

# Seeing REDD: The Opportunity for a Climate-Conservation Double Dividend Through Avoided Deforestation

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# Outline

- Background and Research Questions
- Example of a REDD project in voluntary markets
- Structure of non-profit implemented REDD projects
- Structure of for-profit REDD projects
- Exploring how for-profit REDD projects can incorporate an additional incentive for biodiversity protections

# 1.) Can IPES Work for Biodiversity?

We specifically consider the option of integrating biodiversity IPES with carbon IPES.

# 2.) Can REDD provide this link?

How can we make sure that forests protected through REDD provide **biodiversity conservation** in addition to **reduced emissions**?

While REDD has the potential to deliver a **climate-conservation** double dividend, this potential may not be realized



**Monoculture Invasive**  
Only **Reduced Emissions**



**Diverse Natural Growth**  
**Reduced Emissions** and  
**Biodiversity Conservation**



# Noel Kempff Climate Action Project

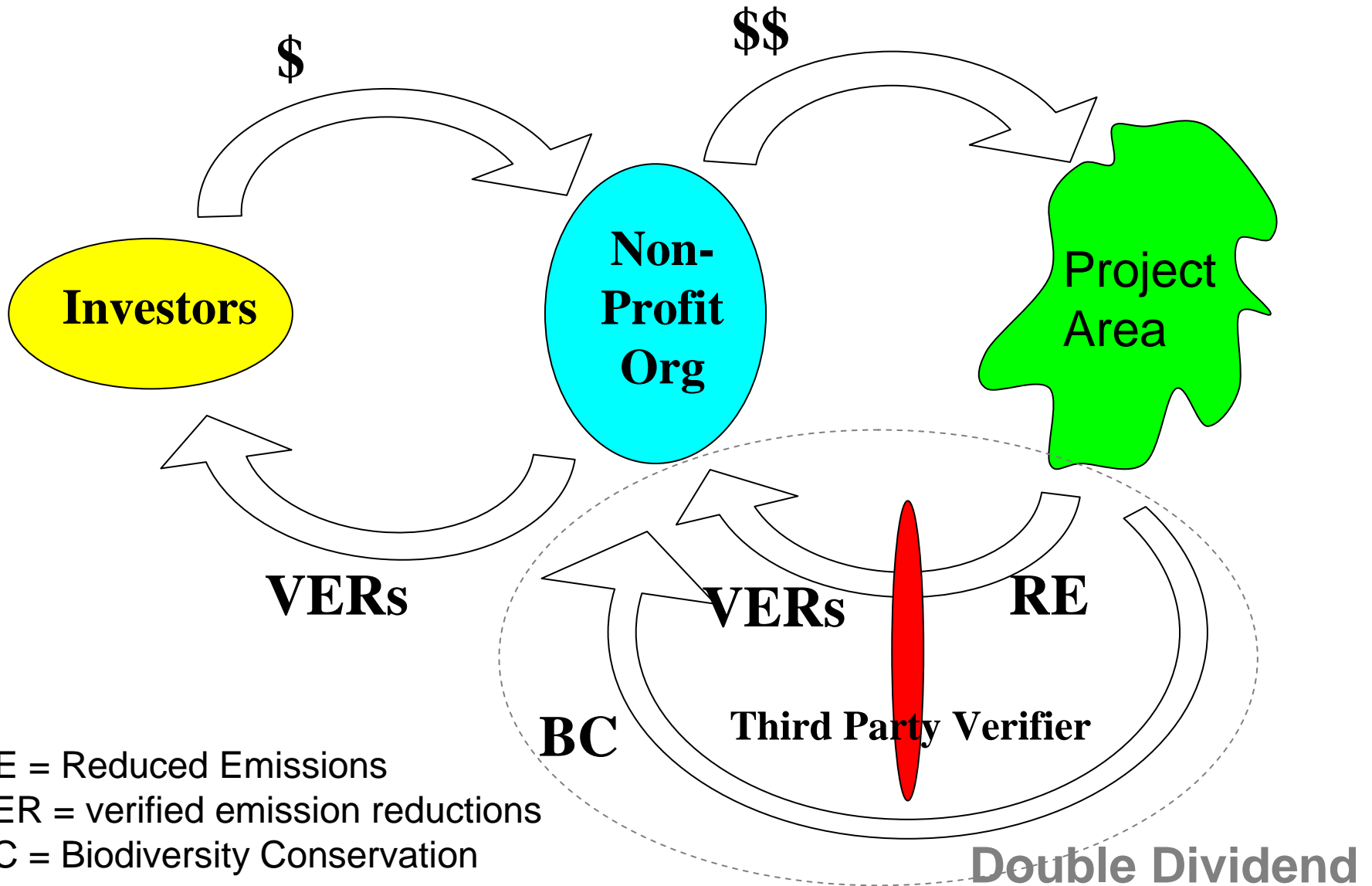
[www.noelkempff.com](http://www.noelkempff.com)

- Protects 832,000 hectares of tropical forest in Bolivia

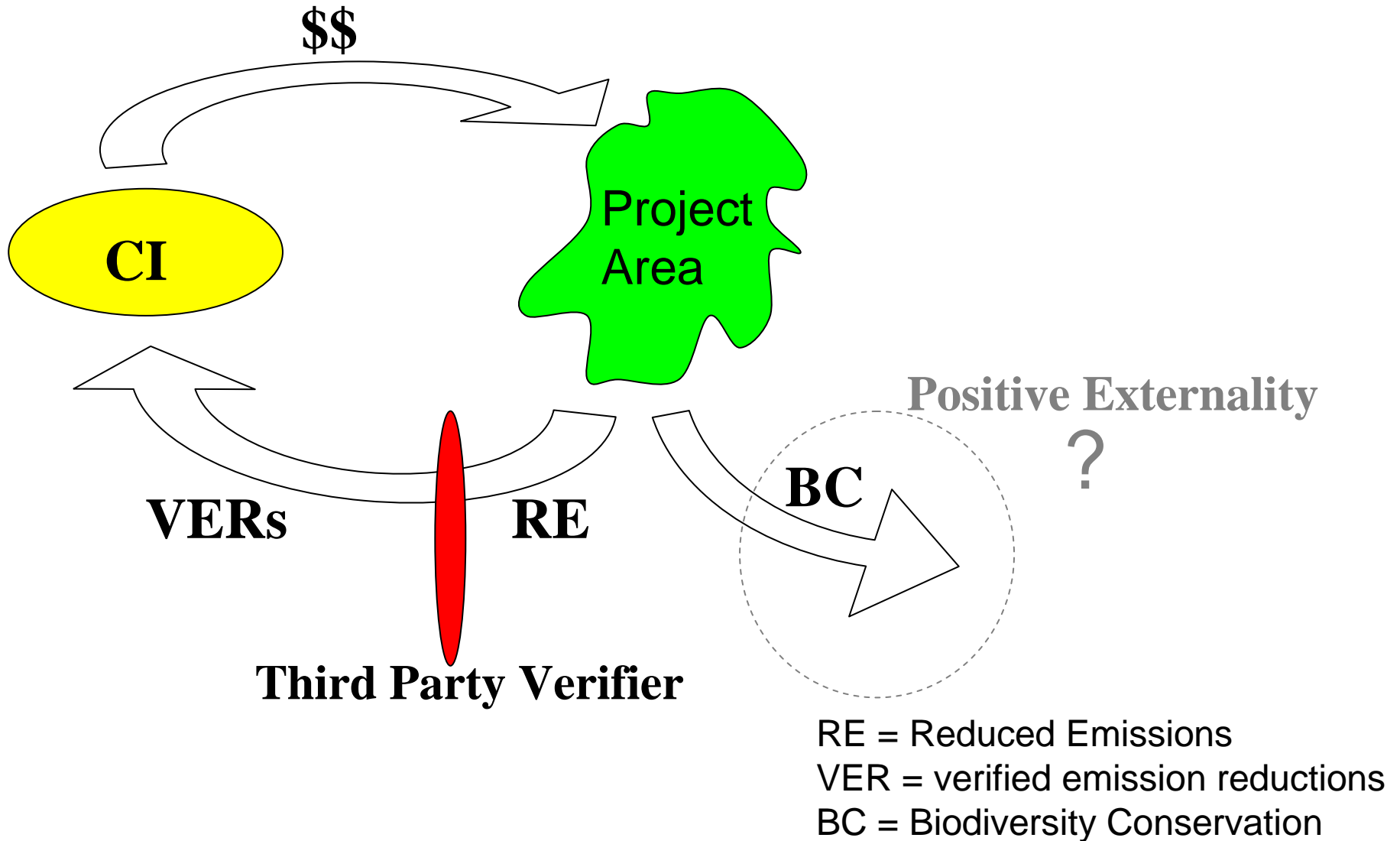
<b>Investors</b>	<b>Contribution (Million US\$)</b>	<b>Offsets to be Assigned (tCO2e)</b>
<b>The Nature Conservancy</b>	<b>2.6</b>	<b>0</b>
<b>Private Investors (AEP, BP, Pacificorp)</b>	<b>8.25</b>	<b>527,427</b>
<b>Government of Bolivia</b>	<b>0</b>	<b>506,743</b>
<b>Total</b>	<b>10.85</b>	<b>1,034,170</b>

- Offsets awarded to the Bolivian Government to be sold on Chicago Climate Exchange
- Revenue earned will go to park protection, community development and climate change capacity building

# Non-Profit REDD Projects

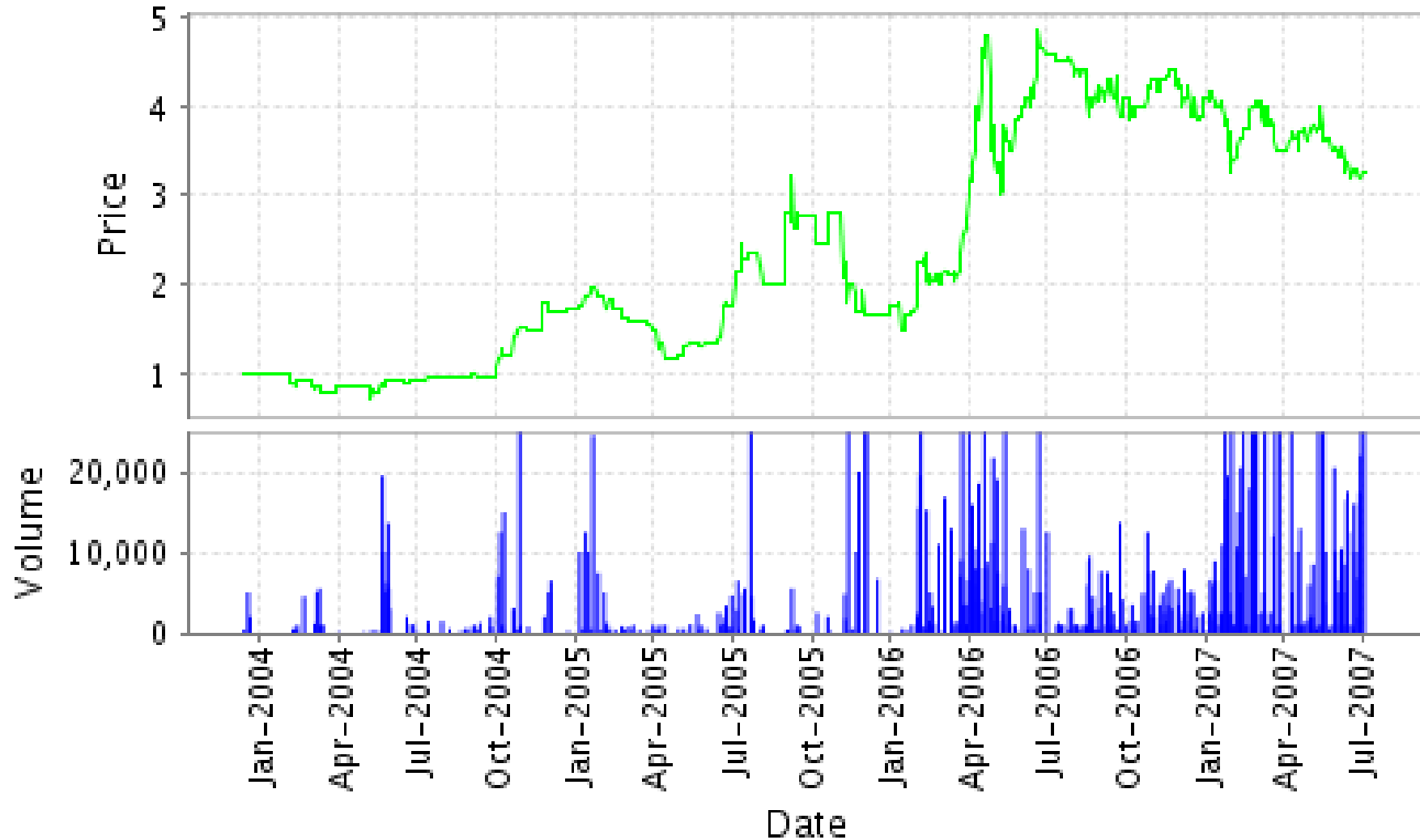


# For-Profit REDD Projects

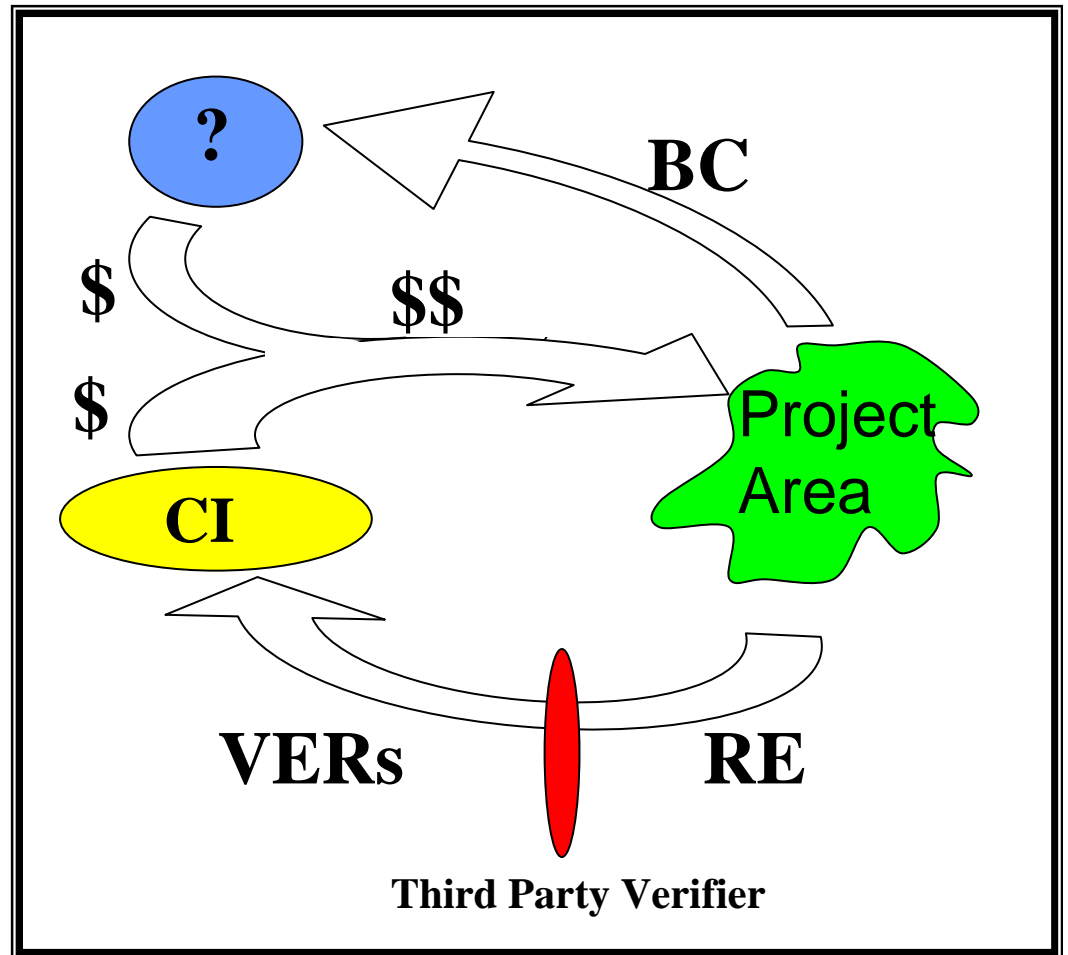
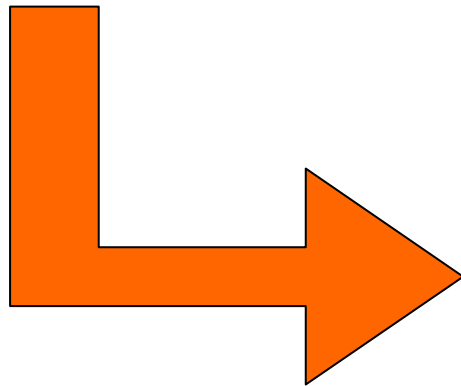
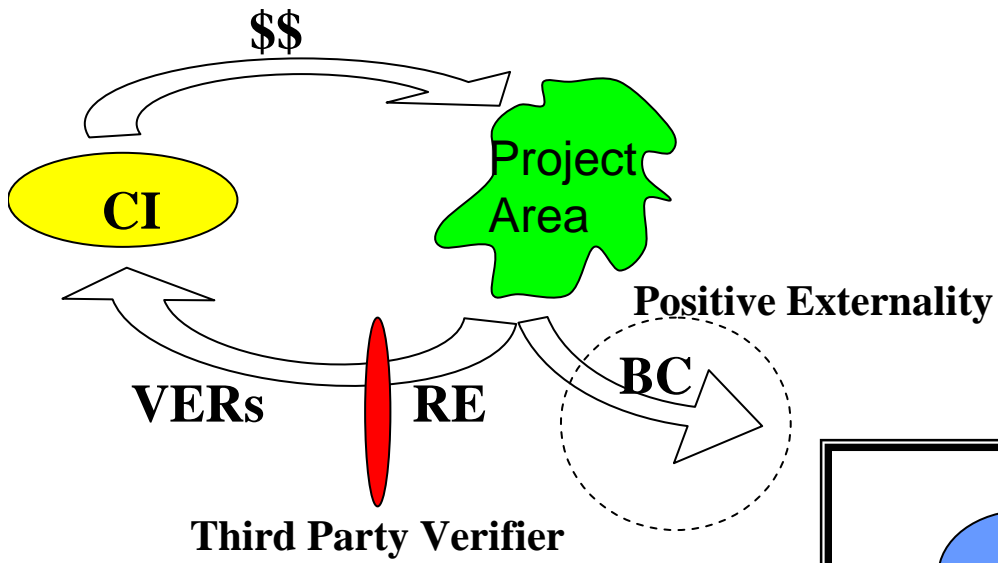


# Growth of the Chicago Climate Exchange

## CCX Carbon Financial Instrument (CFI) Contracts Daily Report







## 2 Types of Biodiversity Beneficiaries

- **General**

A globally diffuse set of actors who demand general conservation efforts for the option and existence values they provide

- **Specific**

Groups that benefit from the conservation of biodiversity within a specific area (non-profits, pharmaceutical companies, ecotourism companies, research institutions, governments, communities)


## 2 Types of Biodiversity Beneficiaries



## 2 Possible Payment Mechanisms

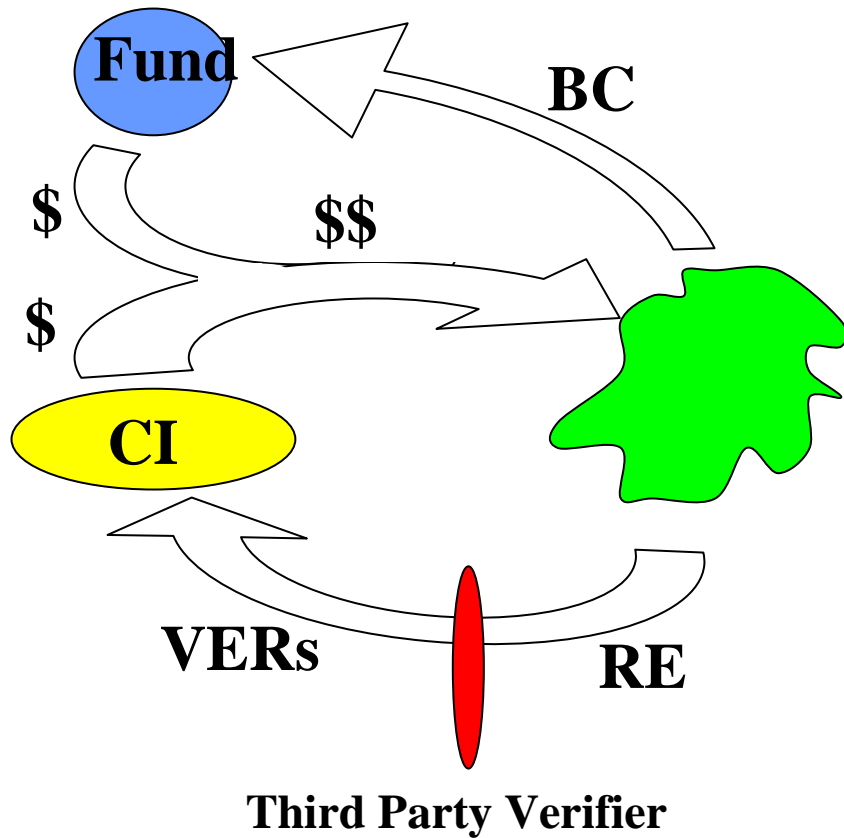
- **General**  **Fund**

A globally diffuse set of actors who demand general conservation efforts for the option and existence values they provide

- **Specific**  **Partnership**

Groups that benefit from the conservation of biodiversity within a specific area (non-profits, pharmaceutical companies, ecotourism companies, research institutions, governments, communities)

**Fund** = Per hectare subsidy offered to only high biodiversity REDD projects



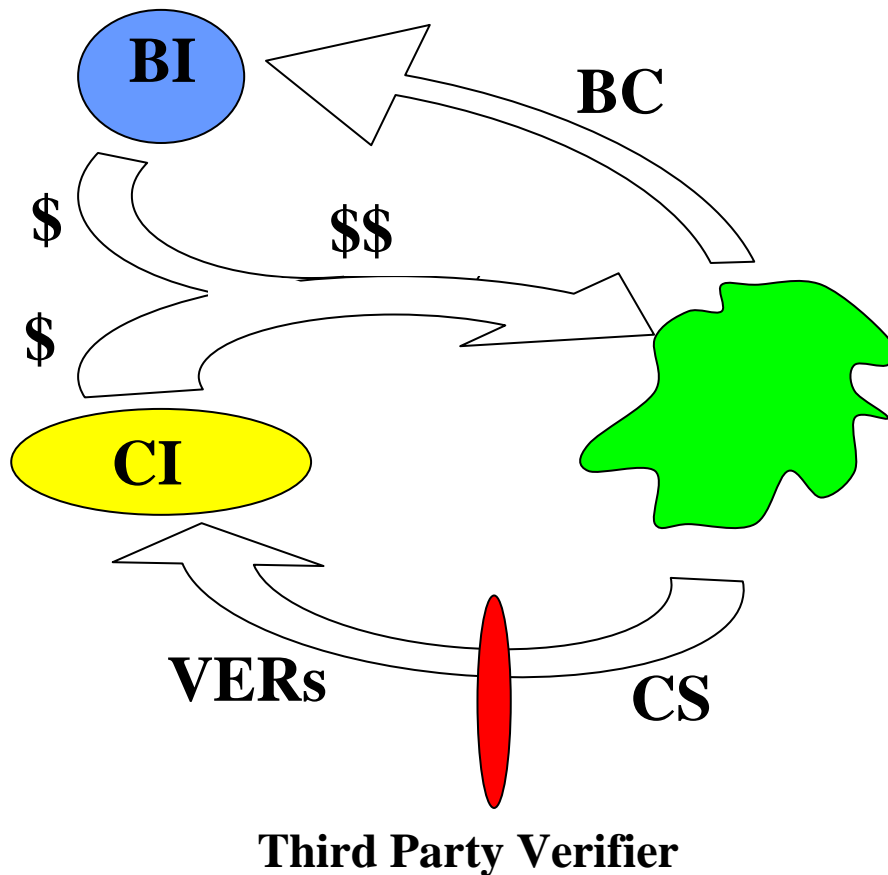
## PROS

- Addresses the public goods nature of biodiversity conservation

## CONS

- Quantifying biodiversity
- Defining threshold
- Deciding subsidy amount
- Diverting financing

# Partnership = matching of carbon investors with biodiversity investors in a virtual marketplace

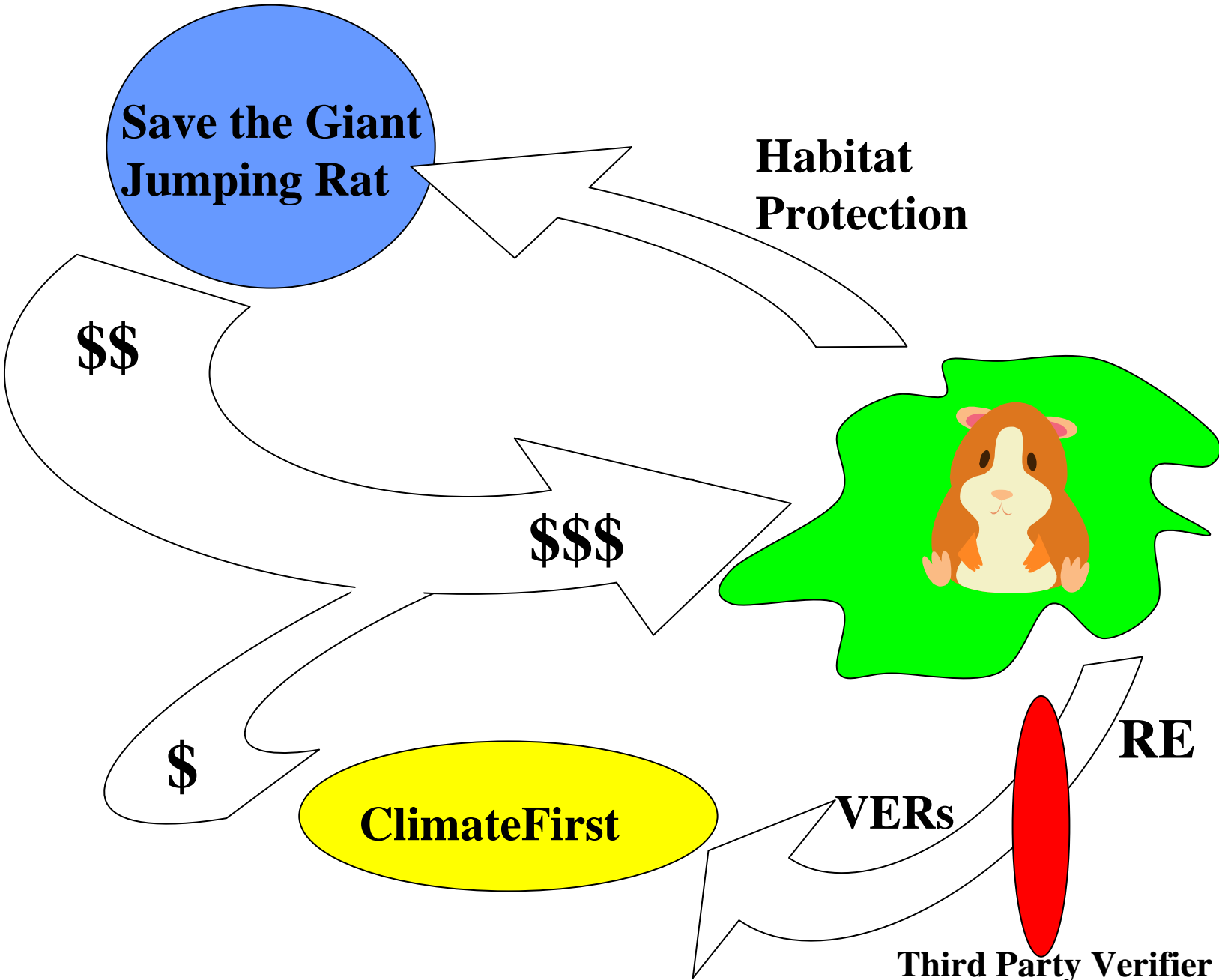


## PROS

- No quantifying biodiversity, defining thresholds, deciding subsidy amounts or coming up with financing necessary

## CONS

- Limited application – there are only so many specific biodiversity demanders



# In Summary...

- 1) REDD has the potential to link carbon and biodiversity IPES, *if and only if* a more targeted approach to REDD is adopted – one that encourages investment in only high biodiversity forests.
- 2) One way to ensure this is by combining payments for both reduced emissions and biodiversity conservation into one investment in REDD through either a fund or a partnership.