

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

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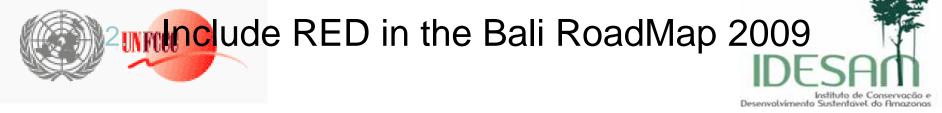






RED - What is under negotiation?

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



- Lack of consensus
 - A. Baselines and monitoring
 - B. Funding mechanism
 - c. Scale

D. Post 2012 Agenda...





A) Baselines

How to estimate?

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



C) Funding

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)...



Desenvolvimento Sustentavel do Amazonas

Fator de Análise	Mecanismo		
	Mercado	Não Mercado	Justificativa/Argumentos
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 addictional targets post-2012
Sustainability on the long term	higher	???	Difficult to ensure maitenance of funding on the long term
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D) Scale

National level

- Easier to deal with leakage
- Difficult implementation and benefits sharing
- Difficult to ensure governance
- Less atractive 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



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!!!



