

## **Memorandum of Understanding REDD+ Business Initiative and Althelia Climate Fund Executive Summary**

### **Dutch companies invest in the reduction of tropical deforestation**

Three companies based in the Netherlands: Eneco, Essent and Desso have joined hands with the Dutch Development Bank FMO and the Dutch Platform "Biodiversity, Ecosystems and Economy"<sup>1</sup> to work on reducing tropical deforestation as a way to tackle climate change. The parties work together in the REDD+ Business Program in order to invest in "Reducing Emissions from Deforestation and Forest Degradation" (REDD+). REDD+ is an arrangement set up under the United Nations Framework Convention on Climate Change (UNFCCC).

"Tropical deforestation must stop and we can play our part" says Mr. , CEO of Desso. "We want to demonstrate that with a relatively small contribution we can help address climate change and at the same time help protect some of the world's most diverse and threatened nature."

### **Collaboration with Althelia Climate Fund**

The PBEE initiative is signing an MOU with the Althelia Climate Fund. Working with a fund means that risks for companies investing are better reported and managed. It also creates predictability for local organisations that develop sustainable land use projects, arising from the long-term commitments for financial support.

### **The Memorandum**

The MOU describes the framework of cooperation between the members of the REDD+ Business Program and the Althelia Fund. The parties agree on the following:

- The Fund offers the members of the REDD+ Business Program credits from the first issuance of projects financed by the Fund.
- The Fund has a pipeline of various investment opportunities in 25 countries. Collaborations and partnerships include Conservation International, SNV, Wildlife Works, USAID, and other leading organisations.
- PBEE and participating companies can also introduce REDD+ projects for consideration of support by the fund.
- For instance, the Fund is now reviewing the Yayu Coffee Forest Project in Oromia Regional State in south-western Ethiopia, supported by organisations within IUCN NL's partner network.

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<sup>1</sup> Platform Biodiversity, Ecosystems and Economy is an initiative of the Confederation of Employers and Investors (VNO-NCW) in the Netherlands and the Dutch Committee of International Union for Conservation of Nature (IUCN NL). It is supported by the Ministry of Economic Affairs of the Netherlands.

- The members intend to invest in the Fund for reasons of biodiversity conservation, social development and climate change mitigation to the equivalent of an emission reduction of around 100.000 t CO<sub>2</sub>.
- The Fund will allow the members to take part in, and to contribute to, the development of one or more pilot projects in early phases. This allows the Members to learn from the process of preparation and implementation of REDD+ projects and makes it possible to better decide on a project in a transparent way.
- The Parties aim to come to a binding agreement within 12 months from now.

The members of the PBEE REDD+ Business Initiative adhere particular importance to the best possible outcomes for local communities and for biodiversity protection. The Code of Conduct developed by Eneco in collaboration with IUCN NL and WNF in 2011, is leading.

All information will be developed and made in according of Althelia's environmental, social and governance policy which incorporates IFC's Performance Standard with a specific focus on:

- National laws on the rights for titling and transacting of terrestrial carbon
- Land ownership and access rights in customary and statutory law
- Any taxes likely to be levied on REDD+ payments
- Legislative and legal foundation for benefits to be distributed to local communities and for funds to be dispersed from the national level to the sub-national and local levels
- Agreements or clarification of the rights of local communities to receive benefits from REDD+ finance or revenues linked to productive activities
- Attention to the interests of women and intergenerational dynamics
- Attention to the rights of indigenous peoples
- Application of Free, Prior and Informed Consent (FPIC)

The Parties will collaborate on an announcement and event panel at the 19<sup>th</sup> United Nations Framework Convention on Climate Change Conference of Parties in Warsaw in November 2013.

The initiative also aims to contribute to further demand for REDD+ by making attempts to:

- Enlarge the group of companies working on the REDD+ Business Initiative;
- Strengthen the voluntary REDD+ market by stimulating the Dutch Government to accept REDD+ credits in existing CO2 reduction schemes;
- Include REDD+ in climate change campaigns by Dutch stakeholders;
- Cooperation with the REDD+ Platform of Wageningen University and Research centre (WUR);
- Close cooperation with IUCN NL on optimising outcomes for biodiversity and communities.

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