

# Rainforest Finance Day

## **Meeting of REDD+ Focal Points for the Coordination of Support for the Implementation of Activities related to Mitigation Actions in the Forest Sector**

**(decision 10/CP.19)**

### **BONN CLIMATE CHANGE CONFERENCE 2022**

**13 JUNE 2022, 2:00 – 6:00 pm**

#### **Agenda**

- 14.00 -14.15: **Welcoming Remarks**
  - Incoming COP27 Presidency, Wael Keshk, **Egypt**
  - SBSTA Chair, Tosi Mpanu-Mpanu, **Democratic Republic of Congo**
  - SBI Vice Chair, Juan Carlos Monterrey, **Panama**
  - Minister of Liberian Environment Agency, Prof. Wilson K. Tarpeh, **Liberia**
- 14.15 -14.40: **Paris Agreement and Sovereign REDD+ credits**
  - Kevin Conrad, Executive Director, *Coalition for Rainforest Nations*
  - Federia Bietta, Managing Director, *Coalition for Rainforest Nations*
- 14:40 - 14:50: **IPCC Report Summary on Rainforests**
  - Sandro Federici, Head of *TFI TSU, IPCC*
- 14:50 -15:00: **Remote Sensing Update on Rainforests**
  - Danilo Mollicone, UN Forestry Officer, *UN-REDD Programme, UN FAO*
- 15.00 -16.00: **Countries presentations on Rainforests**
  - *Countries with MRV Results (5 min each):*
    - Gabon
    - Belize
    - Papua New Guinea
  - *Countries with upcoming Results (2 mins each):*
    - Honduras (Vice Minister)
    - Cameroon
    - Cote D'Ivoire
    - Dominica
    - Dominican Republic
    - Kenya
    - Ghana
    - Mozambique
    - Sudan
    - Suriname
    - Saint Lucia
- 16.00-16.30: **Coffee Break**
- 16.30-16.40: **Rating Sovereign Carbon Credits**
  - Sebastien Cross, Co-Founder, **BeZero**
- 16.40-16.50: **Moving to Paris Agreement Compliance**
  - Frank Burkert, Senior Partner, **EY**

- 16:40-16:50: **Paris Agreement and *the REDD.plus Registry***
  - Paula VanLaningham, Global Head of Carbon, **S&P Global**
  
- 17.00-18.00 **Carbon Markets & Corporate Demand:**
  - Toby Green, Director & Co-Founder, **My Carbon**
  - Andrew Dreaneen, Head of Alternatives & External Solutions, **Schroders**
  - Pascal Hartwig, Chief Product Officer, **Be Zero**
  - Melissa Lindsay, Founder, **EmSurge**
  
- 18:00 **Cocktail Reception**

## Summary

Organised under the mandate of decision 10/CP.19 with the support of the UNFCCC Secretariat, the *Rainforest Finance Day* is the meeting of REDD+ National Focal Points, to consider the coordination of support for the implementation of REDD+ actions under Article 5 of the Paris Agreement.

The reversal of global deforestation can only be achieved through the leadership of developing countries implementing the REDD+ Mechanism under the Paris Agreement. This will be driven by predictable finance at a sufficient scale and underpinned by national legislation and policy.

According to the most recent IPCC report, gigaton-scale reductions annually must begin this year. Sovereign carbon has already outpaced the voluntary standards by a factor of 10. Project-based action cannot meet the speed and scale required by the latest science.

The adoption of the operational rules of Article 6 of the Paris Agreement reached at COP26 in Glasgow has changed the game. Moratoriums on voluntary standards are expanding and stranded voluntary carbon assets are growing.

In light of this context, 15 rainforest countries and 35 representatives from the private sector met to discuss:

- What is needed to reverse global deforestation?
- What is a REDD+ result?
- How do NDCs and National GHG Inventories work?
- What is a National Registry?
- What is Sovereign carbon?

The event was opened by **Welcoming Remarks** from the incoming Presidency of the COP27 in Egypt. The focus of the remarks were on implementation and that Egypt was ready to implement the Paris Agreement and Sovereign Carbon within its framework and Article 6.

The Chair of the [SBSTA](#) and Vice Chair of the [SBI](#) welcomed the meeting and noted that countries had done a lot of work already implementing REDD+ under art 5 and that now the private sector can provide a catalytic role in supporting such credits part of the 1.5 Paris Agreement climate goal.

Kevin Conrad, Executive Director CfRN, then presented the **Paris Agreement and Sovereign REDD+ credits**. A brief introduction to REDD+ and how this mechanism was created under the UNFCCC and the Paris Agreement was provided. Background on REDD+. Latest information about the global carbon emissions and the contribution of the AFOLU sector were shared, including a quick overview of the emissions pathways needed to stay below 1.5C as indicated by the Paris Agreement. The key role of removals to get to a 1.5C world was highlighted, especially the necessity to balance emissions and removals. He pointed out that the current voluntary market only address 0.2% of the global carbon problem. His presentation also explained the 12-step process of REDD+ from issuance to market, and 10 main features that Sovereign Carbon has.

Federica Bietta, Managing Director CfRN, presented the **REDD.plus platform** to allow countries to sell REDD+ Results directly to businesses, individuals and governments looking to retire carbon credits. The platform was built by the Coalition for Rainforest Nations to serve the interest of member countries. The REDD.plus platform serializes results achieved by countries and posted in the UNFCCC REDD+ information hub. The REDD.plus platform is **available for all rainforest nations** and supply of REDD+ units is expected to increase over time. Through the REDD.plus platform, is power by REDD.plus national registries created with state of art and run by IHS Markit/S&P Global.

During the Questions & Answers session, it was clarified that the REDD.plus platform is only focused on REDD+ so far as it is the only sector with a full approved mechanism under the Paris Agreement, but will be extended to include any other ITMO under the upcoming ITMO.com. On the issue of carbon prices, countries looking at opportunity costs and prices will differ from one country to another. Also, demand will influence price. Prices have been increasing so far (2021 8\$, currently 11\$ - 16\$).

Sandro Federici, Head of TFI TSU at the IPCC, reminded the audience about the importance of Rainforest as a carbon reservoir, and that it would be impossible to achieve the Paris Agreement without protecting rainforests. The big mitigation potential of the AFOLU sector was highlighted.

He also stressed that it is the carbon storage that is a function prevalent to the sink in the Rainforest (and it is the storage capacity that keeps that carbon in the land instead of going into the atmosphere).

Then Danilo Mollicone, *UN FAO*, presented the latest Remote Sensing updates on Rainforests and how later next year, the European Space Agency will launch a new satellite to enable very accurate data on rainforest that will be available every 10 days. This will further solidify the MRV system for REDD+. Measuring, Reporting and Verification (MRV) in the AFOLU sector is mainly about reporting on activity data (area changes) and carbon stock (biomass) changes. Collect Earth tool developed in the past, has been used for UNFCCC activity data reporting by many countries in the world. Through the Collect Earth tool, activity data were used to complete national GHG inventories in agreement with the IPCC. New IPCC software will be released in the summer 2022 to allow countries to report on tiers 2 and 3 for all sectors. This is part of a roadmap to get countries ready to assess biomass and biomass changes by the end of 2023. Technology is getting better and consequently reporting getting easier.

This was followed by presentations from three rainforest countries **Gabon**, **Belize** and **Papua New Guinea**. Each of these countries showcased their REDD+ MRV results and mentioned that they were ready to issue Sovereign Carbon ITMOs before or by COP27. The main points touched by the three countries are provided here below.

- **Gabon**, Tanguy Gahouma, Primary Adviser to the President of the Republic, Permanent Secretary Conseil National Climat
  - Forest sector is compliant with the Paris Agreement and its protection is not only responsibility of Gabon but of all countries
  - Principle of common but differentiated responsibility to be applied to the forest sector
  - Three steps strategy:
    - 1) Policy
      - Public policies accelerated since 2000, forest code changed
      - Current sustainable logging activities only 2 tree per hectare
      - National parks policy
    - 2) Science
      - Now focusing on scientific data
      - Country able to publish national map on a yearly basis
    - 3) Economy
      - Next step is to build the economic model to give value to forest and continue protect it
- **Belize**, Lennox Gladden, Chief Climate Change Officer
  - Belize context
  - 5 REDD+ activities identified

- MRV REDD+ process completed
  - FREL and TA BUR approved
  - Aligned with NDC
  - Country ready to sell REDD+ units: few weeks away from 5 mil credits on the market
- **Papua New Guinea**, Eunice Dus, Senior REDD+ Officer, Office of Climate Change & Development for **Papua New Guinea**
    - National context: location, land area, 2nd biggest island in the world after Indonesia
    - Biodiversity: 3rd largest forest in the world, 77% population depending on rainforest
    - REDD+ readiness: national REDD+ strategy, FREL, SIS, NFMS
    - Primary target area is LULUCF
    - Legislative framework
    - REDD+ implementation and transition
    - Moratorium on voluntary carbon market
    - Results achieved so far and available for sale for 2014-2015
    - REDD+ results submitted for review by the UNFCCC for 2016-2017-2018

11 other rainforest countries, Honduras, Cameroon, Cote D'Ivoire, Dominica, Dominican Republic, Kenya, Ghana, Mozambique, Sudan, Suriname, and Saint Lucia, explained their REDD+ National process and the timeline where they are to complete first cycle and produce REDD+ results .

The floor was then given to the private sector and how they can contribute to facilitating REDD+ onto the carbon markets and with corporate buyers.

The first corporate presentation was from **BeZero**-a global carbon credit ratings agency. Sebastien Cross, Co-Founder, explained how they had rated 100s of carbon projects globally and that they were ready to rate Sovereign Carbon and provide the necessary ratings tool to facilitate the understanding to the markets.

One of the big Four auditing companies was represented by **EY** and its Senior Partner. He presented how there was no other choice for the corporate world than to be compliant with the Paris Agreement and embrace Sovereign REDD+ as the only mechanism which can provide the scale of emission required. EY also showcased that they are already carbon negative, and the current work they are doing with their hundreds of corporate clients, to make sure that they comply with the Paris Agreement.

During the next presentation, **S&P Global** presented the registry they had built for the issuance and purchasing of REDD+ [www.redd.plus](http://www.redd.plus), and that they were the only registry to be able to issue both UNFCCC REDD+ and Sovereign Carbon.

The day was concluded with a panel discussion from the private sector about the *Carbon Markets & Corporate Demand* with 4 speakers Dr. Toby Green, Director & Co-Founder, [MyCarbon](#) (Carbon Demand); Andrew Dreaneen, Head of Alternatives & External Solutions, [Schroders](#) (Bank); Pascal Hartwig, Chief Product Officer, [BeZero](#) (Carbon Ratings); and Melissa Lindsay, Founder, [EmSurge](#) (Carbon Trading Platform).

All the speakers said how impressed they were with the work done by rainforest countries, and that they were ready to purchase Sovereign Carbon. Dr Toby Green focused on the demand from their clients, and what they were looking for. Andrew Dreaneen explained how investors are looking for products such as Sovereign Carbon. Pascal reiterated that we need more instruments

to facilitate the understand and quality of Sovereign Carbon. Melissa discussed about the demand from the Oil & Gas sector, and how the voluntary markets would not be able to fulfil the 1.5GtCO<sub>2</sub>e needed from that sector only, and that Sovereign Carbon could be a perfect solution at scale.