

REDD

background, update, prospects and key issues

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Origins

- Inclusion of land-use change and forestry under the KP difficult to negotiate because of uncertainties about magnitude
- Solution reached at Marrakesh, three years after KP agreed. Catalytic though complex.
- Includes deforestation for *Annex-B* countries; omission of deforestation from CDM intentional – project leakage risk decisive.



Emergence

- May 2005 UNFCCC workshop: PNG, CR and other countries propose voluntary RED based on positive incentives for developing countries *relative to national reference level.*
- Nov 2005 11th COP (Montreal) agrees two year work programme
- Dec 2006 12th COP (Nairobi) Brazil proposes voluntary RED based on positive incentives and an national accounting system, though not carbon market access
- Dec 2007 13th COP (Bali) Decision on REDD.



Bali SBSTA REDD decision

- Rules for demonstration projects – reduces uncertainty for participants, facilitates integration with future compliance regime
- National accounting using IPCC. Subnational demonstration activities only as step toward national approaches. Without ‘prejudice’?
- Anticipates reporting and independent review
- Encourages immediate action and agrees to consider this ‘early action’
- Silent on ‘positive incentives’



SBSTA details to be sorted out

- Application of agreed IPCC methods to estimate deforestation *and degradation* – capacity needs
- How to set reference levels – historical data but developmental adjustments?
- How to reconcile national accounting and subnational implementation
- How to measure effectiveness and evaluate
- How to mobilise sufficient resources for capacity building and demonstration projects
- How to resolve performance risk



Bali Roadmap

- REDD decision is part of overall negotiation to for future framework at the 15th COP (Copenhagen, 2009)
- Expect this to yield measurable, verifiable reportable actions on emissions mitigation, consistent with the deep cuts needed to avoid dangerous climate change
- Forest Degradation included. Consider role of conservation, SMF & enhancement of forest carbon
- Post-2012 positive incentives based for the enhanced implementation of national mitigation strategies
- *The REDD decision is one piece of this jigsaw (and an unusually well developed one)*



Copenhagen deal?

- We seek agreement on a framework for adequate mitigation action by all Parties
- Ambitious commitments from developed countries consistent with 25% to 40% absolute emissions reduction by 2020 (lowest level of IPCC AR4 WG3)
- Developing country voluntary actions consistent with departure from emissions trend from BAU
- Including REDD will increase Annex-1 country ambition and demonstrate developing country willingness to act: *linkage to compliance system, eg via carbon market, essential for this.*



Issues for Rainforest Countries?

- Must be led by DEEP reductions by Annex-1 to support new sources of 'supply' by developing countries
- National REDD & AR and must be permitted in offset markets – a ton is a ton is a ton
- Resolve supply issues: top-down vs. bottom-up costs. Opportunity costs from REDD country perspective
- Find revenues to support sub-national start-up approaches (non-market.) No approved methods!!! Can be used voluntarily to assist national implementation
- Lead streamlined 'demonstration process'
- Propose method to support conservation efforts
- Structure out perceived 'transaction risk'



Looking forward

- A very complex and hugely attractive area of negotiation – many co-benefits as well as the main gain for the climate system
- Despite the complexities, the land-use change and forestry sector helped achieve entry into force for the KP
- The REDD agreement may well help again in achieving the Copenhagen consensus

