# 2023

15<sup>TH</sup> consolidated annual progress report of the UN-REDD Programme Fund

Report of the Administrative Agent of the UN-REDD Programme Fund for the period **1 JANUARY – 31 DECEMBER 2023** 

### UN-REDD P R O G R A M M E

Food and Agricult Organization of t United Nations



## **Executive Summary**

The UN-REDD Programme is pleased to present its 2023 Annual Report, which summarizes its efforts to assist developing countries in recognizing forests for their global roles in climate mitigation, as well as their importance in national, rural and community economies.

This report provides a detailed overview of the programme's activities and achievements throughout the year, highlighting efforts to advance climate action, conserve biodiversity and promote sustainable development on a global scale.

As the world is increasingly affected by the urgency of the climate crisis, the Programme has remained firm in its commitment to unlocking the full potential of forest solutions to the climate and planetary crises. Through the implementation of the UN-REDD Programme's Results Framework for 2021-2025, the Programme has redoubled its efforts to support countries in accessing performance-based financing schemes for REDD+ results. This strategic focus underscores the Programme's determination to support international development agendas, particularly the Paris Agreement and the Sustainable Development Goals. The Programme works hand-in-hand with the UN Climate Promise initiative to assist countries across the Global South to accelerate the implementation of their national climate pledges (NDCs) in the forest and land sector, ahead of the review and enhancement cycle that will come in 2024-2025.

Against the backdrop of escalating climate change and biodiversity loss, critical challenges have been identified in reports from the Intergovernmental Panel on Climate Change (IPCC) and the UNEP Emissions Gap Report. In response, the UN-REDD Programme has emerged as a key player in accelerating action for forests and nature, from NDC ambition to action at community level, achieving significant milestones in strengthening technical capacity, mobilizing financial resources and fostering stakeholder engagement.

Expanding its reach in partner countries, the Programme has provided tailored technical assistance to facilitate the implementation of national REDD+ strategies and action plans. Key initiatives have been launched to promote sustainable land use practices and mitigate emissions from agriculture and land use, with a focus on accessing and mobilizing climate finance from multilateral funds, such as the Green Climate Fund. Continuing its commitment to support partner countries in achieving the four pillars of UNFCCC's Warsaw Framework for REDD+, the Programme has intensified efforts to improve policy implementation, establish sound monitoring systems and strengthen safeguards information systems. Significant progress has been made in several areas, including policy implementation, financing strategies and social inclusion efforts, as well as progress in decoupling agricultural and forestry supply chains from deforestation.

In advancing forest solutions, the programme has made significant progress in mobilizing results-based financing for REDD+ initiatives, for example in countries such as Colombia, Costa Rica, Ecuador, Ghana and Peru. Technical assistance has been instrumental in facilitating access to financing mechanisms such as the LEAF Coalition, with potential REDD+ results-based financing by helping countries comply with ART-TREES, estimated at \$1-1.5 billion from 2022 to 2026.



Potential REDD+ results-based financing for the period 2022 to 2026

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## 8,000+ key stakeholders

Participated in knowledge-sharing events in 2023.
Contributed directly and indirectly to 7 SDGs agendas (SDG 13 and 15, 1, 5, 12,16,17) Efforts to strengthen forest-related activities within NDCs remained a key priority, with support extended to more than 25 countries since 2018. Particular achievements include the inclusion of forest-related solutions with quantified targets in revised NDCs and the alignment of financing strategies with voluntary carbon markets. Despite progress, challenges remain in translating commitments into concrete actions to facilitate mitigation and adaptation efforts in the forest sector.

The programme's ongoing commitment to knowledge management and capacity building has culminated in targeted initiatives focusing on <u>REDD+ finance</u>, <u>social</u> <u>inclusion</u> and the agriculture-forestry nexus. Events and dialogues aimed at building political and societal support for nature-based solutions have been instrumental, as have efforts to integrate <u>gender</u> <u>equality</u> and women's empowerment principles into REDD+ activities.

The UN-REDD Programme facilitated more than 25 knowledge-sharing events in 2023, involving 8,000 stakeholders worldwide, including governments, academia, Indigenous Peoples, civil society and the private sector. These events covered a range of topics, including sustainable forest trade and gender mainstreaming in voluntary carbon markets, and fostered collaborative learning. A particular focus was on forest carbon markets and nesting, resulting in country-specific plans for successful REDD+ implementation. Other exchanges in Costa Rica, Panama and Tanzania deepened knowledge on results-based financing and social inclusion. For example, workshops on forest monitoring, such as the one in Colombia, emphasized the integration of satellite imagery and field data for accurate assessments, addressing the challenges of monitoring at the national level. In addition, workshops on communitybased forestry and the agro-forestry nexus highlighted regional efforts to address climate challenges in a sustainable way.

The programme also produced key knowledge products, including a comparative legal study on carbon rights and briefs on REDD+ finance. New communities of practice were initiated, such as the group on gender and voluntary carbon markets. The programme's digital presence grew significantly, with increased social media engagement and newsletter distribution. Collective advocacy efforts, including the #SaveForestsNow campaign and Forest Dialogues, raised awareness and strengthened political support for forests. Partnerships with Indigenous Peoples and cutting-edge technology initiatives, such as the Predictive Deforestation Model, showcased innovative approaches to forest conservation.

The programme also continued to support partner countries in integrating gender equality and women's empowerment into their REDD+ activities, focusing on forest monitoring, carbon market readiness and REDD+ results-based payment efforts. Initiatives included improving women's access to forest monitoring and seeking their feedback on gender-responsive improvements. Support also included integrating gender considerations into various processes and activities, such as safeguards processes in Argentina, nesting approaches in Cambodia, and strengthening National Forest Monitoring System (NFMS) in Indonesia. In the Lower Mekong Region, extensive gender mainstreaming efforts were undertaken, including the collection of gender-disaggregated data and the full integration of a gender approach in all study processes. In addition, catalytic support was provided to mainstream gender in REDD+ finance and the voluntary carbon market through various initiatives, including knowledge sharing, online communities and dialogues. These efforts aimed to address gender gaps and promote women's representation and leadership in the carbon market sector. The programme also facilitated the first in-person meeting of the Latin America and the Caribbean (LAC) Gender and REDD+ Platform and developed a social media campaign for International Women's Day to highlight efforts to challenge stereotypes and promote women's participation in forest technologies and innovation.

As we look towards the horizon, the UN-REDD Programme continues to reaffirm its strong commitment to driving greater ambition, collaboration and innovation to address the pressing challenges of climate change, deforestation and biodiversity loss. With a renewed focus on REDD+ implementation, finance mobilization and the central role of forests in achieving net zero emissions, the Programme is well positioned to advance forest solutions and pave the way for a more sustainable and resilient future for generations to come.

## **Progress towards REDD+ implementation**



#### Forest solutions realized

The UN-REDD Programme supported several countries to implement their policies and measures to realize their NDC-based forests commitments. This policy implementation and acceleration effort was done through continued advisory work with governments, as well as through multi-stakeholder policy and investment platforms that engaged communities, Indigenous Peoples, companies and farmer cooperatives. These ranged from sustainable forest management to community-based forestry, and from deforestation-free agricultural production and trade to Indigenous climate solutions. UN-REDD provided technical assistance to inform and enhance a number of national funding schemes for climate and forest solutions, such as FONAFIFO (Costa Rica), FONAREDD (Democratic Republic of Congo) and IEF (Indonesia).

UN-REDD support for the forest-agriculture nexus achieved a major milestone in Ecuador, through its national scheme for deforestation-free, sustainable and climate-friendly production, which has now become a recognized blueprint for action. Other countries, such as Costa Rica, are following the same pathway, and nations in Africa have signalled interest to learn from, replicate and adapt such approaches in 2024. This represents a proof of concept in the complex forest-agriculture interface that UN-REDD has helped test, and that will further deploy in coming years.

The support of the Programme on forest monitoring and safeguards has continued, primarily with a view to incorporate and institutionalize enhancements to existing monitoring systems and making them ready to address emerging needs and requirements from a variety of financing sources, and in line with national priorities.

Furthermore, the significant role of community-based forestry in realizing forest solutions has been supported in different countries, for example in Ecuador, Colombia and Zambia, and at regional and global levels. Community-based forestry initiatives not only contribute to sustainable forest management but also empower local communities and foster resilience against deforestation pressures. By incorporating this angle, the Programme ensure a comprehensive approach that recognizes diverse strategies and stakeholders' contributions towards achieving sustainable forest management goals.

#### Forest solutions rewarded

UN-REDD has continued its support for countries in meeting the requirements for accessing REDD+ resultbased finance, voluntary carbon markets, and establishing cooperation under Article 6 of the Paris Agreement for the forest sector. The Programme assists countries in achieving Emissions Reductions (ERs) with higher environmental and social integrity and promoting better pricing for certified ERs.

In Latin America and the Caribbean, the UN-REDD Program has provided support to seven countries engaged in the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition process, including Colombia, Costa Rica, Ecuador, and Peru. Similarly, in the Asia and Pacific region, Nepal, Papua New Guinea (PNG), and Vietnam have benefited from UN-REDD's assistance, with Lao PDR exploring options through LEAF. Additionally, four African countries, namely the Republic of Congo, Democratic Republic of Congo (DRC), Ghana, and Kenya, have submitted LEAF proposals, with Ethiopia in the process of preparation.

Significant progress has been made in advancing forest and climate finance initiatives, with a focus on aligning different scales and systems related to accounting, governance, and safeguards. In Cambodia, the piloting of its Nested System is being supported across its technical components providing valuable insights to facilitate the system's operationalization and enable its scalable implementation at the national level, which has the potential to unlock climate financing opportunities and ensure high integrity in emission reductions. Efforts have also been directed towards providing dedicated technical support to Argentina, Colombia, Lao PDR, Mexico, PNG, Peru, and Vietnam, aimed at exploring options for engaging in REDD+ results-based finance (RBF). These efforts have been characterized by a commitment to fostering participation and equity, adopting a gender-sensitive approach.

For instance, the development of the "Roadmap for Lao PDR to Access REDD+ Results Based Finance" has played a key role in contributing to the national formulation of a Presidential Decree on Carbon Markets and a Carbon Market Strategy for Lao PDR. This accomplishment has been achieved through collaborative efforts involving UN Resident Coordinator Office (UN-RCO) and national partners. Furthermore, progress has been made across various countries including Chile, DRC, Ecuador, Ghana, Mexico, Nepal, PNG, Peru, Uganda, and Vietnam. These countries have advanced in the preparation, drafting, or submission of their ART-TREES Registration Documents and Initial Monitoring Reports. Additionally, updates to co-benefit baselines and monitoring have been undertaken to support Costa Rica in accessing climate finance.

Notably, Ghana became the first African nation to submit the ART-TREES documents with support from UN-REDD. Further, Costa Rica and Ghana achieved a significant milestone by finalizing Emissions Reductions Purchase Agreements (ERPAs) with Emergent during COP28, becoming one of the first forest governments to do so. This accomplishment garnered substantial attention during the event and in subsequent media coverage.

UN-REDD has facilitated South-South exchanges involving over 250 government officials from 30 countries across Asia and the Pacific, Latin America and the Caribbean, and Africa on climate finance and results-based payments. Additionally, in collaboration with the Basque Center for Climate Change (BC3), UN-REDD organized a series of dialogues highlighting the role of the Food and Other Land Use (FOLU) sector in achieving net-zero emissions. These exchanges have been instrumental in sharing experiences in implementing REDD+ strategies, identifying climate finance opportunities from both public and private sources, and exploring various financial instruments to achieve the Nationally Determined Contributions (NDCs) targets. Furthermore, the "Comparative study of carbon rights in the context of jurisdictional REDD+" was launched, aiming to enhance global understanding of carbon rights and facilitate best practices in benefit distribution among governments, while addressing challenges in carbon rights management.

Looking ahead, over a dozen countries continue to receive UN-REDD support to access REDD+ result-based finance. Notable potential financing includes contributions from the LEAF Coalition, with significant sums earmarked for countries like DRC, Ghana, and Nepal, among others, totalling between USD 1-1.5 billion for the period 2022-2026. UN-REDD also support countries prepare financing and investment strategies for accessing future results-based financing. Meanwhile, the board of the Green Climate Fund initiated negotiations for a new REDD+ results-based payments (RBPs) scheme, building on the experience of the pilot phase, in which UN-REDD agencies are playing a central role as implementing vehicles at country level. UN-REDD agencies were also invited to provide inputs at the dialogues convened by the GCF Secretariat to develop Terms of Reference for such future RBPs scheme, while are expected to continue engaged as these negotiations evolve in 2024.

#### **Forest solutions enhanced**

The UN-REDD Programme has continued to support tropical forest countries to both integrate and enhance Land use, Land-Use Change and Forestry (LULUCF) sector actions related to REDD+ in their new or updated NDCs. Alongside and intrinsically linked to this aim to support increasing ambition over time, there was a strong focus in 2023 on translating ambition into action through accelerated NDC implementation. This includes support for the inclusion of enhanced or new targets or commitments including or relevant to the forest sector, improvements in institutional coordination to support submissions of new or updated NDCs, as well as securing finance to implement enhanced NDC mitigation actions in the forest sector. According to the latest update of the United Nations Framework Convention on Climate Change (UNFCCC) NDC Synthesis Report in 2023, 85 percent of the latest NDCs include the LULUCF sector. To notable extent, this is the result of support from UN-REDD and the UN Climate Promise. While 88 percent of NDCs refer to specific mitigation options in the Agriculture, Forestry and Other Land Use (AFOLU)

sector, a smaller proportion of new or updated NDCs (47 percent) include a quantitative mitigation target for the sector.

Furthermore, 34 percent include explicit reference to reducing deforestation, including efforts to implement REDD+, which reflects a slight increase from previous NDCs (31 percent).

The global-level guidance document <u>Aligning Short-</u> <u>term Land Sector Actions with Long-term Climate Goals</u> was launched in September 2023 as a collaboration between UNDP's Climate Promise and UN-REDD, to support NDC implementation in the forest sector. The guidance – contextualized for particular country priorities – has since been applied in several countries.

UN-REDD has also been developing critical analytical work to support countries to consider a strategic financing mix that combines public and private investment, innovative financing mechanisms, carbon finance opportunities, and international cooperation to drive sustainable and effective climate action. The Programme has focused on developing and refining methodologies to better understand and track public expenditures in the forestry-related sectors. The completion and validation workshop in 2023, in collaboration with FAO's MAFAP team, resulted in the development of a methodology for classifying public expenditure on forest conservation in Uganda, leading to improved understanding among ministries about resource distribution, insights into NDC implementation costs, and identification of a finance gap between government commitments and actual expenditures.

Since 2018, UN-REDD has provided technical assistance to more than 25 countries in enhancing the role of forest-related activities into new or updated NDCs, as well as NDC implementation plans. This has complemented other ongoing efforts, such as UNDP's Climate Promise, where over 53 countries have requested LULUCF-related support. In addition, in 2023, UN-REDD supported more than 10 countries (Chile, Colombia, Costa Rica, Côte d'Ivoire, DRC, Ecuador, Ghana, PNG, Peru, Viet Nam and Zambia) in accessing finance and developing work plans to enhance forest sector components of their NDCs, while also integrating gender and social inclusion considerations. The following are examples of country-level measures that were achieved or strengthened with UN-REDD support: In Cambodia, alignment processes between government priorities and national commitment to NDC forest targets have been underway between the RS and the Ministry of Environment (MoE); Ecuador has strategically formulated a REDD+ financing sustainability strategy which serves as the framework for expanding the PROAmazonia portfolio and enhancing the implementation of NDC, including a national scheme for deforestation-free production and trade, which emerges as a foundational pillar for NDC delivery; in Cote d'Ivoire, a review of the 2022 NDC resulted in a policy brief that will inform and enhance the next iteration of the NDC; finally, in Kenya, the Climate Change Act of 2016 was amended - in part to create incentives and implement initiatives to support emission reduction and removal targets in line with the NDC.



## Contribution to the Sustainable Development Goals



The UN-REDD Programme supports the SDG agenda in a wide and integrated way. Analysis of the country results, presented in the following section, shows that UN-REDD technical assistance is supporting countries and stakeholders with the realization of at least seven different SDGs. UN-REDD technical assistance, policy advice and knowledge management serve countries to advance SDG targets under SDG 13 (climate action) and SDG 15 (forest conservation & sustainable management), among others. Hence the recognition of UN-REDD as the UN platform for forest solutions to the climate emergency.

UN-REDD assists countries in integrating forest and land-based climate change measures into national policies, strategies and planning (SDG 13.2), improving stakeholder and institutional capacities on climate change mitigation planning and actions (SDGs 13.3 & 13/b) and helping mobilize international climate finance at scale and enabling countries in accessing the Green Climate Fund (SDG 13/a). UN-REDD also promotes the conservation, sustainable management and restoration of forests across the world, aiming ultimately at halting deforestation (SDGs 15.1 & 15.2) while mobilizing investments and economic incentives to finance sustainable forest management (SDG 15/b).

Beyond the core focus on SDGs 13 and 15, UN-REDD serves SDG 5 (gender equality) by systematically promoting the full and effective participation of women in decision-making (SDG 5.5), as well as women's equal rights to land and natural resources (SDG 5/a). Internal UN-REDD gender mainstreaming tools and policies underpin such efforts across the portfolio.

The UN-REDD Programme also supports SDG 16 (inclusive institutions and societies) by supporting the participation of Indigenous Peoples, forest communities and civil society organizations in national policies and financing schemes for forest governance and climate action (SDG 16.7 & 16.10), as well as by empowering developing countries to participate and inform international climate governance institutions and negotiations (SDG 16.8).

UN-REDD also promotes SDG 12 (sustainable trade) by promoting policies and partnerships for deforestationfree commodity chains, encouraging countries and companies to adopt and monitor sustainable production and trade practices (SDG 12.6). UN-REDD also contributes to SDG 1 (fighting poverty) by promoting equal rights to forest lands and resources, notably with regards to Indigenous Peoples and Local Communities (SDG 1.4), as well as by mobilizing international climate finance towards developing countries engaged in forest conservation with local communities that are custodians of such forests (SDG 1/a).

Finally, UN-REDD is a prominent force in SDG 17 (partnerships for sustainable development) by stimulating a wide and rich diversity of collaborative arrangements and schemes, including multi-stakeholder policy platforms, institutional alliances, and publicprivate partnerships for forest conservation and climate action. UN-REDD helps developing countries mobilize and combine financial resources from multiple partners for national sustainability endeavours (SDG 17.3). UN-REDD also helps with the scoping and building of public-private partnerships for forest solutions to the climate emergency (SDG 17.17).

Furthermore, UN-REDD promotes the generation and sharing of knowledge on forest solutions across countries and stakeholders, including through South-South cooperation (SDG 17.6 & 17.16). UN-REDD equally builds capacities in developing countries to support national climate plans towards implementing the SDGs (SDG 17.9), along with enhancing policy and stakeholder coherence for sustainable development, notably through NDC design, implementation, and toward enhancement (SDG 17.14).