
Integrated REDD Offset Program (IREDD)

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Nested and Integrated REDD (IREDD)

- REDD activities may have effects on forest cover **beyond the immediate boundary** of a project area.
- Therefore, the **larger the geographic region** over which changes in forest cover are monitored, the **more precise** the estimation of REDD credits
- “Nested REDD” refers to the **reconciliation of carbon accounting over a large region** with spatially defined project activities on smaller areas
 - Maintaining or increasing forest cover over a large region leads to a **total “pie” of potential offsets**
 - How can one **distribute this offset pie over everyone** who has implemented project activities within the large region?
- Significant challenges remain to design “nested REDD” type compliance programs
 - Who “pays” when the sum of **forest cover actually decreased**?
 - Can offsets be generated if project activities **were not pre-registered or spatially defined and land-tenure is not clear**?
- An “**Integrated REDD**” program allows, within nested REDD, only individual projects to generate and control carbon offsets within a Jurisdictional level accounting framework
 - Helps to ensure that **the benefits of reducing deforestation reach land owners**.
 - **Reduces the risk of violating community and indigenous rights**, and eroding the concept of carbon ownership

Desired Outcomes of Integrated REDD (IREDD)

Ideally, the design of the Integrated REDD program is such that:

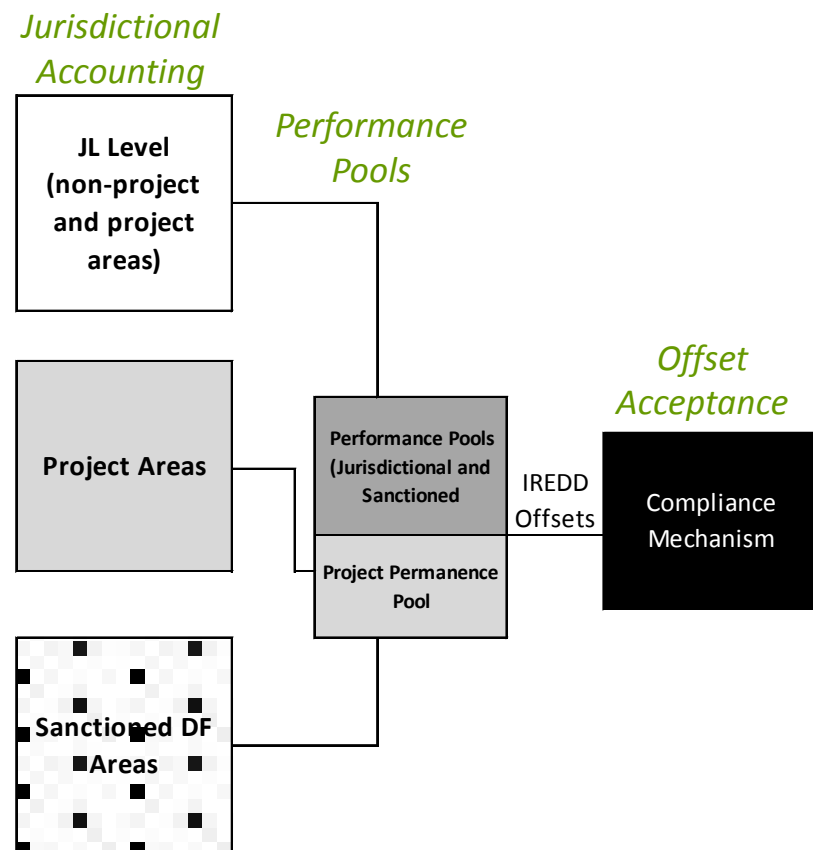
1. Offsets at the project level are **properly reconciled within the Jurisdictional level** and therefore real and additional
2. The government is incentivized to address **regional drivers of deforestation** while land owners/managers are incentivized to address **local drivers of deforestation**, creating a cause and effect relationship with the IREDD program
3. The market mechanism allows for an **efficient flow of funds** and the ability for buyers/investors to **assess and manage risks** associated with creation of the offsets
4. Land owners/managers with rights to land resources and implicit or legally recognized rights to carbon can **participate without bias or competition from the Jurisdictional Governments in the offset market**
5. The actual implementation of the REDD policy is **practically feasible** within multiple Jurisdictions within a 1-4 year period

Carbon Accounting for Integrated REDD (IREDD) 1: Baselines and Monitoring

- Credits are calculated based on a Jurisdictional crediting baseline
 - Step 1. Calculate “**historical deforestation**”
 - Step 2. Adjust historical deforestation for remaining forest cover and economic development and set “**business as usual**”
 - Step 3. Adjust “business as usual” to “**crediting baseline**”
- Jurisdictional crediting baseline must be divided into spatially explicit crediting baselines use in smaller project areas
 - Using Deforestation Risk assessment and simple land use modeling
- Monitoring and Reporting
 - Project proponents must monitor project activities
 - Project proponents can choose to use either (1) Jurisdictional Monitoring of carbon stock changes or (2) their own, more accurate, monitoring
 - Offsets are discounted for uncertainty - therefore, more accurate accounting will lead to more credits.

Carbon Accounting for Integrated REDD (IREDD) 2: Offset Creation of Performance Pools

- Offset generation
 - Only **pre-registered** project area offsets qualify for IREDD offsets
 - IREDD offsets are issued from a **performance pool** to use in compliance mechanism
 - IREDD offsets accepted by compliance mechanism but may be **subject to limits**
- Performance pools funded by:
 - **Sanctioned deforestation** who “pays” for use of emissions (negative offsets)
 - Projects risk reserves
 - **Non-project area** performance (could be over/under)
 - Potentially, **donor supported** in initial years
- **Jurisdictions can sponsor projects** and would receive funding support from performance pools
- Components of IREDD are administered by Jurisdiction, compliance authority, and **appointed independent body**
 - Performance pool managed as a trust per specified IREDD rules





Thank you

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