

HOW CAN THE VOLUNTARY CARBON MARKET MAKE A MEANINGFUL CONTRIBUTION TO PROTECTING TROPICAL FORESTS?

"REDD+ CREDITING FROM THE PERSPECTIVE OF SUPPLIER COUNTRIES"

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Sequence of the Presentation

- Ghana & Forestry Commission Brief
- REDD+ @ a Glance
- State of REDD+ Play
- Carbon Markets
- What REDD+ Countries Need
- What Voluntary Carbon Markets (VCM) Offer
- Issues and Benefits of the VCM
- What is Needed versus what is Offered
- Making the VCM Useful (more Useful probably)!

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Ghana & Forestry Commission Info., Brief



- **Total Area:** 238,535 sq km
- **Forest area:** 6,098,525.15ha
- **Population:** 32.1 million
- **Major economic activity:** Agriculture
- **Major commodities:** Cocoa, Gold and Timber



The **Forestry Commission of Ghana (FC)** is responsible for the regulation of utilization of forest and wildlife resources, the conservation and management of those resources and the coordination of policies related to them.

The **Climate Change Directorate (CCD)** of the Forestry Commission supports the FC to achieve its overall mission and vision by designing climate change mitigation/adaptation plans and strategies for the Forestry Sector of Ghana, while promoting sustainable development. The CCD serves as the National REDD+ Secretariat (NRS) for Ghana's REDD+ implementation.



REDD+ at a Glance

PARIS AGREEMENT (PA) ARTICLE 5

To limit global warming to 1.5 degrees Celsius, Forests and Nature can contribute to a third of that solution.

PA Article 5 encourages parties to implement and support activities to reduce emissions from deforestation and forest degradation, and highlights the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.



REDD+ at a Glance (2)

GUIDING PRINCIPLES



- **Warsaw Framework**
Safeguards Information Systems
National Forest Monitoring System
Forest Reference Levels
REDD+ Strategy
- **Cancun Safeguards**

FUNDING SOURCES

- FCPF
- UN-REDD
 - GCF
- Voluntary Markets



STAGES OF REDD+ IMPLEMENTATION

Readiness: Beginning with the development of national strategies or action plans, policies and measures, capacity-building, institutional frameworks;

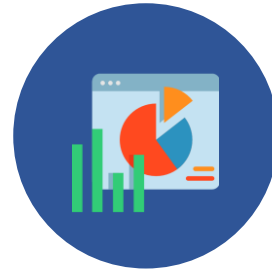
Piloting: Implementation of national policies, measures and strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities;

Results-Based Phase: Results-based actions that should be fully measured, reported and verified, allowing countries to seek and obtain results-based payments.

State Of REDD+ Play



Readiness ('Done'
by most
Countries)



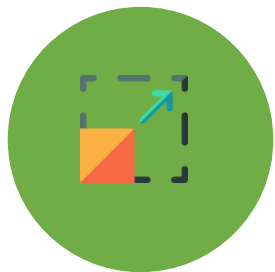
Results-Based Phase



Reporting



Benefits sharing (Rights-based)



Upscaling



Governance at the landscape
level

Carbon Markets



- Compliance/Results-Based: CORSIA, GCF, FCPF, JCM
- Voluntary: ART-TREES, VERRA, *Gold Standard

Challenges Of Engaging In The Two Markets (Inter and Intra)

- Different reference periods
- Different Standards/Requirements
- Same Countries/Same People in most cases
- Different Capacity needs
- Similar/Same Jurisdictions or Landscapes
- Safeguards Considerations for Indigenous People and Local Communities
- Safeguards Considerations for the Environment

What do **REDD+** Countries Need?



Appreciation of process/progress



A quicker reward system



Rewards for actual work done
(Progressively)



Trust

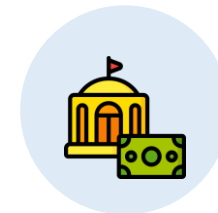
The Forest is more than just Carbon!



Less bureaucracy in document approvals



Speed of finance delivery



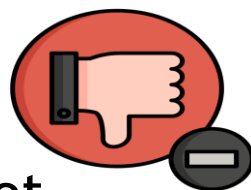
Blended Finance

What do Voluntary Carbon Markets Offer? *(or are supposed to offer?)*



- ‘Alleged’ higher price (USD10 + or - 3)
- Relatively shorter negotiation periods
- Private sector appeal
- ‘Ambition’ - Corporate Demand (Net-Zero and abatement targets)

'Issues' / Benefits With Voluntary Carbon Markets



- Use of VCM Credits in NDCs or not
- Volatility of the market (Rise and Fall of Price and Demand)
- Credibility of buyers/end use (Offsets/SBTi/Greenwashing)
- Intermediaries/transaction leads
- Post-payments versus upfront payments
- Support for capacity building limited
- All inclusive prices
- **Semi or no Authorization by National or sub-national governments (ART-TREES an Exception)**
- Personal gains (Bias in Benefit sharing models, Transparency)
- Corresponding Adjustments or not
- Projects versus Programs



- **'Perceived' quick financial reward**
- **Higher Price**

The Guardian Publication and Brouhaha!

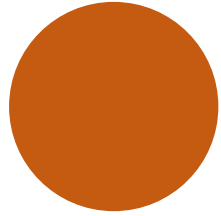
What Is Needed Versus What Is Offered

• Nexus of the two

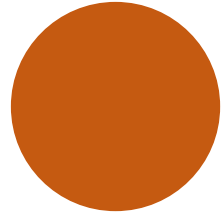
- Value for Process
- Trust
- Understanding of different levels
- Appreciation of history/Progress
- Alignment with Host Country Policies and strategies



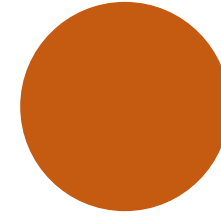
How useful can the Voluntary Carbon Market be?



- Offer a 'good' price
- Finance for NDC actions
- Pay beyond carbon



- Be Transparent
- Community Oriented

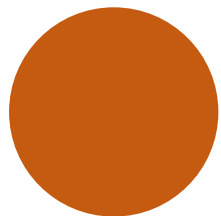


Move beyond their core mandates

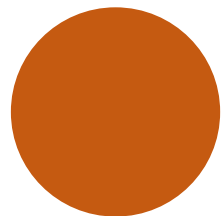
Engage Directly



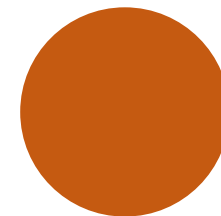
Trust



Be less bureaucratic



Align with a holistic Forest Carbon Policy (Article 6 Framework???)



Apply Economics of demand and supply

THANK YOU

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