

TASK FORCE ON REDD AND CLIMATE CHANGES - REPORT I



EXECUTIVE SUMMARY¹

A. GENERAL CONSIDERATIONS

1. This is the final version of the Report I of the REDD² and Climate Change Task Force established with the support of the Office of the President of the Republic and proposed by the Forum of Amazonian Governors.
2. It is in the national interest to explore an array of options for expanding financing opportunities for REDD in order to improve the standard of living of the inhabitants of the Amazon, maintain standing forests and reduce emissions from deforestation.
3. In the UNFCCC negotiation processes, the Brazilian Government should support three financing mechanisms for REDD: (i) governmental financing mechanisms, (ii) non-compensatory market mechanisms, (iii) compensatory market mechanisms for the emissions of Annex I countries.
4. The proposition of market compensating mechanisms for REDD would be the main change of the Brazilian position in the UNFCCC negotiations.

B. COMPENSATORY MARKET MECHANISMS

5. These mechanisms can be used to compensate (offset) part of the mandatory emissions reduction of the Annex I countries.
6. We recommend that REDD be included in the growing market for as a way to increase the value of standing forests. The inclusion of REDD should be in a form of additional commitments for the Annex I countries and could be done through the use of a quota to be met exclusively by REDD.
7. The possible inclusion of REDD as a compensatory market mechanism, which should occur outside the scope of the Kyoto Protocol, without fungibility with other carbon credits, and by means of a specific instrument that has yet to be defined.

C. GOVERNMENTAL FUNDING MECHANISMS

8. Government to government financing could support Federal, State, and Municipal government programs for the prevention and control of deforestation and the promotion of sustainable development. These resources could also be used to support the work of universities, NGOs, private sector initiatives and other institutions.
9. The position of G-77, which is supported by the Brazilian Government, is a positive one in that it defends the allocation of 0.5 to a 1.0% of GNP of Annex I countries to finance these programs. This allocation should result in a significant sums and predictable flows of resources.

¹ A full copy of this report is available at www.fas-amazonas.org and www.forumclima.org.br

² In this document the term REDD is used to refer to all three modalities discussed under the UNFCCC: (i) RED (Reduced Emissions from Deforestation), (ii) REDD (Reduced Emissions from Deforestation and Degradation), and (iii) REDD+ (Reduced Emissions from Deforestation plus Conservation, Sustainable Forestry Management and Maintenance of Forest Stocks).

D. NON-COMPENSATORY MARKET MECHANISMS

10. These mechanisms cannot be used to compensate or diminish domestic emissions reduction efforts by Annex 1 countries.

11. The position of the Brazilian Government is a positive one in that it defends the use of an auction of AAUs (permitted emissions) and other instruments to allocate the funds collected from the Annex I countries for REDD. This allocation should be done by designating a specific percentage for REDD activities.

E. RECOMMENDATIONS FOR THE BRAZILIAN GOVERNMENT ON THE INTERNATIONAL NEGOTIATIONS

12. Endeavour to include REDD, and the use of all the possible financing mechanisms, at the UNFCCC negotiations.

13. Lead the creation of a new compensatory market mechanism for REDD, which respects the guiding principles presented in this Report.

14. Take advantage of, as appropriate, all opportunities for cooperation between the Amazonian State Governments and State Governments of other countries.

15. To take advantage, as appropriate, of opportunities for bilateral cooperation between countries interested in REDD.

16. Participation of the President in the COP-15, leading the mission of the Amazonian Governors, with the proper international articulation, setting a position on the forest and climate issue.

F. POSITIVE PERSPECTIVES FOR A COMPENSATORY MECHANISM FOR REDD

17. Increase of funding for the reduction of deforestation, eradication of poverty, and promotion of sustainable development and the improvement of the standard of living of the inhabitants of the Amazon.

18. Financial support for the consolidation of a sustainable model for the Amazon, which allows Brazil to achieve the goals it has set for reducing deforestation.

19. Encouragement for the Annex I countries to set targets for, and make the additional financial commitments to, the goal of reducing emissions by 40% by 2020.

20. Consolidation of Brazil as an environmental power and global leader, especially among the group of forested countries, developing nations and with its South American neighbors in the Amazonian watershed.

21. Join forces with the environmental sector, social movements, universities and Brazilian companies committed to climate change mitigation.

G. PRECAUTIONS FOR THE INTERNATIONAL NEGOTIATION ON A COMPENSATORY FOR REDD

22. Efforts should be taken to ensure that the negotiations for a compensatory mechanism for REDD do not interfere with the negotiations for non-compensatory market mechanisms and governmental financing of nationally appropriate mitigation activities (NAMAs).

23. The creation of legal instruments for REDD within the scope of the UNFCCC should ensure the maintenance of environmental integrity of the global mitigation efforts, to guarantee the rigor of the appropriate methodology and should not decrease domestic emission reduction efforts of developed nations.

24. The approach to REDD should include simple and agile mechanisms and processes, avoiding the complexity and the costs observed in projects within the scope of the Kyoto protocol. Additionally, it should: (i) maintain the environmental integrity established by the UNFCCC, (ii) present effectiveness with sufficient and predictable financing.

25. The approach to REDD should guarantee the improvement of the standard of living of forest peoples, the transparency and the equitable distribution and use of funds generated.