

MRV challenges in REDD countries (3)

- Developing a Road Map (Step-wise) for RL and MRV work
 - Developing Terms of Reference
 - Assessing proposals, supervising technical work
- Finding practical and sustainable institutional arrangements
 - Human resources and government capacity, staff rotation
 - Unclear/undefined institutional mandates
- Making methodological decisions that have policy implications
 - e.g. what is 'forest'
 - Decision support tool can help
- How to utilize existing data/information (e.g. historical inventories) for RL definition

Prioritizing and Sequencing Forest Monitoring Activities

- Desired 'national systems' are the end-point of REDD-Readiness
 - Long-term (10? years) and sustained effort of technical assistance
- Approach to MRV and REL/RL development
 - Step-wise
 - Learning-by-doing
 - From sub-national to national
- REDD+ encompasses a total of 5 activities
 - Each requires a tailored MRV approach
 - Stratify forest area by emission in recent past (and future?)
 - Prioritize regions, carbon pools, REDD+ activities
- Having intermediate outputs is critical
 - Demonstrate performance systems
 - Maintain momentum (donor interest, private sector, market development)

Final Reflections

- Work with what you got and start addressing gaps
 - Institutions, human resources, data
 - Learning-by-doing: reveals strengths and weaknesses
 - Good (satellite) data is necessary, but not sufficient
- Partnership approach
 - Within government, with development partners, national/international experts
 - South-south learning
- Integrate MRV with 'normal' forest management activities
 - Stand-alone is likely not cost-effective and risky
 - No regrets activities
 - Do cost-benefit analysis
- Focus on priority areas in REDD+ strategy, stratify!
 - RL and MRV work can support strategy development (e.g. understand where the potential is and its size)
 - Once strategic priorities are defined, RL and MRV tasks become more focused

Thank You!

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