



Reducing Emissions from Deforestation in Developing Countries

Climate 2050 Conference

Montreal, Canada

25 October 2007

www.RainforestCoalition.org



Coalition for Rainforest Nations



Key Messages

- **Deforestation:** Reducing emissions from deforestation is possible and urgently needed.
- **Sustainable Development:** Catalyze gains toward climate stability, poverty reduction, biodiversity conservation, and rural development.
- **Positive Incentives:** Leading drivers are identifiable. In most cases, **higher carbon ‘incentives’ will drive greater emissions** reductions from deforestation.
- **Methodologies:** IPCC methodologies are approved and already in use. Minor refinements for DC’s.
- **Funding Available (20/20):** 20% of problem: 20% of solution. Deeper cuts of around 10% could provide revenues at necessary scale: \$5 - \$15 billion / year.

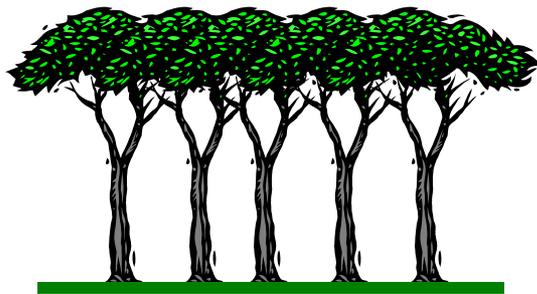
Deforestation Drivers

- **Foods:** Soya, Coffee, Cocoa, Sugar, Gardens, Ranching, etc.
- **Logging:** Low value exports, unsustainable practices.
- **Energy:** Fuel-wood in rural areas.
- **Development:** Roads, Mining, Power-Lines, etc.
- **Population:** Construction Growth drives above.

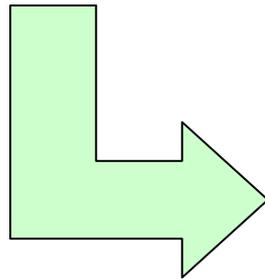
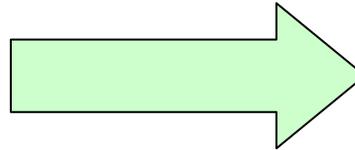
Perverse Incentives!



Land Use Change



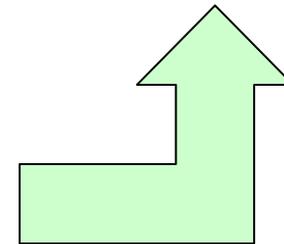
Deforestation



Degradation

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Conversion



Deforestation

Emission Sources

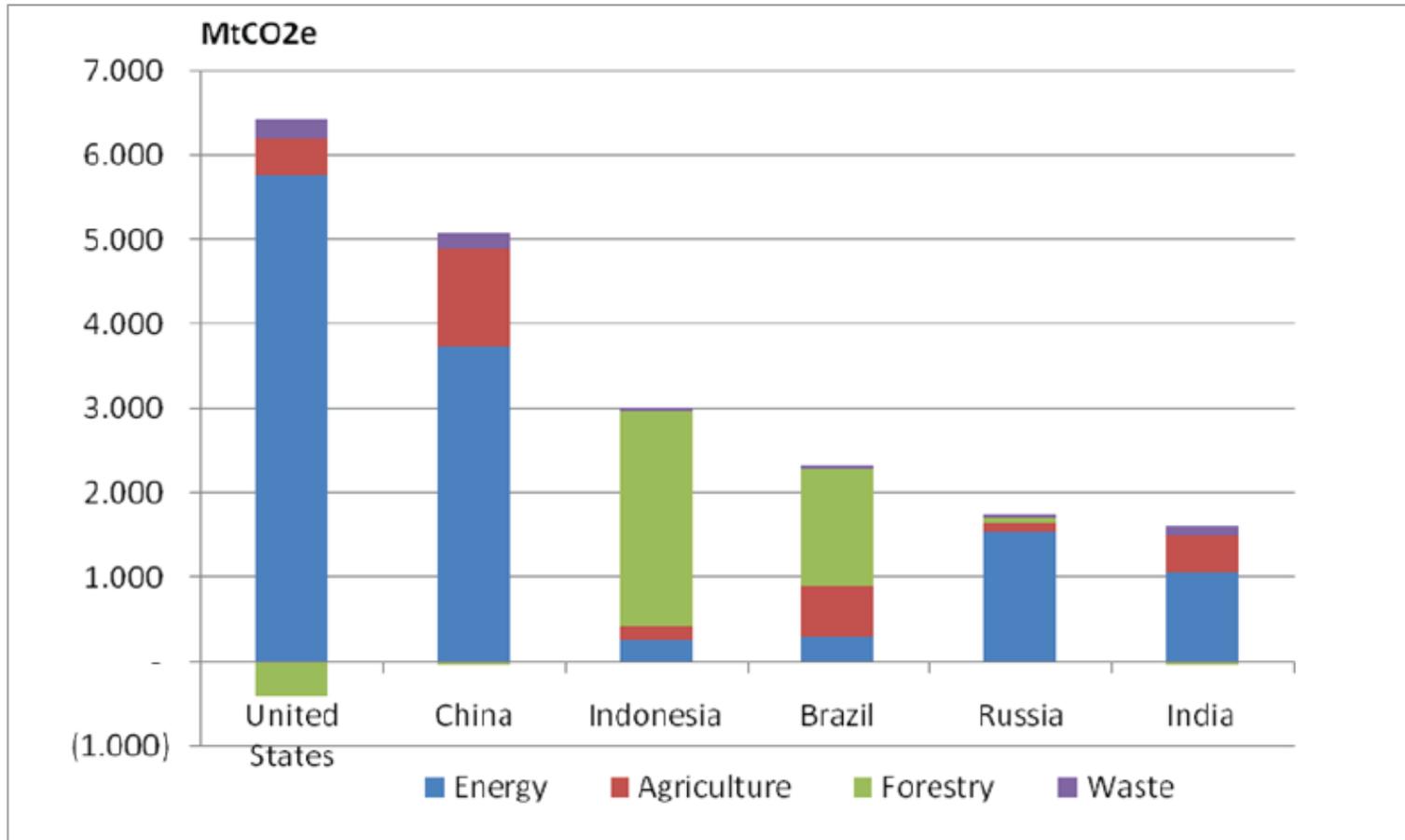


FIGURE 1. THE COMPARISON OF GHG EMISSION

Forest Cover Change

TABLE 2.5

Ten countries with largest annual net loss in forest area 2000–2005

Country	Annual change (1 000 ha/yr)
Brazil	-3 103
Indonesia	-1 871
Sudan	-589
Myanmar	-466
Zambia	-445
United Republic of Tanzania	-412
Nigeria	-410
Democratic Republic of the Congo	-319
Zimbabwe	-313
Venezuela (Bolivarian Republic of)	-288
Total	-8 216

TABLE 2.6

Ten countries with largest annual net gain in forest area 2000–2005

Country	Annual change (1 000 ha/yr)
China	4 058
Spain	296
Viet Nam	241
United States	159
Italy	106
Chile	57
Cuba	56
Bulgaria	50
France	41
Portugal	40
Total	5 104

Forest Cover Change

TABLE 2.7

Comparison of forest area estimates in FRA 2005 and FRA 2000

Region	FRA 2005 estimates			FRA 2000 estimates		
	Forest area (1 000 ha)		Annual change (1 000 ha/yr)	Forest area (1 000 ha)		Annual change (1 000 ha/yr)
	1990	2000	1990-2000	1990	2000	1990-2000
Africa	699 361	655 613	-4 375	702 502	649 866	-5 262
Asia	574 487	566 562	-792	551 448	547 793	-364
Europe	989 320	998 091	877	1 030 475	1 039 251	881
North and Central America	710 790	707 514	-328	555 002	549 304	-570
Oceania	212 514	208 034	-448	201 271	197 623	-365
South America	890 818	852 796	-3 802	922 731	885 618	-3 711
World	4 077 291	3 988 610	-8 868	3 963 429	3 869 455	-9 391

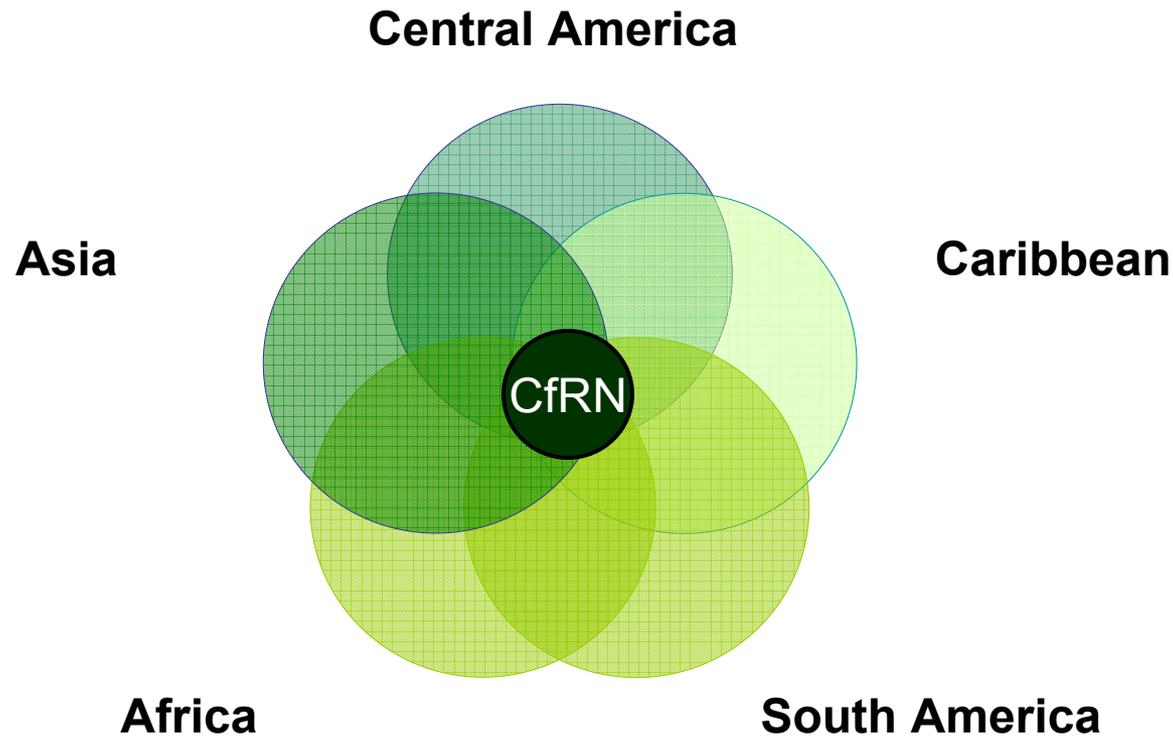
Rainforest Coalition

Cross Regional Partnership (30+ Nations)

- Africa
- South Asia
- Caribbean
- Central America
- Oceania
- South America



Rainforest Coalition



Policy Development & Consensus
Operate within G77 & China

G77 & China Conditions

- **DEEPER CUTS by Rich Nations**
- **VOLUNTARY Action by poor nations**
- **Real Benefits – climate and development**
- **Sovereignty over Forest Resources**
- **Differentiated Responsibilities**
- **Flexible Basket of Positive Incentives**
- **Equitable & Fair**

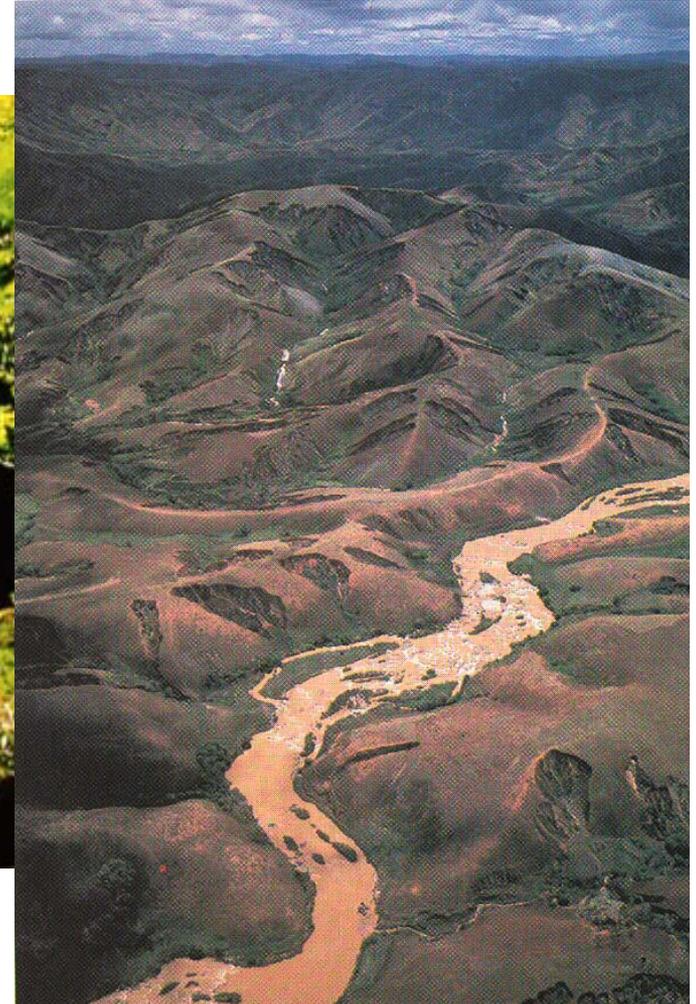


Global Impacts

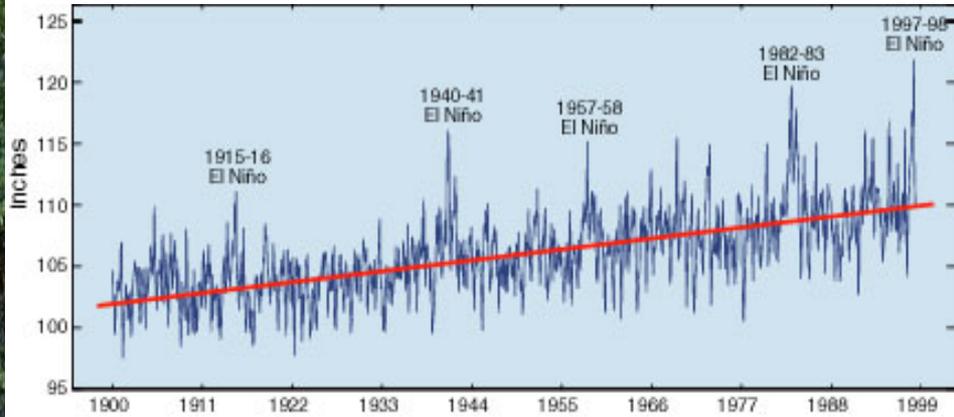
One billion acres of tropical forest lost



Water Quantity & Quality



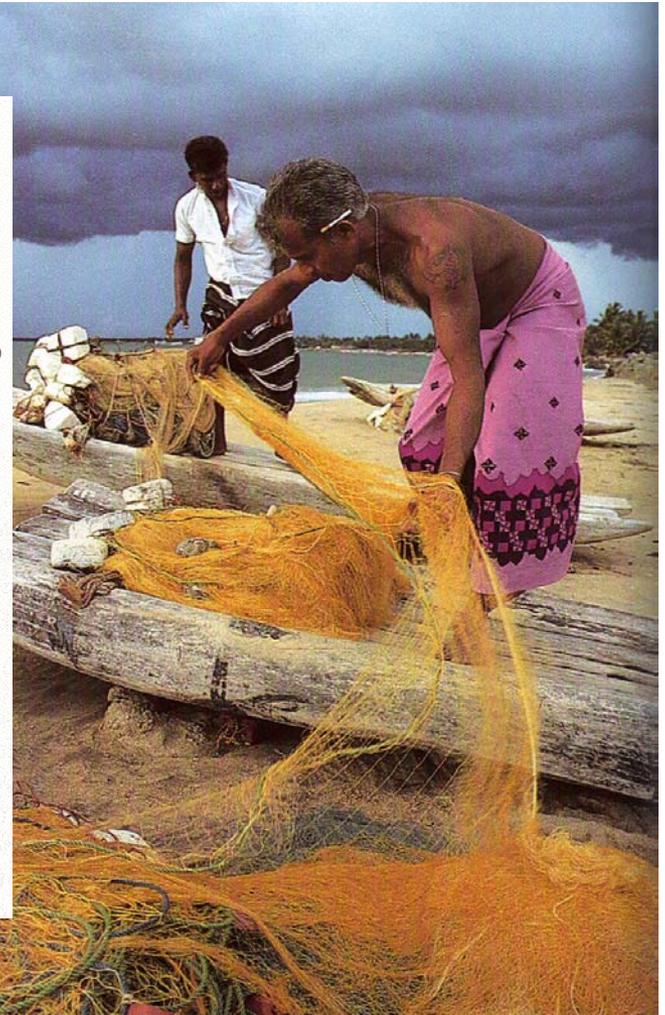
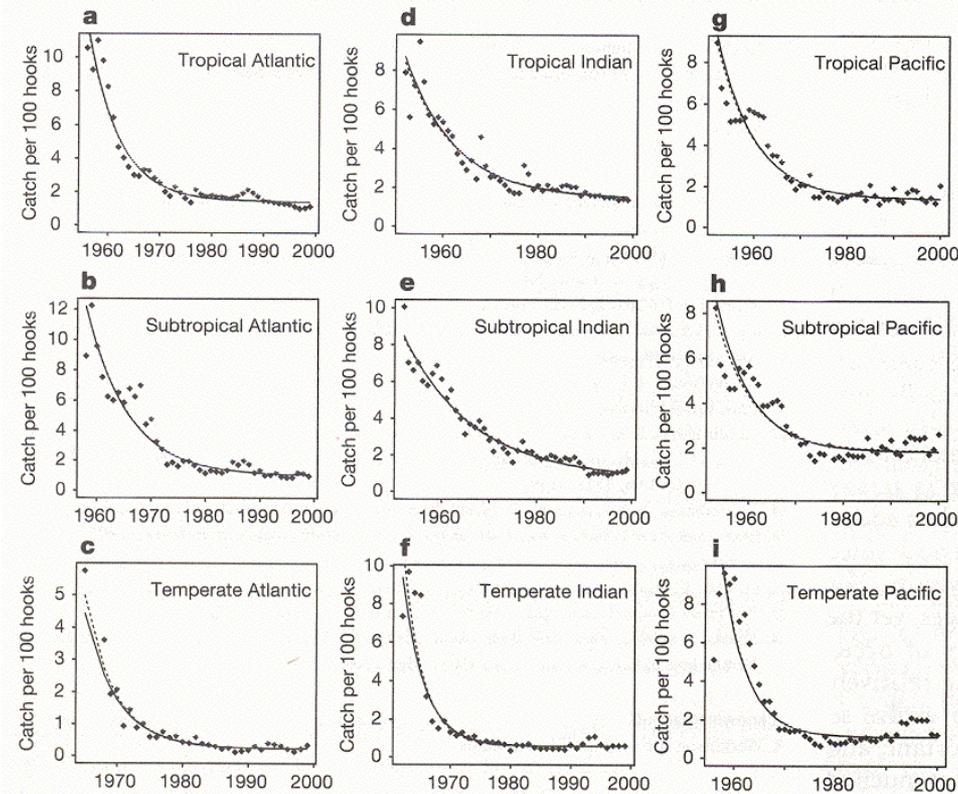
Extreme Weather Events



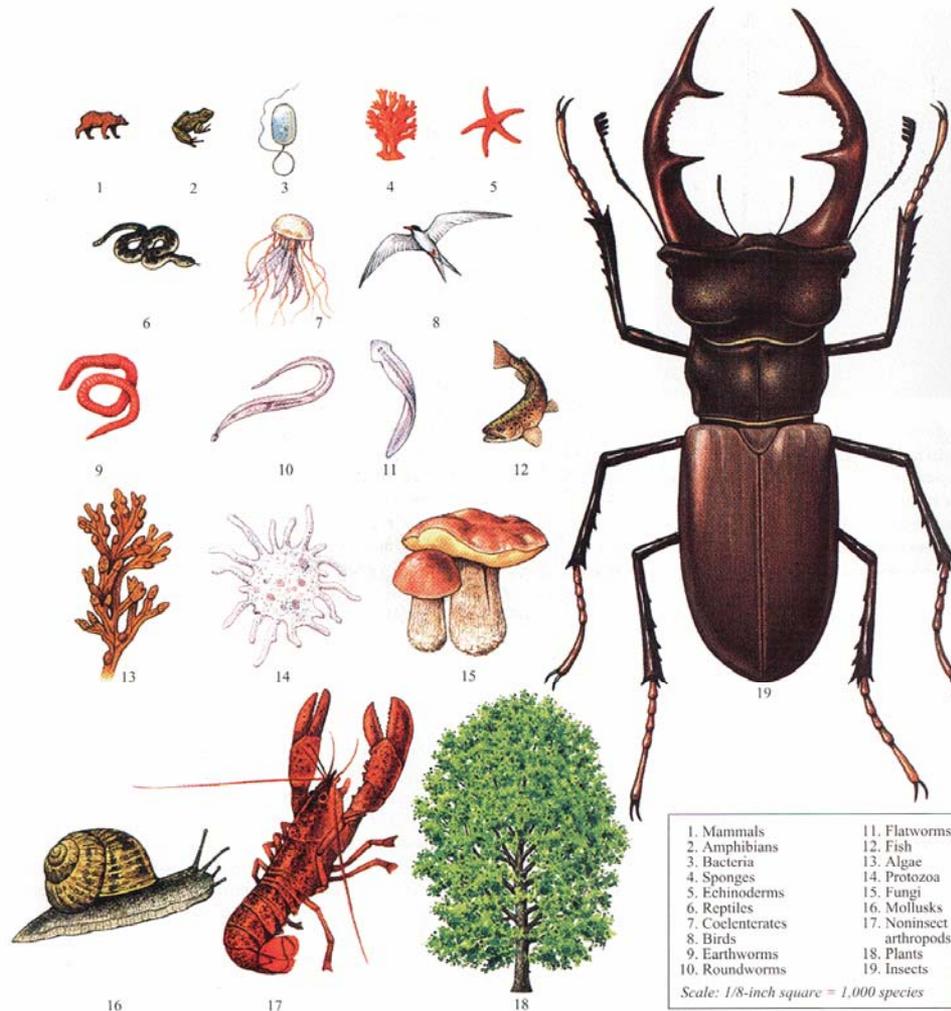
Impacts on Coral Reefs



Local & Global Fisheries



Species and Populations



Vertebrates

- 56,586 spp.
- 21% threatened

Invertebrates

- 1,190,200 spp.
- 58% threatened

Plants

- 287,655 spp.
- 69% threatened

Total

- 1,534,441 spp.
- 59% threatened

Ecosystem Services



Pest Control

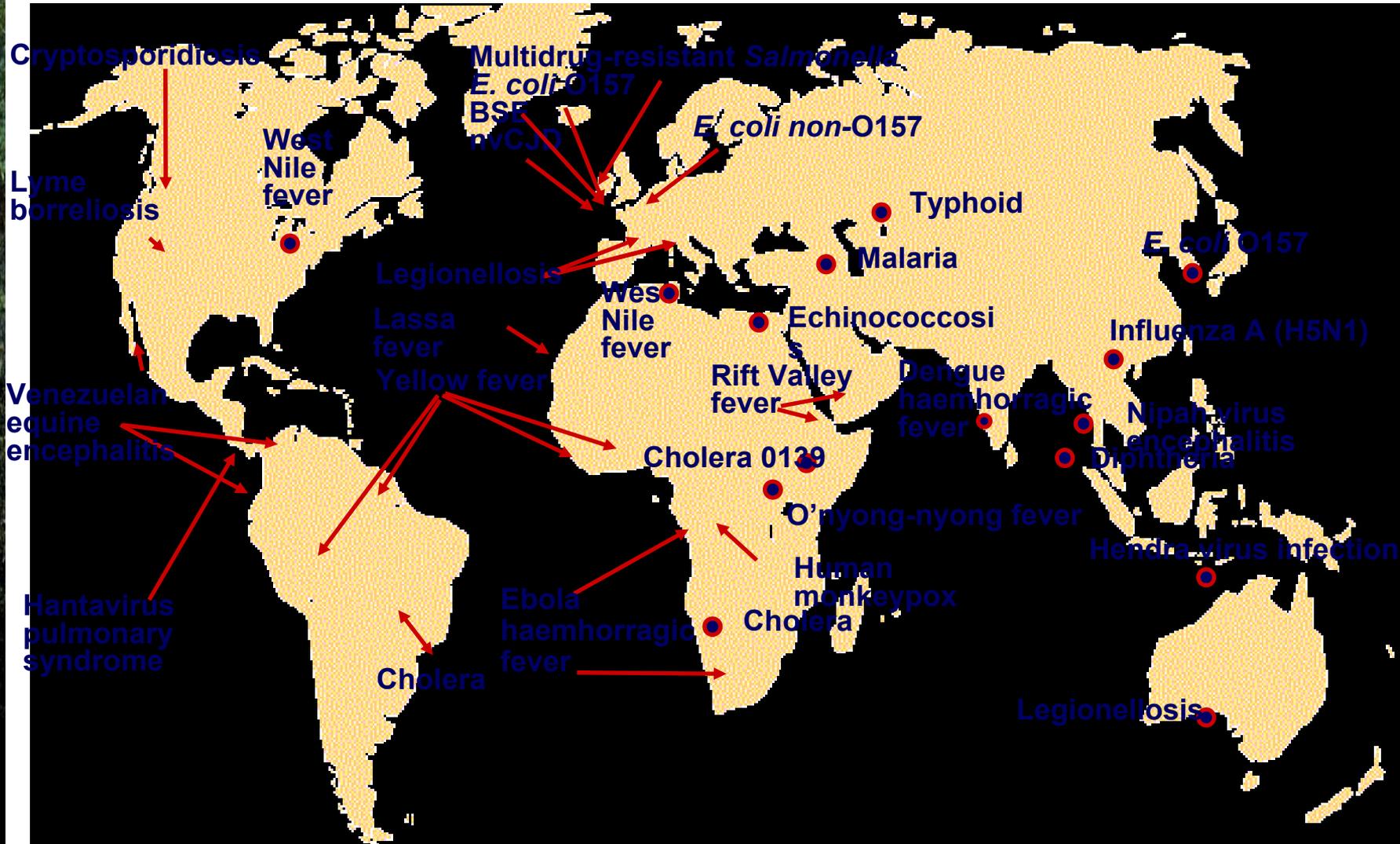


Pollination

Disease Buffering



Infectious Diseases



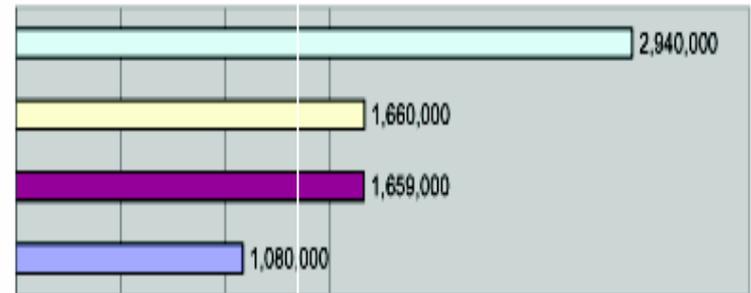
Disease & Violence



Violent Causes and Infectious diseases

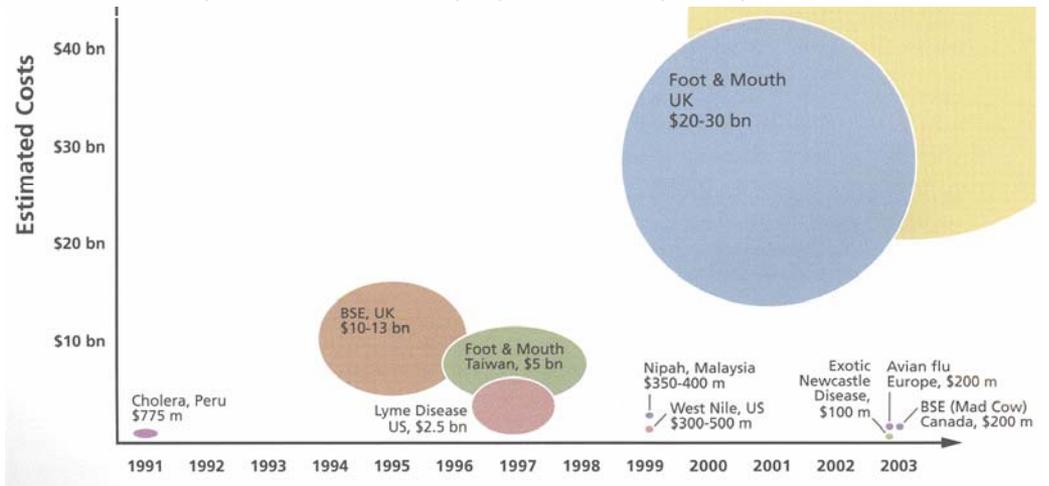
- AIDS
- TURBERCULOSIS
- VIOLENCE
- MALARIA

Toll of Violence



Worldwide deaths in 2000

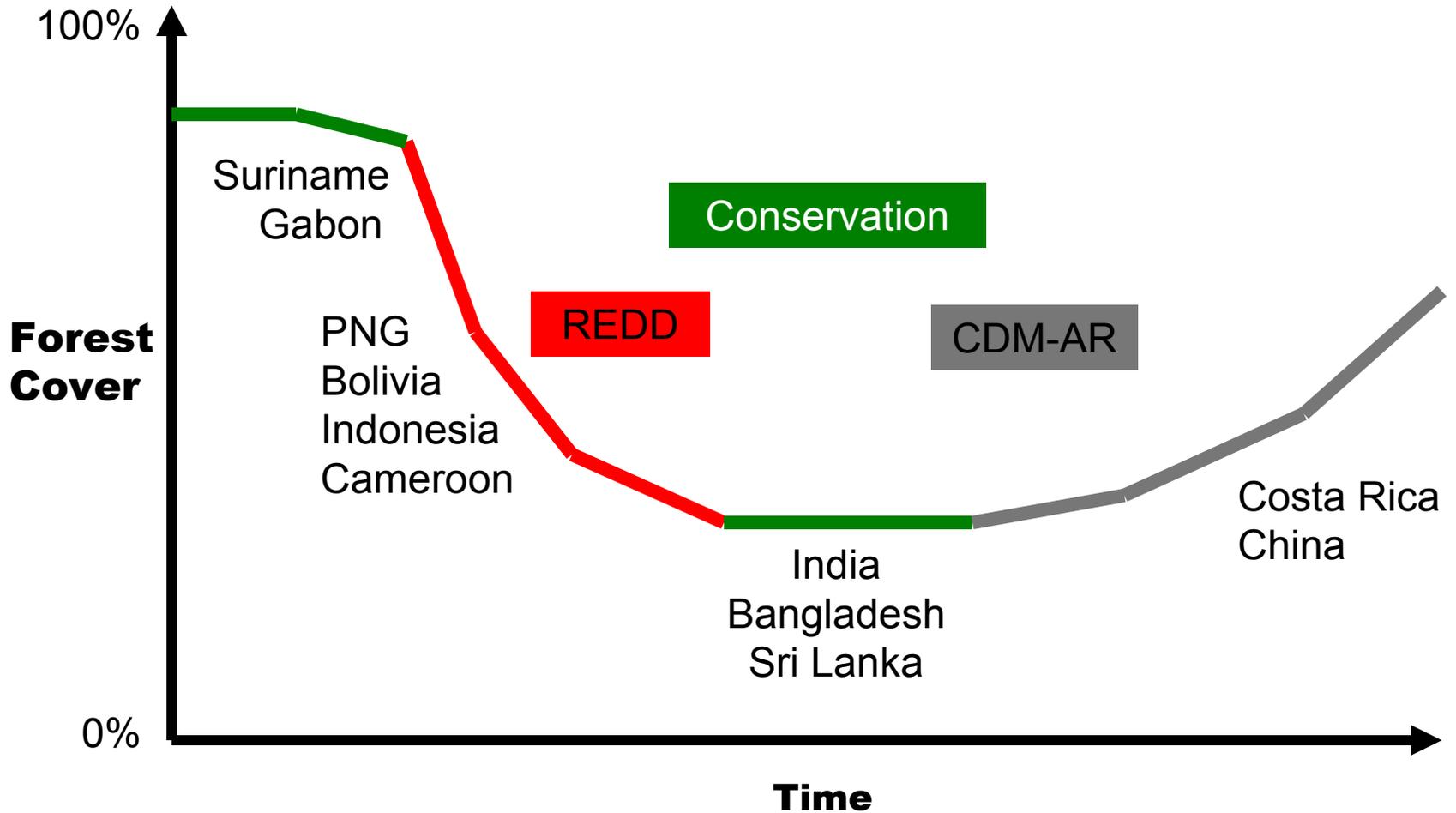
Violence includes 815,000 deaths related to suicide, 520,000 from homicide, and 310,000 war-related deaths



Rural Landscapes



Forest Cover Trends



Economic Overview

Stern Review: Estimates **\$5 - \$15 billion/year** to reduce global deforestation by 50% (likely underestimated.)

Current Estimates

- **GEF:** \$100 million/year spent directly on forests (est.)
- **Ecosystems:** \$80 million/year (est.)
- **Certified Forest Products:** \$120 million/year (est.)
- **Bio-prospecting:** \$14 million/year (est.)
- **ODA Protected Areas:** \$800 million/year (est.)
- **Major NGO's:** \$1.2 billion/year (est.)

Total ODA: \$80 billion/year?

Carbon Market Growth:
\$100 billion/year?

The Kyoto Dilemma

- **KP Exclusion:** Kyoto excludes developing nations that reduce deforestation emissions. Kyoto **unfairly discriminates against these nations** in the world carbon markets. How can we ignore 20% of GHG?
- **Market Access:** Annex-B countries can earn 'credits' for reducing deforestation today! Tropical rainforest nations deserve to be treated equally. **A ton is a ton is a ton.**

**Forests:
Critical role in
Long Term Solution**

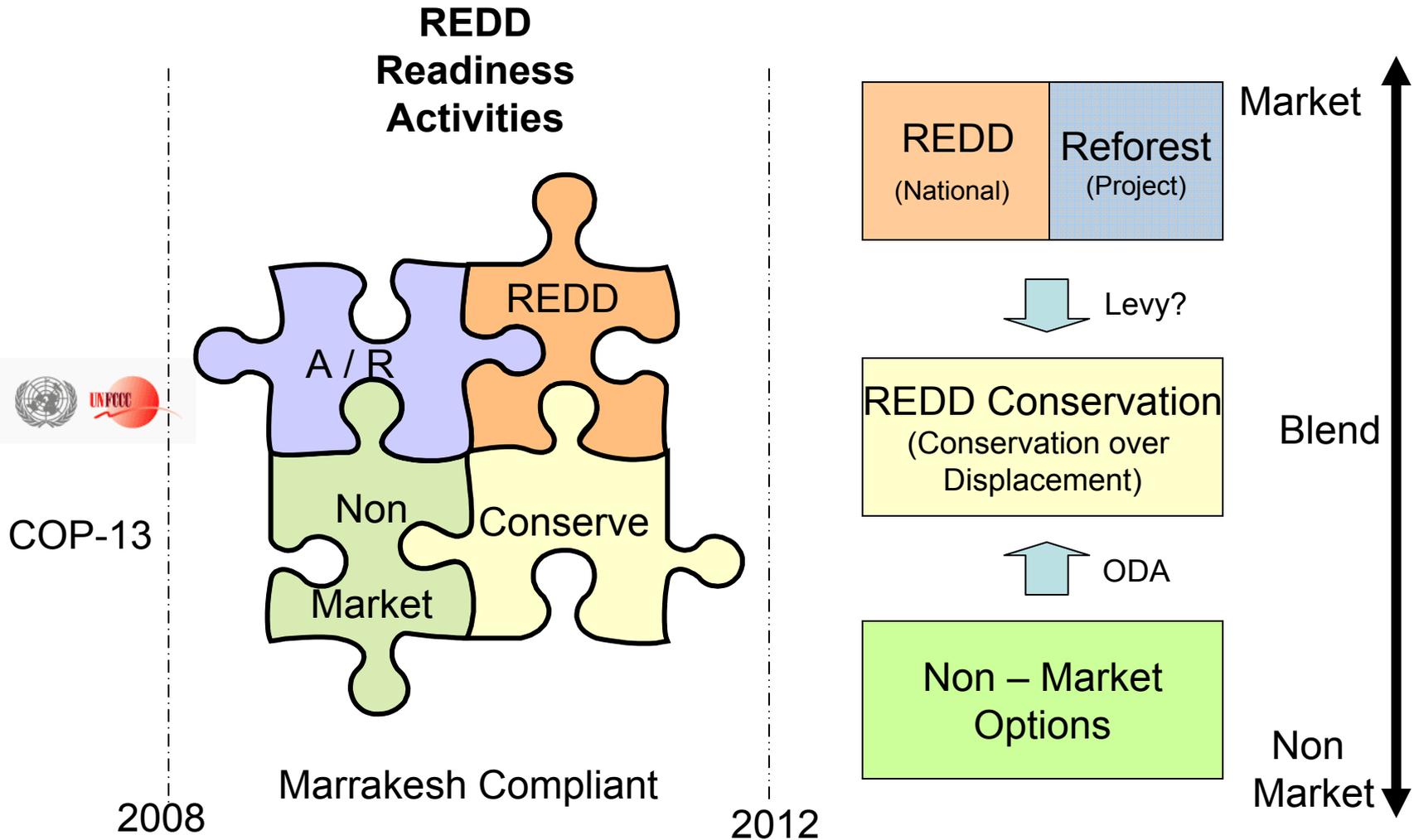




Carbon + : Social Benefit

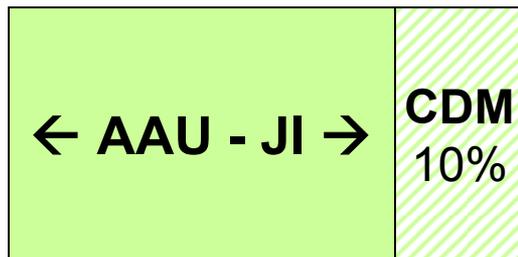
- **Climate:** Capture a significant source of carbon emissions currently outside frameworks.
- **Rural Development:** Significant new revenue streams to address poverty in rural areas with clear metrics to access effectiveness.
- **MDGs:** Underpins MDG objectives related to environment, poverty, gender equality, health, etc.
- **Ecosystems:** Great effect on marine resources, species diversity, pest control, disease buffering, pollination, etc.
- **Biodiversity:** Major biodiversity conservation benefits.
- **Soils:** Supports efforts against desertification and soil erosion.
- **Water:** Watershed protection and potable water supply.

Basket of Instruments



Fungible: Deeper Cuts

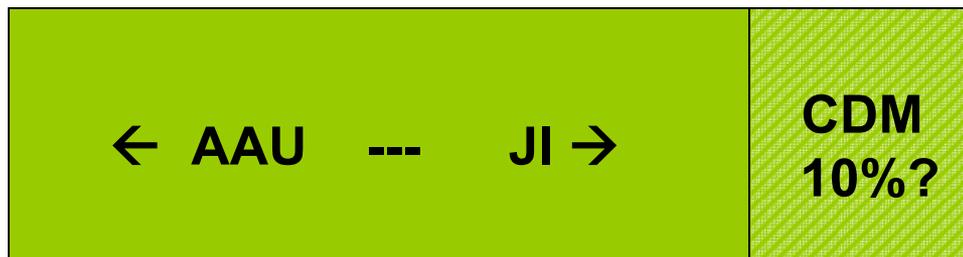
KP1
(- 6%)



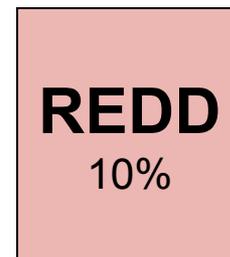
Additional



KP2
(- 30%?)



+



New Total
-40%?

NOT CDM
NEW CREDITS = DEEPER CUTS



Implementation

- **Fact:** Industrial countries can make money today from REDD. Developing countries are not permitted.
- **Why:** Industrial countries use IPCC Good Practice Guidelines and 'national' accounting. Developing countries also use the IPCC GPG's, but only for 'reporting' -- and not trading.
- **Problem:** Project-based CDM excluded deforestation for valid methodological reasons – additionality, permanence, leakage, etc.
- **Solution:** New instrument for developing countries using IPCC GPGs and national accounting to earn market-based 'credits' for reducing emissions from deforestation (CREDS.)
- **Benefits:** Methods approved, low transaction costs, sovereign control, flexible implementation (national, projects, programs, etc.)

Bali: Global Response

Phase 1

Readiness

Capacity

Analyze

Past, present, future

Evaluate

Drivers, Opp. Costs.,
Data and Methods.

Institutions

Policies & Instruments

Pilot Initiatives

Test Policies &
Instruments vs. drivers

US\$ 250 - \$500 mil.

Phase 2

Early Action

Scale Up Funding

National / Reg. Markets

IPCC Standards
Early Action: Credits
transferable to future.

Linking Sectors

Airlines / Shipping
Tax: \$15/ton = \$6-\$12 B/Y

Tax

Oil: \$0.39/b (\$10 B/Y)
AAU: \$0.90/u (\$10 B/Y)
Energy Subs: (\$250 B/Y)

US\$ 2 – US\$ 5 B/Y

Phase 3

Post - 2012

Future Regimes

Voluntary & Fair

Positive Incentives
Cut Process Hurdles

Proportional

20% of Resources

Fungible

Equal Value for Credits

Balanced

Supply = Demand

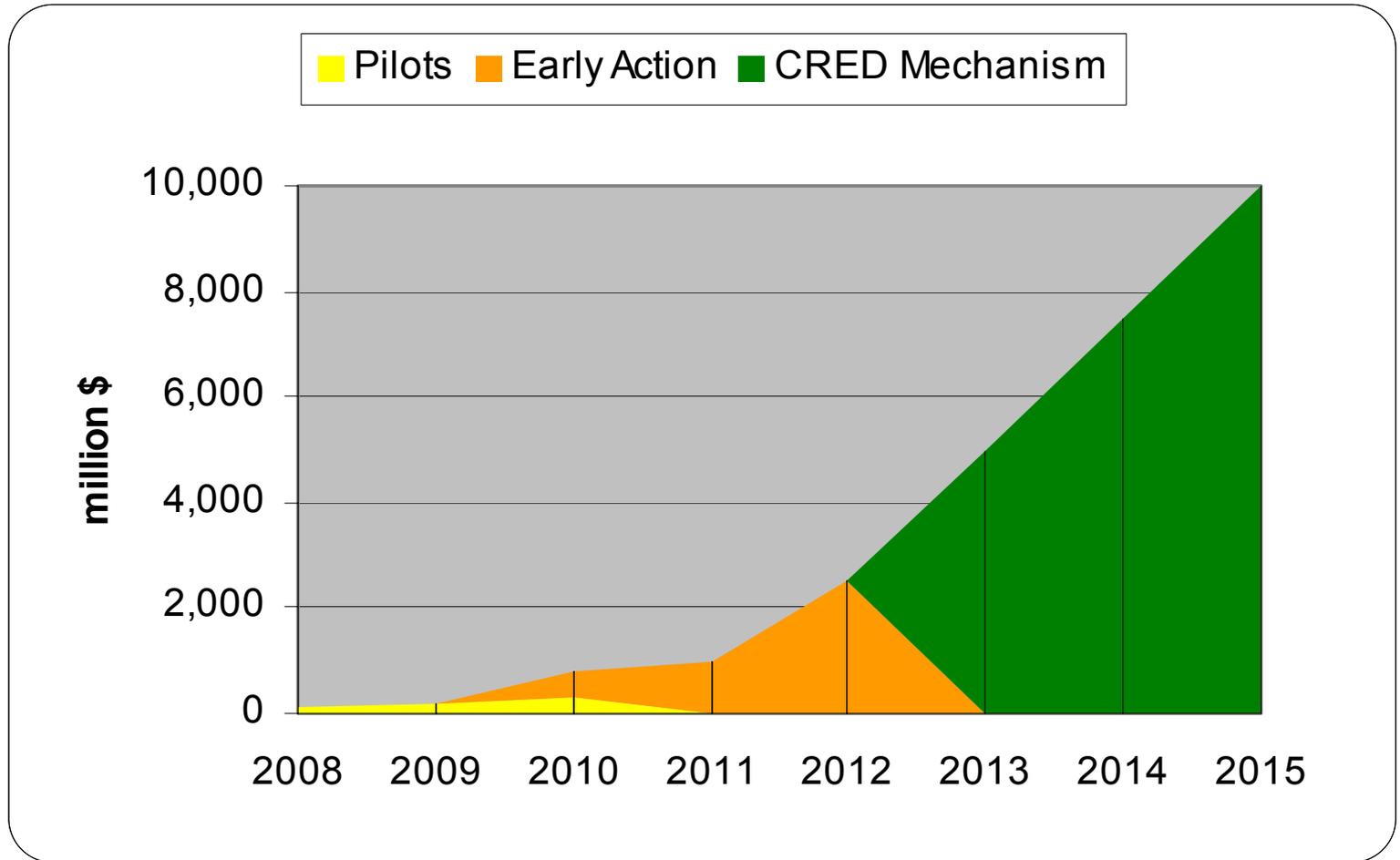
US\$ 10–US\$ 25 B/Y

2008

2010

2012+

Fungibility: Scaling Up





Bali Roadmap

- **Readiness (2008-2009):** Build capacity. Assess drivers of deforestation – past, present, future. Evaluate policy tools. “Pilot” policies and instruments.
- **Early Action (2009-2012):** Scale Up. Facilitate funding flows. Standardize methods. Harness Voluntary Markets.
- **Sustainable Development Post-2012:** Traditional monies not sustained, not adequate. Countries need certainty – sufficient, predictable, sustainable.
- **Methodologies:** Immediately refine application of IPCC GPG’s for RED, consider conservation, expand and simplify A/R.