

# Comments from CFPs - Madagascar

3rd of November 2017

## Summary

First, we would like to commend the considerable effort that went into the ERPD and led to a comprehensive document.

Overall, the TAP review paints quite a positive picture, however, there are several sections where the TAP noted issues that need to be addressed, most notably concerning the approach towards inclusion of the VCS projects and the respective implications for benefit sharing and transfer of title.

This poses also challenges for the program design, which partly are addressed in the TAP comments. In addition, the rather low government involvement (both at national and regional level) raises concerns in respect to the political commitment. Successful implementation does require improved governance and functioning regional/local structures. Too strong reliance on the ongoing NGO work presents a significant risk.

## 1. Strategic context and rationale

### Ambition and strategic rationale of the ER program

Moreover, one of the main pieces that show the political commitment and the ambition of the country, the National REDD+ Strategy, is still not in place. This is a critical piece that should be in place in order to allow an effective implementation of the ER program. Therefore we would really appreciate if the REDD+ strategy is approved before the submission of the final ERPD, or if Madagascar presents a roadmap for its finalization.

### Political Commitment

It seems that the ER program is driven by the two VCS REDD+ projects, while not in itself a problem, the government commitment and a clear political will is still not obvious. Other government institutions apart from the REDD+ group have hardly been involved. Ministerial and cross-sectoral support is still weak and not properly evidenced. The national REDD+ strategy and the ERPD are not fully aligned. Furthermore, according to the financing plan the government will not contribute any financial sources to the implementation of the program.

The TAP notes “no real partnerships or action plans were designed between MEEF and other sectoral ministries. The next months will be dedicated to this precisely” (p. 117). The Steering Committee or *Comité de Pilotage* (COPI) is responsible for the political and strategic aspects of REDD+. However, the final nomination of participants is being clarified and managing director of the COPI has not yet been identified (pp. 124 and 25). It is commendable that the MoF is now taking part. But formal decisions showing cross-sectoral engagement are needed to underscore the commitment of the GoM and clear milestones for the political progress on national and regional level have to be established.

## 2. Program location

Please provide further justifications on why the important watershed/forest massif of Masoala has not been included in the accounting area.

### **3. Sustainable Program Design**

#### **Actions and interventions**

Smallholder agriculture is identified as the main driver of deforestation but development of a more concrete set of interventions to address and the development of enabling environment on the national scale are lacking. The focus on project based REDD+ seems unlikely to address the key barriers of REDD+ identified (lack of regional zoning, poor governance and failure of national policies, the non-continuity of public entities, low efficiency of decentralization of power and resources and institutional constraints and land security issues); these cross-cutting issues need to be addressed by the government and respective institutions.

Considering that the ER-P is comprised of six REDD+ interventions of which at least some have been implemented for years already, a more zone-specific description of the intervention (also the ones already ongoing, if any), and clear investment and target areas for the different zones should be identified. This includes providing a more precise description of the proposed ER-activities that are particular to the local contexts in the different ER-Program sub-regions (particularly for hotspot deforestation and degradation areas). Moreover, we would appreciate if you could provide greater precision in the description of program activities in terms of how they will be different from business-as-usual.

Moreover, still work to be done to describe how the Government plans to effectively address the issue of overaged agroforestry plantations, leading farmers to cut new areas of forests – request Madagascar to include in its revision the approach to address this, including finance and institutional arrangements.

#### **ER program budget**

The presented financing plan (incl. annex II and III) is vague and requires revision. A transparent presentation of how the ERPD relates to the GCF program (and the related investment) is needed to understand the intervention logic and to prevent replication of effort (or double-financing).

Not much information is presented, and it is not easy to understand how the program will be financed. We would ask that Madagascar provides clarifying and more detailed information.

#### **Institutional and implementation arrangements**

We would ask that Madagascar clarify institutional arrangements at the regional level, and describe who will be responsible/in charge for the implementation of the programme at various levels. The current arrangements seem to be complicated for its effective implementation.

Need for a more prominent role of other ministries in the implementation of the ERPA, e.g. the Ministry dealing with territorial management, considering that major challenges are linked to issues relating to decentralization of forest conservation, forest management, forest and land tenure and use.

Provide clearer indication on the role of the private sector in realizing ER activities and potential private sector involvement in investment finance.

#### **4. Carbon accounting**

For the Carbon Accounting section, most indicators are marked as met, but there are several issues raised. From our perspective, most of those issues regarding activities and pools included, REL calculations and uncertainties are important enough to need addressing before an inclusion into the portfolio – more detailed comments see below.

#### **Publicly available information**

Madagascar should make publicly available methods and background data used to establish the reference level (Ind. 6.1, 6.2)

#### **Carbon pools and activities**

- Please provide more clarity on the arguments for the inclusion of other carbon pools other than AGB. We suggest that carbon pools and gases that are estimated at Tier 1 methods are removed from the calculations
- Please provide more clarity on the classification of areas that are deforested and subsequently grow to forests. Such areas should be classified as degradation.
- We suggest that conversions from disturbed forest to plantations or agroforestry to be accounted for and that transitions from primary forest and disturbed forest to plantations and agroforestry are considered as a full loss of carbon. This is a way other ER programs have addressed Cancun Safeguards requirements.
- We suggest the inclusion of conversions from non-forest that is converted to plantations has not been accounted for while it could represent an important activity. This could incentivize the establishment of plantations on already deforested areas, and not through conversion of forests.

#### **Activity Data**

- Please provide more clarity in the definitions of the forest types and how they have been operationalized considering the existing remote sensing imagery.
- In line with comments from CFPs to other countries, we suggest that conversion of natural forests to plantations are accounted as degradation but with full carbon stock loss (se e.g. the Chile ER-PD)

#### **Emission Factors**

- Please provide clarity on what assumptions were made in the estimation of removals from afforestation/reforestation. It is unclear whether a gross removal factor was applied (instantaneous removals) or a linear growth rate was applied instead. If instantaneous removal was used, this should be changed to growth rates.
- Please provide some clarity in the calculation of emission factors, especially with regard to their attribution to the chosen classes.

#### **MRV**

- We appreciate that the approach used to monitor is consistent with that of the reference period. However, we note that the TAP is suggesting a revision of the methods used for area change estimation to improve accuracy and precision. We would appreciate Madagascar's views with this regard.
- Please provide more information on the participation of communities in REDD+ monitoring and we would appreciate that Madagascar takes into consideration ongoing experiences in community participation to monitoring of REDD+ projects in the ER program area (Ind. 16.1)
- The TAP recommends collecting additional data on forest C stocks to enhance accuracy of emission factors (Ind. 14.3). We would really appreciate Madagascar's views with this regard.

#### **Displacement:**

- We suggest that the Masoala massif is included in the accounting area. Alternatively, that further justification on why Masoala has not been included in the jurisdictional area is provided. Without the inclusion of the Masoala massif, the leakage risk of the program must be considered very significant, and potentially prohibitive.

#### **Non-Permanence**

- We question the assumptions behind the relatively low estimated permanence risk. The driver situation as well as a history of political instability suggests that reversal risk could be much higher than considered in the ERPD. Moreover, the absence of a legal framework that univocally addresses carbon rights, would represent an additional risk factor.

#### **Uncertainties**

- In line with the TAP comments, we would appreciate a more clarity on the analysis of uncertainties. The presented 25% overall uncertainty appears very low when in comparison to the displayed margins of error on p. 156 – especially given the lack of data for the EF, the calculation of broad averages and the activities accounted for. We second the comments from the TAP regarding uncertainty assessments and corresponding indicators being rated as not met.

#### **Emission reductions**

Please provide more information on the calculation of expected emissions reductions. (C. 22). More specifically, Madagascar could provide more information on how the specific activities outlined in the ERPD are expected to contribute

#### **Other minor issues**

There are several errors in Tables throughout the document. Please correct these in the next version. Some of these include:

- Please review the consistency in the values in Table 9 and Table 11 and if necessary make the necessary revisions or clarifications.
- P.147, 8.3.a. The reference to Annex V.I. should be **Annex V.II**.
- P.176 Summary table of annual historical emissions: Second bullet point should be “emissions from forest degradation” instead of “deforestation” (1.87 million tCO<sub>2</sub>e/yr).
- P.177 Third bullet point: “GHG Inventory..... whereas the ER-P REL considers only CO<sub>2</sub>”. However, in the report they explain that they do include non-CO<sub>2</sub> emissions! These were also included in the reference level calculation.

- P. 150, Table 19. The reference to Annex VI, should be to VI.III. However, this Annex only includes a link to another report. It would be good to provide a short summary of that report within this ERDP document.
- Table 20, p. 157 For degradation: AGB<sub>Before, i</sub>: here it says “non-forest” ; however, this should be “forest” as well (See table 17&18).
- Some information sources can’t be accessed “ Erreur ! Source du renvoi introuvable”. Please check and adjust throughout the document.

## **5. Safeguards**

The TAP “recommends further work on the social safeguard issues, particularly in respect to the potential risks at local level, including potential elite capture in benefit sharing and corruptive behavior.”

We encourage more work on disseminating the work on safeguards at the local level and we would appreciate the ERPD to be improved by adding information in relation to the UNFCCC safeguards. (Ind. 24.1)

## **6. Legal**

Discuss the implications of the recently approved GCF project, including any possible risk of double accounting in respect to the CAZ area.

## **7. ER Transactions**

### **Transfer of Title**

A major concern is the fact the ER Program Entity does not demonstrate its ability to transfer to the Carbon Fund Title to ERs and the risk of double counting in respect to VCS credits and/or the GCF program, including any possible risk of double accounting in respect to the CAZ area. We would ask Madagascar much more clarity on this issues. A legal study, taking into account the accounting issues related to potential nesting of projects, might be an appropriate way forward. Please note, that CFPs encourage benefit sharing solutions that work without sub-RELS and that consistency with the jurisdictional REL is a key principle.

## **8. Benefit sharing plan**

We suggest that the benefit-sharing mechanism is further developed taking also into account arrangements made in the existing REDD+ projects.

While doing this, we suggest that Madagascar provides evidence of a broad stakeholder involvement in developing its BSP, and produces a near complete advanced draft BSP as part of its ERPD, which reflects the input from that consultation process. The draft should also include models/arrangements for how distribution of benefits will occur, and who will be responsible for receiving carbon revenues from the FCPF CF and how it will be spent in the jurisdiction. We would also ask Madagascar to present all project based BSP (agreed or in development) if the approach is to make use of nesting private projects for the jurisdictional program.

## **9. Information management system and Transaction registry**

According to the TAP, only a preliminary list of requirements has been drawn for registry and data management system. It is paramount to address these issues, to avoid double counting and clarify the ability to transfer carbon title to the Carbon Fund. We would appreciate more progress is required on the definition of systems and procedures for data management and ER transaction registry. (C. 23, 37, 38)

## **10. Clarification Questions**

- When will the new REDD+ Decree be promulgated? The ERPD states that this will happen before final submission of the ERPD to the FCPF.
- A concise summary of the successes and lessons from the Makira and other REDD+ projects may be interesting for the CFPs, as these successes should be scaled out and lessons incorporated.
- Local communities are expected to put forth “REDD+ Projects” that meet criteria developed at the regional level. What type of entities (besides the obvious international NGOs such as WCS and CI that have existing REDD+ projects) would be proposing such projects? How will capacity be built to allow communities (communes, or groups of communes) to actually put forth projects?
- The ERPA described three main types of REDD+ projects that can receive funding: i) large-scale projects (which seem to reflect the existing WCS and CI projects); ii) intercommunal projects and iii) commune-level projects. Question: Have there been any successful inter-communal collaboration? For example, do any communal-level land use plans/schemes exist that span more than one commune?