

Private sector participation in REDD

Side Event to United Nations COP 13, CMP 3, SB27, & AWG 4
18:00-19:30, Thursday 6 December
Tidal Room
Grand Hyatt Hotel, Bali

A number of proposals to reduce emissions from deforestation and forest degradation (REDD) in developing countries call for private sector funding through the carbon market. This side event draws on lessons learned from the existing trading mechanisms, practical experience, and financial analysis to identify and discuss issues that need to be addressed to develop REDD policy that will work in practice.

Moderator: Rick Saines, Partner, Baker & McKenzie

1) Charlotte Streck, Director, Climate Focus

Title: *Expanding the carbon market to include REDD?*

Synopsis: Charlotte will summarize lessons learned from a decade of carbon trading and analyze how these lessons can apply to the design of an effective REDD trading mechanism. She will draw on practical experience and present a comparative analysis of various carbon trading mechanisms, such as CDM, JI, GIS, EU ETS and the voluntary market.

2) Jeff Horowitz, Founder, Avoided Deforestation Partners

Title: *Avoided Deforestation Partners: Approach and objectives*

Synopsis: Jeff will discuss need to develop practical international policy to inspire the private sector to become a key partner to address REDD. He will outline ADPartners mission and approach to facilitating effective policy development.

3) Johannes Ebeling, Senior Consultant, EcoSecurities

Title: *Making REDD attractive for private sector investment*

Synopsis: Johannes will discuss the various hurdles private sector investment faces in forest conservation and carbon offset projects in developing countries in general, and apply this to potential REDD schemes. Some ways to overcome these challenges will be outlined, including improvements in the investment framework for REDD projects and policy design options at the national and international level. Ways to enhance the benefits into REDD projects from the perspective of project developers and sellers of carbon credits will also be suggested.

4) Bernhard Schlamadinger, Managing Director, TerraCarbon

Title: *Permanence and REDD activities: Possible solutions and how they may impact private-sector investment*

Synopsis: Bernhard will discuss how forestry can be different from other sectors in terms of non-permanence of carbon benefits, and which strategies exist to address non-permanence. This includes national-level commitments, for example based on the precedent set by Article 3.3 and 3.7 of the Kyoto Protocol; temporary credits; or risk buffers as adopted by the recently published VCS standards for forestry and agriculture projects. The presentation will conclude with an assessment of the various options regarding the fungibility of credits with emissions trading markets and attractiveness for private-sector investment.

5) Marisa Meizlish, Manager, Advisory Services, New Forests

Title: *Financial Analysis of REDD transactions: Can REDD compete with alternate land uses at the forest frontier?*

Synopsis: Marisa will explore the impacts of carbon pricing on land use decision making at the forest frontier. A carbon price signal could shift private investment toward forest conservation and rehabilitation and away from land use practices driving deforestation, namely cattle grazing, unsustainable logging and palm oil production. Marisa will show carbon can compete with these land uses if a functional market is in place that provides certainty for crediting REDD projects.



6) Robert O'Sullivan, Executive Director North America, Climate Focus

Title: *Policy options for structuring REDD transactions: Issues and risks for governments, local communities, and the private sector*

Synopsis: Robert will examine how REDD transactions could be structured under a number of different policy scenarios. The practical implications of these different structures will be discussed in order to gain a better understanding of which REDD policies are likely to be most effective in practice to engage the private sector and why.

7) Questions and Answers and Discussion

-The side event will be followed by a light reception-