



# Update on REDD & US Climate Policy

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# Overview

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- **US Climate Policy - Current status and Prospects**
- **REDD and US federal legislative proposals**
  - **REDD provisions in recently introduced US climate legislation**
  - **Implications for states and provinces**
  - **Issues and opportunities for GCF states and provinces**

# US Climate Policy

## Current Status & Prospects

- Regulation of greenhouse gas (GHG) emissions from vehicles and large stationary sources under the existing Clean Air Act is moving ahead
- State and regional efforts to establish GHG compliance systems are moving ahead
- Federal climate change legislation passed by the U.S. House of Representatives in 2009; New legislation introduced in U.S. Senate in May 2010 – The American Power Act – unlikely to pass this year
- All leading federal legislative proposals have strong provisions for REDD and recognize subnational REDD activities

# New Senate Legislation (American Power Act) REDD Provisions

- Focus on deforestation; Administrator may add degradation and other activities in later rulemakings
- Part of international offsets provisions – up to 500 million tons/year (can increased to 1 billion tons/year)
- 2 categories of eligible activities
  - National-level activities
  - State- or province-level activities (for limited period of time)
- Focus on subnational activities – opportunities for GCF states and provinces

# American Power Act – REDD Provisions

## Requirements for state/province-level activities

- Contingent upon bilateral/multilateral agreement between host country and US and commitment by host country to develop national REDD program
- Requires demonstrated capacity for monitoring, reporting and verification (MRV); forest governance; stakeholder consultation; registries; forest sector planning
- Requires state/province deforestation baseline
  - Consistent with any existing Nationally Appropriate Mitigation Activity (NAMA)
  - Based on average historical deforestation rates in state/province for at least 5 years and “other factors”
  - Trajectory to zero net deforestation within 20 years
- EPA will approve methodologies/standards for subnational REDD activities
- Phase out and transition to national level programs 5 years after US compliance system starts
- Strong provisions regarding protection of rights/interests, prior informed consent, and benefit sharing for indigenous peoples and forest-dependent communities

# American Power Act – REDD Provisions

## State/province-level activities

### GCF issues & opportunities

- GCF states/provinces as early movers for subnational REDD
- GCF process could provide additional clarity on how project-level activities fit within state/province and national-level REDD activities (nesting)
- GCF states/provinces could provide demonstration pathways for development of compliance-grade methodologies and elements of effective subnational REDD programs
- GCF process could help facilitate models for multi-stakeholder processes, protection of interests, and benefit sharing