Joint Statement by Germany, Norway and the United Kingdom of Great Britain and Northern Ireland

Unlocking the Potential of Forests and Land Use

Paris, COP21, 30 November 2015

We are here in Paris to agree on a global framework that will put the world on track to limit the increase in global temperature below 2 degrees Celsius above pre-industrial levels, and to minimise the risk of dangerous climate change and the economic, social and environmental costs that it brings. The forest and land-use sector can deliver as much as a third of the mitigation the world needs to 2030. Furthermore, we need to act because of the vital role forests play for livelihoods, sustainable development, adaptation, biodiversity and other valuable ecosystem services they provide.

At last year's Climate Summit in New York, our three Governments committed to support credible plans for Reducing Emissions from Deforestation and Forest Degradation (REDD+). This included a pledge to support up to 20 new REDD+ programmes if countries put forward robust proposals by 2016. Many countries have responded positively and we are well on track to meet this goal.

We will continue to work to meet our shared goals, including those expressed in the Leaders' Statement on Forests and Climate Change endorsed today in Paris. Leadership will need to come from countries with significant forest areas, with support from international finance, both public and private. The aims outlined in this statement are dependent on others playing their part in these efforts. Protecting forests requires a fundamental transformation in land-use management and global supply chains and our three governments are prepared to support this process.

Within this framework, we announce today that we stand ready to:

- Increase our annual support for REDD+ if countries come forward with ambitious and high quality proposals, with an aim to provide \$1 billion per year by 2020, or to provide over \$5 billion in the period 2015-2020, including a significant increase in pay-forperformance finance if countries demonstrate measured, reported and verified emission reductions;
- Scale up support and technical assistance for countries to build capacity, improve governance, address land tenure, strengthen sustainable land-use, and promote the full and effective participation of indigenous peoples and local communities in programmes that reduce deforestation and forest degradation;
- Partner with the private sector to transform supply chains to become deforestation-free, and leverage hundreds of billions of private investment in forests and agriculture.

REDD+ has progressed over the past two years: in the UNFCCC negotiations, in the multilateral forest funds and in countries developing national REDD strategies. We welcome the finalisation of the REDD+ framework here at COP21 as a platform for enhanced ambition and implementation both before and after 2020. However, implementing sustainable land-use strategies at scale, and achieving significant emission reductions, continues to be politically and technically demanding.

In the New York Declaration on Forests, we collectively committed to provide economic incentives commensurate with the size of the challenge. We aim to increase such finance through innovative programmes that deliver substantial co-benefits, build knowledge, and encourage ambitious leadership. We welcome the ambition many countries have demonstrated through Intended Nationally Determined Contributions (INDCs) as well as other pledges and undertakings. We recognise the critical role of partnerships in delivering even greater mitigation.

In recent years, a number of companies have committed to sustainable or zero-deforestation production and supply chains. We stand ready to work with companies and forest nation governments to realise these and new commitments and help align private investment flows with our shared sustainable development, food security, climate mitigation and forest protection goals.

Indigenous peoples hold considerable knowledge on how to manage forests sustainably, and civil society organizations are an essential guarantor of transparency and accountability and a source of entrepreneurial technical and operational solutions. We will increase our support to such groups from 2016 to 2020, supporting their full and effective participation in REDD+ and efforts towards sustainable land management.

Meeting our shared 2020 and 2030 goals will require sustained and coordinated action. Our focus now needs to be on implementation and delivery of plans and commitments. In addition to partnering with progressive governments, we will continue to work closely with local communities, civil society, and multilateral and private sector partners to take forward the ambitious pledges made here today.

Annex: Germany-Norway-United Kingdom Support for Forests

In New York in September 2014 our three Governments committed to support up to 20 new, credible, results-based REDD+ programmes through a range of funding mechanisms if countries put forward robust proposals by 2016¹. Since that date, the following financial commitments have been made (all figures in USD²):

- Germany and the UK have pledged over \$100M³ to the **BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)**. Currently, programmes are being established in Zambia, Ethiopia and Colombia, and Indonesia's program is anticipated in 2016.
- In 2014, the UK provided \$71.4M to the Forest Carbon Partnership Facility (FCPF) Carbon Fund
- Germany and Norway signed a new agreement with Ecuador (\$50m) through the **REDD Early Movers programme.**
- Germany pledged \$114M to Brazil's Amazon Fund, bringing its total contribution to around \$135M.
- Norway intends to provide around \$150 million to follow up its new partnership with **Liberia.** This includes up front financing, results-based payments and support for innovative public-private partnerships for "deforestation free" agricultural development.
- In partnership with **Peru**, Norway has pledged to support the achievement of REDD+ milestones of \$40M and after 2017 for verified emission reductions up to \$200M.

Based on these commitments Germany, Norway, and the United Kingdom have delivered support for the equivalent of over 11 Emission Reduction (ER) programs though a range of mechanisms. We will continue to increase commitments to results-based finance and develop new results-based REDD+ partnerships through both bilateral and multilateral programmes. Here in Paris, we announce the following new financial commitments:

- Germany, Norway, and the UK pledge \$339M to support circa five new large-scale emissions reductions programs under the **FCPF Carbon Fund**⁴.
- Norway will continue to financially support⁵ Brazil's Amazon Fund at around current levels up to 2020, if Brazil continues to meet its ambitions.
- Germany, Norway and the UK will support **Colombia** (over \$100M in payments for verified emissions reductions) through the **REDD Early Movers programme**⁶. We

¹ This pledge was based on the average size of emissions offered in Emission Reduction Programme Idea Notes to the Forest Carbon Partnership Facility (FCPF) Carbon Fund (10-12 MtC02e), and a price assumption of up to USD \$5/tC02e.

² The pledges and stated contributions in this statement are made in the respective local currencies and are therefore subject to exchange rate fluctuations. Norway's part of this contribution is calculated based on an average exchange rate assumption of 1 USD to 7.5 NOK; Germany and the UK used average exchange rates in the period from Sept 2014 to Nov 2015, which corresponds to an average exchange rate assumption of 1.14 USD to 1 EUR and 1.59 USD to 1 GBP.

³ Germany will provide c.\$40M and the UK c.\$63.5M.

⁴ The UK will provide c.\$135M; Norway c.\$146.7M; Germany c.\$57.2M; the German funding share is for 2016 and subject to budgetary and parliamentary approval.

⁵ Norwegian support to the Amazon Fund has been respectively 1,000M NOK (2013); 900M NOK (2014); and approximately 1,025M NOK (2015).

⁶ The UK will provide c.\$48M; Norway c.\$53.3M; Germany c.\$12M.

envisage establishing two more Early Mover partnerships in 2016 and additional programs thereafter.

We are also stepping up support for initiatives that build technical capacity, promote REDD+ readiness, and improve enabling environments. We are working to find more innovative ways to leverage private finance, and support efforts to broaden and deepen corporate zero-deforestation supply-chain commitments. In addition to the funding above, since September 2014 Germany, Norway and the United Kingdom have provided finance to support REDD+ readiness and implementation:

- Germany has supported the advancement of national REDD+ efforts in more than 30 countries, among others in the fields of REDD+ readiness and strategy support, forest landscape restoration and the development of business models to address the drivers of deforestation with more than \$158M. Germany has also committed over \$100M in loans for forest landscape restoration in Brazil.
- **Norway** has pledged \$250M to the new Central Africa Forest Initiative (CAFI); has committed to support Indigenous Peoples with at least \$100M until 2020; will increase its contribution to civil society organizations; and has pledged \$25M in support for the Governor's Climate and Forest Fund.
- Norway and the United Kingdom are supporting the establishment and operations of the Tropical Forest Alliance 2020 (TFA2020) Secretariat and its West Africa palm oil initiative, for a total of over \$10M.
- The **United Kingdom** has invested in a range of programs including: a new \$180M contribution to the Forest Investment Program; a new programme, Investments in Forests and Sustainable Land Use, to support private sector efforts to realise sustainable (zero deforestation) supply chain commitments (\$95M); continued support to help developing country governments tackle illegal logging, illegal deforestation and strengthen forest sector governance through the Forest Governance, Markets and Climate programme (\$133M); support to Indonesia to strengthen spatial planning, resolve land conflict and improve transparency and accountability around land use change (\$52M); a knowledge programme to inform the international response to restoring degraded forest landscapes (\$29M); and support for Improving Livelihoods and Land Use in Congo Basin Forests (\$30M).