

VOLUNTARY PROJECT DEVELOPMENT

EXPERIENCE WITH THE PREPARATION OF
VOLUNTARY MARKET PROJECTS - LESSONS
LEARNED AND NEXT STEPS

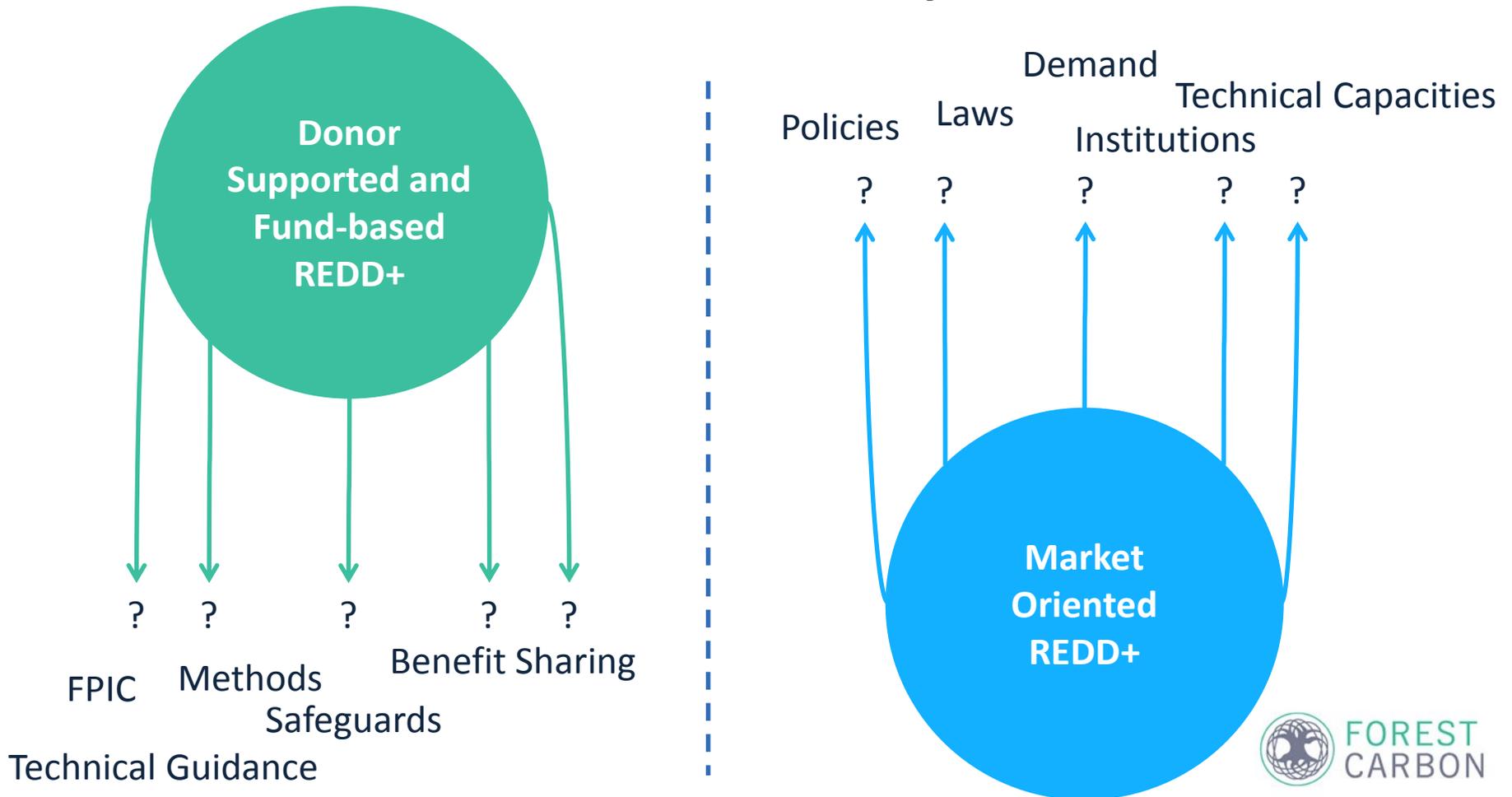


QUICK HISTORY

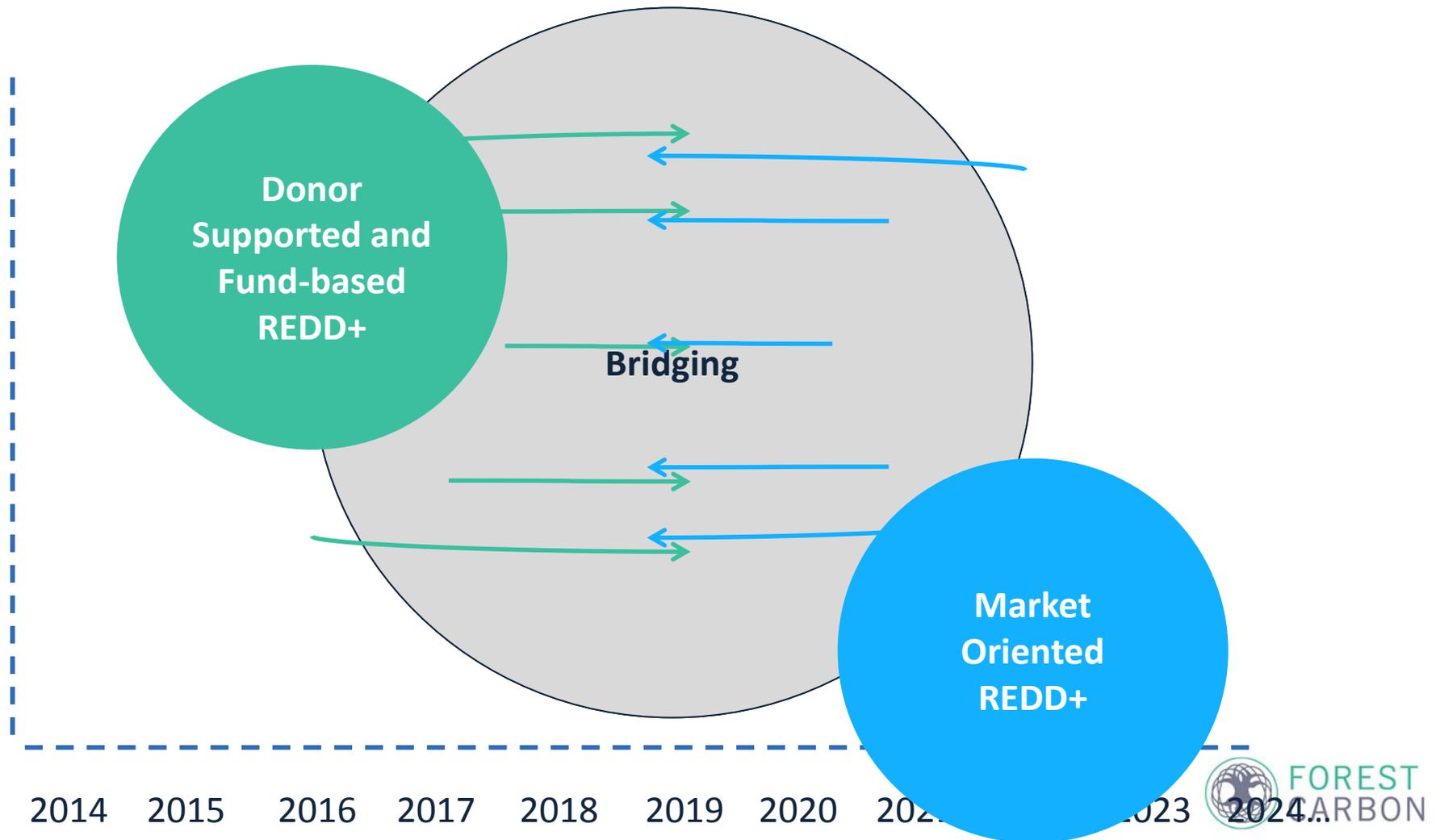
- **Around 2008 a split emerged between donor-driven REDD+ initiatives and market-based “voluntary” approaches.**
 - Market-based approaches advanced technical and methodological knowledge to where it is today
 - Donor initiatives focused on government readiness, institutions and capacities in the context of the UNFCCC
 - By 2009 and 2010, two visions of REDD+ emerged that were largely isolated from each other.
- **What emerged was a split in the REDD+ sector between national fund-based REDD+ and voluntary market-based REDD+, both in anticipation of UNFCCC.**

HISTORICAL DEVELOPMENT OF REDD+

2008...until today



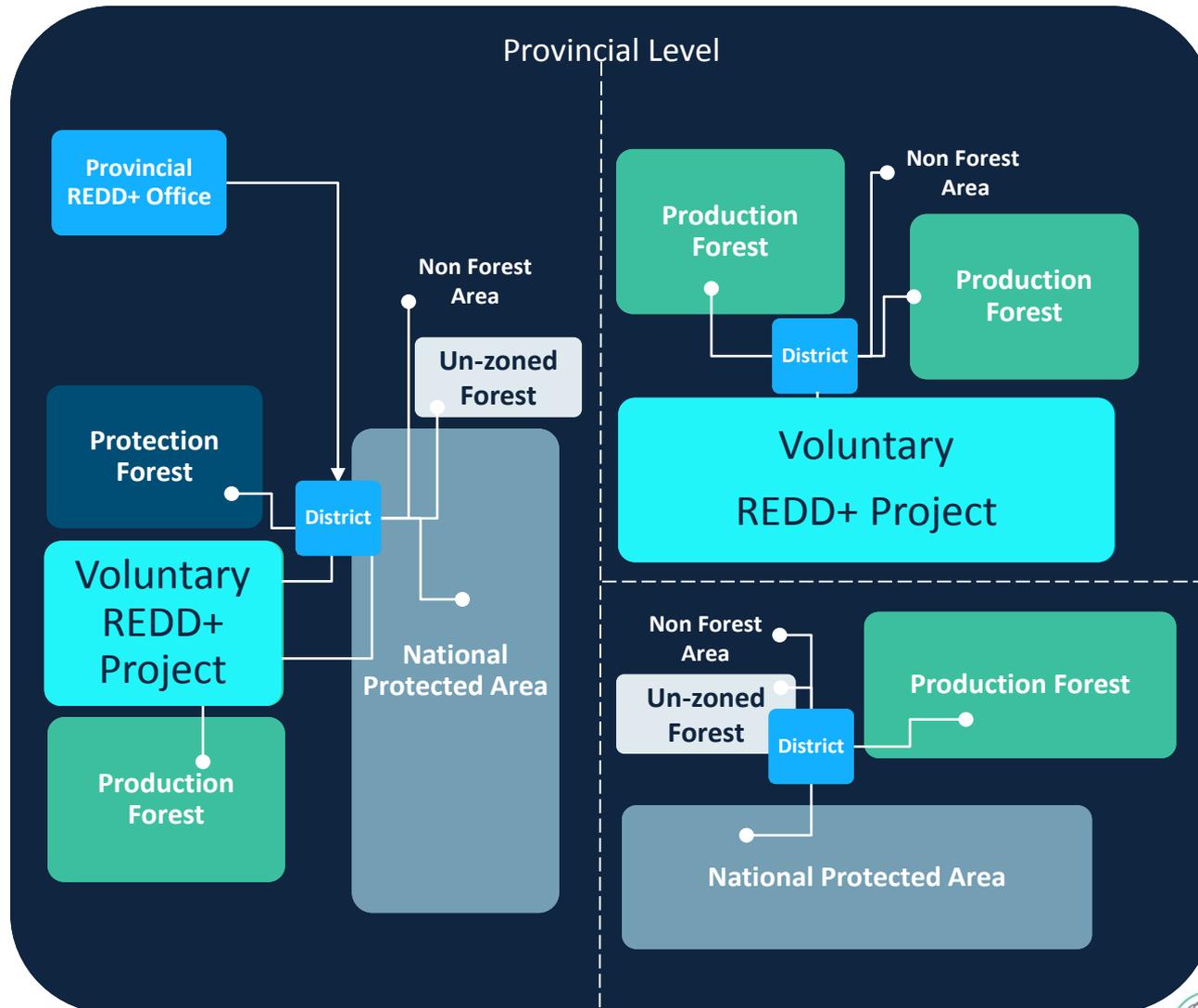
HISTORICAL DEVELOPMENT OF REDD+



REDD+ TODAY

- 1. Today we are in a “bridging phase” that is beginning to link national REDD+ systems and project-level REDD+ initiatives.**
- 2. Donor finance is filling the financial risk of development REDD+ Readiness:**
 - REDD+ governance and policy are being drafted
 - General methodological guidance
 - Safeguards
- 3. Voluntary projects are developing and testing**
 - Detailed, peer-reviewed methodologies
 - Testing and experimenting the boundaries of new approaches and technologies
- 4. Voluntary market projects are increasingly being seen as participants in subnational REDD+ and green growth strategies**

TERMINOLOGY CLARIFICATION



MARKET AND NON-MARKET LANDSCAPES



Ecosystem Value:

- High Conservation Value
- Biodiversity
- Community Values
- Peatland Conservation

Potential Commodities:

- Verified Emission Reductions (VERS)

Ecosystem Restoration Value:

- Rehabilitation
- Biodiversity
- Peatland Conservation

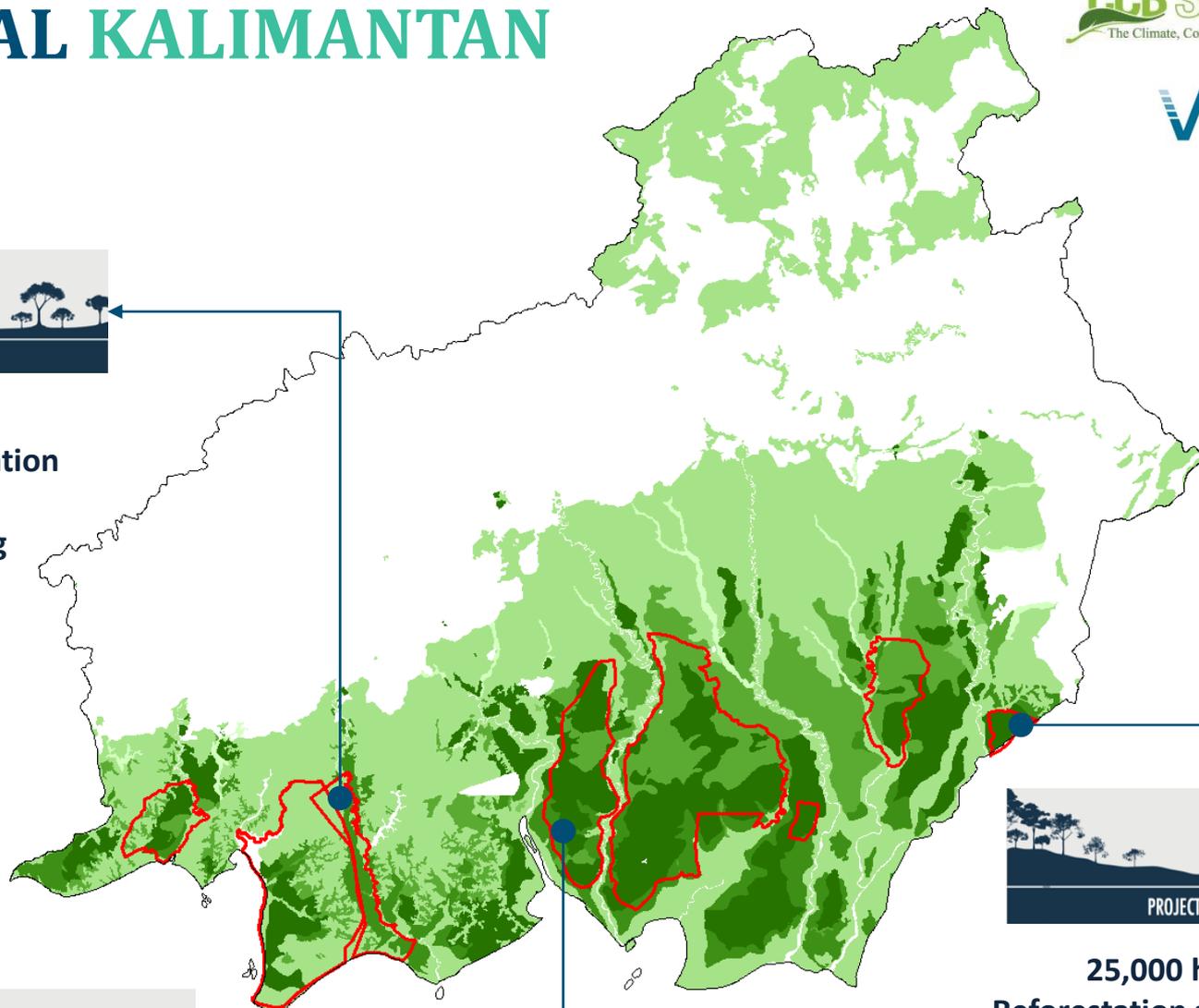
Potential Commodities:

- Verified Emission Reductions (VERS)

CENTRAL KALIMANTAN



**104,000 ha of
Avoided Deforestation
Conservation
Peat Rewetting**



**25,000 ha
Reforestation and Peat
Rewetting Project**



**230,000 ha of
HCV/HCS Conservation and Peat Rewetting**

PROJECT DEVELOPERS - INDONESIA

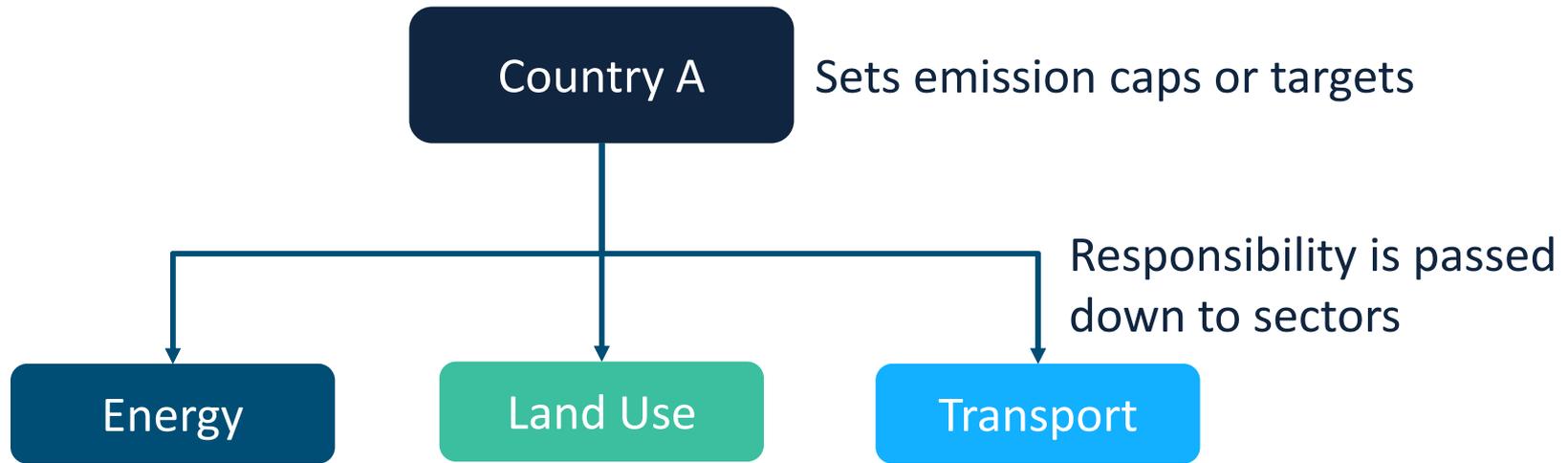
Project	Tenure Status	Project Activities					Average Annual Emission Reductions (tCO2e)	Peat Area (RePPProT) (ha)	Area (ha)
		Avoided Deforestation	Peat Rewetting	Reforestation & Rehabilitation	Hutan Desa	VCS Credit Producing			
Active Projects									
PT Rimba Raya	ERC	•	•			•	4,160,000	TBD	104,300
PT Rimba Makmur Utama	ERC	•	•	•		•	7,451,846	143,095	230,000
PT Hutan Amanah Lestari	PAN/RAP	•	•	•		•	1,600,000	25,800	25,800
TN Sebangau	ERC	•	•			•	31,000	TBD	569,000
Total							13,242,846		929,100
Potential Project Pipeline									
TN Tanjung Puting	NPA	•	•			•			398,000
Lamandau Conservation Reserve	NPA	•	•			•			87,500
Buntoi Village Forest	Hutan Desa	•			•	•			16,150
Total Approximately									1,500,000

FITTING IT ALL TOGETHER

**How to Projects Fit
into Jurisdictions?**

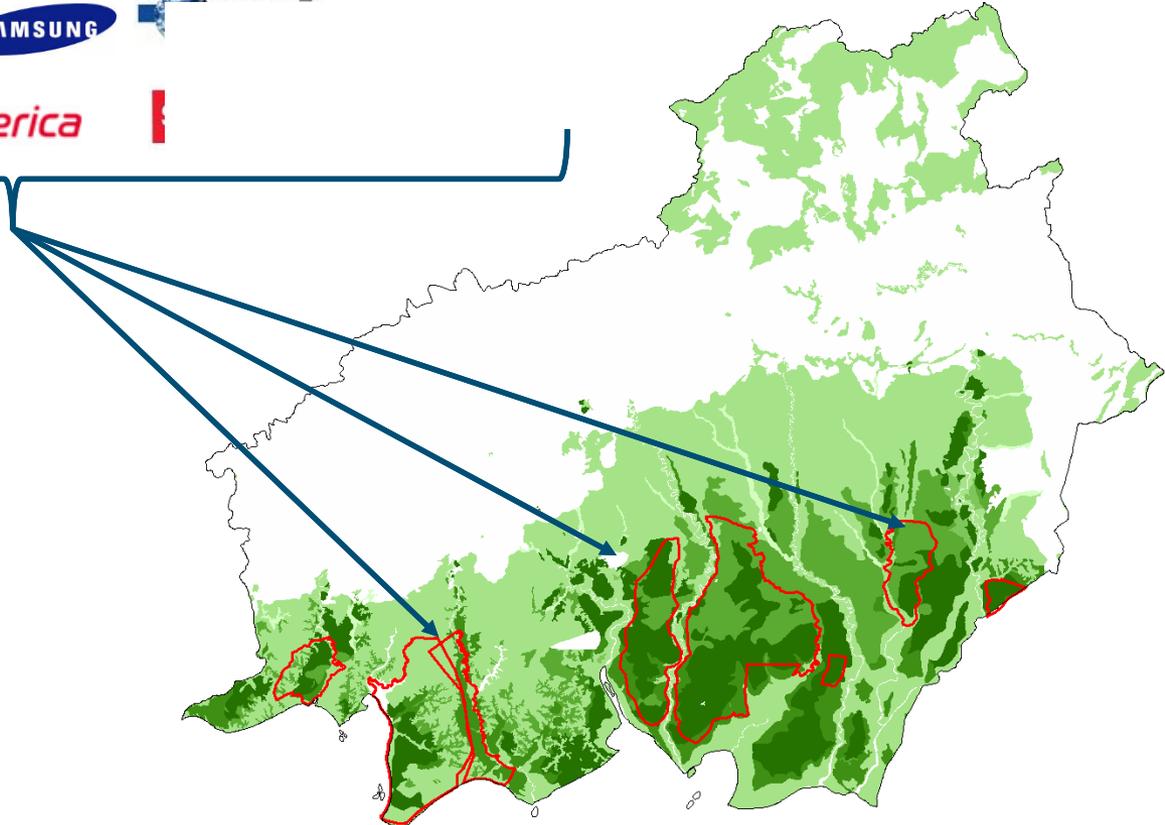


WHAT IS MEANT BY “MARKET”?



Sectors pass down to corporate and industry actors

WHAT IS MEANT BY “MARKET”?



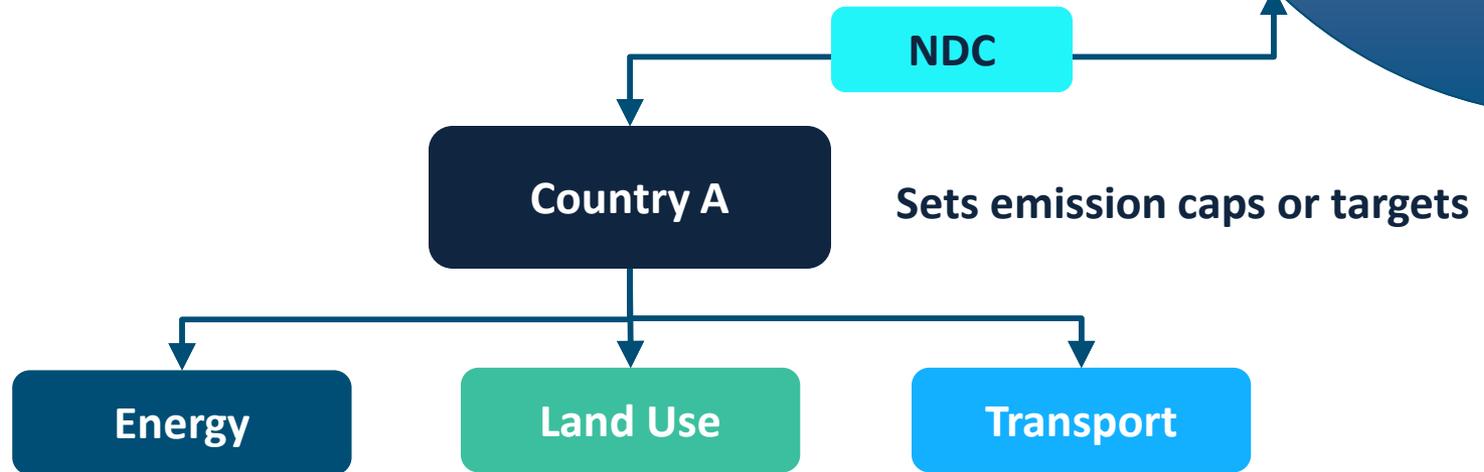


I ❤️ Carbon

Somewhere in the tropics...
Circa 2008

WHAT IS MEANT BY “MARKET”?

UNFCCC



INTERNAL CORPORATE CARBON PRICING

Materials

E.I. du Pont de Nemours and Co.

Consumer Staples

ConAgra Foods, Inc.
Wal-Mart Stores, Inc.

Industrials

Cummins Inc.
Delta Airlines
General Electric Co.

Energy

Apache Corporation	
BP	\$40
Chevron Corporation	
Conoco Philips	\$8-\$46
Devon Energy Corporation	\$15
Exxon Mobil Corporation	\$60
Hess Corporation	
Royal Dutch Shell	\$40
Total	\$34

Financials

Wells Fargo & Co.

Consumer Discretionary

Delphi Automotive Plc
Walt Disney Company \$10-20**

Information Tech

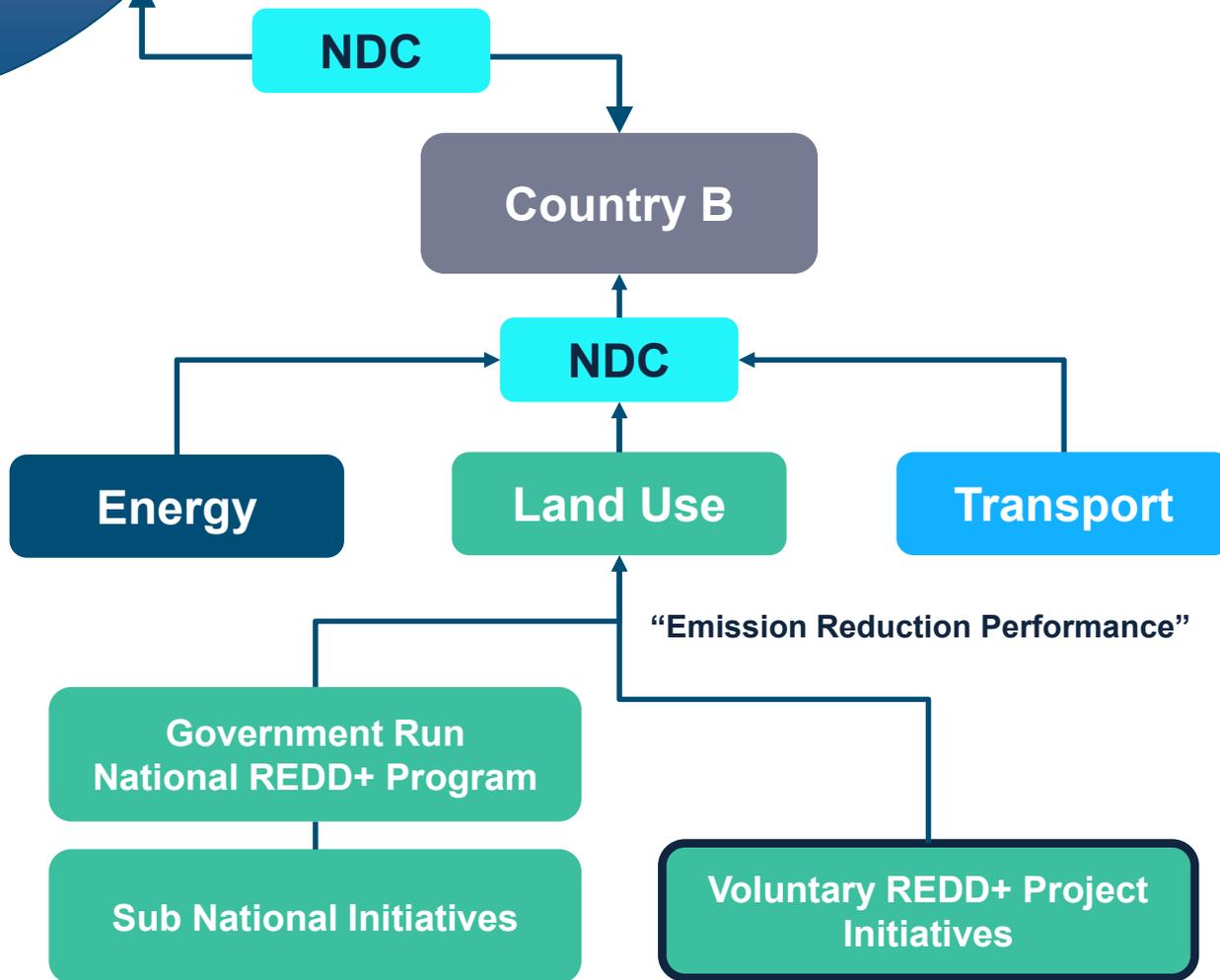
Google Inc.	\$14
Jabi Circuit, Inc.	
Microsoft Corporation	\$6-\$7

Utilities

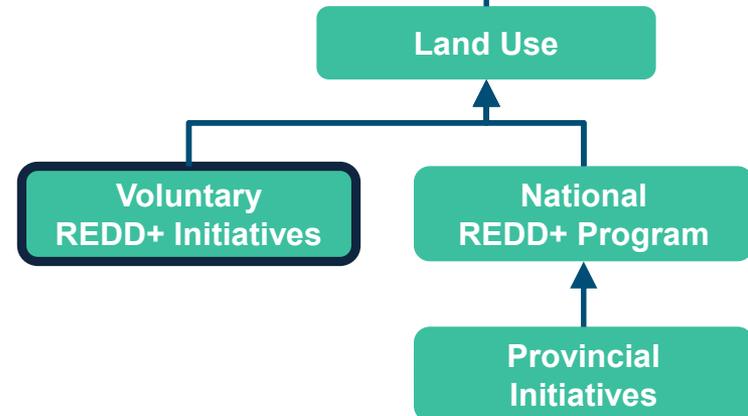
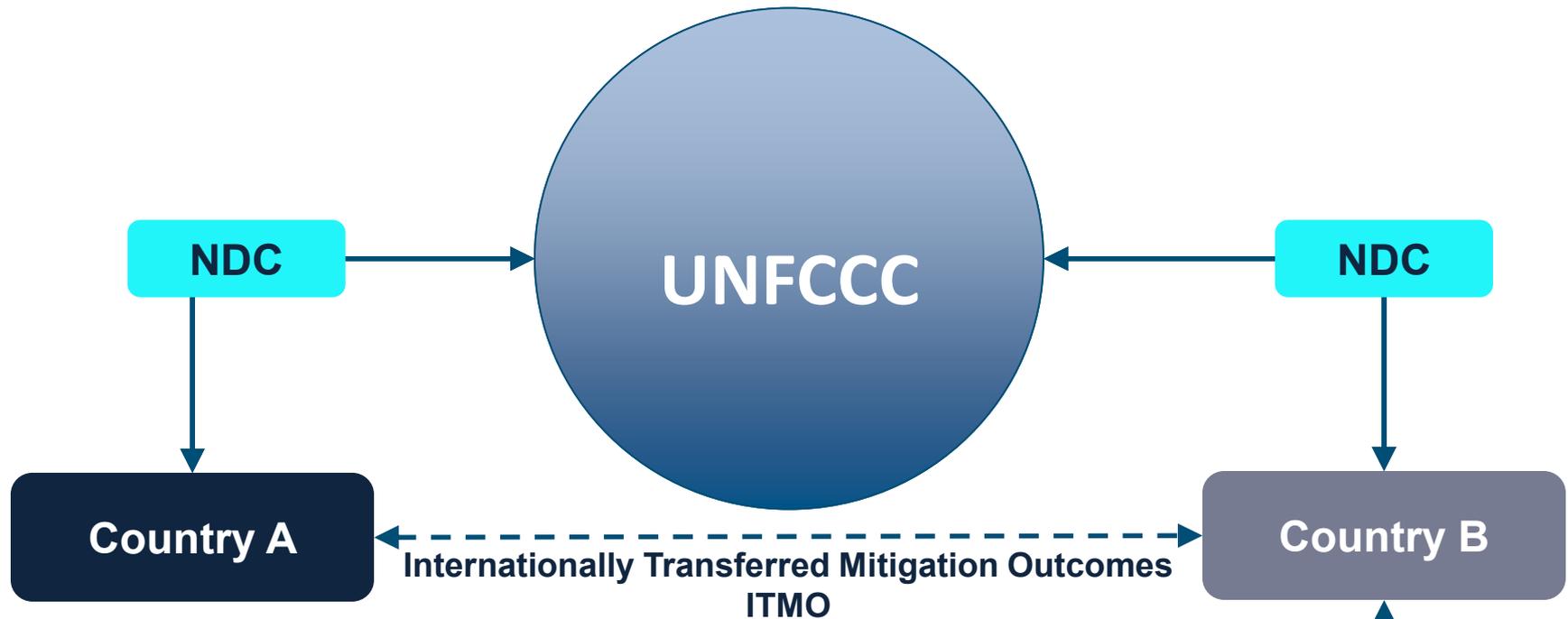
Ameren Corporation	\$30
American Electric Power Inc.	
CMS Energy Corp.	
Duke Energy Corp.	
Entergy Corp.	
Intergys Energy Group	
PG&E Corp.	
Xcel Energy Inc.	\$20

UNFCCC

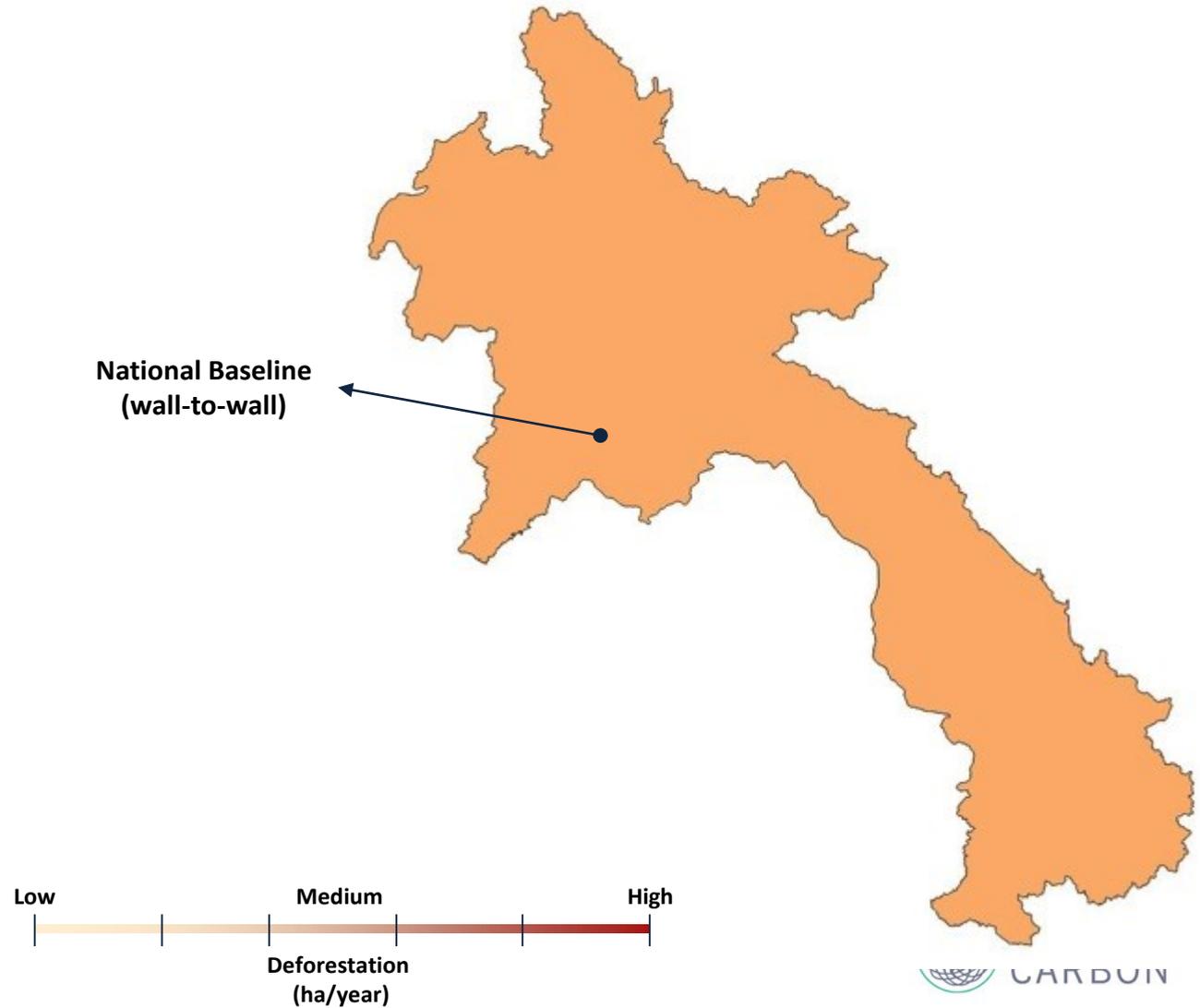
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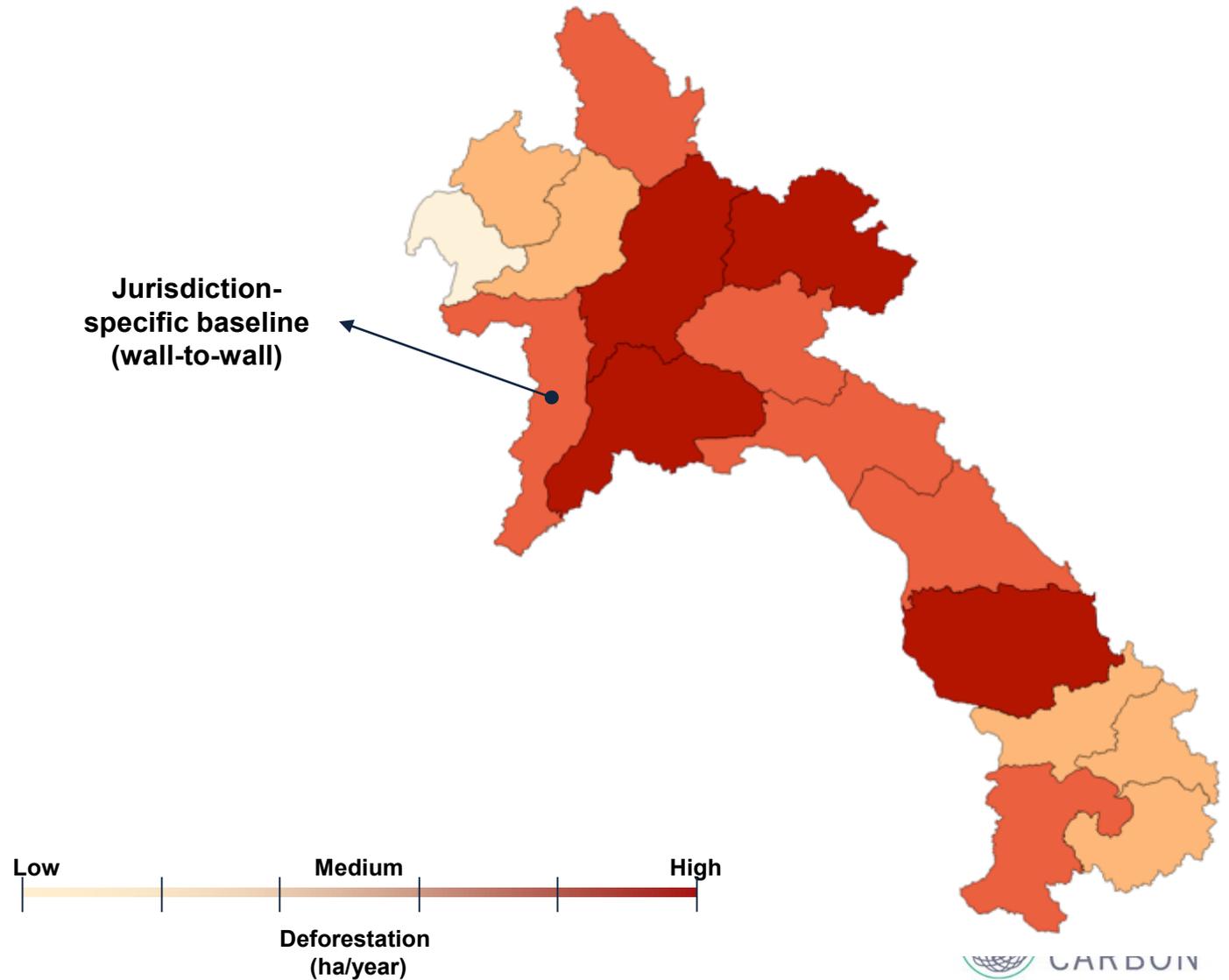
NDC AND ITMO PATHWAY



NATIONAL SYSTEMS + PROJECTS: NESTING

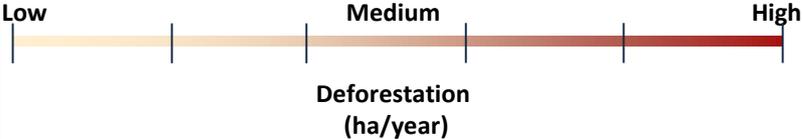
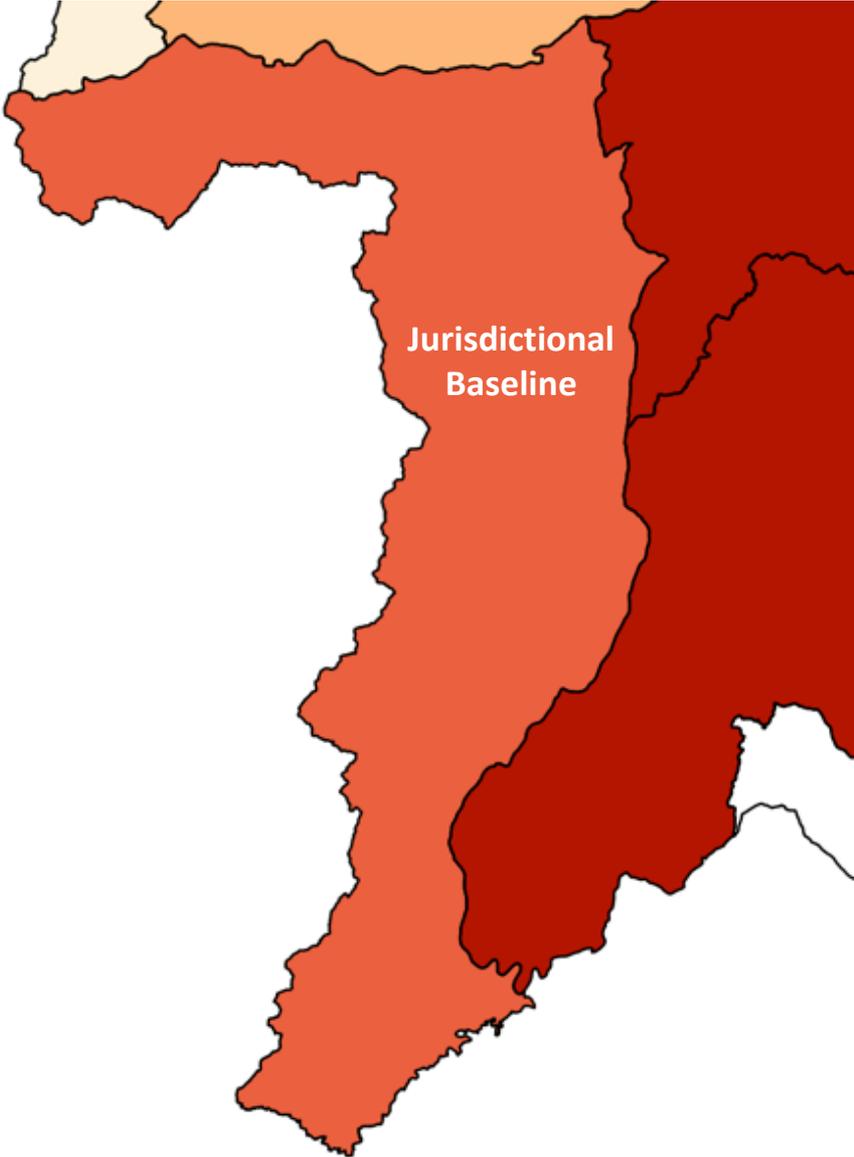


NATIONAL SYSTEMS + PROJECTS: NESTING

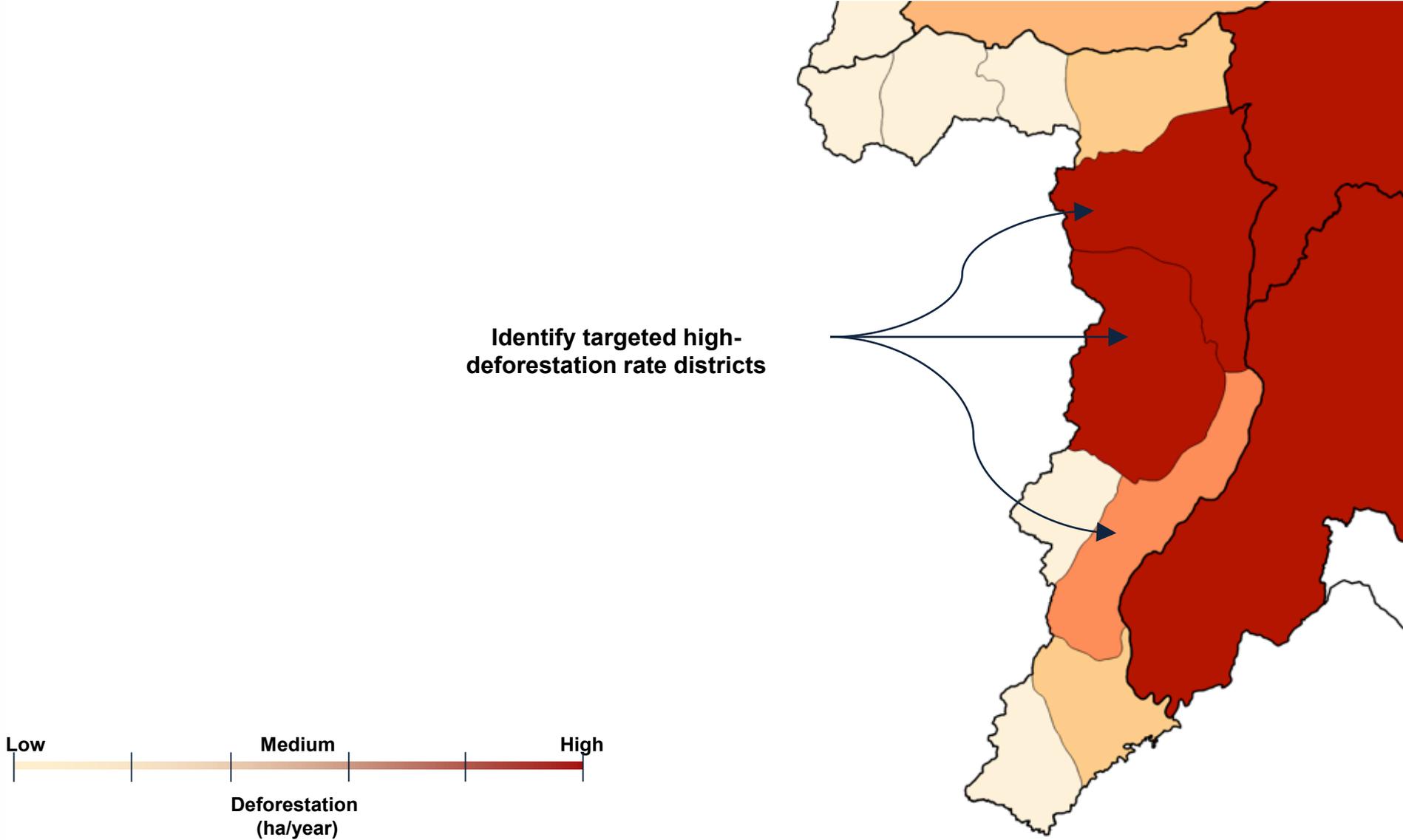


NATIONAL SYSTEMS + PROJECTS: NESTING

Jurisdictional Baseline
(result of wall-to-wall REL)

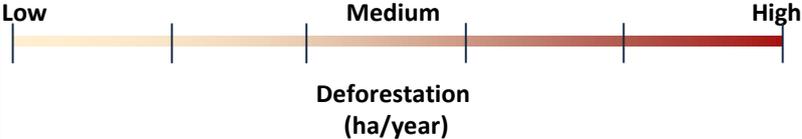
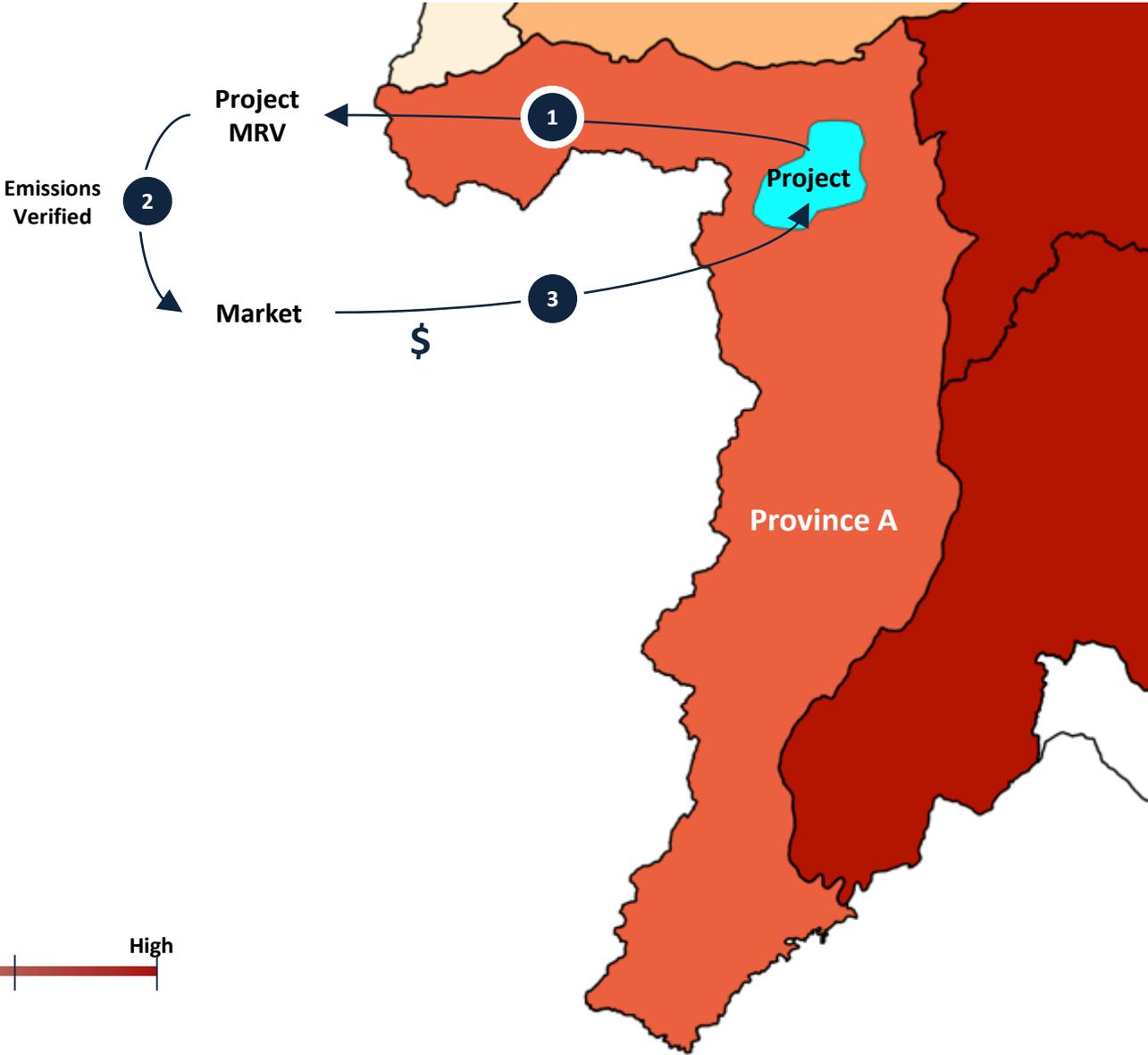


NATIONAL SYSTEMS + PROJECTS: NESTING



NATIONAL SYSTEMS + PROJECTS: NESTING

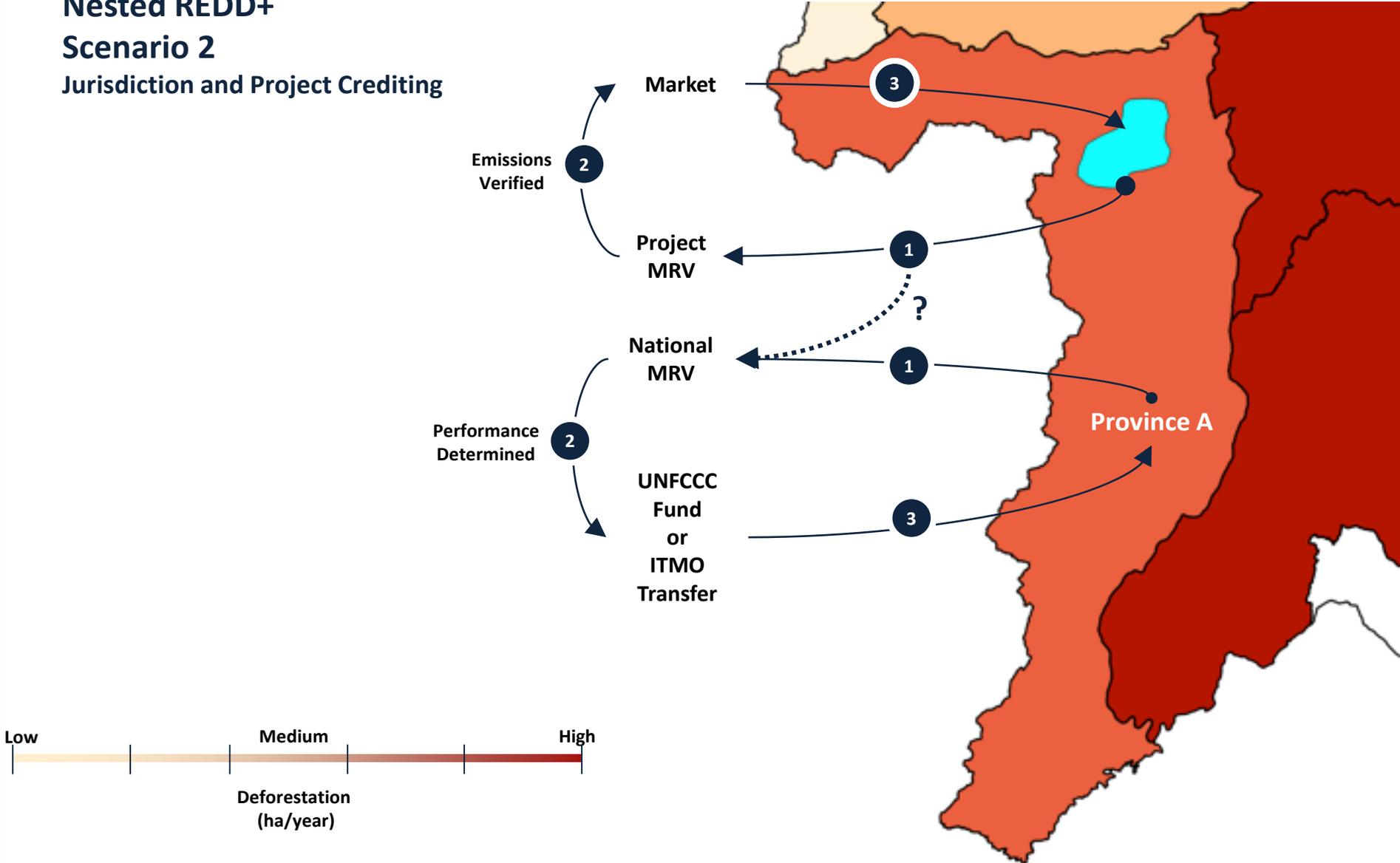
**Nested REDD+
Scenario 1
Project Crediting Only**



NATIONAL SYSTEMS + PROJECTS: NESTING

Nested REDD+ Scenario 2

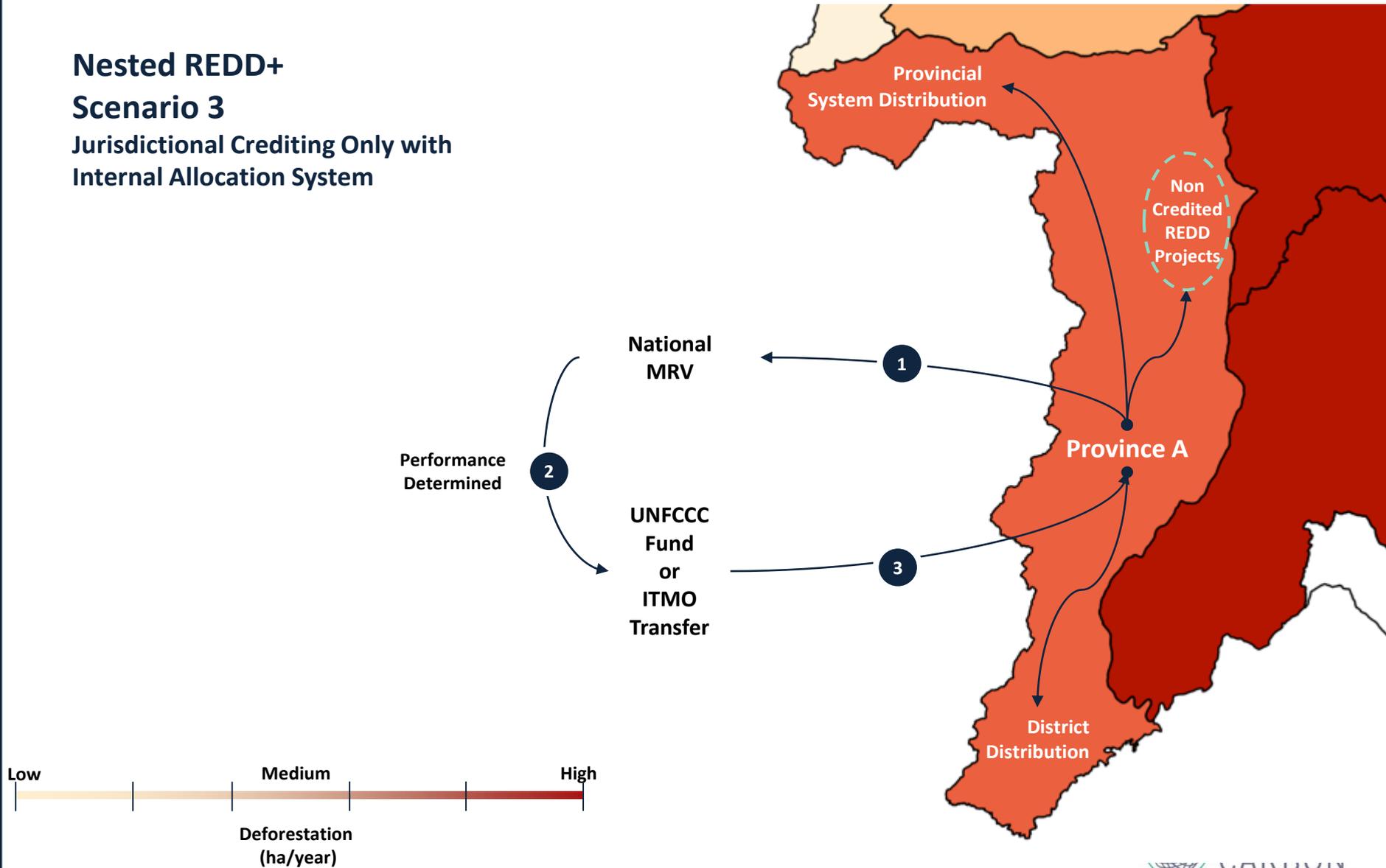
Jurisdiction and Project Crediting



NATIONAL SYSTEMS + PROJECTS: NESTING

Nested REDD+ Scenario 3

Jurisdictional Crediting Only with
Internal Allocation System



KEY OBSERVATIONS

2. Enabling National Policies

- Nesting is a they key to long-term project survival and the growth of a new market
- Concession-style licensing systems are critical for standardizing and transparency
 - See Indonesian Concession Licenses:
 - ✓ **Ecosystem Restoration License (IUPHHK-RE)**
 - ✓ **Carbon Sequestration and Utilization License (IUPHHK-KARBON and PAN/RAP)**
- Projects as participants in a green economy
 - New service sector
 - New tax-base for government
 - Mobilizes non-profit and private sector investment into rehabilitation and restoration activities

3. Looking Forward...

- Nested Voluntary REDD+ projects can support NDCs via ITMOs if governments see them as **green assets and economic actors.**

THANK YOU

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