



Climate Change & Development

Reducing Emissions from Deforestation and Forest Degradation

CD REDD - GHG Workshop

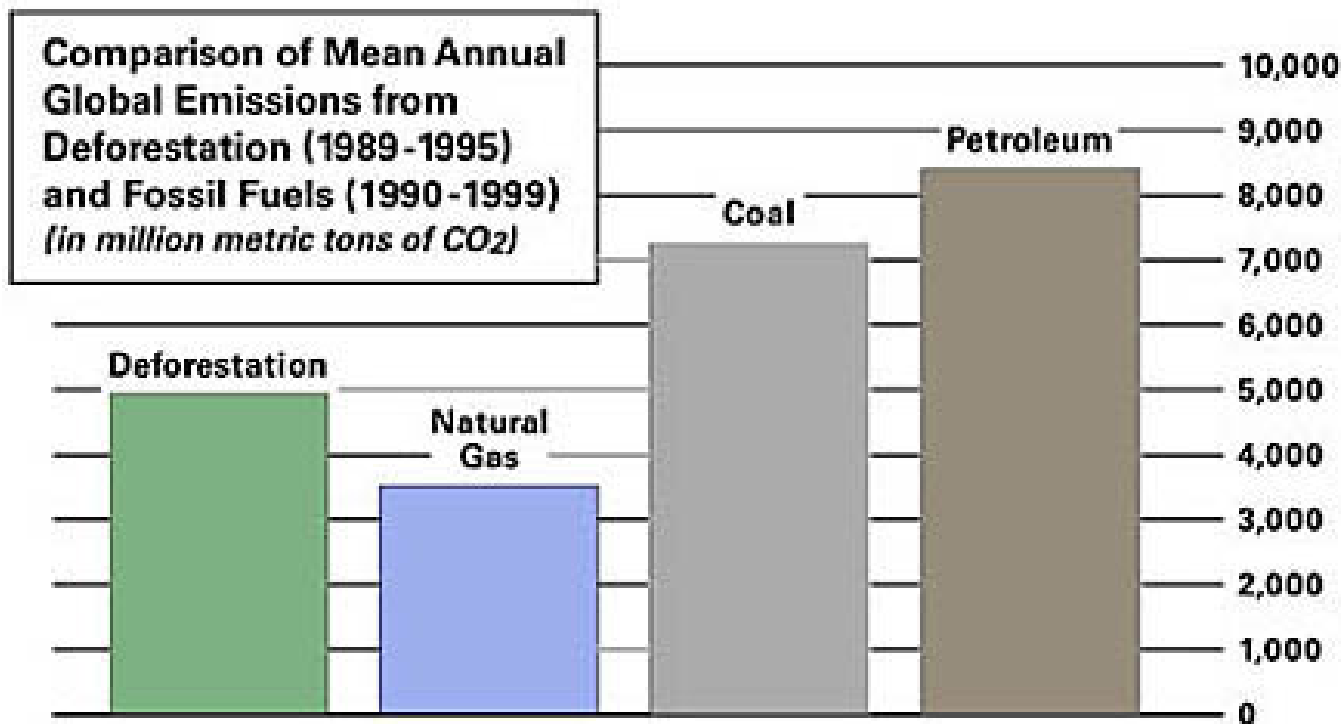
Berlin, Germany

November 5-7, 2008



Coalition for Rainforest Nations

Emission Sources



Source: IPCC; US Department of Energy

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



Coalition for Rainforest Nations

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...



How did this happen?



- Conflicting Philosophy: Punish emitters vs. objective oriented. NGOs vs. Scientists vs. Experts vs. Govt. Depts. vs. ...
- Lack of Trust: Tendency by 'North' to be paternalistic. Do what we say, not what we did! Exacerbated by NGOs!
- Methods: Scale led to methodological mismatch. National accounting vs. Project implementation.
- Common but Differentiated: Who carries the load is not defined. 'Black & White' perspective. Innovate new flexible 'basket' of tools.
- Leadership: Some major industrial countries seeking to shift the blame, take conditional responsibility.
Lead  Coalition for Rainforest Nations

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 – additionality, project leakage, permanence.



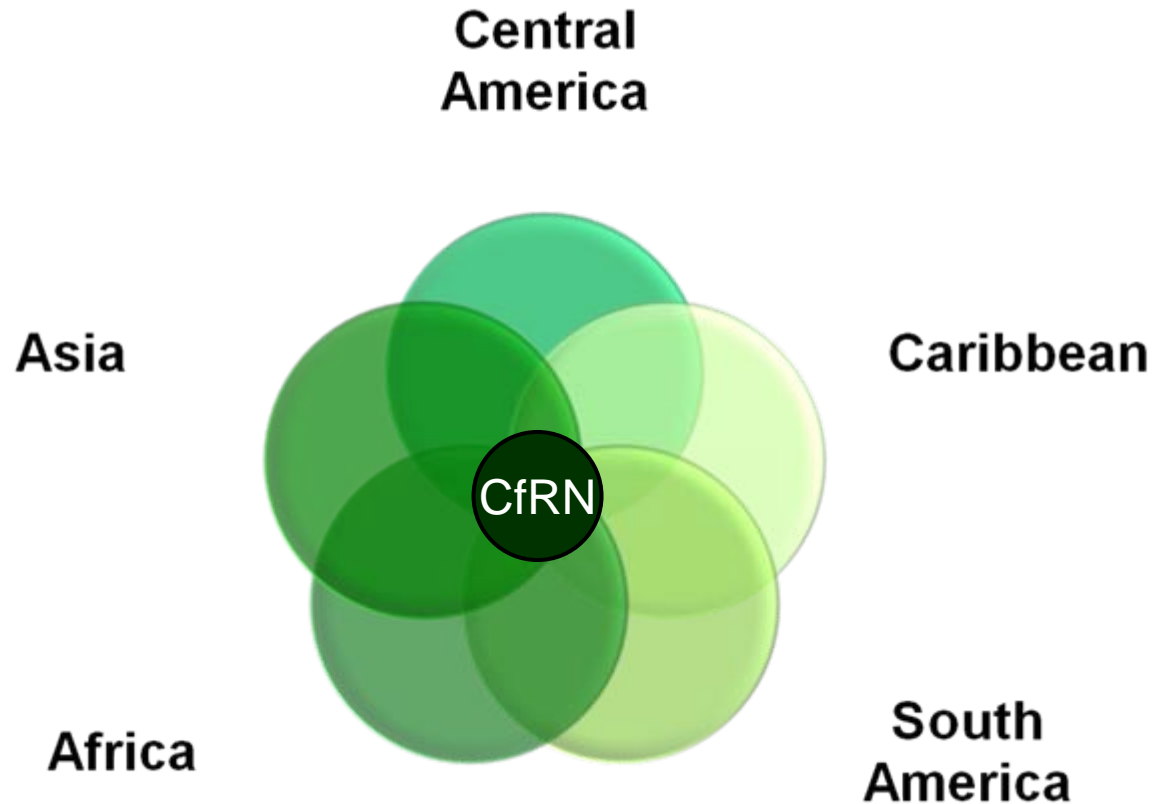
Emergence



- 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, agrees 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, Decision on REDD

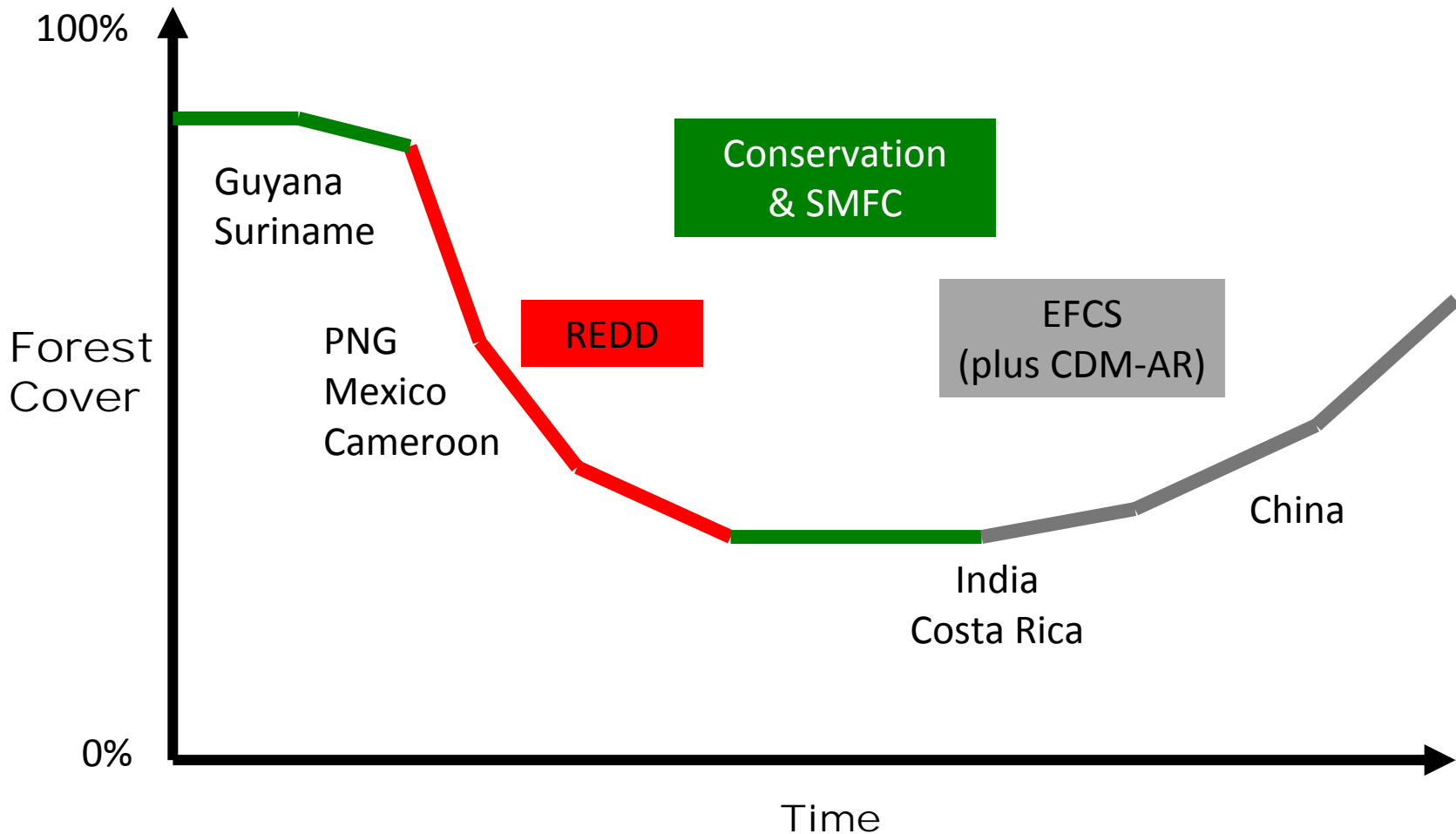


Rainforest Coalition



Interregional Policy Development & Consensus

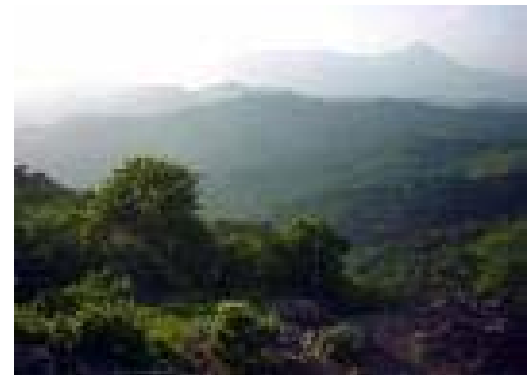
National Circumstance



Bali SBSTA REDD decision



- Rules for demonstration projects – reduces uncertainty for participants, facilitates integration with future compliance regime
- National accounting using IPCC. Sub-national demonstration activities only as step toward national approaches
- Anticipates reporting and independent review
- Encourages immediate action and agrees to consider this ‘early action’
- Silent on instruments for ‘positive incentives’



Bali Roadmap



- REDD decision is key part of overall negotiation for future framework at the 15th COP (Copenhagen, 2009)
- Expected to yield measurable, verifiable reportable actions on emissions mitigation, consistent with the deep cuts needed to avoid dangerous climate change
- Forest Degradation included. Consider conservation, SMF & enhancement of forest carbon stocks
- Post-2012 positive incentives 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?



- 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 BAU emissions trend
- 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.*



Moving Forward



Category I *Readiness*

Readiness

1. REDD Country -Led
2. Voluntary
3. Capacity Building
4. Analysis / Institutions / Policies / Demonstrate
5. Coordinated
 - REDD Platform
 - Agencies & IFIs
 - Activities
 - Funding
 - Methods
 - Performance
6. Small Demonstration Activities

US\$ 250-US\$ 1 B

Category II *Scaling-Up*

Scaling-Up

1. Expand Implementation
2. Voluntary
3. No Time Limits
4. Under Convention
5. Ex-Post Incentives
6. Flexible Demonstration
 - National
 - Sub-National/Project (Displacement)
7. Methods: IPCC GPGs
8. ODA + Market Linked
9. Demonstration Trading

US\$ 5 – US\$ 10 B/Y

Category III *Future Markets*

Future Regimes

1. MRV Market Activities
2. Voluntary
3. Fully Fungible
4. National Accounting
5. Flex. Implementation
6. Methods: IPCC GPGs
7. Ex-Ante Credit
8. Participation
 - Reference Level
 - Development Adj.
 - Early Action
9. End of Term
 - Reserves /Carry-Over
10. Additional to CDM
11. Supply = Demand

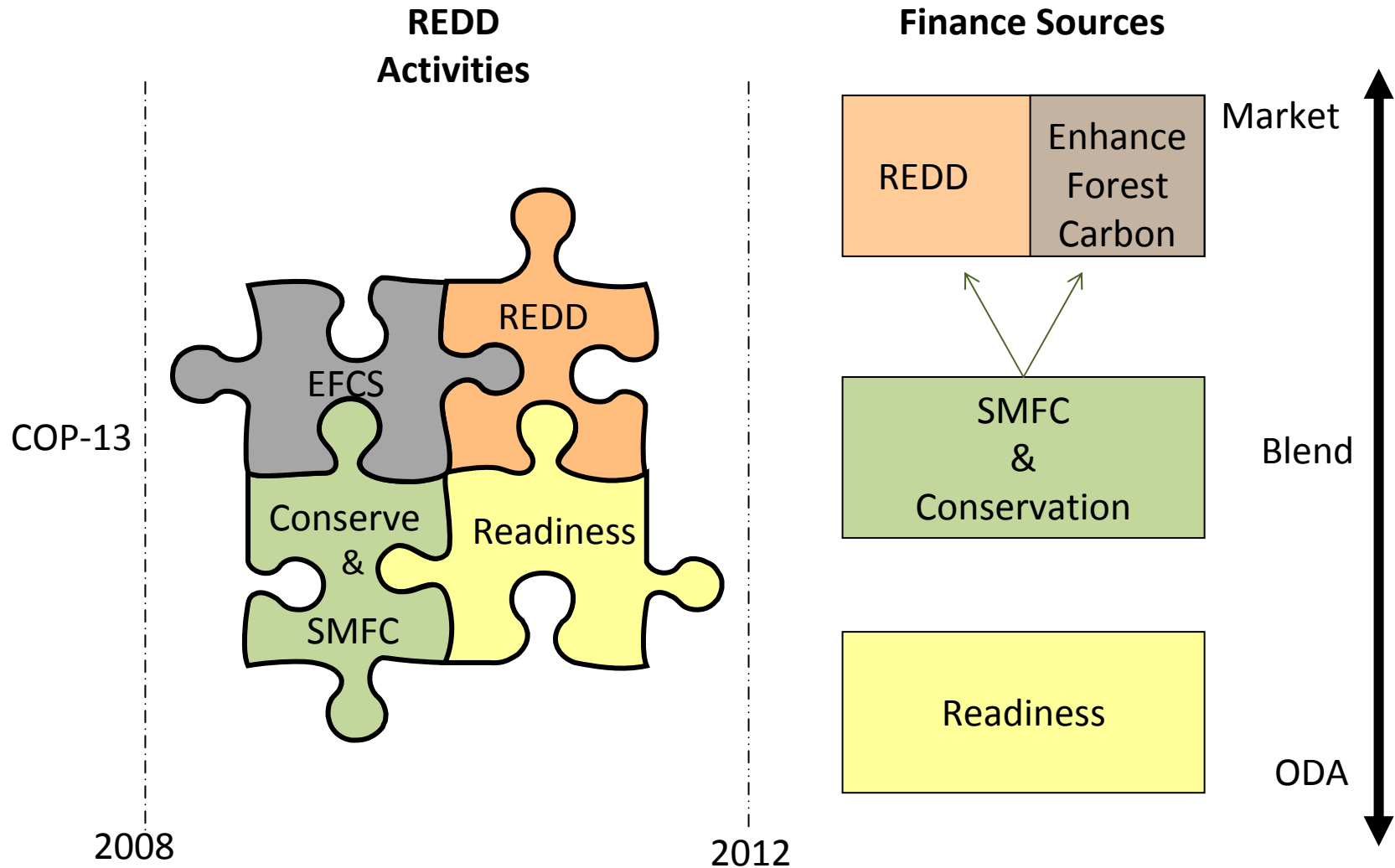
US\$ 10–US\$ 40 B/Y

2008

2010

2012+

Basket of Instruments

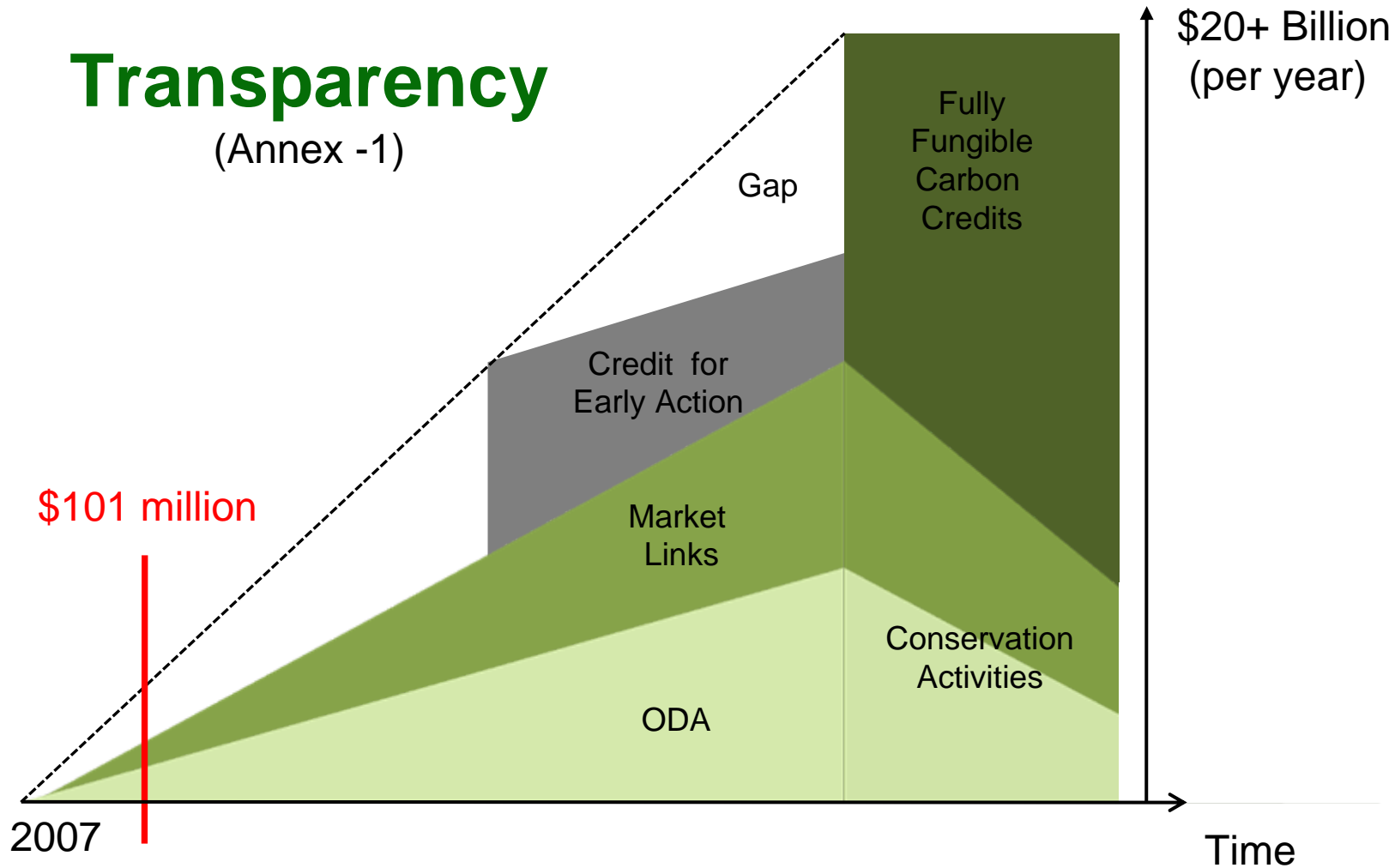


REDD Funding Sources

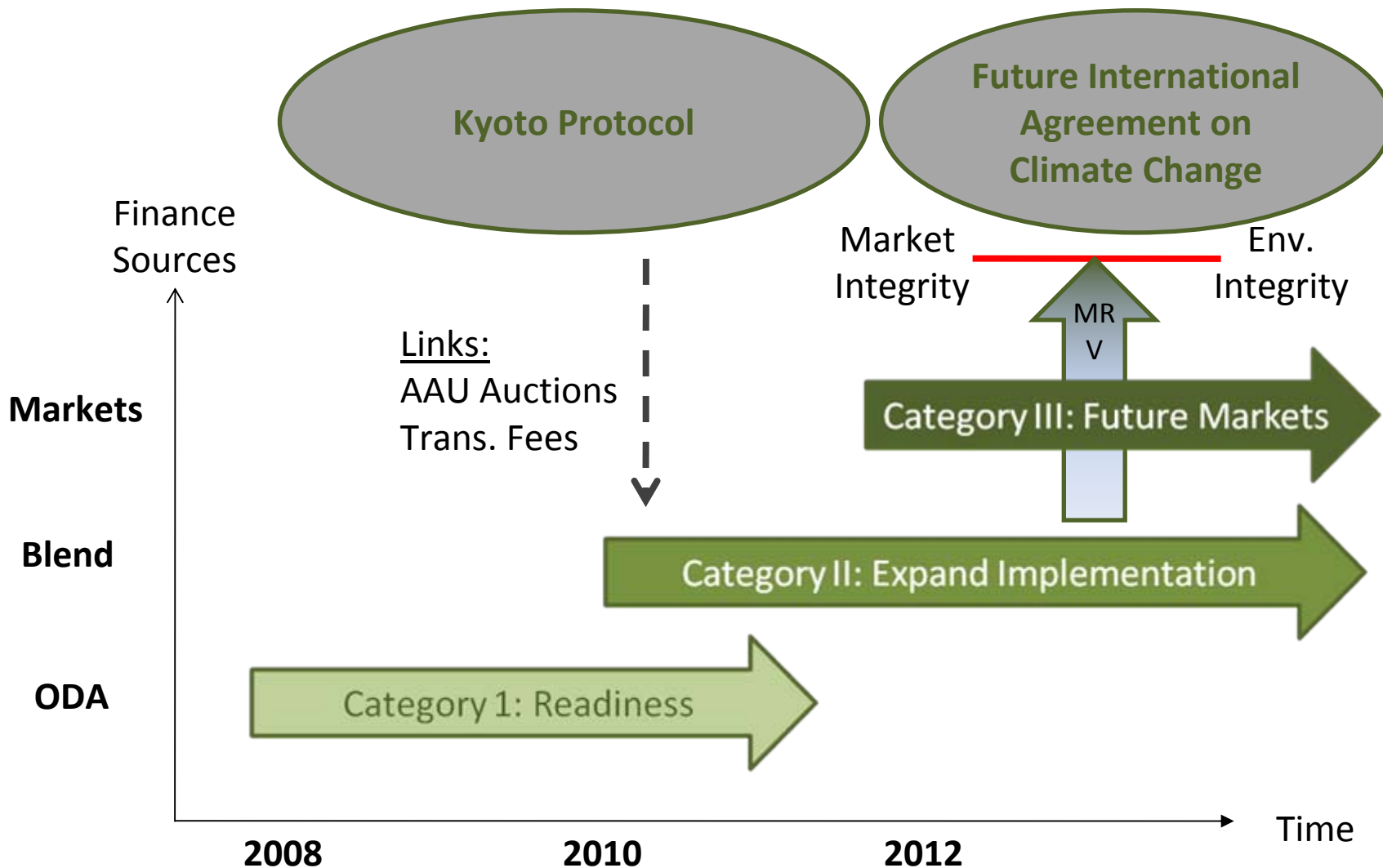


Transparency

(Annex -1)



Mobilizing Resources



Global Forest Carbon



FCPF

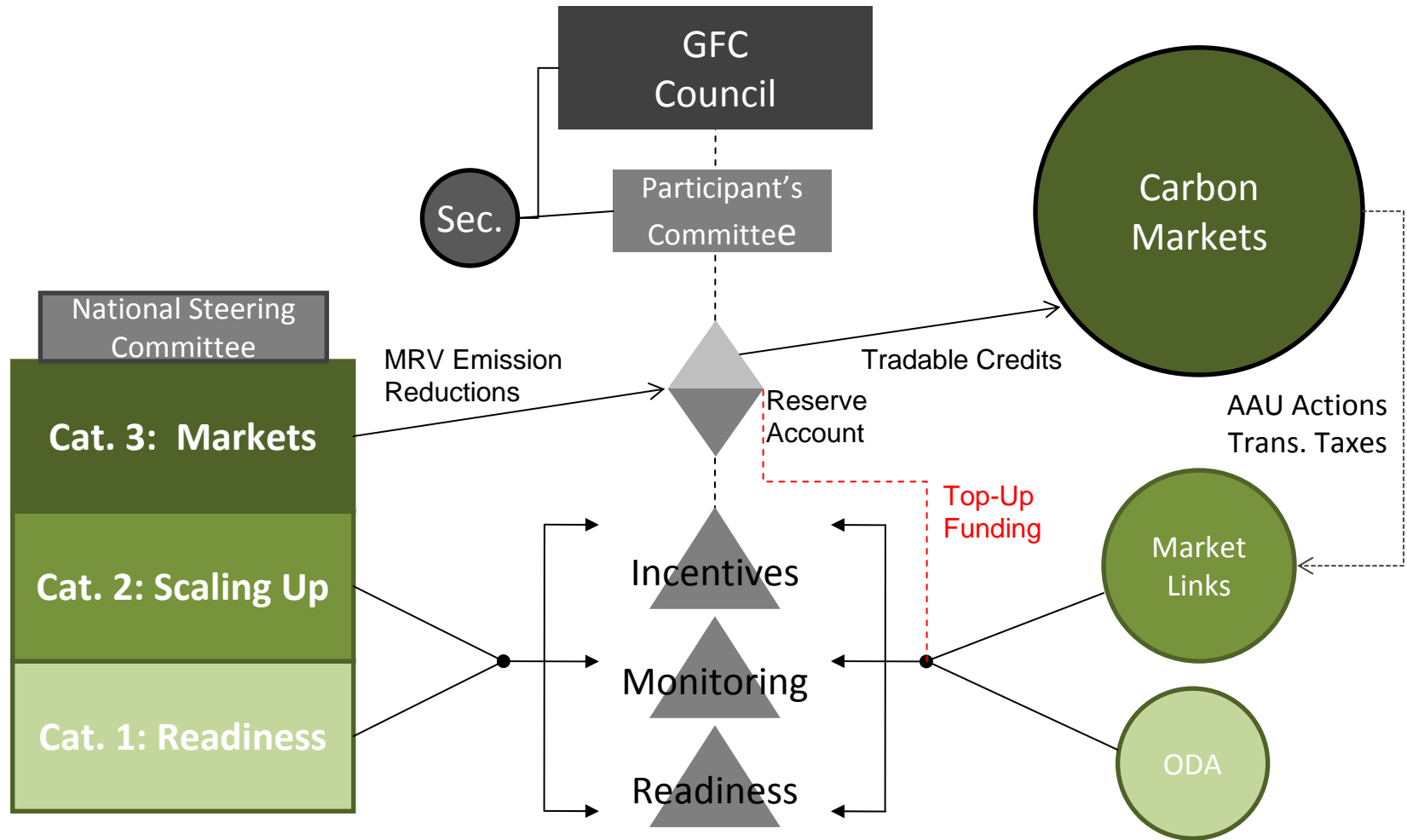
- Board of Governors
- Participant's Committee
- Participant's Assembly
- Secretariat (WB & UN)
- Carbon Fund PC
- Funding Coordination
- Facility Mgmt. Team
- Lead Country Coordinating Agency
- Tech. Advisory Panels
- National Steering Committee
- \$74 million
- \$10 billion+ (target pre-2012)
- 45 REDD Countries
- 60+ REDD countries
- 10+ Donor Countries
- 20+ Donor Countries

GFCC

UN-REDD

- Policy Board
- Technical Secretariat
- Multi-Donor Trust Fund
- Participating UN Org.
- National Steering Committee
- \$35 million
- 9 REDD Countries
- 1 Donor Country

Global Forest Carbon



Leadership



The Parties should protect the climate system for the benefit of present and future generations of humankind, **on the basis of equity and in accordance with their common but differentiated responsibilities** and respective capabilities. Accordingly, the **developed country Parties should take the lead** in combating climate change and the adverse affects thereof.

– UNFCCC, Clause 3.1