

LDCs Views and Concerns



Workshop on financing options for
the full implementation of results-
based actions relating to REDD-plus

Bangkok August 2012

Forest For LDCs: why socio economics

forest is a source of entire livelihood

- Most of LDCs depend on rural livelihood systems (more than 70% of the total population of LDCs or some 580 million people)
- Extreme poverty in LDCs (4 out of 5 on less than \$1.25/ day)
- Forestry continues to play a critical role as a source of:
 - Energy (70 to 90% of energy consumption- collected for free)
 - Food
 - Fodder for their animal (30% to 70% for the national herds)
 - Incomes for poor (employment, woody and non woody production business)
 - Shelter, medicine, environmental services...

REDD for LDCs

Key issues to be addressed

Main drivers of deforestation in LDCs are linked to :

- Energy Security (in most of LDCs estimated at 2 – 3 billion US\$/country/year)
- Poverty reduction
- Food security (e.g. clearing forests for rain and irrigated subsistence farming)

REDD+ should provide opportunities for poverty reduction & improving livelihood, offering of alternative energy, and ensuring food security



REDD for LDCs: financing options for the full implementation of results-based actions relating to REDD-plus

issues to be considered

- ❖ Rights and roles of forest dependent local communities and their social, environmental and economic development should be fully considered
- ❖ LDCs considered public funding to be the major source of funding and the private sector as a complementary source
- ❖ Principles for finance should include, additionality, adequacy, equal distribution, predictability and sustainability in addition to accommodating the different national capabilities and circumstances
- ❖ Should be MRVed ,robust, efficient and accountable

Why Public?

- ❖ The most clearly established type of funding source
- ❖ Funding for REDD will be invested in national programs and infrastructure that directly provide support to forests dependents such as alternatives (energy, building materials, rangelands improvement, fire fighting...etc) and rights and privileges that people derive from forests; in addition to other non carbon generating activities
- ❖ Can ensure adequate funding and delivering co-benefits such as biodiversity conservation and poverty alleviation
- ❖ Can ensure that funding and benefits are distributed equitably among all developing countries

Why not market based for result based actions? LDCs concern

- ❖ LDCs don't agree with transferring developed countries commitment to developing countries
- ❖ LDCs believe that REDD+ is best to be addressed under development context rather than market based
- ❖ LDCs do not have the capacities to access market based funding for REDD+
- ❖ Difficulties in estimating cost of addressing the driver of deforestation and forest degradation and their cost (

Why not market based for result based actions? LDCs concern

- ❖ Most of the funding will be allocated to the carbon credits rather than to non carbon REDD+ benefits (putting other non carbon benefits at risk)
- ❖ Market price against the high costs of REDD+ activities such as conservation of biodiversity
- ❖ Lack of equity in fund distribution
- ❖ In effective mechanism: (Experience from CDM with difficult accessibility, lengthy and costly procedure where most of forest CDM projects have been something of a failure

Sharing some LDCs worry on financing result based actions

- ❖ Socio-economic well-being of local dependent communities is main issue in REDD+ finance (expected to reduce poverty and ensure biodiversity co-benefits besides emission reductions)
- ❖ Risk of over looking the low carbon credits REDD+ activities such as conserving biodiversity and protection of natural forests with low greenhouse gas mitigation potential
- ❖ The protection of existing high carbon stocks forest does not always lead to the protection of the biodiversity

Sharing some LDCs worry on financing result based actions

❖ REDD+ activities are long term investment and there is no comprehensive attempts to quantify risks for national REDD+ implementation :

- socio-economic risks (governance challenges, land conflicts, poverty ...etc)
- Environmental integrity risks (long term carbon stabilization, biodiversity....)
- More Incentive for monoculture plantations with low biodiversity value at the expense of low-carbon ecosystems with high biodiversity value

Be determined in achieving your goals ...

**Ready to go for REDD
negotiation**



Thank you