



Climate Change & Development

Reducing Emissions from Deforestation and Forest Degradation

**“Reducción de Emisiones por Deforestación y
Degradación (REDD): complemento del futuro régimen
del Clima”**

San Pedro de Sula, Honduras
27 May 2008

www.RainforestCoalition.org

Key Messages



- Deforestation: Reducing emissions from deforestation is possible and urgently needed for 2°C. Cannot continue to choose ignorance – 20% of problem.
- Sustainable Development: Catalyze gains toward climate stability, poverty reduction, biodiversity conservation, and rural development.
- Positive Incentives: Leading drivers are identifiable. In most cases, **higher carbon 'incentives' will drive greater emissions** reductions from deforestation and forest degradation.
- Funding Available (20/20): 20% of problem: 20% of solution. 20% of 'carbon' market resources could provide revenues at necessary scale: \$5 - \$25 billion/yr.



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Deforestation Drivers

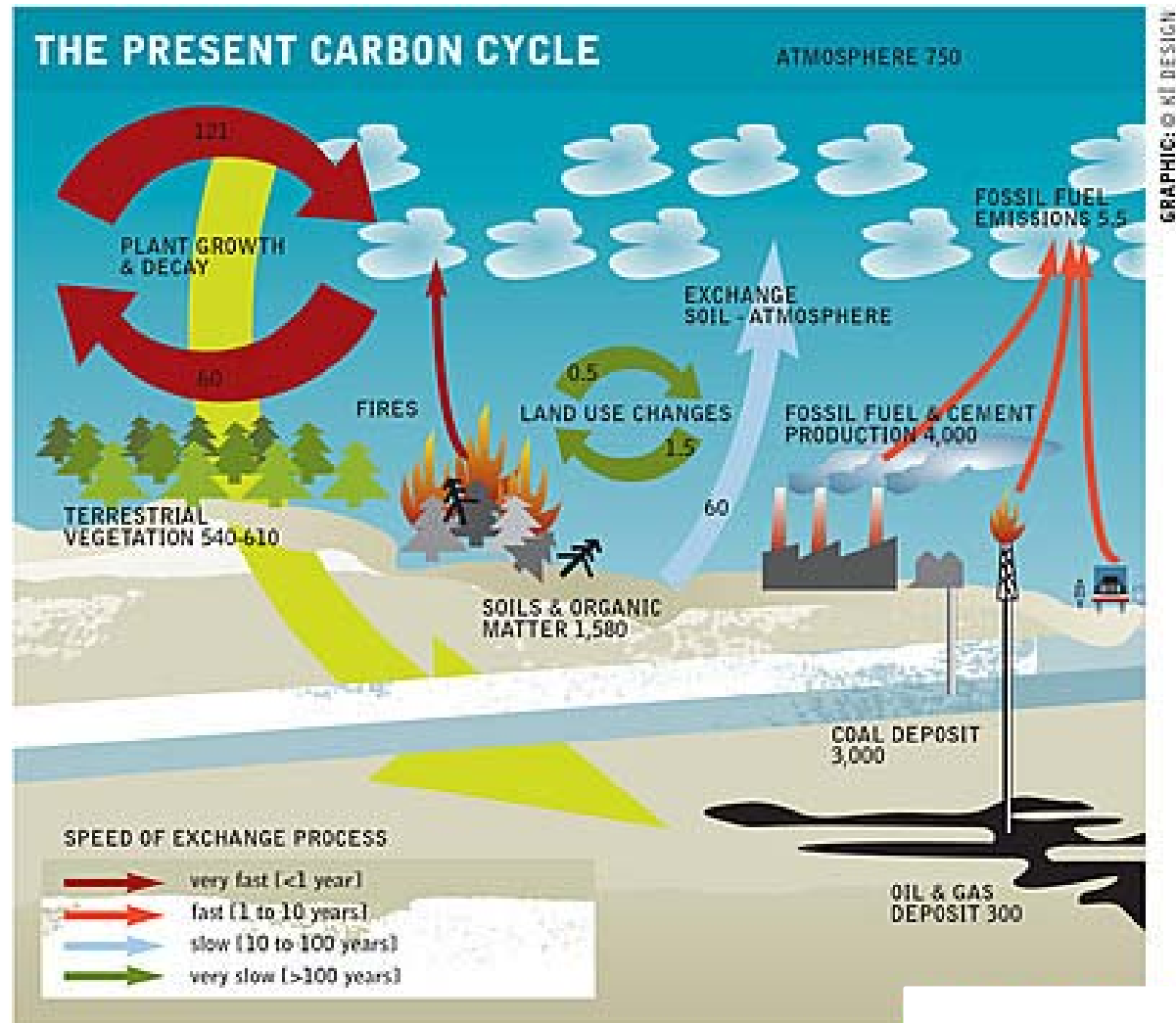


- Foods: Soya, Coffee, Cocoa, Sugar, Gardens, Ranching, etc.
- Logging: Low value exports, unsustainable practices.
- Energy: Bio-Fuels and Fuel-wood in rural areas.
- Development: Roads, Mining, Power-Lines, etc.
- Population Growth

Perverse
Incentives

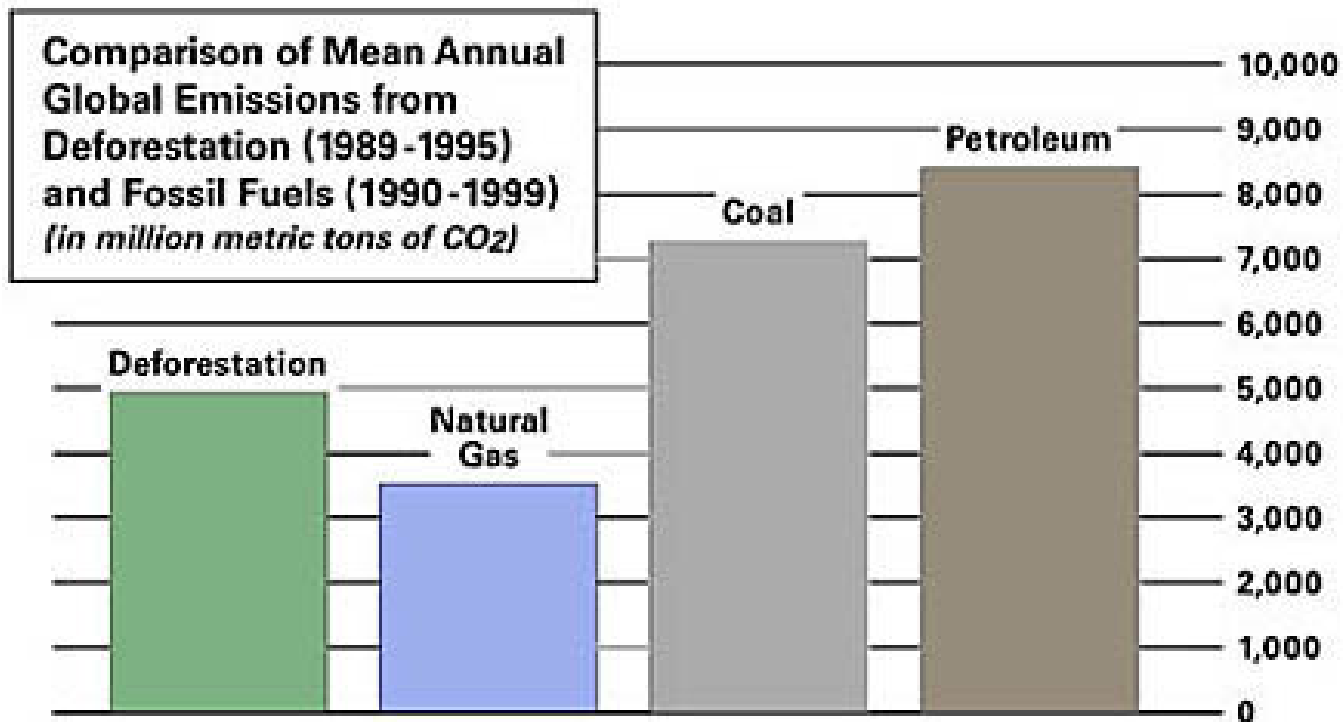


Forests & Climate



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Emission Sources



Source: IPCC; US Department of Energy

**IPCC: Emissions from deforestation
approx. 20% of total GHG's**



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The Kyoto Dilemma



- KP Exclusion: Kyoto Protocol includes deforestation for industrial countries, but intentionally excludes developing nations that reduce deforestation. KP **unfairly discriminates against these nations**. How can we ignore 20% of GHG?
- Market Access: Tropical rainforest nations deserve to be treated equally in world carbon markets.

A ton is a ton is a ton...



Coalition strategy



- Opportunity: Extend economic opportunities to non-Annex I countries
- Forestry: Extend the LULUCF sector to non-Annex I countries
- Quickly: Follow the methodological approach already approved

A ton is a ton is a ton...



Access to the market



Carbon market:

- Currently, circa 63 billion of AAU credits owned by Annex I Countries.
- By the end of first commitment period, projected 1.3 billion of CER credits.

A ton is a ton is a ton...



Access to the market



Requisites:

- Monitoring & Reporting: Having in place a monitoring and reporting system of emissions and removals from sources and sinks
- Reference: Establishing a 'historical reference level' that will be used to determine an agreed 'reference scenario' under which performance will be assessed.

A ton is a ton is a ton...



Access to the market



Monitoring and reporting systems:

- Capacity building on Greenhouse gas inventories based on IPCC Guidance and Guidelines.
- Conservativeness principle: in order to guarantee the market access even with low tier data and methodologies (if it is proven that benefits are not overestimated estimates could be accepted)



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Access to the market



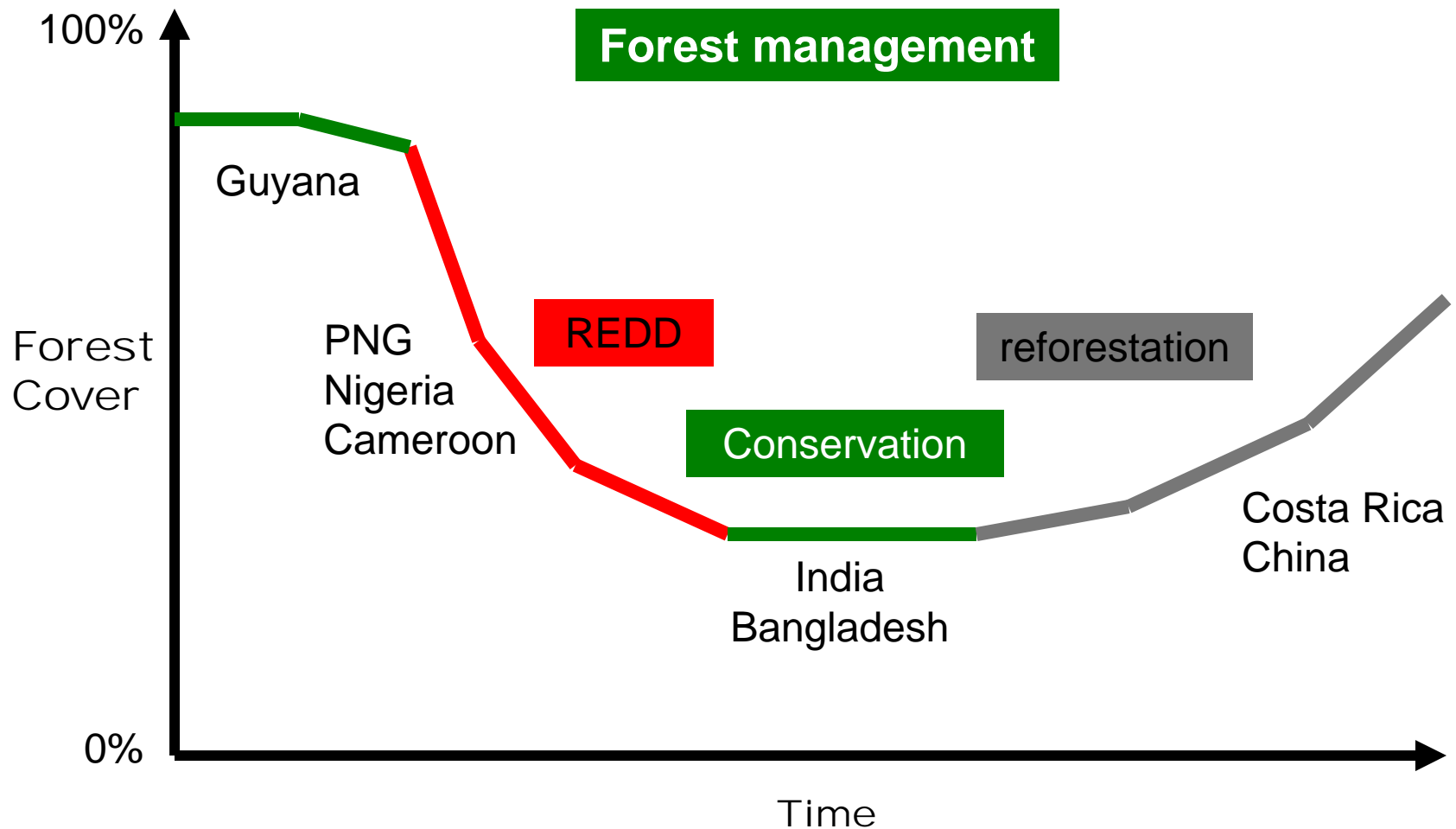
Reference Scenario:

- Means to have during an assessment period a better performance in net emissions (regardless to policies and measure applied) i.e.
 - Limited increase of net emissions (like Australia: +10% compared to base year)
 - Increased reduction of net emissions (like European Union: -8% compared to base year)
 - Stabilization of net emissions (like Russian Federation)

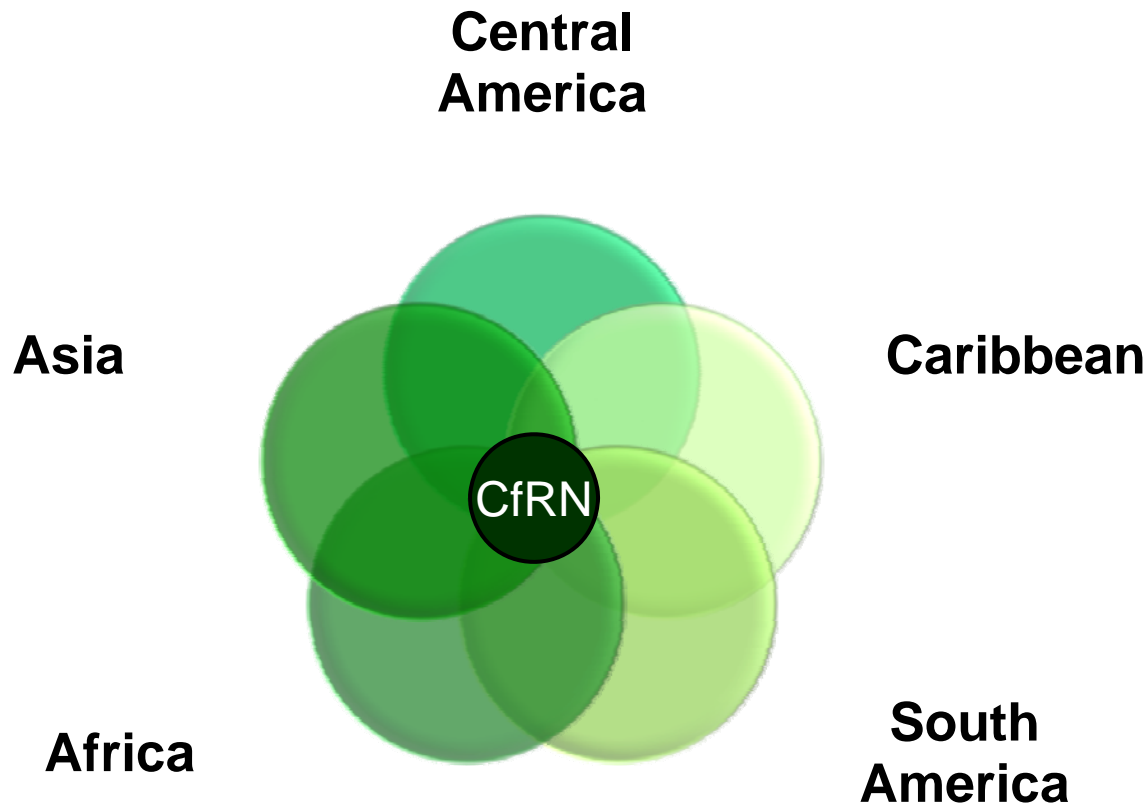


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Basket of Tools



Rainforest Coalition



Interregional Policy Development & Consensus



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Our Conditions

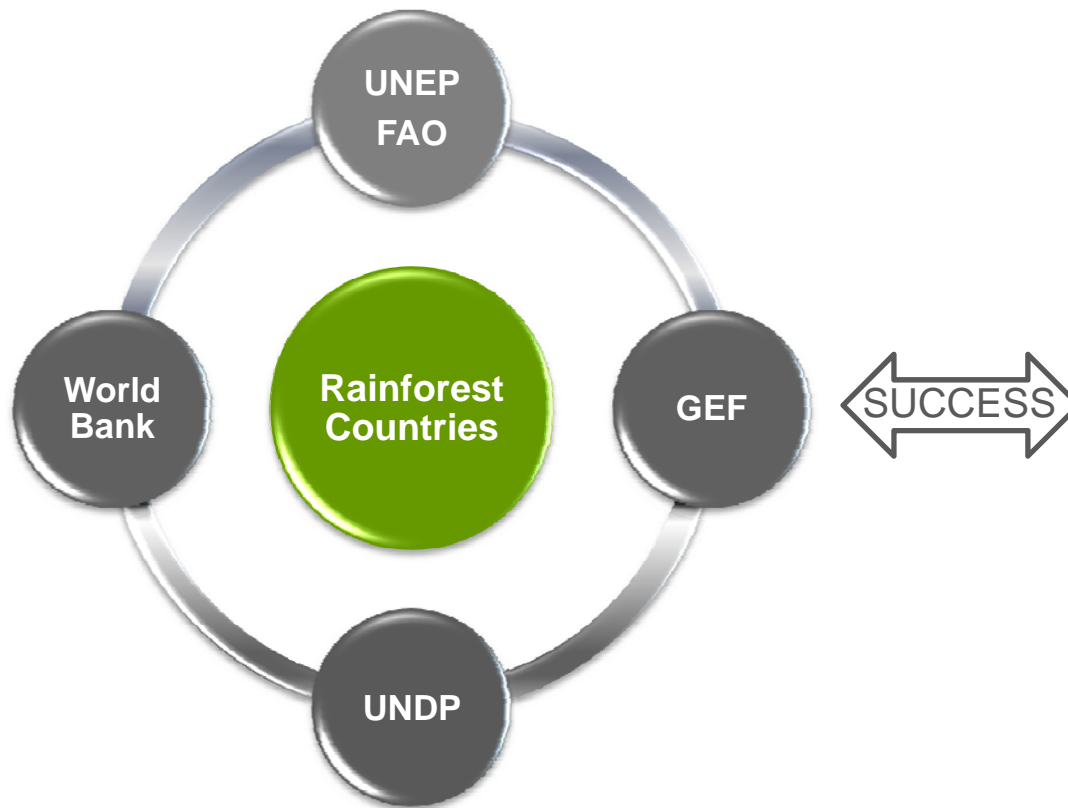


- DEEPER CUTS by Rich Nations
- VOLUNTARY Action by Poor Nations
- Real Benefits – climate and development
- Sovereignty over Forest Resources
- Differentiated Responsibilities
- Philosophy of Positive Incentives
- Equitable & Fair



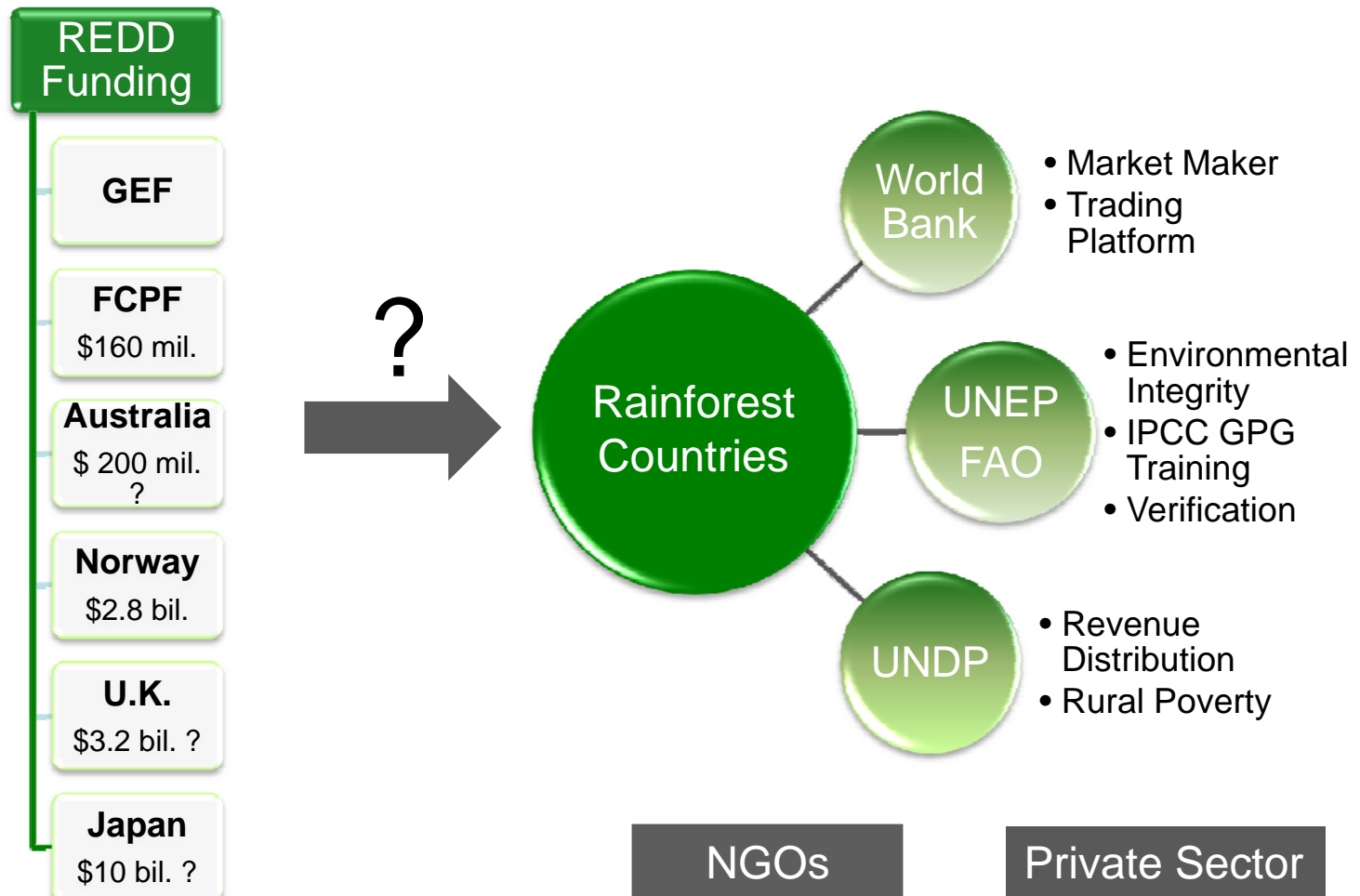
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Strategic Alliances



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REDD Resources



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Emergence



- May 2005 UNFCCC workshop: PNG proposed voluntary RED based on positive incentives for developing countries *relative to national reference level*. Later joined by 9 other developing countries
- 11th COP (Montreal), Nov 2005: Parties agree two year work programme
- 12th COP (Nairobi), Dec 2006: Brazil proposes voluntary RED based on positive incentives and an national accounting system, though not carbon market access
- 13th COP (Bali), Dec 2007: Decisions on REDD (SBSTA and Bali Roadmap.)



SBSTA REDD Decision



- Demonstration: Rules for demonstration projects – reduces uncertainty for participants, facilitates integration with future compliance regime
- Accounting: National accounting using IPCC. Subnational demonstration activities only as step toward national approaches
- Reporting & Review: Anticipates reporting and independent review
- Early Action: Encourages immediate action and agrees to consider this 'early action'



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Bali Roadmap



- Key Element: REDD decision is key part of overall negotiation for future framework at the 15th COP (Copenhagen, 2009)
- MRV: Expected to yield measurable, verifiable reportable actions on emissions mitigation
- National: Post-2012 positive incentives for the enhanced implementation of national mitigation strategies
- Other Activities: Degradation included. Consider conservation, SMF & enhancement of forest carbon stocks



Copenhagen deal?



- Fair & Equitable: Seek agreement on a framework for fair and equitable mitigation by all
- Annex 1 Leadership: Ambitious commitments from developed countries consistent with 25% to 40% absolute emissions reduction by 2020 (lowest level of IPCC AR4 WG3)
- Voluntary Actions: Developing country voluntary actions consistent with departure from BAU
- Including REDD: Will increase Annex-1 country ambition and demonstrate developing country willingness to act: *carbon market, essential for this.*



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