

Fiji's National **REDD+** Program

**Inaugural National Carbon Market Strategy Roadmap Consultation
Workshop**

1st May 2023

Ministry of Forestry

Overview

Part 1: Fiji's REDD+ Journey

Overview

- Fiji's natural resources (forest + land) contribute significantly to the economy.
- Over years of development and use of the natural resources, there has been a noted increase in the rate of:
 - **Deforestation** (conversion of forest land to other land uses, e.g. agriculture, infrastructure & settlement);
 - **Forest Degradation** (harvesting for timber, fires (natural & induced));
 - Loss of soil (siltation and landslips) and nutrients;
 - Earth surface warming due to **human induced emission** of greenhouse gases into the atmosphere.
- **Global Warming** has led to:
 - Sea-level rise: Over **800 communities** threatened and may require **resettlement**;
 - Natural disasters: **more frequent and more severe** – affecting economic development
 - Forestry and land use change accounts for almost 20% (5.6 GtCO₂e/yr) of global emission (*ipcc 2007*)
- In a **“cyclic situation”**

Overview

- Ministry of Forestry has, for a very long time, attempted to address these issues:
 - Protected key forest areas of importance since the early **1940s** (Reserves – gene pools & ecosystem services);
 - Establishment of plantation forests since early **1960s** (Pine & Mahogany) – to reduce the pressure on natural forests and, in the event, established 2 companies (FPL & FHCL);
 - Introduced the **Sustainable Forest Management (SFM)** concept in **1990s** – reduced log volume removal from natural forests, i.e. “NAKAVU Pilot Site” and replicated in the “DRAWA site”
 - Ministry’s national Tree-Planting program in **2012** (1 million), **2017** (4 million), **2019** (30 million)
- Challenge for SFM: **“alternative & sustainable income source”**
 - Log revenue: One Off payment but not sustainable
 - Log revenue: Remains an attractive/lucrative income source for forest owners
- Fiji’s national **REDD+** program, through the:
 - Emission Reduction Program (**ER-Program**) – objectives of “change theory” towards best husbandry practices (land + forest) resources and “**above business as usual (BAU)**”, creating resilient communities to withstand challenges of climate change;
 - Emission Reduction Payment Agreement (**ERPA**) rewards above BAU performance through carbon results-based payments & **offers an alternative sustainable income source**.

“We can now definitively say, it pays to cut emissions, not trees” (FPCF 2022 Annual Report)

Overview

- Fiji's national **REDD+** program:



- Reducing Emissions from Deforestation and Forest Degradation (+) through *sustainable management of natural forests, conservation and enhancement/establishment of forest carbon stocks*

- Fiji's ER-Program:

- Title *"Reducing Emission and Enhancing Livelihoods & Building Climate Resilient Communities"*
- Designed to meet the Market Requirements of the Carbon Fund of the Forest Carbon Partnership Facility (FCPF) – Carbon Methodological Framework (<https://www.forestcarbonpartnership.org/carbon-fund-methodological-framework>);
 - The Methodological Framework is a set of 37 criteria and related indicators (C&I), associated with five major aspects of Emission Reductions Programs: *level of ambition, carbon accounting, safeguards, sustainable program design and implementation, and ER Program transactions*.
- Under the United Nations Framework Convention on Climate Change (**UNFCCC**) and Intergovernmental Panel on Climate Change ([ipcc](#) Guidelines)
 - 3 Levels of Approach (Tier 1 – 3, Tier 3 being the most accurate approach)
 - Fiji is at Tier 2 (default figures) and moving towards Tier 3 (country specific figures)





United Nations
Framework Convention on
Climate Change

UNFCCC established an environmental treaty to combat “dangerous human interference with the climate system”, in part by stabilizing greenhouse gas concentrations in the atmosphere

COP 3 1997

Kyoto
Japan

COP 5 1999

Bonn
Germany

COP 6-2 2001

Bonn
Germany

COP 8 2002

New Delhi
India

COP 4 1998
Buenos Aires
Argentina

COP 6 2000
The Hague
Netherlands

COP 7 2001
Marrakech
Morocco

COP 9 2003
Milan
Italy

COP 11: 1st
Discussion
on REDD

COP 11 2005
Montreal
Canada

COP 13 2007
Bali
Indonesia

COP 15 2009
Copenhagen
Denmark

COP 16: Decision
16/1 (70) and (71)

COP 17 2011
Durban
South Africa

COP 19 2013
Warsaw
Poland

COP 21 2015
Paris
France

COP 23 2017
Bonn
Germany

COP 25 2019
Madrid
Spain

COP 27 2022
Sham el-Sheikh
Egypt

COP 10 2004
Buenos Aires
Argentina

COP 12 2006
Nairobi
Kenya

COP 14 2008
Poznan
Poland

COP 16 2010
Cancun
Mexico

COP 18 2012
Doha
Qatar

COP 20 2014
Lima
Peru

COP 22 2016
Marrakech
Morocco

COP 24 2018
Katowice
Poland

COP 26 2021
Glasgow
Scotland



2009
Inception of
Fiji's program

2011
Fiji's REDD+
Policy



2015
Grant USD 5.8 million
Supporting Fiji's
Readiness

28th Jan 2021 signing
Of ERPA

Fiji's
Journey

REDD+ Readiness

Part 2: Preparing for Carbon Trade

70. Encourages developing country Parties to contribute to mitigation actions in the **forest sector** by undertaking the following activities, as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances:

- (a) Reducing emissions from deforestation;**
- (b) Reducing emissions from forest degradation;**
- (c) Conservation of forest carbon stocks;**
- (d) Sustainable management of forests;**
- (e) Enhancement of forest carbon stocks;**



Reducing Emission from Deforestation and Forest Degradation (+) through sustainable management of natural forests and enhancement/establishment of forest carbon stock



**Fiji's Emission
Reductions
Program**

71. Requests developing country Parties aiming to undertake the activities referred to in paragraph 70 above, in the context of the provision of adequate and predictable support, including financial resources and technical and technological support to developing country Parties, in accordance with **national circumstances and respective capabilities**, to develop the following elements:

- (a) A **national strategy or action plan**;
- (b) A national forest reference emission level and/or **forest reference level** or, if appropriate, as an interim measure, subnational forest reference emission levels and/or forest reference levels, in accordance with national circumstances, and with provisions contained in decision 4/CP.15, and with any further elaboration of those provisions adopted by the Conference of the Parties;
- (c) A robust and transparent **national forest monitoring system** for the monitoring and reporting of the activities referred to in paragraph 70 above, with, if appropriate, subnational monitoring and reporting as an interim measure,⁷ in accordance with national circumstances, and with the provisions contained in decision 4/CP.15, and with any further elaboration of those provisions agreed by the Conference of the Parties;
- (d) A system for providing **information** on how the **safeguards** referred to in appendix I to this decision are being addressed and respected throughout the implementation of the activities referred to in paragraph 70 above, while respecting the country's sovereignty;



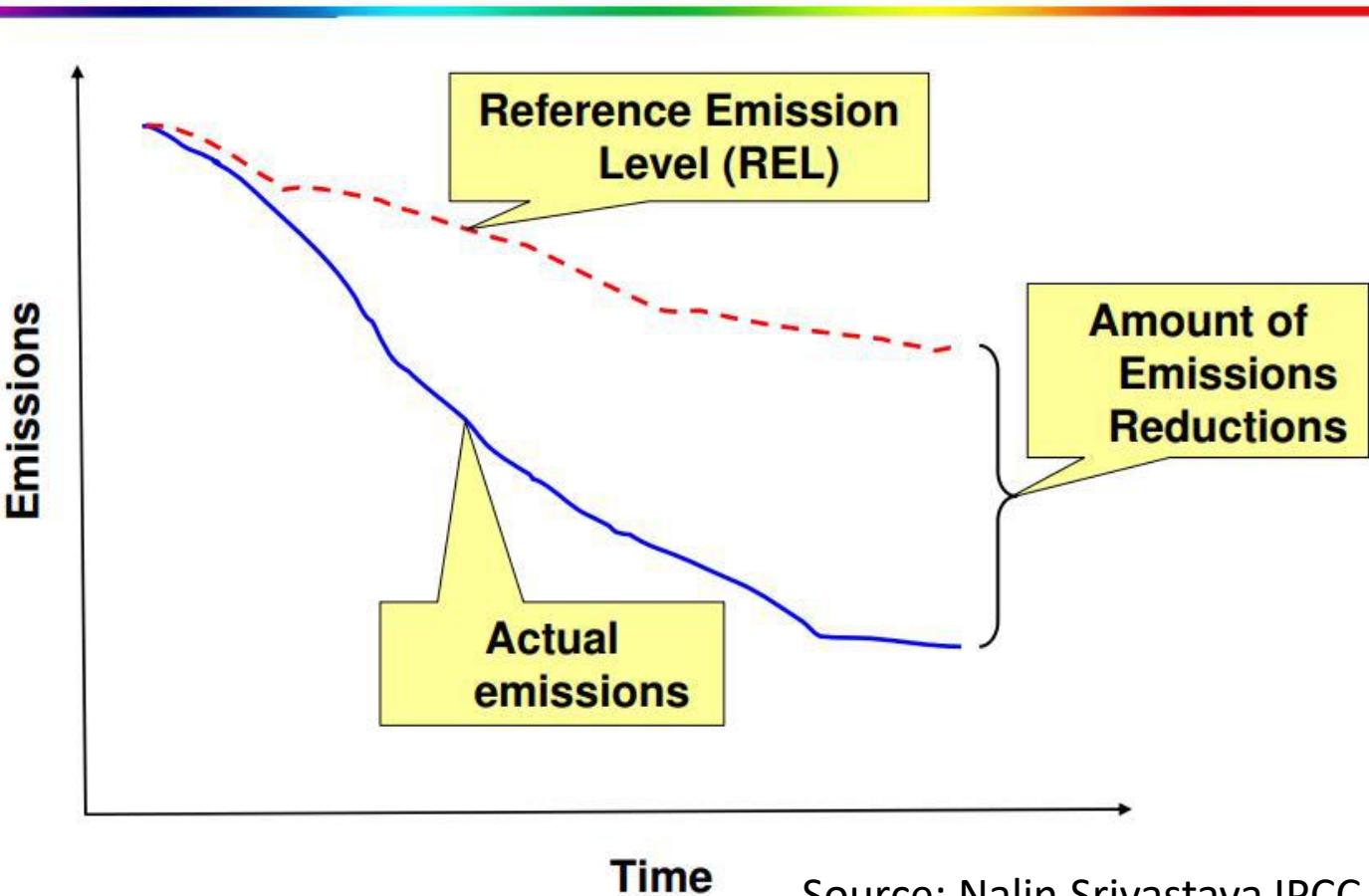
Forest Carbon Partnership Facility
Readiness Fund Dashboard June 1st
2022

The Forest Carbon Partnership Facility (FCPF) is a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks in developing countries (activities commonly referred to as REDD+).

Readiness Fund Milestones Timeline

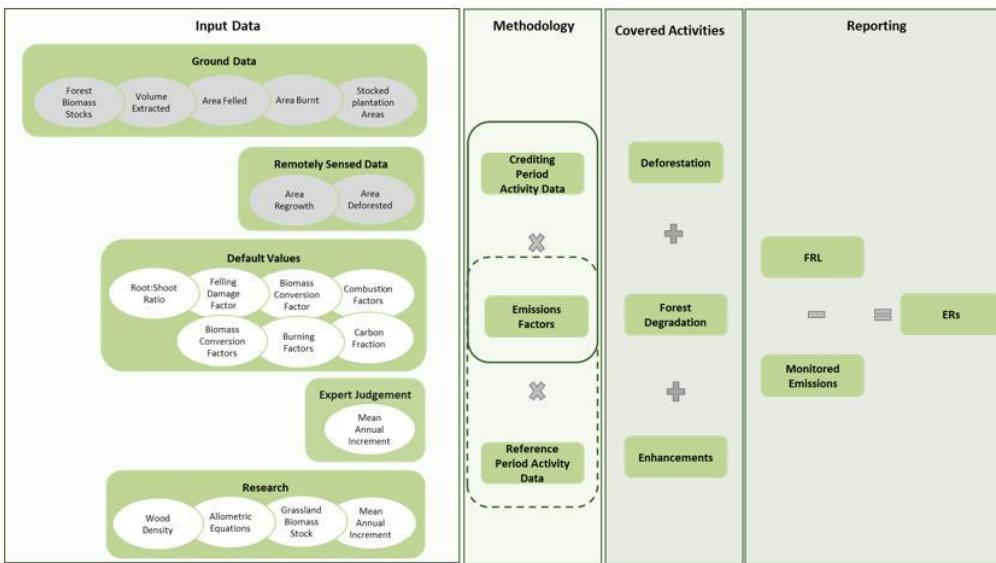
Fiji's REDD+ Journey to Readiness

The concept of REDD



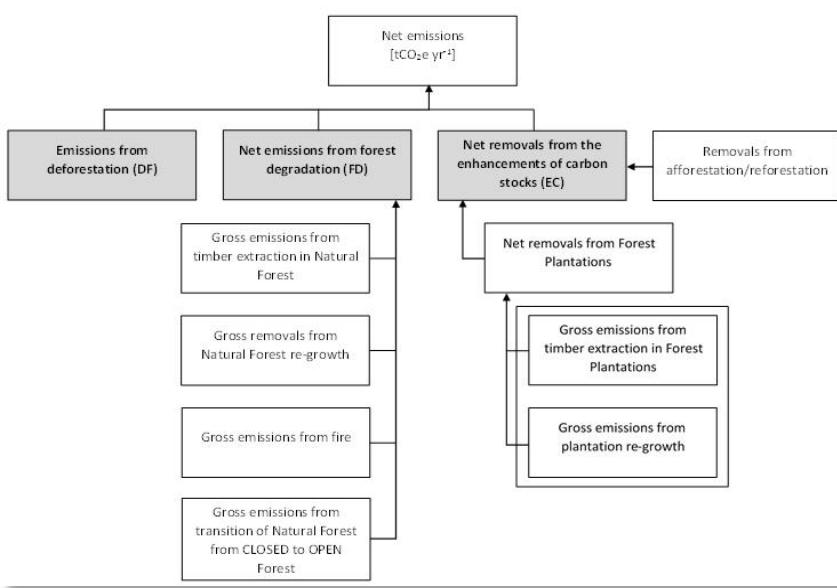
Source: Nalin Srivastava IPCC National Greenhouse Gas Inventories Program Expert Consultation on National Forest Monitoring and Assessment (NFMA): Meeting Evolving Needs , 26-28 November Rome

National Forest Reference Level (FRL)



Forest Reference Emission Level	Technically Corrected FRL	Original FRL
	Emission / Removal (tCO ₂ e yr ⁻¹)	Emission / Removal (tCO ₂ e yr ⁻¹)
Deforestation	394,121	2,696,831
Forest Degradation	498,028	310,442
Enhancement of Carbon Stocks*	590,560	-1,370,469
Net FRL	1,482,709	1,636,804

National (FRL)
 $= 1,482,709 \text{ tCO}_2\text{e}$



A. Emission Reductions during the Reporting period (tCO ₂ -e)	1,041,961
B. If applicable, number of Emission Reductions from reducing forest degradation that have been estimated using proxy-based estimation approaches (use zero if not applicable)	320,034
C. Number of Emission Reductions estimated using measurement approaches (A-B)	721,927
D. Conservativeness Factor to reflect the level of uncertainty from non-proxy based approaches associated with the estimation of ERs during the Crediting Period	4%
E. Calculate (0.15 * B) + (C * D)	76,882
F. Emission Reductions after uncertainty set-aside (A - E)	965,079
G. Number of ERs for which the ability to transfer Title to ERs is still unclear or contested at the time of transfer of ERs	0
H. ERs sold, assigned or otherwise used by any other entity for sale, public relations, compliance or any other purpose including ERs that have been set-aside to meet Reversal management requirements under other GHG accounting schemes	0
I. Potential ERs that can be transferred to the Carbon Fund before reversal risk set-aside (F - G - H)	965,079
J. Total reversal risk set-aside percentage applied to the ER program	16%
K. Quantity of ERs to allocated to the Reversal Buffer and the Pooled Reversal Buffer (multiply I and J)	154,412
L. Number of FCPF ERs (I - L)	810,667

Potential (not validated) ERs
 $= 810,667 \text{ tCO}_2\text{e}$

Emission Reduction Payment Agreement

Part 3: Carbon Trade

What is the Emission Reduction Payment Agreement (ERPA)?



A CARBON TRADE AGREEMENT

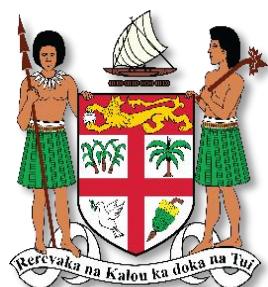
BETWEEN THE

**FOREST CARBON PARTNERSHIP FACILITY
– CARBON FUND (WORLD BANK)**



AND

THE GOVERNMENT OF FIJI



as a result of the ER-Program



**Fiji's Emission
Reductions
Program**

**REDD+
FIJI**

WHO IS THE FCPF?

REDD+ COUNTRY PARTICIPANTS



DONORS



DELIVERY PARTNERS



OBSERVERS

(official & unofficial)



UN-REDD PROGRAMME



The Forest Carbon Partnership Facility (FCPF) is a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on REDD+ (reducing emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks) in developing countries, activities commonly referred to as REDD+.

The FCPF works with 47 developing countries across Africa, Asia, and Latin America and the Caribbean, along with 17 donors that have made contributions and commitments totaling \$1.3 billion.

The FCPF supports REDD+ efforts through its Readiness and Carbon Funds.

FCPF BY THE NUMBERS

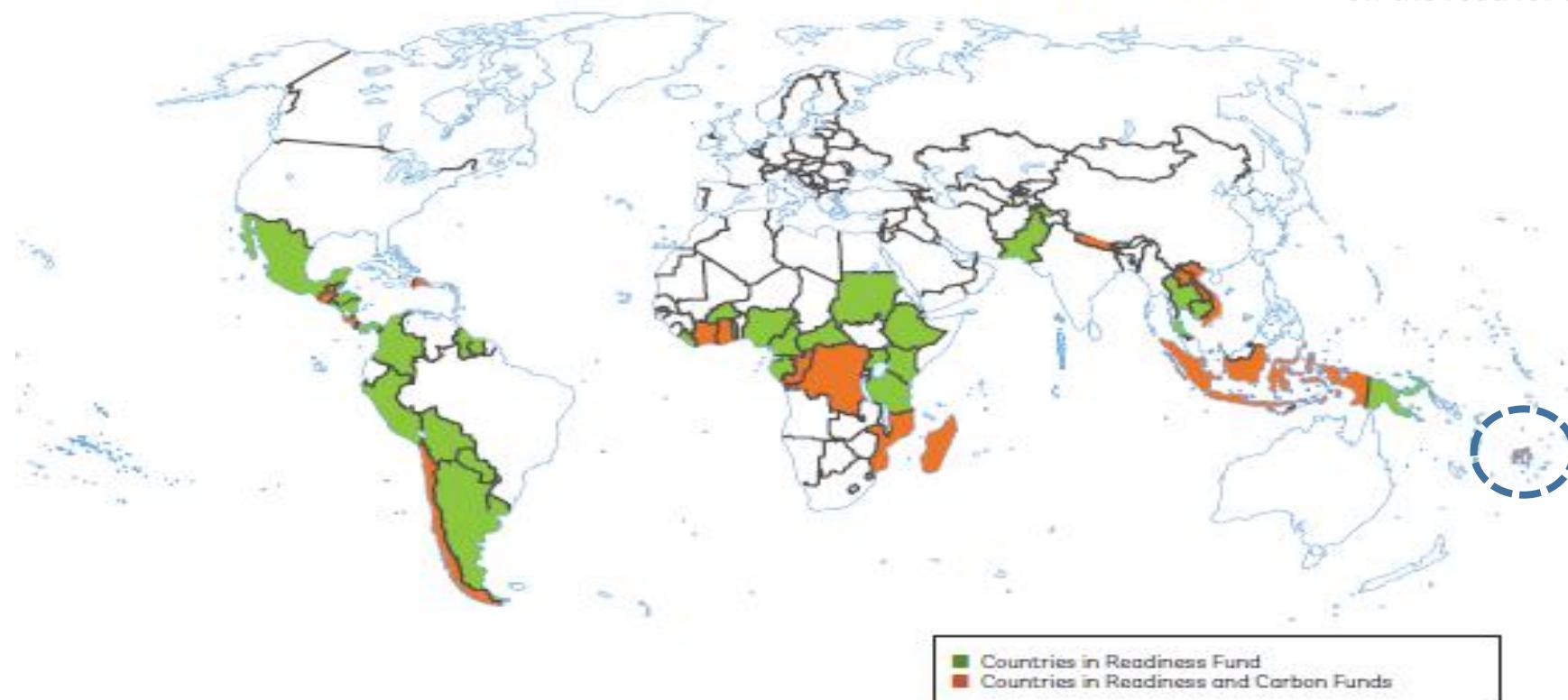
47

**Countries in
Readiness Fund**

15

**Countries in
Readiness and
Carbon Fund**

These 15 agreements have unlocked up to \$721 million in results-based payments for forest-related emission reductions. Emission reductions from FCPF Carbon Fund programs are expected to total 145 million tons of carbon dioxide by 2025—equivalent to taking nearly 32 million cars off the road for a year.



Forest Carbon Partnership Facility
Carbon Fund Dashboard

June 1st
2022

The Forest Carbon Partnership Facility (FCPF) is a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks in developing countries (activities commonly referred to as REDD+).

Carbon Fund Milestones Timeline

	Invited into CF Pipeline	LOI Letter Date	Advanced Draft ERPDs Submitted to FMT	ERPDs Selected into the Portfolio	CFPs no-objection to ERPAs	ERPAs Signed
Chile						
Costa Rica						
Cote D'Ivoire						
Dominican Republic						
DR Congo						
Fiji						
Ghana						
Guatemala						
Indonesia						
Lao PDR						
Madagascar						
Mexico						
Mozambique						
Nepal						
Nicaragua						
Peru						
Republic of Congo						
Vietnam						

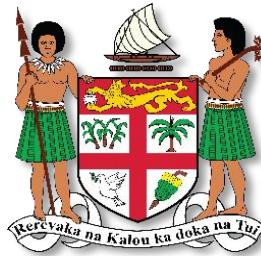
Fiji's ERPA:
Signed on 8th
July 2020 by CF-
FCPF

Signed on 28th
January 2022 by
Fiji Government

* Three countries - Mexico, Nicaragua, and Peru are not proceeding to ERPA signature.



What is the Emission Reduction Payment Agreement (ERPA)?



Fiji (Government & All citizens), for **5-years (2019 – 2024)**, will implement the **ER-Program** and establish / enhance forest carbon stocks **to reduce/remove 2.5 million tCO₂e** of greenhouse gases from the atmosphere



Forest Carbon Partnership Facility – Carbon Fund of the World Bank Will pay Fiji **“carbon result-base payments”** of USD 5/ton totaling **USD 12.5 million** ~ FJD 26 million

Verification Period: -

Reporting Period	Minimum Reporting Period Amount of Contract ERs to be generated in this Reporting Period and subsequently transferred to the Trustee of Tranche A of the Fund	Cumulative Amount of Contract ERs which must be generated by the end of this Reporting Period and subsequently transferred to the Trustee of Tranche A of the Fund
1 [July 11, 2019] – December 31, 2020	Tranche A Pro Rata Share of 300,000 ERs (approx. 15,000 ERs)	Tranche A Pro Rata Share of 300,000 ERs (approx. 15,000 ERs)
2 January 1, 2021 – December 31, 2022	Tranche A Pro Rata Share of 1,000,000 ERs (approx. 50,000 ERs)	Tranche A Pro Rata Share of 1,300,000 ERs (approx. 65,000 ERs)
3 January 1, 2023 – December 31, 2024	Tranche A Pro Rata Share of 1,200,000 ERs (approx. 60,000 ERs)	Tranche A Pro Rata Share of 2,500,000 ERs (approx. 125,000 ERs)

ERPA Contract Volume and Call Option Volume

April 10th, 2023

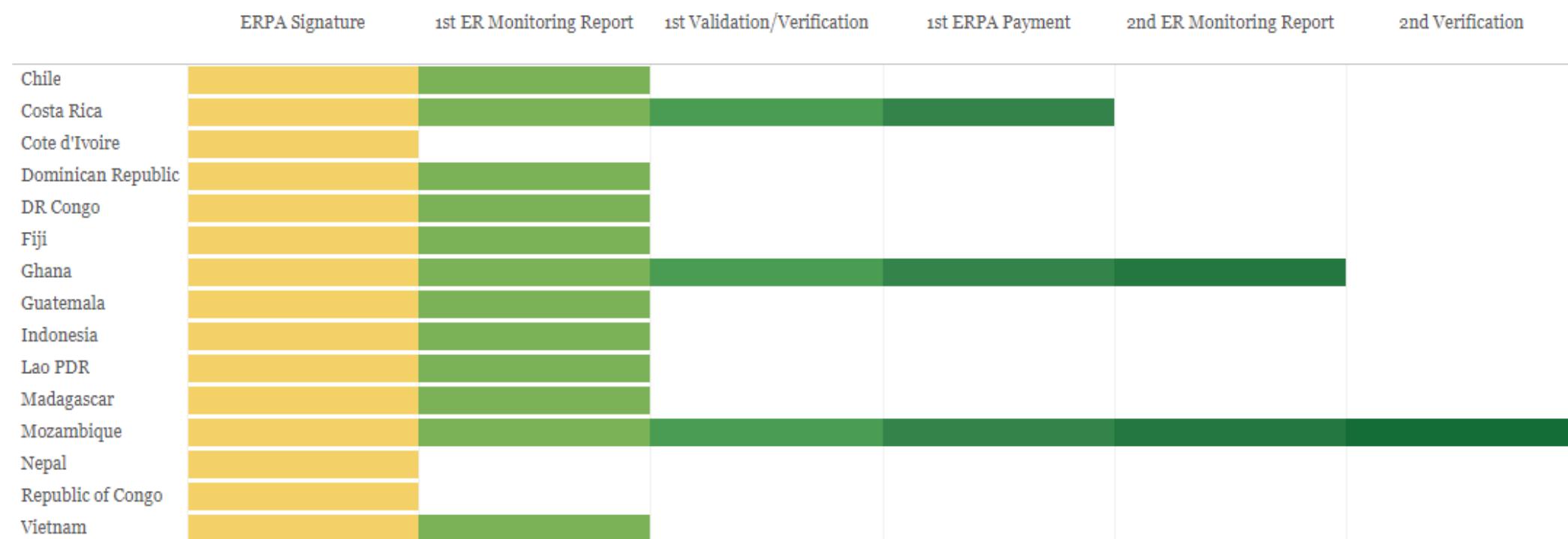
Country	Emission Reductions Payment Agreement					Emission Reduction Delivery					Maximum Call Option Volume	Tranche A		Tranche B		
	Total Contract Volume (tCO2e)	Contract Value (\$ million)	#	RP Start (date)	RP End (date)	RP Volume (tCO2e)	ER per Reporting Period (tCO2e)	RP Contract ERs (tCO2e)	Verification Status	Additional ERs (tCO2e)		Share (\$)	Exercise Price (\$)	Share (\$)	Exercise Price (\$)	
Chile	5,200,000	26,000,000	1	1-Jan-18	4-Dec-19	1,500,000					2,000,000					
Chile			2	5-Dec-19	31-Dec-21	2,500,000						1,000,000	negotiable	1,000,000	negotiable	
Chile			3	1-Jan-22	31-Dec-23	1,200,000										
Costa Rica	12,000,000	60,000,000	1	1-Jan-18	31-Dec-19	3,400,000	4,679,817	4,679,817	Completed		5,000,000					
Costa Rica			2	1-Jan-20	31-Dec-21	3,400,000						268,112	negotiable	4,731,888	negotiable	
Costa Rica			3	1-Jan-22	31-Dec-24	5,200,000										
Cote d'Ivoire	10,000,000	50,000,000	1	30-Oct-20	31-Dec-21	1,000,000					not specified					
Cote d'Ivoire			2	1-Jan-22	31-Dec-23	5,000,000						pro-rata share	\$ 6	pro-rata share	negotiable	
Cote d'Ivoire			3	1-Jan-24	31-Dec-24	4,000,000										
DR Congo	11,000,000	55,000,000	1	1-Jan-19	31-Dec-20	900,000	5,572,533	2,500,000	Ongoing	3,072,533	5,000,000					
DR Congo			2	1-Jan-21	31-Dec-22	1,750,000						268,112	\$ 5	4,731,888	\$ 5	
DR Congo			3	1-Jan-23	31-Dec-24	8,350,000						1,000,000	1,000,000	\$ 6	n/a	
DR	5,000,000	25,000,000	1	1-Mar-21	31-Dec-21	400,000	1,278,592	1,278,592	Ongoing		not specified					
DR			2	1-Jan-22	31-Dec-23	1,700,000						pro-rata share	negotiable	pro-rata share	negotiable	
DR			3	1-Jan-24	31-Dec-24	2,900,000										
Fiji	2,500,000	12,500,000	1	11-Jul-19	31-Dec-20	300,000	810,666	810,666	Ongoing		1,000,000					
Fiji			2	1-Jan-21	31-Dec-22	1,000,000						53,622	\$ 5	946,378	\$ 5	
Fiji			3	1-Jan-23	31-Dec-24	1,200,000						All beyond 1m	pro-rata share	\$ 6	pro-rata share	negotiable
Ghana	10,000,000	50,000,000	1	11-Jun-19	31-Dec-19	300,000	972,456	972,456	Completed		All beyond 1m					
Ghana			2	1-Jan-20	31-Dec-21	2,700,000	3,510,652	3,510,652	Ongoing			1,000,000	53,622	\$ 5	946,378	\$ 5
Ghana			3	1-Jan-22	31-Dec-23	4,500,000						pro-rata share	negotiable	pro-rata share	negotiable	
Ghana			4	1-Jan-24	31-Dec-24	2,500,000										
Guatemala	10,500,000	52,500,000	1	1-Jan-20	31-Dec-20	367,500	6,665,571	2,040,569	Ongoing	4,625,002	not specified					
Guatemala			2	1-Jan-21	31-Dec-22	1,732,500						pro-rata share	\$ 6	pro-rata share	negotiable	
Guatemala			3	1-Jan-23	31-Dec-24	8,400,000										
Indonesia	22,000,000	110,000,000	1	18-Jun-19	31-Dec-20	5,000,000	30,850,798	22,000,000	Ongoing	8,850,798	20,000,000					
Indonesia			2	1-Jan-21	31-Dec-22	8,000,000						1,072,448	negotiable	18,927,552	negotiable	
Indonesia			3	1-Jan-23	31-Dec-24	9,000,000										
Lao PDR	8,400,000	42,000,000	1	1-Jan-19	31-Dec-21	3,400,000	3,423,679	3,423,679	Ongoing		2,600,000					
Lao PDR			2	1-Jan-22	31-Dec-24	5,000,000						139,418	\$ 6	2,460,582	negotiable	

Carbon Fund Post ERPA-Signing Dashboard

The Forest Carbon Partnership Facility (FCPF) is a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks in developing countries (activities commonly referred to as REDD+).

All countries in the Carbon Fund have signed Emissions Reductions Payment Agreements (ERPAs), which are a type of contract that provides payments to governments, communities, or individuals once REDD+ activities have achieved GHG reductions. The post-ERPA signing dashboard shows the progress of the Carbon Fund countries after ERPA signing.

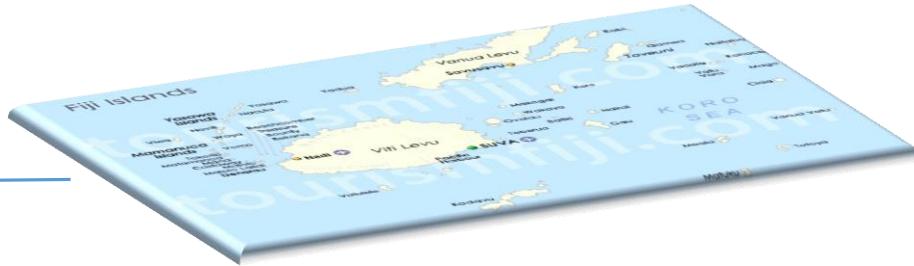
Post ERPA-Signing Milestones Timeline



Who & How can one participate?



Fiji's Emission Reductions Program



The ER-Program Accounting Area covers Viti Levu, Vanua Levu (including Taveuni)
Accounting Area – is the **Assessment Area**, which means all communities, individuals within the area

For the purpose of the ERPA:

Targeting 20 districts, 177 villages with a target area of 37,282 Ha

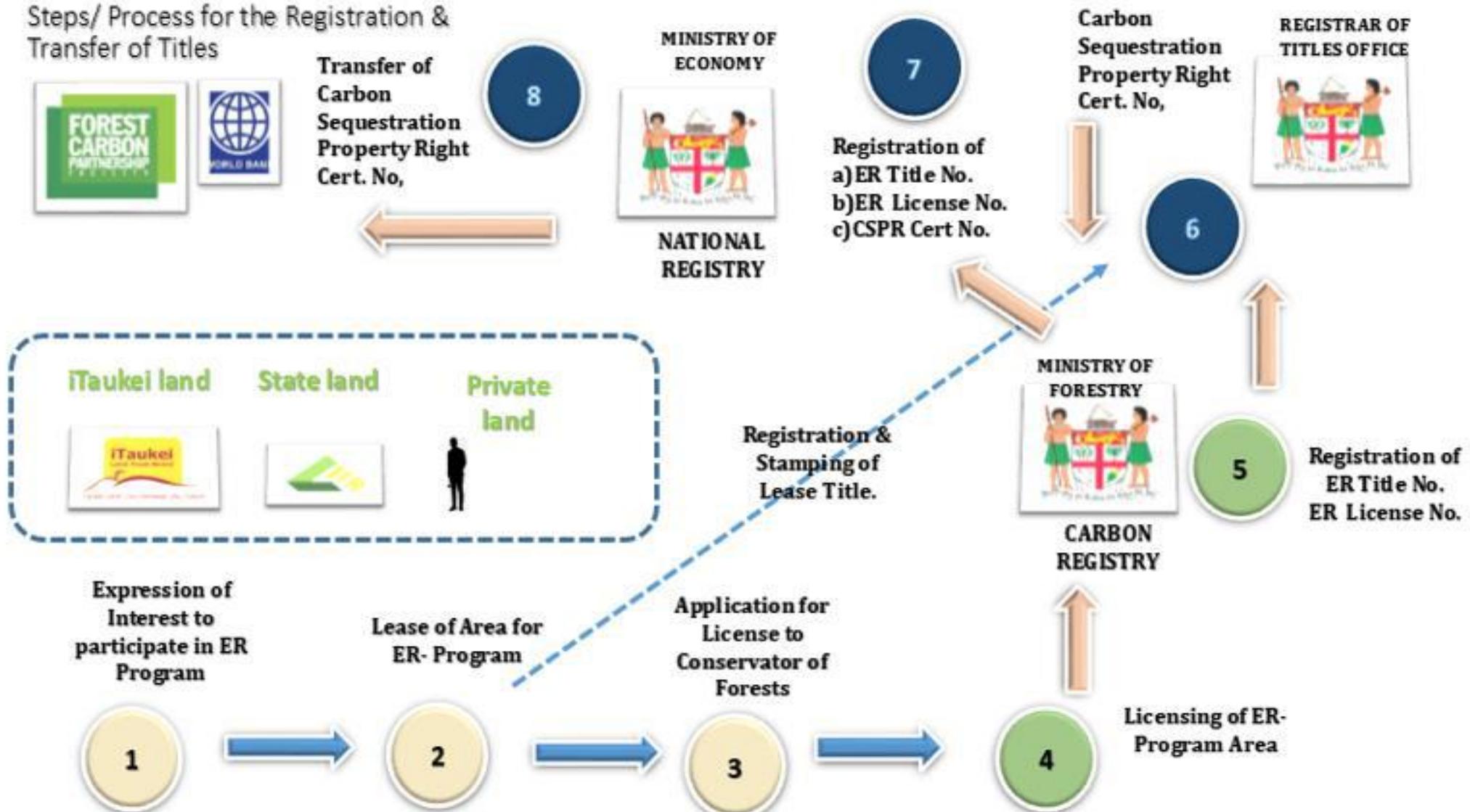
Reasoning:

- Vulnerable & marginalized communities
- With Low economic opportunities
- Known areas of deforestation (agriculture, fires), degradation (logging)
- Hot Spots of forest key biodiversity

How do I participate?

- Must have a Land Title
Lease from TLTB, Lands or Freehold
- Acquire License (MOF)
*Check List of required & supporting Documentation (Forest Management Plan)
Consultation & Awareness Raising
Planning & Land Preparation
Implementation & maintenance of forest carbon stock*
- Obtain Trade Certificate (CCIDC)
*Verification of forest carbon stock
Issuance of Carbon Sequestration
Property Right Certificate*

Steps/ Process for the Registration & Transfer of Titles



How will it be achieved?



Fiji's Emission
Reductions
Program

Through **partnerships** with communities, business & organizations to implement the 5 **REDD+ activities**

Establish / strengthen **governance** structures & alignment of **legislative framework** at provincial, district & community level

Implement a mechanism for the **equitable sharing** & distribution of the carbon result-base payments

(Benefit Sharing Plan – 5% Buffer, 10% PMU, 5% (Provincial Office) & 80% Pay-Out)

Safeguard Assessment: to protect the rights and safeguard the welfare and aspirations of the Indigenous & forest dwelling communities

Awareness, Education & Training:

To reach all households in Fiji through the various platforms (Faith-Base, Women, Youth, Schools, *Yaubula* Management Support Teams, Forest Care Groups and Land Care Groups)

To **openly publicize results**

How will it be implemented?



Fiji's Emission
Reductions
Program

REDD+
FIJI

Forest Protection for
Conserving Biodiversity &
protecting important
ecosystems

= 9,500 Ha = 1.441m tCO₂e

Sustainable Management of
Natural Forest – reduced volume
extraction

= 8,500 Ha = 94,941 tCO₂e

Community Tree Planting to reforest
and rehabilitate degraded land,
water systems and important
ecosystems

= 8,000 Ha = 105,627 tCO₂e

Industrial Plantations
Fiji Pine Ltd., Fiji Hardwood Corp
Ltd
- Over and Above Business As
Usual

= 7,532 Ha = 601,727 tCO₂e

Climate Smart Agriculture
(Agroforestry) & Alternative
Livelihood ventures (NTFP)
- Improve soil fertility, Food Security

= 3,750 Ha = 270,369 tCO₂e

ERPA = 37,282 Ha = 2.5 m tCO₂e

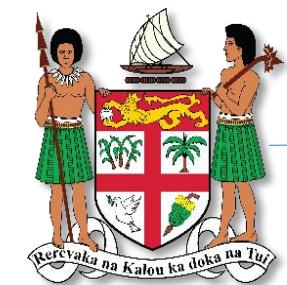
Who are the Beneficiaries (Benefit Sharing Plan)?

The proposed distribution of the Carbon Results-Based Payment is that; of the gross total i.e., USD 12.5 million:

- **5% or USD 625,000** is retained as a “Buffer Fund”; the fund will be retained by the Ministry of Finance and only used to finance the rehabilitation of forest carbon stocks that have been affected by natural disasters. In the event that there are no natural disasters (damages to the forest carbon stock), the fund will be distributed to the beneficiaries (d and e below) at the end of the program;
- **10% or USD 1.25 million** is allocated to the Ministry of Forestry for the management and emission monitoring functions; a Management and Emission Monitoring Unit (MEMU) is being formed to manage the daily implementation of the national emission program;
- **5% or USD 625,000** is allocated to support the coordinating role of the Provincial Offices (Ministry of iTaukei Affairs)
- **80% or USD 10,000,000** is paid to the beneficiaries of the national emission program; this allotment is comparable to the 80% distribution under the Fair Share of Minerals Royalties Act (2018).

- Approved by Cabinet – 25th April 2023

Partnerships & Institutional Arrangements

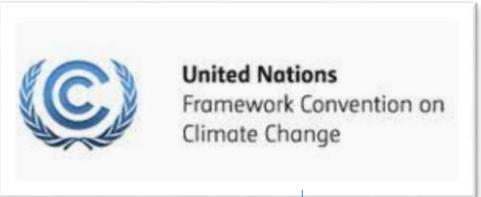


Government-led National Program

Ministry of Fisheries & Forests
Minister: Hon. Kalaveti Vodo

Climate Change International
Corporation Division
Ministry of Foreign Affairs
Minister: Prime Minister Hon. S.L. Rabuka

Executing ERPA (Carbon Trade)



Government

Ministry of Agriculture,
iTaukei Affairs, Rural & Maritime,
Environment, TLTB, Lands, SG Office,
Titles Office & other Line Ministries

Indigenous & Communities

Viti Levu, Vanua Levu & Taveuni

Private/Public Companies

Fiji Pine Group of Companies
Fiji Hardwood Corporation Limited
Sawmills & Harvesting Companies

CSO / NGO / Academia / Schools

Faith- Based
USP, FNU
Women (Soqosoqo Vakamarama)
Conservation International (Fiji)
Nature Fiji Mareqeti-Viti
Live & Learn



*Implement, Monitor,
Report & Validate
Results*