

Creating credible REDD credits

Presented by Zoe Harkin
URS Forestry

August 20th, 2008



Overview

- URS Forestry's involvement
- What makes a credible REDD credit?
- Tools to enhance REDD credibility
- Strategic level lessons learned
- Operational level lessons learned
- Issues for further consideration



URS Forestry's involvement

Strategic level

- **Indonesia Forest Carbon Alliance (IFCA) Working Group**
- **Australian Government International Forest Carbon Alliance**

Operational level

- **Design and implementation of a forest carbon monitoring system in West Papua and Riau**
- **Reduced Impact Logging (RIL) projects**



What makes a credible REDD credit?

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- Verification to a standard
 - Community, Climate and Biodiversity Standard
 - Voluntary Carbon Standard
 - Gold standard?



What makes a credible REDD credit?

- Minimal leakage
 - National baseline?
 - Concurrent policies to expand plantation area - minimise market leakage?
 - Permanence
 - Political and community support for the project
 - Payment methods must address underlying cause of deforestation and degradation
 - Adequately address risk (operational, policy, natural and anthropogenic disturbance)
 - Buffers
 - Contractual arrangements
 - National baselines?
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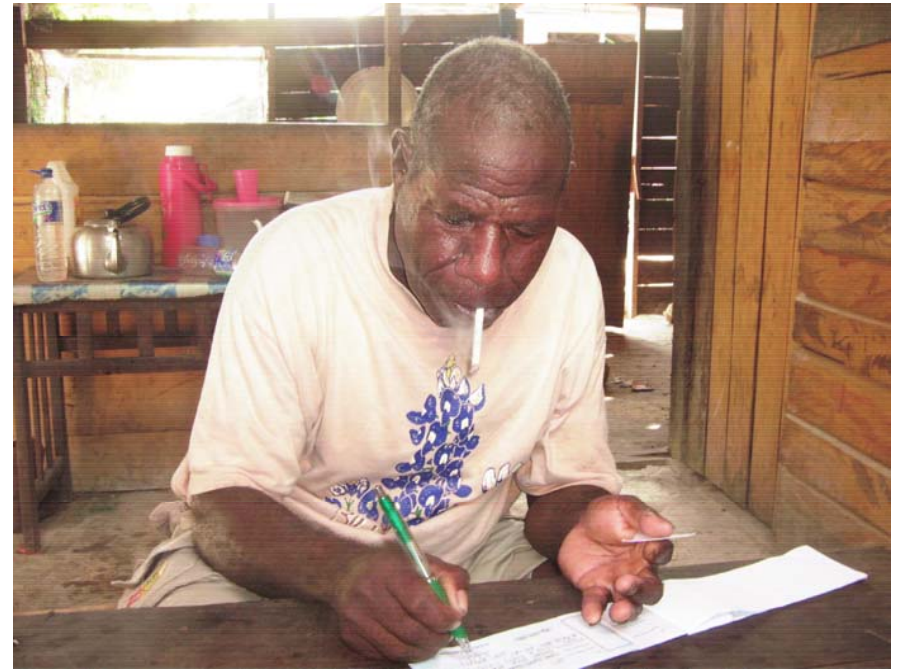
What makes a credible REDD credit?

- **Additionality**
 - **Defendable baseline**
 - Crystal ball gazing?
 - May have greater impact on net carbon benefits than carbon storage in the forest
 - **Imminent risk of deforestation/degradation = better additionality**
 - Could create perverse incentives?
 - May penalise those with a good environmental track record
 - Could result in efforts to enhance threat of deforestation/degradation to improve additionality
 - **Project level phenomenon**
 - May not be required by buyers if credits allocated relative to national baseline



What makes a credible REDD credit?

- Secure land rights, and/or supporting legislation
 - e.g: IUPJL licences in Indonesia
 - Forest land classification system
 - Contractual delineation of responsibilities
 - Transparency
 - Role for registries
 - Political support
 - Efficiency and transaction costs
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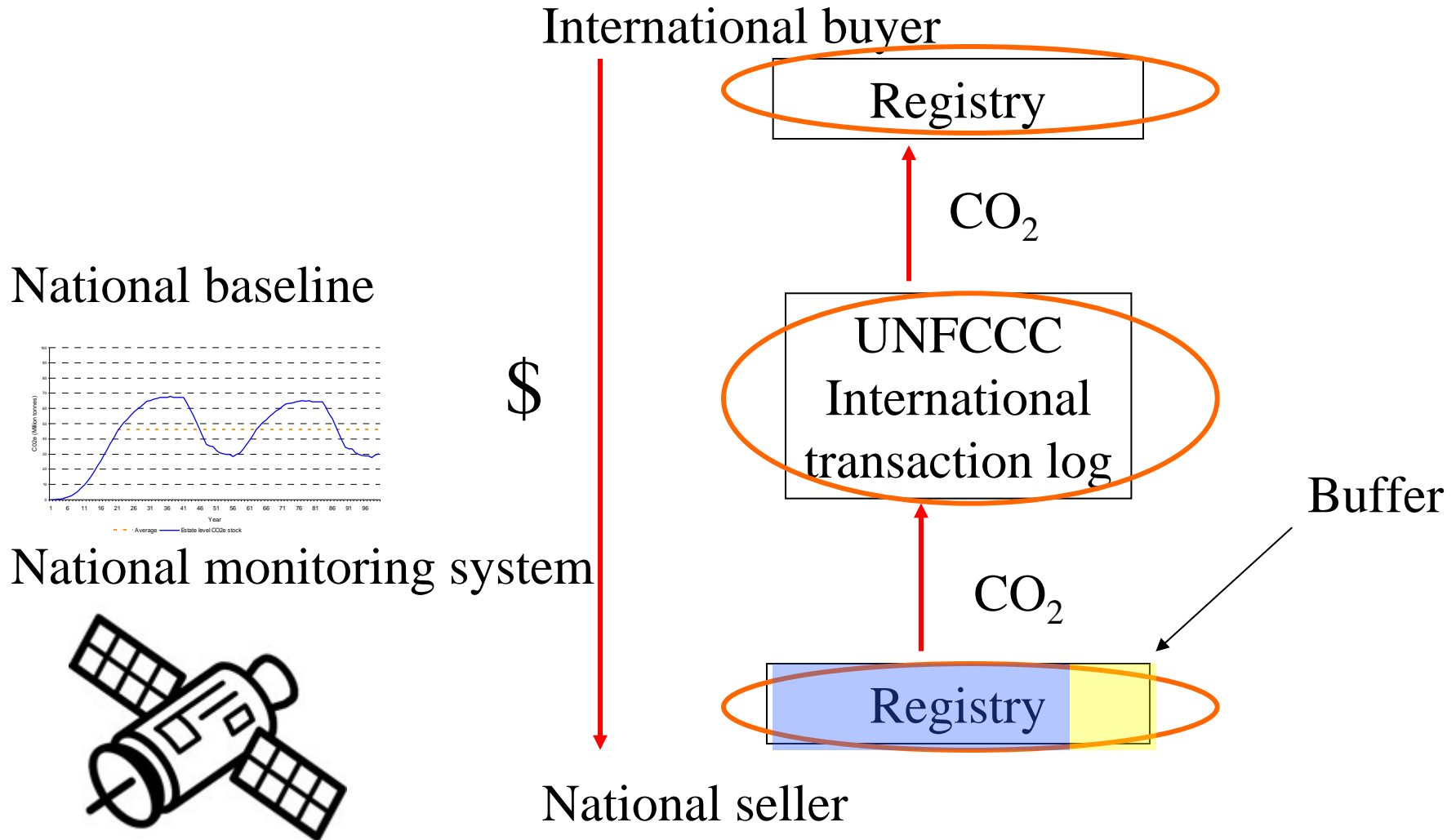




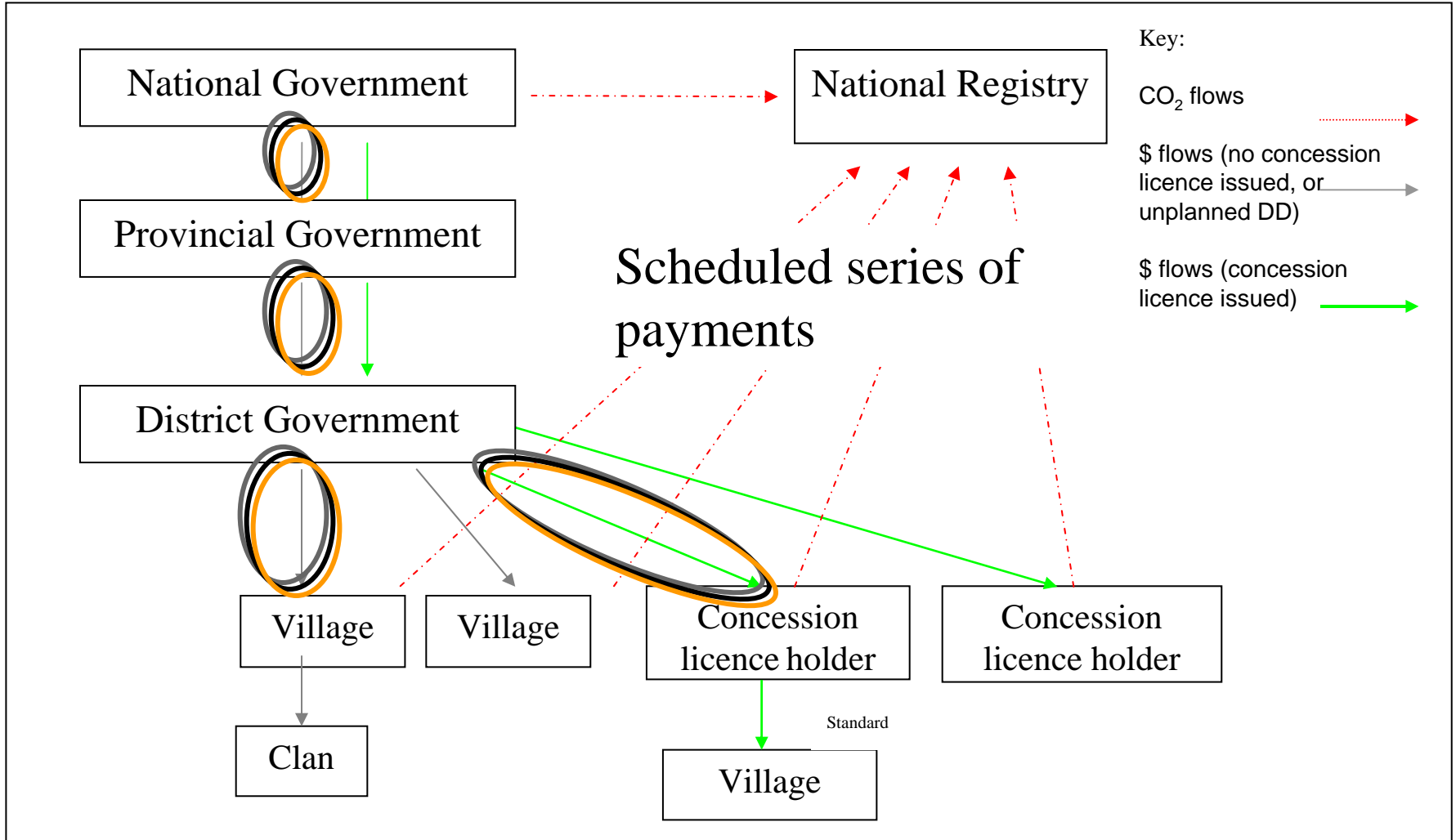
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Tools to enhance REDD credibility

National level tools to enhance REDD credibility

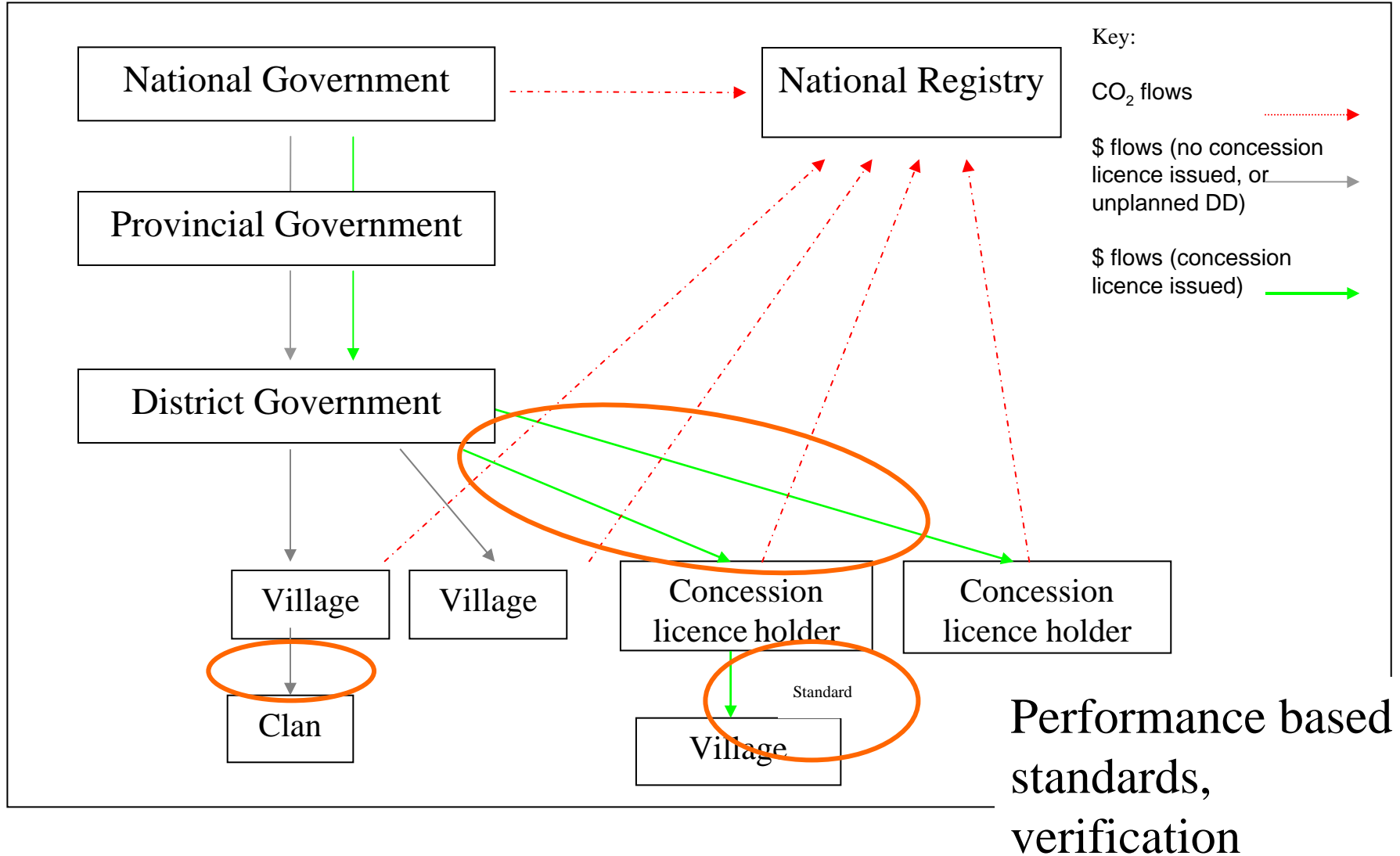


Sub-national level tools to enhance REDD credibility



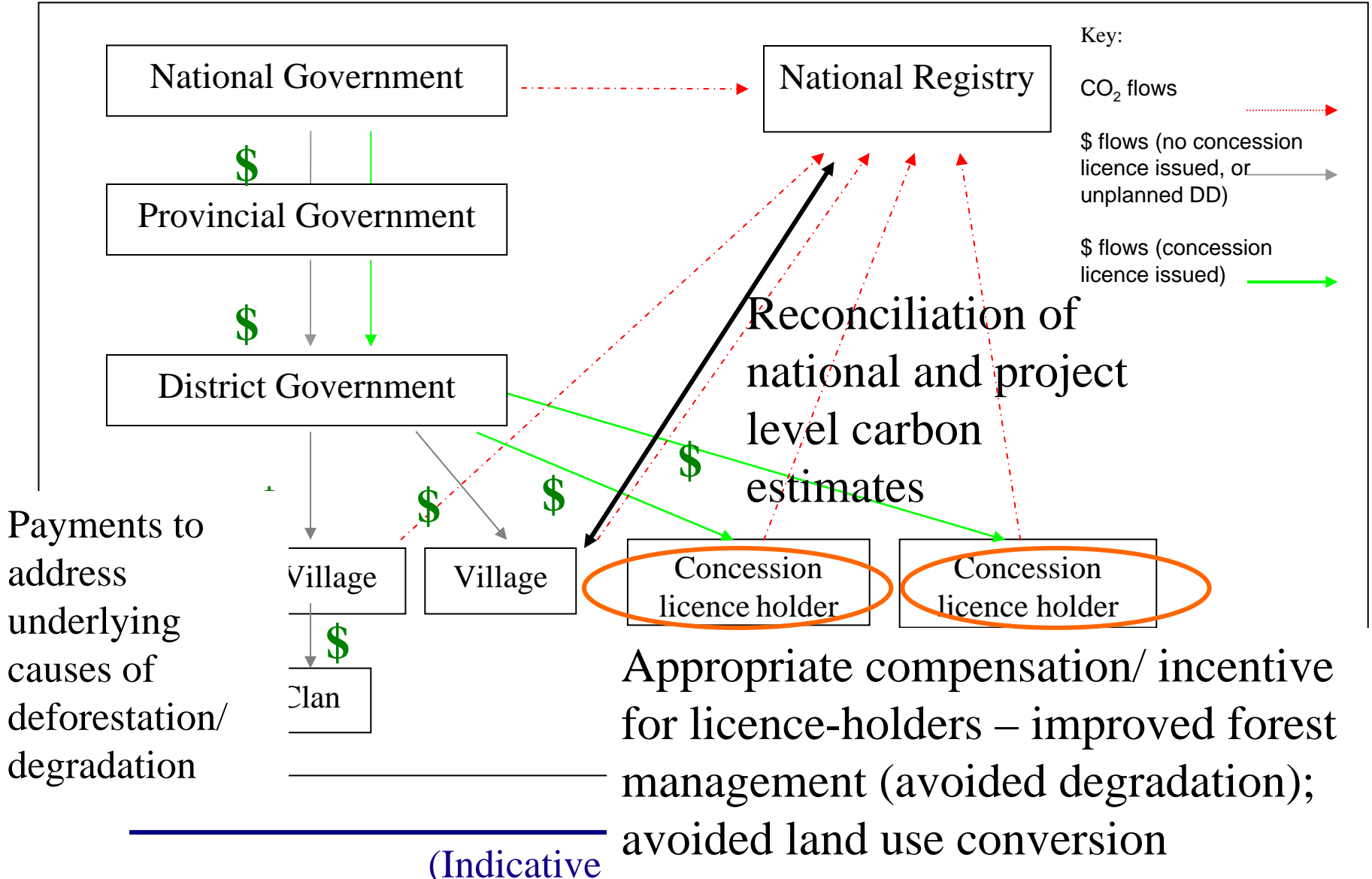
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Sub-national level tools to enhance REDD credibility

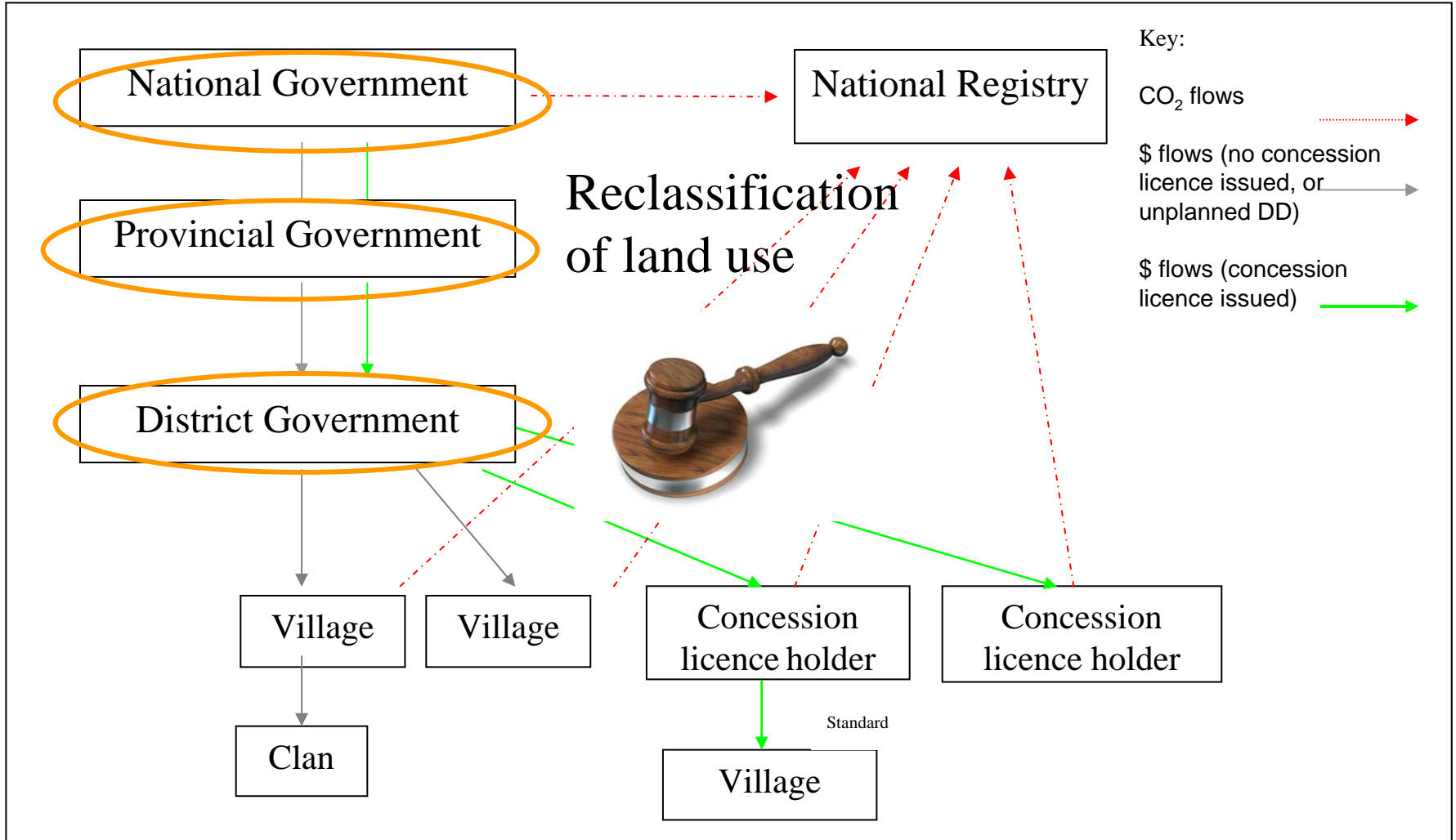


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Sub-national level tools to enhance REDD credibility

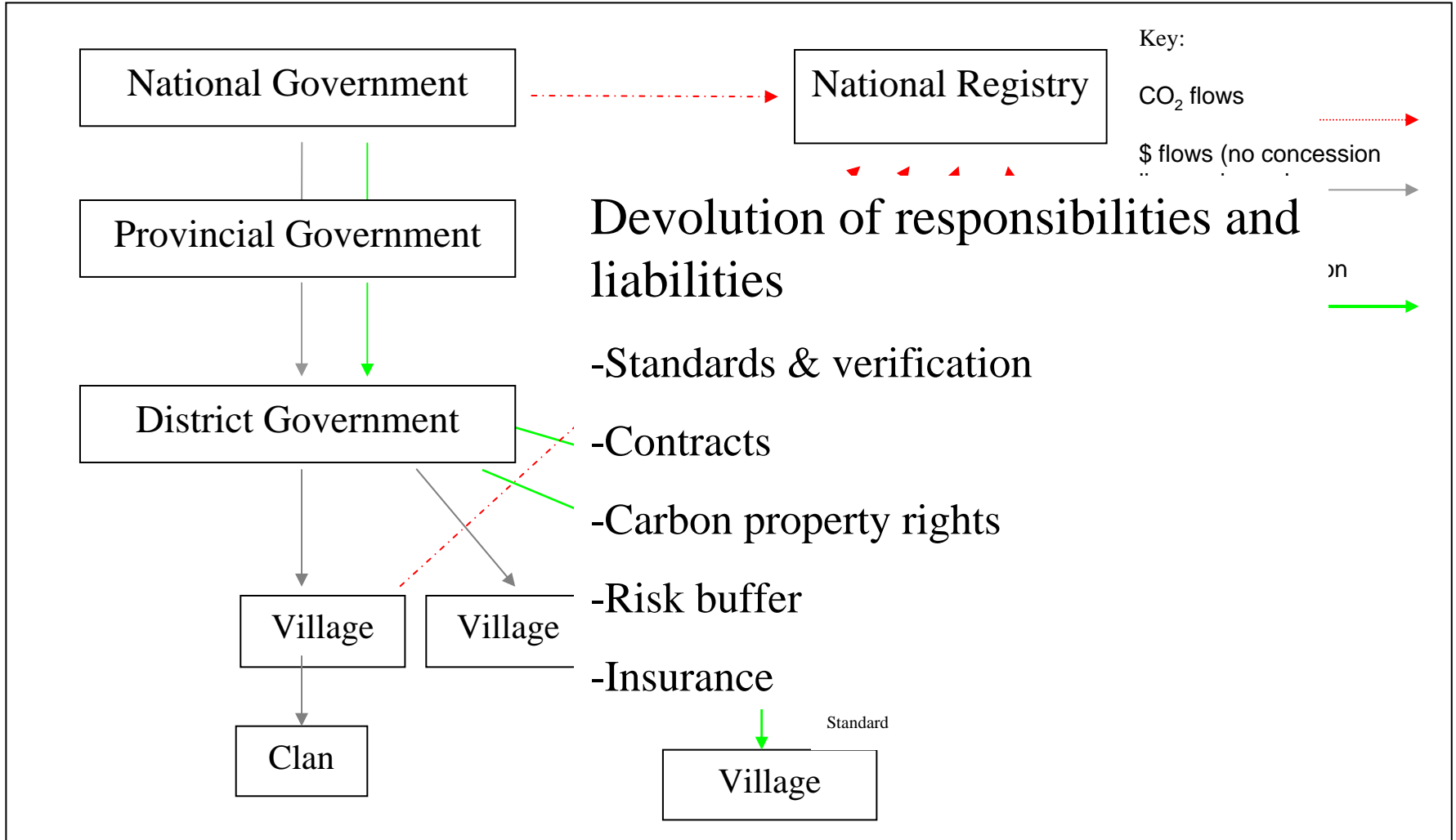


Sub-national level tools to enhance REDD credibility



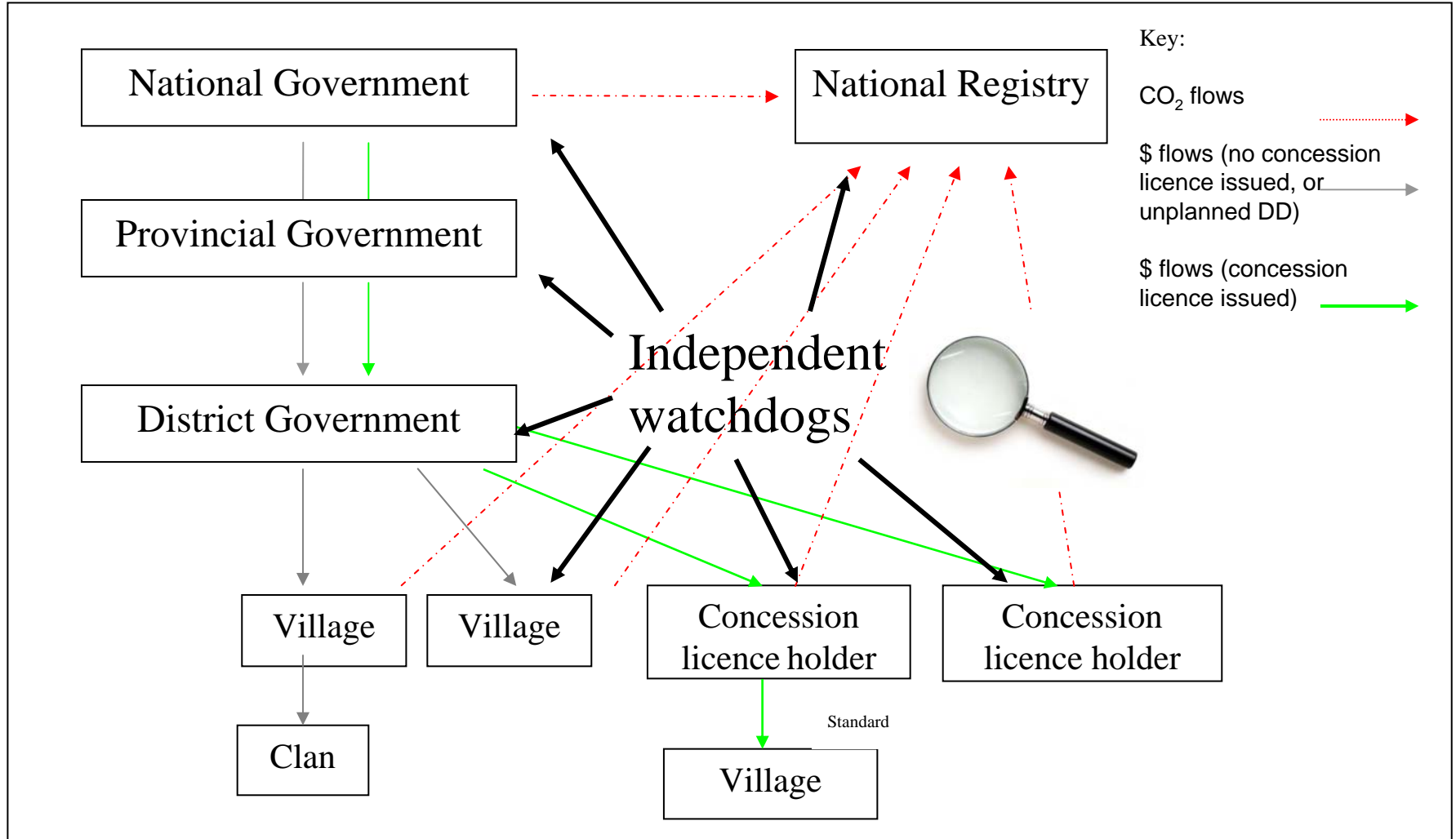
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Sub-national level tools to enhance REDD credibility



(Indicative only)

Sub-national level tools to enhance REDD credibility



(Indicative only)

Lessons learned

Strategic level lessons

- Confirmation of authority and governance
 - Central, provincial, district level governments
 - Donor/buyer and/or host country leadership on projects



....who guides the process?

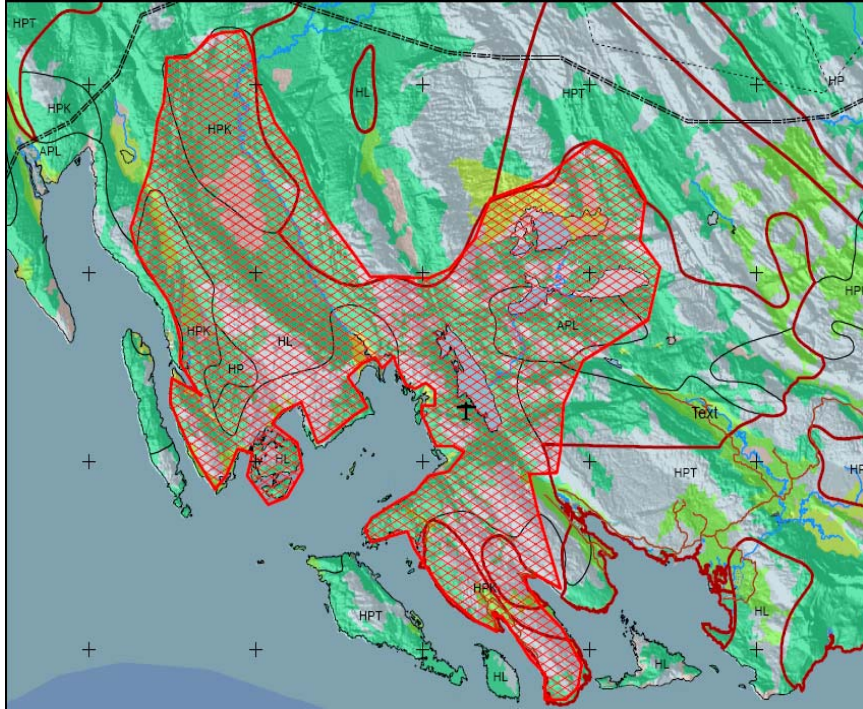
Strategic level lessons

- Understanding land ownership and property rights
 - Disputed/overlapping
 - Usage rights (concessions, forest rights)
 - Dealing with customary rights



Operational level lessons

- Site reconnaissance prior to inventory



Land using zoning....

....vs reality

Operational level lessons

- Site selection



‘Primary’ undisturbed forest??

Operational level lessons

- Difficulty of measuring carbon in peat soils....



Operational level lessons

- Cost of ongoing verification – how often do we need to measure a ‘steady state’ forest?



Operational level lessons

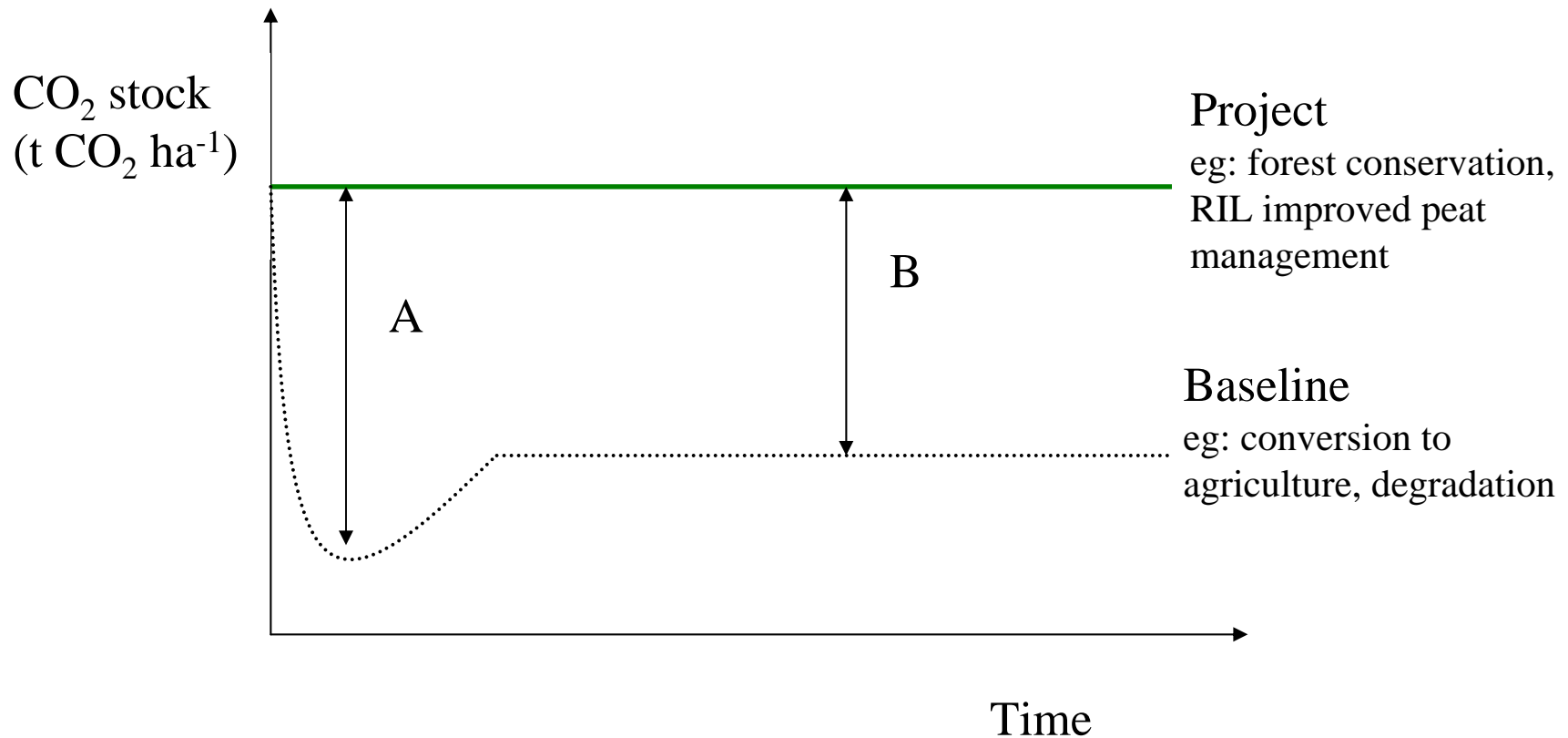
- Understanding customary land uses



- Defining cause and effect, and then linking payments to actions

Operational level

- Sensitivity of final carbon estimates to baseline scenario



Issues for further consideration

- Capacity to identify and manage socio-economic risk
 - International market leakage issues
 - Ability of poor to negotiate fair deal, fund verification etc
 - Development of linkages between national and project/sub-national approaches
 - Potential size and timing of REDD market
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