

Review of financing for REDD+ in DRC and implications for strategies to improve access to finance

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Overview

Question:

- How is REDD+ financing via overseas development assistance (“REDD+ ODA”) and voluntary carbon markets (“REDD+ Markets”) distributed globally?
- How is DRC accessing these financing sources compared to other forested countries?

Review of

- REDD+ projects and voluntary carbon market engagement by DRC REDD+ projects
- REDD+ international public funding for REDD+ in DRC using OECD database

Comparisons

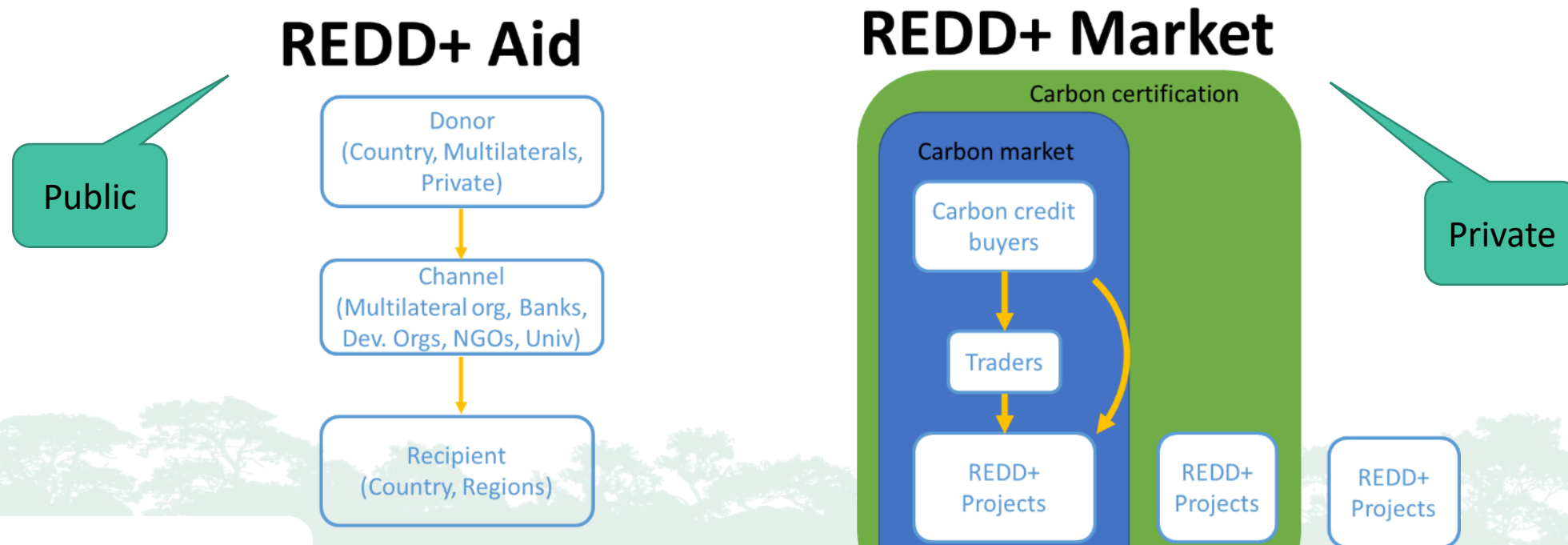
- 3 tropical forest countries (DRC, Brazil, Indonesia)
- 3 tropical forest regions (Africa, L. America, Asia + Oceania)



Finance from where?

This presentation: Developed country contributions: ODA transfers ('REDD+ Aid') and Voluntary Carbon Markets/VCM ('REDD+ Market')

There are others not included (e.g., domestic funds, regional funds)



REDD+ Aid

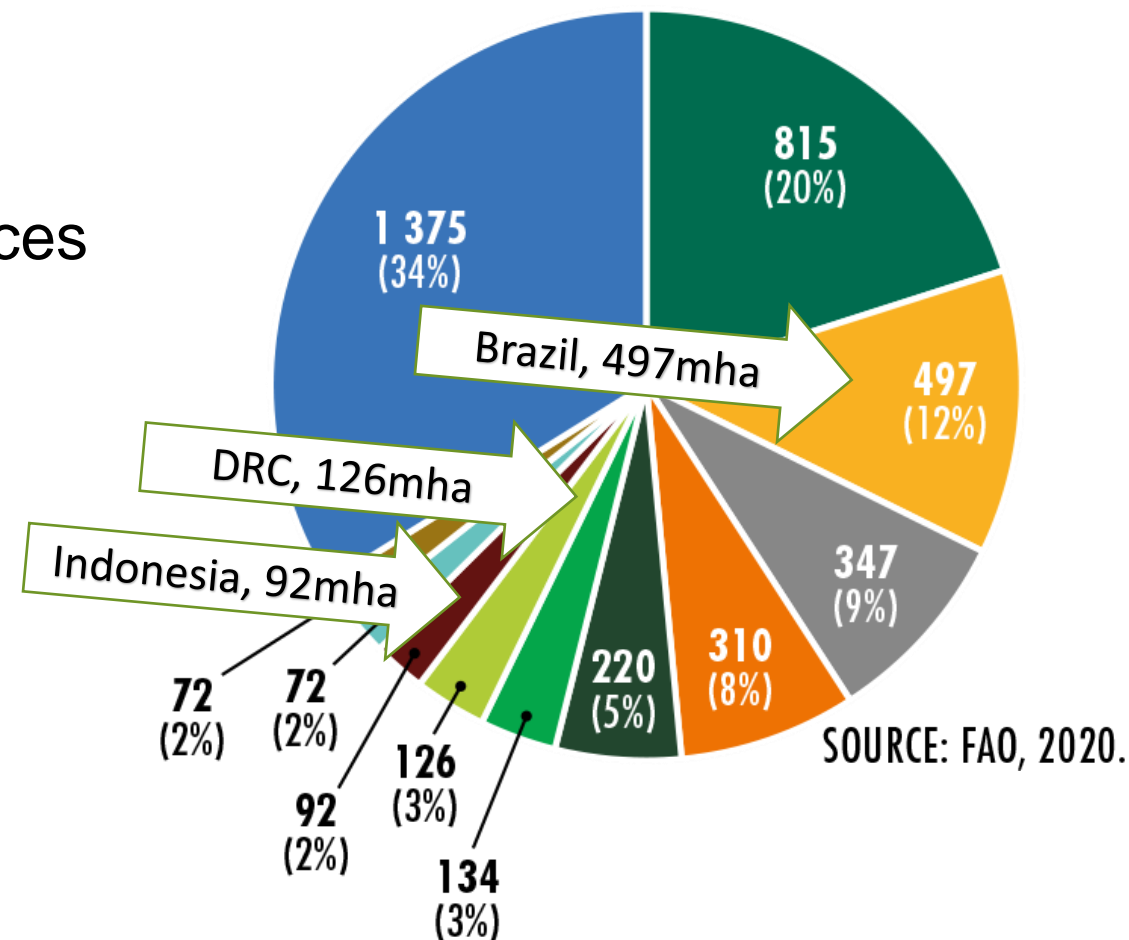
International finance from public sources, transferred across countries through bilateral/multilateral agreements and specialized funding mechanisms for REDD+



Introduction

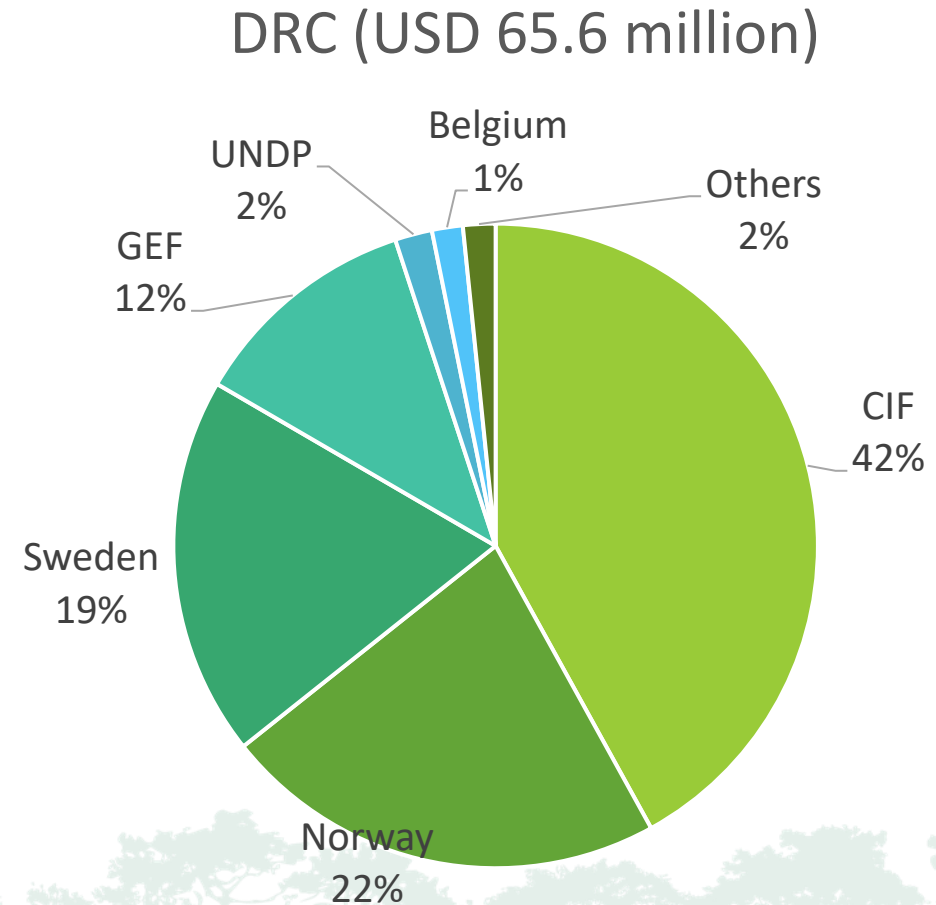
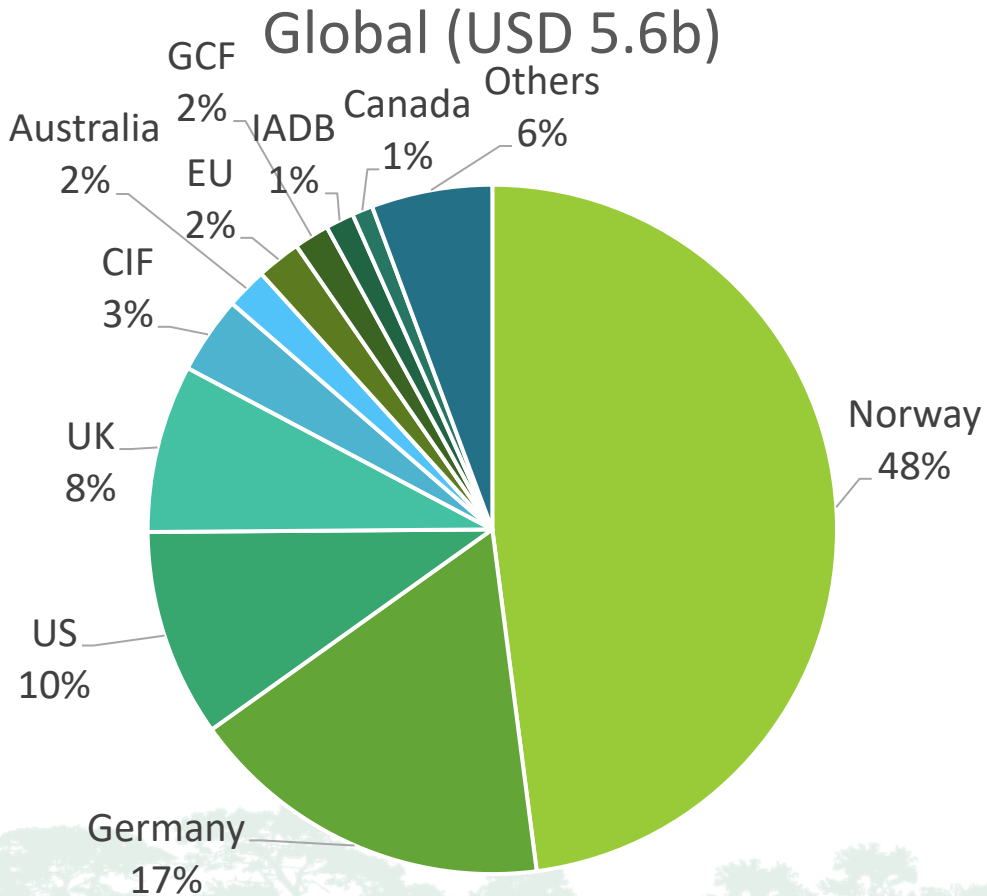
- DRC is endowed with rich forest resources

	DRC	Countries with REDD+ projects (Min/Max)
Human development index (2019)	0.459	0.377 to 0.847
GDP per capita (2019)	USD 545	USD 412 to 17,276.5
Population(2019)	86.8 million	0.3 to 1,397 million
Forest area (2020)	126mha	
Forest loss (2020)	-1.1mha	
Index of government effectiveness (2018)	-1.55	-1.55 to 1.08
Index of corruption control (2018)	-1.50	-1.50 to 1.27



- Participates in REDD+ programs
- Governance, economic challenges and forest loss

REDD+ Aid From where? (2010-2019)

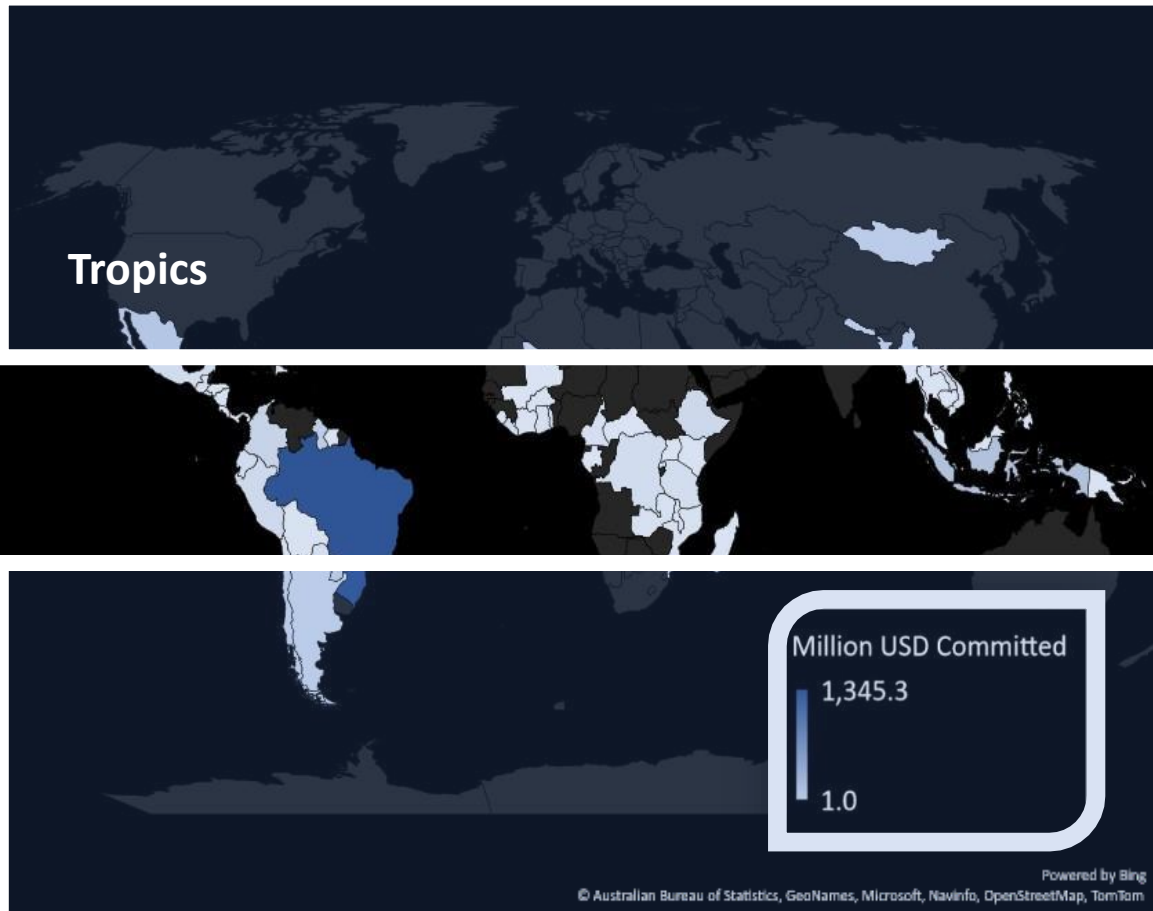


- Almost half from Norway
- 4 donors makes up 83%

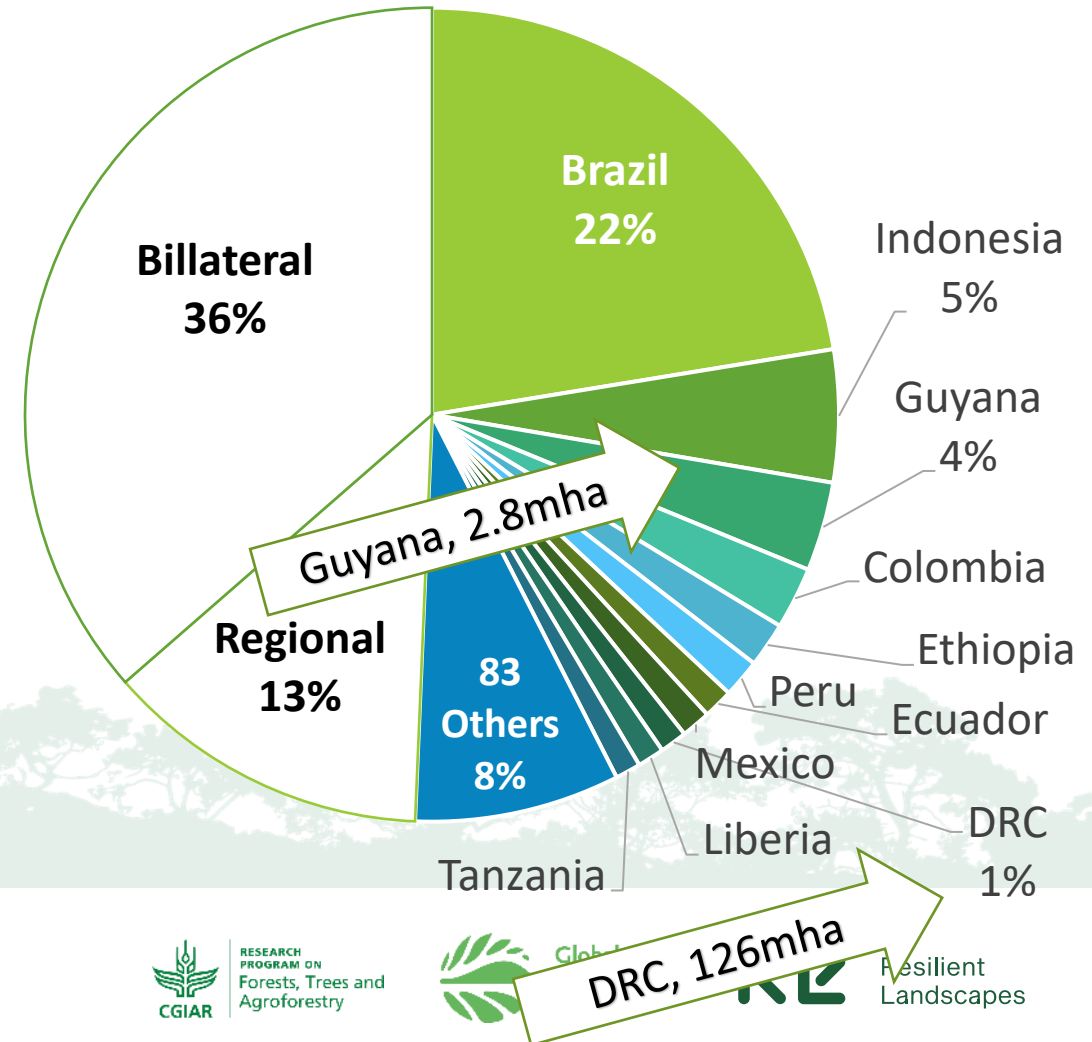
- 4 donors makes up 95%

REDD+ Aid to where?

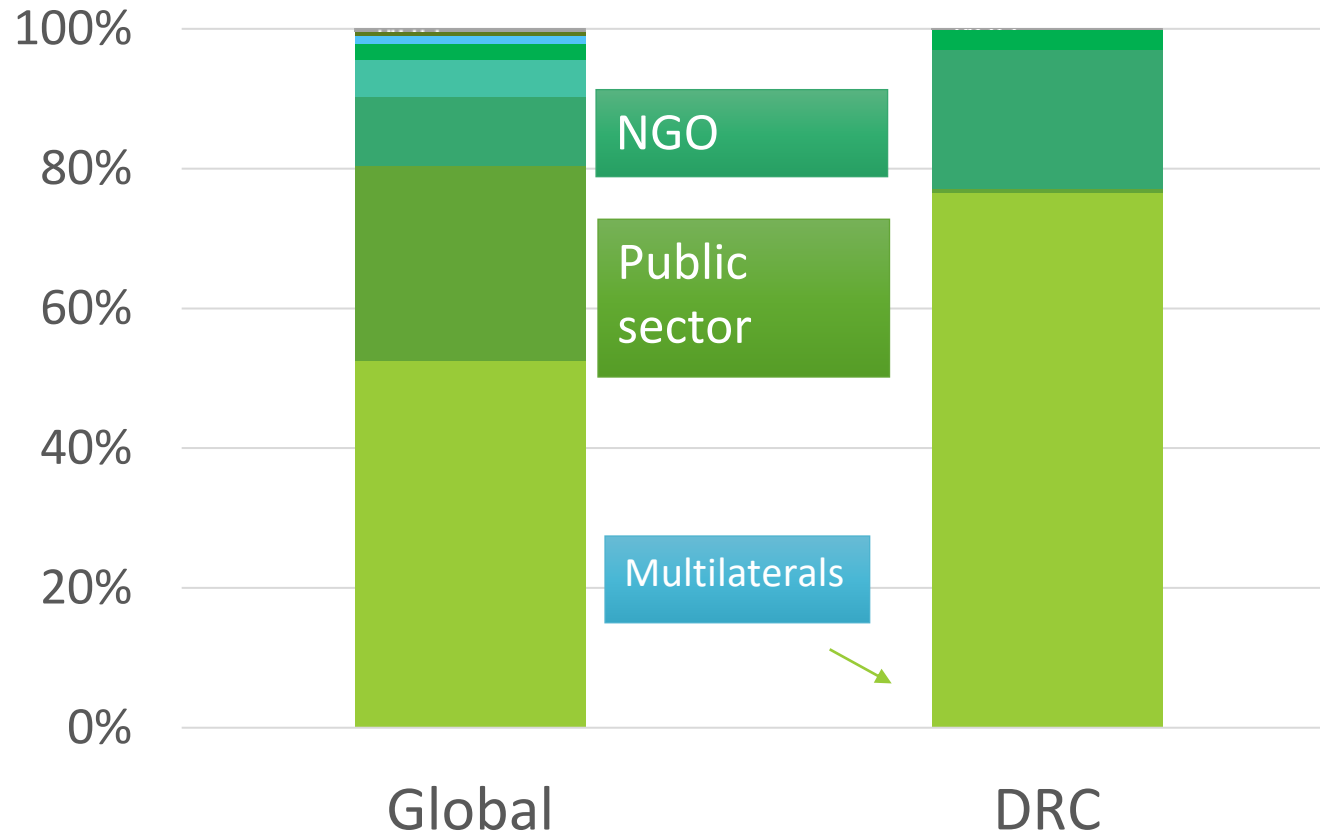
Global REDD+ public finance goes to the tropics.
Not necessarily related to forest size



REDD+ Aid , USD 5.6b (USD committed, 2010-2019)



REDD+ Aid: Through where? (2010-2019)



In USD 2018 base year; *“Other” channels include universities, private sector, PPP and no data

- Channeling finance = control how funds are distributed and used

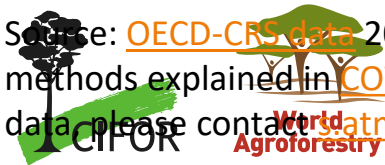
Globally

- Main channels: Multilaterals, public sector, NGO
- Almost half channeled by 3 institutions
 - 2 multilaterals: World Bank Group* (USD 1.05b) + UNDP (USD 0.46b)
 - the Brazilian development bank (USD 1b)

In DRC

- Main channels: Multilaterals, NGOs. Very small for public sector → Why?

Source: [OECD-CRS data](#) 2010-2019, analyzed using REDDFIT methods explained in [COWI & EC, 2018](#). Unpublished preliminary data, please contact Satmadja@cgiar.org before citing



*Includes IDA, IBRD, World Bank Group

Review

- REDD+ Aid
 - Relies on a small number of donors – vulnerable to change
 - Goes to the tropics. Not necessarily related to forest size
 - Multilaterals play a major role globally and in DRC in channeling funds
 - NGOs play a more important role in channeling funds in DRC than at the global level



REDD+ Markets

REDD+ finance raised in the voluntary carbon markets through REDD+ projects



REDD+ (and ARR) carbon projects in Africa

Figure S 1. Project number, project area and forest area by region

Africa

Kenya – African leader

DRC – not fulfilling its tech potential

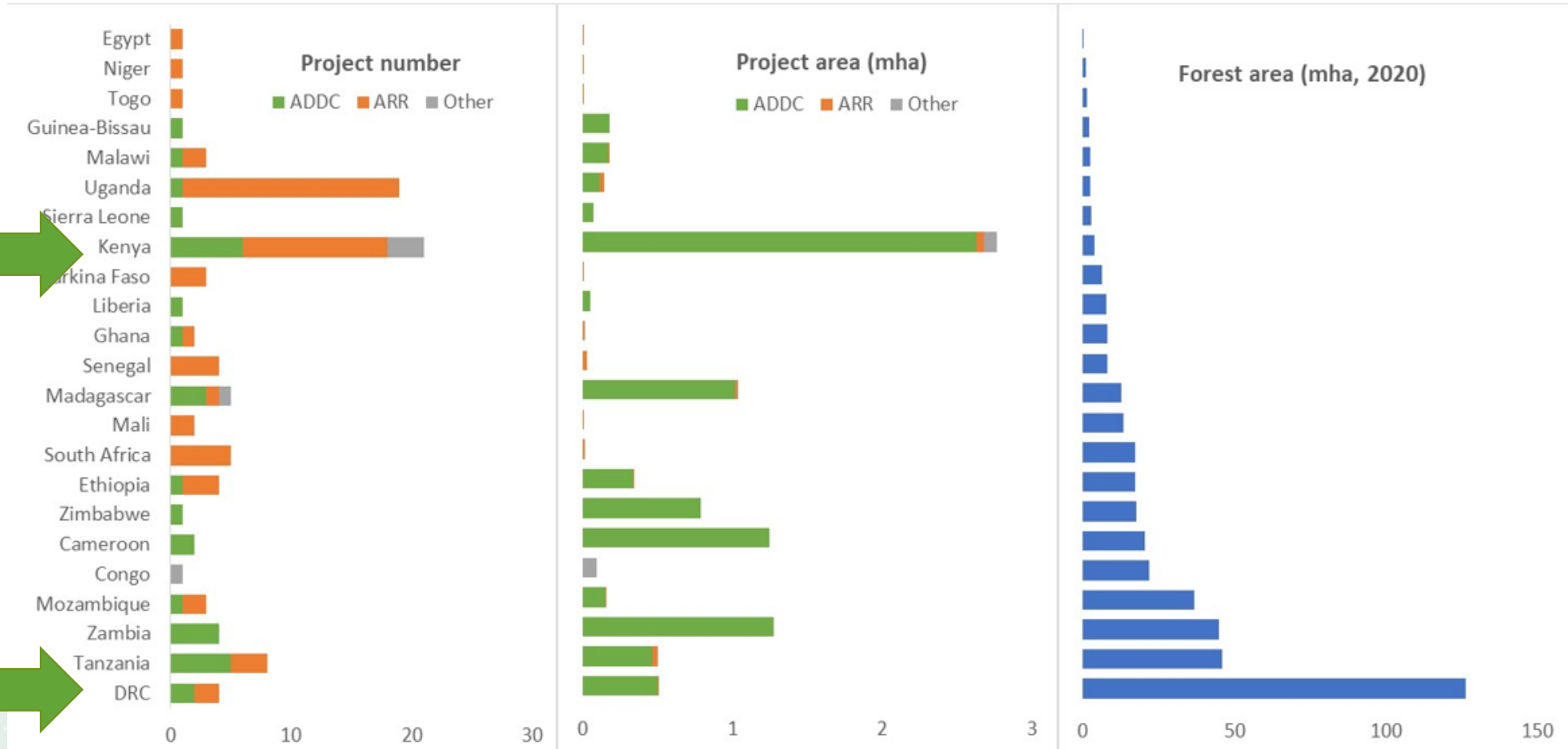


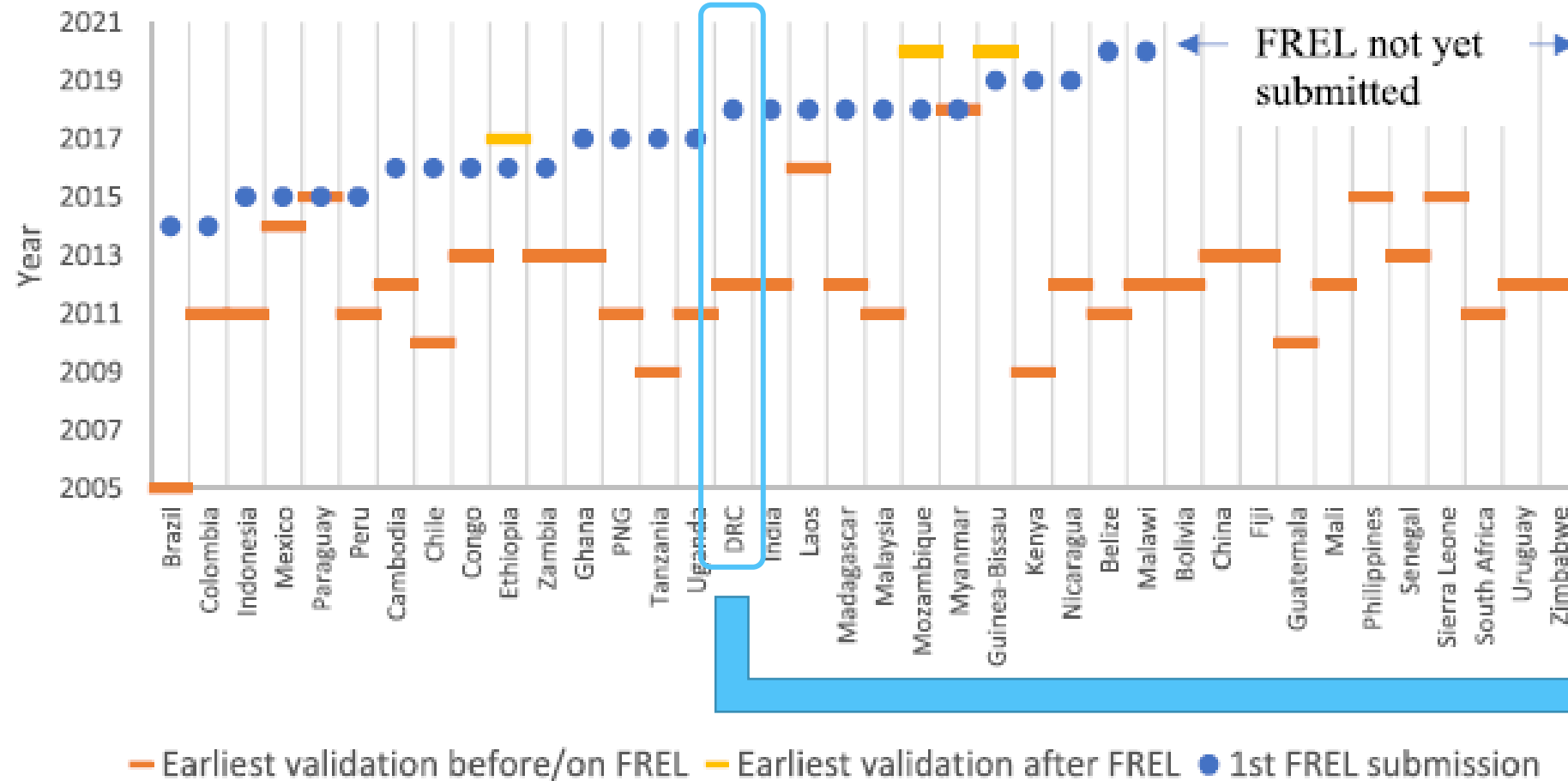
Figure S 1. A. Africa

Source: [Atmadja, et al., 2022](#)



Carbon accounting – (in)consistencies between levels

Year of 1st project validation and 1st FREL submission



35 of 38 countries have ≥ 1 project certified before 1st national FREL submission

DRC: 1st FREL in 2018, 1st project validation: 2012

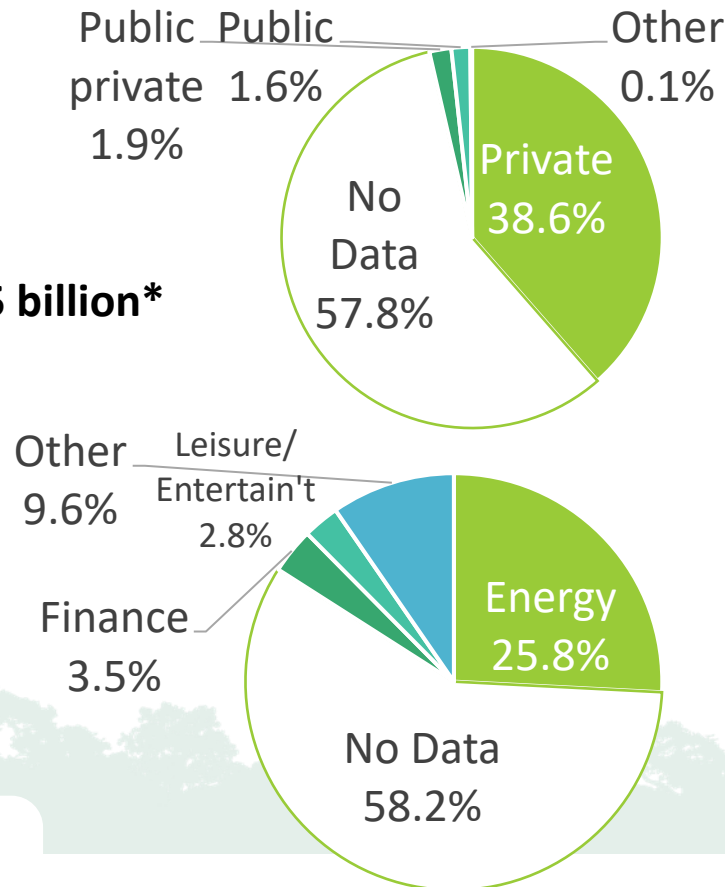
REDD+ markets From where?

Global voluntary carbon markets

≈143 million tCO₂e (≈**USD 0.95 billion***) traded by 162 **projects** until Sep 2020, registered on Verra, Gold Standard, Plan Vivo, Mata Viva, CDM. Figures do not include jurisdictional programs.

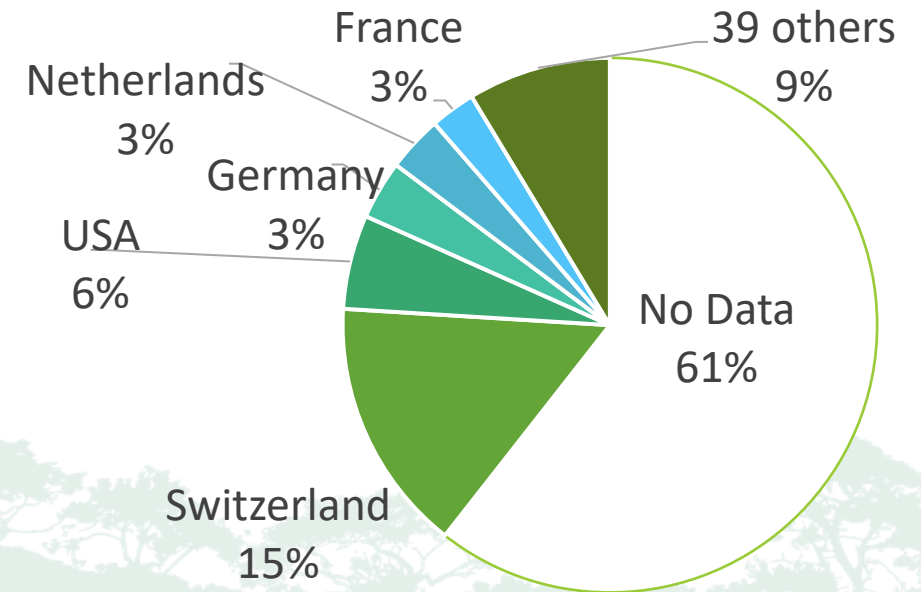
Mostly private buyers

% of total \approx USD 0.95 billion*

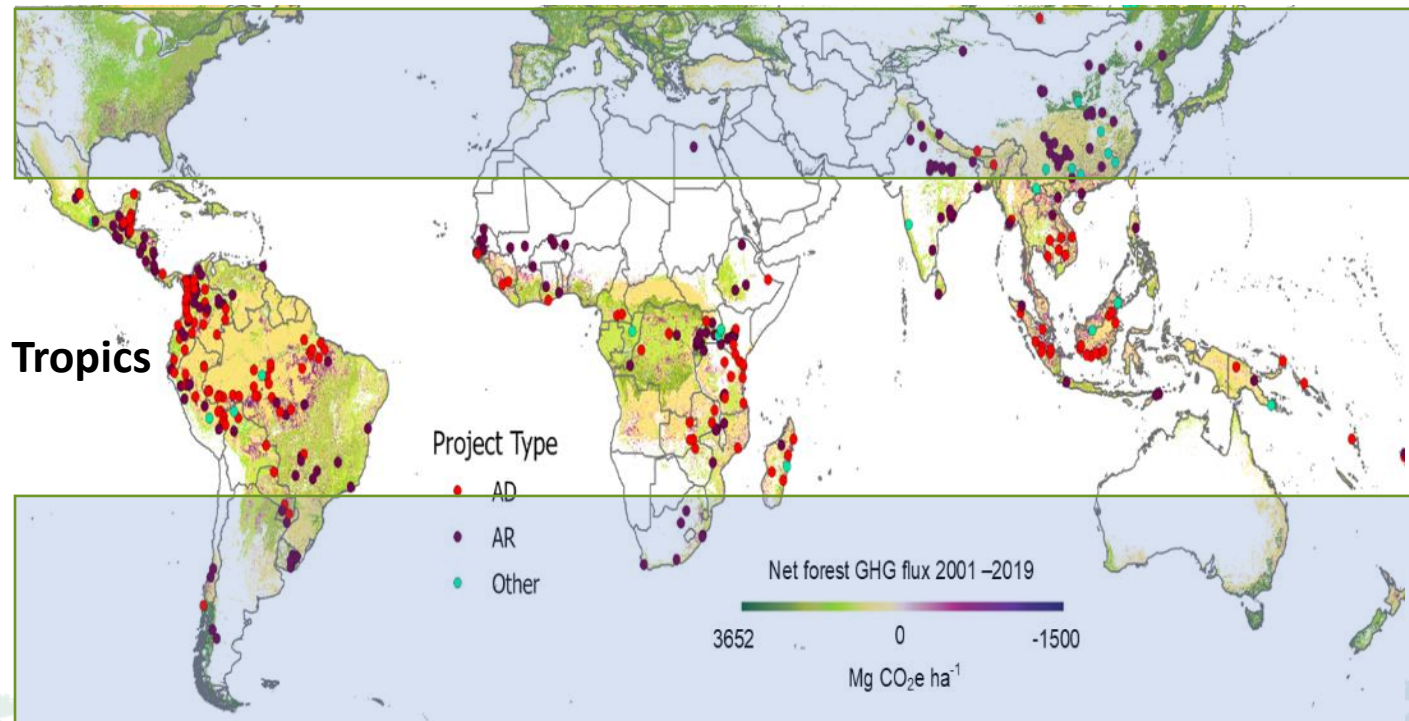


In the energy and finance sectors

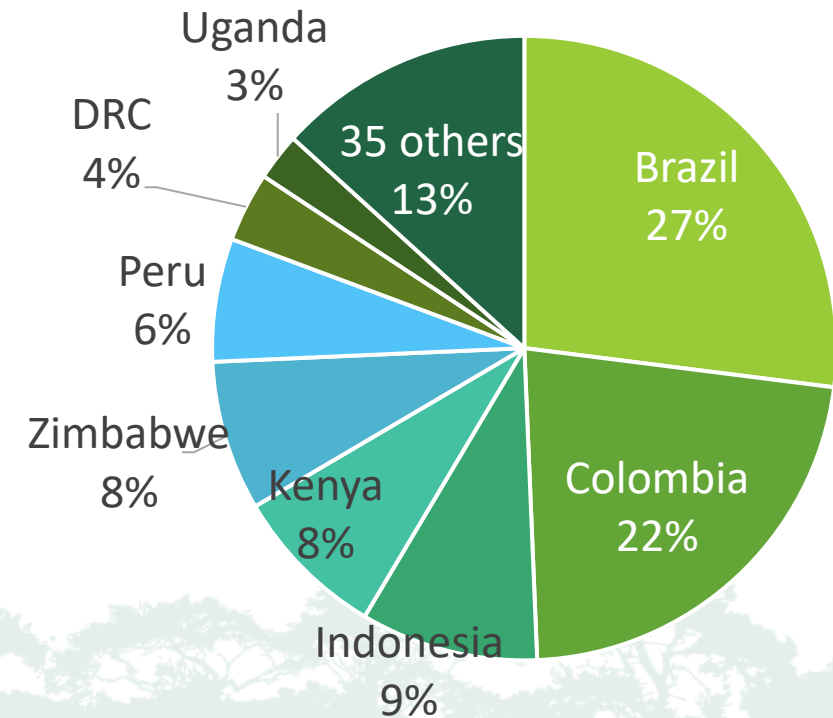
**From the Switzerland, USA, Germany,
Netherlands, France**



For where?



REDD+ projects % of total carbon credits in VCM ≈ USD 0.95 billion*



Source: DeSy, based on ongoing REDD+ projects in [ID-RECCO database](#), location from ID-RECCO and various sources, and underlying map of net forest GHG flux (tCO₂e/ha) between 2001 and 2019 from [Harris et al., 2021](#), includes 324 ongoing projects with location data

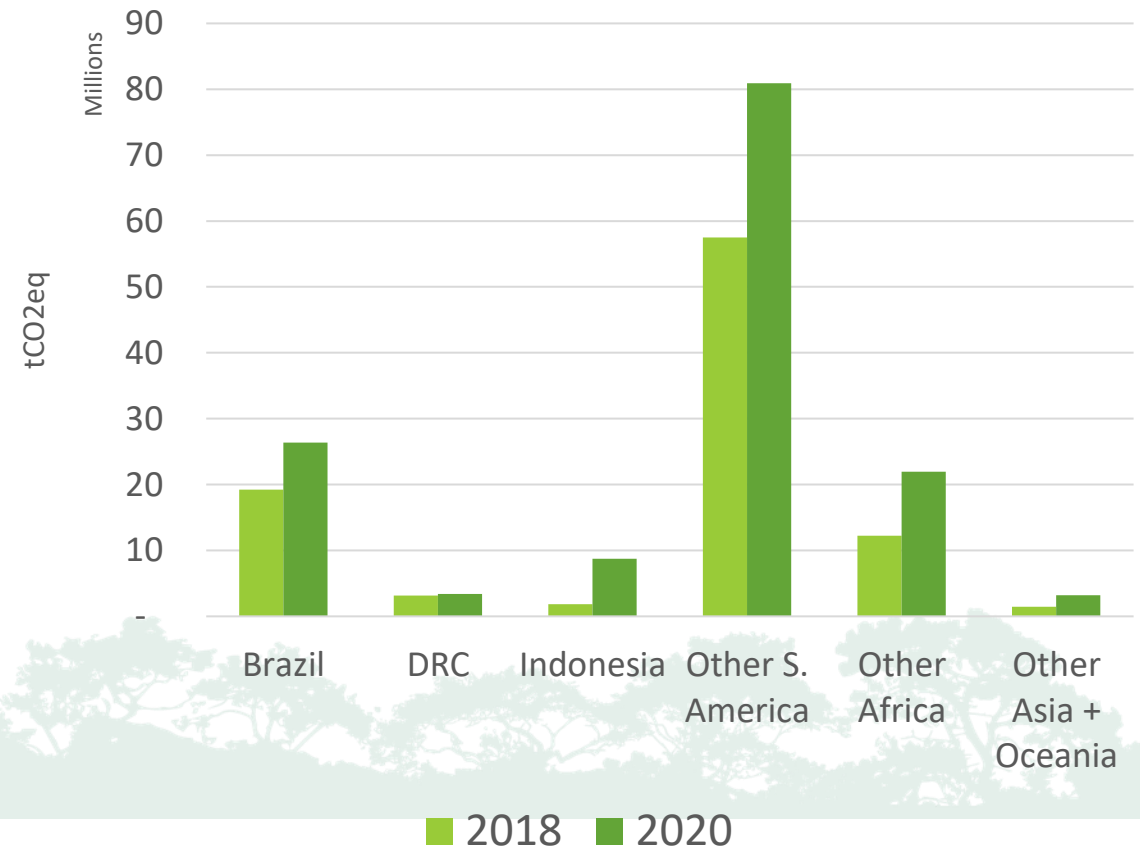
REDD+ Voluntary Markets

Comparison with regions and forest countries

- DRC not supplying large amounts of carbon credits in Africa, compared to Brazil and Indonesia
- Barely increasing between 2018-2022, compared to large increases in other comparison geographies

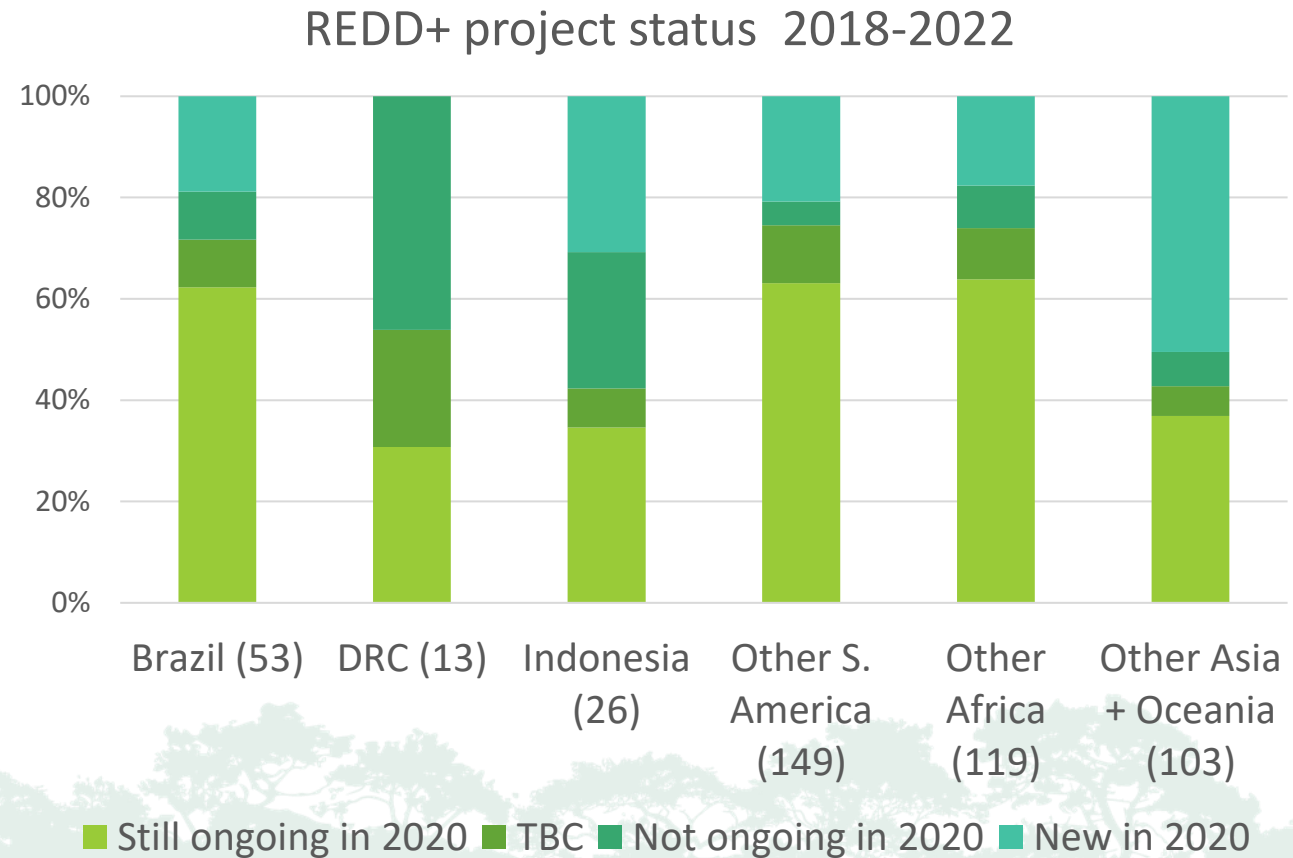
Source: ID-RECCO v. 3 and v.4.2

Carbon credits issued by ongoing REDD+ Projects via carbon registries (cumulative)



REDD+ Projects

- Between 2018-2022
 - More projects ceased in DRC compared to Brazil/Indonesia and regions
 - No new projects found in DRC vs. new projects in other countries/regions



Discussion – hypotheses (1)

- DRC not meeting its carbon finance potential (Market and Aid)
- Implementation is indeed a big issue: projects established, end, and not replaced
 - DRC cannot play catch up following other people's rules.
 - Build a forest coalition
 - Indonesia and Brazil are winners in the carbon market system. Is there common ground?
 - Alternatives: COMIFAC?
 - It needs to innovate – create systems that work locally
 - Building capacity but also:
 - marketing, sharing, and updating data → appreciate what is there, build on it: unique indigenous systems



Discussion – hypotheses (2)

- Huge untapped potential – forest carbon potential with nowhere to go
- Indicates
 - REDD+ market not for DRC? – there is a huge gap that the private sector is not willing to cross
 - REDD+ aid - DRC is on a longer readiness journey than other top forest countries.
 - Second mover strategy –DRC will be ready after first movers pave the way
 - Assuming: forests are still standing!



Data sources

- ID-RECCO: International database on REDD+, v.4.2 <https://www.reddprojectsdatabase.org/>
 - Public and **free download** of database of >600 REDD+ projects (ongoing and discontinued) from >50 countries
 - Systematic data collection from public data (REDD+ project documents, carbon credit registries, websites)
 - Updated every two years, last in 2020 (v4.2)
 - 2022 ongoing update (v5) will include jurisdictional REDD+ programs
- REDDFIT: OECD's Creditor Reporting System, which we tagged for REDD+ activities (methods in EC DG-Clima, 2018). <https://data.europa.eu/doi/10.2834/687514>
 - OECD data on international ODA transfers that we tagged for REDD+ - not yet open access



International Database on REDD+ projects and programmes
Linking Economic, Carbon and Communities data

CIFOR Chaire Economie du Climat cirad IFRI

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Download Instructions

The IDRECCO database and metadata can be downloaded here.

Please cite this database as: Simonet G., Atmadja, S., Agrawal A., Bénédet F., Cromberg M., de Perthuis C., Haggard D., Jansen N., Karsenty A., Liang W., Morel, A., Newton P., Sales A-M, Satwika, A., Schaap B., Seyller C., Selviana, V., Vaillant G., (2020) ID-RECCO, International Database on REDD+ projects and programs: Linking Economics, Carbon and Communities. version 4.2 <https://www.reddprojectsdatabase.org> [accessed on 26 Aug. 2022]

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All tables + Metadata	All the tables listed below in one Excel workbook.	XLS

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J12 Through this program, over 8,000 children from 45 rural schools received Maya Nut-based school lunches for two months. In 2009, v

	A	B	C	D	E	F	G	H	I
	Project ID	Project name	Secondary name	ECCO update (YYY)	Size (in hectare)	Editing area (li	Start year	End year	Duration
1	100	PRC	Commercial reforest	2020/09/04 0:00	3137	9999	2000	2030	3
2	101	Sierra Gorda Premium Carbon: Carbon Seq	Carbon Sequestration	2020/09/04 0:00	247	247	1997	2042	4
3	102	Scolec 'te	Scolec tA@ Natural R	2020/09/04 0:00	9049	7662	1997	2027	3
4	103	Carbon capture and emission reductions in the ejido Reforma A		2020/06/08 0:00	2463	2463	2006	9999	999
5	104	Much Kanan Kâ€™aax		2020/09/14 0:00	1230	1230	2006	2031	2
6	105	REDD+ Community Project	Community Territory	2020/09/04 0:00	142000	142000	2012	2042	3
7	106	Carbon Sequestration in Indigenous and Rural Communities in C		2020/12/15 0:00	3197	3197	2004	2025	2
8	108	Carbon Sequestration in El Zapotal Private Reserve		2020/09/04 0:00	2358	2358	2002	9999	999
9	110	Mitigating Climate Change through Sustain DECOFOS		2018/05/31 0:00	9100000	500000	2011	2016	
10	111	REDD+ pilot project in the Selva el Ocote B Reserva de la BiA³sfe		2020/12/08 0:00	4340	4340	2009	9999	999
11	112	Healthy Kids, Healthy Forests		2020/09/04 0:00	5	5	2009	2038	3
12	113	Promoting sustainable development throu	Promoting Sustainab	2020/09/04 0:00	2366	2366	2007	2049	4
13	114	Laguna		2020/12/08 0:00	100	9999	2004	2034	3
14	115	Bull Run Overseas Forest Carbon Project		2020/09/04 0:00	4650	666	2009	2038	3
15	116	Boden Creek Ecological Preserve Forest CarBCEP		2020/06/08 0:00	3980	3980	2005	2029	3
16	117	Rio Bravo Climate Action Project		2020/09/04 0:00	6296	6296	1996	2021	2
17	118	Avoided Deforestation in the Coffee Forest Coffee and Environm		2020/06/08 0:00	70000	53561	2008	2023	1
18	119	Pico Bonito Forest Restoration		2020/06/08 0:00	2950	9999	2006	2011	2
19	120	The Nahlin Reserve Conservation project		2020/09/04 0:00	1310	1310	2010	2040	3

1. Project 2. Carbon Certification 3. Carbon Credit 4. Community-level intervention 5. Finan ...

Further reading

iopscience.iop.org/article/10.1088/1748-9326/ac5669/meta

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ENVIRONMENTAL RESEARCH LETTERS

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How do REDD+ projects contribute to the goals of the Paris Agreement?

Stibniati S Atmadja^{7,1,2} , Amy E Duchelle³ , Veronique De Sy⁴ , Vivi Selviana³ , Mella Komalasari³ , Erin O Sills⁵  and Arild Angelsen⁶ 

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- We thank Manuel Boissière for language editing in French



A photograph of a person in a red shirt and blue shorts climbing a large tree trunk in a lush forest. The person is using a rope and a wooden ladder-like structure. The background is filled with dense green foliage and other trees.

Merci! Terima kasih!

Contact: s.atmadja@cifor-icraf.org
<https://www.reddprojectsdatabase.org/>

