



MADAGASCAR

ATIALA ATSIANANA EMISSION REDUCTION PROGRAM

Overview

Paris Juin 2018



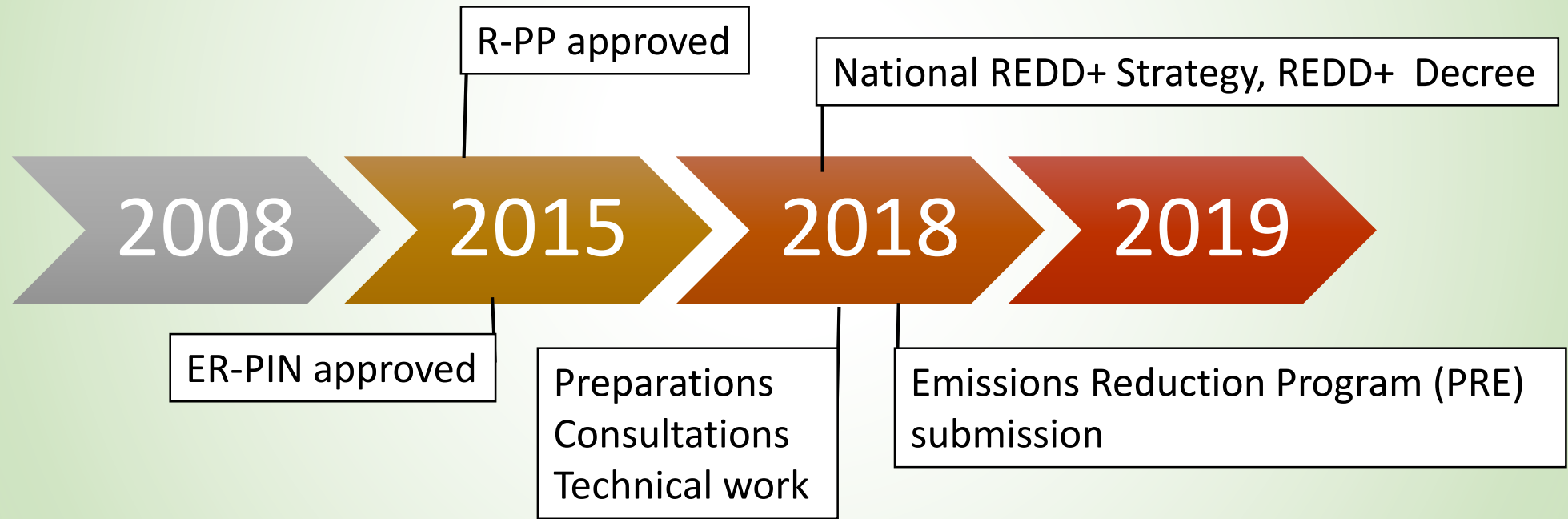
Alignment with National Priorities and Commitment

- **Contribution to the national objectives 2030:**
 - Climate change and environment, sustainable management of natural resources and economic development (NDC, National Development Plan, Environmental Plan for Sustainable Development , National Strategy for Forest Landscapes Restoration, National policy of land use planning, New policy of energy, Agricultural an fisheries sectorial program, etc)
- **Political engagement for the PRE-AA and REDD+**
 - POLFOR adopted by decree n°2017 – 376 du 16 mai 2017
 - REDD+ national strategy adopted by decree n°2018-500 du 30 mai 2018



National Process

Preparation Phase



Implementation Phase

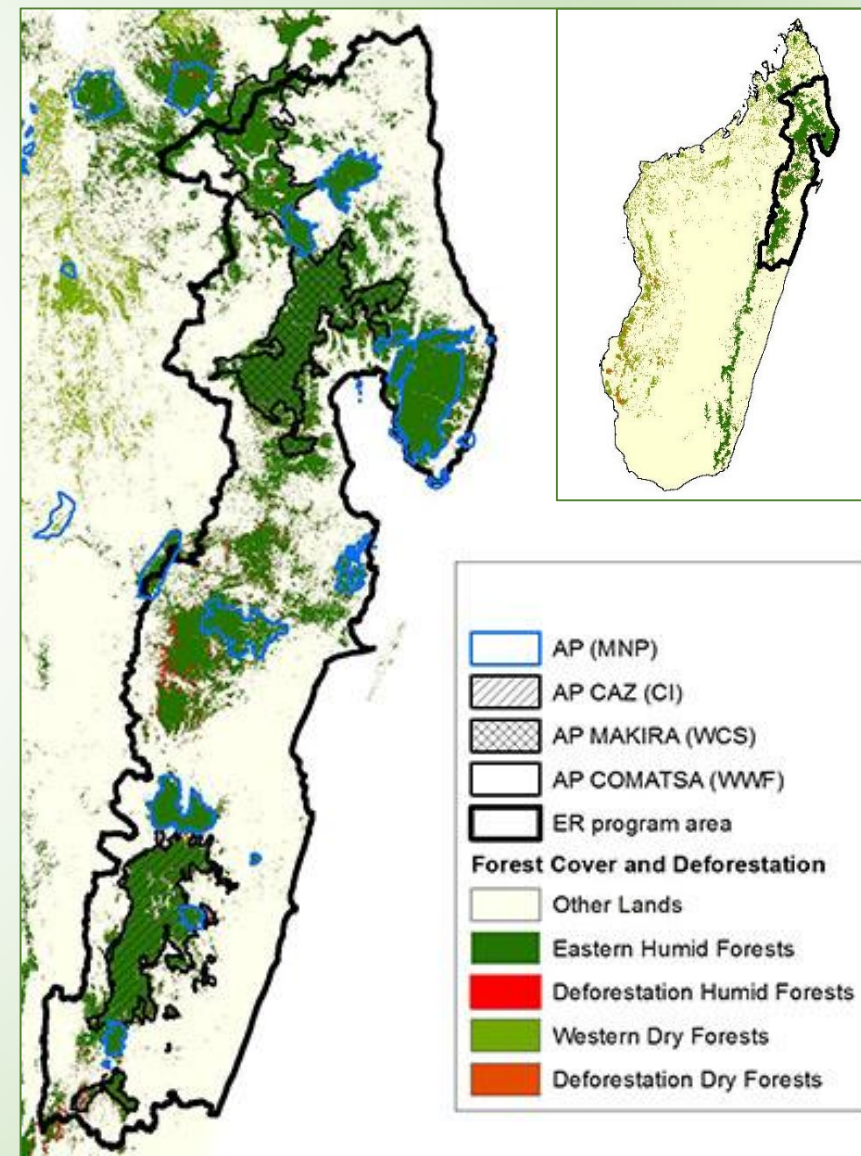


Jurisdiction and Key Features

- 6.9 million ha
- 3 450 000 inhabitants
- 2 million ha of forest (50 % of humid forest)
- 19 main watersheds
- 02 large irrigated rice production areas
- 14 protected areas with high biodiversity

▷ Expected emission reductions:

13.7 millions tCO₂ Eq





Deforestation & degradation drivers

DIRECT CAUSES

Expansion of agriculture

Slash and burn, forest conversion to annual and permanent crops, pasture fires

Unsustainable firewood and charcoal consumption

Wood harvesting (i) low yield, and (ii) illegal

Mining in forest

Livestock

Leading to

INDIRECT CAUSES

Demography and migration

Market growth, low efficiency of technology

Weakness of governance

Land tenure and weakness in territorial planning



ER-P : New approach for forest management

Conservation
area approach

Conservation
and
community
development:
PA, green belt

**ERP: Forest sustainable
management and rural
development**

Intersectoral and landscape
approach, decentralized,
transformational,
adaptative, evolutive



Atiala Atsinanana – A vision of rural transformation

A jurisdictional approach to REDD+, centered on communal land-use planning, forest conservation tied to sustainable agriculture, private sector partnerships, and rural poverty reduction

Leading to

Project-level experience with carbon finance yielding mixed results

Relevant commodity markets increasingly sensitive to environmental impacts

Slash-and-burn agriculture destroying forests and livelihoods

Government commitment to climate, forest, and rural poverty goals



Principal Interventions

Agricultural

Optimize production systems

Improve the management of cash crops using agroforestry systems

Support the development of small and medium-sized enterprises

Forest

Improve the management of forest areas using the landscape approach

Promote private/community reforestation, rehabilitate degraded forest areas

Reinforce the forest monitoring system and regulatory text enforcement

Energy

Promote improved fuel wood transformation and use,

Develop renewable energy

Crosscutting

Enhance benefits delivered by ecosystem services

Reinforce decentralized management and coordination of mining and agriculture

Reinforce land security

Align the legal framework with the institutional one conducive to good governance



Program Budget & Financing

Malagasy Government contribution

- 6 national programs aligned with REDD+
- Loan to PADAP
- In-kind staff contributions to REDD+ program

FINANCING SOURCES 2019-2025

Finance secured
(PADAP, CASEF, MAKIRA, CAZ, MBG, MNP)

61 m\$

Finance non-secured
14.7 m\$

Carbon revenue expected from ERPA CF
65 m\$USD

TOTAL Finance
140.8 m\$

2019-2025

Agriculture 43.1 m\$ (41%)

Forest 53.5 m\$ (51%)

Energy 2.2 m\$ (2%)

Enabling Activities 5.6 m\$ (2%)

Monitoring 0.6 m\$ (1%)

Total Activities

2019-2025 105 m\$

ER-P operation costs 7.1 m\$

2025-2028

Total Activities
2025-2028 28.6 m\$

GAP in financing 2019-2020-2021= 3.47 m\$ → advance payment expected to be requested

Total 140.8 m\$



Forest reference Level

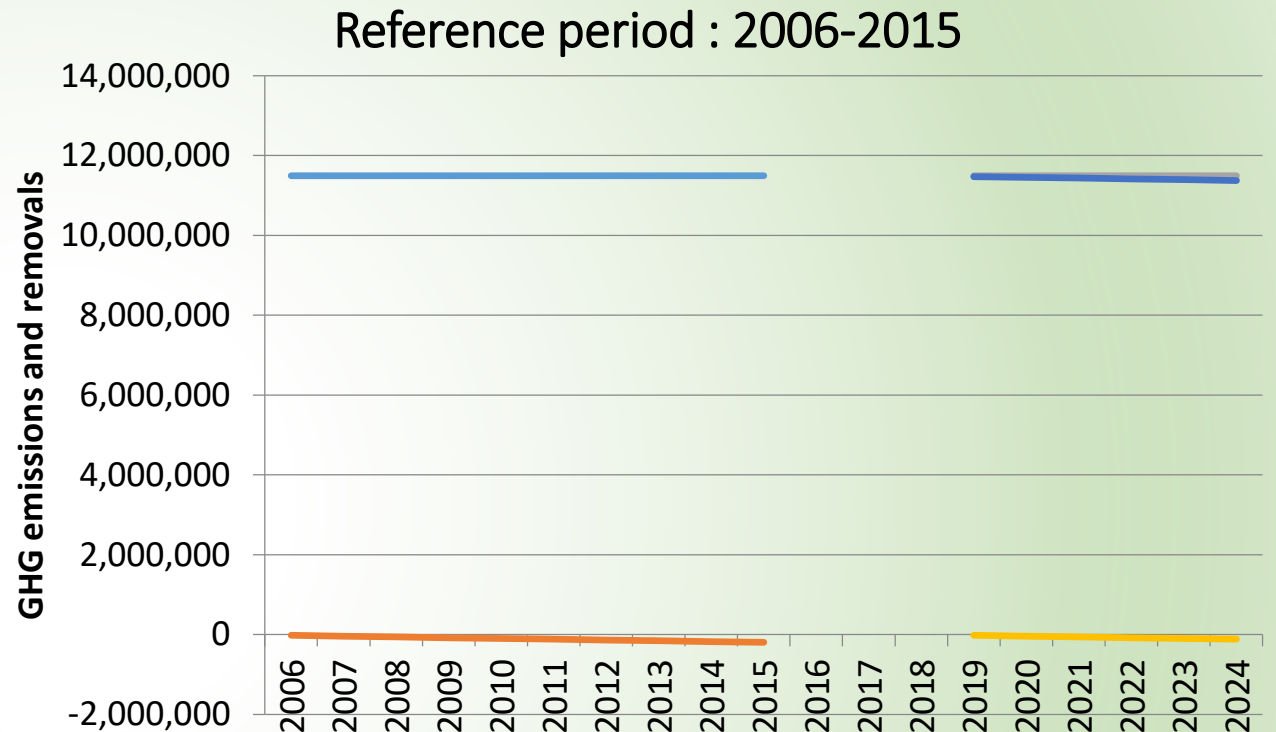
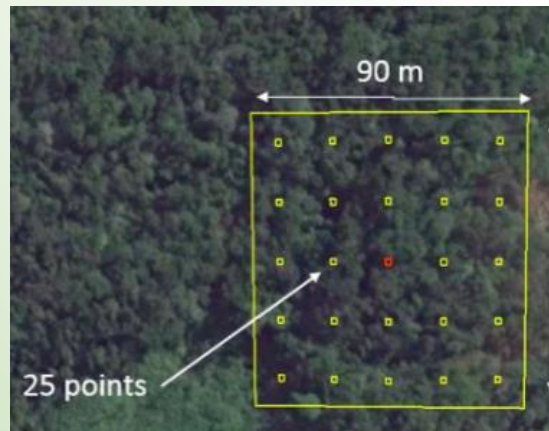
Forest definition

- Min area : 1ha
- Min canopy cover: 30%
- Min height of trees: 5m

GHG emissions and removals estimated with 2006 IPCC GL

Emission Factors → Forest inventory by DVRF and PERR-FH

Forest cover change data → Produced by operational Geomatics Lab



— "GHG emissions reference period" — "GHG removals reference period"
— GHG emissions business as usual — GHG removals business as usual
— Reference Level

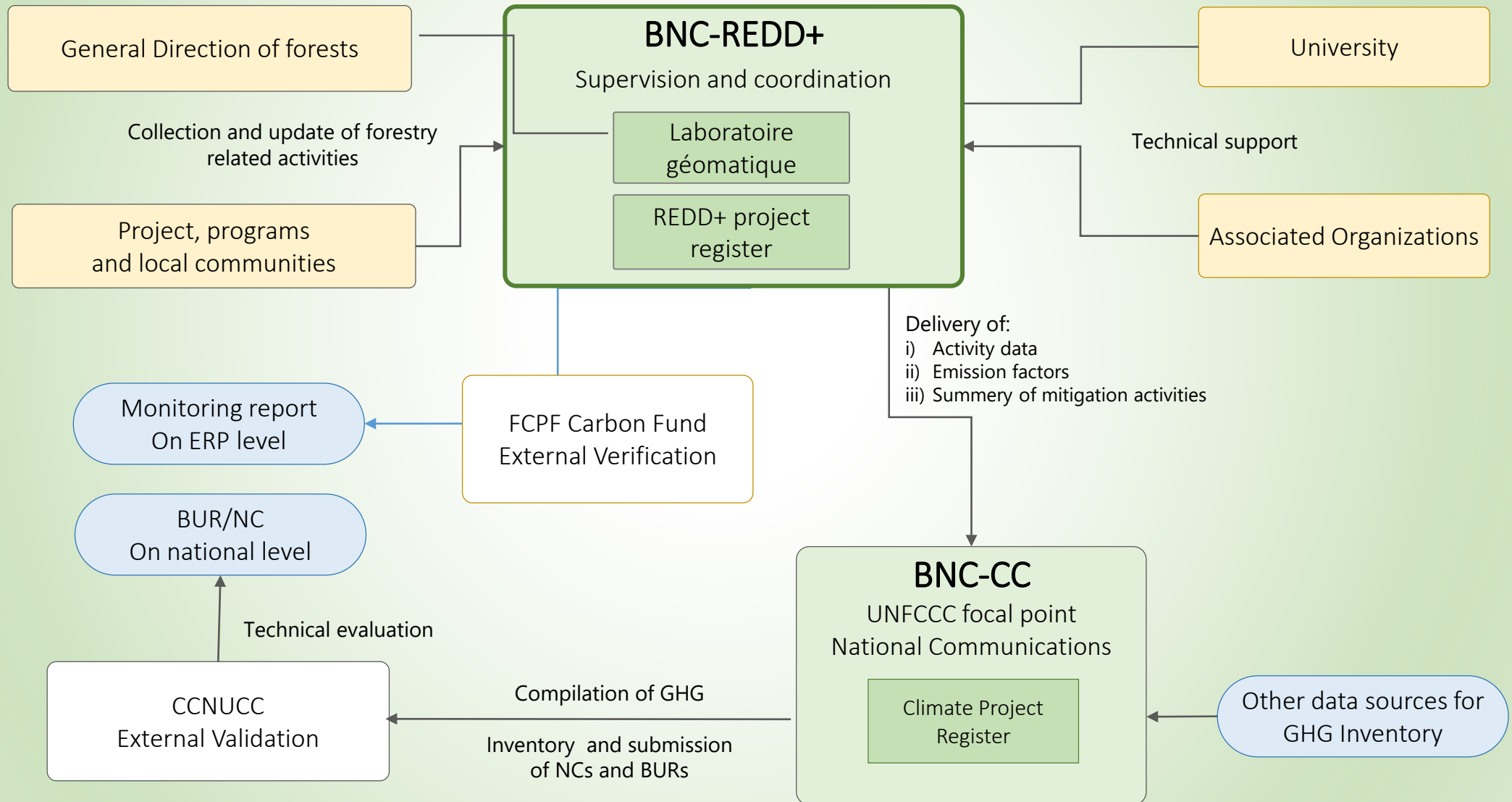
Deforestation: 16,700 ha/year (0,76%)

Degradation: 28 268 ha/year

Enhancement: 1270 ha /year



Measurement, Monitoring & Reporting





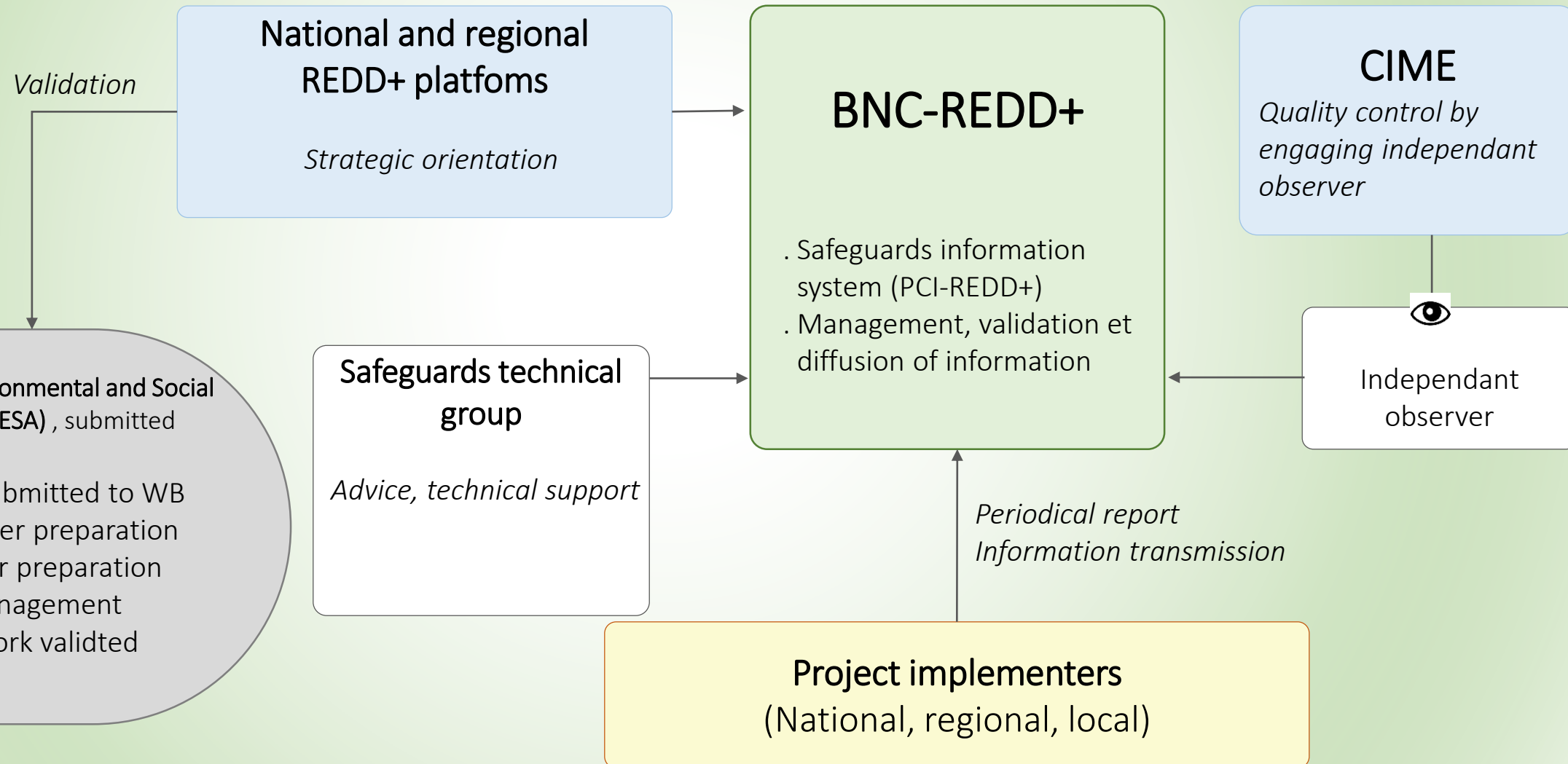
Estimated Emission Reductions

Year	Reference Level			Emissions and Removals				Emission Reductions or enhanced removals			Uncert. buffer	NPR buffer	ER Available to CF
	Def.	Degr.	Enhance.	Def.	Degr.	Enhance.	Def.	Degr.	Enhance.	Total	8%	28%	to CF
2019	9,481,642	2,011,023	-19,357	8,243,545	1,748,427	-68,705	1,238,098	262,596	-49,348	775,021	62,002	199,645	513,374
2020	9,481,642	2,011,023	-38,714	8,046,353	1,706,603	-193,565	1,435,289	304,420	-154,851	1,894,560	151,565	488,039	1,254,957
2021	9,481,642	2,011,023	-58,071	7,473,809	1,585,169	-352,009	2,007,833	425,854	-293,938	2,727,626	218,210	702,636	1,806,779
2022	9,481,642	2,011,023	-77,428	6,434,780	1,364,794	-523,026	3,046,863	646,229	-445,598	4,138,689	331,095	1,066,126	2,741,468
2023	9,481,642	2,011,023	-96,785	5,533,657	1,173,669	-739,715	3,947,985	837,354	-642,930	5,428,270	434,262	1,398,322	3,595,686
2024	9,481,642	2,011,023	-116,142	5,412,692	1,148,013	-930,268	4,068,951	863,010	-814,126	5,746,088	459,687	1,480,192	3,806,208
TOTAL							15,745,019	3,339,463	-2,400,792	20,710,254	1,656,820	5,334,961	13,718,472

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Safeguards process, participants, and status

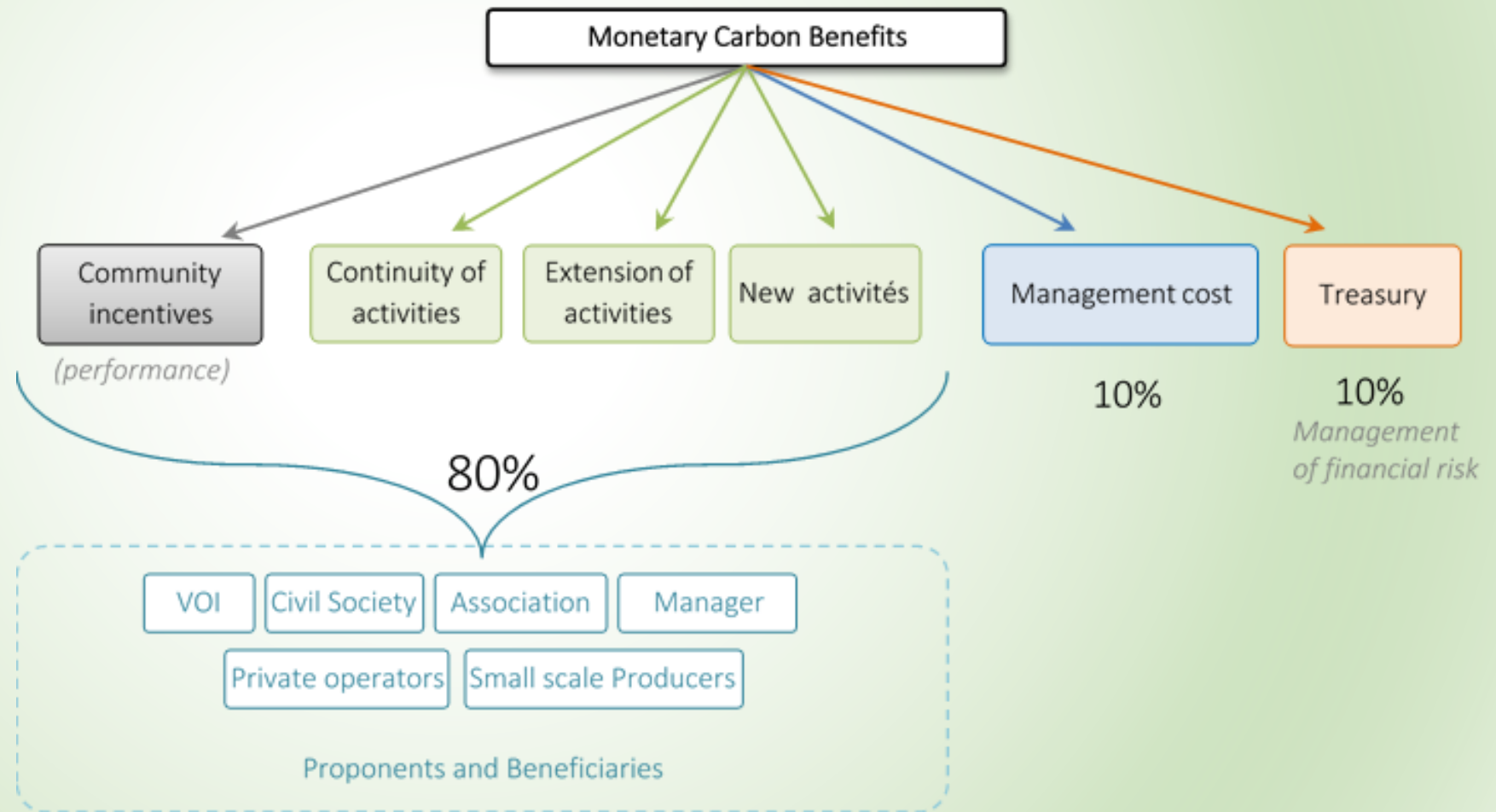




Benefit Sharing Mechanism

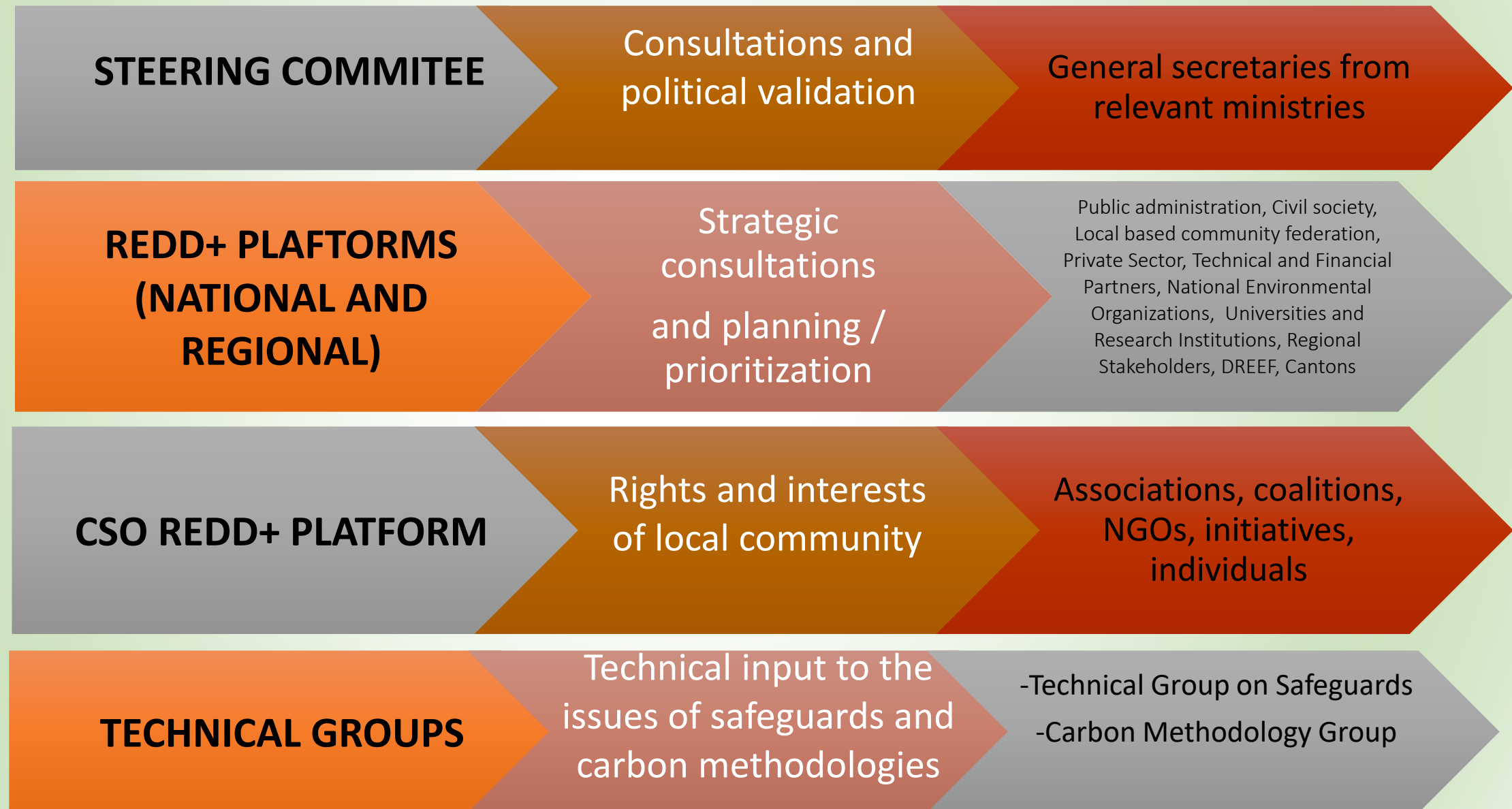
Principles

- 6 categories of use of carbon revenues.
- Beneficiaries: promoters of REDD+ activities (Local communities, small producers ...) → BSP approach is “activity – based” not “recipient-based”
- The elaboration of the benefit-sharing plan will establish the relative amounts committed to each activity category





Stakeholder consultation & participation





Private Sector Engagement

- Development of Private Sector Investment Blueprint for ER-P
 - Prioritization of investments in cocoa, coffee, cloves, vanilla
 - Developing concept note for GCF Private Sector Facility
 - In discussions with IFC and client on sustainable coffee production project
 - In discussions with boutique chocolate brand for sustainable cocoa production project
- BSM designed with a private sector window to co-invest in priority agriculture, energy, and forestry projects
- EIB/Althelia investment fund to support private sector projects in ER-P area