

The Carbon Markets and Investors Association (CMIA) is an international trade association representing companies that finance, build, and support emission reduction projects across five continents, as well as service providers to liable entities under cap-and-trade schemes. Formed to represent businesses working to reduce carbon emissions through the market mechanisms of the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol, CMIA's international membership accounts for an estimated 75 per cent of the global carbon market, valued at USD 100 billion in 2008.

### Protection of Natural Forests is Crucial to REDD+ Success

The protection of natural forests preserves habitats and biological diversity, reduces soil erosion, mitigates flooding, and provides crucial natural resources for many of the world's most disadvantaged communities. In addition, the sound maintenance of intact tropical ecosystems will ensure that the critical eco-services and resources that they provide will continue to benefit the global community and local and indigenous peoples in particular.

**In addition, reducing deforestation and preserving intact tropical forests will bring near-term and cost-effective reductions in greenhouse gas (GHG) emissions.**

CMIA supports the inclusion of the following measures within a land-use sector mechanism, alongside and in addition to activities which reduce emissions from deforestation and degradation:

- Increase forest cover through afforestation and reforestation
- Allow for the sustainable management of forests, and
- Stabilize forest cover

Known collectively as REDD+, these measures provide a comprehensive set of tools to mitigate emissions due to deforestation and land-use change, currently contributing some 20 per cent to the global aggregate. **The inclusion of these measures within a land-use sector mechanism is critical to meeting mid- and long-term global emissions reductions targets.**

**CMIA is committed to design principles that promote the highest possible market integrity and consider the environmental impacts of a mechanism in the broadest possible scope, thereby avoiding perverse incentives or negative externalities.** A REDD+ mechanism must contain explicit safeguard principles in order to ensure that actions taken to reduce emissions within the land-use and forestry sector are evaluated in widest possible context, and serve to:

- Enhance forest governance
- Promote the equitable distribution of benefits among local stakeholders, and
- Preserve biological diversity and ecosystem services

**CMIA is concerned by the removal of explicit wording from Bangkok Non-Paper 18 [Paragraph 4(f)] that would have safeguarded against the conversion of natural into managed forests.** By this omission, negotiators have inadvertently sanctioned the destruction of virgin rainforests for managed monoculture plantations. This represents a failure to create the necessary economic incentives to halt tropical deforestation and the associated GHG emissions. In addition, the removal of this important safeguard could contravene other relevant international conventions, including the Convention on Biological Diversity and the UN Declaration on the Rights of Indigenous Peoples.

Text which would safeguard natural forests is supported by Brazil, Mexico, India, Norway, and most rainforest nations. It is understood that the lack of EU support in Bangkok was unintended, and not representative of a final negotiating position.

CMIA welcomes a statement from the Swedish presidency earlier this month confirming EU support for safeguarding natural forests and its reinstatement into Non-Paper 18 at the Barcelona negotiations, **and remains engaged with policy makers to help ensure that mechanisms for forest carbon are optimally and equitably structured.**

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