

Terms of Reference

Session on Carbon Finance Instruments in Mediterranean landscapes:

“How to increase the mobilization of “Carbon Finance Instruments” to support programs and / or projects in forested Mediterranean landscapes”

At the occasion of the IV Mediterranean Forest Week

Barcelona, Spain, 17-20 March 2015

Jointly organized by FAO, CTFC and ONFI

Context

The III MFW was held in Tlemcen (Algeria) from 17 to 21 March 2013. This event, entitled "Mediterranean forests for sustainable development of territories: strategies of mitigation and adaptation to global change?", will remain a milestone in the history of the regional cooperation on Mediterranean forest ecosystems with the following main results:

- The launch of the first edition of the State of Mediterranean Forests (SoMF);
- The organization of a high level segment, chaired by the Algerian Minister of Agriculture and Rural Development, to endorse a new Strategic Framework on Mediterranean Forests (SFMF) and to adopt the Tlemcen Declaration;
- The celebration of the first International Day of Forests on March 21, 2013. The tree planting ceremony was an excellent opportunity to highlight the importance of forest ecosystems and other wooded lands for Mediterranean landscapes.

The SFMF has been structured as follows:

- a rationale focused on the situation of Mediterranean forests on the basis of information available in the State of Mediterranean Forests (SoMF);
- three main objectives:
 - 1) Developing and promoting goods and services provided by forest ecosystems and other wooded lands in the Mediterranean region;
 - 2) Promoting the resilience of these forest ecosystems and other wooded lands in the Mediterranean to face global changes;
 - 3) Enhancing the capacity of stakeholders and the mobilization of necessary resources for the sustainable management of forest ecosystems and other wooded lands in the Mediterranean.

Each of the three main objectives propose the implementation of three key strategic lines with expected results and concrete recommendations addressed to decision makers for the sustainable management of forest ecosystems and other wooded lands in the Mediterranean:

1) Developing and promoting goods and services provided by forest ecosystems and other wooded lands in the Mediterranean through the implementation of the following strategic lines:

- Improve sustainable production of goods and services by Mediterranean forests;
- Enhance the role of Mediterranean forests in rural development;
- Promote forest governance and land tenure reform in Mediterranean landscapes;

2) *Promoting resilience of forest ecosystems and other wooded lands in the Mediterranean to face global changes through the implementation of the following strategic lines:*

- Promote wildfire prevention by integrating the increasing risks associated to ongoing climate change in the Mediterranean;
- Manage forest genetic resources and biodiversity to enhance adaptation of forest ecosystems and other wooded lands to climate change in the Mediterranean ;
- Restore degraded Mediterranean forest landscapes.

3) *Enhancing the capacity of stakeholders and the mobilization of necessary resources for the sustainable management of forest ecosystems and other wooded lands in the Mediterranean through the implementation of the following strategic lines:*

- Develop knowledge, training and communication on Mediterranean forests;
- Reinforce international cooperation on Mediterranean forests;
- Adapt existing financing schemes and **develop innovative mechanisms to support implementation of forest policies and programs on Mediterranean forests.**

At the end of its session, the high-level segment adopted the Tlemcen Declaration, which calls for an increased focus on the sustainable development of Mediterranean landscapes. This Tlemcen Declaration calls the political and administrative authorities at national, regional and local level and other stakeholders involved in the management of forest ecosystems and other wooded lands in the Mediterranean (*private or public managers and civil society*) to develop and, if necessary, adapt their strategies and policies, including governance, for sustainable development of Mediterranean landscapes. It demands from forest managers, experts and scientific community of the forestry sector to develop and implement, in consultation with all relevant stakeholders, innovative and sustainable management practices of landscapes to be disseminated and shared in the Mediterranean

This Tlemcen Declaration requests the implementation of the main recommendations proposed in the "Strategic Framework on Mediterranean Forests: policy orientations for integrated management of forest ecosystems in Mediterranean landscapes" taking into account characteristics and needs of each country.

Objectives

The Strategic Line 9 of the Strategic Framework on Mediterranean Forests highlighted the following innovative instruments with clear links to new "Carbon Finance Instruments"

- **Recommendation 4: Adapt to the Mediterranean context Innovative Financing Mechanisms (IFM) and instruments such as Payments for Ecosystem Services (PES) schemes, REDD+ and compensation mechanisms;**
- **Recommendation 5: Create the enabling environment for the development of Innovative Financing Mechanisms (IFM):**
 - Improve the understanding of these mechanisms through capacity development;
 - Learn good practices from other regions;
 - Communicate widely on the importance of forest ecosystems goods and services and the need to raise necessary financial resources for their sustainable management;
 - Start designing first initiatives of IFM, such as REDD+ pilot projects in selected areas of the region;
- **Recommendation 6: Enhance the involvement of the private sector in developing the value chains of wood and non-wood forest products;**

The session, focused on the mobilization of financial resources from "Carbon Finance" for Sustainable Management of Forests (SFM), will give the opportunity to promote the potential of Forested Mediterranean Landscapes for mitigation of Climate Change.

The session will also give the opportunity to present the first results of two regional projects funded by the French Global Environmental Facility (FFEM) and the German Cooperation Agency (GIZ) on the following key issue: "How to maximize the production of goods and services of Mediterranean forest ecosystems in the context of global changes", and also, to promote a portfolio of mitigation pilot projects in Mediterranean landscapes.

One key result of this session will be to discuss with potential investors on "how to implement those mitigation pilot projects (taking into account Non Carbon Benefits) with the support of several key "Carbon Finance Instruments".

Another key result of this session will be to know better the interest of potential investors/partners concerning the regional Road Map adopted in 2013 on "REDD+ and carbon finance in the AFOLU sector" and on mitigation pilot projects (including Non Carbon Benefits) in the Mediterranean region by giving them the opportunity, during the roundtable, to present their own expectations, rules and constraints.

This session will be divided in two parts, with one focused on the "**presentation of the mitigation potential in the Mediterranean forest sector**"(including a presentation of the current dynamic of regional cooperation on REDD+) and one dedicated to an "**exchange (roundtable) with key potential investors/partners/donors invited to attend the IV MFW in Barcelona**".

Sub Session 1: Presentation of the mitigation potential in the Mediterranean forest sector

Chair: Valérie Mercks (responsible of the REDD team within EFI)

Keynotes: Secretariat of *Silva Mediterranea* (Short presentation of the regional context on REDD+ and Carbon Finance Instruments in the Mediterranean: Road Map on "REDD+ and carbon finance in the AFOLU sector"). ONF International: Nicolas Chenet (*Synthesis of the study implemented on key mitigation potentials in Mediterranean Landscapes*). GIZ: Ludwig Liagre (*Study on REDD+ Costs–Benefits Analysis in the Mediterranean*). Portfolio of mitigation pilot projects in Mediterranean landscapes including cases in the Northern Rim (*Paulo Canaveira, Chadi Mohanna, Ameer Mokhtar, Adelmoula Lefhaili, Abdelmalek Abdelfettah etc...*),

Sub Session 2

Chair: Susan Braatz (FAO)

This Sub Session will be organized as a roundtable with the Chair giving the floor successively to the different investors/partners based on key questions prepared in advance in order to give them the opportunity to present their own feelings concerning the regional Road Map adopted in 2013 on "REDD+ and carbon finance in the AFOLU sector" and on the mitigation potential of the Mediterranean region (including Non Carbon Benefits). It will be also an opportunity for them to present their expectations, rules and constraints concerning the forest sector in the Mediterranean.

Potential investors/partners to be invited in the roundtable for this Sub Session 2

UNREDD (Maria Sanchez Sanz), World Bank/BioCarbon Fund/Forest Carbon Partnership Facility (Ellysar Baroudy), REDD+ Team in Barcelona (Valérie Mercks), Adaptation Fund UNFCCC (to be identified by ONFI), Green fund for climate UNFCCC (to be identified by ONFI), MAVA Foundation (PauleGros), Global Environmental Facility (Jean-Marc Sinnassamy), AFD/FFEM (C. Ducastel and/or D. Simon), GIZ/KFW (to be identified by GIZ), Spanish Agency for International Cooperation (to be identified by Magrama/CTFC), FundacionClima-Empresa (to be identified by CTFC), Mediterranean Center for Integration (Hervé Levitte), Climate and Forests Task Force(to be identified by CTFC) and other relevant multilateral partners (European Commission, AfBD) etc...

Rapporteurs: Nicolas Chenet (ONF International) and M. Denis Boglio (CTFC)

Provisional programme

Session on “Carbon Finance Instruments” will be held on Thursday 19/03/2015 from 8h to 13h

Sub Session 1: Presentation of the mitigation potential in the Mediterranean forest sector

- ❖ Presentation of the session by the Chair (EFI - Valérie Mercks): 8h00-8h10
- ❖ Presentation of the regional context concerning climate change negotiation in the forest sector with a focus on key issues for the Mediterranean region (ONFI - Nicolas Chenet): 8h10-8h35
- ❖ Presentation of the regional Road Map on "REDD+ and carbon finance in the AFOLU sector" (Secretariat of *Silva Mediterranea*: 8h35 - 8h45)
- ❖ Questions from participants and potential investors/partners invited in Barcelona: 8h45– 9h00
- ❖ Presentation of a Portfolio of mitigation pilot projects in Mediterranean landscapes: 9h00– 10h15
 - Study on “Cork Oak Landscapes, Their Products and Climate Change Policies” and short presentation of a mitigation project funded by the Portuguese Carbon Fund (P. Canaveira)
 - Presentation of a national approach in Lebanon with the formulation of a NAMA to support the national afforestation / reforestation program (C. Mohanna)
 - Presentation of three potential REDD+ pilot projects in Algeria, Morocco and Tunisia
 - The Senalba/Djelfa Forest in Algeria (Abdelmalek Abdelfettah);
 - The Maamora Forest in Morocco (Adelmoula Lefhaili);
 - The Siliana Forest in Tunisia (Ameur Mokhtar).
- ❖ Questions from participants and potential investors/partners invited in Barcelona: 10h15– 10h30

Coffee break: 10H30-11h00

- ❖ Round table with all potential investors/partners on **“how to implement the regional Road Map on REDD+ and carbon finance in the AFOLU sector”** and discussion on the “mitigation potential in Mediterranean landscapes” (taking into account Non Carbon Benefits) with the support of the several key “Carbon Finance Instruments”: 11H00 – 13H00

The Chair of the session will give the floor to the roundtable participants and will try to elicit their own vision and perspectives, trying to draw a meaningful picture regarding the policy and financial framework which might accompany the Road Map in the forthcoming years.

The main objectives are to start constructing a common vision for REDD+ in the Mediterranean and shed light on possible first step for coordinated or collaborative actions between the stakeholders.

Contacts

FAO: M. Christophe Besacier: Christophe.Besacier@fao.org

CTFC: M. Denis Boglio: denis.boglio@ctfc.es

ONFI: Nicolas Chenet: nicolas.chenet@onfinternational.com