



# Forest Carbon Partnership Facility

## Technical Assessment: Final ER-PD for **Madagascar**



Eighteenth Meeting of the Carbon Fund (CF18)

Paris, June 20 – June 22, 2018

# Presentation of TAP

The technical assessment was conducted from August 5 2017 to May 31, 2018, with field visit on August 20-25, 2017, by the following team:

- **Juergen Blaser** – Switzerland (Team Lead, level of ambition, guiding elements)
- **Sandro Federici** - Italy (Carbon accounting)
- **Florence Daviet** - Canada (Safeguards)
- **Antonio Jose Ludovino Lopes** – Brazil (Legal)
- **Julia Randimbisoa** (national expert with focus on policy and social issues).



# Overall assessment of Final ER-PD

		Advanced Draft Assessment Oct. 2017	FINAL ER-PD assessment May 2018	Indicators not met (all minor)
<b>II. Level of Ambition</b>	YES	3	3	
	NO			
	N.A.			
<b>III. Carbon Accounting</b>	YES	26	33	16.1, 23
	NO	9	2	
	N.A.	8	8	
<b>IV. Safeguards</b>	YES	5	6	
	NO	1		
	N.A.	1	1	
<b>V. Sustainable Program Design and Implementation</b>	YES	10	11	33.1
	NO	2	1	
	N.A.	2	2	
<b>VI. ER Program Transactions</b>	YES	5	8	36.2, 36.3
	NO	5	2	
	N.A.	1	1	

# III. Carbon Accounting

**Ind. 16.1 The ER Program demonstrates that it has explored opportunities for community participation in monitoring and reporting, e.g., of ER Program Measures, activity data, emission factors, safeguards and Non-Carbon Benefits, and encourages such community participation where appropriate [ER-PD Chapters 9.1 and 9.2]**

**NO**

- Community monitoring activities are not envisaged despite seeming very appropriate for the Madagascar case and the ER program area selected due to previous experience
- Stepwise approach: Build on ongoing experiences in community participation to monitoring of REDD+ projects in the ER program area (including COBAs) by: 1) identifying surveillance activities assigned to the local communities that have been proven effective; 2) identifying additional elements that may make them more effective, if any; and 3) scaling them up to the entire jurisdictional area

**→ Experiences exist but not explored, thus Minor Non-conformity**

# III. Carbon Accounting

C 23 To prevent double-counting, ERs generated under the ER Program shall not be counted or compensated for more than once. Any reported and verified ERs generated under the ER Program and sold and/or transferred to the Carbon Fund shall not be sold, offered or otherwise used or reported a second time by the ER Program Entity. Any reported and verified ERs generated under the ER Program that have been sold and/or transferred, offered or otherwise used or reported once by the ER Program Entity shall not be sold and transferred to the Carbon Fund.

NO

- Specific guidelines/data do not sufficiently address the risk of double counting and the potential double selling risks that could arise from the current negotiations of the VCS projects (particularly Makira).
- Because of new developments, such as an approved GCF project that partly overlaps the ER program area and the fact that formal rules and guidance for the ER Transaction Registry have not yet been defined, the TAP considers that the criteria is still not met
- **→ Minor non-conformity; the evidence provided to prove conformity is insufficient but it does not lead to breakdown in the systems delivery**

# V. Sustainable Program Design and Implementation

Ind 33.1 The design and implementation of the Benefit-Sharing Plan comply with relevant applicable laws, including national laws and any legally binding national obligations under relevant international laws [ER-PD chapter 15.3]	No
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TAP has changed a former «yes» to a «no» due to insufficient evidence to ensure compliance. TAP proposes Madagascar should:

- Continue to address with urgency the implications on the benefit-sharing agreement mechanism as related to the legal/contractual obligations of the Government of Madagascar to the two pre-existing VCS Projects as they are relevant for the Jurisdictional Area
- Complete negotiations with existing VCS projects on issues of future benefit-sharing plans.

**→ Minor non-conformity because it can be easily addressed**

# VI. ER Program Transactions

**Ind 36.1 and Ind 36.3**

**The ER Program Entity demonstrates its ability to transfer to the Carbon Fund Title to ERs, ....**

**If this ability to transfer Title to ERs is still unclear or contested at the time of transfer of ERs, an amount of ERs proportional to the Accounting Area where title is unclear or contested shall not be sold or transferred to the Carbon Fund**

**NO**

- The GOM has demonstrated the right to transfer the future ERs that could arise from the ER-Program, but there are two VCS projects that could issue credits on a significant part of ER program area (representing an important quantity of the promised global ERs) that are already attributed in an exclusive clause to be negotiated/commercialized by CI and WCS.
- In the TAP's view, Madagascar risks double counting ERs and difficulties to transfer a significant part of the ERs of the ER Program Area if the Contractual Clauses inserted on the CAZ and Makira projects are not clarified in a renegotiation of the agreement and/or its termination

**→ Minor non-conformity because need to be solved to make the ER-Program effective** <sup>7</sup>

# Concluding remarks

- Proposed ER program area comprises a priority biodiversity hot-spot area of global concern and the largest remaining humid tropical natural forests in Madagascar.
- Madagascar is one of the poorest countries in the world. The proposed ER-P rightly seeks to intervene at the nexus of poverty and environmental degradation. This makes the ER-P specific and unique as a clear link between reducing poverty and forest conservation is made
- The ER-P aims not only to reduce deforestation and degradation, but also to contribute to the economic development of populations and provide a model for other Malagasy regions
- Activities of the program will be cross-sectoral and include the agricultural and forest sector, and energy supply with the clear support and engagement of local populations
- The ER-Program is embedded in a comprehensive national REDD+ framework, including the National REDD+ Strategy
- However, the TAP also recognizes the presence of some legal challenges that potentially affect the level of ambitions overall.

# Thank You!



Typical village in ER program area ©JBlaser