

Elements from REDD-OAR

Expert meeting on methodological issues relating
to reference emission levels and reference levels

Bonn, 23–24 March 2009

cyril.loisel@iddri.org



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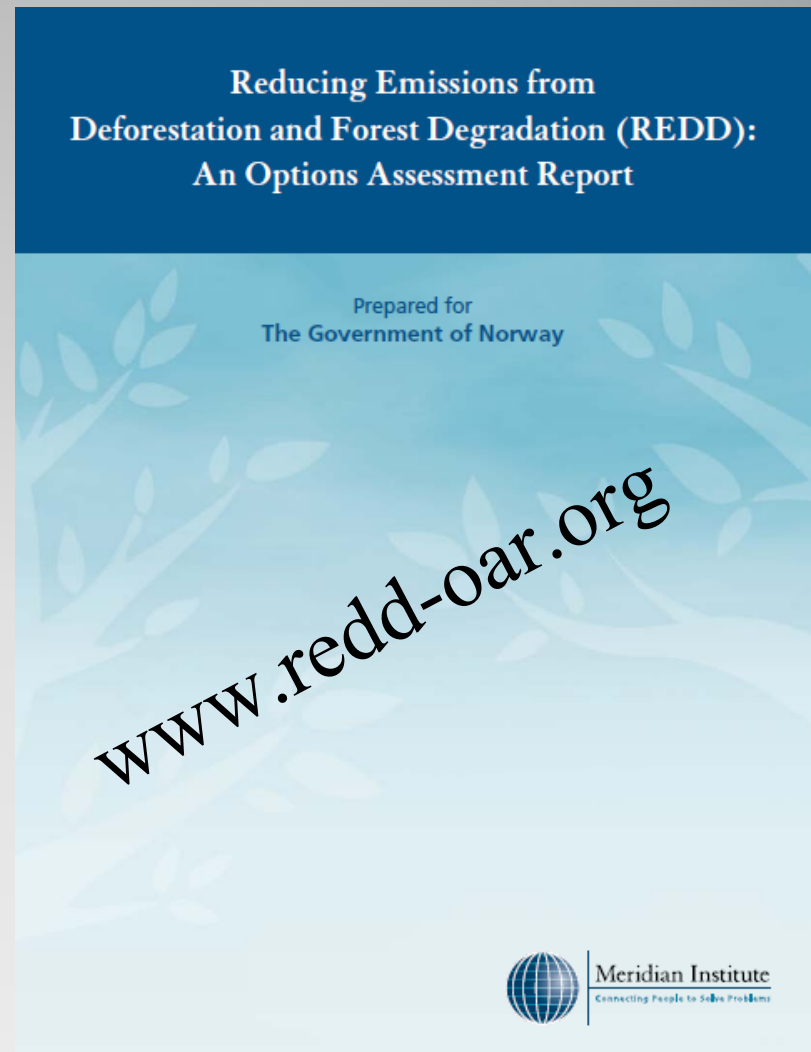
SciencesPo.

Introduction

REDD OAR, Scope of REDD,
Lines, Forest transition



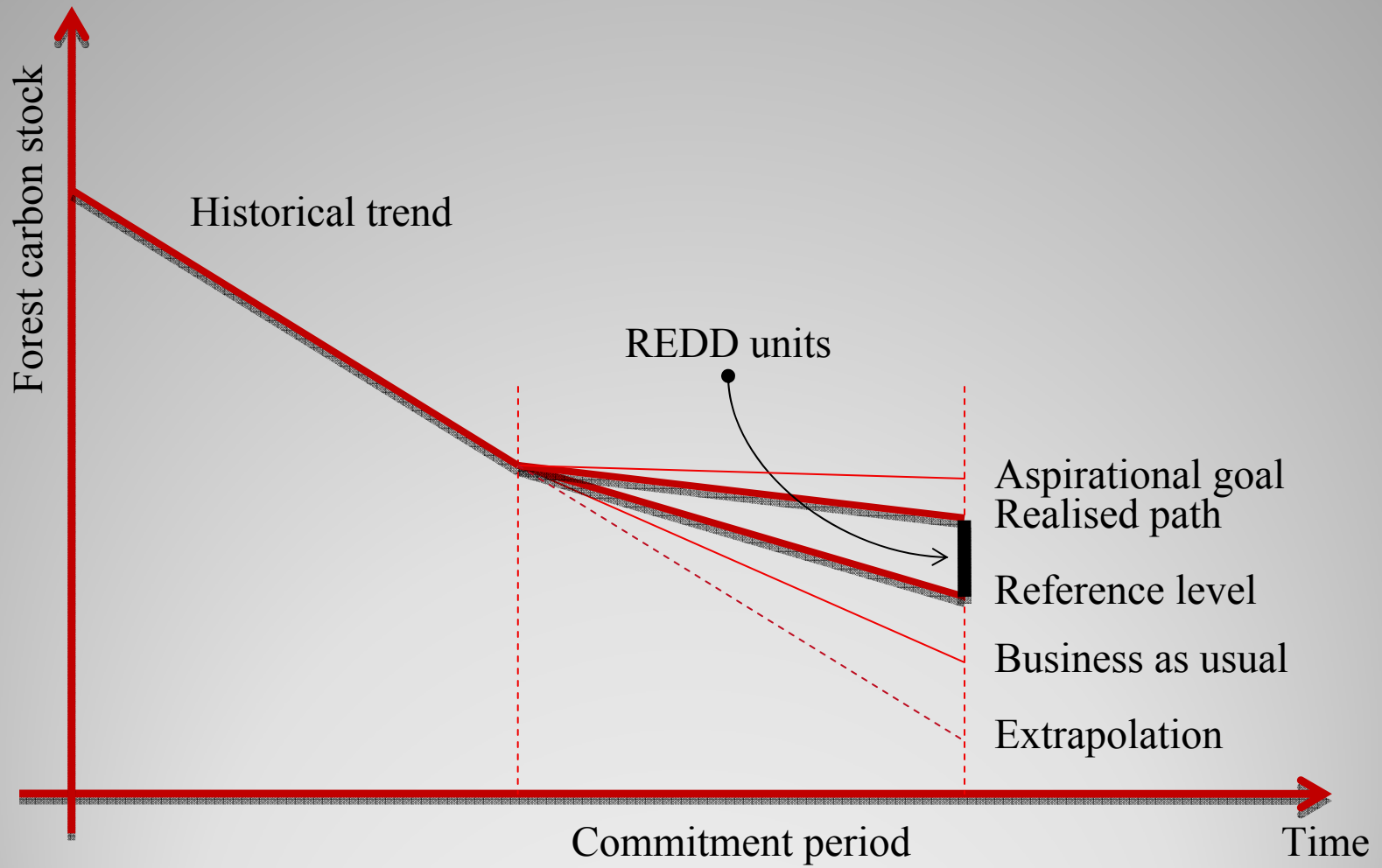
- Report by Meridian Institute for Government of Norway
- Dan Zarin (lead), Arild Angelsen (lead on reference levels), Sandra Brown, Leo Peskett, Charlotte Streck and myself.
- Involved extensive consultations with governments and civil society over the last 3 months
- NOT intended to build consensus



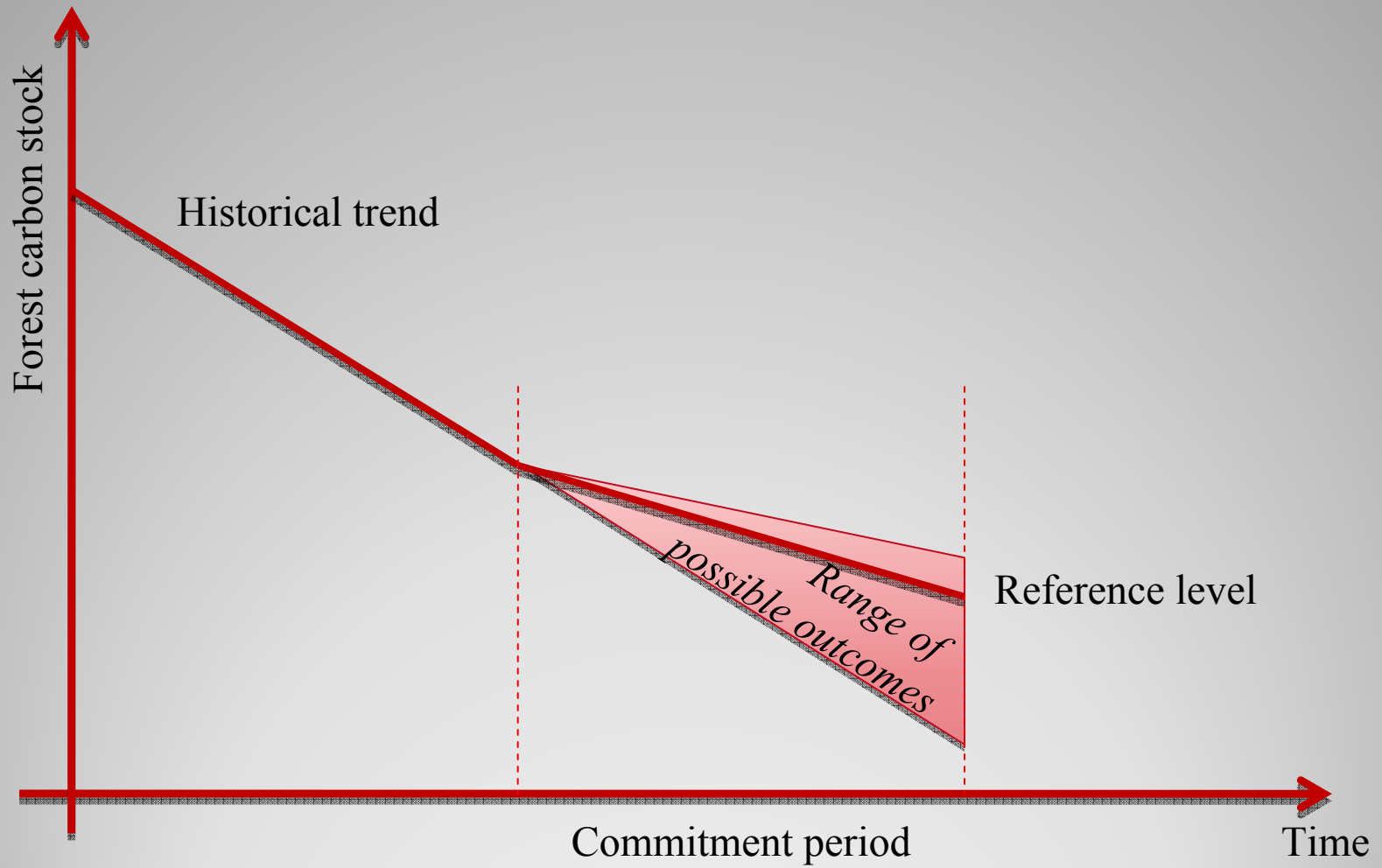
An option assessment report

- Scope of action:
 - Across forestry, agriculture and energy sectors
- Scope of GHG reporting:
 - Montréal/Bali/Poznań: all forests and nothing but forests
 - Many REDD countries would likely start with limited reporting
 - Upwardly compatible flexibility; long term view on AFOLU
- Scope of reference levels:
 - Relevant for GHG-based incentives, whenever and however they come into play;
 - Short term focus on deforestation due to reporting constrains;
 - But same concepts apply to rest of REDD package although different drivers may apply

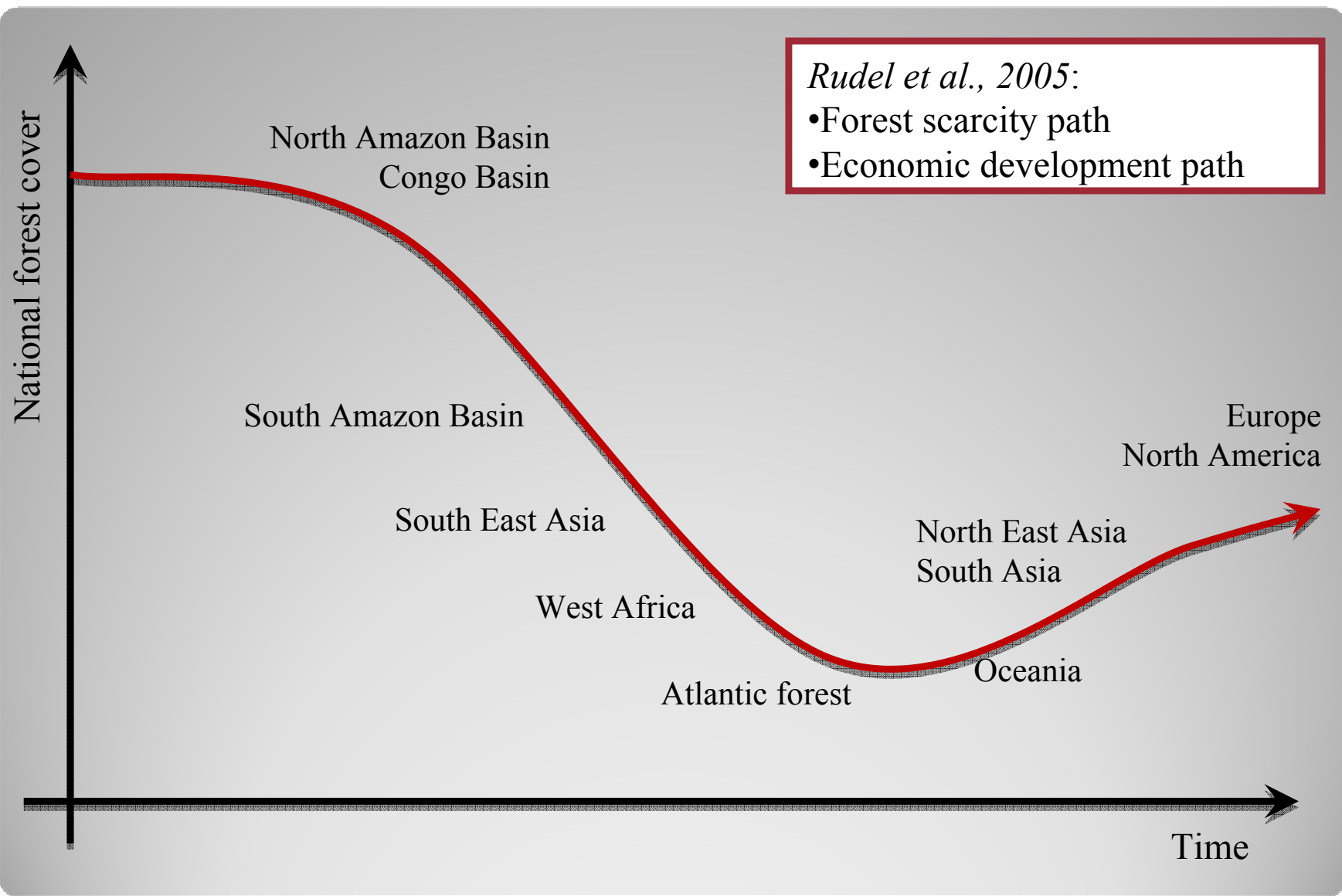
Scope of REDD



Between the lines



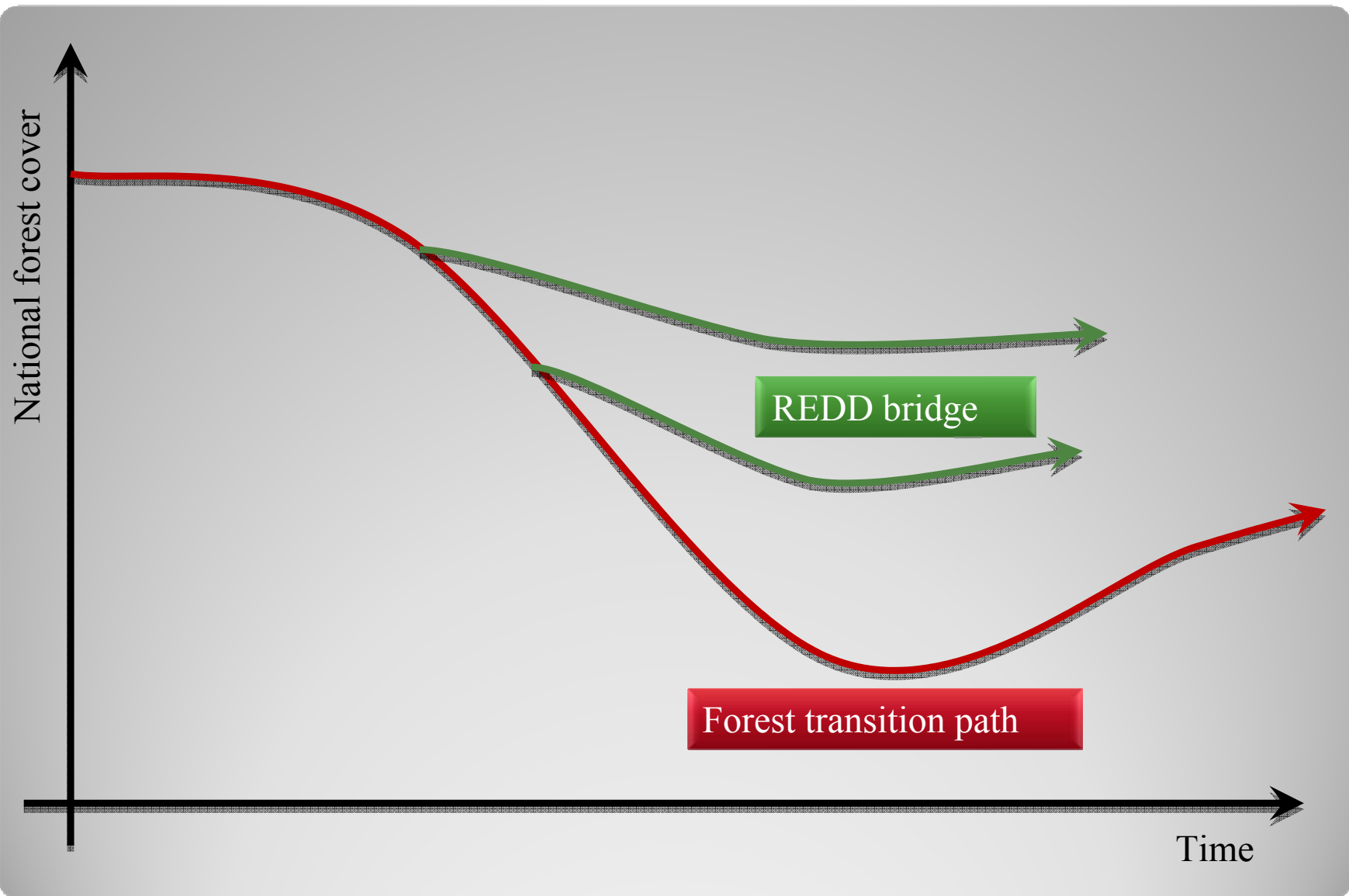
Between the lines[2]



Rudel et al., 2005:

- Forest scarcity path
- Economic development path

Forest transition theory



Forest transition not fatal



The process

Coming up with agreed reference levels

- Should RLs be established through a process of:
 - political negotiation?
 - rule-based expert review?
- Should RLs be agreed:
 - all in one shot?
 - by bunches as countries get ready for REDD?
- Should the starting point be:
 - country submissions?
 - a table of value prepared by experts based on agreeable principles and formulae?

About the process...

Political negotiation on
default table of values

(Kyoto QELRO model)

+ Swiftnes

+ Enhanced participation

+ Better control of global
additionality

Expert review of country
submissions, case by case

(CDM baseline model)

+ Better fit

+ More country ownership

+ Can start for some while
other are getting ready

Issues with the process

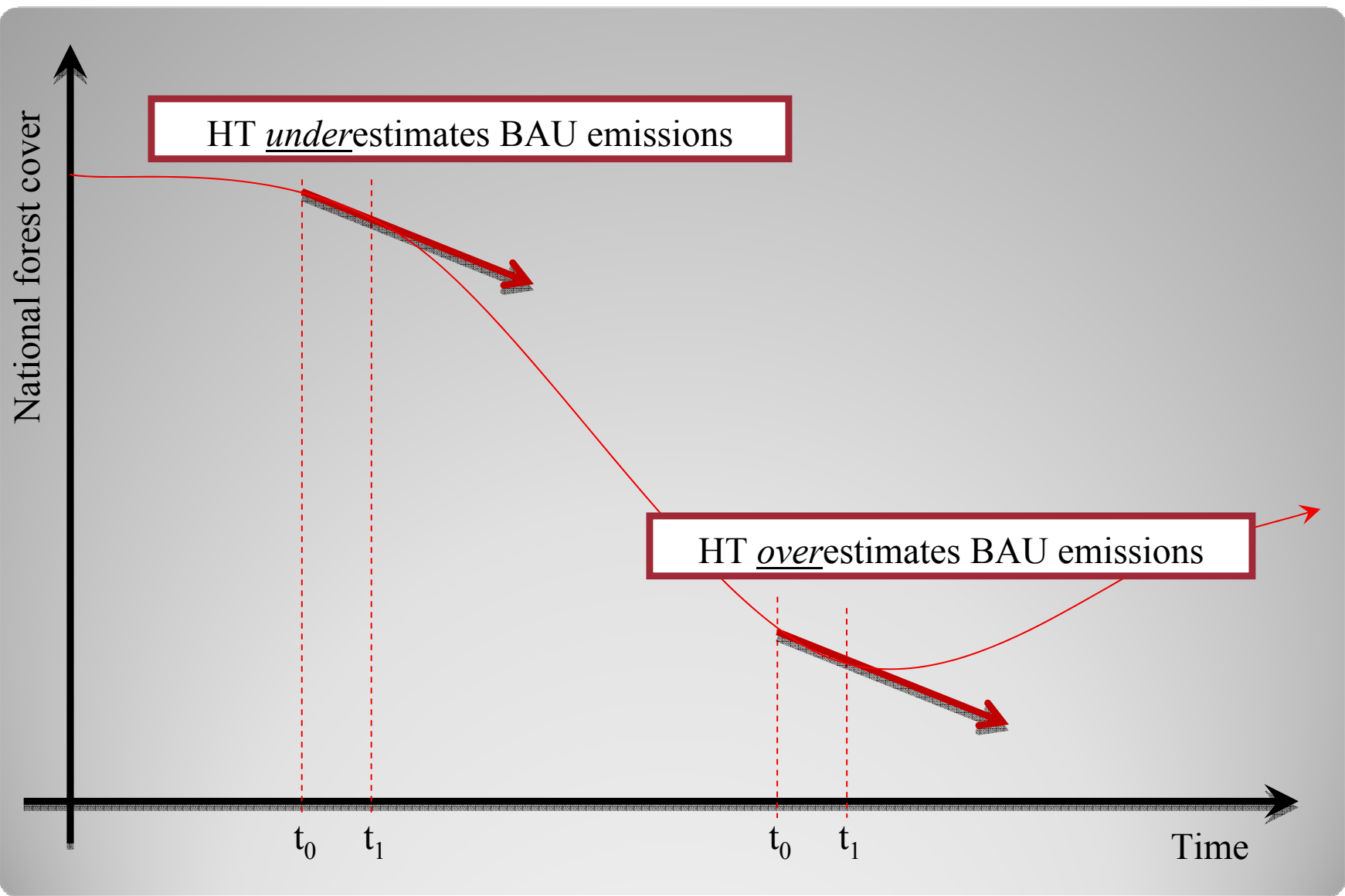
- **Option 1:** COP XX agree on a table of country-specific RLs after negotiation based on a table of default values.
- **Option 2:** COP XX, YY, ZZ,... endorse lists of country-proposed RLs after consideration and recommendation by SBSTA.
- **Option 3:** COP XX, YY, ZZ,... endorse lists of country-proposed RLs after recommendation by a dedicated committee. The committee consults with REDD countries and uses expert assessments.
- **Option 4:** COP XX; YY, ZZ, ... endorse lists of RLs, after recommendation by the SBSTA, based on the advice of a committee. The committee receives country-proposed RLs, consults with REDD countries and uses expert assessments.

Options for process

Elements

Relevant variables for reference levels
Global additionality



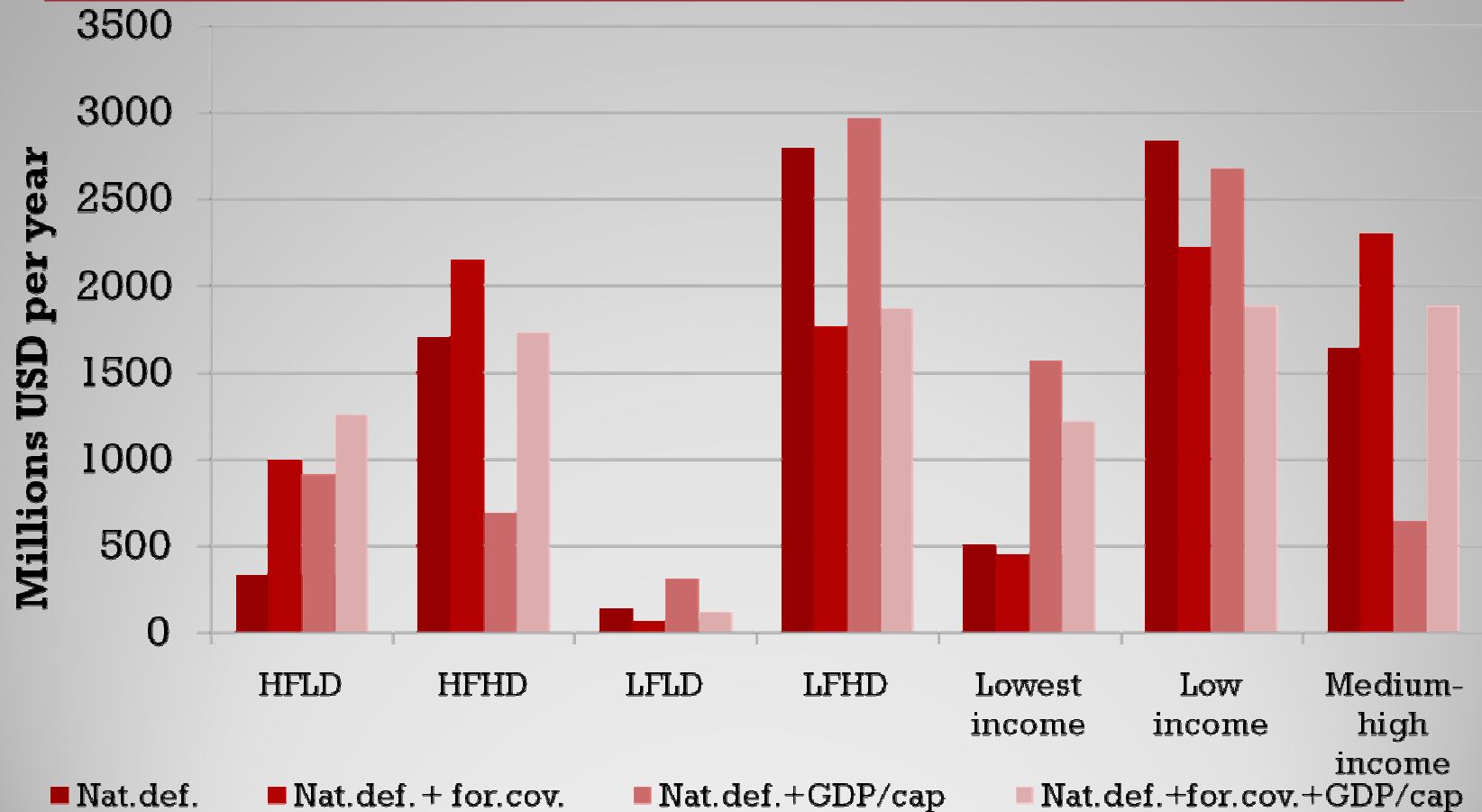


Historical trend vs. business as usual

- Recent history of deforestation
- Stage in forest transition
 - Forest cover (*proxy for forest scarcity path*)
 - GDP/capita (*proxy for economic development path*)

Relevant variables

- OSIRIS model - USD 5 billions distributed along various rules
- Large distributional impacts
- Deviations from BAU reduce effectiveness

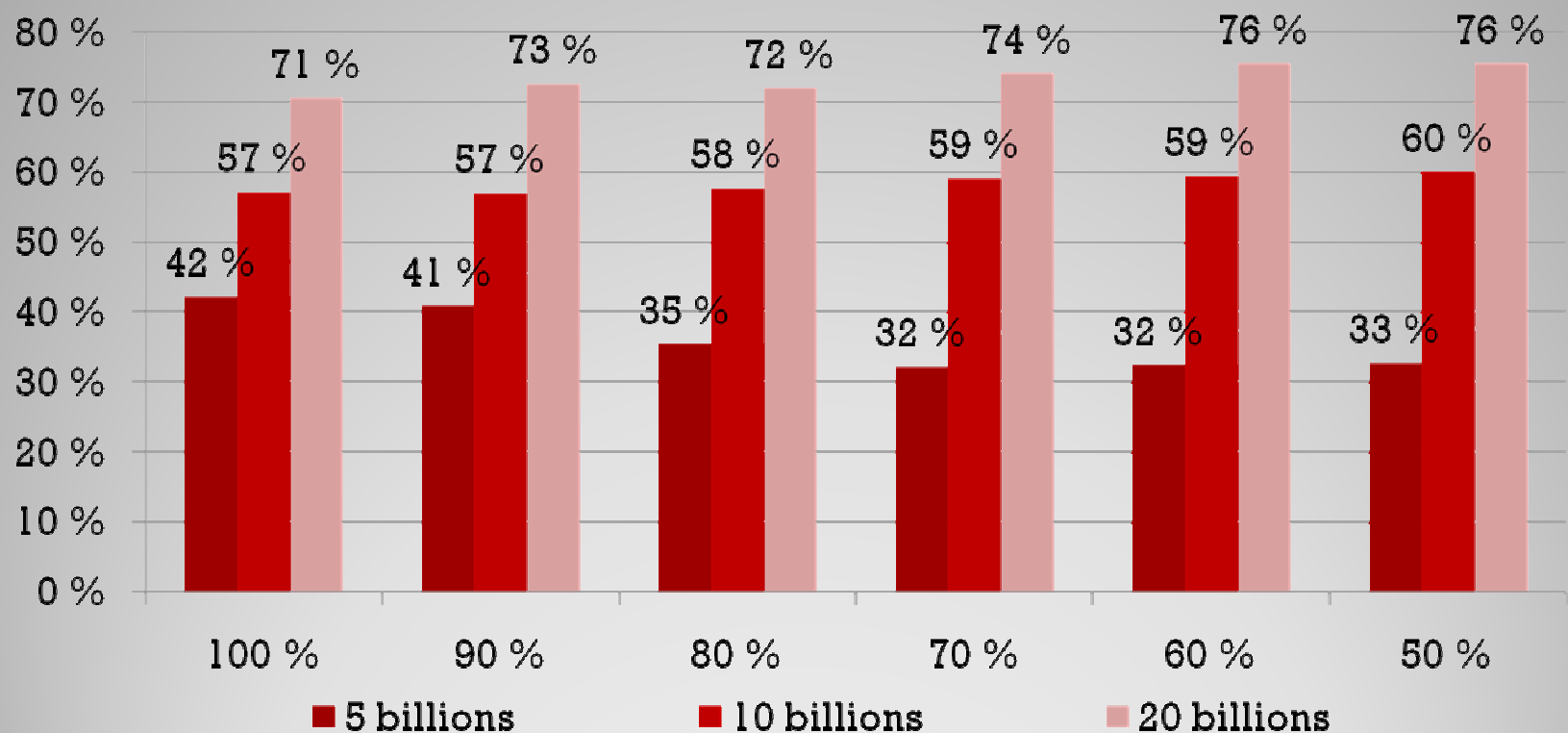


REDD transfers with different options

- What matters for climate effectiveness
 - Low cumulated reference levels
 - Broad participation
- A *global additionality scaling factor*...
 - to ensure that total allowed emissions from deforestation are below business-as-usual
 - Art. 3.1 of Kyoto Protocol: “*with a view to reducing their overall emissions [...] by at least 5 per cent below 1990 levels in the commitment period 2008 to 2012.*”
- Reference levels below business-as-usual does not imply that the REDD countries lose in the deal.

Global additionality

- Global additionality scaling may increase effectiveness, particularly at high funding levels
- Excessive reference levels have a cost to the atmosphere



Overall emission reductions with different global scaling factors

0

- Extrapolation national forest cover trend
- Lots of noise!!

1

- Add other parameters in the regression: GDP growth? demography? Political stability? Agric. commodity prices?

2

- Expand regression data panel to other countries with similar drivers of deforestation.

3

- Index reference level on exogenous variable. World prices of agriculture commodities?

4

- Stratify national forests and establish separate reference formulae for each stratum. Sum to get national reference level.

5

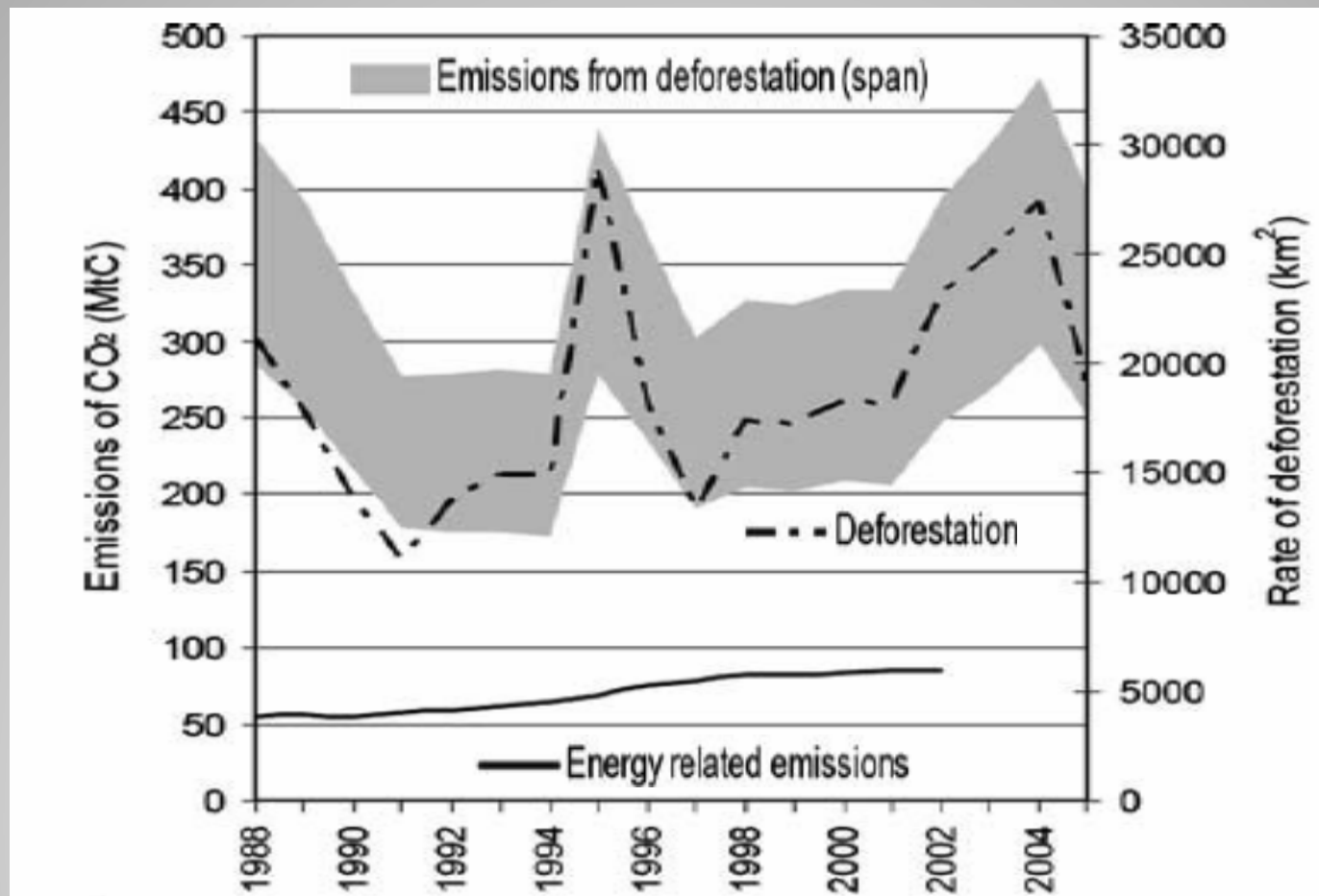
- Spatialisation
- Expand regression data panel with subnational data

6

- Partial equilibrium model: spatialised supply functions, demand function for farm goods. Loop effects captured.

Stages of sophistication in the elaboration of national reference levels

- Annual variability of deforestation in Brazil



Persson and Azar 2007

1. Historic trends, forest cover and GDP/capita are relevant elements

2. Global additionality is critical for climate effectiveness

3. Swift policy decision vs. case-by-case review process?

4. Discussion based on country proposals or default formula?

Conclusion



Save the forests!
Tusen takk!
Bonn, 23 March 09
cyril.loisel@iddri.org