

# CONGO BASIN & COMIFAC APPROACHES

2d UNFCCC Workshop on « Reducing  
Emissions from Deforestation in  
Developing Countries”  
Cairns, 7-9, March 2007

# Key Messages

- **Reducing Rates of Deforestation is Possible and Urgently Needed**
  - Experience has demonstrated that many activities that cause and drive deforestation and the associated 20% of global emissions can be mitigated through a system of policy approaches and positive incentives

# Key Messages (2)

- **Technology & Methods are Available to All**
  - It is currently possible to measure reductions in GHG emissions from deforestation and forests degradation in developing countries to a sufficient level of confidence

# Key Messages (3)

- **Major Reduction in Long-Term Mitigation Costs**
  - Curbing deforestation may provide a highly cost-effective way of reducing greenhouse gas emissions

# Key Messages (4)

- **Sustainable Development at Scale**
  - To reduce global deforestation rates by 50% over the next decade, the ‘Stern Review of the Economics of Climate Change’ estimates that approximately US\$5 – US\$10 Billion per year will be required through a system of policy approaches and positive incentives...

# Key Messages (5)

- **Sourcing the Funding and the Principle of Proportionality**
  - Global deforestation accounts for approximately 20% of global carbon emissions. Accordingly, under the principle of proportionality, it is equitable that international mitigation policies dedicate 20% of available revenues to address this emissions source

# Key Messages (6)


- **Policy Approaches – Implementation scale**
  - **Policy approaches must be considered within the context of national circumstance, taking into account legal, policy and institutional implications**  
...
  - **So, given the diversity of circumstances within the southern countries, it is essential to keep flexibility for the mechanisms to be adopted. This is why the Congo Basin Countries agree to preserve existing flexibility mechanisms to maximize emission reduction..**

# Key Messages (7)


- **Positive Incentives**

- To be sustainable, policy approaches must be underpinned by a basket of complementary options that provide sustainable, simple, transparent positive incentives to reduce significantly emissions from deforestation in developing countries
  - When considering the forestry sector in developing countries on an aggregate basis, while considering the diversity of national circumstance, we must augment existing tools that reward carbon sequestration through afforestation and reforestation and consider new mechanisms to reduce emissions from deforestation. In order to effectively and efficiently implement each of these suggested instruments, an enabling fund will be required...

# Key Messages (8)

- **A – REDD Mechanism:** accounts for carbon emission reductions and non-CO2 emission reductions only in existing forest areas on a national basis 
  - This option will be explored in more detail within this Submission.

# Key Messages (9)

- **B – Stabilization Fund:** accounts for carbon emissions and removals and non-CO<sub>2</sub> emissions in developing countries participating in the Mechanism that seek to maintain existing forest areas on a national basis 
  - This option will be outlined within this Submission.

# Key Messages (10)

- **C– Enabling Fund:** a special purpose group of funds that are designed to prepare and support developing countries who seek to participate in mechanisms A and B above, including piloting activities

# In short...


- **REDD Mechanism:** The REDD mechanism must be designed to provide positive incentives to support voluntary policy approaches
- **Voluntary Non Market and Market-based Instruments:** Within the context of national circumstance, the REDD mechanism should be made available to developing countries to reduce emissions from deforestation in developing countries via both market and non-market instruments...
- **Stabilization Fund:** This fund could be supported through contributions by Non Annex I countries through a share of proceeds from REDD credits combined with additional funds provided by Annex I countries through Official Development Aid or similar instruments...
- **Enabling Fund:** Early financial resources are necessary to ensure maximum participation at the earliest opportunity. Additional financing should be used to ensure that information needs (forest inventories, remote sensing, allometry...)

# In short...(2)

- **New Supply must be met by new Demand:**  
Efforts to reduce emissions from deforestation by developing countries will only deliver global additional climate stabilizing benefits if new demand brought on by deeper Annex 1 reductions exists
- **Credit for Early Action:** Immediate access for developing countries wishing to reduce emissions from deforestation and degradation to the carbon market is critical...
  - ... **early action will provide important early learning for developing countries wishing to reduce emissions from deforestation at scale ...**

# Mecanism proposed for SF

- **Stabilization Fund**

- A stabilization fund will support developing countries which have very low rates of deforestation and want to maintain their forest cover. 

- This fund could be supported through contributions by Non Annex I countries through a share of proceeds from REDD credits combined with additional funds provided by Annex I countries through Official Development Aid or similar instruments, such as taxes on products and services with a high carbon footprint.

**Example of an overall Grant (GTi) allotted to a county i engaged in reducing emissions from deforestation, based on forest area managed sustainably (Management grant GMi) and liability in climate regulation weighted by the deforestation rate (GRi).**

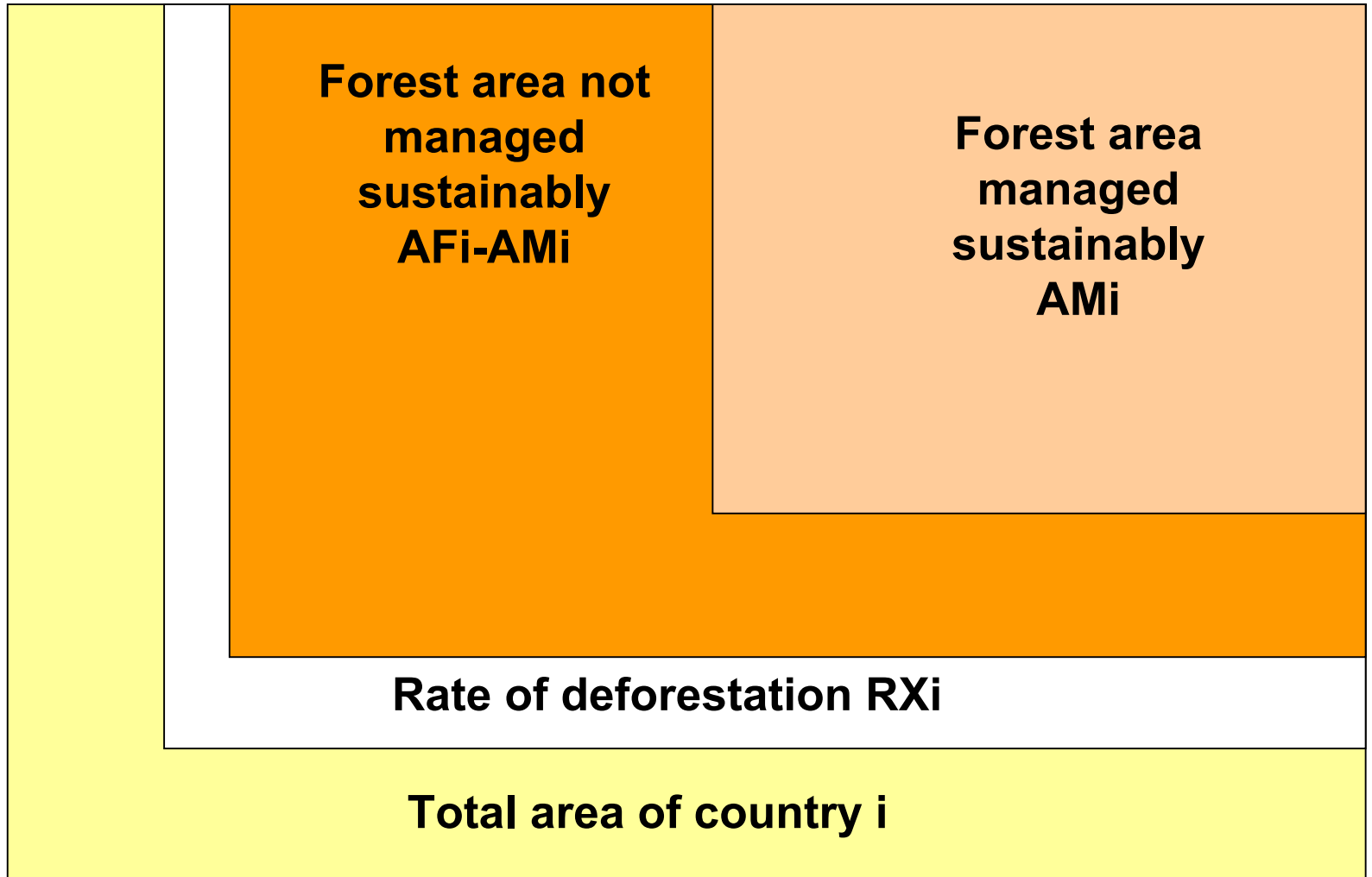
$$GT_i = GM_i + GR_i$$

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- Total forest area of Parties not included in annex I countries and being likely to benefit from the stabilization fund (Fd): SFT
- Management Grant:  $GM_i = [AM_i/SFT] \times Fd$
- Climate Regulation Grant weighted by the rate of deforestation:
- $GR_i = [(AF_i - AM_i)/SFT] \times Fd / [\lambda \times RX_i]$ ,
- $\lambda$  being an adjustment factor allowing to update reward strategies
- Overall Grant ( $GT_i$ ) allotted to a county  $i$  engaged in reducing emissions from deforestation:

$$GT_i = GM_i + GR_i$$

$$GT_i = [AM_i/SFT] \times Fd + [(AF_i - AM_i)/SFT] \times Fd / [\lambda \times RX_i]$$



$$GT_i = GM_i + GR_i$$

$$GT_i = [AM_i/SFT] \times Fd + [(AF_i - AM_i)/SFT] \times Fd / [\lambda \times RX_i]$$

**Cf. Example (Simulation)**

**THANK YOU !**

