

German positions and activities on REDD+

With a focus on the German Federal Ministry for Economic Cooperation and Development (BMZ)

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- **Our focus:** Creating a conducive environment for REDD: “**Setting the scene**”
- **Our current portfolio:**
 - Ongoing bilateral REDD programs: Over **40 projects in more than 20 countries, totalling 180 million EUR**. (BMU and BMZ together) – focus on Latin America and Southeast Asia;
 - **FCPF: 40 million EUR**
- **Our track record:** Many years of experience with conservation and sustainable use of tropical forests to build on
- **Our experience:**
 - No REDD without **strong leadership of REDD country**;
 - No REDD without **appropriate forest governance**;
 - No REDD without **inclusion of local people**;
 - No REDD without **thinking beyond carbon** (safeguards reduce risks);
- **Our commitment with partner countries:**
 - Clear focus on **readiness**: Establishing the pre-conditions for REDD;
 - Continued **investment** (“no regret”) in REDD-relevant sectors;
 - Pioneer **performance-based payments** with advanced countries (such as Brazil, through the Amazon Fund, or multilaterally through the FCPF Carbon Fund);
- **Our expectation:**
 - **Continue advancing REDD together** in the negotiations, in international political forums and platforms (such as the REDD+ partnership) and in concrete action on the ground (such as our bilateral Tropical Forest Programs with Brazil and Indonesia)

BMZ REDD-Engagement in detail

The bilateral REDD-Engagement through BMZ consists essentially of **5 bilateral programs** (Bolivia, Brazil, Ecuador, Lao PDR and Indonesia) and **1 regional program** (Central America and Dominican Republic): US\$ 156.43 Million (administratively 13 projects). Details of Cooperation on REDD with Bolivia still remains to be defined.

I. Readiness

- a. Countries: Bolivia, Indonesia, Ecuador, Lao PDR, Central America
- b. Bolivia: Support of national REDD working group; through TC support to preparation of R-PP with UN-REDD.
- c. Ecuador: Support through TC and FC to a) Biomass maps, b) Baseline establishment, c) National REDD strategy, d) MRV system on national level and for Sociobosque Program, e) National financial architecture for REDD.
- d. Lao PDR: Promotion of participation and dialogue processes for national REDD policy; Development of national MRV system; Development of National Financial Architecture.
- e. Indonesia: Support to institutional and regulatory REDD framework; Support to development of carbon registry.
- f. Nicaragua: Support to preparation of R-PP and REDD strategy

II. REDD-relevant investments and demonstration projects

- a. Countries: All countries
- b. Brazil: Investments in Protected Areas (ARPA program of the MMA), Indigenous Territories (with Indigenous Foundation FUNAI), Forest Administration and Concessions (with Brazilian Forest Service), Institutional strengthening of subnational agencies of Federal States
- c. Bolivia: Bilateral investments in protected areas and sustainable forest management still to be defined
- d. Indonesia: Subnational demonstration programs in three districts on Kalimantan
- e. Lao PDR: Subnational demonstration programs in Northern Laos (Sayabouri, Houphan, Luang Prabang Provinces)
- f. Ecuador: Investments in protected areas and law enforcement in forestry

III. Performance-based payments

- a. Countries: Brazil, Ecuador, Lao PDR, Indonesia
- b. Brazil: EUR 18 million commitment (FC) to the Amazon Fund at the Brazilian National Development Bank BNDES for national performance-based payments (according to methodology established by Brazil). Additional 4 million commitment for technical cooperation with the Amazon Fund:
 - i. Historical baseline
 - ii. PRODES annual deforestation monitoring system for the Amazon
 - iii. Flat biomass: 100 tC/ha
 - iv. Flat price: 5 US\$/tCO₂
- c. Indonesia and Lao PDR: Part of the respective FC funds scheduled for performance-based payments to demonstration projects, as soon as mechanisms and methodologies are put in place.
- d. Ecuador: An estimated EUR 6 million of current bilateral FC REDD funds are reserved for performance-based payments through the national Sociobosque program, according to already established methodology. Sociobosque channels payments directly to forest owners and communities on the ground according to forest conservation on their land.