



**Reducing emissions from
deforestation (and degradation)
in developing countries**

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Background

- It has long been known that tropical deforestation accounts for about 20% of global greenhouse gas emissions – about the same as USA.
- It is thus vital to try to limit deforestation for climate-related reasons. Also for biodiversity and many other reasons.
- Yet this has proved hard to do and, at present, neither the Climate Change Convention nor the Kyoto Protocol aim to limit emissions from tropical deforestation.



The PNG proposal

- All this changed when PNG, Costa Rica and the Coalition for Rainforest Nations made a proposal at the Montreal COP in December 2005.
- The PNG and CfRN proposal is basically, that developing countries with forests would voluntarily undertake to reduce their emissions from deforestation and be compensated financially for this reduction.
- The proposal was welcomed by all countries, although not all agree on policy approaches.



Progress so far

- Since Montreal work has been underway to firm up the proposal, in the SBSTA.
- In Bali in 2007 it was decided to include REDD in a post-2012 climate regime.
- It was also decided to include forest degradation.
- Also, in addition to just REDD, at India's insistence, it was decided to include SFM and enhancement of carbon stocks too – strong support from China.
- Negotiations in both AWG LCA (mechanism) and SBSTA



What is REDD about and not about?

- It is about reducing emissions from deforestation and degradation
- It is not about being paid for standing stocks of carbon
- It was designed by PNG to overcome all of the old problems with “avoided deforestation”
- It is probably the last best hope to save tropical forests



Drivers

- Understanding the drivers for tropical deforestation is a key to knowing how to tackle the issue.
- To be effective, an international regime to limit emission from deforestation will need to provide sufficient resources to negate the driving forces behind deforestation.
- The level of financial resources required will be important in determining the type of international policy instrument required.

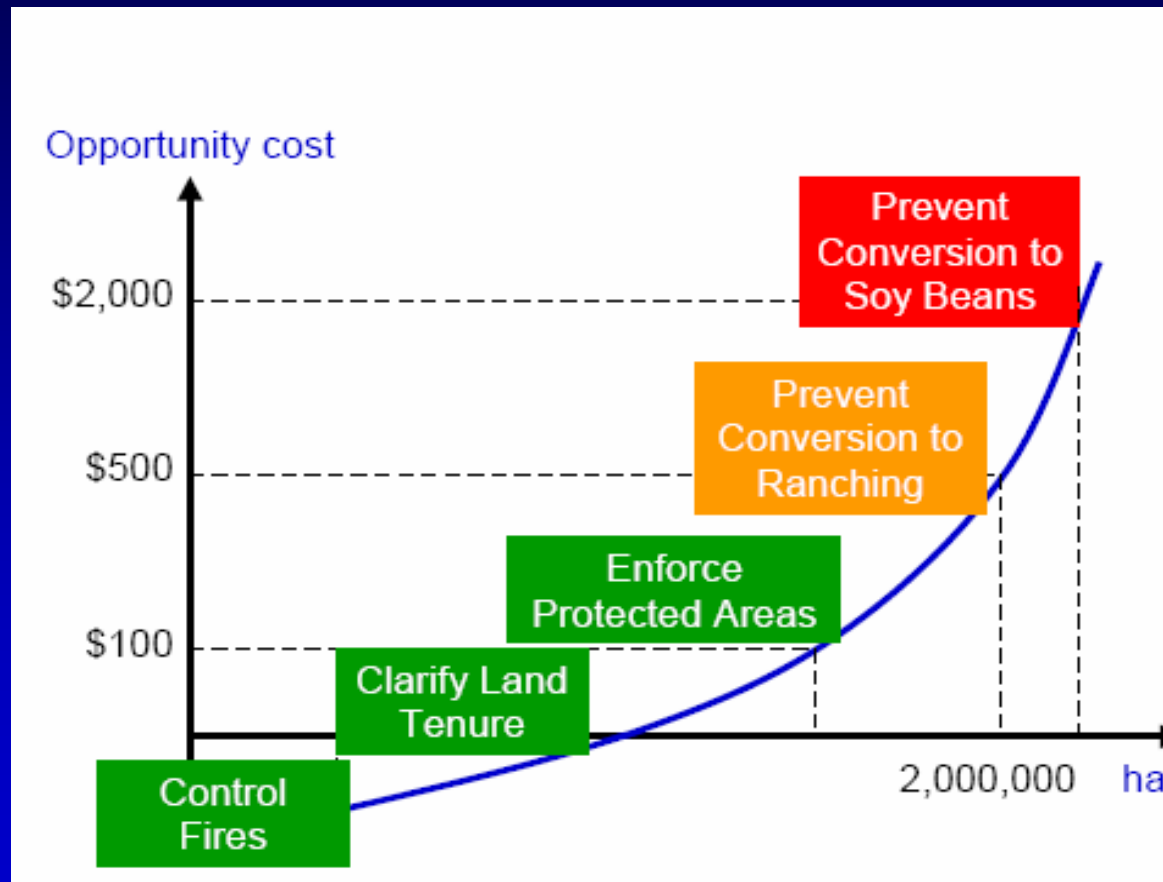


Drivers

- The costs of halting deforestation vary depending on the type of activity to be displaced – see next slide
- Costs may also vary from region to region and from country to country. SE Asian costs could be 5x higher than Latin America.
- Stern, estimates that “70 per cent of emissions from land use could be [be tackled by] around \$10 billion per annum initially”
- Other estimates suggest that costs could higher, at \$30/tCO₂, or much more with a biofuels boom.



Drivers



Policy approaches proposed

- Most support is for a market-based approach (PNG and most of CfRN, Indonesia, EU generally sympathetic) because this potentially offers sufficient money. However, concerns about market flooding.
- Brazil favours a fund approach, mainly because of concerns about long term commitments. Solves flooding problem creates disbursement problem. Also, where does \$10+ billion come from.
- Market linked approaches a possible solution. Hypothecation of auction allowances, GP TDERM.

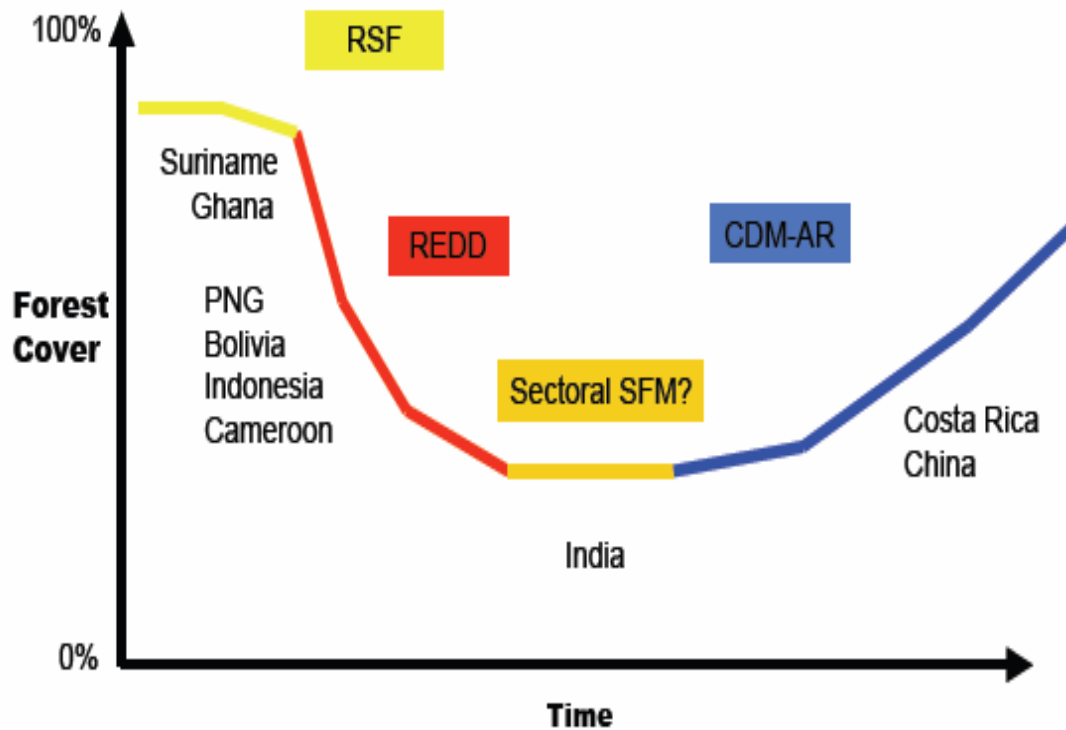


Scope: what to include?

- Should a regime just cover emissions from reduced deforestation, i.e. providing incentives to countries that are deforesting to limit that deforestation?
- Should it also cover the case where little deforestation is occurring at present (as in Surinam and Congo basin countries)?
- Might a regime also offer incentives to states that are reforesting (such as Costa Rica and China) or should afforestation and reforestation provisions under Kyoto cope with that?



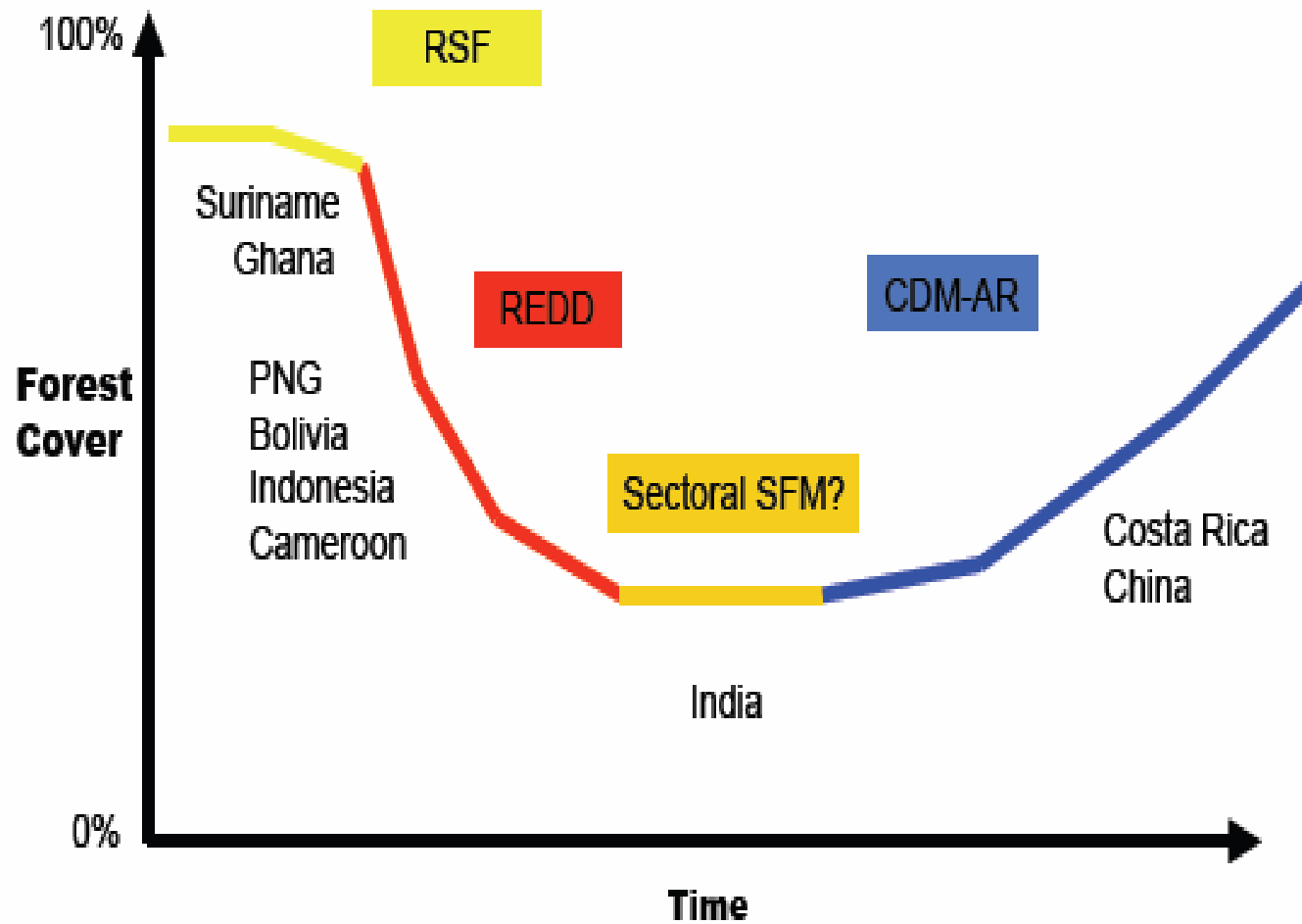
Scope



Bali and Accra outcomes: super-REDD

- It is now agreed that not only reducing emissions will be included in REDD but also stabilisation (India) and enhancement of carbon stocks (China).
- Also agreed that something must be done about Congo Basin countries (little deforestation).
- So REDD now includes all of forest transition curve.
- Good because ongoing income.
- Bad because hard to do and could be bad for biodiversity – plantations for natural forests.





A national baseline

- Without a national baseline you cannot measure national performance.
- Without a national baseline you could have a project to credit avoided emissions from one bit of a country's forest whilst the rest was razed to the ground.
- In and after Kyoto, no DC would take on a baseline.
- The PNG proposal changed all that in 2005.
- Almost everyone agrees that a national baseline is vital.



Poznan

- If anyone can find accomodation, the aim is to have a COP decision on SUBSTA issues on REDD, including biodiversity and local people.
- Fear is that if this is done with the decision on a mechanism in Copenhagen then much good stuff will be crushed in the rush.

