



Reducing Emissions from Deforestation in Developing Countries (RED): sub-national approaches for prompt action

UNFCCC COP-13 Side Event
**Reducing Emissions from Deforestation in the Brazilian Amazon:
approaches for prompt action**

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RED - What is under negotiation?

1. 2 years agenda open in Montreal (2005)
 1. RED Workshop I - Rome 2006
 2. COP 12 – Nairobi 2006
 3. RED Workshop II – Cairns 2007
 4. SBST 26 – Bonn 2007
 5. Among other meetings
2. Bali COP 13
 1. Lack of consensus



2. UN FOCU

Include RED in the Bali RoadMap 2009



- ● ● Lack of consensus

A. Baselines and monitoring

B. Funding mechanism

c. Scale

d. Post 2012 Agenda...



A) *Baselines*

How to estimate?

1. **Historic reference rates of deforestation:**
Compensated Reduction of Deforestation
(Brazil)
2. **Projected Baseline:** alternative approach
for countries/regions with recent process of
deforestation
3. **Carbon stocks/carbon conservation:** no
baseline



UNFCCC



C) Funding

I. Market mechanisms

- Exclusive RED market within UNFCCC
- Carbon market fungible with CDM
- Market for ecosystem services

II. No market mechanisms (RED Fund)

- Overseas development agencies (ODAs)
- Voluntary contributions (Governments, NGO's, etc)
- UNFCCC Funds (*GEF, Special Climate Change Fund, Adaptation Fund*)...



Major acceptance for market mechanism...



Fator de Análise	Mecanismo		Justificativa/Argumentos
	Mercado	Não Mercado	
Participation of the Private sector	X		STERN, US\$ 5 bilhões/ano???
Link to Annex I commitments (post 2012)	X		Geração da demanda necessária para o estabelecimento do mercado para “créditos de carbono” de RED
Flooding CDM Market	X	X	Needs to create a new market, with additional targets post-2012
Sustainability on the long term	higher	???	Difficult to ensure maintenance of funding on the long term



D) Scale



- **National level**
 - Easier to deal with leakage
 - Difficult implementation and benefits sharing
 - Difficult to ensure governance
 - Less attractive to investors
- **Sub-national level (regional, states, projects, etc.)**
 - More attractive to investors
 - Easier to implement and monitoring
 - There is “many ways” of dealing with leakage



SOLUTION: implementation in project levels with commitment from the host country (“*nested approach*”)



Concluding remarks

- Early action is necessary
- Sub-national initiatives can be implemented on the basis of capacity building and pilot projects
- Initiatives are already in course
 - FCPF
 - Indonesia (Aceh, Papua, Malinau)
 - Amazonas
 - Madagascar
- There is no time to wait!!!

