



**REDD+ as a framework  
for various sectoral approaches,  
including opportunities for using  
markets**

**Workshop on a Framework for  
Various Approaches**

**UNFCCC**

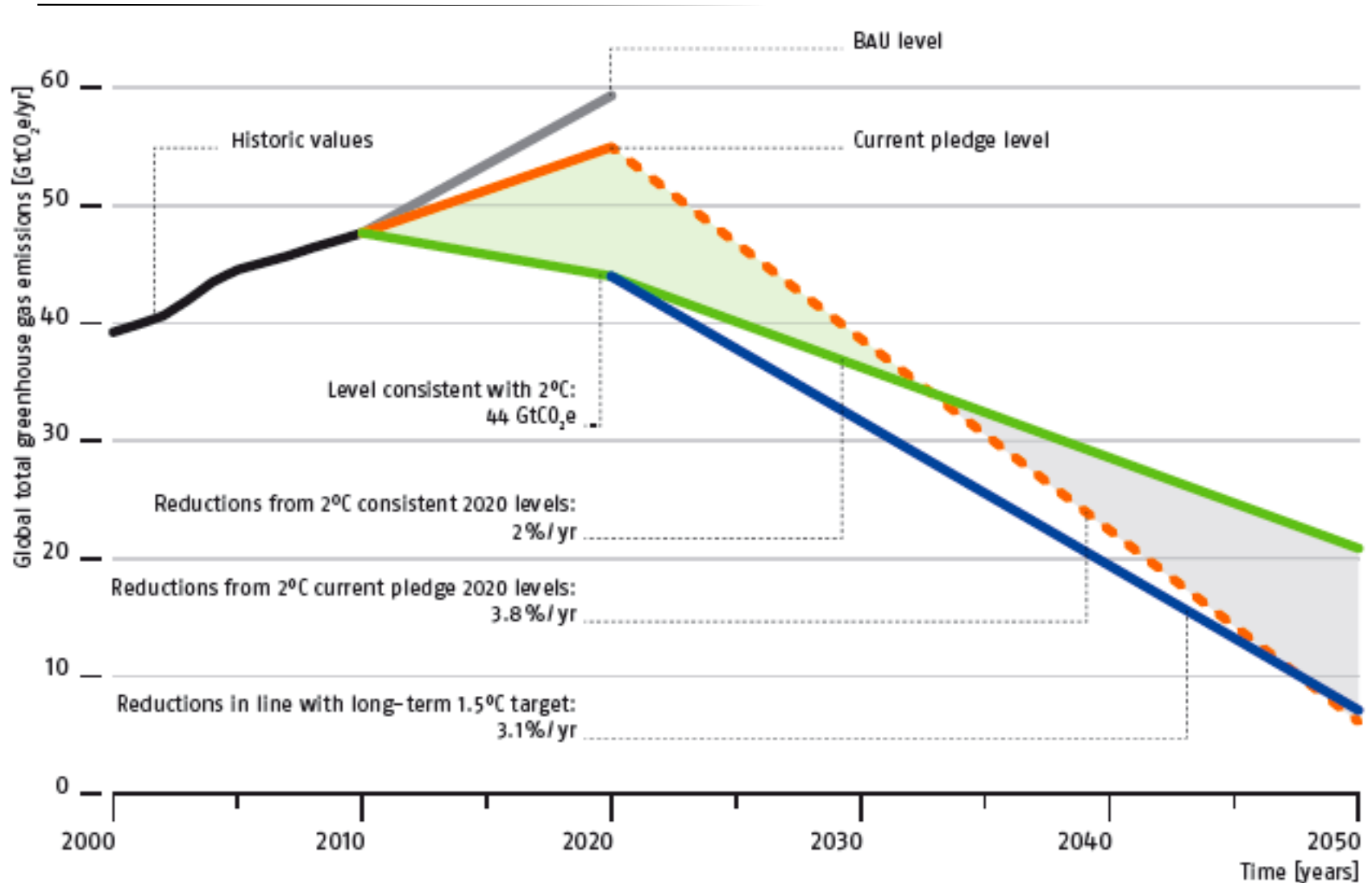
May, 19 2012

Bonn Germany



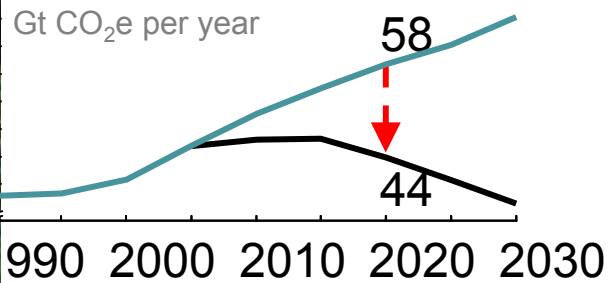
Coalition for Rainforest Nations

# Ambition: Emissions gap scenario to 2050



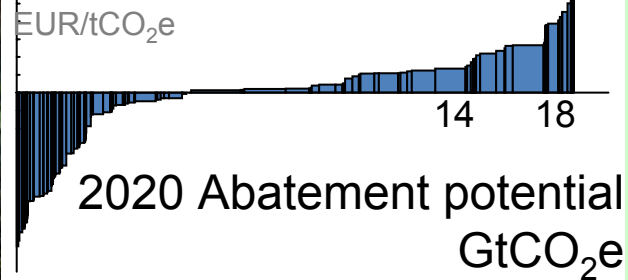
# Ambition: the role of developing countries

Global GHG emissions



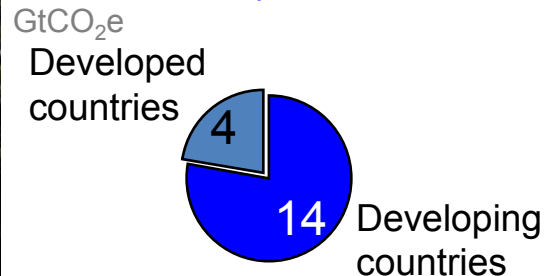
Within eight years, the world needs to reduce global greenhouse gas emissions by 14 GtCO<sub>2</sub>e to achieve the 450 ppm pathway<sup>1</sup> that would limit average global warming over pre-industrial times to 2°C by 2100

Cost



Achieving 14 GtCO<sub>2</sub>e in reductions is possible but will require capturing 80% of the world's emissions reduction opportunities

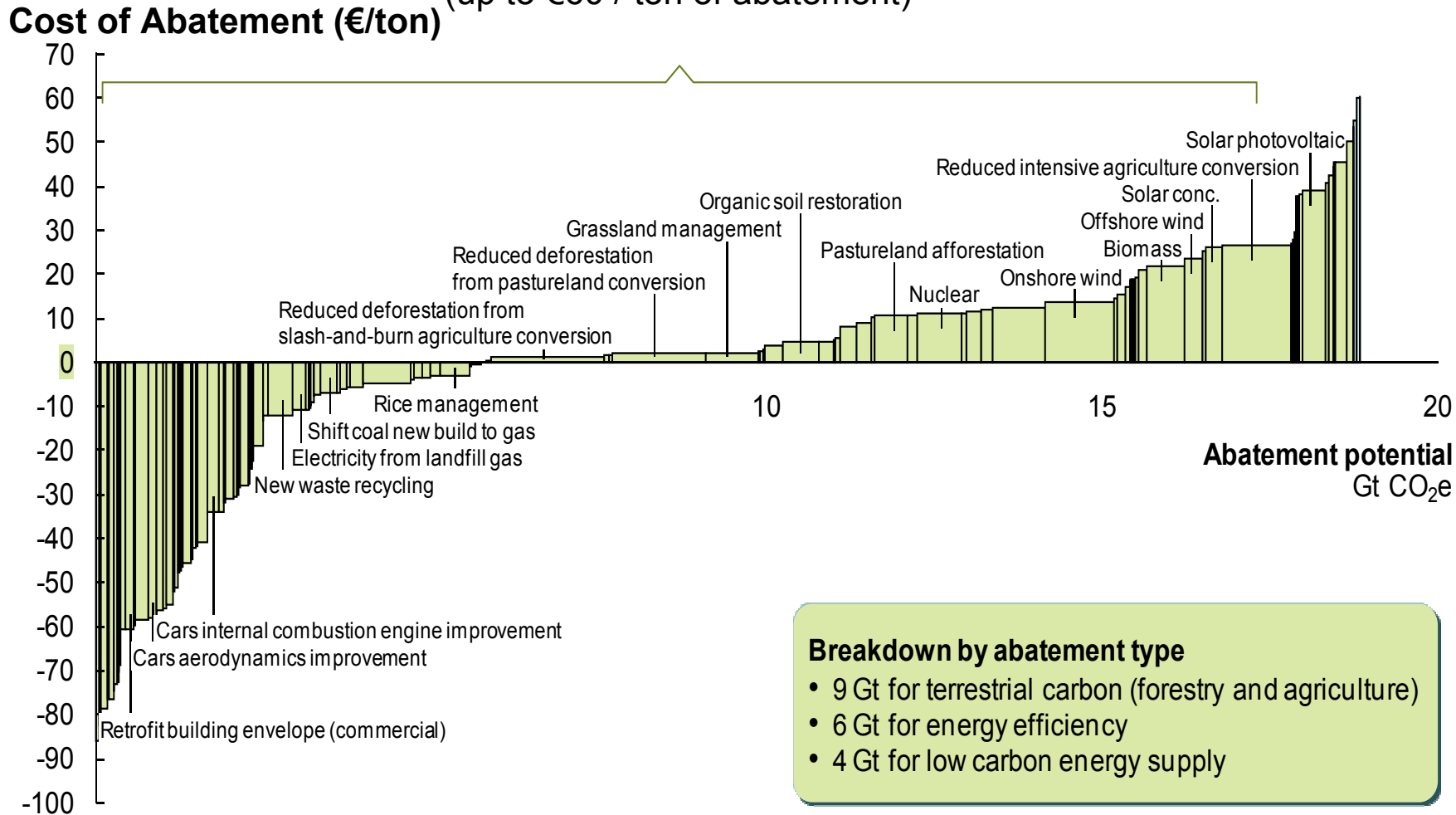
2020 Abatement potential



Of the world's emission reductions opportunities, about 25% is in developed country geographies and about 75% in developing country geographies

# Role of REDD+: Global Abatement Cost Curve

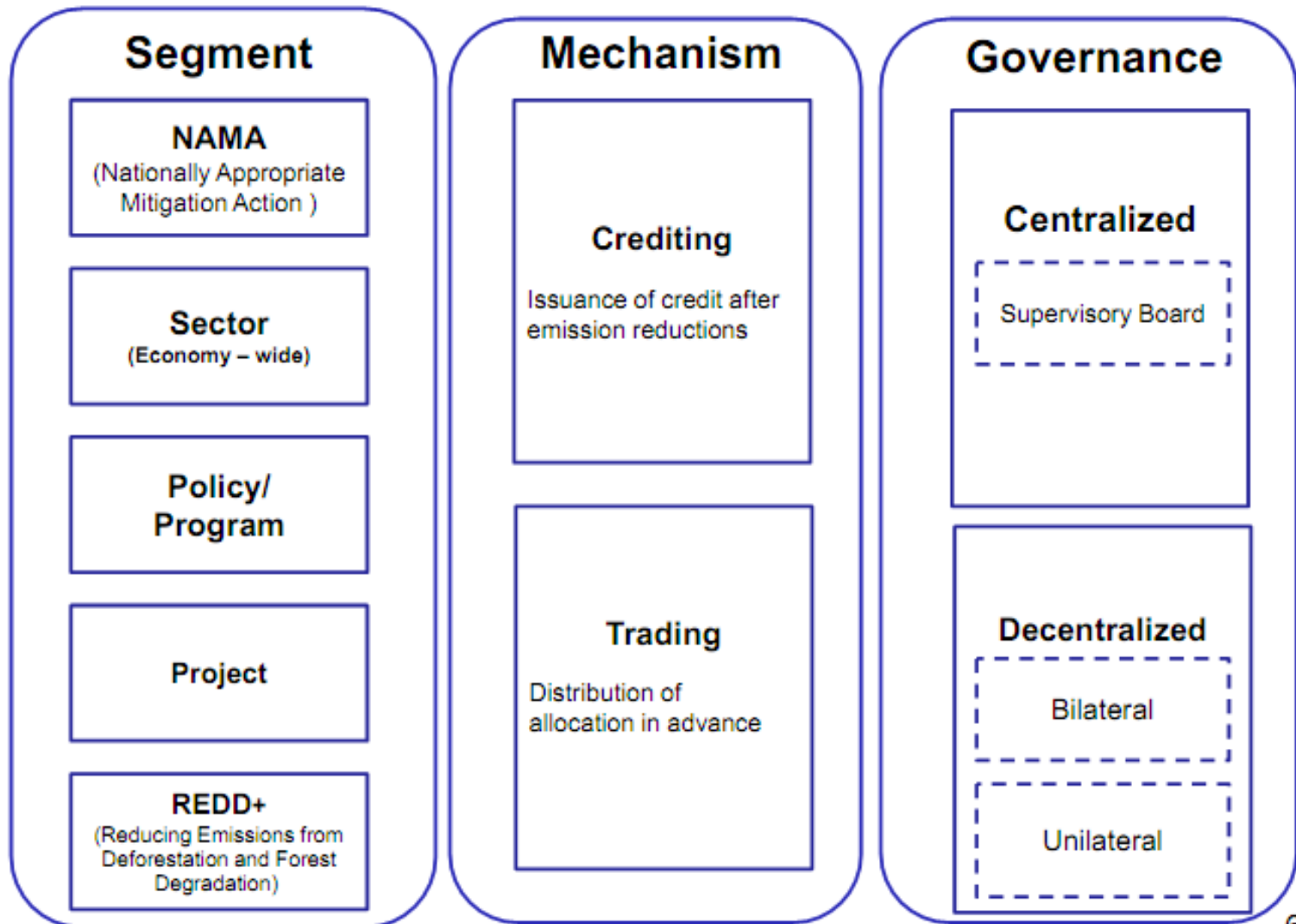
Global Abatement Cost Curve 2020  
(up to €60 / ton of abatement)



**Breakdown by abatement type**

- 9 Gt for terrestrial carbon (forestry and agriculture)
- 6 Gt for energy efficiency
- 4 Gt for low carbon energy supply

# Mechanism Options after 2012





# New Market Mechanisms (I)

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- Level of ambition AI Parties to be increased
- Voluntary for all Parties
- National circumstances and different capacity and capabilities
- Assist developed country Parties in achieving compliance with their commitments under the Convention and the Kyoto Protocol
- Common standards ('a ton is a ton') to be applied by all Parties
- Compatibility with the existing market-based mechanism
- Trading Approach: national reference level defined ex-ante and equivalent allowances issued. No commitments but using 'objectives' – a hybrid approach.

# New Market Mechanisms (II)

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- **End of the period accounting:** If at the end of the period, emissions are above the national reference level:
  - reserves from previous years can be used or
  - negative balanced carried over into the next period
- **Regulatory Body:**
  - to develop, administer and ensuring common standards,
  - to ensure environmental integrity,
  - to coordinate all existing and new market-based mechanisms
- **Carbon Reserve Bank:** to be established with the view to ensure the regular functioning of the carbon market
- **Markets:** National (ex: New Zealand and Australia) and regional (EU-ETS) market-based mechanisms, which include REDD+ activities, may be used by Parties applying consistent UNFCCC agreed standards.



# New Market Mechanisms (III)

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## Elements for REDD+

- **Results Based:** Results based activities referred to in paragraph 73, decision 1/CP.16
- **National Level:** National reference levels, national monitoring systems, national MRV systems and processes, national greenhouse gas inventory reports, and safeguards information systems
- **MRV:** Fully fungible measurable, reportable and verifiable (MRV) emissions reductions units (a ton is a ton)
- **Environmental integrity:** National references and MRVs are critical
- **Other Elements**
  - Credits for early actions
  - Price floors
  - Reserve account
  - End of term accounting





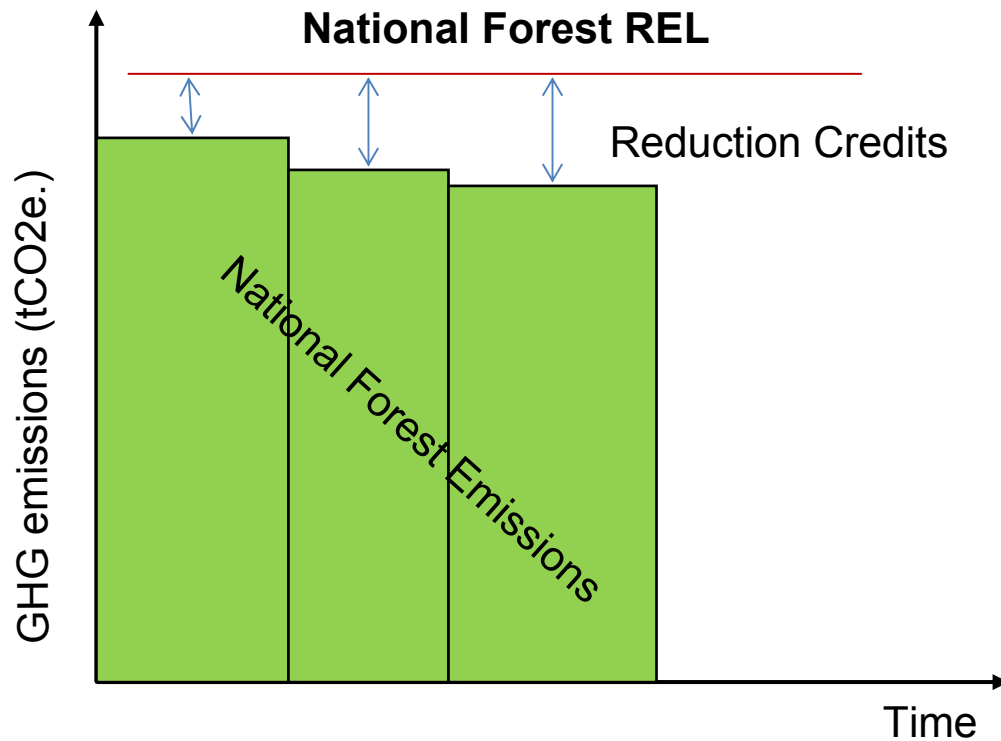
# New Markets Mechs: REDD+ Phase 3

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- National commitment to develop a REDD+ strategy
- Grant payments
- REDD+ strategy
- Stake holder consultation
- minimum monitoring capabilities
- Safeguards
- Grants payments
- Market links mechanism
- Proxies
- **National MRV .**
- **National Accounting**
- **Reporting through National Communications (as for NAMAs)**
- **Market access through a New Market Mechanism**

# New Markets Mechs: Reference levels



- Historical data
- National circumstances
- Rate of deforestation
- Adjustment factor

# Securing Demand: Annex-1 Leadership

