

# in the REDD

Acknowledging that we live in a time when climate change and carbon offsetting are a *fait accompli*, is it not worth examining how carbon credits can be put to work to support the preservation and resurrection of some of Africa's most threatened conservation areas? Basing his conclusions on the challenges that were faced during the development of a REDD+ carbon project to fund the pioneering Sisheke Conservation Project in the KAZA Transfrontier Conservation Area, **Stephen Cunliffe** shares his insights into how playing the carbon game could be the saving grace for some of Africa's most vulnerable and neglected wildernesses.

TEXT & PHOTOGRAPHS BY STEPHEN CUNLIFFE



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## Carbon 101

The principle is simple. Human activity creates carbon emissions. The total emissions produced by the activity of an individual or a business are known as its carbon footprint. All individuals, corporations and governments have a carbon footprint and it is the sum of their emissions that creates the greenhouse gas (GHG) effect that is currently fuelling climate change.

While everyone has an obligation to do what they can to reduce their personal carbon footprint, the bulk of emissions is produced by the industries that provide us with the energy, goods and services we use daily. Shareholders and consumers are placing pressure on industry and the marketplace to become 'greener' by moving towards less energy-intensive production practices. As a result, a growing number of companies are implementing sustainability strategies that combine long-term profitability with taking responsibility for their impact on the environment.

To reduce their carbon footprints, corporations have two options: they can reduce their emissions at source by investing in cleaner, renewable energy and/or finding more energy-efficient means to create their products, or they can offset their output by investing in a project that is able to reduce emissions on their behalf. The second option is based on the premise that a tonne of emissions has the same impact on the atmosphere no matter where it is released. So if a company cannot reduce its carbon output due to technical or financial constraints, it can achieve the same net impact by purchasing carbon offsets from a carbon project – even if it's on the other side of the world. An example of this type of initiative is a REDD forest protection project, in which the value of a forest is calculated not according to the price of its wood, but on its capacity to absorb carbon dioxide from the atmosphere.

## What is REDD?

An acronym for Reducing Emissions from Deforestation and Forest Degradation, REDD ([www.un-redd.org](http://www.un-redd.org)) is a climate change mitigation strategy that aims to curb the destruction of the world's forests. In essence, it attempts to create a financial value for the carbon that is stored in and sequestered by forests, offering a real incentive for emerging economies in Africa and elsewhere to stop destroying their forested areas.

Deforestation and forest degradation account for roughly 20 per cent of GHG emissions worldwide – more than the entire global transportation sector and second only to the energy sector. In order to constrain the impacts of climate change within limits that society will be able to tolerate, the United Nations Forum Convention on Climate Change acknowledges that mitigation actions should strive to stabilise average global temperatures within two degrees Celsius. And this will be impossible to achieve without reducing emissions from the forest sector.

The holistic approach of REDD+ goes a step further by incorporating biodiversity and habitat conservation, sustainable forest management and the enhancement of forest carbon stocks. It also includes the provision of ►

REDD+ CARBON CREDITS

**BOTTOM** In Zambia, the Sisheke Chiefdom lies in an area that is a critical wildlife corridor and is home to threatened species such as African wild dogs. However, its forests are currently being denuded, legally and illegally, of their high value timber species such as rosewood and Zambezi teak (BELOW).



ecosystem services such as clean water and sustainable livelihoods to forest-dependent communities.

The funds generated by REDD and REDD+ are to be invested in clean energy, nature conservation, sustainable rural development projects and alternative

livelihood programmes that benefit impoverished local communities and Africa's embattled wildlife.

REDD shot to prominence in 2011 when Wildlife Works, a company that has pioneered practical solutions acceptable to both rural communities and the marketplace ([www.wildlifeworks.com](http://www.wildlifeworks.com)), and Nedbank ([www.capital.nedbank.co.za/capital/carbon-finance](http://www.capital.nedbank.co.za/capital/carbon-finance)) – Africa's green bank – brought the Kasigau Corridor REDD+ Project in Kenya to market. This was the first-ever REDD project to be validated and issued Voluntary Carbon Units under the Verified Carbon Standard (the most widely recognised carbon accounting standard in the world), and the Climate, Community and Biodiversity Alliance. Carbon accounting standards are essential to reassure REDD credit purchasers that their money is being used wisely and correctly.

**Bona fide conservation**

**C**ould REDD be the saviour of Africa's most threatened forests and wilderness areas? Duncan Abel of Nedbank Capital's Carbon Finance Business Unit thinks it could. 'Our ground-breaking



Kasigau Corridor REDD+ Project in Kenya has proved that it can work,' he says. 'The key is to identify priority forests that meet REDD's criteria, obtain the support of the government and the affected communities, and then develop quality projects that unlock the forest's potential by providing real investment opportunities to suitable investors.'

The Kasigau Corridor initiative protects 200000-plus hectares of highly threatened forest and secures the migration corridor between Tsavo East and Tsavo West national parks. The preservation of biodiversity benefits of the programme are irrefutable, as is its contribution to climate change mitigation (it guarantees its ability to avoid emitting more than one million tonnes of carbon dioxide per year for the next 30 years). The project also strives to bring employment and direct carbon financing benefits to the 100 000 destitute people who reside within the Kasigau area.

Chief Kizaka, who represents 12 000 of them, says, 'REDD+ brings a positive change with real solutions for poverty alleviation. This is not charity; carbon

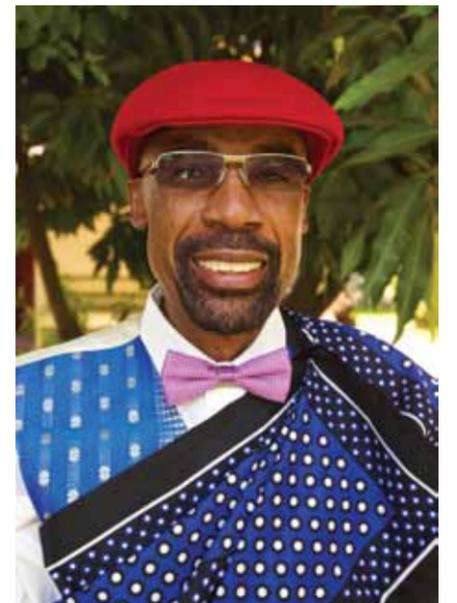
money helps us meet our basic needs and improve our lifestyle. And the money earned through conservation activities gives us a motive – and the ability – to protect our environment and wildlife.' Some of the local people are now employed in areas such as wildlife law enforcement, educational support, agricultural assistance, tree nursery establishment and the production of ecofriendly products.

**Facing the risks**

**T**here are significant risks inherent in developing the notional value of REDD projects.

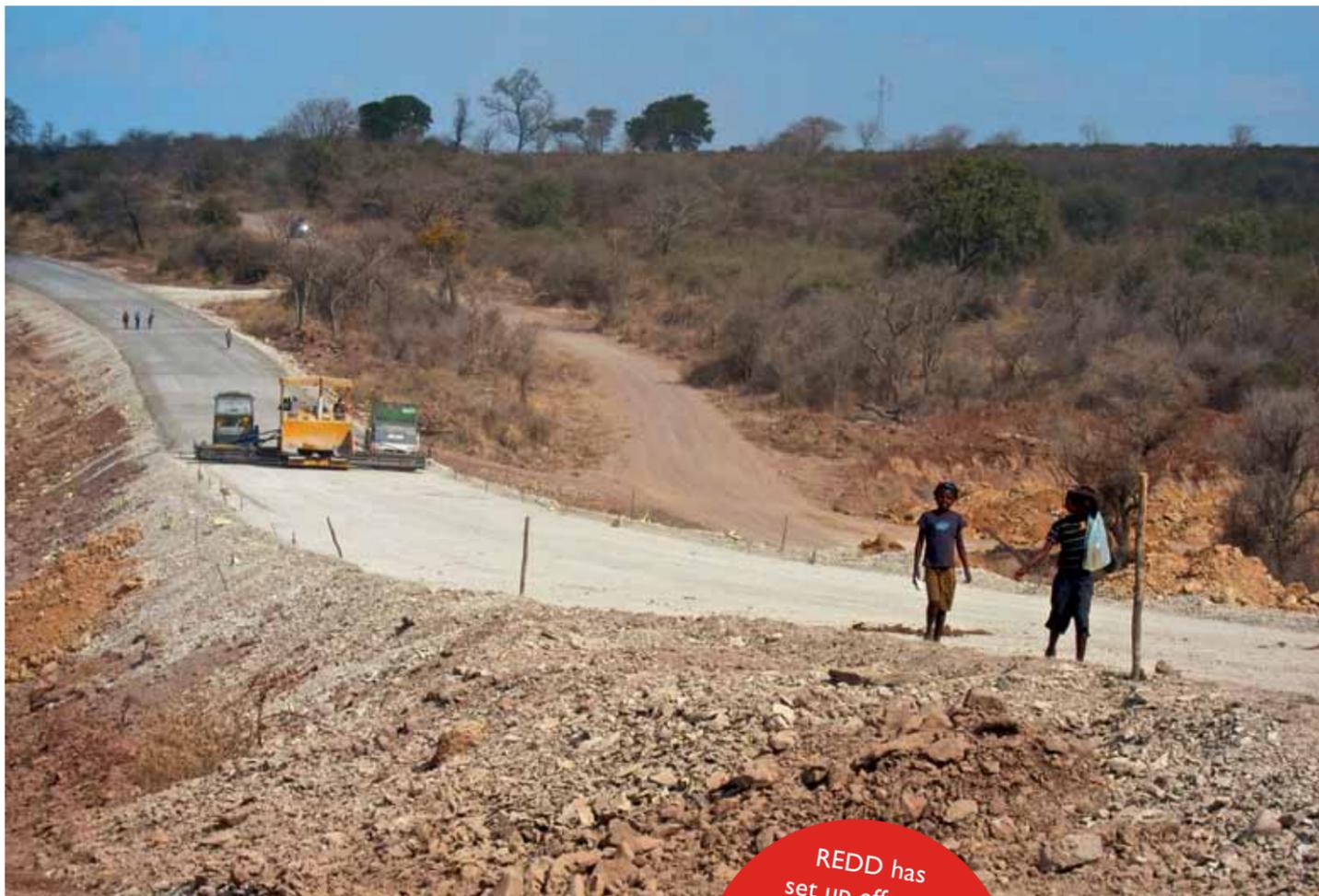
In the first place, because global carbon markets are directly linked to global economic markets, the current financial crisis has had an adverse affect on carbon pricing. Demand for offsets has fallen as countries realise they will meet their Kyoto Protocol emissions targets simply from the decrease in production and consumption brought on by their beleaguered economies. Secondly, the ongoing development of new carbon projects has resulted in an increased supply of credits, exerting further downward pressure on prices. ▶

Climate change has shifted down the priority list for many companies as they focus on extracting themselves from the financial crisis



TOP REDD+ carbon projects provide livelihood alternatives and incentivise local communities to address negative environmental practices such as uncontrolled burning.

ABOVE Senior Chief Inyambo Yeta is the man with the vision behind the conservation project designed to rehabilitate the fragile Sisheke area.



REDD has set up effective monitoring systems with reliable third-party verification to prove that the projects do what they say they'll do

This trend is mirrored in the voluntary REDD markets where a price collapse has been exacerbated by new REDD projects issuing large volumes of credits without a corresponding increase in demand. As Abel explains, 'During tough economic times, governments and companies have to realign their strategies and priorities. Although climate change is still on the global agenda, it has shifted down the priority list for many companies as they focus on extracting themselves from the financial crisis. This has led to an inevitable slowdown of investment in new REDD activities.'

With new buyers slow to step up to the plate, the struggle continues for REDD project developers to identify fresh sources of offset demand. In response, the Code REDD campaign (see opposite) was launched last year to raise corporate awareness of the situation.

### Sisheke and REDD+

The Sisheke Chiefdom lies within the Zambian component of the Kavango-Zambezi Transfrontier Conservation Area (KAZA TFCA). Lacking any formal conservation status, the chiefdom faces resource over-exploitation

and unsustainable land-use practices. The poverty-stricken area's teak and rosewood forests are under increasing threat from timber extraction and annual burning. Illegal logging and poaching are rife. A Chinese-funded highway bisecting the region is also under construction and will provide all-weather, year-round access to its dwindling forests and wildlife.

Harbouring threatened populations of IUCN Red List species such as elephant, cheetah and African wild dog, as well as being home to arguably the most important elephant migration corridor in Africa, the chiefdom is a prime candidate for protection. The Sisheke Conservation Project ([www.sisheke.com](http://www.sisheke.com)) was set up to preserve and rehabilitate a fragile area that's critical to the overall success of the KAZA vision.

When the South Africa-based Peace Parks Foundation ([www.peaceparks.org](http://www.peaceparks.org)) facilitated a public-private partnership between Sisheke's Barotse Royal Establishment and Javelin Capital in May 2012, the new asset managers conducted

a thorough reconnaissance before deeming REDD credits to be the most practicable method of funding the long-term protection of the proposed 1.5-million-hectare Sisheke Conservation Area. But before the Sisheke REDD+ project could move to the next stage, the European debt crisis intervened and the carbon price crashed. The investors, quite understandably, got cold feet, and the project was put on ice. Abel comments, 'REDD isn't going to disappear, but it may well have to reinvent itself... Sisheke has enormous potential as a conservation project and, with the right financial mechanisms in place, it could bring real benefit to all.'

### The carbon renaissance

The future success of REDD lies in a shift away from a purely carbon view to one that highlights the projects that flow from a well-managed initiative that is endorsed by the government. By creating meaningful long-term benefits for local communities, the project will encourage them to develop a vested



### Code REDD

Code REDD ([www.coderedd.org](http://www.coderedd.org)) is a call-to-action, non-profit campaign with a mission to empower indigenous communities, preserve forests and protect endangered wildlife – all while reducing global greenhouse gas emissions. It works to achieve its goal by supporting high-impact forest and biodiversity conservation programmes created using the UN mechanism to Reduce Emissions from Deforestation and Forest Degradation (REDD+).

Launched in June 2012, Code REDD is designed to motivate corporate leaders to save the threatened forests of the world by dramatically increasing demand for REDD+ emissions offsets. Corporations can reduce their carbon footprint by buying Verified Emission Reductions from high-quality REDD+ projects, all of which undergo independent verification procedures to ensure that the developers have committed to an industry-leading set of best practices.

The approach is innovative in that it balances corporate goals with high-quality forest conservation programmes. Companies can be powerful agents of change if social responsibility, environmental consciousness and business interests are successfully aligned. By identifying specific Code REDD projects that integrate with the branding and communications strategy of a particular company, it's possible to develop marketing policies that resonate with customers and stakeholders, engendering increased engagement, loyalty and advocacy.

interest in its ongoing success. Poachers will be offered other, sustainable livelihood options and wildlife will have sufficient well-protected habitat.

'One of the things REDD has done very well,' says Abel, 'is to set up effective monitoring systems with reliable third-party verification to prove that the projects do what they say they'll do. And this infrastructure may just be the key to REDD's resurgence.'

Emerging REDD+ projects are also well positioned to tap into the growing popular attention being paid to rhinos and elephants in the wake of the current pachyderm genocide that is ravaging Africa.

By fusing the allure of these flagship mammals with the biodiversity aspect of REDD+, these 'carbon emissions offsets' could reinvent themselves as highly effective conservation instruments, capable of funding the protection of Africa's most threatened wilderness areas and two of the continent's most iconic and heavily persecuted species, while still delivering on REDD's underlying climate change aims.

Globally, there are exciting developments. For example, in South Africa the

Minister of Finance, Pravin Gordhan, mentioned during his February 2013 budget speech that plans are afoot to introduce a carbon tax in 2015. Although no details were given, there is cautious optimism that a REDD renaissance may be in the offing.

'There are numerous challenges in the current economic climate. However, I think there is a bright future for REDD,' Abel speculates. 'There will be increasing investment in climate change after the current recession. Climate change is a long-term issue and as the world's leading economies – especially those in Europe – recover, we can expect to see substantial monetary inflows into REDD projects again. The bullish view is that this could occur as early as 2015, but 2017 is probably a more realistic carbon recovery timeframe,' he adds.

A lack of money and resources is an all-too-common story in African conservation circles, so REDD's revival would be a welcome boost to safeguarding our continent's biodiversity. Let's hope the recovery arrives in time to revive the Sisheke carbon project and save a conservation hotspot that teeters on the brink of destruction.

ABOVE Tranquil scenes like this one along the upper Zambezi River could become a thing of the past unless REDD+ mechanisms are put in place soon to encourage local communities to safeguard their forests.

OPPOSITE A Chinese-funded tar highway is opening up Zambia's Western Province, bringing possibilities for development along with threats of increased resource exploitation to the area.