

## Entering Readiness Phase for Full REDD Implementation

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## Outline

- Setting the scene
- Can we afford to miss the opportunity?
- The criteria for readiness
- Is a readiness index needed?
- Concluding remarks

## Some numbers

- Total emissions p.a.: 7.2 GtC (27 Gt CO<sub>2</sub>)
  - Fossil fuels: 5.6 GtC (21 Gt CO<sub>2</sub>)
  - LUCF: 1.6 GtC (6 Gt CO<sub>2</sub>)
- LUCF contributes: 20%
- Forest area: 1.3 Bha
- Deforestation rate: 11 Mha/y (1%/y)
- Deforestation contributes: 0.25%/y to soybeans  
6%/y to oil palm
- Initial opportunity costs: US\$ 5-10 billion/y  
0.02% of world GNP  
13% worldwide ODA
- Forest exports US\$ 17 billion/y

## Biofuels development

- Is it really green or climate neutral?
- Oil palm expansion increases GHG emissions
- Growing biofuels market increases scarcity and price of cooking oil
- Can we avoid deforestation while promoting biofuels?

## Time frame of the UNFCCC Processes

Timeline: 1990 (Kyoto Base year), 97 (Kyoto), 2002 (Marrakesh), 07 (Bali), 08 (Copenhagen), 09 (Copenhagen), 12 (Full REDD Implementation), Post 2012.

1<sup>st</sup> Commitment Period: 1997-2012

REDD Readiness Phase: 2007-2012

## Bali Action Plan

- Four building blocks
  - Mitigation of CC - incl. reduced emissions from deforestation and forest degradation (REDD) in developing countries
  - Adaptation to CC
  - Technology transfer
  - Financial mechanism
- AWG to achieve new target beyond 2012
- Two tracks to achieve the target
  - UNFCCC (COP): Without target but referring to the IPCC Report
  - Kyoto Protocol (COP/MOP): 25-40% from 1990 emission level in 2020
- Negotiation processes will end in COP15

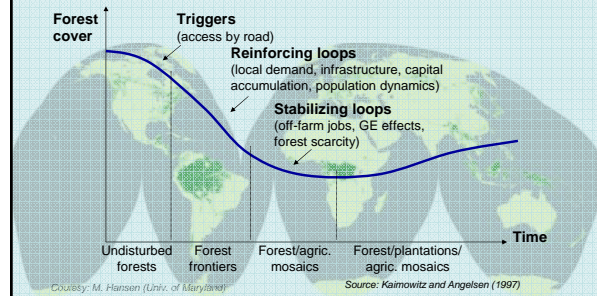
## "Forest Day" illuminated areas for consensus-building and research

- Better data and methods
- Role of markets
- Managing trade-offs



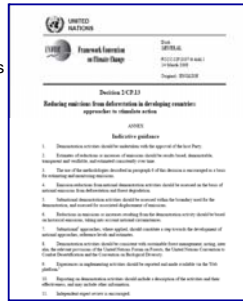
## Can we afford to miss the opportunity?

Priority area should be identified within countries so that payments or incentives can be focused on those about to deforest and no international leakage

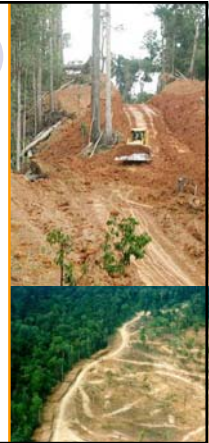
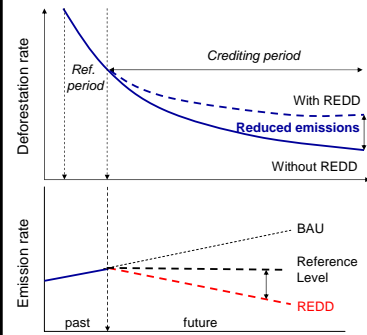


## Criteria for readiness are needed

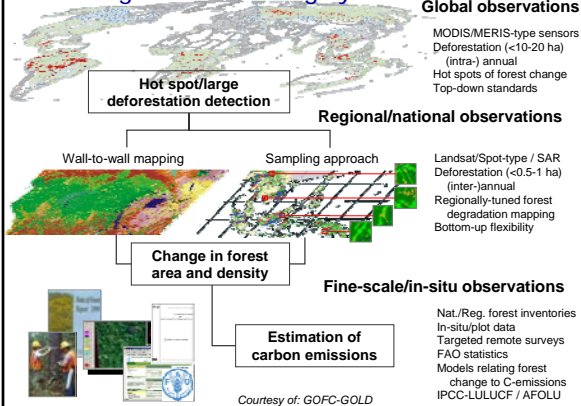
- Methodological issues
  - Reference level
  - Monitoring and accounting systems
- The causes of deforestation
  - Market failures
  - Misguided policy interventions
  - Governance failures
- Demonstration activities
- National registry system
  - National entity
  - Sub-national project activities



## Reference level

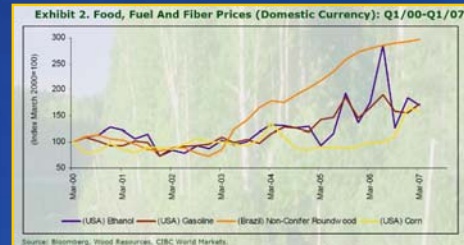


## Monitoring and accounting systems



## UCD: Market failures

- Commodity prices continue to rise
- Forest products, carbon, biodiversity, water and other ecosystem services remain underpriced



Source: Roberts (2007)

## UCD: Misguided policy interventions

- Structural overcapacity in pulp and paper sector
- Insufficient fiber supply from plantations



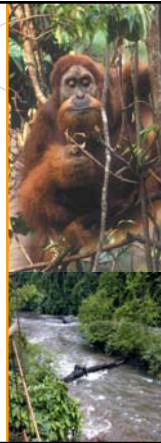
## UCD: Governance failures

- Unclear property rights
- Overlapping jurisdictions
- Non-transparent decision-making
- Weak law enforcement and judicial systems

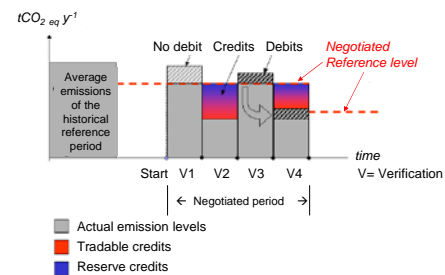


## Demonstration activities

- To promote project activities at national and sub-national level
- To represent “carbon assets” in various types of forest ecosystems
- To explore PES – beyond carbon (biodiversity, water, pollinators etc)
- To promote benefits for forest-dependent community
- To exercise financial distribution (tradeoffs between efficiency and equity)



## National registry system is needed



Source: Pedroni et al., 2007

## Is readiness index needed?

- Based on the said criteria
  - Methodological issues
  - Address the underlying causes of deforestation
  - Demonstration activities
  - National registry system
- Evaluated against properly defined indicators
  - Tested at project level
  - Reflect global, national and local interests
- Assessed during the readiness phase
  - Involve local governments and NGOs
  - Establish the 'designated national authority'

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## Not ready..... your transaction is being negotiated



## Concluding Remarks

- National reference level is both technical and political issues
- Understanding the underlying causes of deforestation is key for REDD implementation
- Project activities at sub-national level should be identified and encouraged
- In addition to national efforts, regional/local capacity building is needed
- Legitimate national registry system supported by strong forest governance is crucial