



# Forests and Climate Change

REDD

Reducing Emissions from  
Deforestation in Developing  
Countries



# Forests are disappearing

Forests....

- ....cover 30% of earth's land surface
- ....are home to 60 million Indigenous Peoples
- ....are also home to 50% of the world's species
- ....are important for 1.6 billion people

But, forests are disappearing fast...

- ....(at least) 7.3 million ha lost per year 2000 – 2005
- ....deforestation rates are going UP
- ....by about 25% in 17 key countries



# Forests regulate climate and weather

Disappearance of forests a disaster for Indigenous and local communities, for biodiversity – and for climate change too!

Forests help to regulate the planet's carbon and water cycles....

....they absorb carbon from the atmosphere, locking it in vegetation and soil

....they cause rain to fall



# But climate change is damaging forests

Climate change will....

- ...change tree species distribution
- ...cause more forest fires
- ...increase and change insect and pest damage
- ...lead to more extreme weather events  
(drought, hurricanes, ice storms)

Climate change might also...

- ...cause trees to grow faster (<2 degrees C)
- ...cause trees to grow slower (>3 degrees C)



# Deforestation causes climate change

Deforestation is now known to be a bigger cause of climate change than transport (all forms)

## **Contribution to anthropogenic GHG emissions, 2004:**

Energy supply	25.9%
Industry	19.4%
<b>Forestry</b>	<b>17.4%</b>
Agriculture	13.5%
Transport	13.1%
Residential and commercial buildings	7.9%
Waste and waste water	2.8%

(IPCC, 2007)



# Reducing deforestation is now a 'climate change issue'

- Governments see reducing emissions from deforestation as a 'cheap' climate change solution.
- New UNFCCC negotiations on 'REDD'
- 'REDD' = Reducing Emissions from Deforestation (and degradation) in Developing Countries
- REDD = 'positive incentives' to keep trees standing



# What positive incentives?

Governments and others proposing funds of tens of billions of dollars per year....

....Stern US\$5-10 billion/yr for main 8 countries

....World Bank US\$20 billion/yr, 20% reduction

....Ebeling & Yasue US\$11.5-67.5 billion/yr, 50% reduction

Calculations differ, but basically...

....lost income (from agriculture, logging, etc)

....whether REDD income can match that  
eg at different carbon prices



# Where will the money come from?

Many assume that REDD = carbon markets  
Not (yet) true! There are many different proposals

But in general....

- Support for 'market-based 'development finance' mechanisms from Coalition for Rainforest Nations

*Bangladesh, Belize, Bolivia, Central African Republic, Cameroon, Congo, Colombia, Costa Rica, DR Congo, Dominican Republic, Ecuador, Equatorial Guinea, El Salvador, Fiji, Gabon, Ghana, Guatemala, Guyana, Honduras, Indonesia, Kenya, Lesotho, Liberia, Madagascar, Malaysia, Nicaragua, Nigeria, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Samoa, Sierra Leone, Solomon Islands, Suriname, Thailand, Uruguay, Uganda, Vanuatu and Viet Nam*

- Support for non-market-based international funds  
Brazil, India, Tuvalu





# Why are carbon markets so popular?

Carbon markets popular with.....

....South, because promised aid has not been given in past (eg MDGs)

....North, because govts hope to cut costs by bringing in private sector funding; and engage Southern countries in post-2012 negotiations

....World Bank, which manages a number of carbon funds and wants to manage more

....private carbon traders who want more business (inc through voluntary private schemes)

....some local communities who hope they may receive REDD funding



# The World Bank, carbon funds and forests

- WB carbon funds channel funds from N donors to S projects
- The World Bank already has a number of carbon funds including Prototype Carbon Fund, Community Development Fund, BioCarbon Fund
- NEW Forest Carbon Partnership Facility (20 countries to prepare for REDD, 5 countries to pilot it)
- NEW Climate Investment Funds (CIFs), includes Forest Investment Fund (will undermine UNFCCC funding mechanisms and are opposed by G77/China)



## Is REDD too good to be true?

Yes! A range of potential dangers...

- **It discourages real solutions to climate change and biodiversity....**
  - ...Discourages reductions in N (& could increase)
  - ...Other 'cheap' options may be ignored, eg bans
  - ...Plantations as forests means climate and biodiversity could be at risk
- **It's almost impossible to measure whether governments are successful...**
  - ...technology difficult and costly (satellite imaging, ground truthing, how to measure forest degradation)
  - ...leakage between projects and countries (&N/S)



# Is REDD too good to be true?

## – Funds uncertain and unstable...

...Estimates vary considerably

...Opportunity costs of growing commodities is variable, eg carbon price can drop from 30 euros to 30 cents

...Unpredictable, unstable funding the opposite of developing country request

## – Who will get the money?...

....Which countries? (what about those who have conserved their forests?)

....Which governments, companies, communities? (all proposals vague, opportunity cost calculations suggest deforesters)

# Is REDD too good to be true?

- **It could have highly negative impacts on Indigenous Peoples and local communities...**

On paper looks 'win-win', BUT  
experience indicates the opposite....

....No clear or explicit indication that communities or  
Indigeneous Peoples will benefit

....Already indications that increasing value of land  
interfering with land reform programs / land ownership\*

....All actors engaged in negotiations seem to think  
*they* will benefit, so battles on horizon

....Governments or management companies  
benefiting financially from REDD may increase  
displacement and violence in order to 'protect their  
forests'.



# What are the alternatives?

Funds can be raised without relying on aid or carbon markets...

...eg taxing oil consumption in N, taxing air travel, switching energy subsidies (US\$250 billion per year)

BUT may be better to opt for range of cheaper alternatives that do not increased value of forests, eg....

....address drivers such as consumption, fuel poverty

....moratoria / bans on deforestation

....community-led reforestation programmes

....change UN definition of forests



## What next?

- UN negotiations continue in the UNFCCC's 'Ad Hoc Working Group on Long Term Cooperative Action' (esp Ghana, August)....
- World Bank will use FCPF to pilot carbon market-oriented schemes....
- Decisions will be taken at UNFCCC COP-15 in Copenhagen in December 2009

**WE NEED TO INTERVENE!!**



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*Global Forest Coalition*

