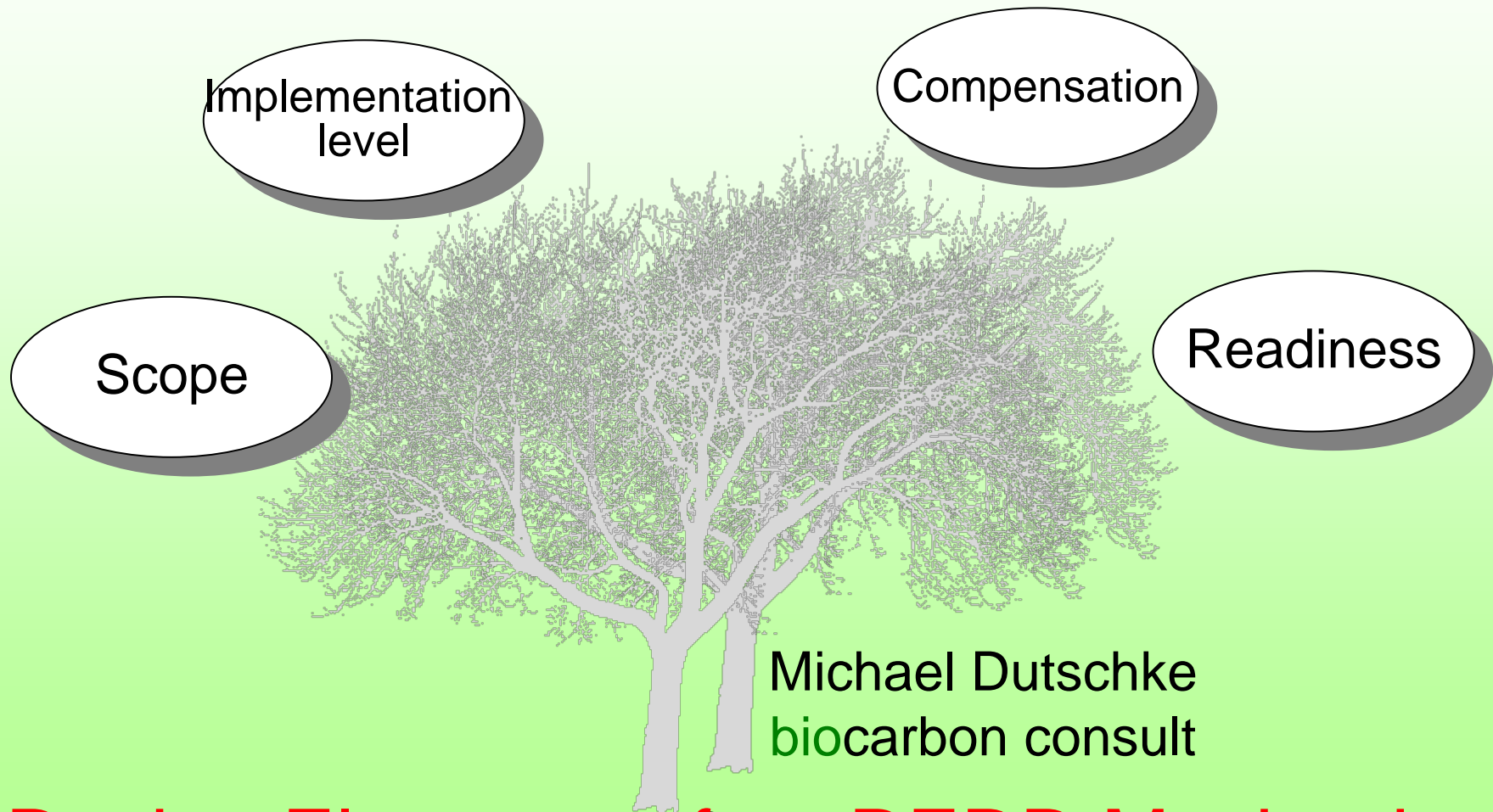


Making REDD work for the Poor: The socio-economics implication of mechanisms for reducing emissions from deforestation and degradation

A Poverty and Environment Partnership (PEP) side event



Design Elements of an REDD Mechanism

Forest facts

- 36% of human-induced C in the atmosphere is attributed to LUC
- Present contribution: 18%
- 12.3 million ha – net annual forest loss
- 1.2 billion forest-dependent people
- Wood-exporting countries show high coincidence in
 - Lower GDP growth (negative in Africa!)
 - Corruption
 - Political instability
 - Low law enforcement



Principles & criteria for an REDD Mechanism

Env. integrity

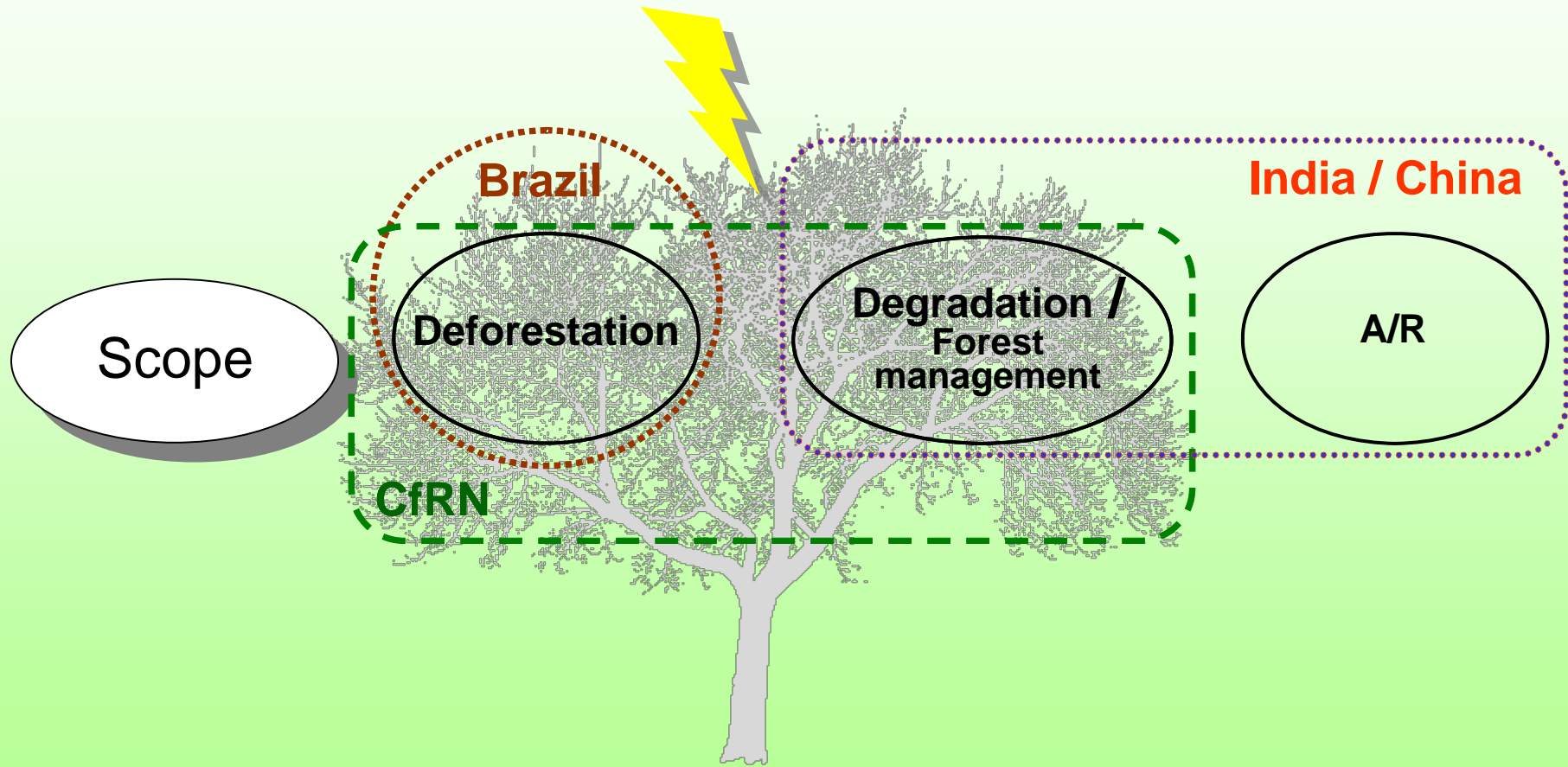
- Conservative baseline setting
- Reductions real & measurable
- Avoid leakage
- Broad participation
- Avoid systematic biodiv loss
- Long-term incentive

Equity

- Fair distribution of funds among Parties
- Invite ODA participation
- Respect nat. sovereignty
- Respect nat. circumstances
- Balanced land use















Scope – What activities to include

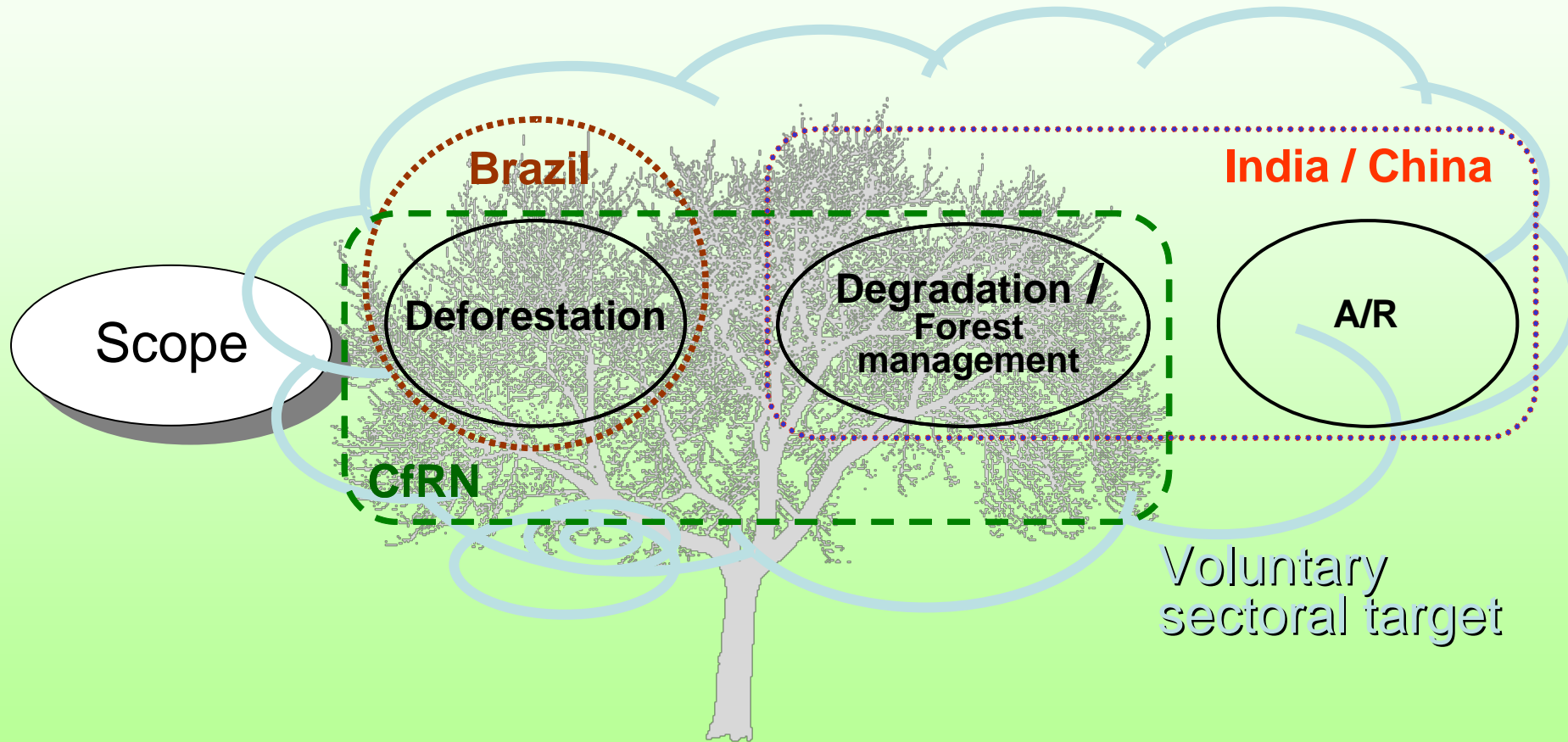


Scope – What activities to include

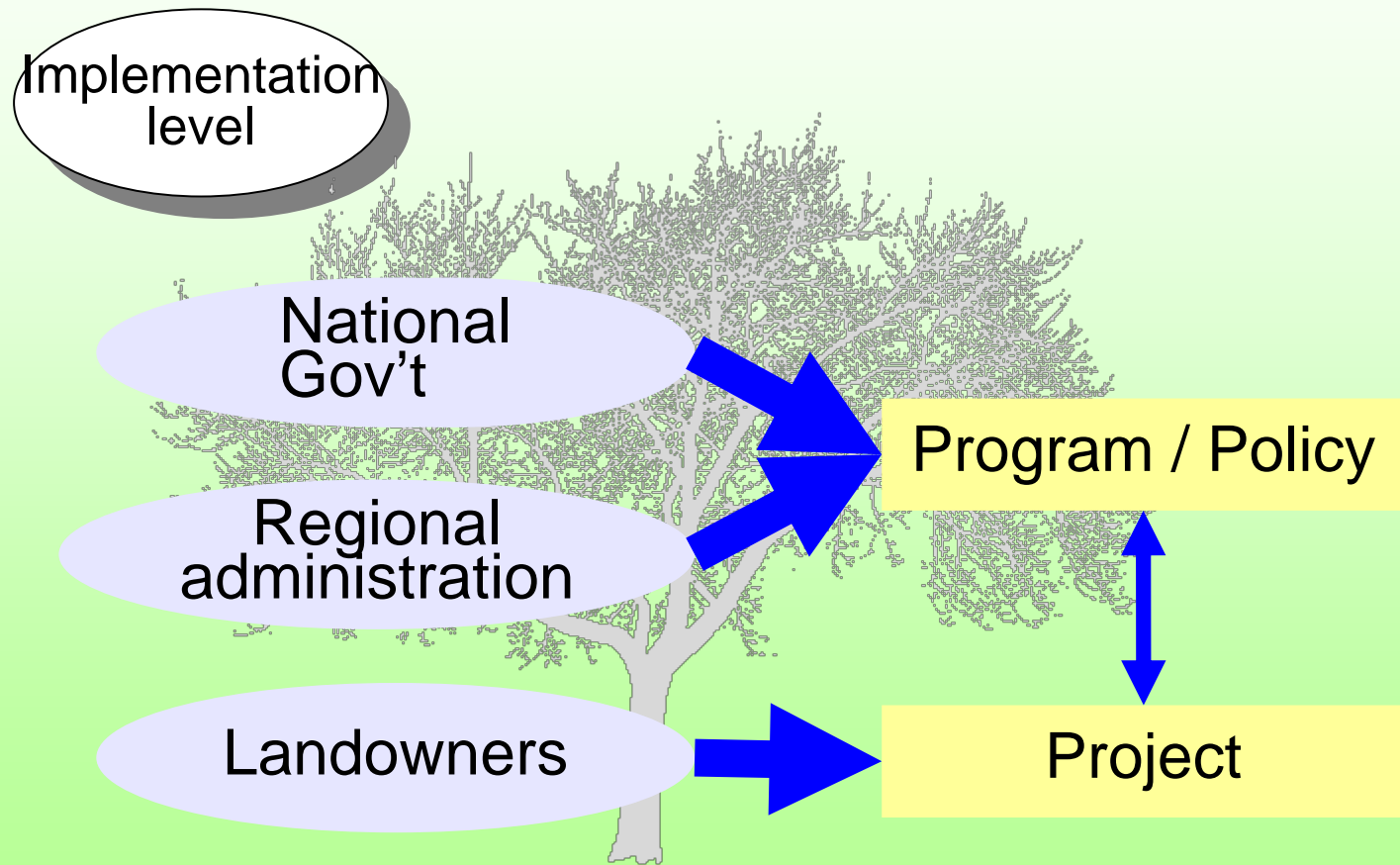
Scope

	A/R	D	FM
Africa			
CN / IN			
S-E Asia			
Lat-Am			

Scope – What activities to include



Implementation level – How to integrate sub-national activities



Implementation level – How to integrate sub-national activities

Implementation level	
State	Legislation, law enforcement, subsidy structure, national parks
Program	Tax incentives, specific subsidies, certification, PES schemes
Project	Change of LU practices, private conservation

Compensation – What it costs

10,000,000,000 US\$

= Annual estimated costs for reducing deforestation by 50%

- Equivalent of the global market for cell ringtones
- Equivalent to one month of war in Iraq
- Equivalent to 6 weeks of global ODA

Compensation



Compensation – Who pays?

- Voluntary fund to be replenished by Annex A countries
- Credit sales toward Annex A commitments
 - Additional commitments for compensation with REDD credits
 - Capped market
 - Full integration into post-2012 carbon market
- Alternative financing sources
 - Tax on Kyoto Mechanisms
 - Aviation tax
 - ODA

Compensation



Readiness – What's needed for participation

- Political will
- Governance
- Public awareness
- Technical and administrative capacity
- Reliable inventory
- Baseline
- Target emission level
- Bilateral compliance partnerships
- Integral view on land use



Readiness