

# An Overview of REDD, REDD plus and REDD readiness

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# Outline

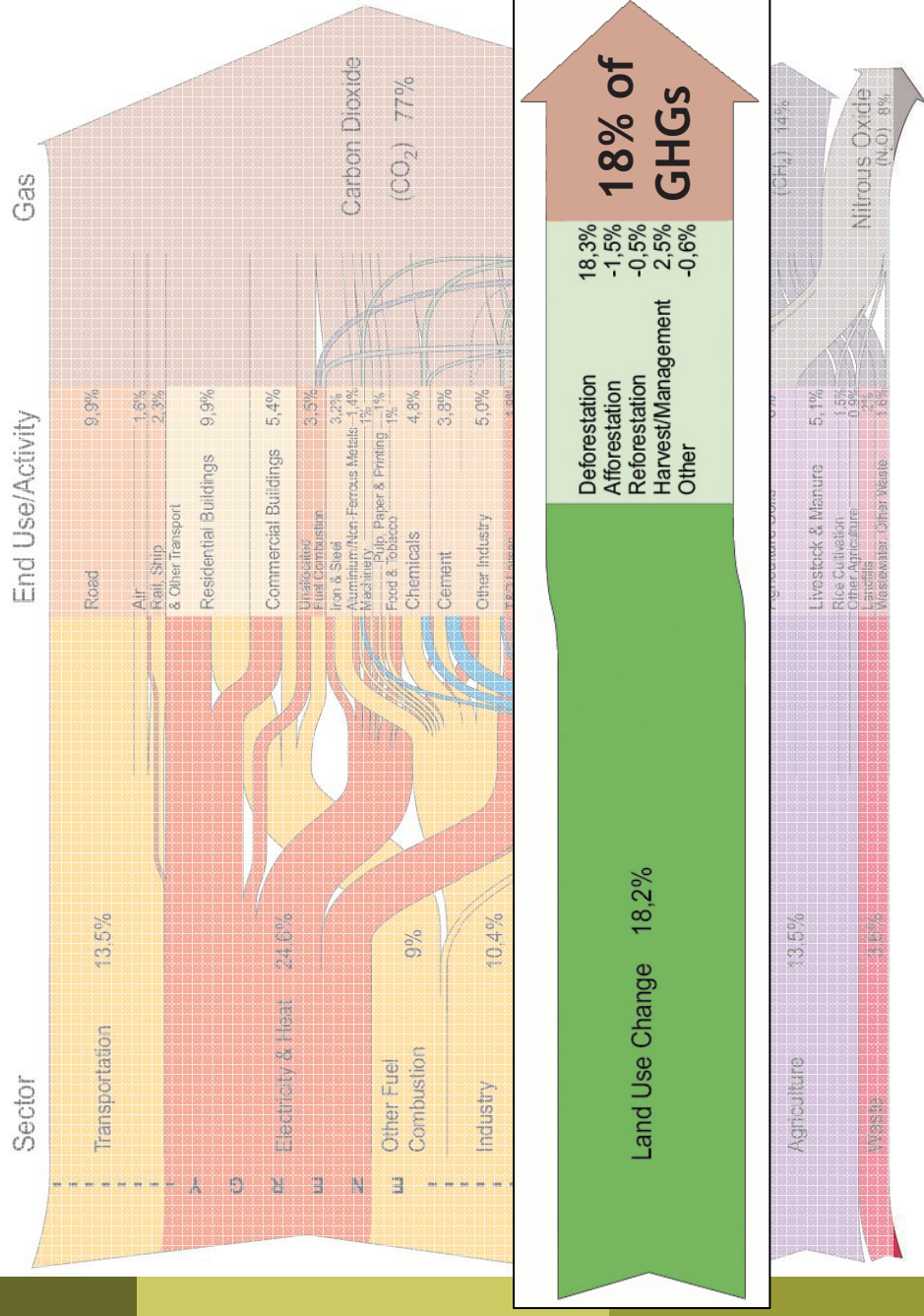
- Forests and Climate Change
- Why focus on carbon emissions?
- Origins of REDD, REDD plus
- What is REDD?
- What is REDD plus?
- Mitigation options under REDD/REDD plus
- What is REDD readiness?
  - Phases of REDD, support for readiness, analysis of R-PINs
- Key issues related to REDD/REDD Plus
- Relationship between REDD and Carbon Markets
- Questions to ponder

# Forests and Climate change

- Sinks: remove CO<sub>2</sub> from the atmosphere
  - Forests and other terrestrial sinks absorb 2.6 GtC annually (AR4)
- Reservoirs: keep carbon as biomass
  - According to FAO estimates forests store about 638 GtC
- Sources: releases gases like carbon dioxide and methane when forests are destroyed
  - Deforestation and other land-use activities emit 1.6 GtC annually (AR4)
  - Forest sector, mostly deforestation, accounts for 17 % of the total anthropogenic GHG emissions
- Affected by climate change and a possible option for adaptation.
  - In turn leads to emission

# Why focus on forest carbon emissions?

## World GHG Emissions by Sector



### Deforestation:

- Emits 2 BtC/yr (FRA '05)
- 18% of total GHGs
- 25% of anthropogenic CO<sub>2</sub> emissions
- Greater than combined emissions from road, rail and ship transportation plus electricity/heat from commercial buildings

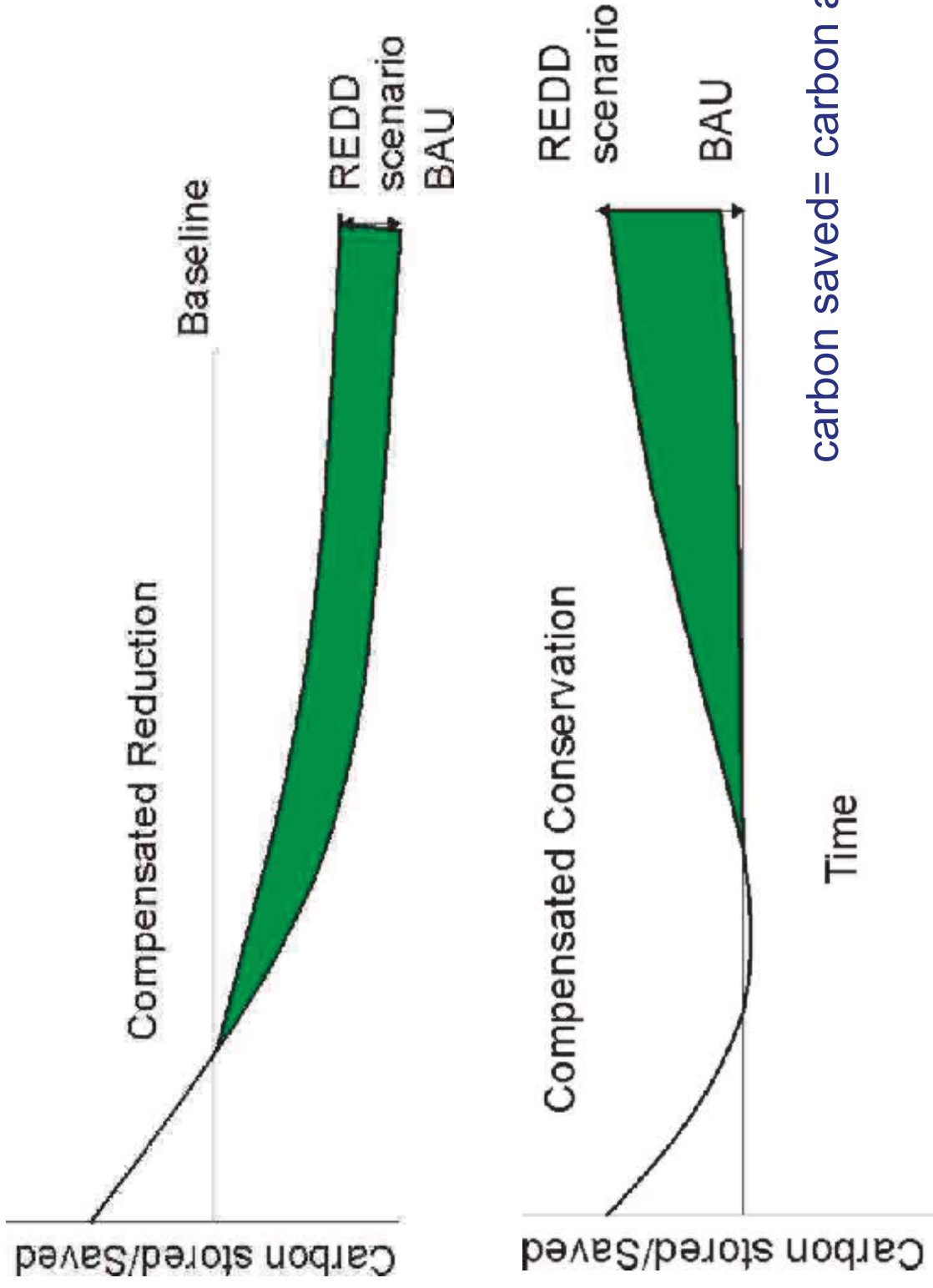
All data is for 2000. All calculations are based on CO<sub>2</sub> equivalents, using 100-year global warming potentials from the IPCC (1996), based on a total global estimate of 41 755 MtCO<sub>2</sub> equivalent. Land use change includes both emissions and absorptions. Dotted lines represent flows of less than 0.1% percent of total GHG emissions.

Source: World Resources Institute, Climate Analysis Indicator Tool (CAIT), Navigating the Numbers: Greenhouse Gas Data and International Climate Policy, December 2005; Intergovernmental Panel on Climate Change, 1996 (data for 2000).



# Origins of REDD, REDD plus

- ❑ Compensated Reduction (in deforestation) proposed by Coalition of Rainforest Nations at CoP 11 in Montreal in 2005
- ❑ In subsequent SBSTA meetings and workshops degradation was also discussed and included
- ❑ Compensated Conservation suggested by India (2007) and supported by others



Source: ICFRE, 2007

## Bali Action Plan (COP 13)

The Bali Action Plan calls for:

“Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of **conservation, sustainable management** of forests and **enhancement** of forest carbon stocks in developing countries;” [FCCC/CP/2007/6/Add.1, 14 March 2008; Decision 1/CP.13 [BAP], paragraph 1(b)(iii)]

# What is REDD?

- **Basic idea is simple:** “Developing countries willing and able to reduce their deforestation rate keyed to a reference time period will receive financial compensation. Transfers will be based either on foregone opportunity costs or on the value of carbon market prices.”
- **New (last?) opportunity:** Previous global approaches to curb deforestation have been unsuccessful. REDD provides a new framework to break this trend.
- **Objectives:** Primarily *emissions reductions*...but has the potential to deliver a range of “co-benefits” e.g. poverty alleviation in forest areas, biodiversity conservation...

\* Schmidt & Scholz. 2008. Reducing Emissions from Deforestation and Forest Degradation in Developing Countries: Meeting the main challenges ahead. German Development Institute Briefing Paper 6/08. Cited in “Little REDD Book.”



# What is REDD plus?

- As defined in BAP: **conservation, sustainable management** and **enhancement** of carbon stocks.
- Plus activities came into greater prominence since Bonn 2009.
- Plus activities are not directly linked to emissions reductions.
- Rather, a call for funding/investment for tropical forests, which store carbon, increase sequestration, create rain, moderate weather conditions and protect biodiversity.
- **Most mechanisms and funding options, however, are still trying to deal with the question of 'perverse' incentive.**

# Mitigation options under REDD/REDD plus

<i>Mitigation Options</i>	<i>Objective</i>	<i>Policy instrument</i>	<i>Activities</i>
<b>Reducing GHG Emissions</b>	<b>Reducing deforestation</b>	<b>REDD (first D)</b>	<b>Maintaining existing carbon pools through, law enforcement, governance reforms, tenurial reforms, SFM, payments for environmental services</b>
	<b>Reducing degradation</b>	<b>REDD (second D)</b>	<b>Maintaining existing carbon pools/restoring lost carbon pools through SFM, PES in the form of credits for carbon sequestered/emission avoided</b>
<b>Increasing Sequestration</b>	<b>Enhancing existing forests/increasing forest cover</b>	<b>REDD+</b>	<b>Restoring lost carbon pools &amp; creating new carbon pools in forest areas</b>
	<b>Creating new forests</b>	<b>CDM A/R</b>	<b>Creating new carbon pools Agroforestry and Plantations</b>



# What is REDD Readiness?

- **Ready for what?** Generally, a post-2012 REDD payment mechanism funded by multilaterals...with an eye to preparing for integration with private carbon markets.
- *Countries eligible for REDD have low forest governance capacity and require serious capacity improvements to execute REDD activities and handle REDD \$\$ effectively and equitably*
- Initially, “readiness” focused on:
  - Preparing effective and equitable strategy to reduce emissions, developed through local stakeholder consultations.
  - Institutional, technical, human capacity building
  - Designing/implementing MRV systems; forest carbon accounting
  - Developing baselines/reference scenarios against which deforestation reductions can be measured

# What is REDD Readiness?(2)

- Now, wide recognition that most crucial factors for successful preparation are broader governance issues (ODI Dec. 2008: “The REDD road to Copenhagen”; RRI Oct. 2008: “Foundations for Effectiveness”)
  - Transparent, equitable and accountable benefit sharing mechanisms
  - Safeguards and grievance mechanisms to protect the interests of the poor
  - Clarification/reform of land, forest and carbon tenure

# Ongoing REDD and readiness initiatives

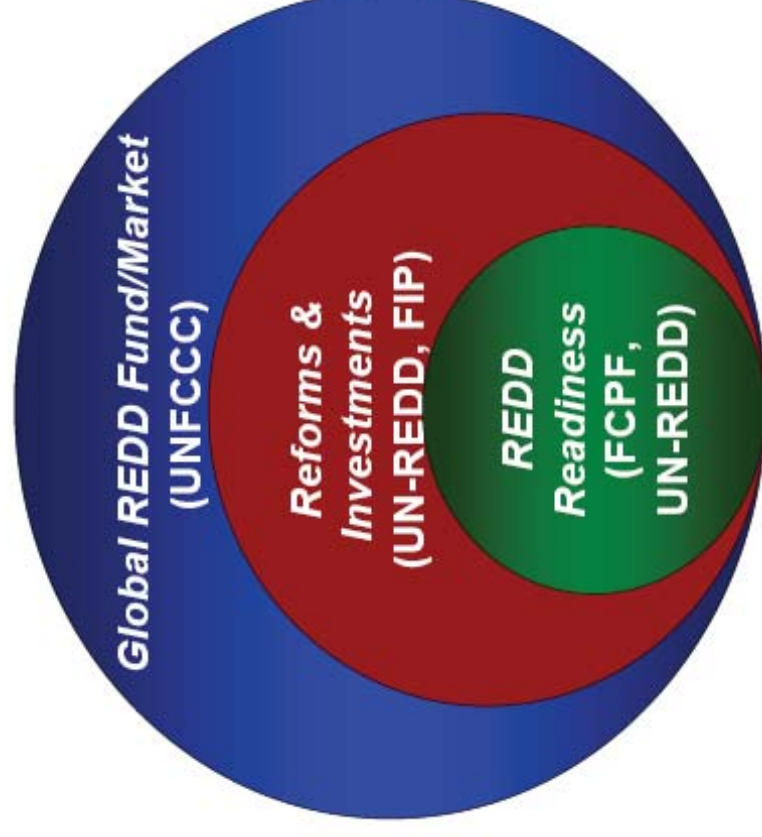
- Liberia: Adopted a new Forest Policy in 2006 and a National Forest Strategy
- Madagascar: based on experience of three demonstration projects started national level discussion on REDD
- Congo Basin countries: a regional approach to monitoring forest cover
- Brazil: Amazon Fund; the Juma Sustainable Development Reserve Project
- Bolivia: Noel Kempff Climate Action Project since 1995; working on a national level programme
- Mexico and Costa Rica: PES in place
- Indonesia: developed a national level REDD strategy and developing demonstration projects; partnership with Australia's International Forest Carbon Initiative
- PNG: partnership with Australia's International Forest Carbon Initiative

Source: Johns and Johnson.2009:An overview of Readiness for REDD



# Phases of REDD Mechanism

- Phase 1: Initial support for national REDD strategy development (REDD Readiness) financed by voluntary contributions, grants
  - FCPF, UN-REDD,
- Phase 2. Financing linked with performance in the implementation of the national REDD strategy and reforms
- Phase 3: Financing instrument rewarding performance in quantified forest emission reductions and removals against agreed reference levels (Market based mechanism).



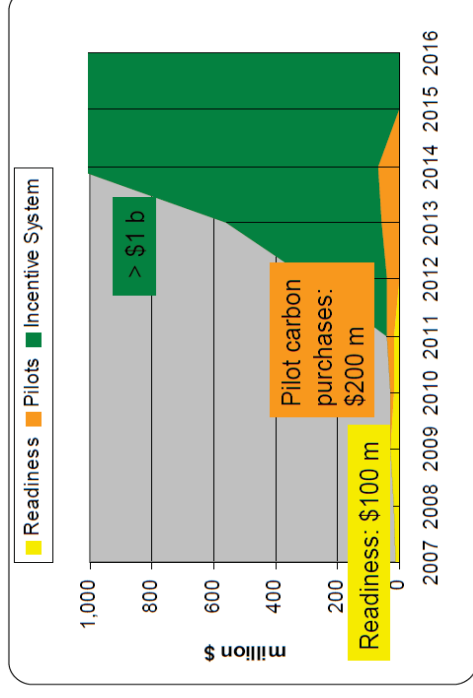
Source: Angelson *et al*, 2009

Source: FCPF ppt, 2009

# Support for REDD and Readiness

- World Bank
  - Forest Carbon Partnership Facility (A readiness fund and a carbon fund)
    - 37 countries and 37 R-PINS
    - 3 RPPs assessed (Guyana, Panama and Indonesia) for preparation of national REDD strategies and MRV system
  - Forest Investment Programme
    - Upfront bridge finance for readiness reforms and transformational investments including investments outside forest sector.

FCPF presentation, 12/8/07  
(“Incentive System” i. e. private carbon market)



## Support for REDD and Readiness(2)

- UN-REDD Programme (UNDP, UNEP and FAO-Delivering as One)
  - Assisting developing countries to address capacity development, governance and technical needs to support for effective participation in future REDD mechanism; supporting the development of guidance and standardized approaches based on sound science
  - 9 “Quick Start” countries
- Governments: UK, Norway, Australia, Germany
- Private Foundations: Clinton Climate Initiative, Packard Foundation, Moore Foundation, Forest Philanthropy Action Network



Analysis of R-PINs shows poor consultation and superficial treatment of land tenure and carbon ownership

- *"The R-PINs identify a broad spectrum of governance challenges (sometimes to a significant level of detail), including but not limited to: outdated or unclear forest laws, poor policy harmonization across sectors, unclear land tenure rights, and overly complex regulation and systems for law enforcement.*
- *However, little attention has been given at this stage to how these challenges might be addressed and overcome as part of a comprehensive, long-term strategy to reduce deforestation and degradation."*

**Source: Davis, Crystal et al. 2008 . "A Review of 25 Readiness Plan Idea Notes from the World Bank Forest Carbon Partnership Facility". WRI Working Paper. World Resources Institute, Washington DC**

## Analysis of R-PINs shows poor consultation and superficial treatment of land tenure and carbon ownership (2)

- None of the R-PINs discusses issues of Free, Prior and Informed Consent
- Land tenure and customary rights are only given superficial treatment and existing land tenure conflicts and unresolved issues are not discussed (Panama, Guyana, DRC)
- Vague about benefits to communities and about benefit distribution mechanism

Source: Dooley et al. 2008. Cutting Corners (analysis of nine sample R-PINs)

# Key issues

- Design issues
  - Scale (national, sub-national and nested approaches)
  - Baseline line/Reference line
  - MRV (Definition of forest, deforestation, degradation; net deforestation vs gross deforestation)
  - Multiple benefits
  - Permanence (Temporary nature of credits)
  - Leakages
- Other issues
  - Addressing causes of deforestation
  - Financing: market and/or fund based?
  - Rights of indigenous communities, forest dwelling and forest dependent communities (tenure, livelihoods)
  - Benefit-sharing mechanism

# Relationship between REDD and

## Carbon markets

- If REDD credits are traded in the current carbon markets, it might
  - Flood market with cheaper credits
  - Affect other mitigation options and environmental integrity of emission reductions

Proposals to address the concerns

- Full fungibility with deeper commitments
- Controlling fungibility of REDD credits in a dual market
- Creating a new trading unit specific for REDD

# Proposals for integrating REDD into carbon markets

- Dual markets: CCAP
  - A separate but market linked scheme
  - Demand generated by transferring a share of Annex 1 commitments to the new market
- Tropical Deforestation Emission Reduction Mechanism (TDERM)
  - A separate unit: Tropical Deforestation Emission Reduction Unit (TDERU)
  - Like dual market proposal, a market linked scheme
  - Transferring some commitment from current market to REDD market
  - A minimum and maximum limit would be set.

## Finally..

- REDD/REDD+ is not just about money... it is about good governance
- It is not just about carbon... it is about welfare of people through forests, and multiple products and services from forests

# Questions

- Are REDD projects/readiness projects addressing developing country concerns?
- Are they addressing basic drivers of deforestation and degradation?
- Are they supporting local governance and tenurial reforms ?
- Are they country driven or driven by experts?
- What lessons can be drawn from pilot projects on REDD and from past efforts to conserve forests and reduce deforestation?

*Thank you...*

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# Background

- Agreements in Bali to deal with carbon emissions from forests
- Schemes that are being implemented and under consideration include REDD/REDD+/voluntary carbon markets/dedicated funds.