

Private Sector and Civil Society Declaration on Tackling Deforestation and Forest Degradation, and the Sustainable Management of Forests (REDD+)¹

Tackling deforestation must be a key component of an effective and comprehensive global agreement if dangerous climate change is to be avoided and global warming kept below 2 degrees Celsius². Supporting the sustainable use of forests is also a key component of securing livelihoods and value chains for communities and corporations worldwide, and is vital for global efforts to protect biodiversity and maintain ecosystem services.

The UNFCCC has made significant progress in establishing a framework for REDD+ as part of the efforts to reduce CO₂ emissions from forests, with a view to securing its place in a new climate change agreement at Paris next year. Governments of more than 50 forested countries worldwide are making sustained efforts to participate in REDD+, backed by substantial public sector and non-governmental support and private sector investment. Successful REDD+ pilot initiatives have already resulted in 22 million tonnes of CO₂ being reduced annually and 14 million hectares of threatened forests protected.

In order to meet deforestation targets and remain on the 2-degree Celsius trajectory, the financing of REDD+ activities needs to grow rapidly to more than 20 times current levels³. This increase is expected to come largely from private sector sources.

In order to mobilise sustained private sector participation and investment in REDD+ two things are critical: policy signals which clearly outline the intention to create a regulated market for REDD+ as part of a broader climate change agreement; and ***interim incentives*** to stimulate financing for REDD+ activities during the critical 2015 – 2020 period.

Private sector actors stand ready to increase their investment in REDD+ on the understanding that policy makers will urgently consider the following measures, which in particular address the critical issue of interim forest finance:

1. Strong policy signal for ambitious reduction targets that include REDD+

Ambitious reduction targets for global carbon emissions are critical to create demand in a nascent private sector REDD+ financing. Policy makers can enable private sector financing to flow by making clear that climate policies will recognise emission reductions from REDD+.

¹ The official meaning of REDD+, as defined by the United Nations Framework Convention on Climate Change (UNFCCC), is: “reducing emissions from deforestation and forest degradation in developing countries, [including] the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries” (UNFCCC 2011, FCCC/CP/2010/7/Add.1).

² IPCC WGIII Fifth Assessment Report, Mitigation of Climate Change, 2014

³ GCP, IPAM, FFI and UNEP FI, Stimulating Interim Demand for REDD+ Emission Reductions: The Need for a Strategic Intervention from 2015 – 2020.

2. Interim incentives for stimulating REDD+ investment during the critical 2015-2020 period.

Policies to help support a price and value for REDD+ credits to help build a reserve of emission reductions⁴ from REDD+ activities that can support future climate goals. There are a variety of options such as direct purchases of emission reductions and domestic commitments as well as public-private partnerships to support financing of REDD+ that could be employed to support interim investment from the private sector. These types of policy options could help build confidence in the predictability of returns as perceived by investors in REDD+ activities, thereby unlocking substantial private capital, and in addition help to incentivise own action on behalf of tropical forest country governments.

The signatories to this declaration believe that, without swift action by governments as advocated above, private sector funding to tackle deforestation and sustainable land management at sufficient scale will not be mobilised. Instead, it is likely that investment in REDD+ will stagnate or decline, and that private actors will continue to withdraw from the sector.

We urge action now from governments to help secure the financing needed to ensure REDD+ has the meaningful climate impacts governments have already made substantial commitments to achieving.

⁴ Emission Reductions for investment purposes are forest carbon credits of robust quality to ensure emission reduction integrity and including social and environmental safeguards such as FPIC. There are a number of international best practice standards to ensure verification of real, additional, measurable and verified emission reduction activities that support sustainable development.