

# Initiatives for REDD

Linkage between forest-based mitigation and GHG markets:  
options and consequences

27-28 October, Paris

Romain Pirard  
(Forest & Climate)



Institut du développement durable et des relations internationales  
27 rue Saint-Guillaume – 75337 Paris Cedex 07  
[www.iddri.org](http://www.iddri.org)

# Current initiatives are paving the way for REDD

- REDD **still** a concept
- Two critical issues for financing:
  - Input / output-based
  - Which activities
- Two channels:
  - Private investments
  - Public Funds

# Private investments

- Ulu Masen backed by Merrill Lynch/FFI (0.7Mha Indonesia); Iwokrama backed by Canopy Capital (0.3Mha Guyana), Makira backed by WCS (0.4Mha Madagascar)
- Institutions involved: banks, private equity firms, Environmental NGOs, local governments
- Business model: VCM, **speculation on markets for env. services** (incl. REDD), revenues generated by local activities, etc.

# Public Funds

- **Forest Carbon Partnership Facility:**
  - Readiness, policy support, purchase of credits
  - 14 R-PIN accepted
  - < 200 MUS\$
- **UN REDD:**
  - « Quick start » action
  - Information disseminated
  - UN principles (involvement of all stakeholders)

# Public Funds

- **Australia Initiative:**
  - Capacity building, law enforcement, research on drivers
  - 200 MUS\$ committed
- **Amazon Fund:**
  - Brazilian initiative
  - finance SDPAMs
  - international voluntary contributions
  - Plan 21 GUS\$ in 2021

# Public Funds

- FCPF, UN REDD, Norway, Australia Carbon Initiative, CBFF, CBFP, Amazon Fund, etc.
- **≈ 3 G US\$** so far (incl. Norway 2.5 G US\$)
- **FCPF *versus* Amazon Fund**: crediting after quantification *versus* voluntary financing of long term SDPAMs

# Trends

- Input-based or output-based?
  - Private investors anticipate REDD markets **based on outputs**, but not only (also revenues from alternative activities)
  - Public Funds have contrasted rationales, but **focus on inputs** in the first place
- Which activities?
  - Private investors favor conservation **projects**
  - Public Funds **more open** (incl. readiness)