



UN-REDD
PROGRAMME

REDD+ as a catalyst for a Green Economy

Contributions of Forests to a Green Economy

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A refresher on the importance of forests

- A UK Government Report (2008) estimated the costs of halving deforestation at around **US\$17bn-33bn** per year to 2030, but suggested that this investment would generate long-term net benefits of about **US\$3.7 trillion** (avoided climate impacts).
- The Economics of Ecosystems and Biodiversity (TEEB) report estimated the loss in the capital value of the flow of services resulting from a single year's loss of forest to be worth in the region of **US\$2 trillion to US\$4.5 trillion**.



REDD and REDD+

- Mechanism to create an incentive for developing countries to protect, better manage and wisely use their forest resources, contributing to the global fight against climate change.
- **R**educing **E**missions from **D**eforestation and Forest **D**egradation.
- “+” covers the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in reducing emissions.



Cancun Agreement

- “... social and economic development and poverty eradication are the first and overriding priorities of developing countries ...”
- “a paradigm shift towards building a low-carbon society ... offers substantial opportunities ... and sustainable development”

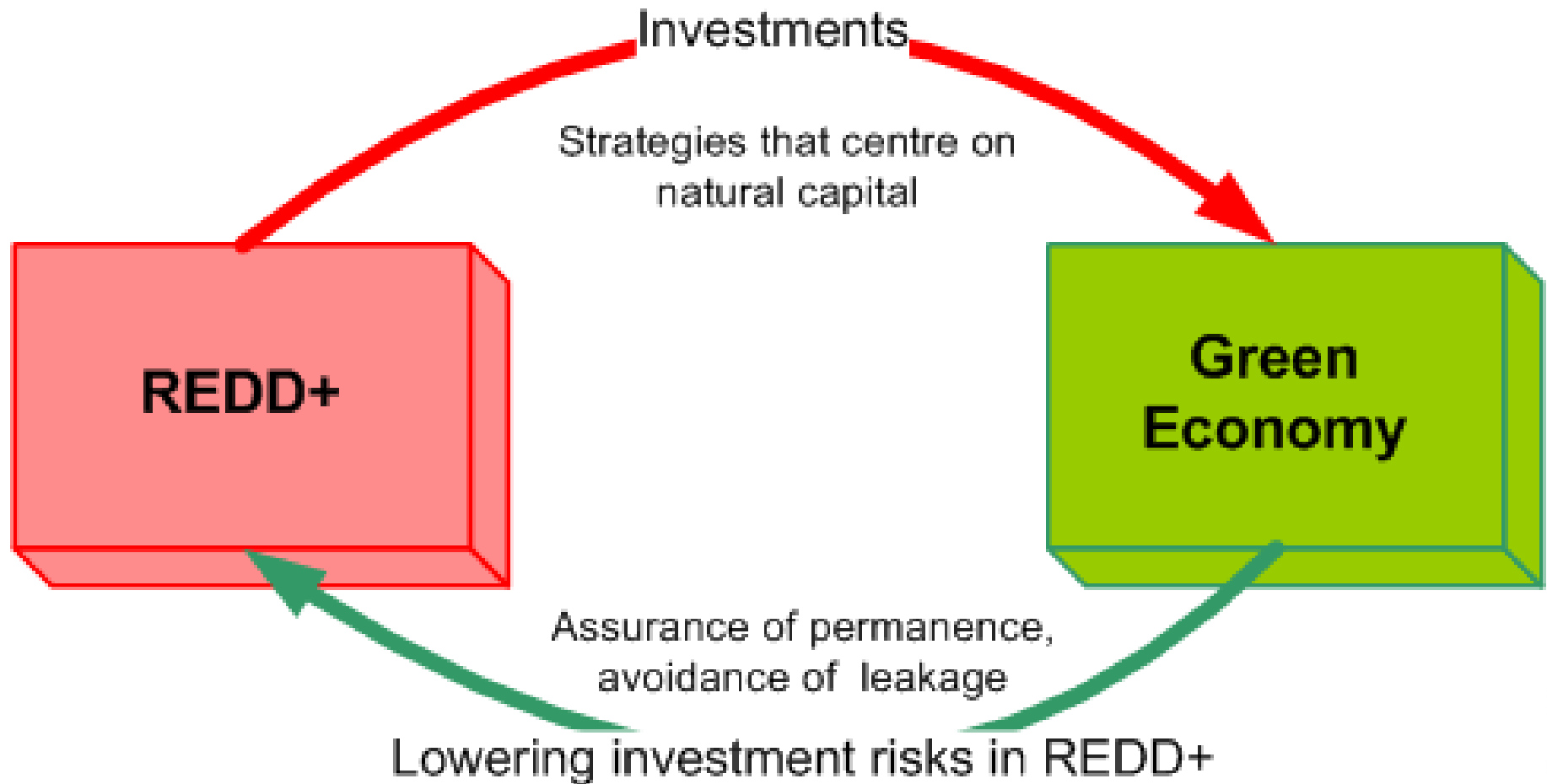


Green Economy

- ... results in improved human wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities
- understands that
 - we are reaching limits in our use of the natural environment and that the true environmental and social costs of our current economic model must be taken into account in devising any future development solutions
 - explicit in addressing the need for a balance between income growth, jobs and equity

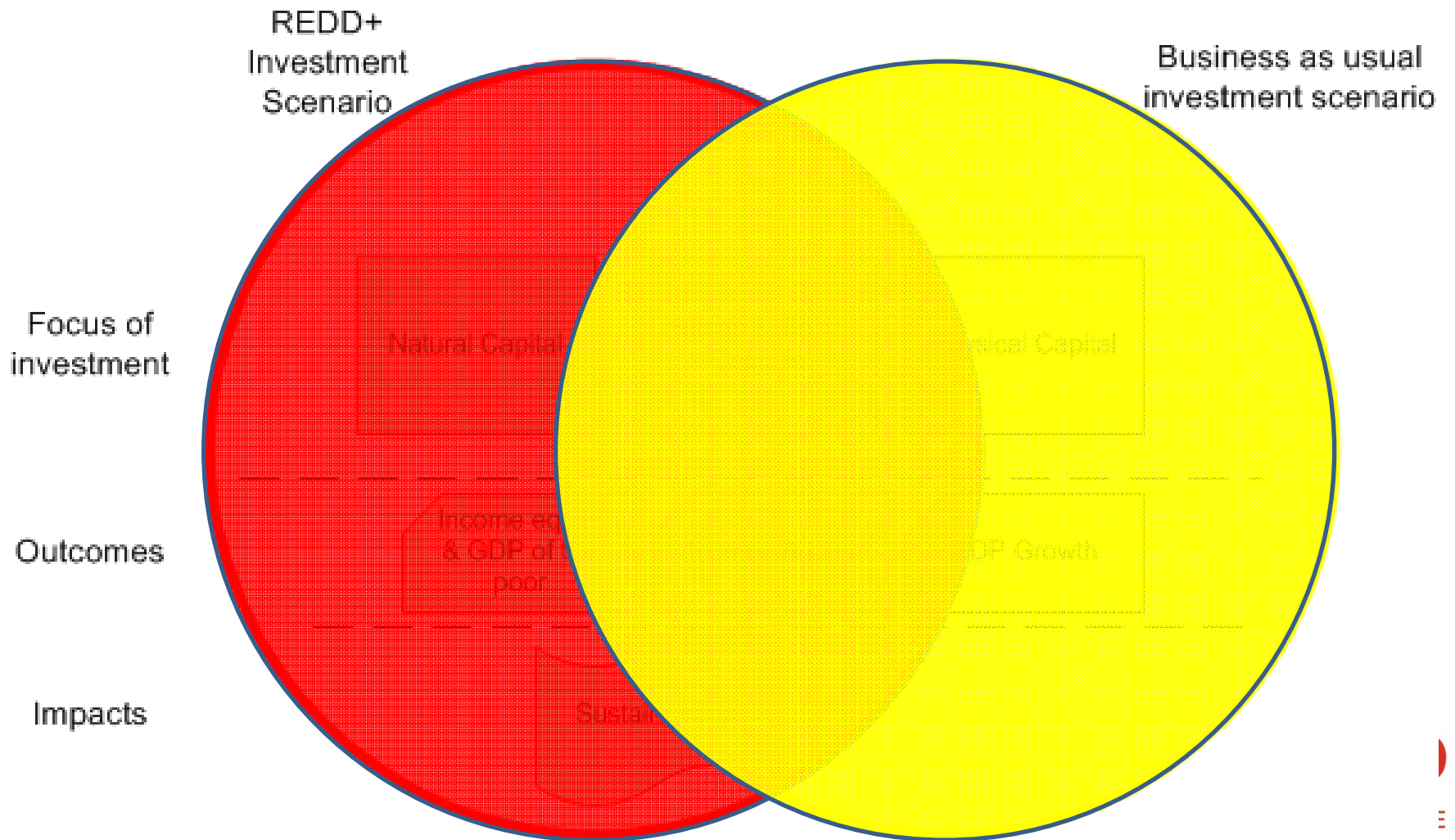


A mutually beneficial relationship?





Using REDD+ as a catalyst





Let's take an example...



MASTERPLAN

ACCELERATION AND EXPANSION OF INDONESIA
ECONOMIC DEVELOPMENT 2011-2025

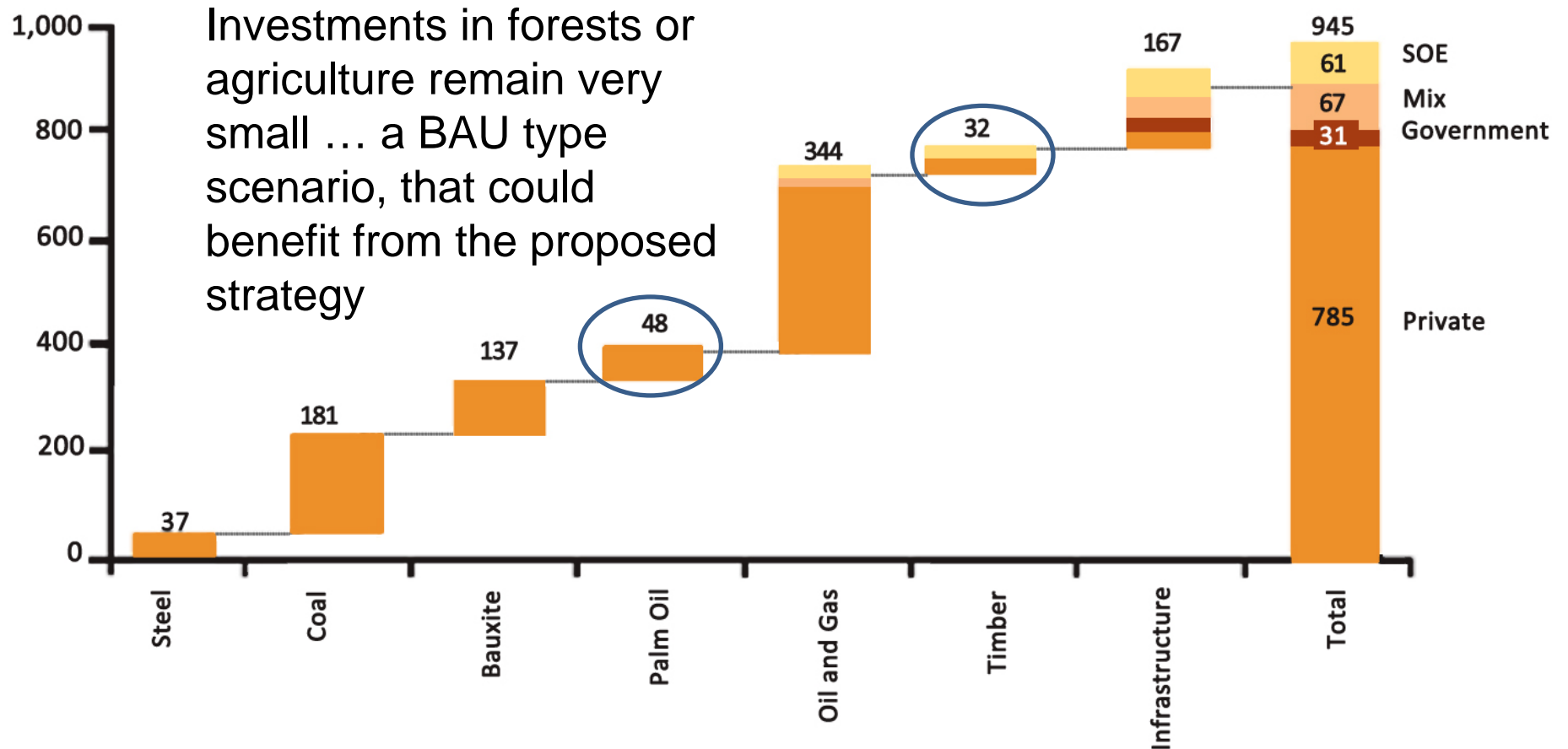




MP3EI proposed investments in Kalimantan

Indication of Investment in Kalimantan Corridor

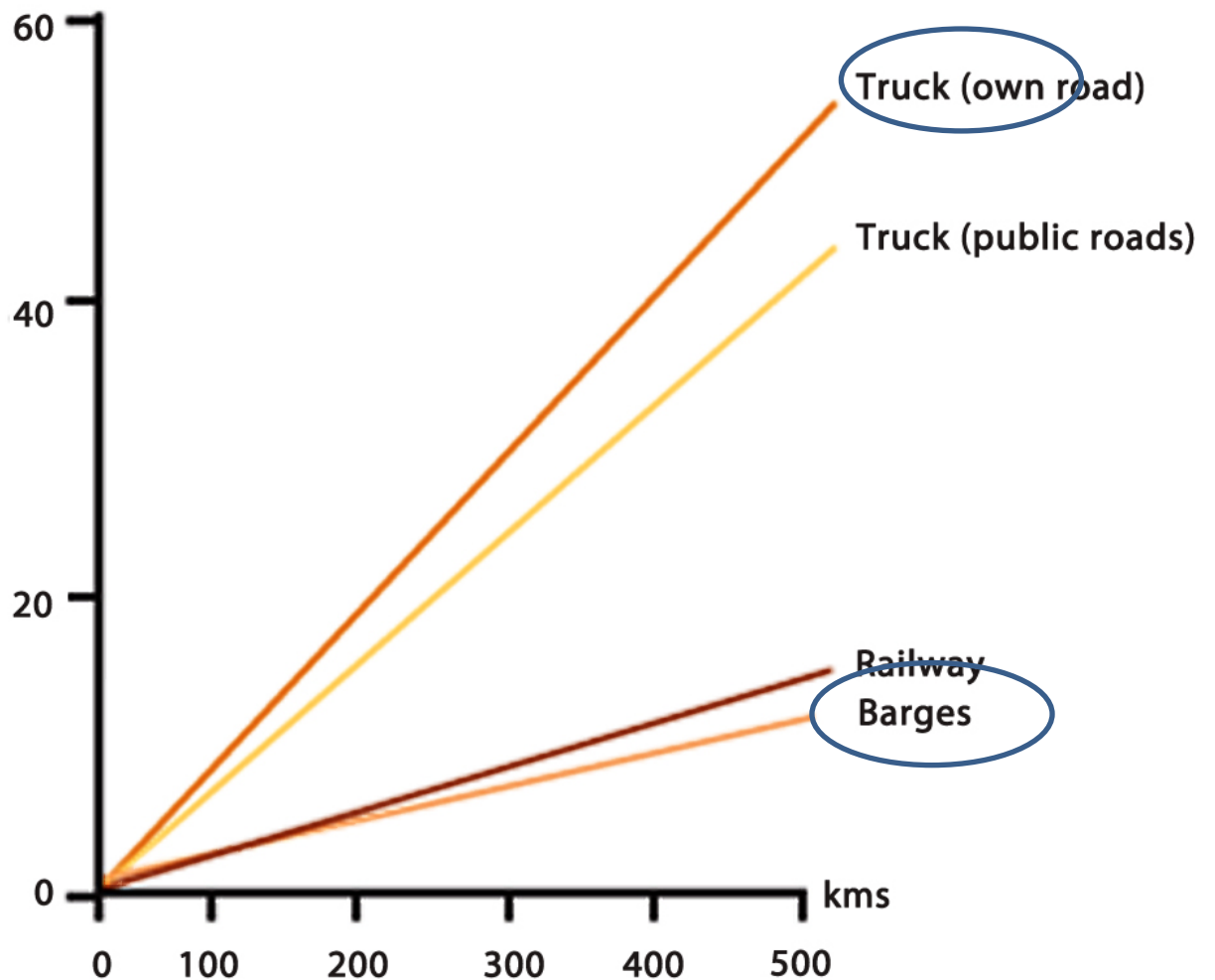
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Mutual benefits of REDD+ & Green Economy

Estimated inland transportation cost (USD/Tons)²

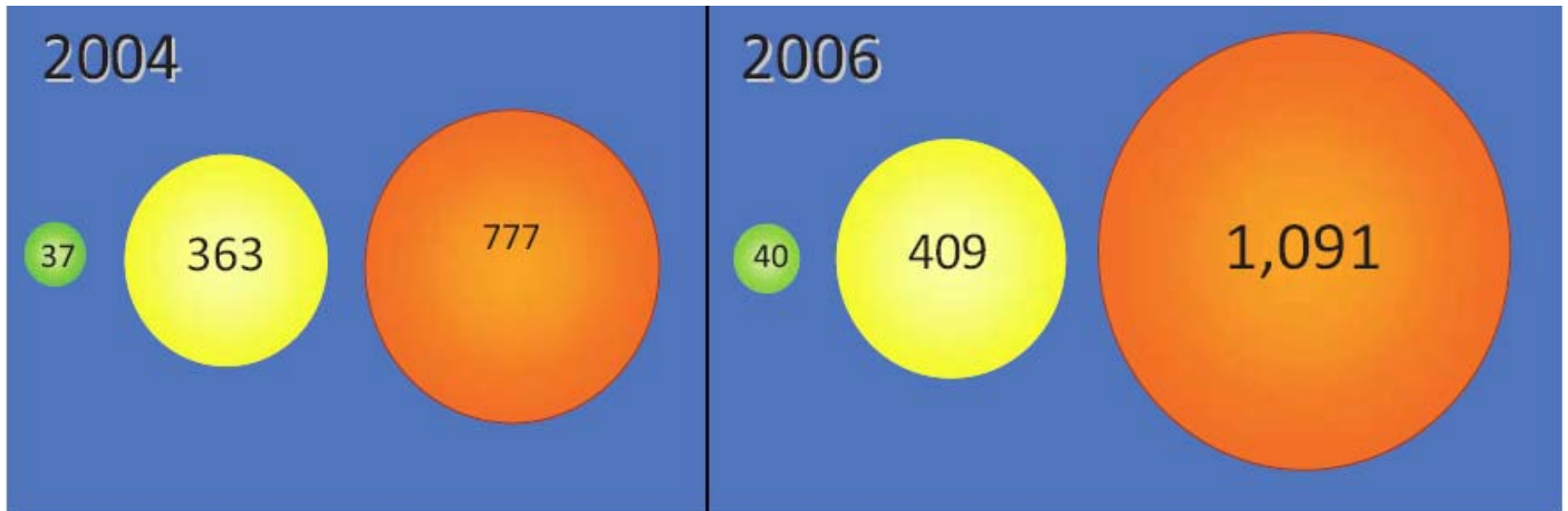



Continued investments in rivers as modes of transportation is cheaper & greener as it lowers deforestation.


REDD+ prevents upland deforestation and ensures even flow in key rivers




Usually value chains look like this...



 Agricultural input industry

 Food processors and traders

 Food retailers

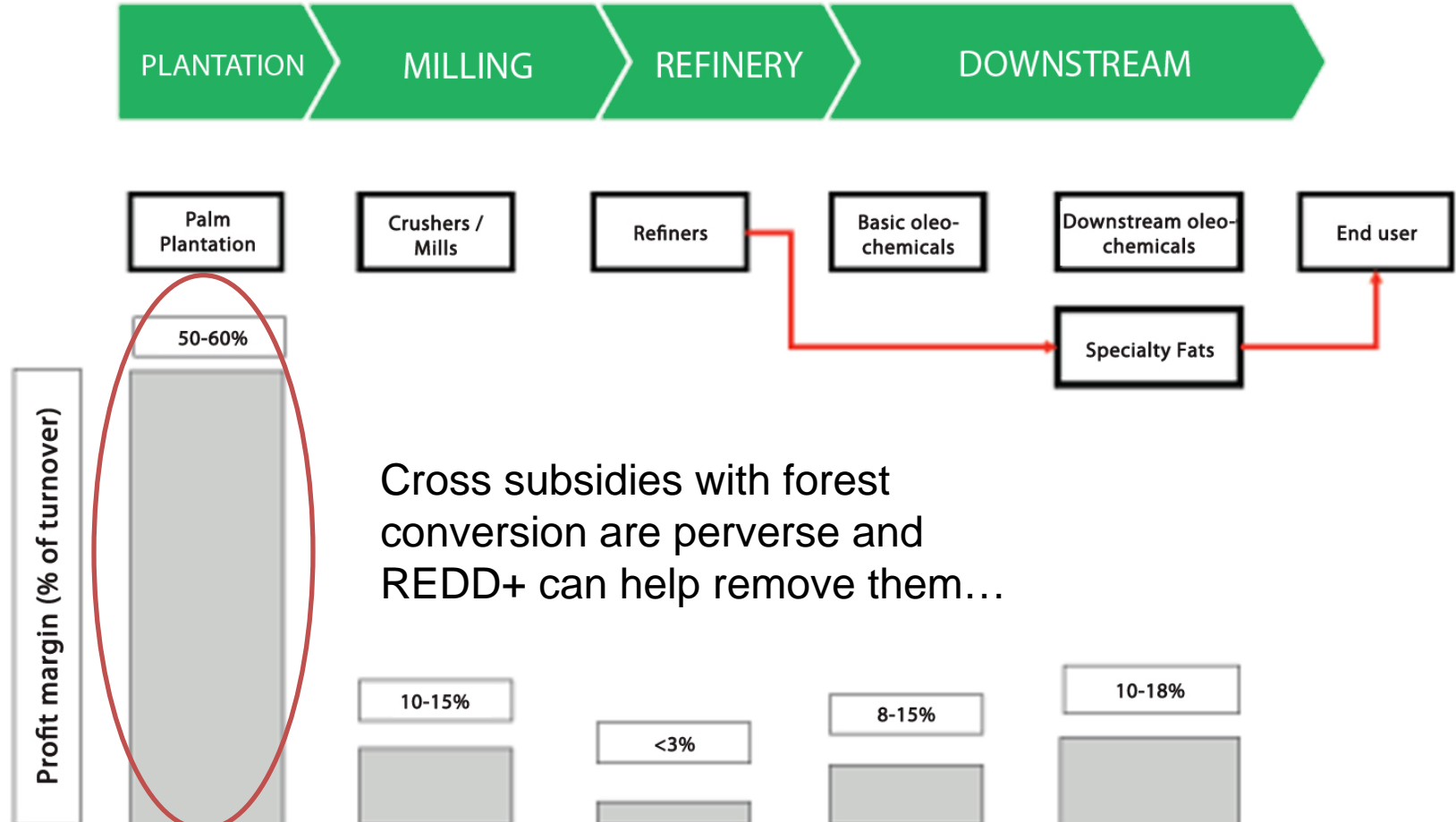
But not in the palm oil industry
in Kalimantan ...





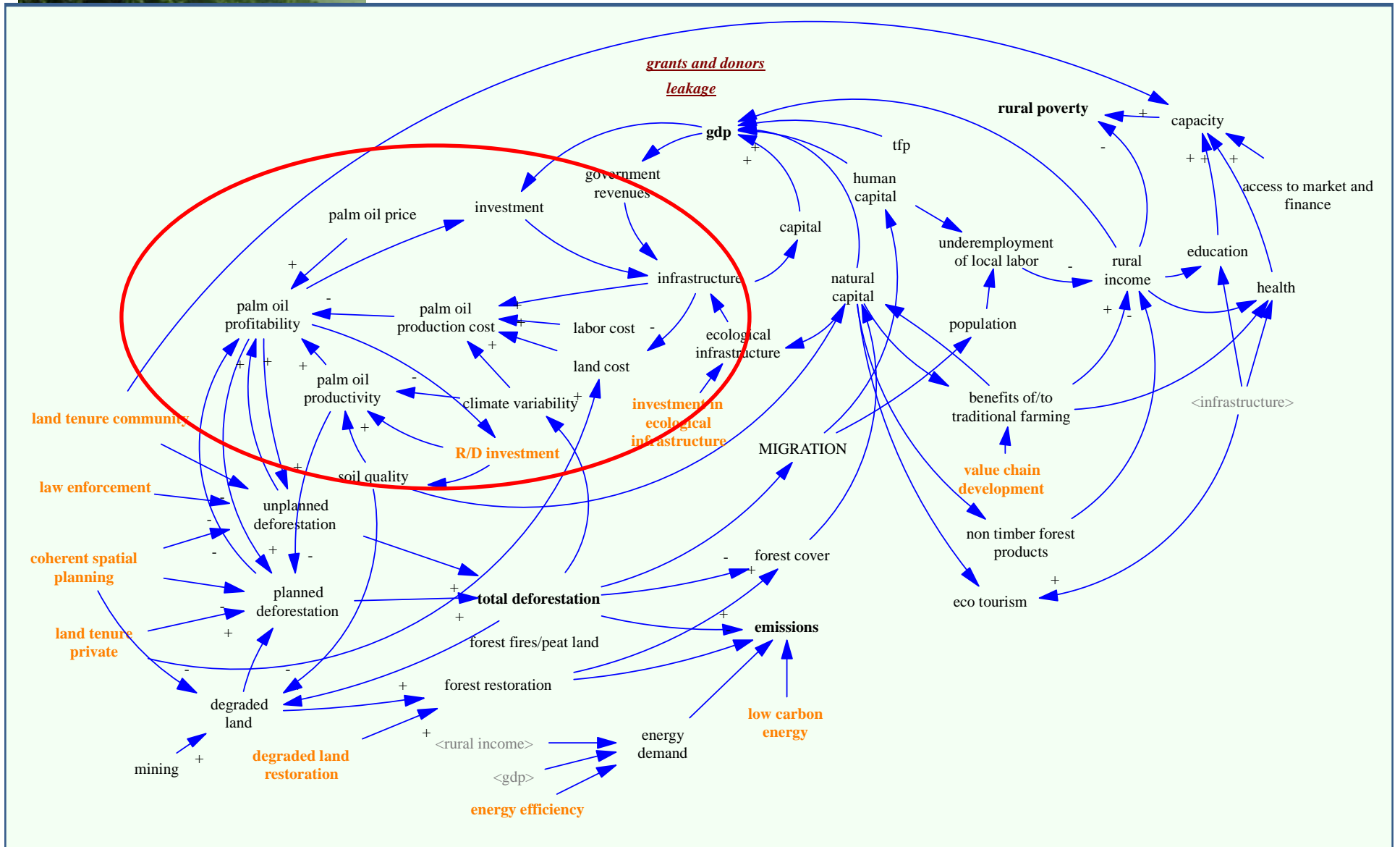
REDD+ could green the palm oil industry ...

TYPICAL VALUE CHAIN FOR PALM FRUIT BASE INDUSTRIES





Kalimantan connections...





Proposed strategy for REDD+ investments

- Aim for efficiency gains
- Catalyse shifts or step-changes in alternative uses
- Focus on investing in the GDP of the poor, i.e. on equity



Current activities

- Supporting Govt. of Indonesia on developing a ‘Green Economy Corridor’ that leverages on REDD+ investments
- Supporting Democratic Republic of Congo with exploring how REDD+ investments can lead to sustainable development
- Similarly, commencing support to Panama, Ecuador, Nigeria to explore how REDD+ and green economy can mutually support each other



Towards a Road map

- Increase **public awareness** and build the case for the mutually supporting relationship between REDD+ and Green Economy
- Develop an **investment strategy** to extract growth from those sectors having high employment generating potential (to exploit higher employment elasticity of output).
- Focus on **sectors which require lower investments** for the same level of output.
- Develop **better indicators** to guide investments. E.g. 'GDP of the Poor'
- **Expand the scope** of the REDD+ agenda

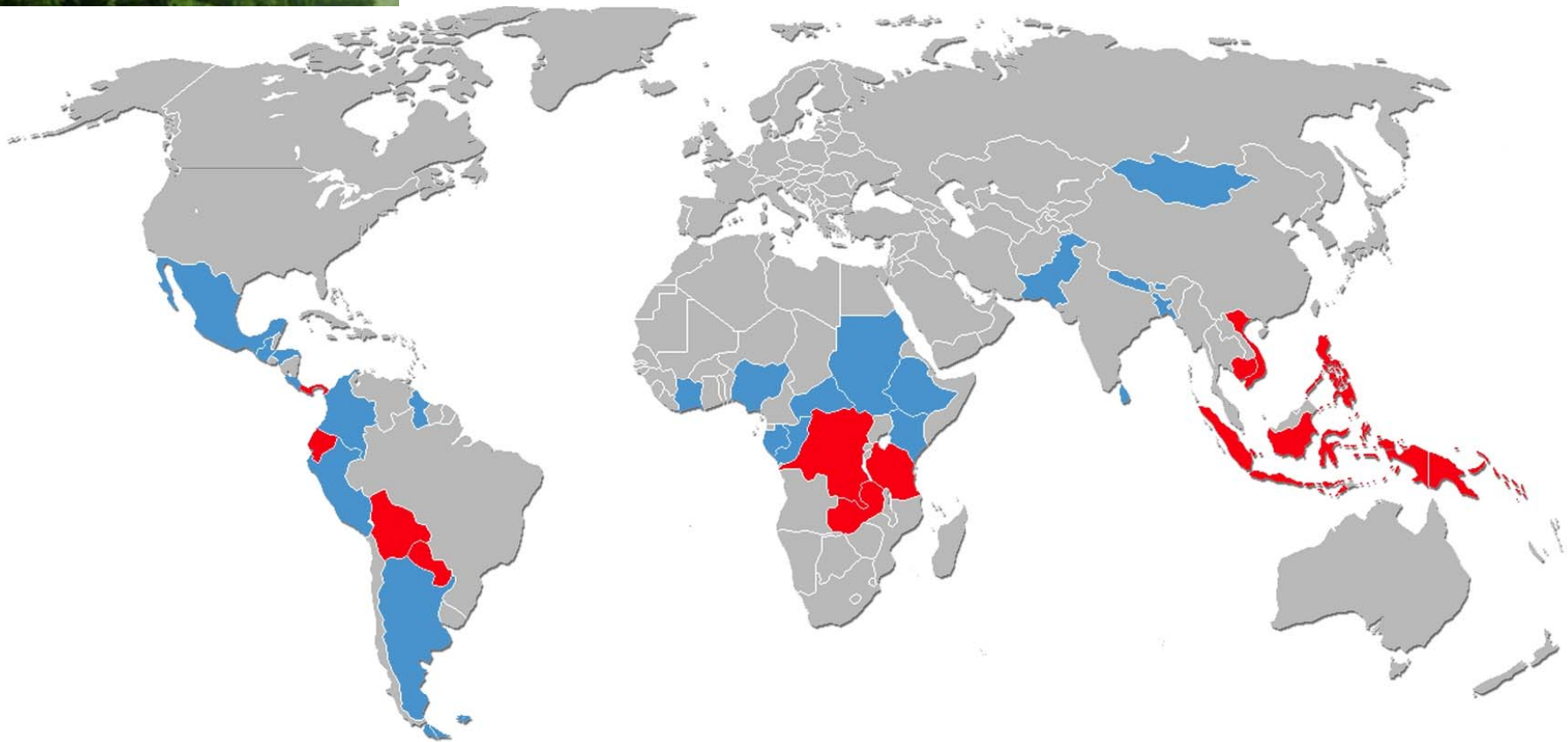


Towards a Road map

- Use **appropriate tools and means**. Especially **safeguards ...**
- Ensure that processes related to REDD+ and the Green Economy are open and **involve broad stakeholder consultations**
- Identify and take advantage of **key champions**, where available.
- Enhance **financial flows from the private sector**, preferably using a nested approach



The UN-REDD Programme



↪ 13 partner countries currently receiving direct funding support, 35 partner countries total

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