



REDDX

Tracking Forest Finance



2013



Federal Ministry for the
Environment, Nature Conservation
and Nuclear Safety

skoll
FOUNDATION



REDDX Initiative



The REDDX initiative is a central pillar of Forest Trend's Forest Trade and Finance Program which aims to conserve forests, investment and trade in sustainable forest products. The Initiative is currently working in fourteen countries with local partners to track REDD+ finance from donors to in-country recipients to REDD+ projects on the ground.

Over US\$7.3 billion has been pledged to support REDD+ readiness in the run up to 2015. Despite high-level multilateral and bilateral financial commitments, information remains limited on exactly how much of this money is actually flowing to the national level initiatives, what types of REDD+ activities are supported, and which organizations are managing and actually implementing REDD+ on the ground.

Forest Trends, with our local partners and with support from the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety's International Climate Initiative (ICI), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Skoll Foundation, and the Rights and Resources Initiative (RRI), is tracking REDD+ finance to determine:

- Actual commitments and disbursements of REDD+ finance;
- Timelines between when funds are committed and actually disbursed;
- The types of organizations receiving and implementing the REDD+ activities;
- Types of activities supported by the current financial commitments.

Through this initiative, Forest Trends provides transparent and reliable information that allows governments and additional REDD+ stakeholders to understand the financial flows associated with REDD+ financing to better assess gaps and needs against national REDD+ strategies.

reddx.forest-trends.org

The REDDX Network

Forest Trends works in partnership with local in-country civil society groups and with national REDD+ government Focal Points across Latin and South America, Africa and Asia-Pacific. Together, we deliver a comprehensive national inventory of REDD+ financial commitments, disbursements, and REDD+ activities while also building transparency and accountability in the mechanisms through which REDD+ finance is delivered.

Launched in 2011, the REDDX initiative began piloting data collection in four countries: Ghana, Vietnam, Ecuador, and Brazil. Over the past two years, the REDDX network has significantly grown in scope and now includes partnerships with civil society organizations in fourteen different countries.

The network provides an invaluable opportunity to participate in regional and global knowledge transfer through international partner trainings and workshops and by sharing experiences and lessons learned.



“REDDX is helping fill a crucial information gap by painting a more accurate picture of when, where, what and how forest carbon money is being spent.”

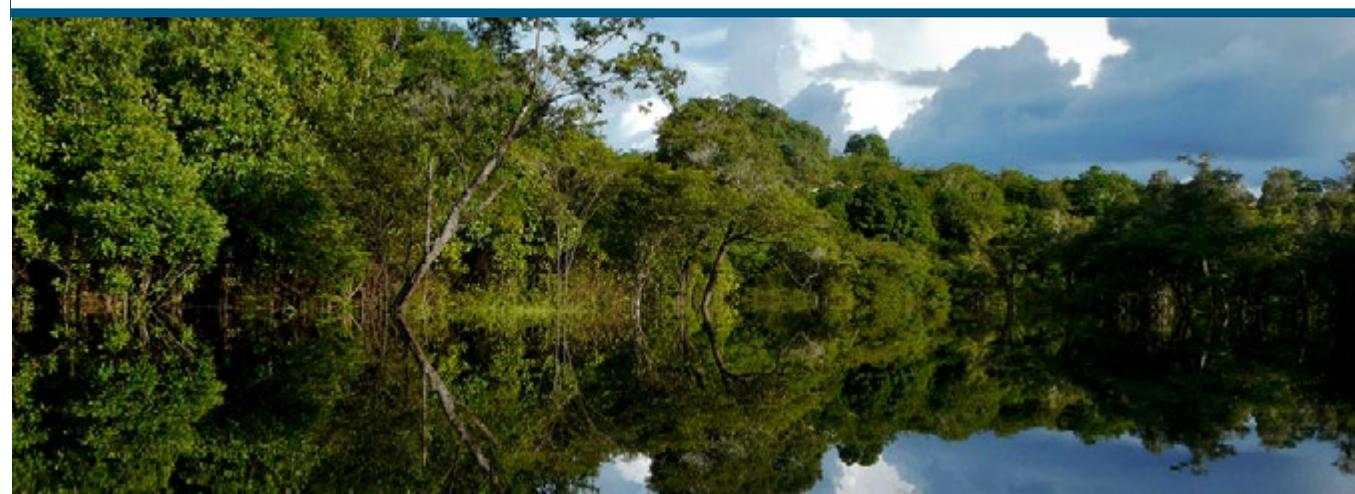
—Pablo Peña, Environmental Law and Policy Advisor

About Forest Trends

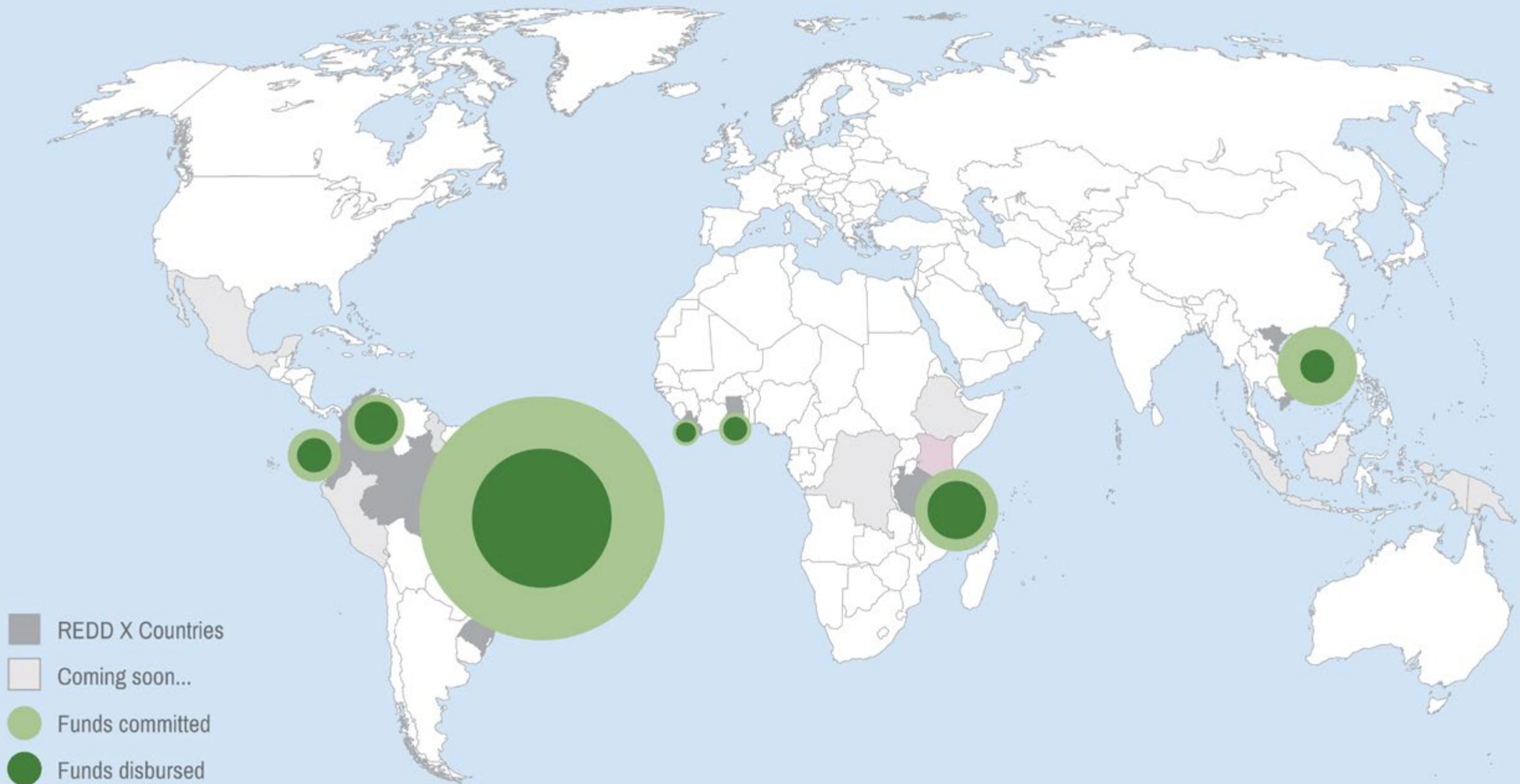
Forest Trends’ mission is to maintain, restore, and enhance forests and connected natural ecosystems, which provide life-sustaining processes, by promoting incentives stemming from a broad range of ecosystem services and products. Specifically, Forest Trends seeks to catalyze the development of integrated carbon, water, and biodiversity incentives that deliver real conservation outcomes and benefits to local communities and other stewards of our natural resources.

Forest Trends analyzes strategic market and policy issues, catalyzes connections between producers, communities and investors, and develops new financial tools to help markets work for conservation and people.

Since 2000, the Forest Trade and Finance (FTF) program of Forest Trends has sought to encourage sustainable forest management and forest trade policies by aligning conservation with commercial incentives. Through its innovative initiatives, the FTF program also seeks to increase international transparency and accountability, ultimately improving the financial practices and mechanism used in forestry investment.

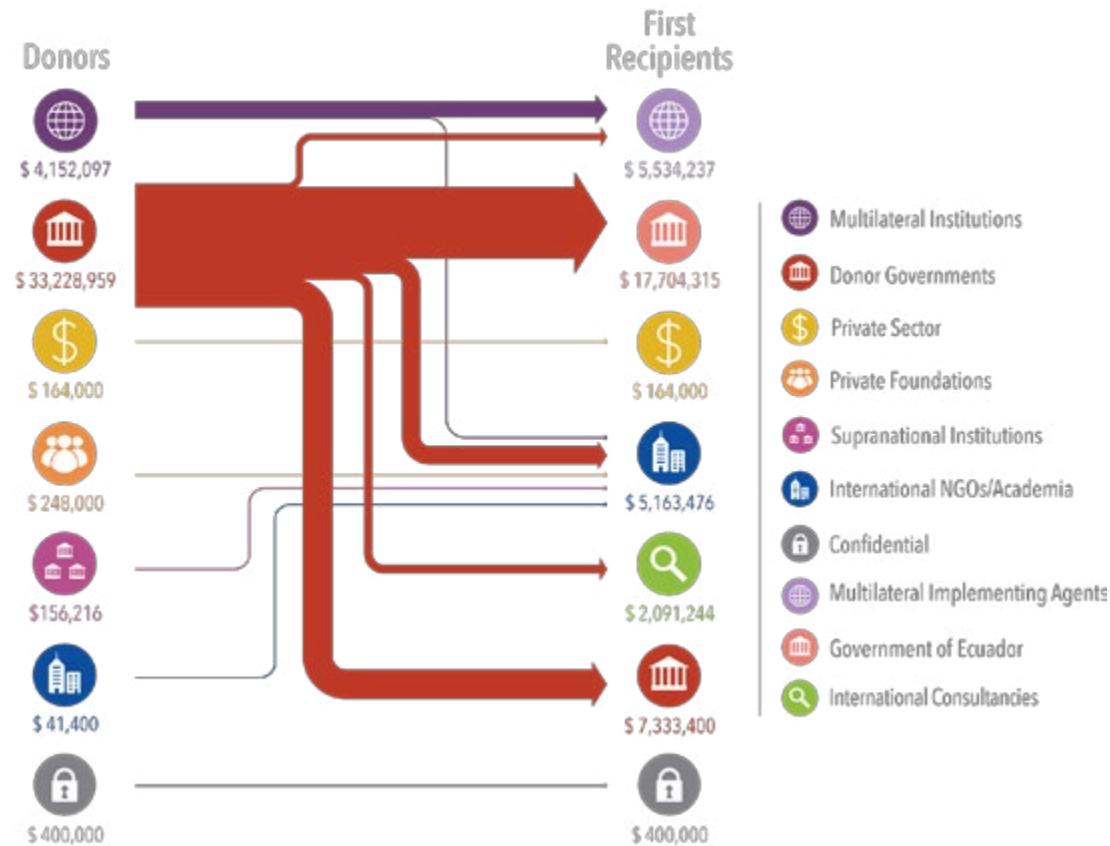


Global State of REDD+ Finance



Ecuador:

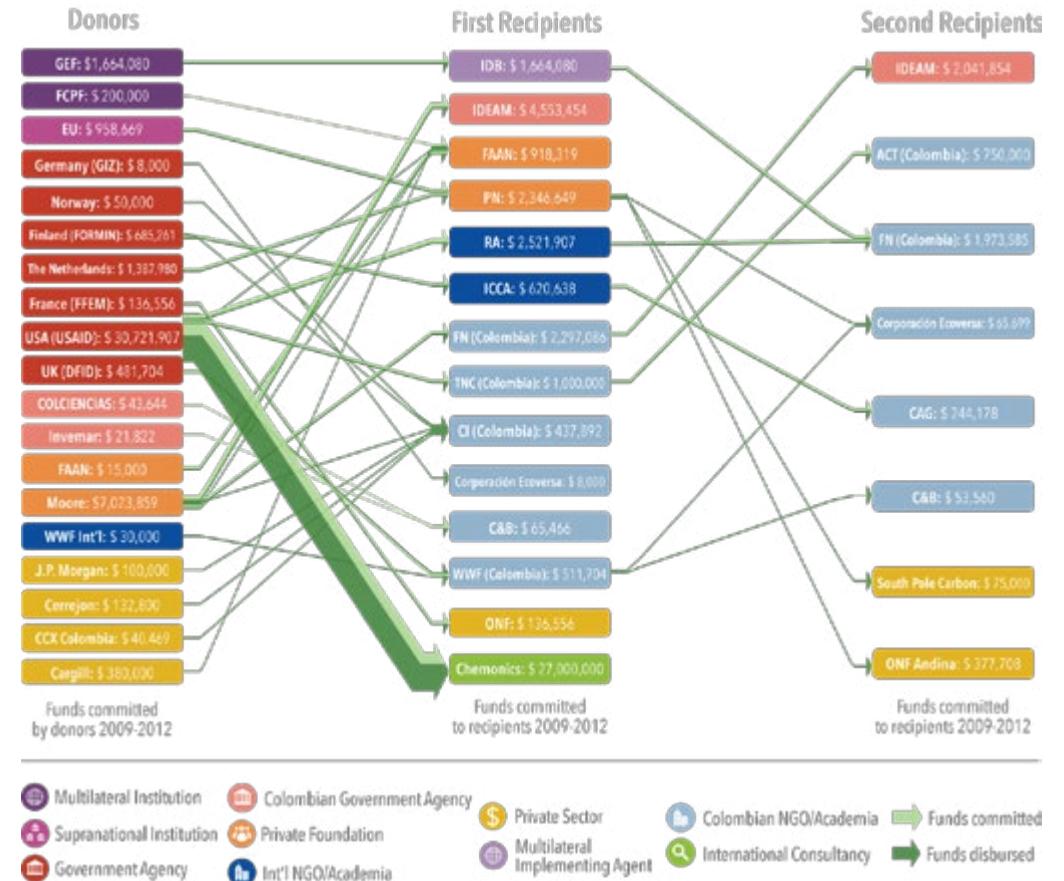
Flows of REDD+ finance between donors and first recipients, 2009-2012



Donor government agencies account for 87% of all REDD+ financing flowing to Ecuador between 2009 and 2012, with over half, or 53%, of these financial flows representing bilateral agreements. In general, donor governments are not recipients of international REDD+ finance. However in some instances, flows of finance from a donor government to a donor government take place where development aid or climate finance is disbursed from one centralized department within a government to projects/activities implemented by other government agencies. For example in 2010, GIZ committed US \$5.7 million for its Ecuadorian office to implement components of the GESOREN project.

Colombia:

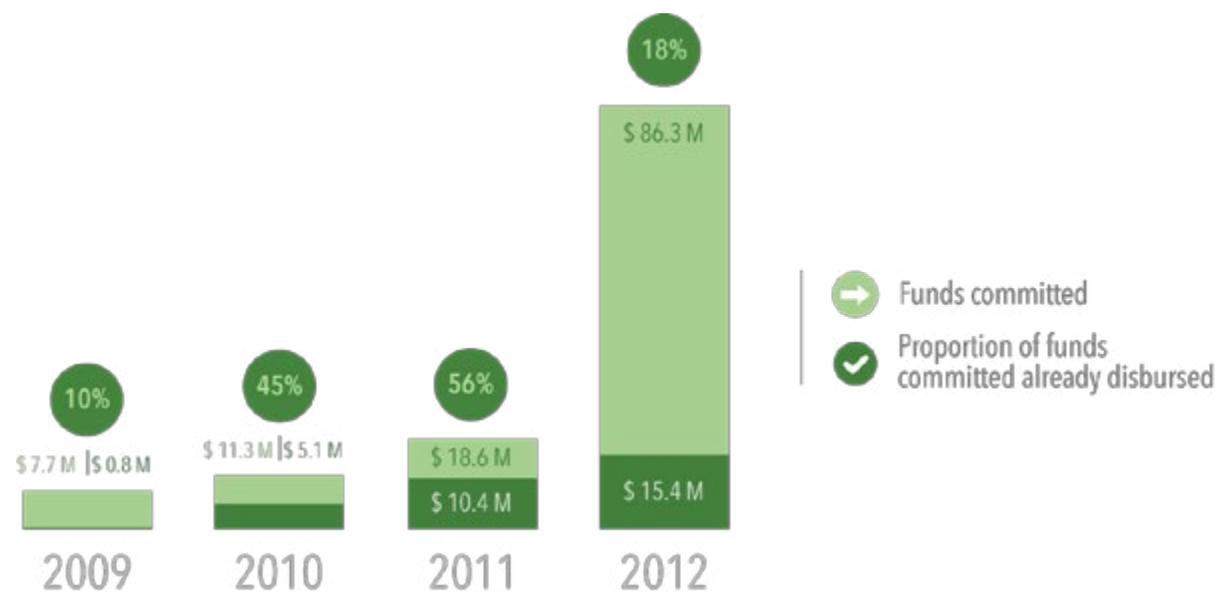
Funds committed and disbursed for REDD+ activities in Colombia through 2012



This snapshot of REDD+ financing in Colombia depicts a broad variety of both donors and recipients. It shows that donor government agencies are primary contributors, with a vast majority of these funds coming from the USAID. USAID has committed US\$30.7 million, or approximately 70% of the total funding flowing to Colombia. Much of this is going to Chemonics International, a US-based international consultancy firm, which is working with twenty Afro-Colombian indigenous communities to implement REDD-related biodiversity and livelihood projects via the BioREDD+ Program.

Vietnam:

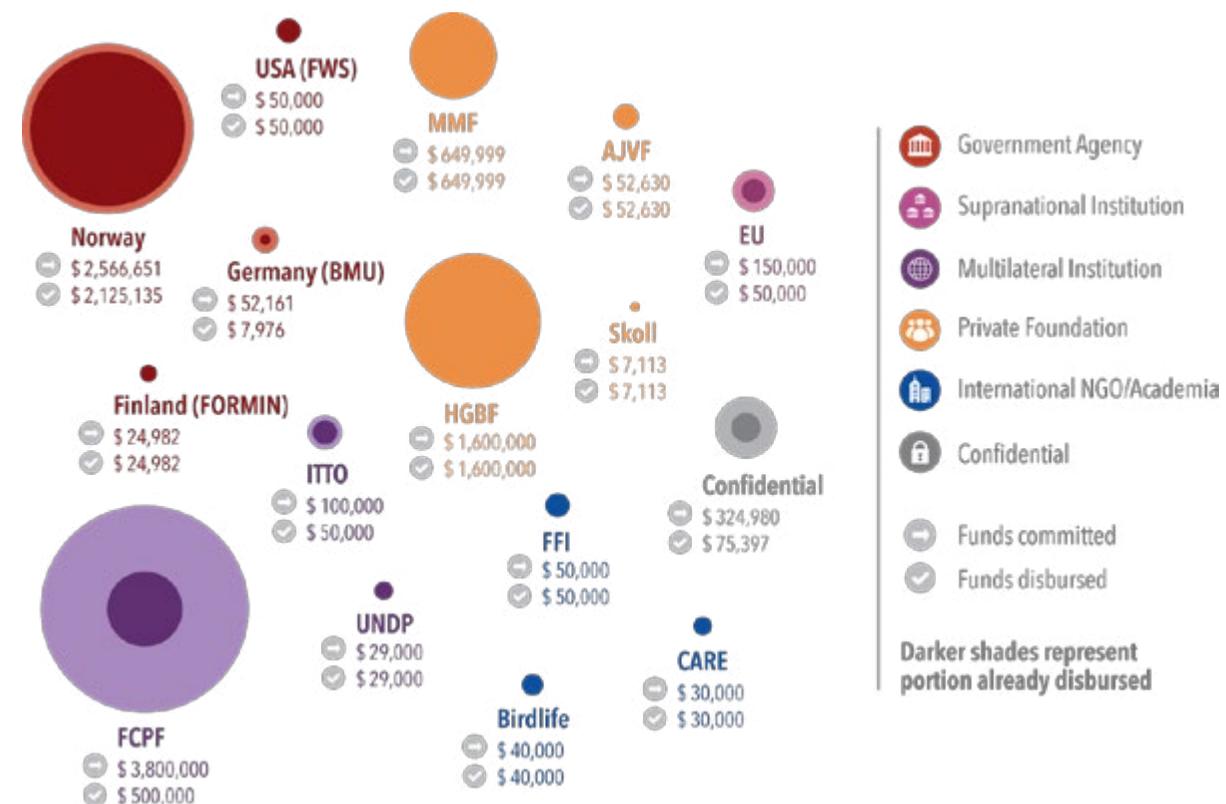
Cumulative commitments and disbursements, 2009-2012



Between 2009 and 2012, total cumulative commitments in Vietnam increased by 1021% from US\$ 7.7 million to US\$86.3 million. This is primarily due to an exponential increase in commitments between 2011 and 2012 from US\$18.6 million to US \$86.3 million. During 2009 to 2012, total cumulative disbursements have increased at a fairly steady rate. However, the percentage disbursed fell between 2011 and 2012 due to the large increase in commitments for multi-year grants.

Liberia:

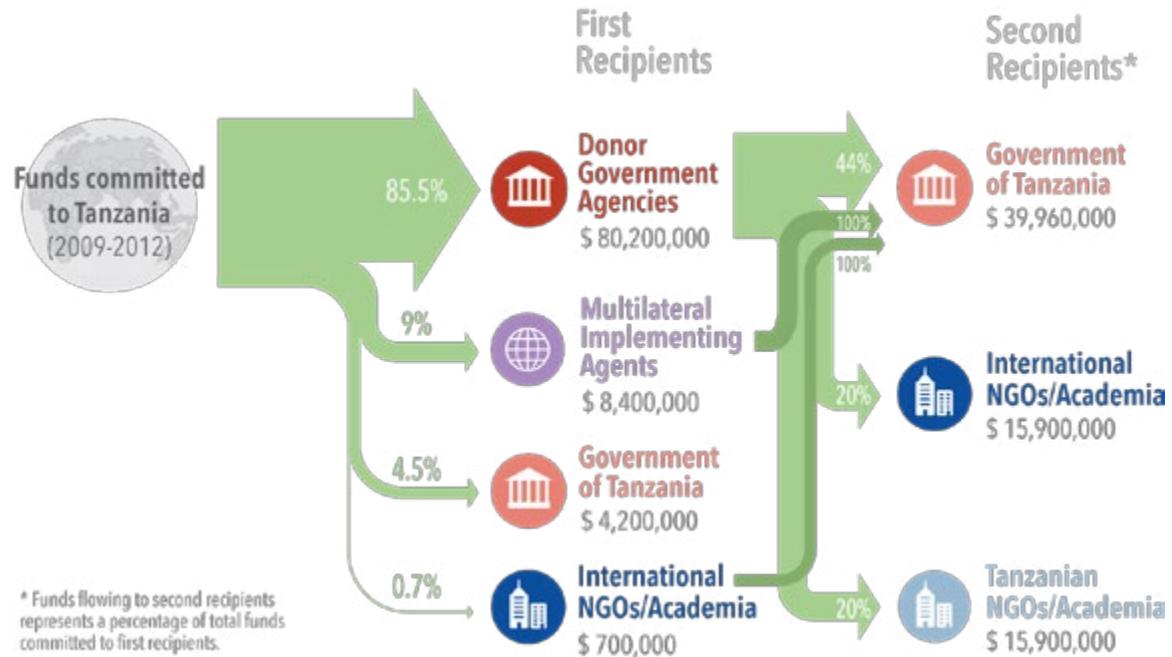
Proportional total donor commitments and disbursements, 2009-2012



The percentage of committed funding that has been disbursed in Liberia varies from 100% to 0%. However, the majority of listed donors tend to have a disbursement percentage greater than 76%. International NGOs (Fauna and Flora International, Birdlife International, CARE International) have together committed and disbursed a total of US\$120,000 for REDD+ activities in Liberia. In general, international NGOs/academic institutions tend to be recipients of REDD+ funding rather than donors. However, in some instances, international NGOs and academic institutions mobilize funding through direct public donations which are spent on activities.

Tanzania:

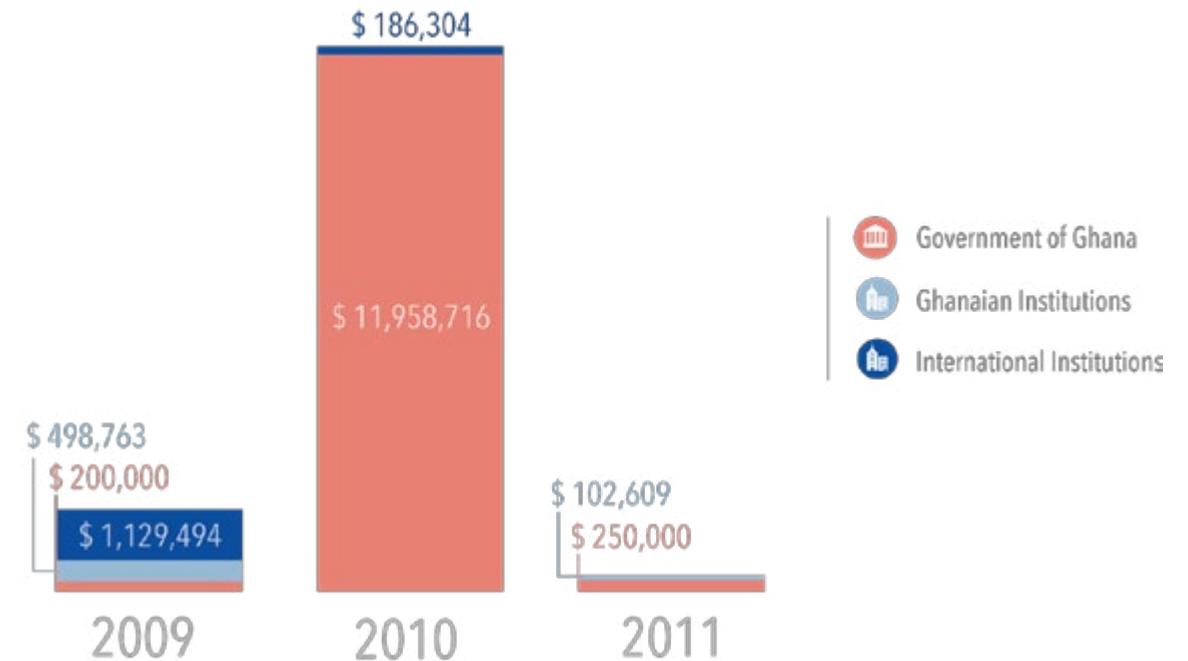
Commitments to recipients by location and type



The initial institutions or “first recipients” receiving funding for REDD+ activities in Tanzania are predominantly donor government agencies, namely the Royal Norwegian Embassy of Tanzania. During the period from 2009 to 2012, around 77% of the total committed funds were passed onto second recipients. Donor government agencies, namely the Royal Norwegian Embassy of Tanzania, are currently scheduled to pass on 88% of the commitments made by the Government of Norway, while multilateral implementing agents and international NGOs/Academic institutions are scheduled to pass on 100% of the funding they receive from donors.

Ghana:

Commitments by institution type and year



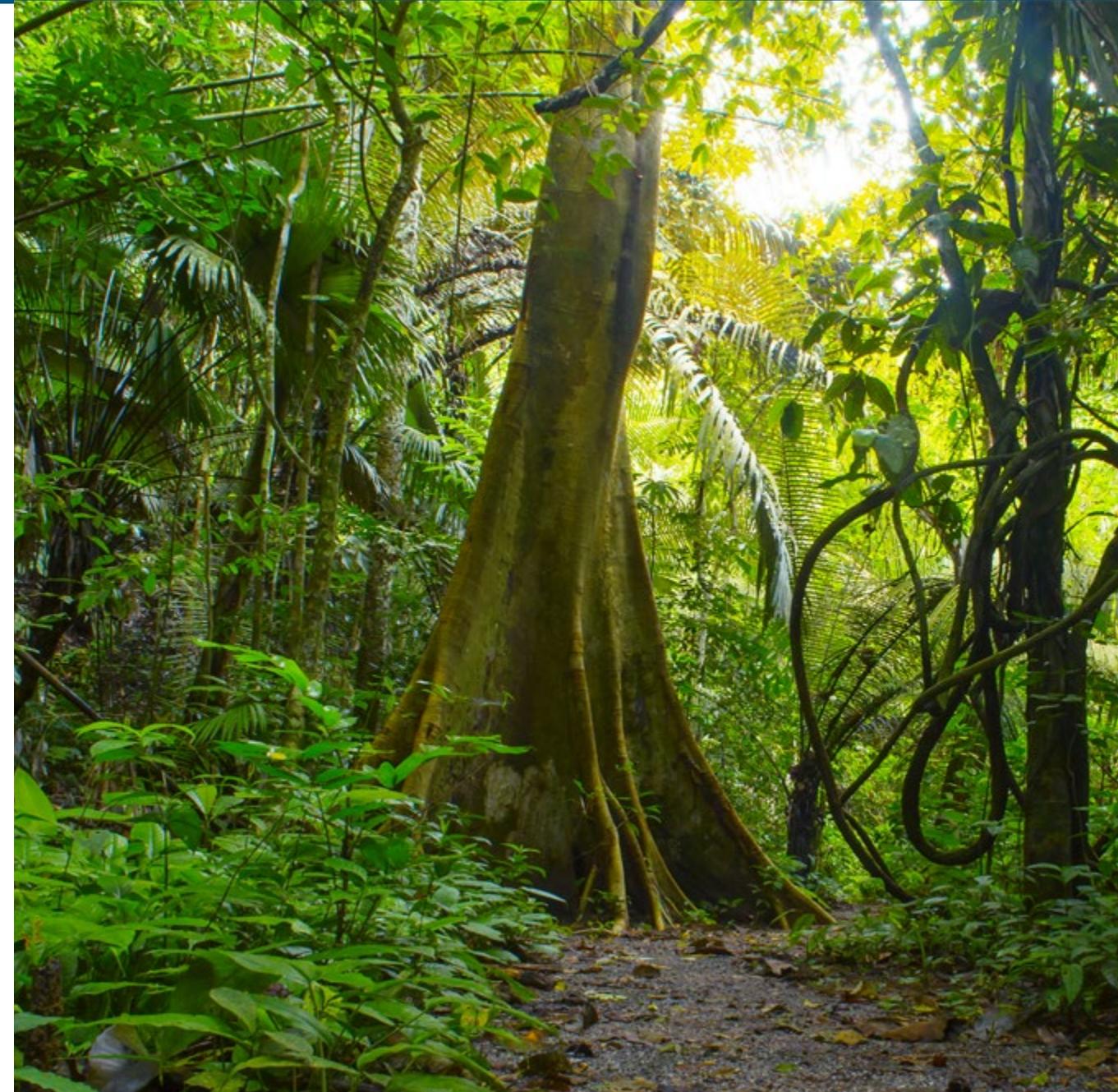
An annual breakdown highlights that international NGOs and academic institutions accounted for the largest proportion, or 62% of funds committed to Ghana in 2009. The Government of Ghana – namely, the Forestry Commission, the Forestry Research Institute of Ghana and the Ministry of Lands & Natural Resources – was scheduled to receive just 12% of the total 2009 commitments. However by 2010, the Government of Ghana received the majority of commitments, or 99% of funds committed in 2010 and 71% of funds committed in 2011.

Brazil:

REDD+ Activities in Brazil

| | Stakeholder engägmt | Rights & tenure | MRV & ref. levels | Policy & law anal.; REDD strat. | Instituti. strengthening | For. carbon proj. design | Forest & land managmt. | Carb. Offsets & perf.-based payments | Other |
|---|---|---|---|---|---|---|--|---|---|
| |  |  |  |  |  |  |  |  |  |
|  Donor Governments | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ | ✓ |
|  Multilateral Institutions | ✓ | ✓ | ✗ | ✓ | ✓ | ✗ | ✓ | ✗ | ✗ |
|  Private Foundations | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ | ✗ |
|  Private Sector | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ | ✗ |
|  Brazilian Subnational Governments | ✓ | ✓ | ✗ | ✗ | ✓ | ✗ | ✓ | ✗ | ✓ |

The chart shows the REDD+ activities supported by the different donor institution types. In Brazil, the activities that received support from all donor types are stakeholder engagement, rights and tenure, policy, law analysis and development, institutional strengthening, and the implementation of improved forest and land management. At this time, no donors are supporting forest carbon project design. There are relatively few of these types of projects within Brazil, as REDD+ is still in its early stages.



REDDX Global Partners 2013



REDDX Global Partners

Partners in Latin America



BRAZIL: The Institute for Conservation and Sustainable Development of Amazonas (IDESAM)

With headquarters in Manaus, Brazil, The Institute for Conservation and Sustainable Development of Amazonas (IDESAM) seeks to promote the sustainable use of the natural resources in the Amazon, and search for alternative methods to environmental conservation, social development, and climate change mitigation. The organization's current projects include: developing small-scale forest management plans, managing agroforestry systems and community based tourism.



COLOMBIA: Fundación Natura

Fundación Natura is a non-governmental organization dedicated to the conservation, use and management of the biodiversity to generate social, economic and environmental benefits, which ultimately contribute to sustainable development. Over the past 30 years Fundación Natura has researched alternative methods around conservation and preserving biodiversity ranging from initial work in protected areas to the organization's current focus on innovative market-based mechanisms and economic incentives for the conservation of private lands.



ECUADOR: EcoDecisión

EcoDecisión is a socially-oriented private company dedicated to developing new ways to finance conservation, and provide benefits for nature and its stewards. EcoDecisión is a pioneer in the emerging ecosystem services markets of climate change mitigation, water source protection and biodiversity conservation.



GUYANA: Conservation International

Conservation International's Guyana country office was established in 1996, with the mandate of supporting the Guyanese government in conserving the country's tropical rainforests. Currently, CI-Guyana works with a broad range of partners to design and implement natural resource management approaches to preserve both biological and cultural diversity, contributing to a healthier environment and long-term sustainable development.



MEXICO: Centro Mario Molina (CMM)

Centro Mario Molina (CMM) carries out policy studies related to climate change issues with the aim of impacting public policies in Mexico and in Latin America. Utilizing an interdisciplinary approach, CMM seeks to provide decision makers with the information and tools they need to create just policies and promote consensus-building among all stakeholders.



PERU: Sociedad Peruana de Derecho Ambiental (SPDA)

As one of the leading conservation NGOs in Peru, Sociedad Peruana de Derecho Ambiental (SPDA) focuses on incorporating an environmental element into all development policies and laws in order to attain a just and sustainable society. Since 1986, the organization has sought to promote responsible citizenship through respect for nature.



Partners in Africa



GHANA: Nature Conservation Research Centre (NCRC)

Nature Conservation Research Centre (NCRC) is driven by a core philosophy that conservation in Africa is most successful when there are economic and cultural incentives to its implementation. Founded in 1996, Nature Conservation Research Centre (NCRC) gained international recognition for developing rural ecotourism and community protected areas. However, since 2008 NCRC has focused on climate change issues, and is now a continental leader in REDD+ and Climate Smart Agriculture.



LIBERIA: Skills and Agricultural Development Services (SADS)

Skills and Agricultural Development Services (SADS) is an environmental organization pioneering programs to provide for the payment of ecosystems services in Liberia. Since 2004, its activities have been directed towards environmental education, scientific research, and the facilitation of conservation, social justice and respect for human rights.

SADS also has a strong focus on local empowerment, using participatory approaches to engage rural populations in identifying assets and needs, and ultimately promote sustainable community development.



ETHIOPIA: The Environment and Coffee Forest Forum (ECFF)

The Environment and Coffee Forest Forum (ECFF) was established by a group of professionals, prominent individuals, scholars, and community leaders, in order to strengthen and promote networking among different institutions involved in the conservation of forest resources and biodiversity in Ethiopia. ECFF strives to be a leading civil society organization in research, education, communication. Through its projects, the organization seeks to contribute to poverty alleviation and social equity by promoting livelihood alternatives, and facilitate a joint discussion forum, opening policy dialogue within Ethiopia.



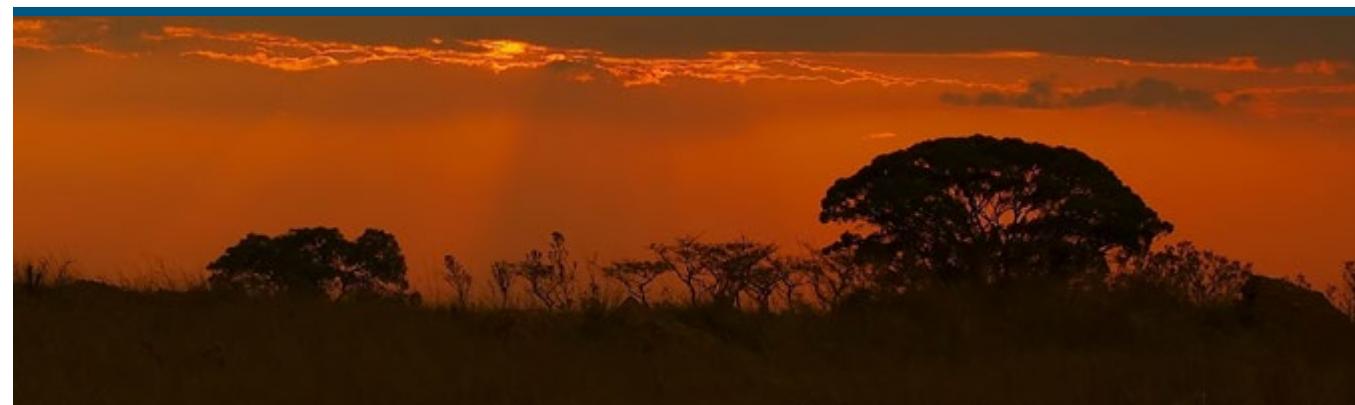
DEMOCRATIC REPUBLIC OF THE CONGO: L'Ecole Régionale post-universitaire d'Aménagement et gestion Intégrée des Forêts et territoires Tropicaux (ERAIFT)

Based on the campus of the University of Kinshasa, ERAIFT is devoted to the integrated management of tropical forests and lands in Sub-Saharan Africa. The school focuses on providing high quality post-graduate training to a new generation of conservation and development practitioners. ERAIFT believes that an intensive field-based curriculum will allow students to manage increasingly complex situations in the field, and thus improve both the living conditions of the population and the quality of the biophysical environment.



TANZANIA: Local Consultant

Forest Trends works with Erneus Kaijage on REDDX data collection in Tanzania. Erneus has been a Program Manager for the Clinton Climate Initiative (CCI), where he assisted in establishing a robust national MRV system for REDD+. Prior to CCI, Erneus served as a consultant at a number of local and international organizations including World Wildlife Fund, New Zealand's CarbonZero program, and the International Council for Local Environmental Initiative (ICLEI). He holds a master's of science degree in environmental studies with a specialization on community forestry management and sustainable development.



Partners in Asia-Pacific Region



INDONESIA: Pelangi Indonesia

Yayasan Spektrum Pelangi, or Pelangi Indonesia, has focused on promoting policies in the field of climate change, transportation, energy and forestry since its establishment in 1992. The organization is currently working towards mainstreaming effective natural resource management practices in order to aid governments and other actors in adapting to climate change mitigation. Utilizing a framework of sustainable community development, Pelangi Indonesia also engages stakeholders in the analysis and evaluation of the benefits from financial compensation for environmental services, tourism, carbon sequestration, and forest certification.



PAPUA NEW GUINEA: The Wildlife Conservation Society (WCS)

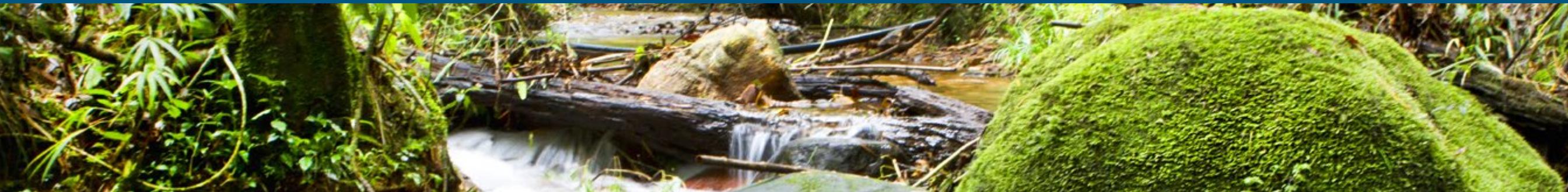
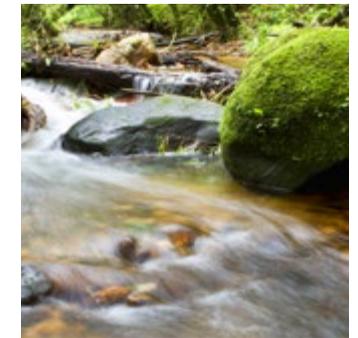
The Wildlife Conservation Society (WCS) is a US-based non-profit organization that has been dedicated to conserving the earth's biodiversity since its establishment in 1898. Its efforts are concentrated in many of the world's developing countries, including Papua New Guinea, where biological diversity is greatest and pressure on nature is most intense. The goals of the PNG program aims to safeguard biodiversity, livelihoods, cultural heritage, and user rights of Papua New Guineans, by focusing on generating and promoting knowledge and building capacity, supporting adaptive management practices and empowering communities to manage their natural resources under customary ownership.



**FOREST
TRENDS**

VIETNAM: Forest Trends - Vietnam

Forest Trends currently employs two consultants who are working with the REDDX initiative to track REDD+ forest financing in the country. Phuc Xuan To provides both expert local knowledge and networks in the Mekong region as well as a globally respected skill sets in issues related to REDD+, illegal logging and associated trade, benefits sharing, biodiversity offsets and other land use issues. His counterpart, Quang Viet Dang holds a PhD from the University of Hohenheim, Stuttgart, Germany, where he specialized in land use economics. Both contribute to Forest Trends' work on forest production, timber trade flows, and legal frameworks as these relate to the REDD+ and FLEGT VPA initiatives.





**F O R E S T
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