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Baseline Allocation Tool

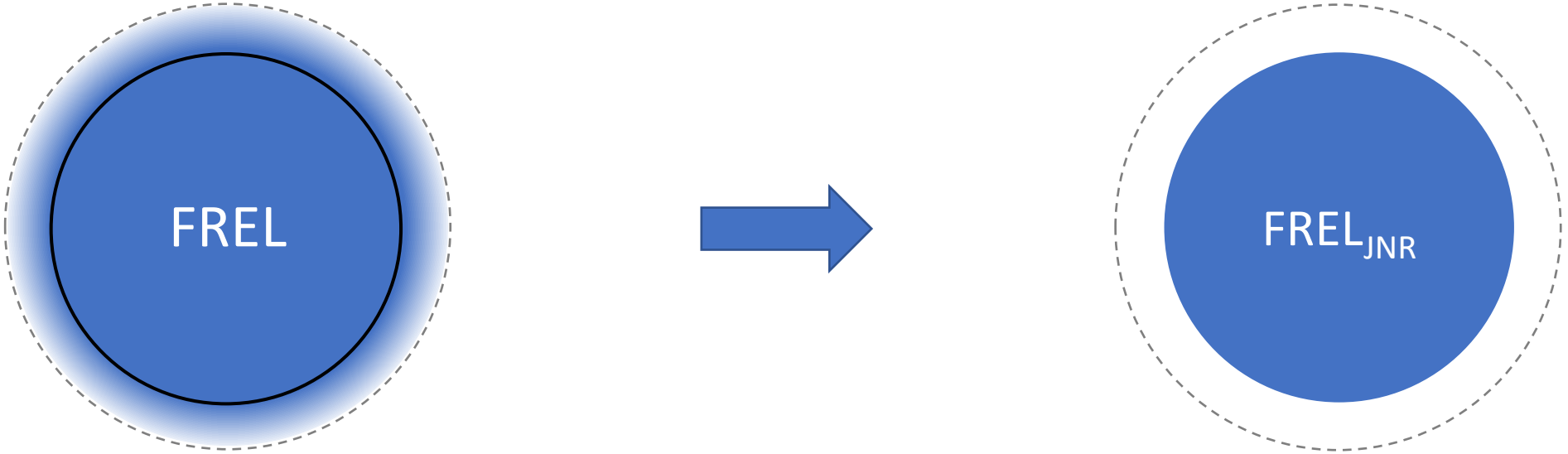
Concept and technical approach

Allocation concept

- Instead of project methodologies, an "allocation approach" could be used to define the baseline of nested projects in jurisdictions that have FRELs that meet VCS-JNR minimum quality requirements ($FREL_{JNR}$).
- Portions of the jurisdictional $FREL_{JNR}$ will be allocated to projects according to the risk of deforestation and forest degradation:
  - ✓ Projects in high risk areas will get a higher baseline allocation than projects in low risk areas.
  - ✓ Therefore, project proponents should be encouraged to invest in high risk areas.
  - ✓ Jurisdictional programs will benefit from project initiatives in high risk areas where public policies and programs may not be sufficient to effectively reduce deforestation and forest degradation.

What FREL should be used for allocation?

- Sometimes countries have more than one FREL: $FREL_{UNFCCC}$ & $FREL_{FCPF}$ & $FREL_{REM}$ & …
- Countries should decide which FREL they want to use for allocation, but jurisdictional FRELs must also meet VCS-JNR quality requirements.
- If certain requirements are not met, e.g. the accuracy is too low, an adjustment of the FREL may be considered.

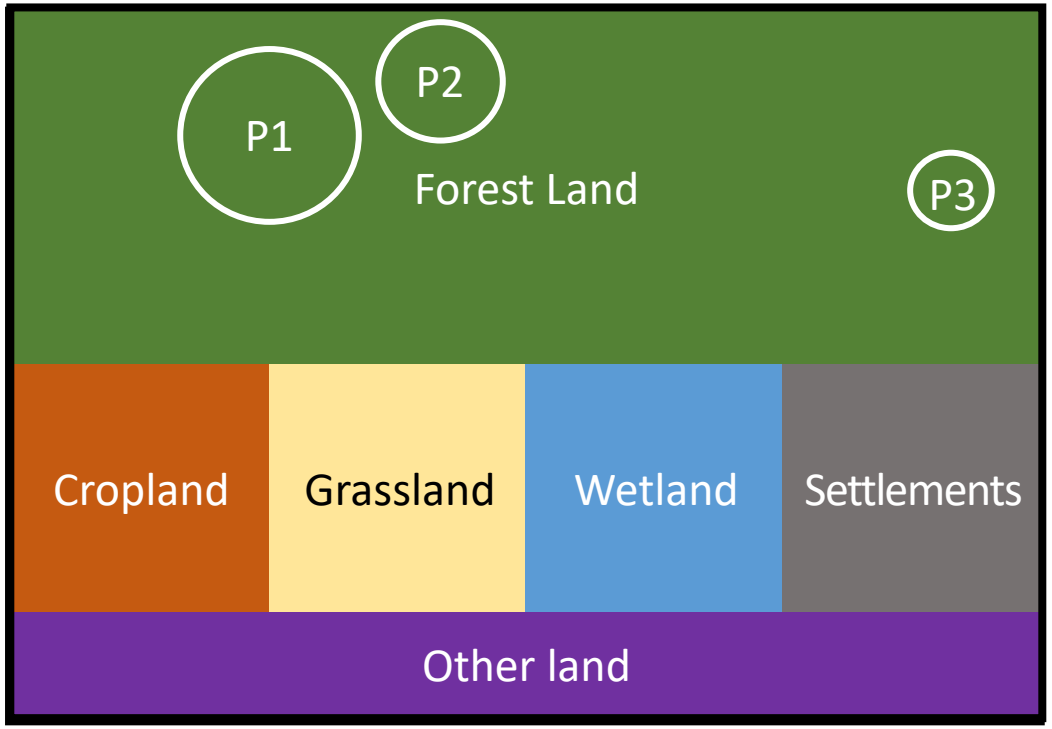


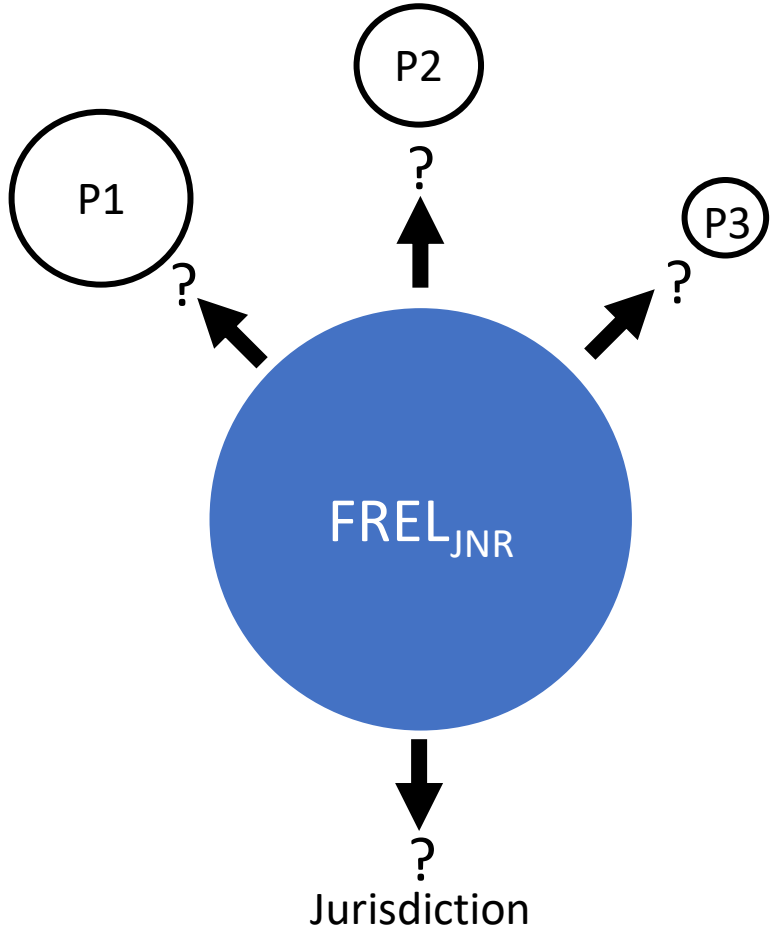
Accuracy of the FREL

FREL adjusted for VCS-JNR allocation

Allocation example

FREL allocation = How to split the pie?





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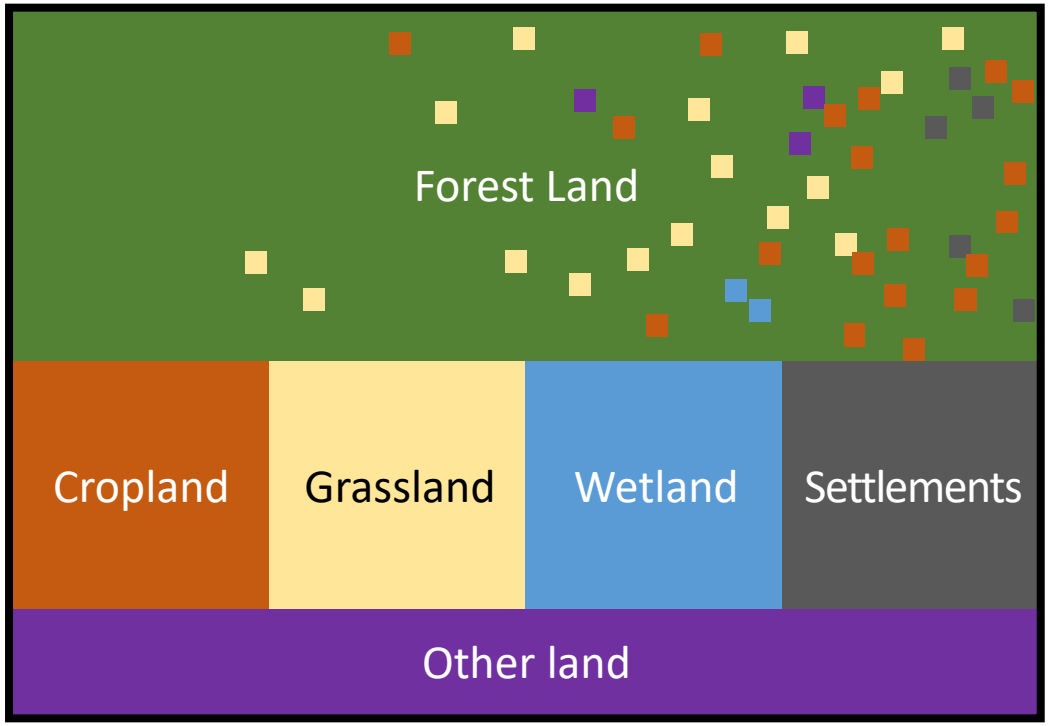

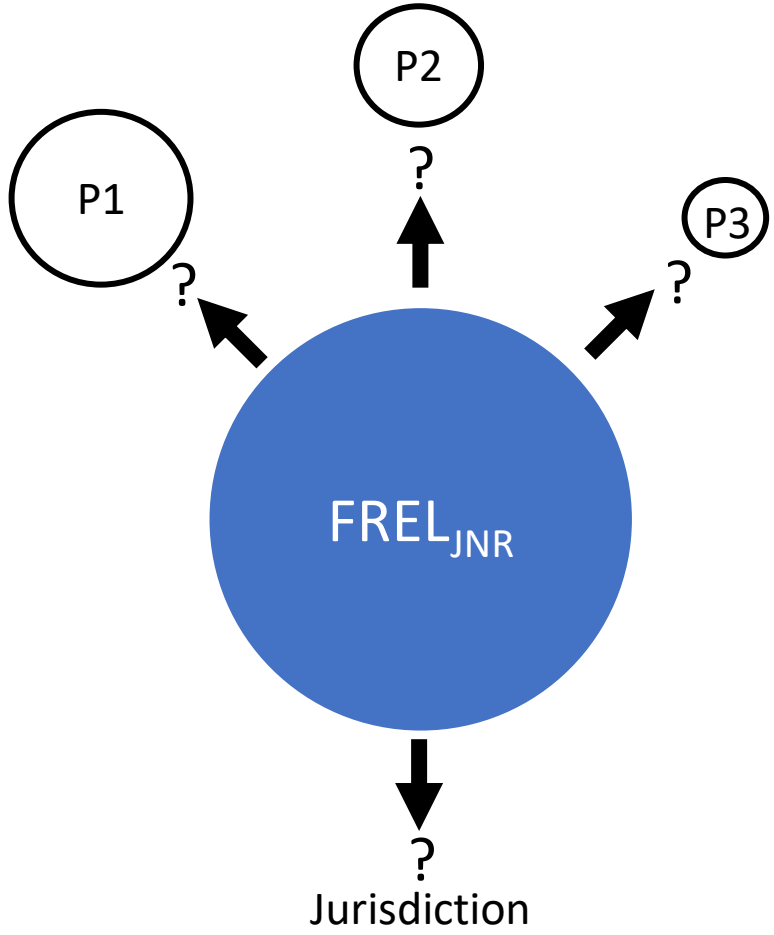

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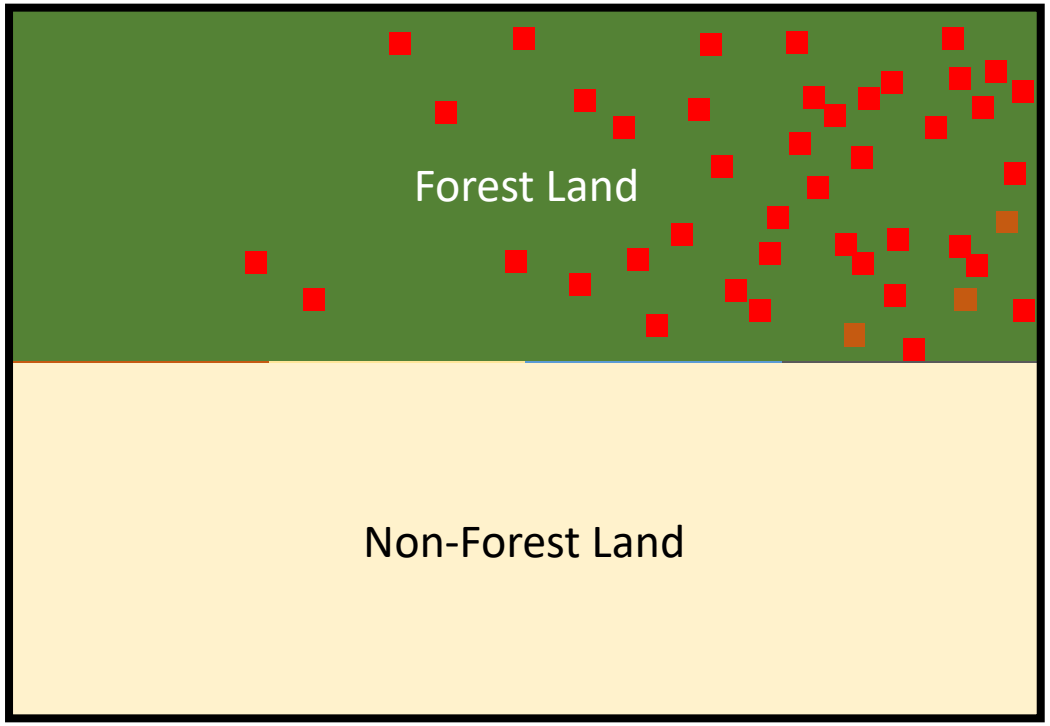

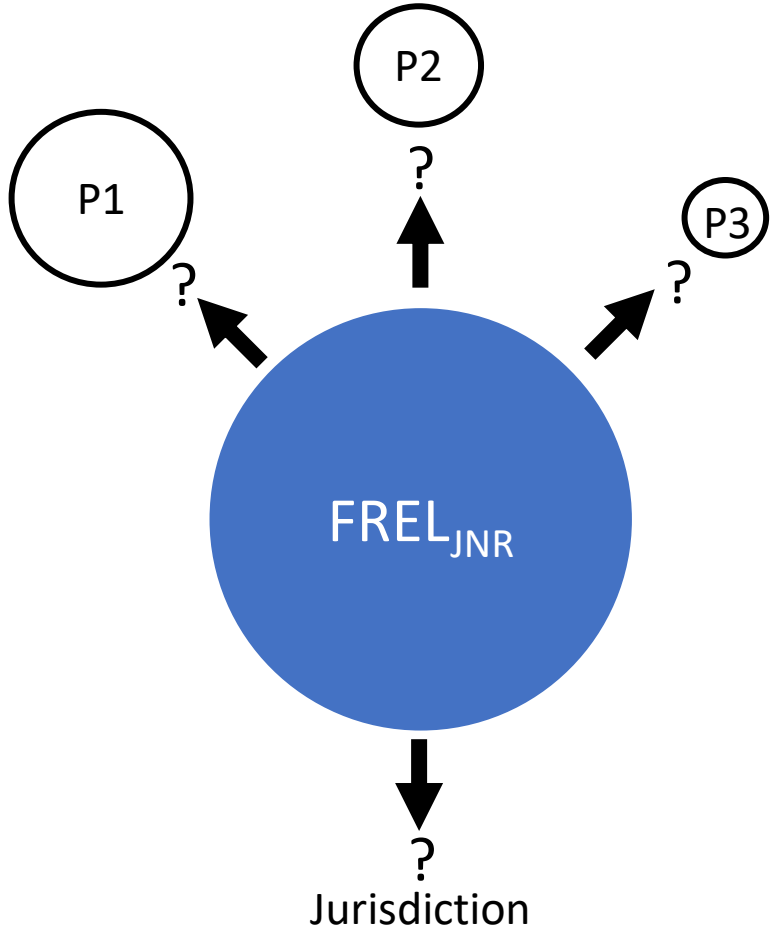

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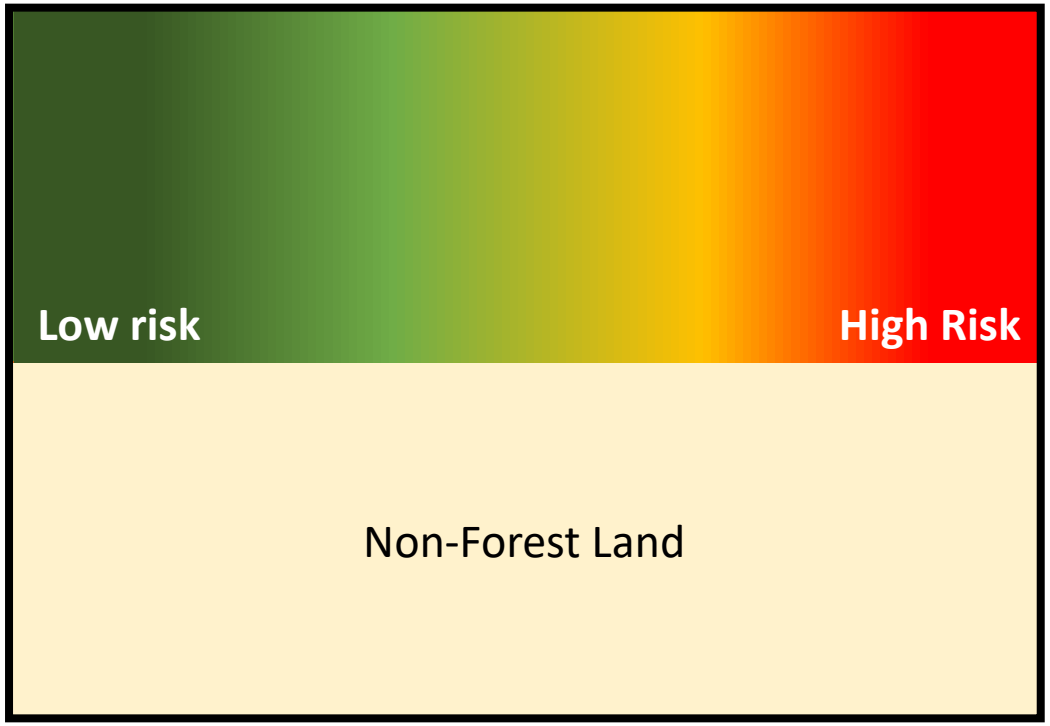

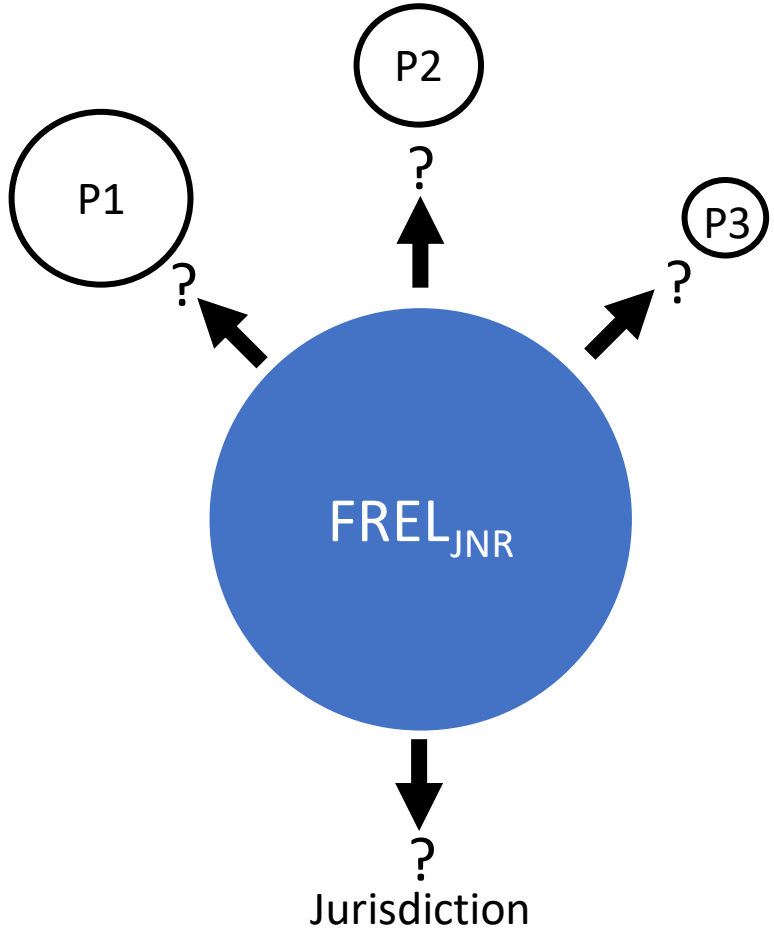

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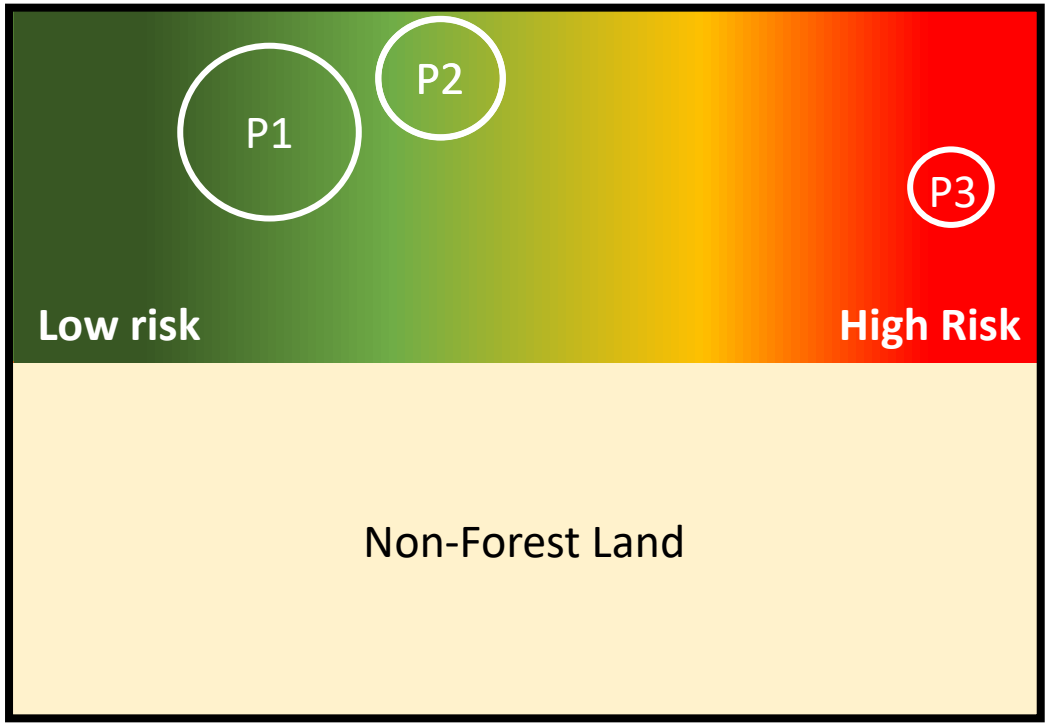

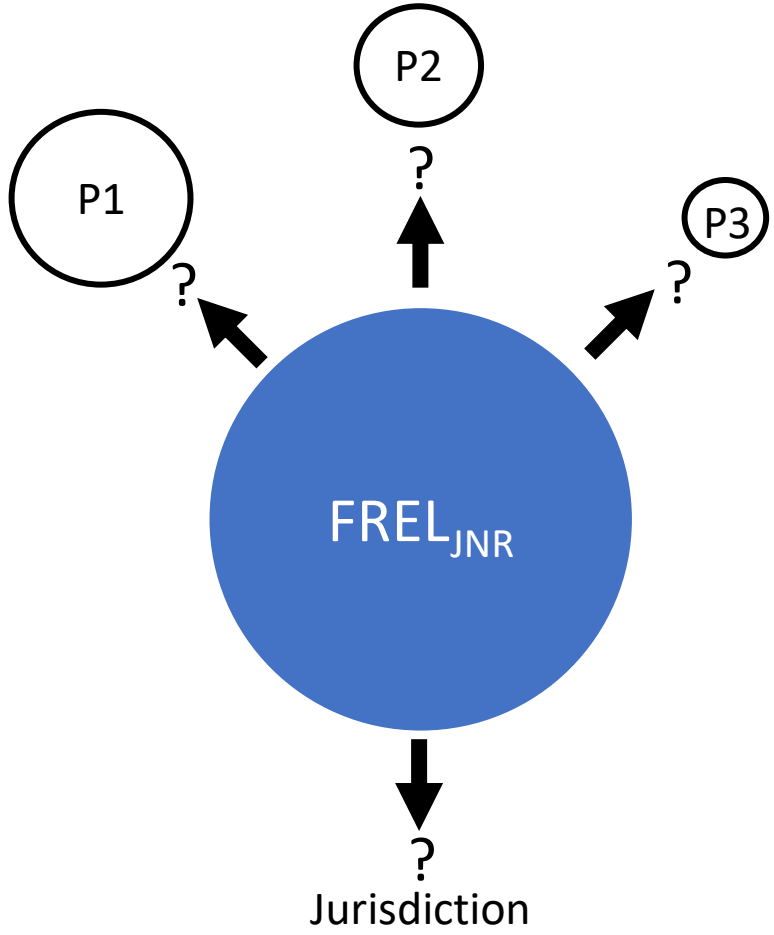

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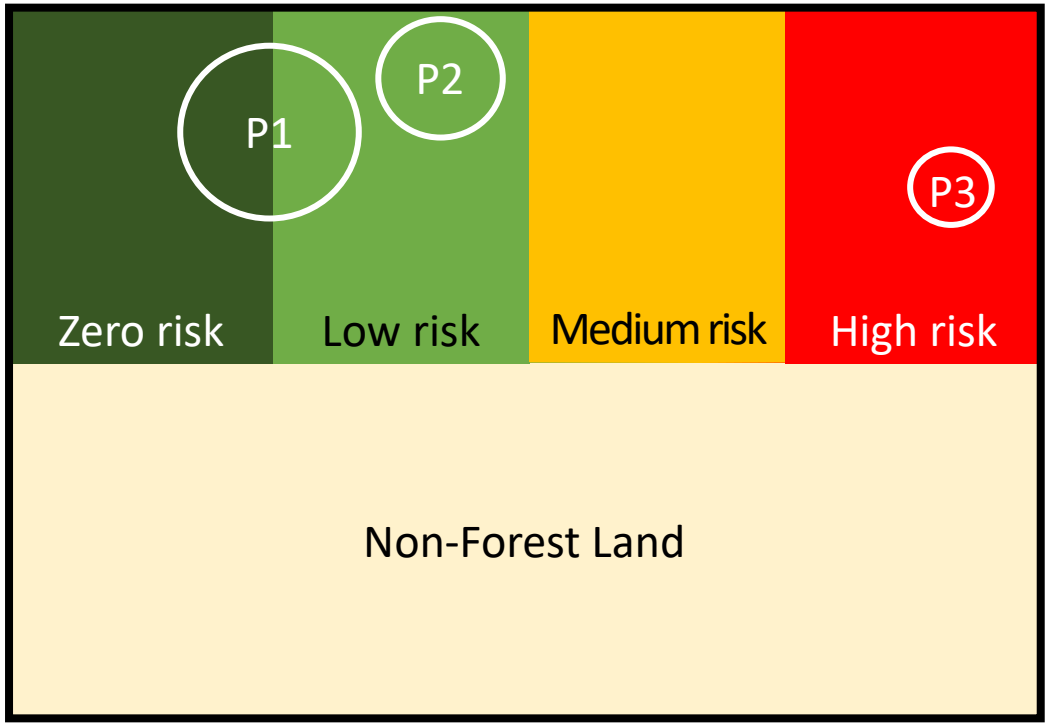
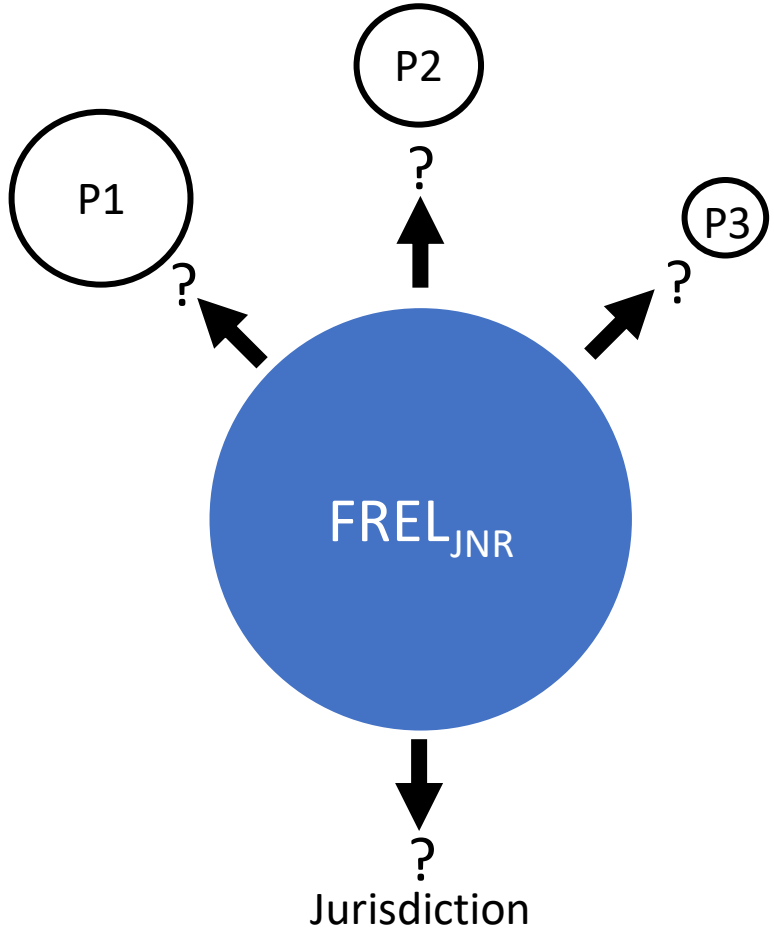
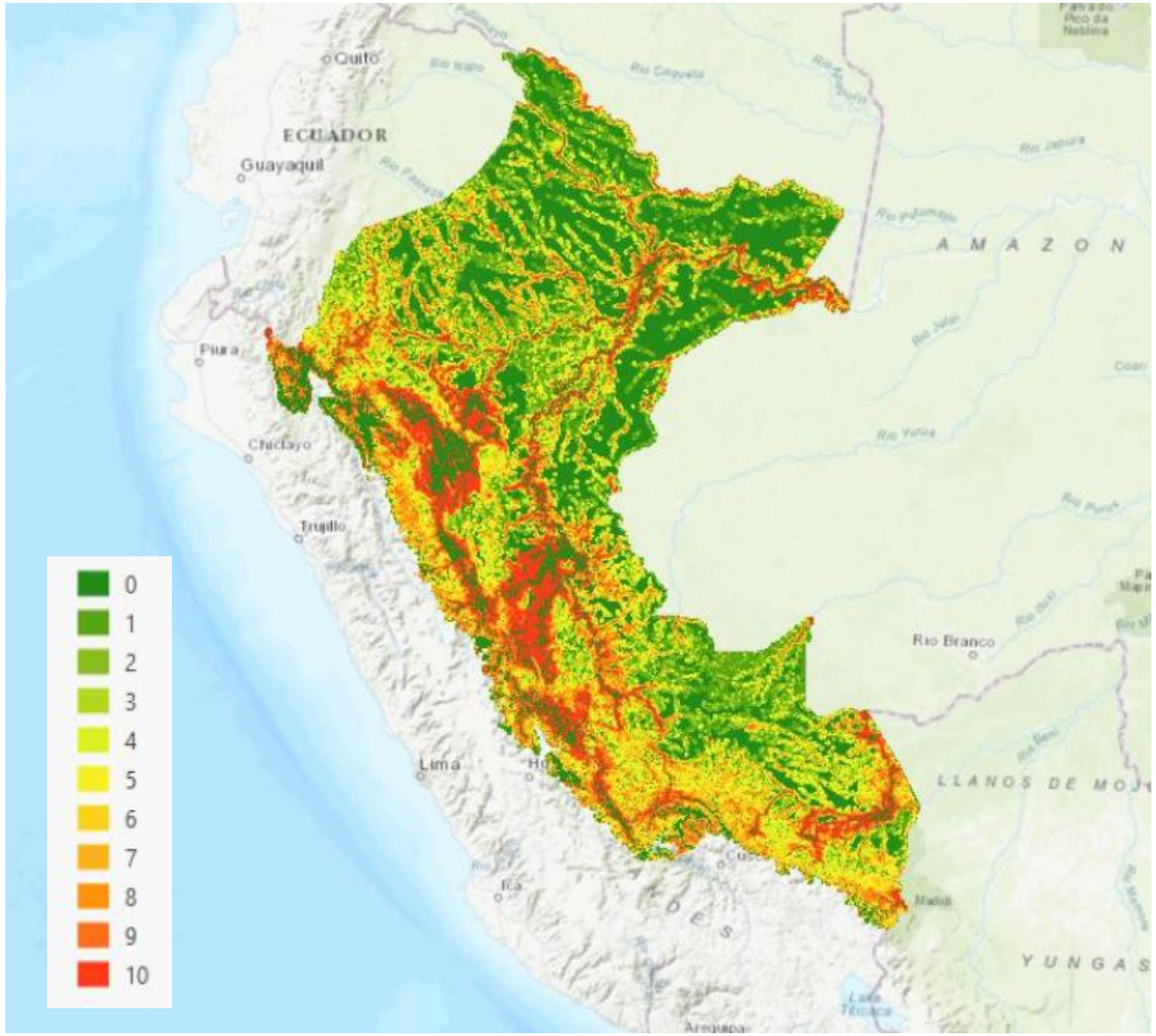




Real-world deforestation risk map



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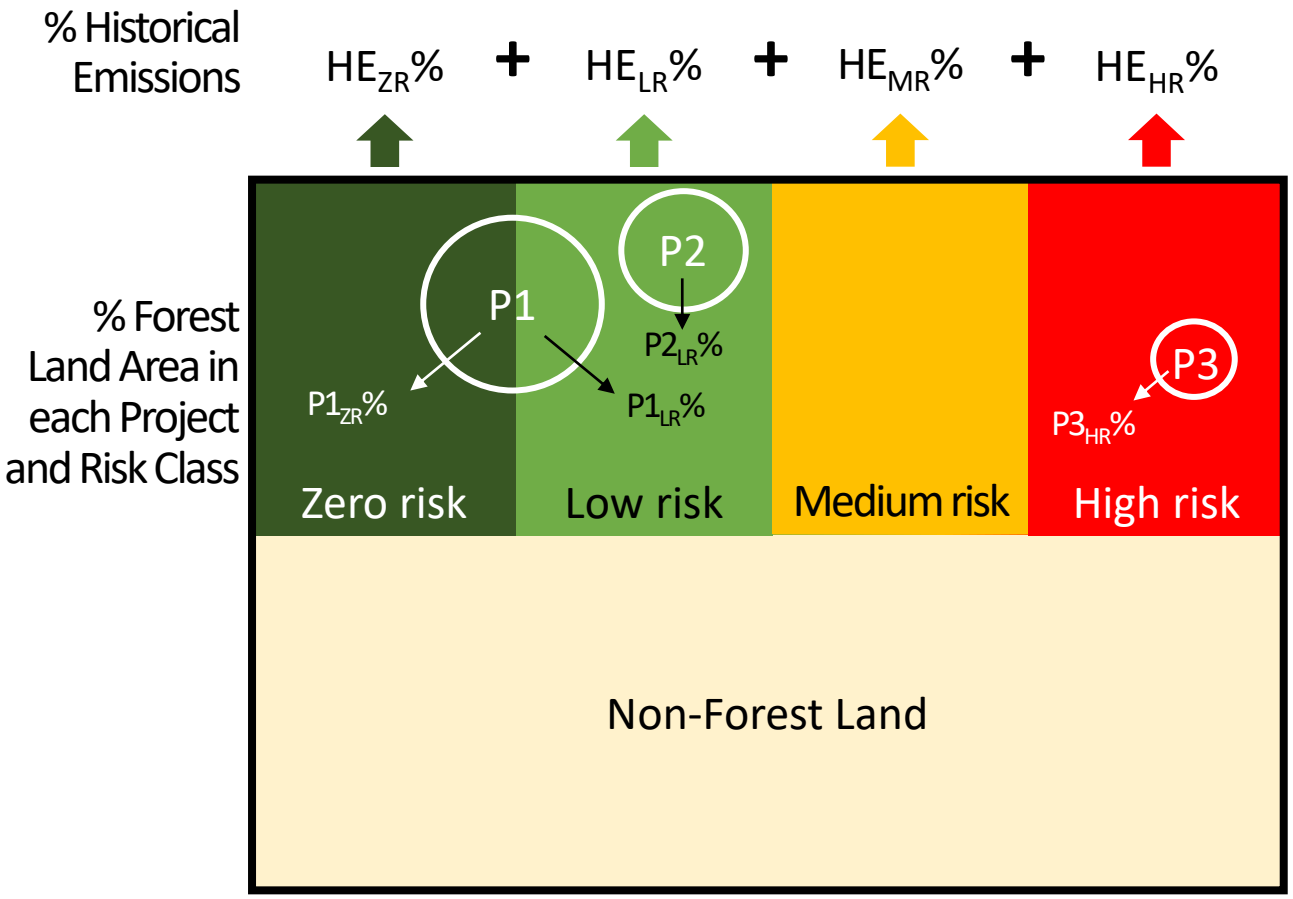
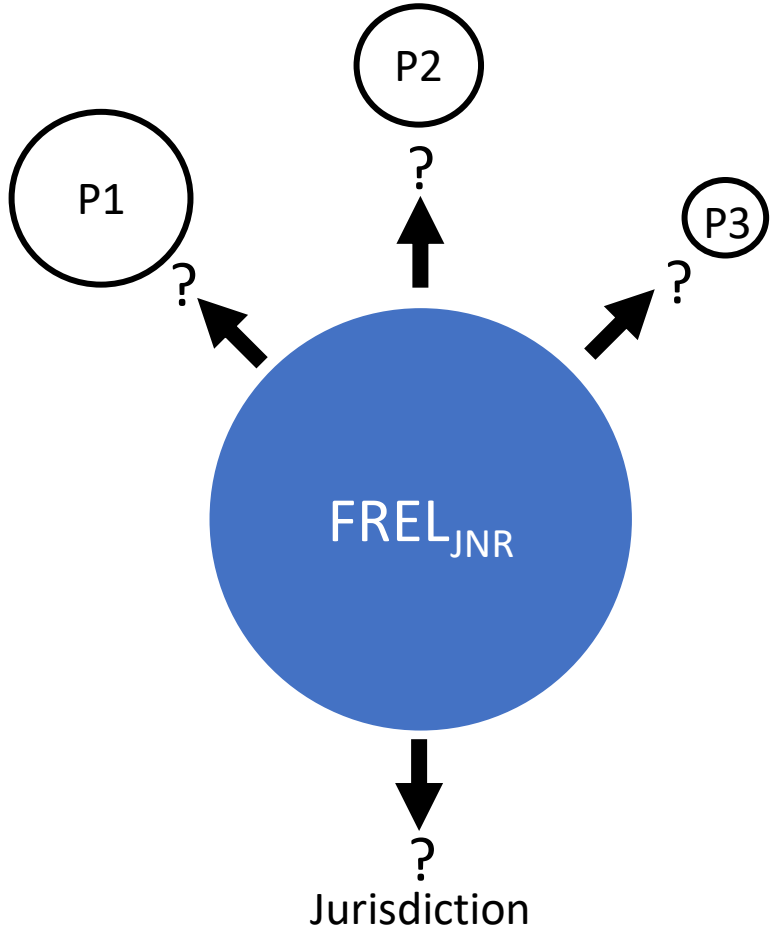
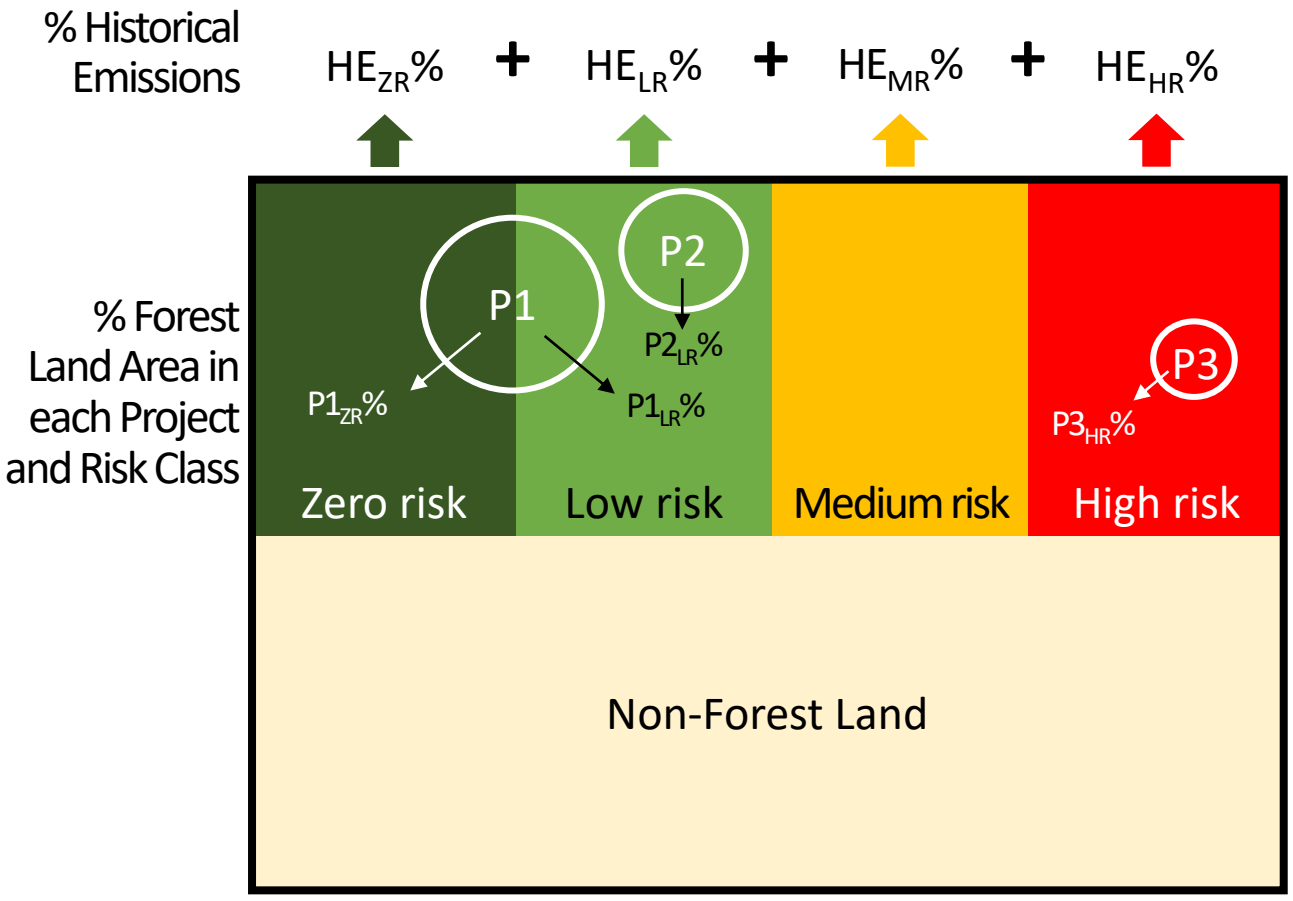




Allocation



P1

$P1_{BSL}=FREL_{JNR}*(HE_{ZR}\%*P1_{ZH}\% +HE_{LR}\%*P1_{LR}\%)$

P2

$P2_{BSL}=FREL_{JNR}*(HE_{LR}\%*P2_{LR}\%)$

P3

$P3_{BSL}=FREL_{JNR}*(HE_{HR}\%*P3_{Hr}\%)$

Jurisdiction

$JR_{FREL} = FREL_{JNR} – P1_{BSL} – P2_{BSL} – P3_{BSL}$

Allocation – numerical example

% Historical Emissions

HISTORICAL EMISSIONS	RISK CLASSES				TOTAL
	Zero	Low	Medium	High	
tCO_2-e	0	10,000	30,000	60,000	100,000
%	0%	10%	30%	60%	100%

$FREL_{JNR}$ = 100,000 tCO_2-e

% Forest Land Area in each Project and Risk Class

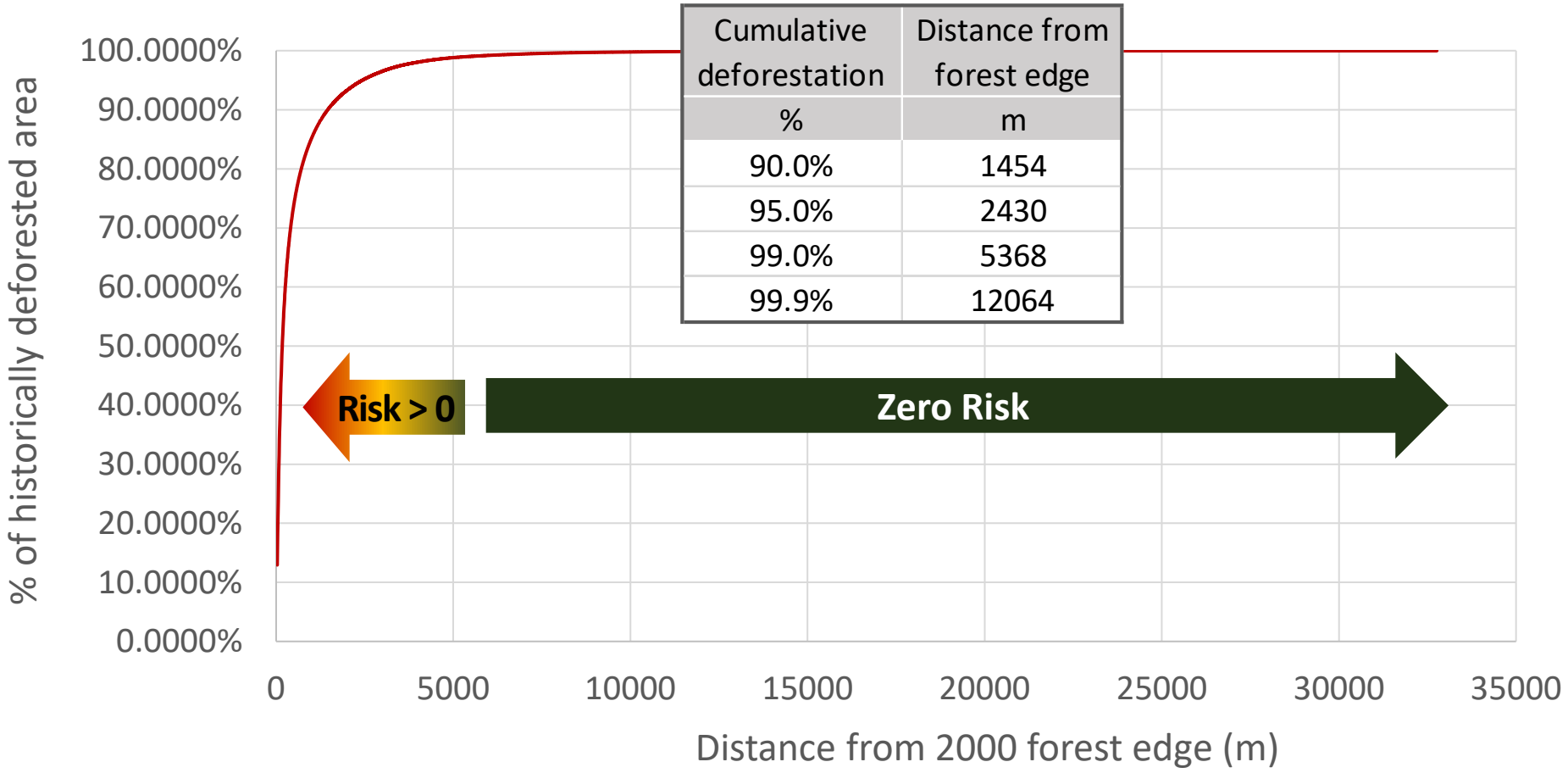
ACCOUTING AREA		RISK CLASSES				TOTAL
		Zero	Low	Medium	High	
P1	ha	100	100	-	-	200
	%	10%	10%	0%	0%	5%
P2	ha	-	100	-	-	100
	%	0%	10%	0%	0%	3%
P3	ha	-	-	-	50	50
	%	0%	0%	0%	5%	1%
JUR-∑Pi	ha	900	800	1,000	950	3,650
	%	90%	80%	100%	95%	91%
TOTAL JUR	ha	1,000	1,000	1,000	1,000	4,000
	%	100%	100%	100%	100%	100%

Allocation

ACCOUTING AREA	RISK CLASSES				ALLOCATED BASELINE
	Zero	Low	Medium	High	
P1	-	1,000	-	-	1,000
P2	-	1,000	-	-	1,000
P3	-	-	-	3,000	3,000
JUR-∑Pi	-	8,000	30,000	57,000	95,000
TOTAL JUR	-	10,000	30,000	60,000	100,000

Zero risk class

- There are locations where the risk of deforestation/degradation is virtually zero. How can we find them?



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Challenges

- Countries have constructed their FREL using different approaches:
  - ✓ Different definitions of REDD+ activities.
  - ✓ Different methods to calculate emission factors (net, gross).
  - ✓ Different historical reference periods.
  - ✓ Different approaches to set reference levels (average historical emissions, adjusted average historical emissions, linearly projected emission trend).
  - ✓ About half of the countries have constructed their FREL using samples and do not have land use and land-use change maps.
- The accuracy of proposed FRELs is sometimes poorly assessed and/or low.
- Many jurisdictions do not have deforestation risk maps:
  - ✓ Different methods can be used to construct risk maps (Talk about this in upcoming meetings?).
  - ✓ Eliminating subjective choices in the selection of data and methods used in the construction of risk maps is challenging.
  - ✓ Validation of risk maps is a difficult task even for experienced VCS verifiers.
  - ✓ Will governments have the capacity to assess the quality of risk maps and will they be able to endorse or no-object risk maps?

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Thank you very much

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