

# Applying REDD to the global effort to combat climate change

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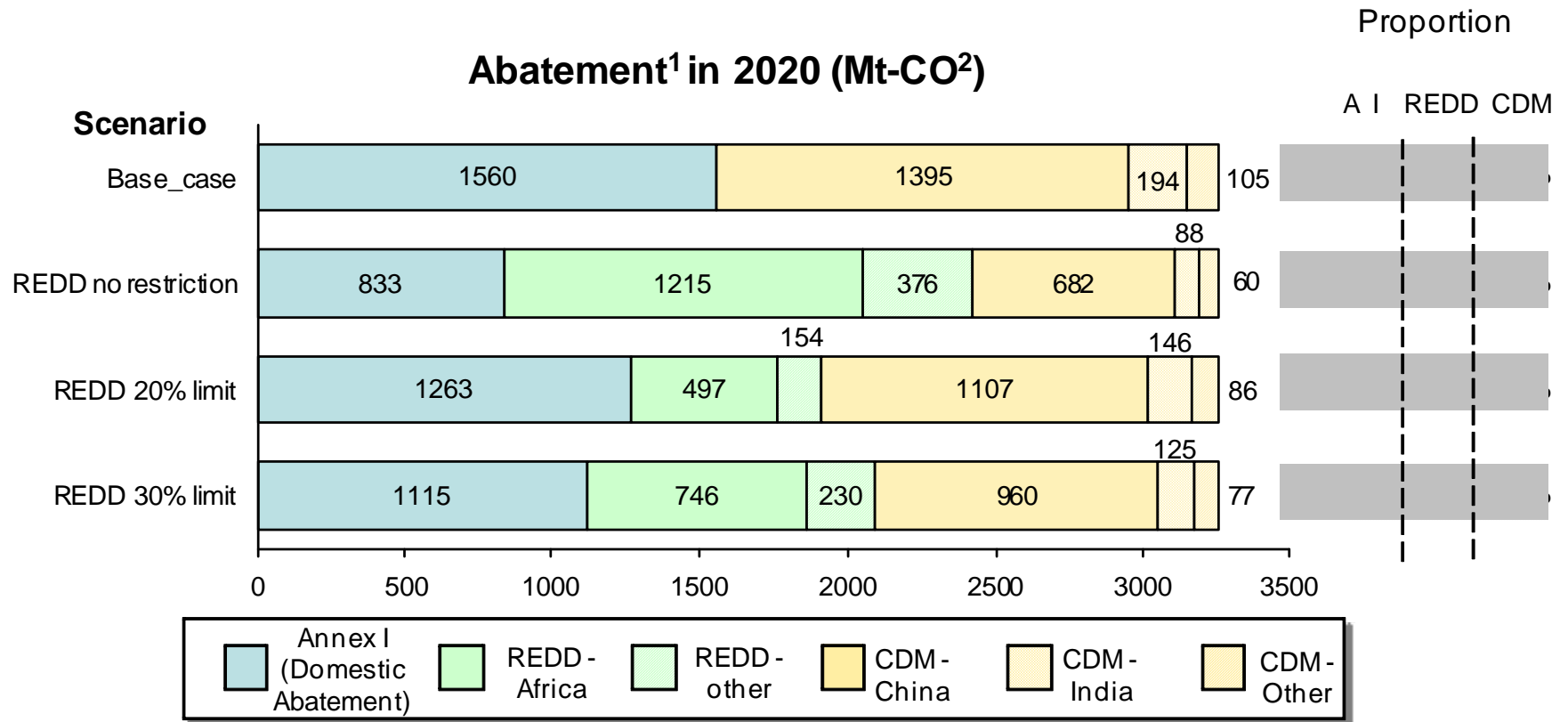
If REDD abatement can be delivered at low cost (as we expect), REDD will constitute a significant part of the overall effort to contain climate change

From yesterday:

Proposal		Market access
Waxman bill		Supplementarity
Meridian proposal		
Eliasch review		Supplementarity
Prince's Rainforest Project		Fund only

Full fungibility with compliance markets with similar commitments simply redistributes effort...and the atmosphere is no better off

## Abatement in 2020 by Source – “Current” targets - a simulation

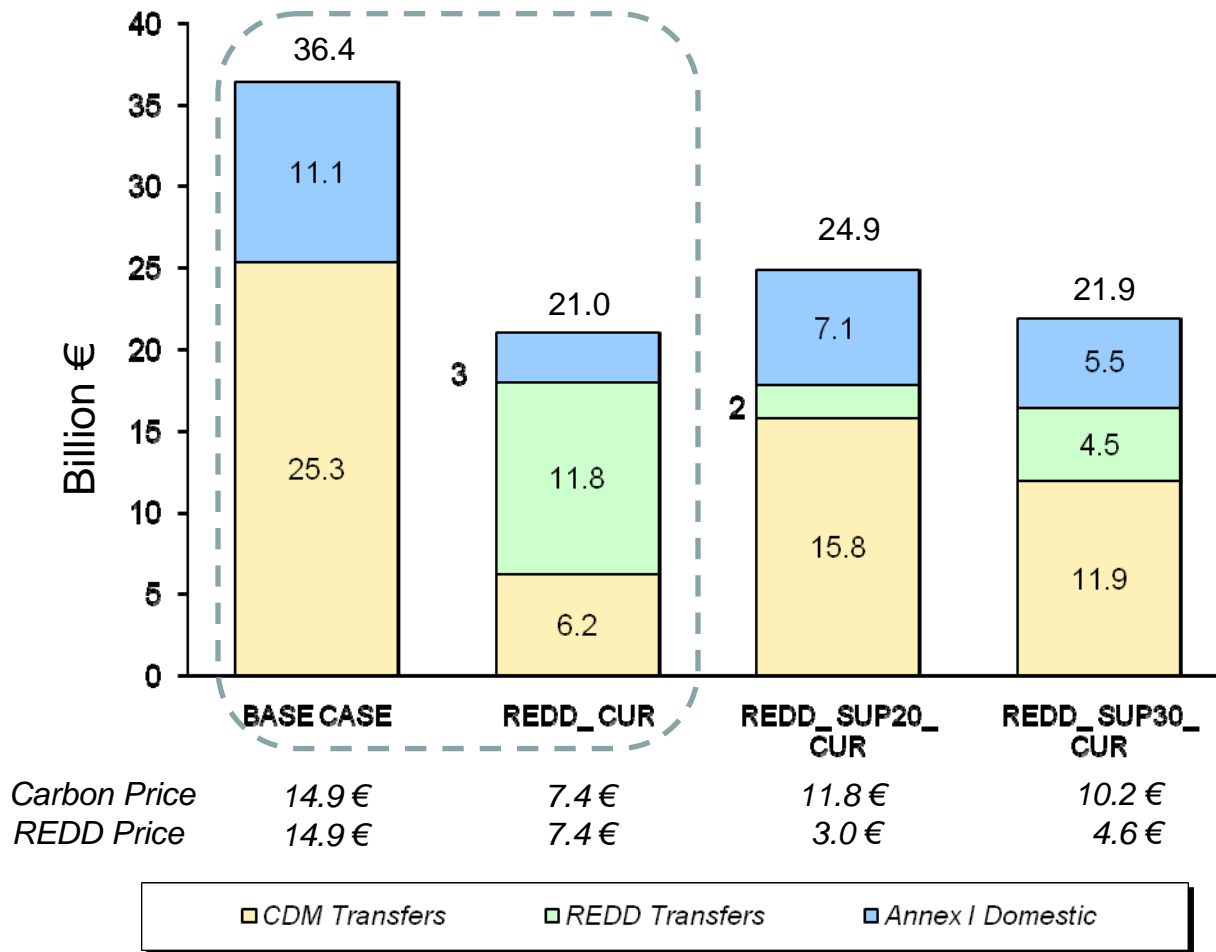


(1) Abatement shown versus baseline (business-as-usual)

But what if REDD units are not “as good” as other units?

Then REDD would result in lower compliance costs and unit prices:

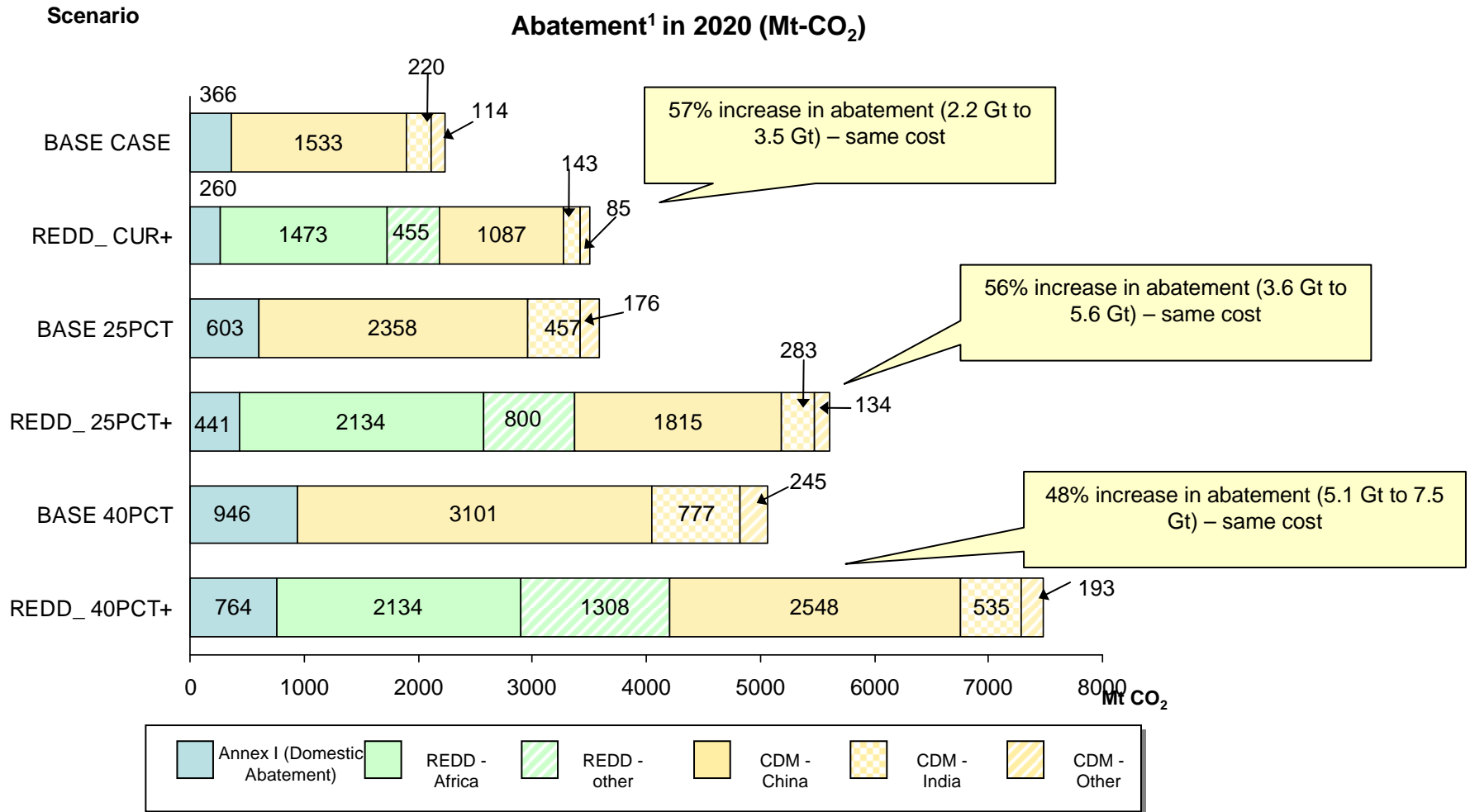
### Annex I compliance costs, stated commitments 2020



But what if the savings is invested?

REDD could enable enhanced abatement for similar costs...but costs and availability of supply are not certain

## Expanded commitments – simulation with reduced supply of REDD in 2020



(1) Abatement shown versus baseline (business-as-usual) - REDD supply adjusted to half of the supply in previous slides

## What mechanisms are available to address concerns

Concern		Sample countermeasure
Market stability		Supplementarity Supply limits Fund only Separate markets Discounting Phased integration  Conditional commitments
REDD unit integrity		MRV Discounting
Reductions are additional		Increased commitments (markets) Separate markets Funds only  Conditional commitments

But let's not lose sight of the objective...supplementarity requirements, however, results in less forests saved

