

# **REDD+ and the Green Economy**

The Green Growth Knowledge Platform

April 2014

Niklas Hagelberg, UNEP



- UN-REDD Programme
  - Work areas on green economy & multiple benefits
- IRP report on the role of REDD+ in a Green Economy
- Economic study on REDD+ projects
- Valuation, multiple benefits and land-use planning
- T21 model (DRC)



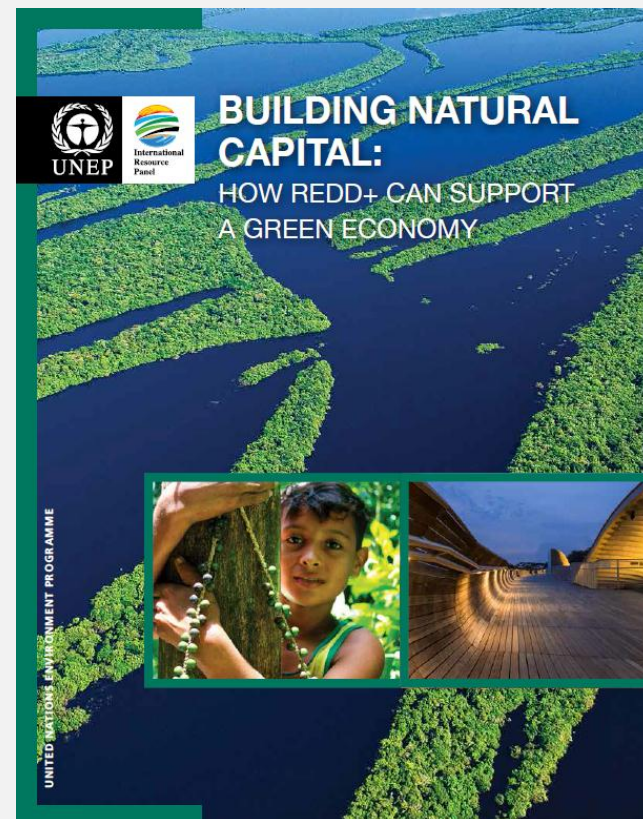
# catalyst for a Green Economy transformation

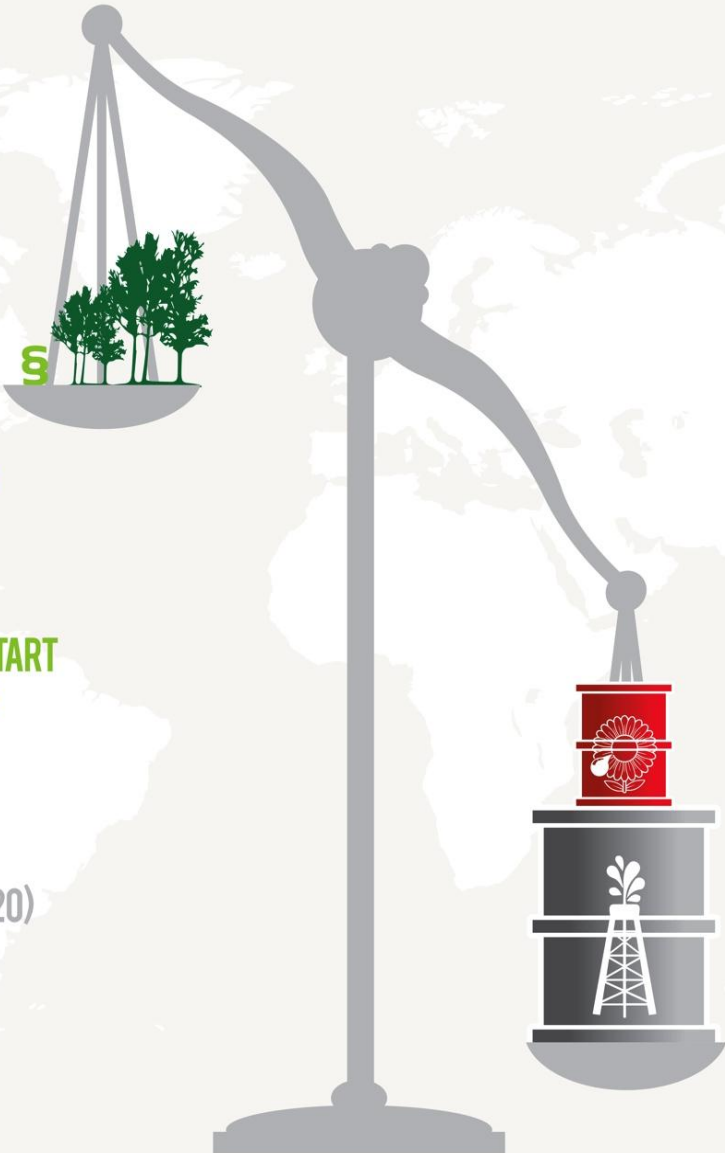
- Analytics
  - Natural capital, sustainable production/consumption, enabling conditions
  - Multiple benefits
  - Scenario building
- Private sector engagement (investment & drivers)
- Awareness raising, Capacity building and Dialogue



# IRP report

- REDD+ needs to be placed into a larger planning framework
  - The Green Economy provides a useful framework
- REDD+ needs to expand to give significantly greater attention to non-carbon benefits. The focus solely on carbon credits sells forests short.
- Equitable sharing of the benefits of REDD+ key for sustainability
- The main challenge for REDD+ will be to generate the US\$30 billion/year to support performance-based payments.





REDD+ READINESS FUNDING:  
ANNUAL AVERAGE OF  
**§ 1 BILLION**  
US\$ A YEAR FOR THE FAST START  
FINANCE PERIOD 2010-2012



FUTURE REDD+ PAYMENTS  
PHASE (ESTIMATE, AS OF 2020)  
**30 BILLION**  
US\$ PER YEAR

GLOBAL SUBSIDIES  
FOR BIOFUELS  
**24 BILLION**  
US\$ IN 2011



GLOBAL SUBSIDIES  
FOR FOSSIL FUELS  
**480 BILLION**  
US\$ IN 2011





# Economics of REDD+ projects

- Lack of proper economic calculations
- High upfront costs
  - Tenure and community involvement
  - Slow rate of return
- Un-certainty about how much has been invested (USD105,000-41,400,000)
- Mix of investors but philanthropic objectives
- Carbon credits a secondary source of income (carrot)
- Fluctuation in prices and demand major concern

Economics of forest  
and forest carbon projects

Translating lessons learned into  
national REDD+ implementation

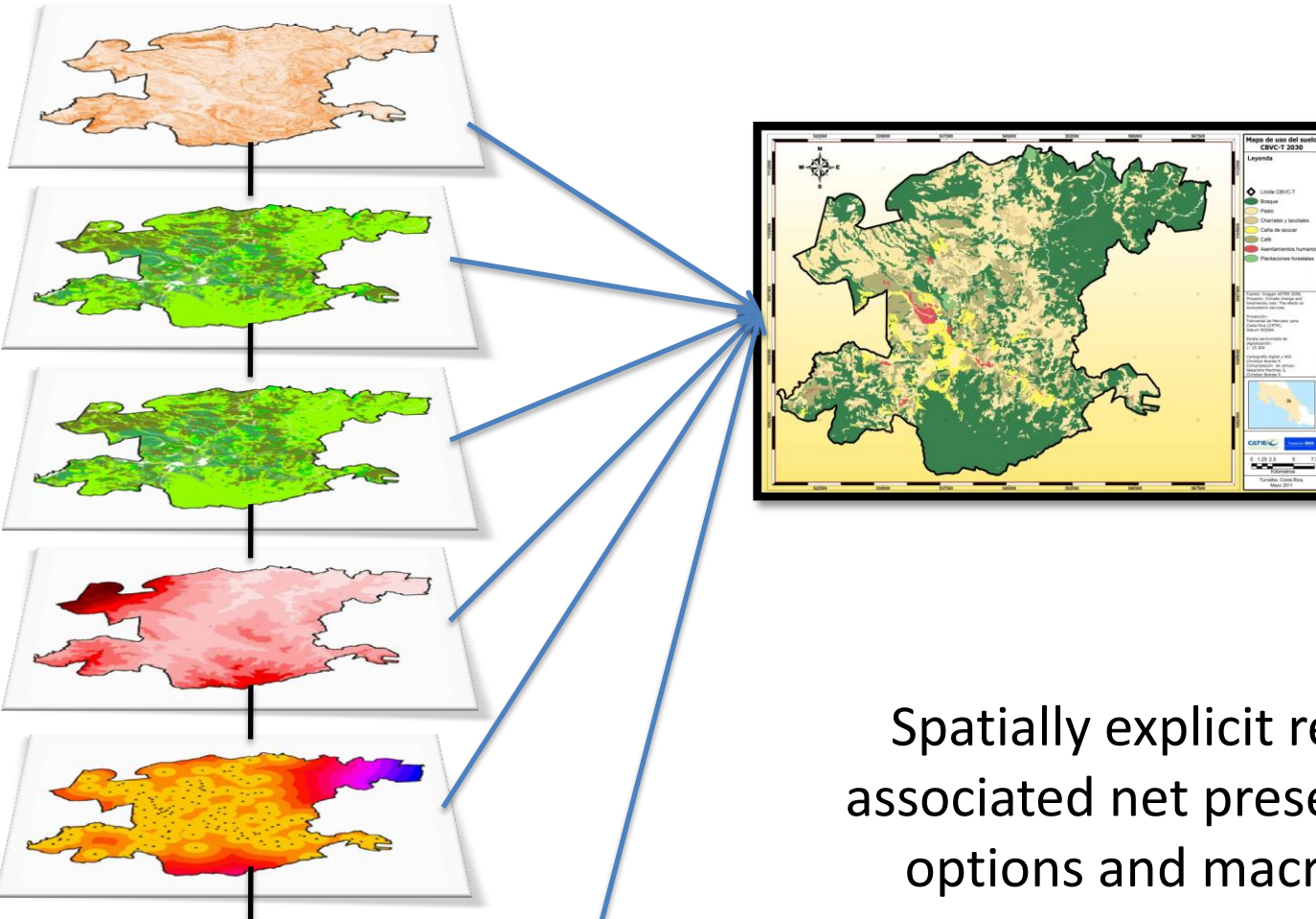


# multiple benefits and land-use planning

- Identify, value and prioritise multiple benefits
- Establish additional costs for achieving multiple benefits
- Use spatial decision-support tools in land-use planning, integrating maps, valuation and costs data that help identify potential benefits and risks from different land-use options



# Knowledge for discussion on options



Impacts on  
the economy  
&  
development  
goals

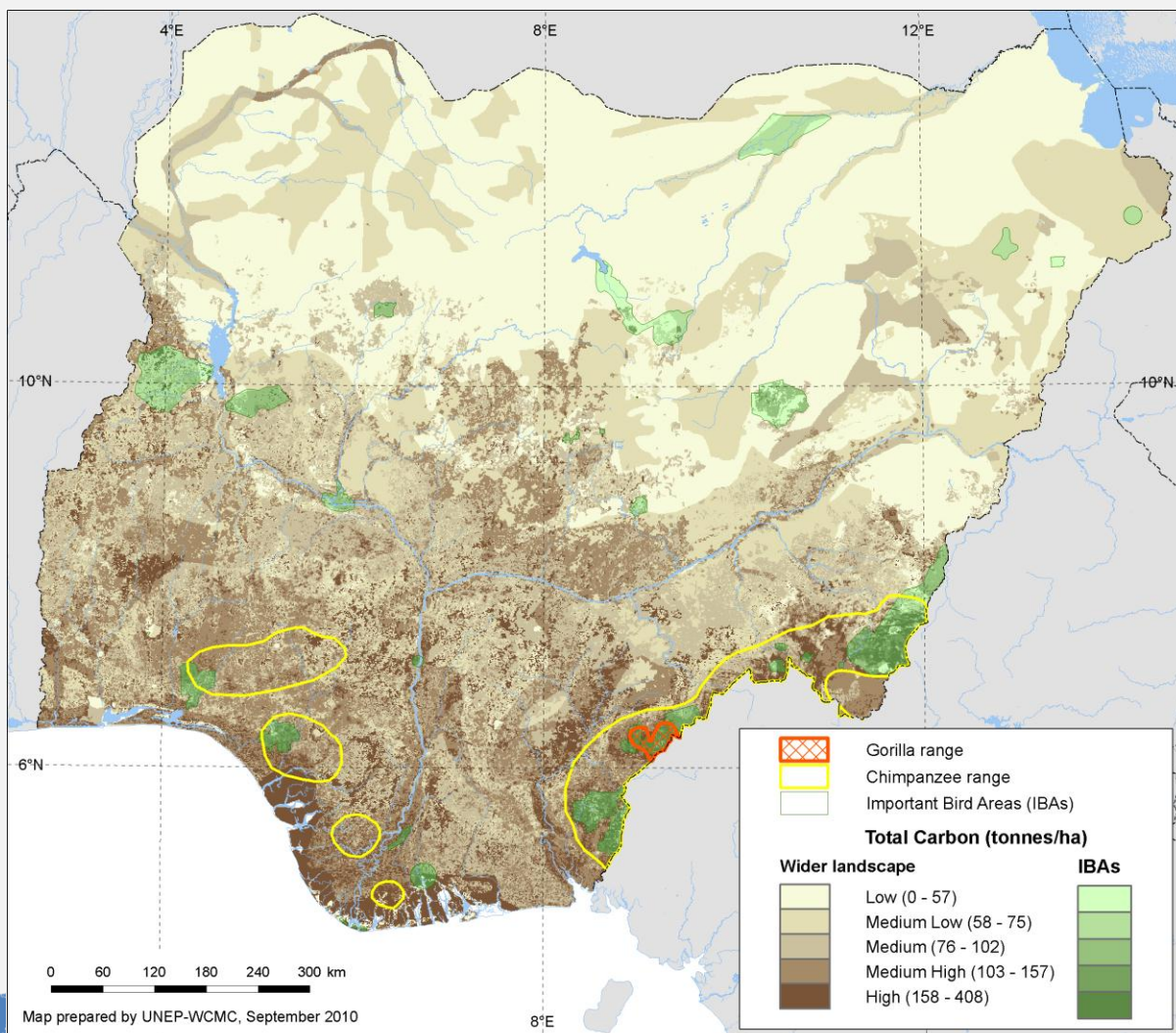
Spatially explicit results with  
associated net present values of  
options and macro impacts

[illegible]



# Multiple benefits mapping: Nigeria

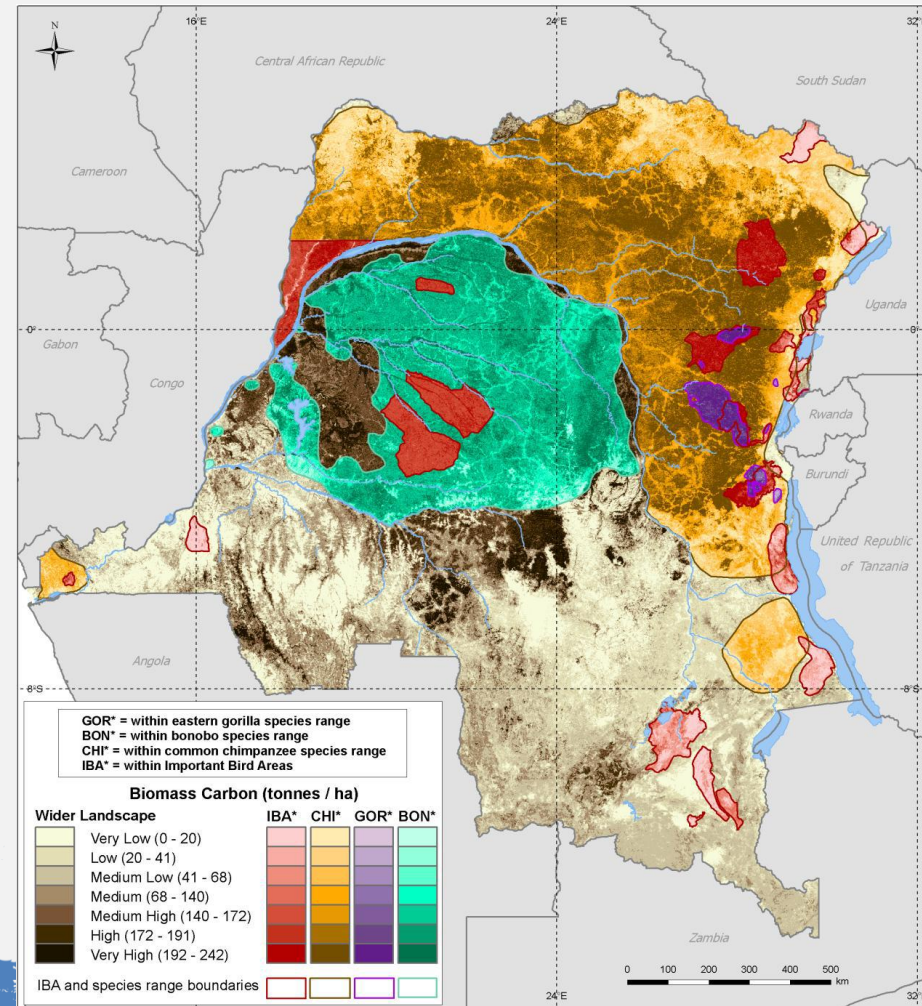
## Carbon and Biodiversity



Density of **existing carbon stocks** (brown)  
**Important Bird Areas** (green)  
**Gorilla ranges** (orange)  
**Chimpanzee ranges** (yellow)

# Planning tools (Marxan)

- **Marxan** is a spatial decision support software
- Can be used to **demonstrate where priority areas for REDD+ interventions should be** when there are many considerations
- This map of DRC illustrates the overlap between great ape ranges, IBAs and carbon

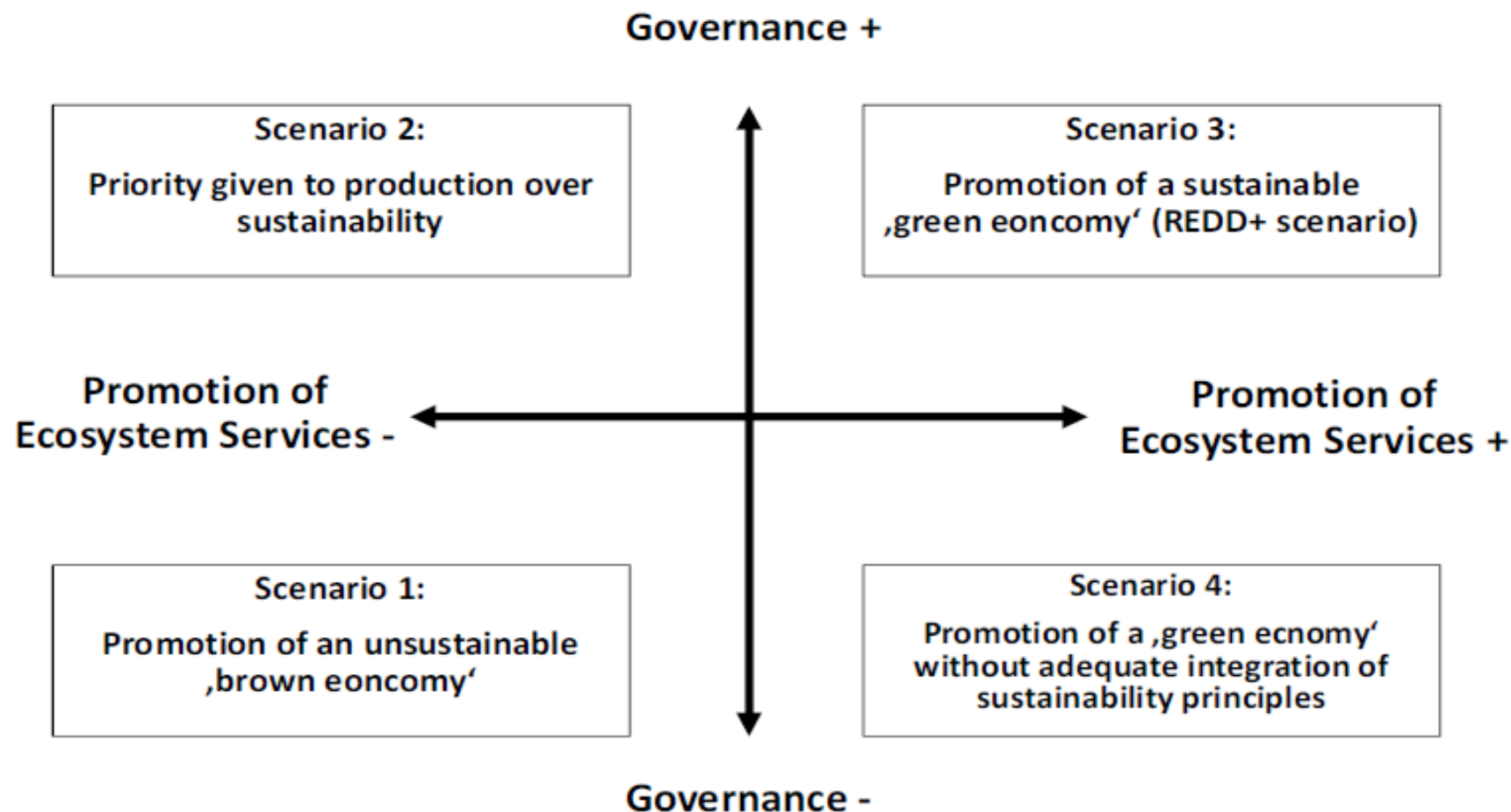


# T-21 Analysis of DRC development scenarios

- Threshold-21 is a system dynamics simulation model that integrates economic, environmental and social elements
- Comparative analysis of policy options
- The study used the model T21-DRC to evaluate the potential of different policy scenarios in the DRC
  - including a REDD+/green economy scenario based on the national REDD+ strategy





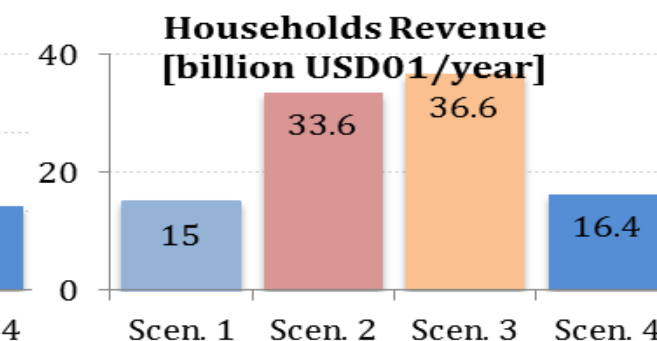
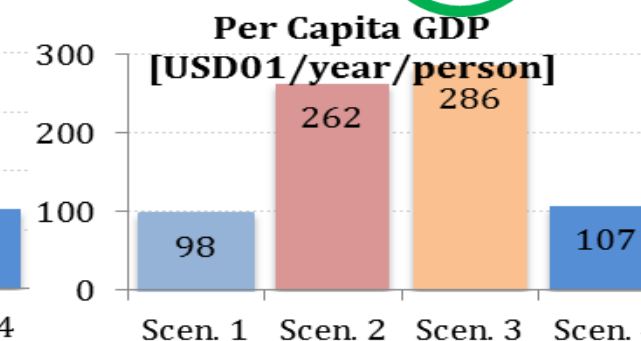
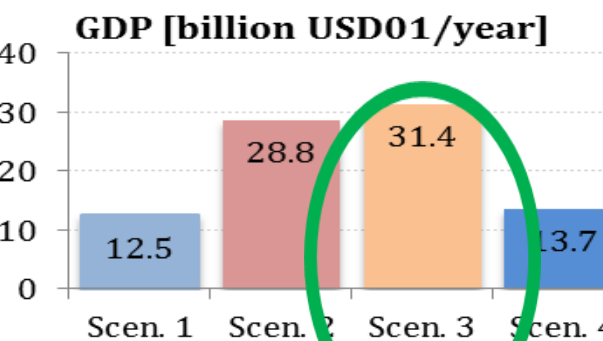
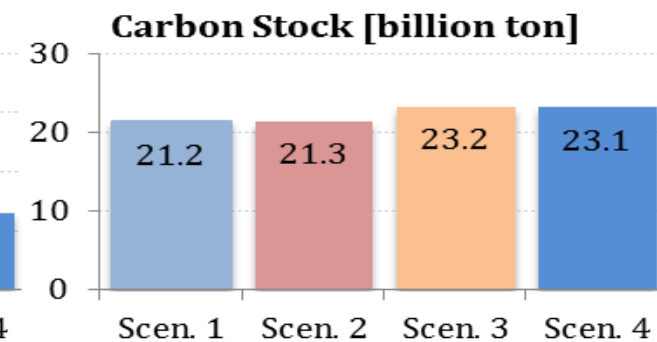
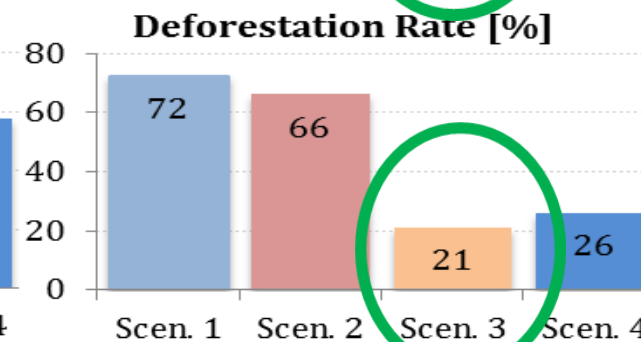
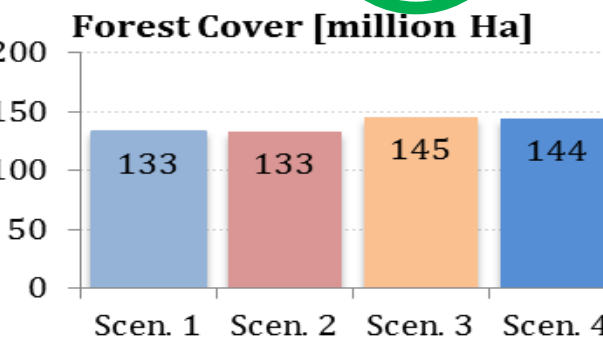
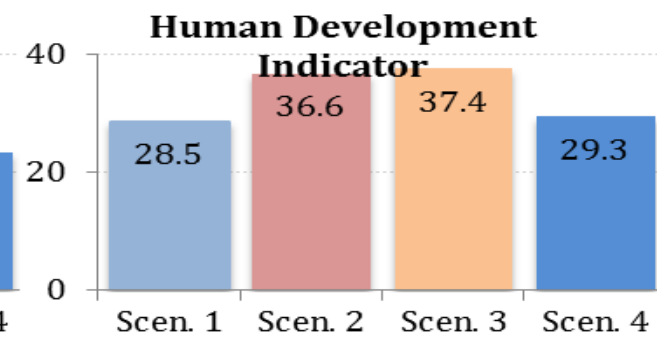
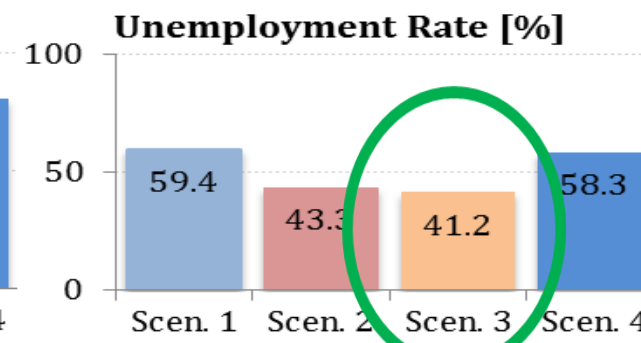
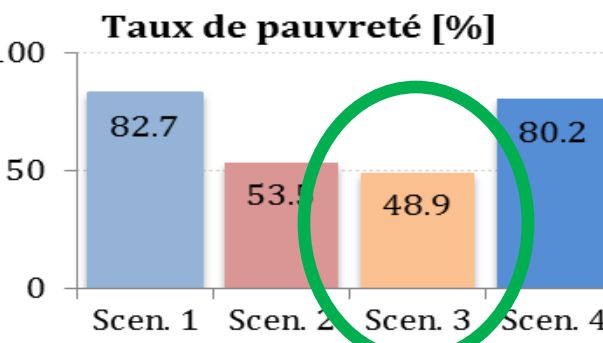
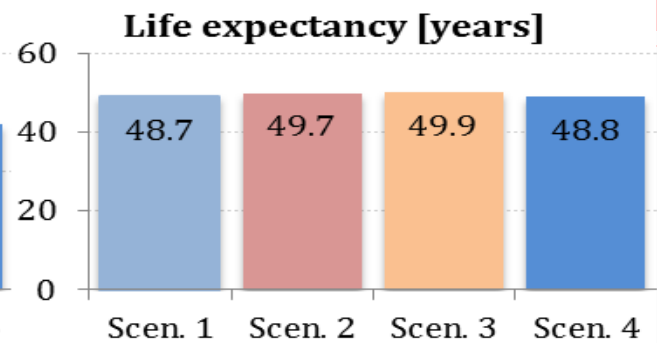
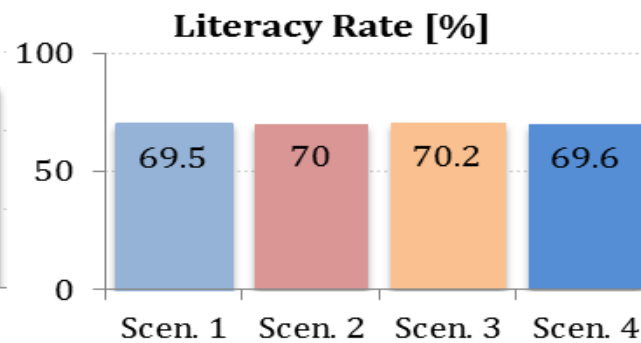
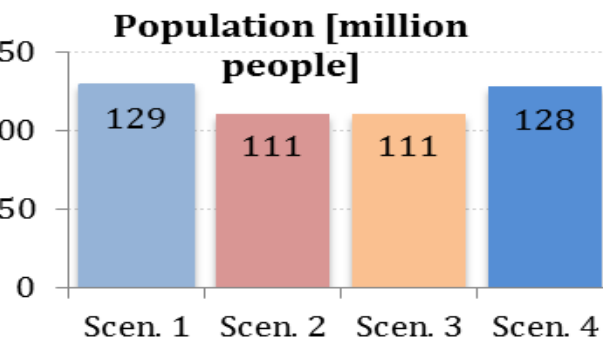


# Results from T-21 DRC

- Governance has the strongest impact on all scenarios
- A combination of strong governance + promotion of ecosystem services (the 'green economy' scenario) leads to best results
- Significant results due to synergies and reinforcing mechanisms in the system.







## MULTIPLE BENEFITS OF REDD+ IN THE LANDSCAPE

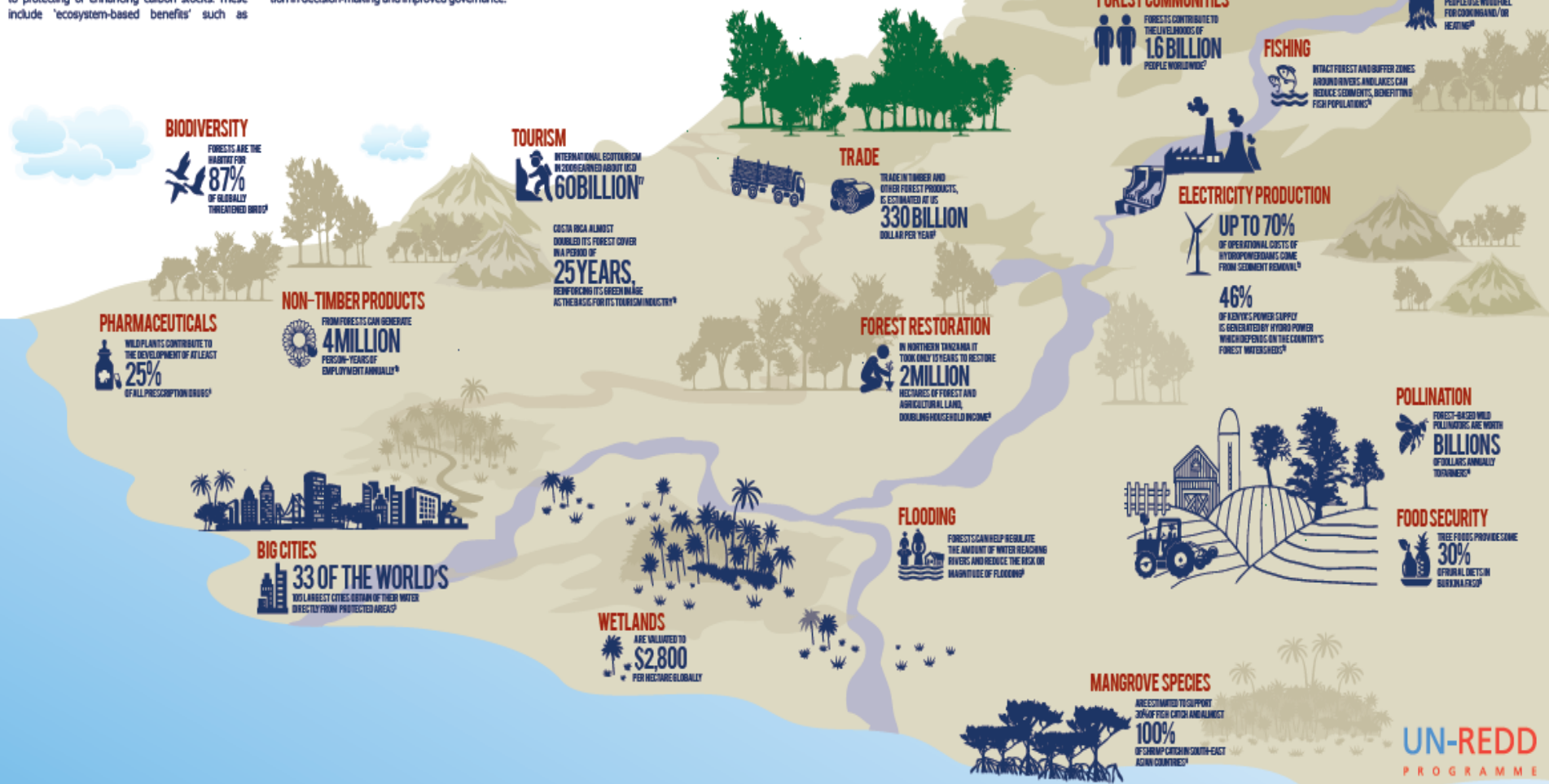
CURRENTLY AN AREA THE SIZE OF 25 FOOTBALL PITCHES IS BEING DESTROYED EVERY 60 SECONDS  
REDD+ WILL ENSURE THAT FORESTS AND TREES ARE MORE HIGHLY VALUED IN DECISION-MAKING

REDD is an effort to create a financial value for the carbon stored in forests, offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. "REDD+" goes beyond addressing deforestation and forest degradation, and aims to make forest management and land-use more sustainable within the landscape, and promote conservation and restoration of forests.

When REDD+ prevents the loss or degradation of forest, this will result in multiple benefits in addition to protecting or enhancing carbon stocks. These include 'ecosystem-based benefits' such as

conservation of forest biodiversity, water regulation, soil conservation, timber, forest foods and other non-timber forest products.

Various factors affect the extent to which these benefits are delivered: the type, location and condition of the forest involved, which REDD+ activity is undertaken, how it is implemented, and the dependence of the local population on forest resources. REDD+ can also lead to direct social benefits, such as jobs, livelihoods, land tenure clarification, carbon payments, enhanced participation in decision-making and improved governance.



Niklas Hagelberg

niklas.hagelberg@unep.org

**Thank You**

Website: <http://www.un-redd.org>

