



# Report Summary – Informal Working Group for Interim Financing for REDD+

Forest Day presentation

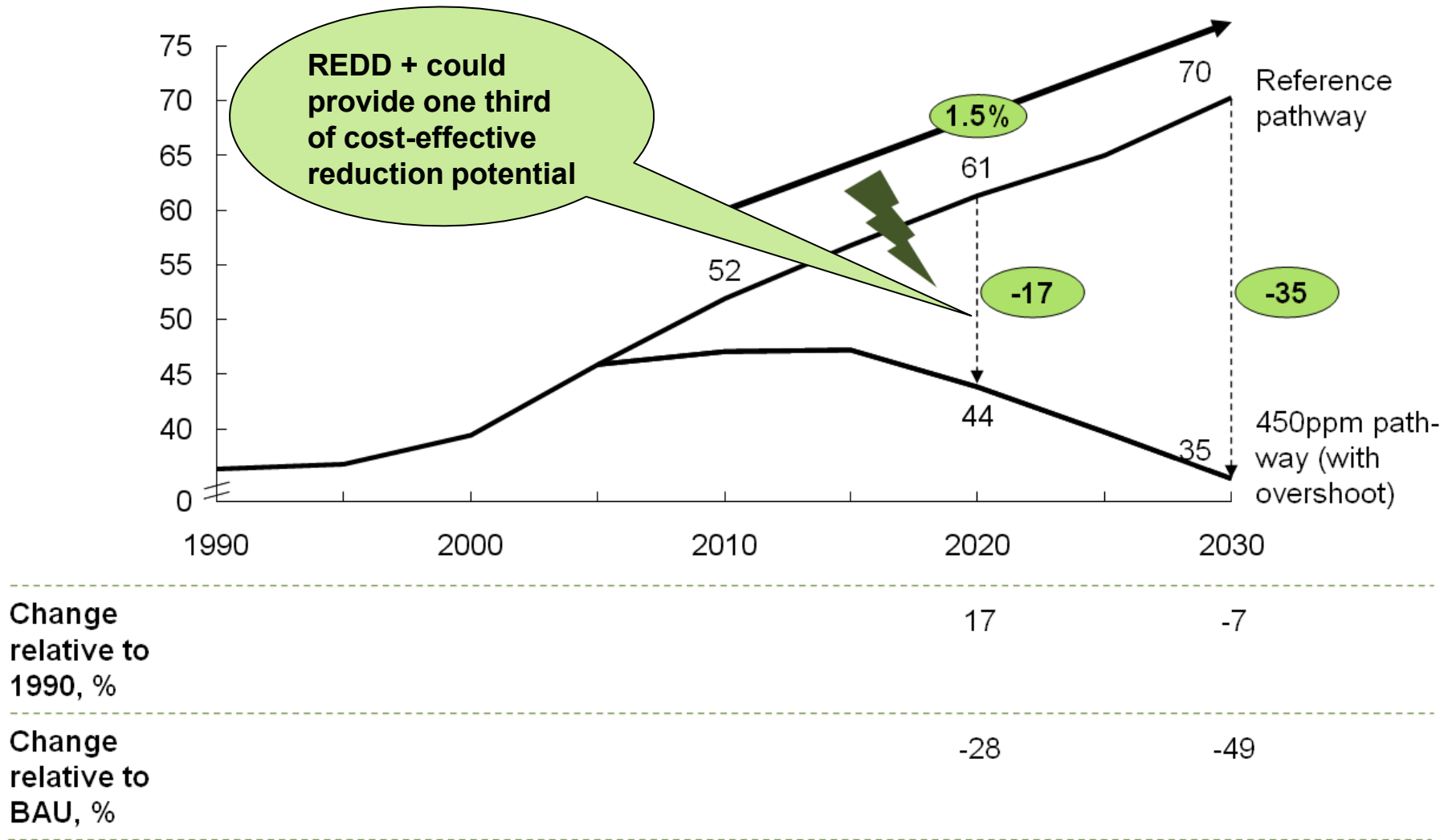
December 13th, 2009

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# 17 Gt of emission reductions below BAU in 2020 are required for a 450 ppm pathway that yields 40-60% chance of limiting global warming to 2°C

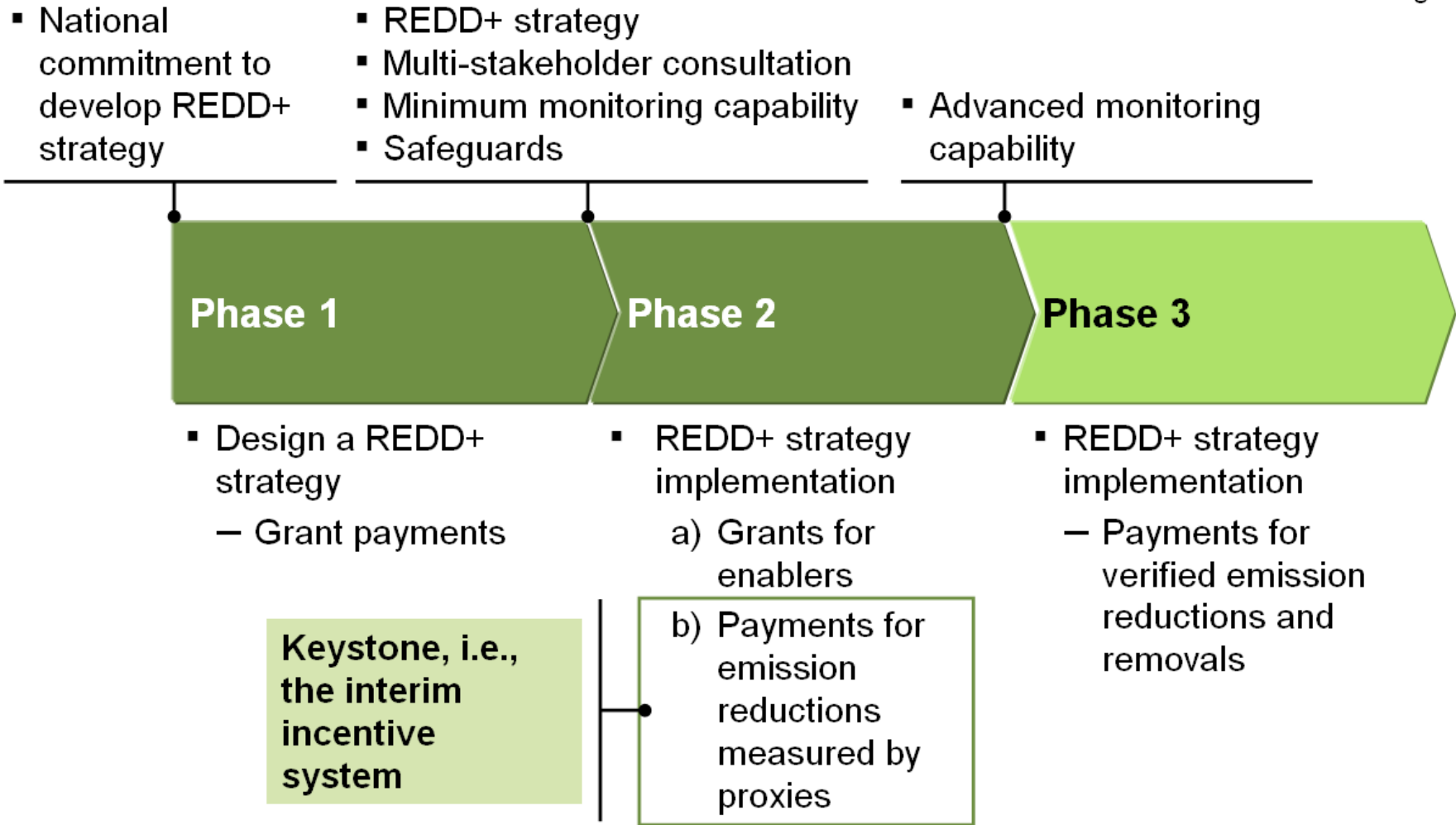
Global GHG emissions, Gt CO<sub>2</sub>e per year



SOURCE: McKinsey Global GHG Abatement Cost Curve v2.0; Houghton; IEA; US EPA; den Elzen, van Vuuren; Project Catalyst analysis

# The keystone is embedded in a phased approach for flexibility and immediate action

Potential scope for interim financing



# An interim REDD+ partnership can provide the framework for early action and 7 Gt of cumulative reductions already by 2015

## **Why?**

- REDD+ has >30% of global abatement potential in 2020
- 7 Gt of cumulative reductions can be achieved by 2015
- Delaying action until 2015 would cost 16 Gt by 2020

## **How?**

- Core: Payments for reduced emissions (~90%)
- Enabling: Grants for readiness (~10%)

## **Funding**

- Financial contributions from developed countries: EUR 15–25 billion 2010–2015
- Flow channels: Bilateral supported by multilateral fund(s)

## **Institutions**

- Largely build on existing institutional structure
- Minimum level of new architecture proposed to fill any gaps
- Ensure consistency of standards

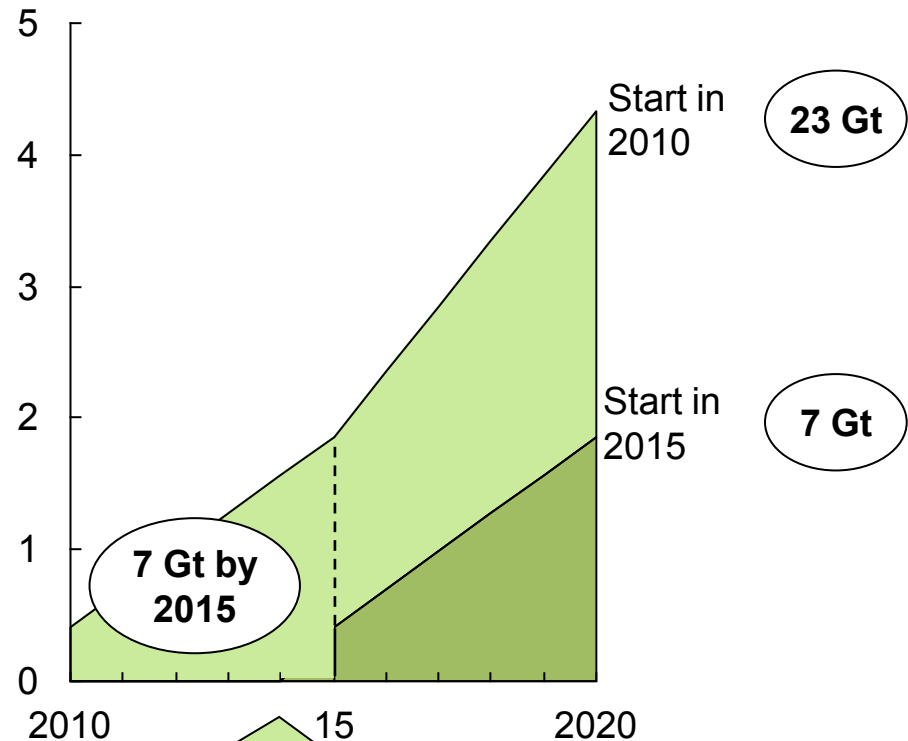
# Early action is critical to achieve emission reduction from REDD+ at scale in 2020

## Importance of early action

- Kick starting REDD+ in 2010 can yield 7 Gt of cumulative emission reductions by 2015
- REDD+ cannot deliver ~4 Gt in 2020 without action now
  - Learning at scale is needed
  - Incentives a scale is required to achieve actual emission reductions
- Significant political lock-in risks if action is delayed
- REDD+ early action strengthens trust building between parties to benefit the process of developed countries committing to pay for reduced emission in developing countries
- Early action on REDD+ could also facilitate an additional ~2 Gt of emission reduction in A/R by 2020

Emission reduction potential as function of REDD+ action  
GtCO<sub>2</sub>e per year

2010-2020 reductions



Assuming a reduction in global deforestation rates of 25% over first 5 years of action, then ramping up to full emission reduction potential for following 5 years



**Full report, outreach material and summaries in English, Spanish and French available at:**

**[www.miljo.no/iwg](http://www.miljo.no/iwg)**

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