



WORLD BANK GROUP



# The Role of Nesting in Scaling Investment in NCS

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# Nesting REDD+ : Consolidating private action in jurisdictional programs

Charlotte Streck

# Why nesting?

Objectives a country may consider when developing a nested system:

## Optimizing REDD+ finance

- accessing multiple sources of climate and carbon finance, including market and non-market opportunities
- enabling private sector investment in carbon market projects
- Integrate existing REDD+ projects in jurisdictional programs

## Honoring the legal system and decentralized forest management

- promoting REDD+ implementation at multiple scales among actors that contribute to REDD+
- implementing REDD+ in-line with the existing land tenure and rights regimes

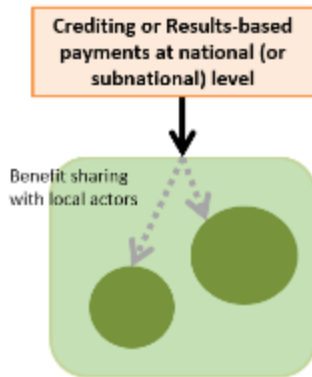
## Aligning REDD+ with the Paris Agreement

- avoiding double counting of emission reductions and removals
- optimize the contribution of REDD+ to the country's NDC

## Create broad support for REDD+

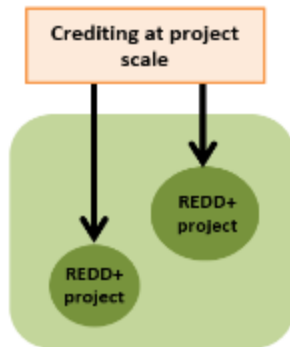
- involving stakeholders on all policy levels in the design of REDD+ policies, programs and projects
- harnessing broad technical, financial and human capacity for REDD+ implementation

# Four broad approaches towards REDD+



## Fully centralized Approach

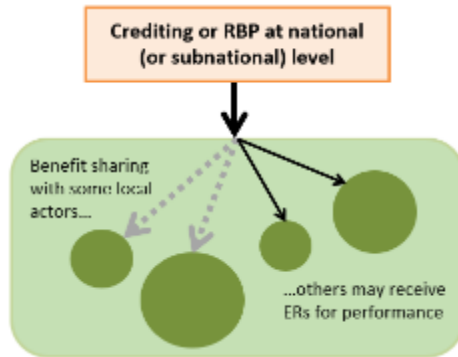
- Crediting of ERRs at national scale
- No carbon projects
- No direct performance-based rewards for non-state actors



## Fully decentralized Approach

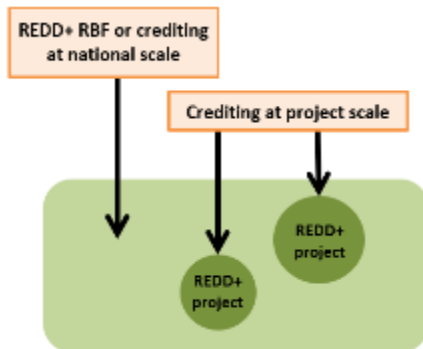
- Crediting of ERRs at project scale
- Projects are incentivized (and regulated)
- No RBF or sale of carbon credits by the government

# Four broad approaches towards REDD+: Nested approaches



## Centralized Nested Approach

- Crediting of ERRs only at national scale
- Projects are included in the benefit-sharing plan
- Projects receive finance (or carbon credits) based on GHG performance



## Decentralized Nested Approach

- ERR crediting at national and project/subnational scale
- Projects are authorized to market ERRs and generate carbon credits
- Government discounts ERRs from projects

A photograph of a tropical forest stream. The water is clear and flows over rocks, creating small rapids. A large, moss-covered log lies horizontally across the middle of the stream. The surrounding forest is dense with various green plants and trees. The lighting is bright, suggesting a sunny day.

**Questions?**

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# The Role of Nesting in Scaling Investment in NCS

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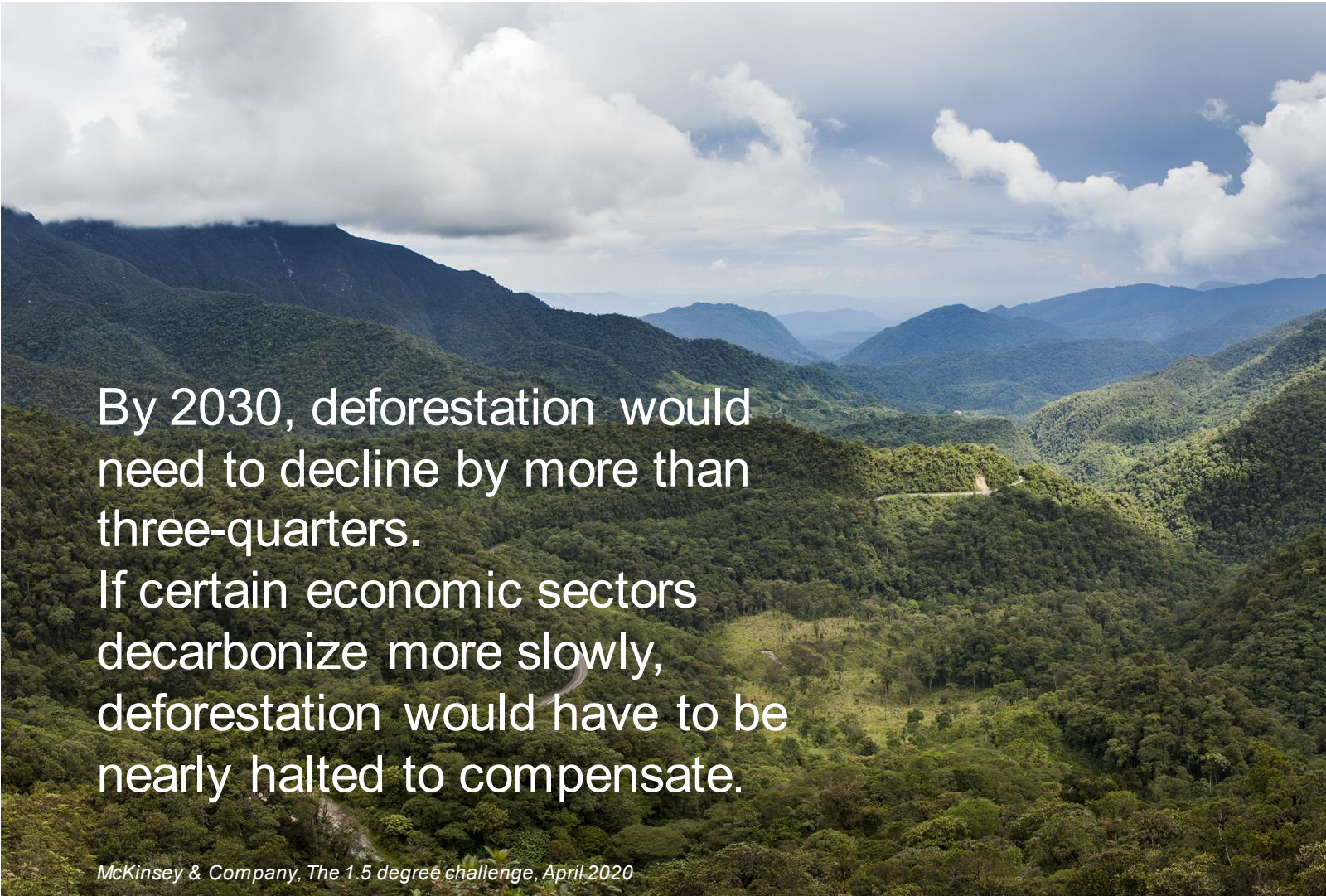
2021 FCPF-ISFL Private Sector Workshop

17 March 2021

Naomi Swickard, Chief Program Officer

# Why nest?

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By 2030, deforestation would need to decline by more than three-quarters.  
If certain economic sectors decarbonize more slowly, deforestation would have to be nearly halted to compensate.

*McKinsey & Company, The 1.5 degree challenge, April 2020*



# REDD+ contributes to the SDGs



Photo: Wildlife Works Carbon, Kasigau REDD+ project



Photo: South Pole, Kariba REDD+ project



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Photo: Wildlife Works Carbon, Kasigau REDD+ project

# JNR Updates– Coming Soon!

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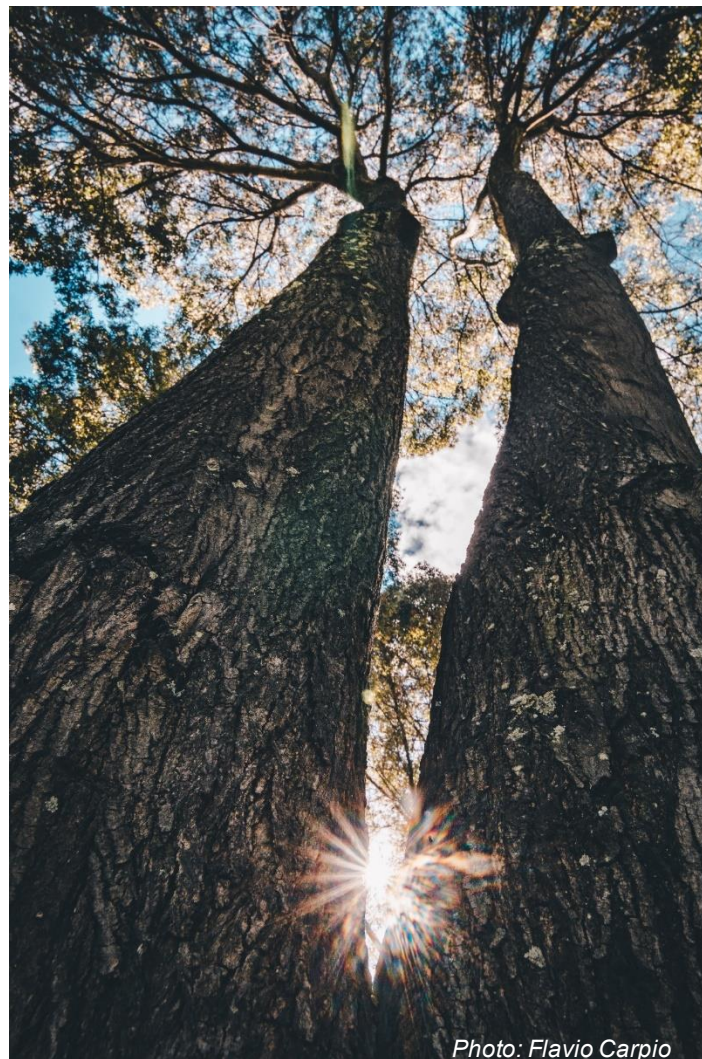
- Updates are result of 10 years' experience, and 2 years of stakeholder, expert and public consultation
- Updates intend to:
  - Integrate jurisdictional and project accounting
  - Reflect latest scientific best practice

*Photo of Chyulu Hills project*

# Integrate jurisdictions and projects

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- Start with country deforestation “reference level”
- Use a risk map and new Allocation Tool to set project baselines
  - Top-down instead of bottom-up
  - Developed with governments, projects



*Photo: Flavio Carpio*

# Reflect latest scientific best practice

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- Use more recent deforestation data
- Update more frequently
- Introduce additional minimum quality requirements for country reference levels
- Improve rights to emission reductions



*Photo: Andres Gallimont*

# Thank you

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