



Federal Ministry
for Economic Cooperation
and Development



Future-makers.
Building the future.
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REDD *Early Movers* (REM) — Rewarding pioneers in forest conservation

**Financial rewards for successful
climate change mitigation!**

In cooperation with:

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

KFW

REDD makes a difference

Deforestation makes a greater contribution to global warming than virtually any other emission source. Over 1.6 billion of the earth's inhabitants, especially Indigenous Peoples and small-scale farmers, depend directly or indirectly on the forest for their survival.

REDD – Reducing Emissions from Deforestation and Forest Degradation – has the potential to deliver up to a third of the greenhouse gas reductions that are needed if we are to stick to the target of limiting the global temperature increase to 2 °C. Successful forest conservation has a direct positive impact on conservation of the natural resources that sustain forest-dependent communities and on preservation of valuable biodiversity.

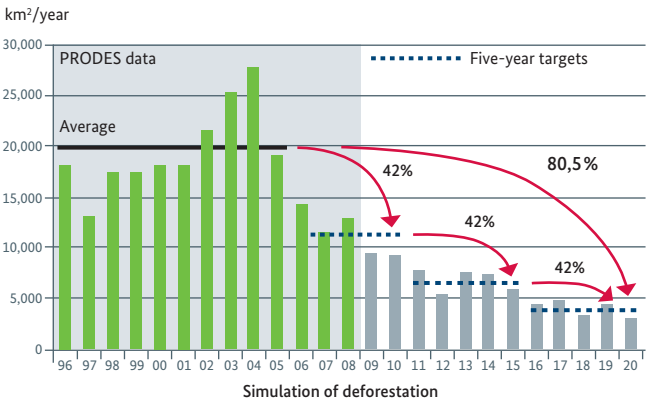
Back in 2009, the EU set the target of halving worldwide deforestation by 2020 and reversing the trend, i.e. achieving a net increase in forest cover by 2030.

We are making progress, but it's still slow ...

The ongoing climate negotiations are making progress. But it will be some time before international agreement on how to finance REDD is achieved.

That is why we need to build a bridge to the future – now!

Brazil: Five-year targets for avoided deforestation in the Amazon



Early Movers – rewarding pioneers

REM specifically supports those who have already taken independent action towards mitigating climate change.

- REM rewards the climate change mitigation performance of pioneers so that others will follow their example.
- REM helps to close a funding gap in the current REDD process. There are already many readiness activities in preparation for REDD, but few financial incentives for ‘early movers’.
- REM supports benefit sharing for small-scale farmers and indigenous and forest-dependent communities.
- REM is an innovative approach designed to achieve greater results orientation in development cooperation.

REM has grown ‘organically’ out of the priority area in German development cooperation that focuses on forest and biodiversity. Since the beginning of the 1990s, Germany has been leading the field in promoting international forest conservation. Key initiatives range from the Pilot Programme to Conserve the Brazilian Rainforests (PPG7) through to promoting the World Bank’s multilateral Forest Carbon Partnership Facility (FCPF). REM complements Germany’s commitment to bilateral and multilateral REDD schemes.

The REM programme: key actors and principles

REM promotes forest conservation and the resulting reductions in CO₂ emissions. This is done using incentive payments and performance-based payments, supported by setting up institutions, monitoring systems and REDD registers, and by capacity development.

REM is aimed at early movers. These are actors who accepted the risk of taking the initiative early on and instigated activities under the REDD scheme.

The defining features of early movers are that they:

a) have already made sufficient progress in the readiness process, i.e. in putting in place the technical conditions and

enabling policy and institutional environment needed for efficient forest conservation, so that they are eligible to receive payment for reliable and permanent emission reductions; or

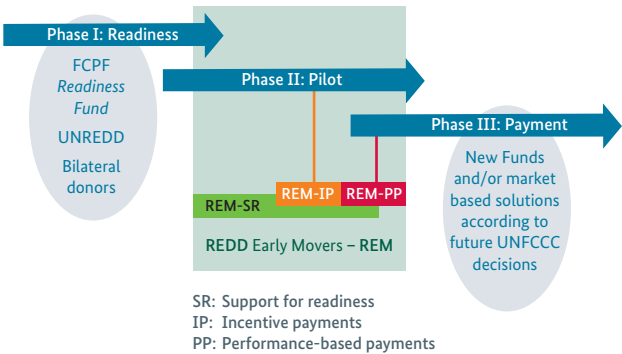
b) have large-scale forest conservation programmes in place at subnational or national level, which have the potential to be rapidly developed into performance-based REDD emission reduction programmes.

The principles:

- **Transparency of the REDD system;**
- **High MRV standards;**
- **Clear benefit sharing;**
- **Effective consultation and safeguards.**

REM – the programme’s modalities

REM is a worldwide programme within Germany’s development cooperation that combines carbon finance through KfW, the German development bank, with support for readiness for REDD from GIZ.



Carbon finance

To minimise the transaction costs of carbon finance, performance-based incentive payments and payments for emission reductions under the REDD scheme are made on the basis of proxy indicators – primarily IPCC’s conservative assumptions about the carbon content of forest ecosystems and about prices per tonne of CO₂ for the emission reductions.



Support for readiness for REDD

The carbon finance is supplemented by technical assistance for specific elements of REDD. It supports activities such as setting up and strengthening institutions, benefit sharing mechanisms, and reliable 'carbon accounting'. Uniform and exacting standards are designed to help avoid emission reductions receiving double payments and make large-scale subnational and national REDD projects eligible for carbon finance.

REM on the ground – an example

A state in a country rich in tropical forest has spent years setting up institutions and instruments to conserve its forests and implement REDD, and has passed legislation to cover this. It is now faced with the challenge of underpinning these instruments with reliable bridging finance. The REDD system is consistent with the national REDD policy of the tropical forest country in question and has great potential to be replicated in other states or countries.

REM is open to other partners and donors.

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Contact:

Daniel Haas

BMZ Bonn / division 311

Dahlmannstraße 4

53113 Bonn

daniel.haas@bmz.bund.de

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Addresses of the BMZ offices

BMZ Bonn

Dahlmannstraße 4

53113 Bonn

Germany

Tel. + 49 (0) 228 99 535 - 0

Fax + 49 (0) 228 99 535 - 3500

BMZ Berlin | im Europahaus

Stresemannstraße 94

10963 Berlin

Germany

Tel. + 49 (0) 30 18 535 - 0

Fax + 49 (0) 30 18 535 - 2501

poststelle@bmz.bund.de

www.bmz.de