



# Jurisdictional REDD: Lessons from the GCF, California, and Brazil

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# CALIFORNIA, ACRE AND CHIAPAS

**PARTNERING TO REDUCE EMISSIONS  
FROM TROPICAL DEFORESTATION**

*Recommendations to Conserve Tropical  
Rainforests, Protect Local Communities and  
Reduce State-Wide Greenhouse Gas Emissions*

# REDD+ Reframed

Unified global mechanism ten years off

Public finance until 2016

Markets possible after 2016 (California, others)

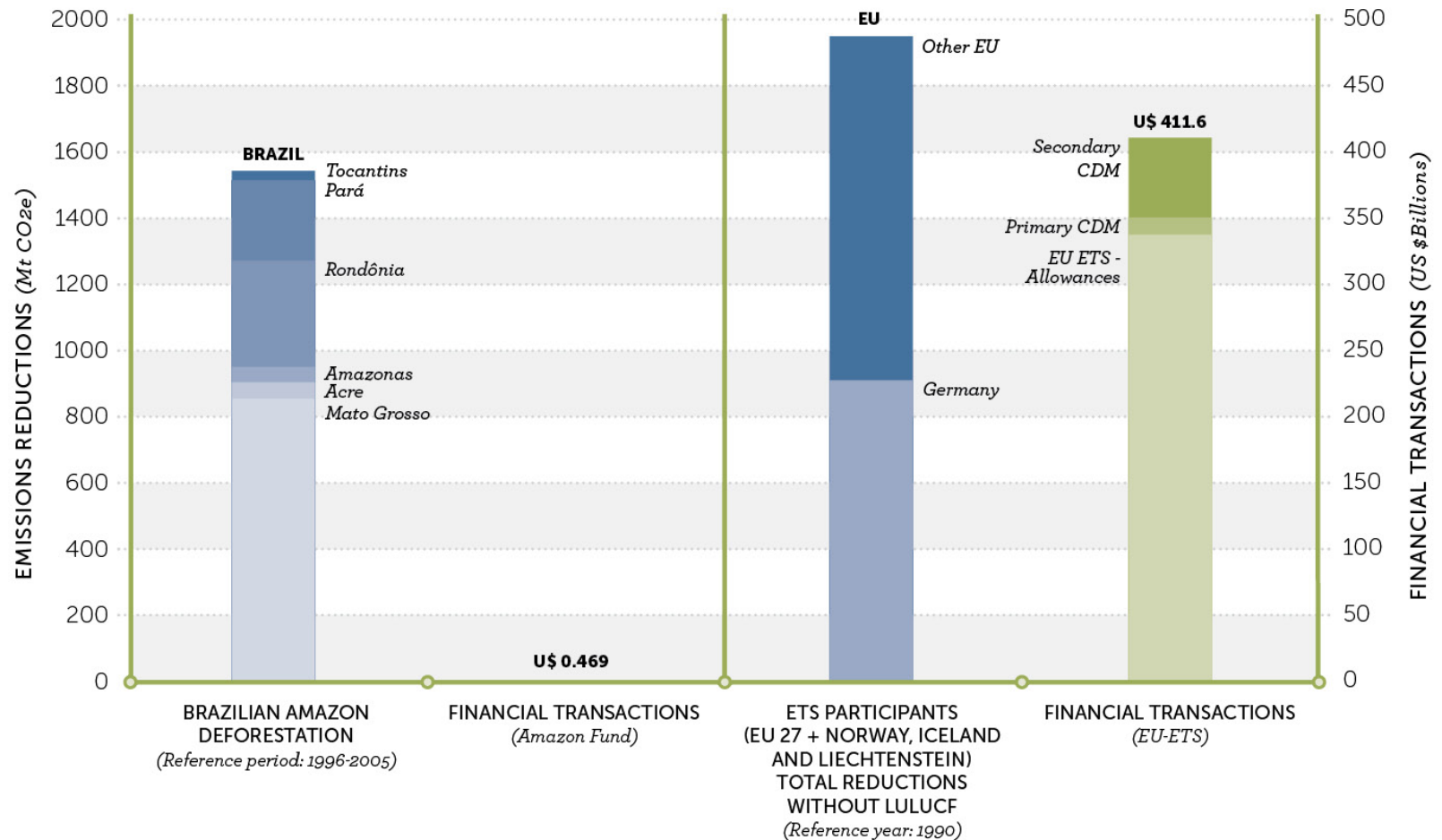
Our task: Managing unmet expectations while reframing REDD+ to align with tropical nation and state agendas.



# Most REDD+ emissions reductions will not be compensated

## EMISSIONS REDUCTIONS (CO<sub>2</sub>) AND FINANCE

*Brazilian Amazon and EU - ETS (Emissions Trading Scheme), 2008 - 2010*



# Which REDD+?

REDD+ = independent PES projects

REDD+ = offsets (that take pressure of industry)

REDD+ = threat to indigenous peoples' rights

REDD+ = UN mechanism for compensating  
tropical forest nations

# Jurisdictional REDD+

**REDD+ = policy framework for low-emission rural development (LED-R)**

Centered on performance across entire political jurisdictions (nations, states)

REDD+ as one component of a broader process of policy alignment, institutional innovation, private sector engagement

# Why Jurisdictional REDD+?

- Scale
- Aligns/embeds with policy and public finance
- Resolves issues of permanence; helps resolve leakage
- Lower transaction costs
- Possibility of avoiding the “who owns the carbon” issue
- Allows for REDD+ distribution that is not directly tied to tons

# REDD+ Reframed

## Governors' Climate and Forests task force.

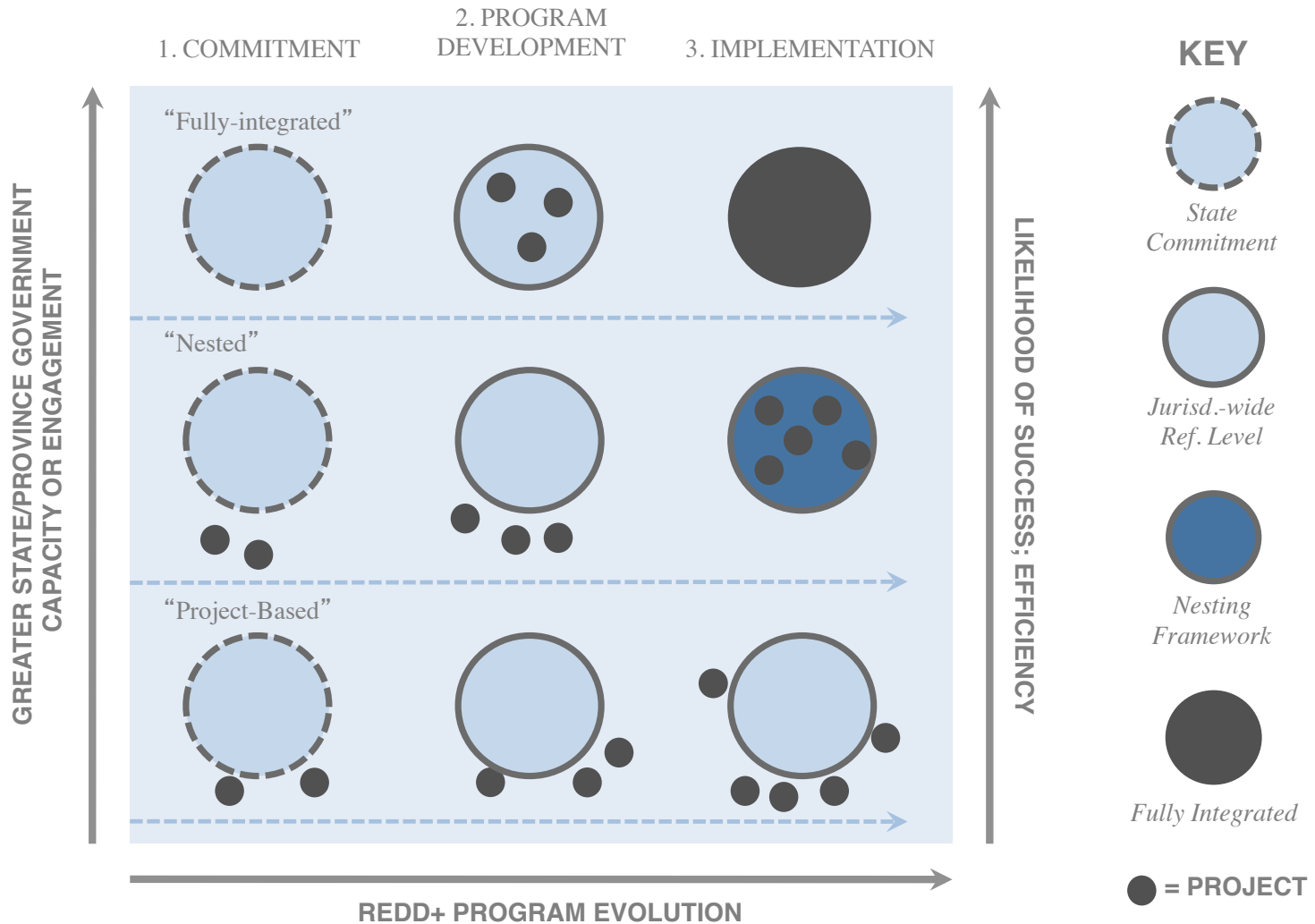
*19 tropical states and provinces coming into alignment with California's cap-and-trade policy and other REDD finance mechanisms*



Nepstad, Boyd, Azevedo, et al. 2012. Overview of state-based Programs to Reduce Emissions from Deforestation and Degradation (REDD) as part of GCF. EPRI



# Three Pathways to Jurisdictional REDD+

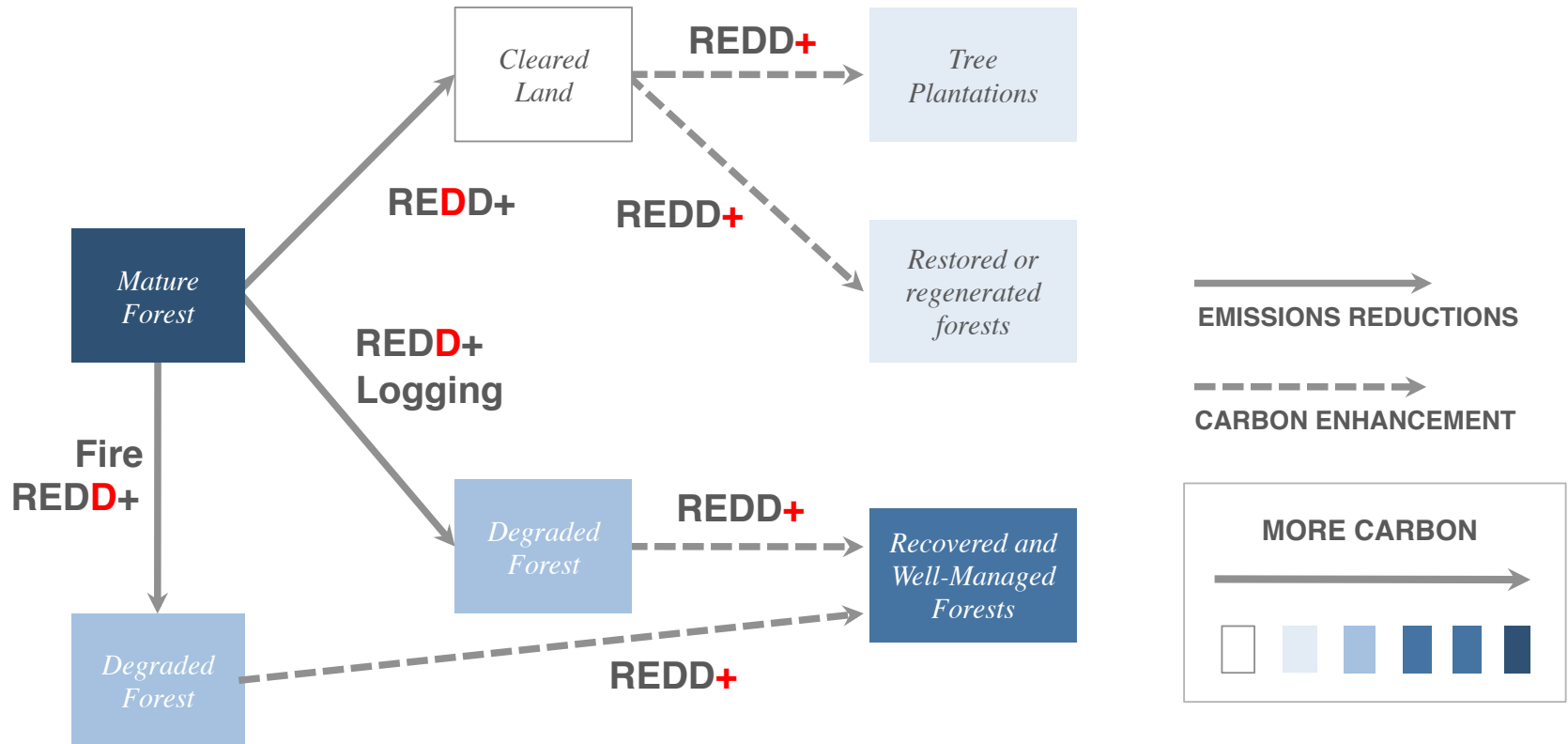


# Lesson:

Prioritize the definition of performance for the jurisdiction: jurisdiction-wide reference levels!

Establish rules for projects

# Challenge: Which type of emissions reductions to include?



# Lesson:

Include deforestation, degradation, and carbon enhancement (regeneration, restoration, tree planting) in an integrated approach to reference level and MRV

California ROW Recommendation:  
Deforestation and degradation (fire, logging)  
mandatory

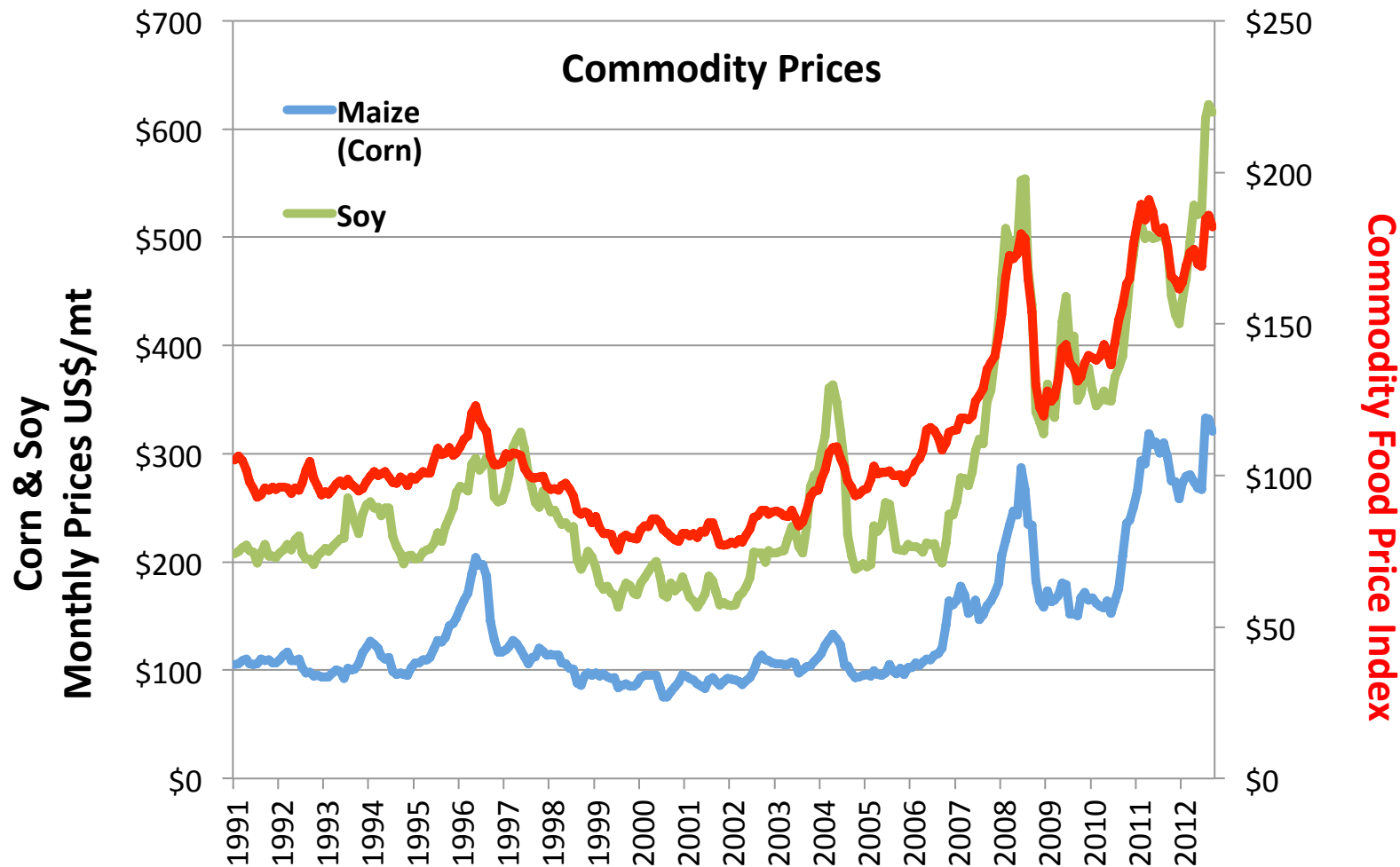


# Lesson:

Start simple

Aboveground biomass is the biggest source of emissions

# REDD+ challenge: engaging the drivers of deforestation



# Lesson 1:

The REDD+ program should be fully integrated with agricultural and forestry development policies and programs.

Loans with differentiated interest rates to favor intensification and forest-saving development.

Differentiated tax structures.

(This is where big financial levers are!)

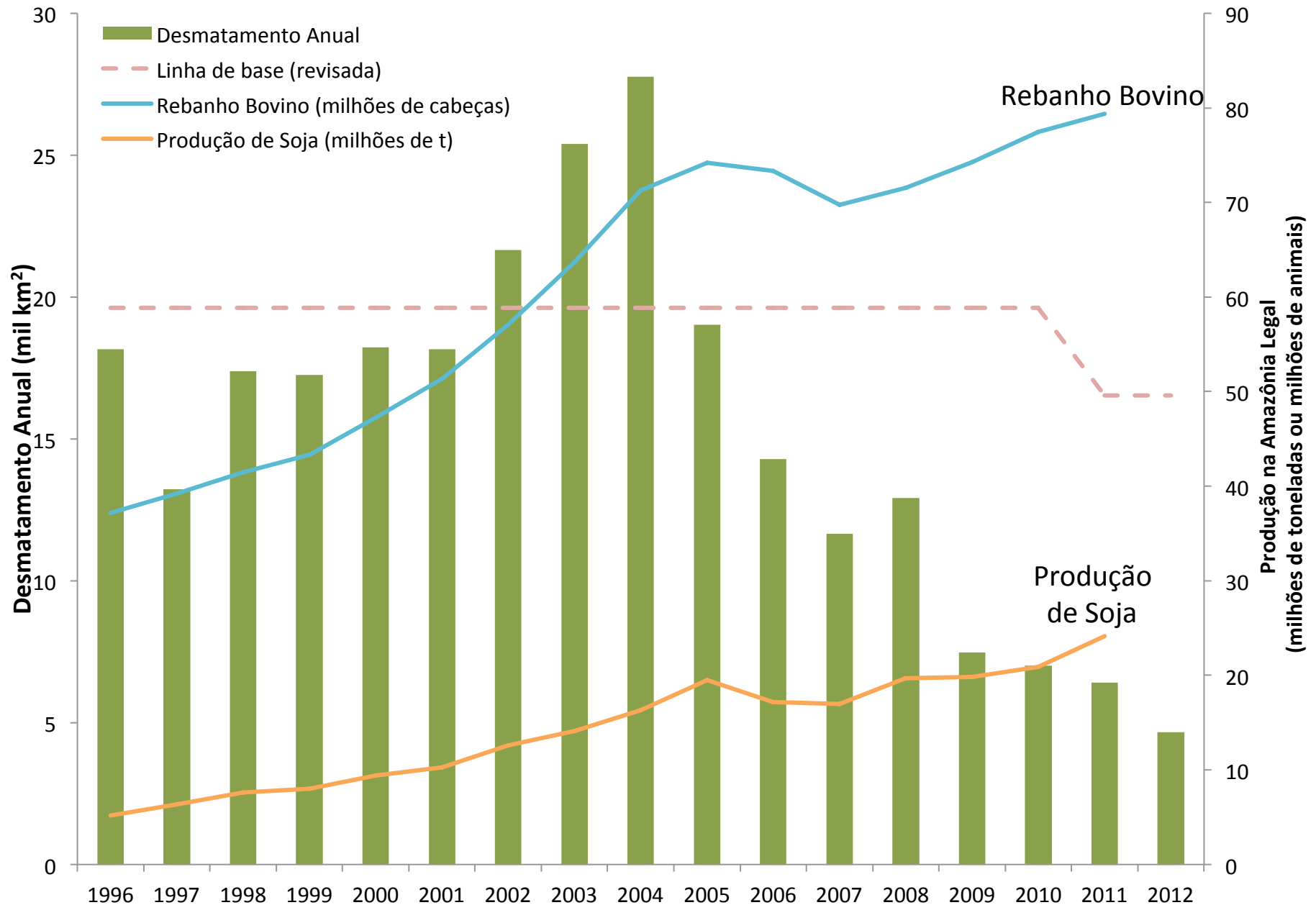
## Lesson 2:

“REDD+” should be embedded in food security, yield improvement, & poverty alleviation programs

In many cases, best to avoid the word “REDD+”



# Brazil: Declining Deforestation, Rising Production



## Lesson 3:

Harmonize REDD+ program with agricultural sustainability initiatives

# Integrating REDD+ Safeguards and Roundtable Criteria

“Global Rules for Sustainable Farming”, Stickler et al. 2012, [www.ipam.org.br](http://www.ipam.org.br)

		REDD+					Roundtables		
		UNFCCC	UN-REDD	FCPF	CCBA	REDD+SES	RSPO	RTRS	Bonsucro
Governance	Legal Compliance	●	●	●	●	●	●	●	●
	Transparency	●	●	●	●	●	●	●	●
	Conflict & Grievance Resolution	○	●	●	●	●	●	●	●
Social	FPIC	○	●	○	●	●	●	◐	●
	Land Use Rights	◐	◐	◐	●	●	●	●	●
	Labor Rights	○	○	○	●	○	●	●	●
Environmental	Forest	●	●	●	●	●	◐	●	◐
	Biodiversity	○	●	◐	●	●	●	●	●
	Soil & Water	○	◐	○	◐	○	●	●	●

# Challenge:

Big emphasis on projects designed deliberately to operate independently of govt

Premise: private investors don't want to deal with governments



# Lesson:

Private investors could become more interested in dealing with governments:

- a. If public finance is used to reduce risk to investor
- b. If innovative institutions (e.g. Acre's Ecosystem Service Company) are created

# Overwhelming complexity

Moratória da Soja,  
Carne

**Desmatamento zero** para o setor

Municípios Críticos

Redução de desmatamento, **CAR, acesso a crédito**

Políticas do Estado /  
Gov. Federal

Redução de desmatamento, **legalidade**

Mesas Redondas

**Certificação** socioambiental da propriedade, legalidade

ABC

**Agricultura de Baixo Carbono**

REDD

**Linha de base; “salvaguardas”** socioambientais

Consumer Goods Forum

**Cadeias de “desmatamento zero”**

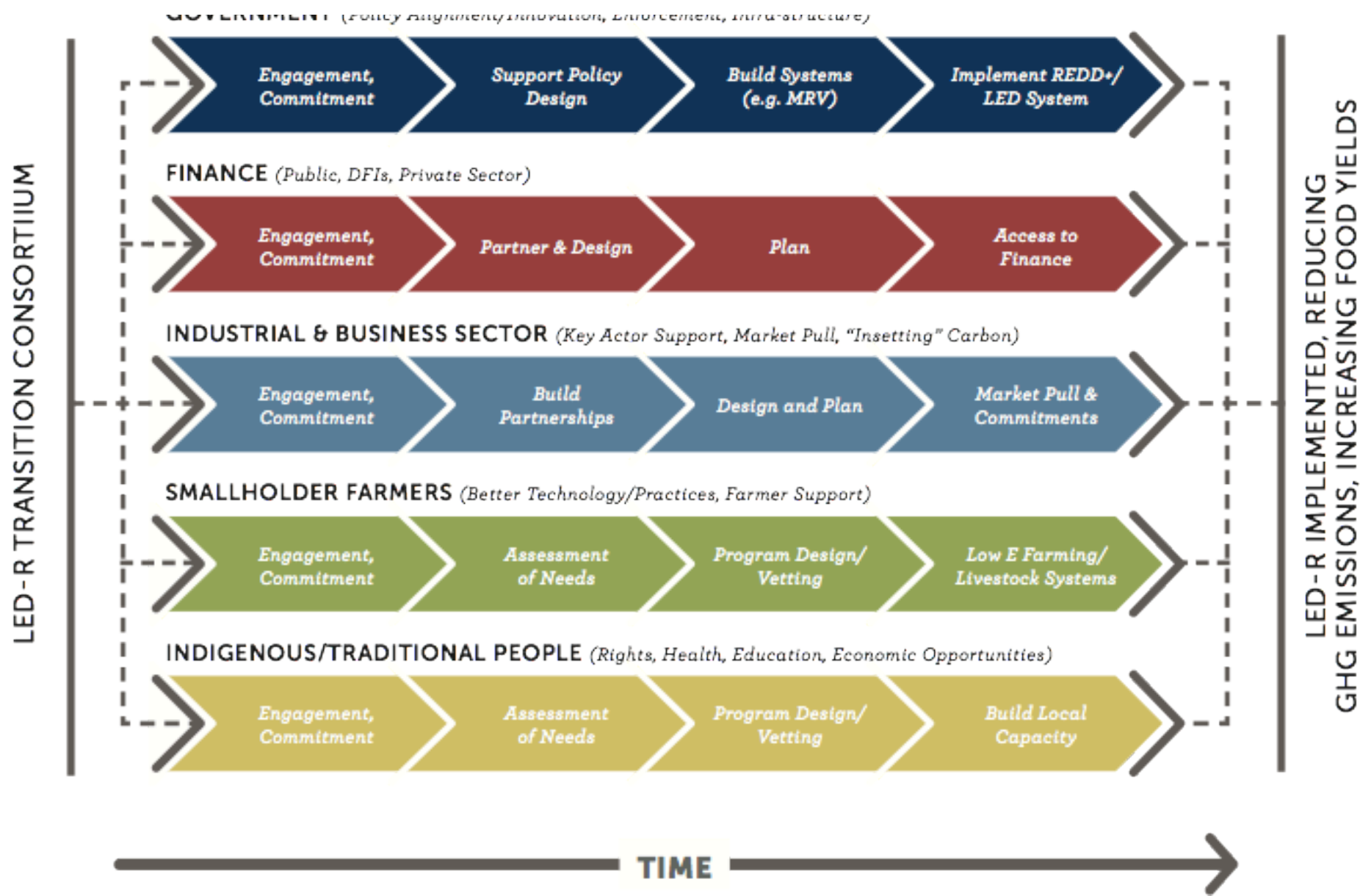
Código Florestal

**Reserva Legal, APP**

Areas protegidas

**ICMS ecológico**

# Lesson: Multi-sector, negotiated approach



# Conclusions

- KISS\*
- Focus: jurisdiction-wide performance
- Exploit freedom jurisd. approach permits
- Embed “REDD+” in rural development agenda  
(lose the word “REDD+”)
- Business case of sustainable,  
low-emission, equitable development
- Harness market demand for sustainable supply
- Multi-sector negotiation/design
- REDD+ = icing, not the cake



REDD+ is the icing, not the cake

Thank you!!

