



Date: 28<sup>th</sup> August 2009      **Executive Summary**

**Making Sense of REDD:  
Guiding Principles and Operational Framework for Tropical Forest Carbon**

The purpose of this proposal document is to lay out the guiding principles and operational framework for a global agreement on REDD and REDD-Plus, and to build international consensus on this topic *well before* Copenhagen Dec 2009.

The scope of the proposal is tropical forests and developing countries, in order to reduce the human welfare costs and ecological scarcities arising from forest losses, to reduce CO<sub>2</sub> emissions from deforestation & forest degradation, & to recognize and reward good conservation practice & other forest enhancement activity.

To ensure equitable impacts for local communities and indigenous groups, environmental effectiveness, and economic efficiency it is important that a global agreement on tropical forest carbon adopts a REDD-Plus framework.

A three-phase approach is thus recommended – initially to build capacity and develop a critical mass of eligible projects, then for fund-based rewards for project performance, and finally, a cap-and-trade sub-regime to reward CO<sub>2</sub> emissions reductions and removals traded in a post-Kyoto compliance market .

In Phase I, institutional readiness is created in host developing countries. National action plans are written to set up appropriate policies & MRV processes, start & fund pilots, and to legally empower host national governments, sub-regional governments and local communities to receive the flow of benefits.

Phase II is facilitated by a clearing house fund approach, that rates the quality of projects and leverages global willingness to pay of Annex I donors, corporations and philanthropic organizations to implement activities in tropical forest countries.

Finally, Phase III is a forest carbon market based on traded emissions reduction certificates that are issued by eligible REDD-Plus projects in participating countries. To recognize and reward the premium on strongly “co-benefits oriented” projects that also improve livelihoods, reduce threatened species, or increase ecosystem services (beyond CO<sub>2</sub> reduction), it is recommended that an adjunct market be established where the quality premium on such REDD-Plus certificates is traded.

The above operational framework rewards multiple benefit impacts and ensures that tropical forest deforestation and degradation are addressed with urgency.