

Estimating REDD and Afforestation Carbon and Economic Benefits, and Addressing Implementation Issues

session chairs:

**Ken Andrasko
(USEPA; now World Bank)**

**Jayant Sathaye
(Lawrence Berkeley National Lab)**

**CIFOR FOREST DAY
Dec. 8, 2007 Bali COP 13
12:00 – 1:30 pm**

4 Presentations & Discussion

- **Sandra Brown, Winrock International:**
 - **“What Tools Are Available for Projecting Baseline Emissions for Deforestation?”**
- **Jayant Sathaye (LBNL) and Ken Andrasko (USEPA; now World Bank):**
 - **“GHG Mitigation Potential in Global Forests: Role of Transaction Costs and Alternative Baselines”**
- **Brent Sohngen, RTI and Ohio State Univ.,**
 - **“Assessing Comparative Advantage and Leakage in Emission Reductions from Deforestation”**
- **Brian Murray, Nicolas/Duke Univ.**
 - **“Policy Approaches for Addressing Permanence, Additionality, and Leakage in an International REDD Agreement”**

Discussion Questions

- **Q1: How can technical insights on baseline setting be translated into pragmatic guidance that works in emerging policy setting?**
- **Q2: Given limited analysis of leakage to date at project, national and global scales, how can management of leakage be operationalized for REDD?**
- **Q3: Are current transaction costs of REDD and afforestation significant enough to affect carbon delivery costs, and will emerging national approaches reduce them?**

Opening Observations

- **1) Since methods selected to establish reference scenarios for REDD and afforestation have a large role in determining the results.... Selection of method is critical decision.**

- **2) Thus, agreed guidance is needed on how to use historical data, and projections into the future, to establish credible, transparent baselines.**
 - **Comparison of alternative baselines, and their probability of occurring, may be a path forward**

 - **Since private sector investment in GHG mitigation is a risk-based assessment... can we explore probabilistic and risk-assessment approaches to estimating REDD benefits, and their likelihood in specific country settings?**

- **3) Leakage is largely an economic phenomenon, varies by land use activity at the project, national and global scales, and can be estimated and addressed in REDD activities.**

- **Q: How can management of leakage be operationalized for REDD?**

Observations - 2

- 4) If REDD and afforestation are implemented via national scale approaches, project issues like leakage are minimized...
- But, many issues still need to be addressed:
 - eg, attribution of program action to emissions reductions, and to payment flows;
 - Monitoring entire nation
 - Governance and consistency between forest mitigation & national sus. dev. policies, etc.
- 5) Current transaction costs of REDD and afforestation are perceived to affect carbon delivery costs.
 - Increasing the scale of action should reduce transaction costs.
- 6) Africa offers large mitigation potential at a low C price ... but limited analysis and pilot activities to date.