



Financing of SFM:  
New opportunities through REDD  
Roles of ministries and key stakeholders

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Nairobi September 14th 2010



**The Norwegian International Climate and Forest Initiative**

- Launched in Bali by PM Jens Stoltenberg
- NICFI has become an important player in the global REDD processes
- Pilots underway in many countries, global programmes launched
- Demonstrates that REDD can be a key funding source for SFM





## REDD is part of the way forward for SFM financing

- REDD represents a historic opportunity for funding of sustainable forest management, given the importance of deforestation for GHG emissions
- Readiness funds provide up-front financing
- Forest sector should grab REDD as a way to sell key aspect of forests (carbon sequestration ability) to the global market
- The sector must develop expertise on how to do this, including e.g. MRV, safeguards, market knowledge
- All of these will have synergies and enhance the other benefits of forests (economic, environmental, social)



## The Tanzania REDD programme

- Major REDD pilot programme launched in 2008
- Research and capacity building programmes initiated
- REDD policy process ongoing
- MRV programmes ongoing
- A number of NGO operated field pilots ongoing
- Preparing for private sector involvement, district level programmes, more information sharing, more training..
- National REDD fund being prepared
- A 25% reduction in deforestation in Tanzania could render USD 150 million annually for SFM



## REDD and SFM

- REDD as one of the tools for achieving SFM, or vice versa?
- Experiences with Participatory Forest Management (PFM) will be of importance for REDD success
- PFM has proven to reduce deforestation rates
- Legislation that enables PFM is necessary to ensure participation & benefit sharing in REDD
- Governance challenges on REDD and SFM are of similar nature
- Many field activities will be common – REDD provides another source of finance if carbon levels increase



## Roles in a national effort to promote REDD

- Ministry of Finance: taxation rules and setting up of REDD or Climate Change funds
- Ministries of Forest and Environment: implement policy process, REDD programme leadership
- Finance/Planning: Inclusion of carbon benefit indicators
- Lands: securing carbon ownership rights, land rights
- Agriculture and Energy: key partners to avoid forest loss & leakage
- Universities: knowledge development, training, develop MRV capacity, document benefits for policy makers
- NGOs: piloting in the field, policy dialogue, ensure rights
- Private sector: invest in forestry, gain added benefit from REDD



## So: REDD will be important for SFM financing

- Allows forest sector to look beyond aid and start selling carbon & other environmental services
- SFM alone often not sufficient to give sufficient economic output– REDD could be the necessary addition
- REDD will have safeguards that help channel the funding to the local level, this promotes SFM

*But this is not the solution for all: in Africa a limited number of countries have most of the potential for REDD funding. In some areas REDD will not compete with other land use.*



## Thank you!

