

Drawing on the collective experience of its membership, the Carbon Markets & Investors Association (CMIA) has developed the following positions on REDD+ for consideration and discussion with interested parties. In particular, these positions are designed to provide policy makers engaged in REDD+ negotiations with an immediate understanding of our position and thus assist productive discussions.

1. **CMIA supports the continuation and acceleration of international REDD+ negotiations and efforts to create a robust REDD+ mechanism.** Despite widespread disappointment that details on the REDD+ mechanism and overarching international climate agreement were not finalized at Copenhagen, CMIA applauds the progress made in agreeing the principles of a REDD+ mechanism and in successfully concluding a SBSTA decision on methodological issues. In order to maintain positive momentum in 2010, CMIA strongly supports:
 - Early progress and agreement on the draft decision text for a REDD+ mechanism. Any lack of progress in other negotiation streams should not prevent a REDD+ mechanism being approved. Work that will be initiated by the UNFCCC technical bodies following such approval should not be delayed.
 - The parallel fast-start processes initiated at Copenhagen and continued at the Paris meeting in March and the Oslo meeting scheduled for May. If properly designed, these processes will encourage the rapid development and implementation of REDD+ readiness and demonstration activities. CMIA believes civil society participation in the fast-start process should be extended to include financial and other private sector representatives.
 - Ongoing and structured engagement with the private sector to ensure an international REDD+ mechanism under either the UNFCCC or fast-start parallel initiatives mobilizes the billions in private sector finance required in the medium to long-term.

2. **CMIA is committed to environmental and social safeguard principles and standards of integrity that recognize the potential impacts of a REDD+ mechanism in the broadest possible sense.** A REDD+ mechanism must contain explicit safeguard principles that ensure actions are evaluated in the widest possible context and perverse incentives or negative externalities are avoided. Specifically a REDD+ mechanism must:
 - Preserve and not cause detriment to biological diversity, natural ecosystems and the services they provide
 - Promote participation and the equitable distribution of benefits among indigenous communities and other local stakeholders
 - Foster and enhance forest governance

3. **Sub-national initiatives are vital to develop the skills, experience and data needed for host countries to make the transition to national reference levels.** The 'nested approach' can facilitate a realistic and effective pathway to the establishment of national reference levels. Experiences from the growing number of projects being developed using standards such as the Climate, Community and Biodiversity Alliance (CCB) and Voluntary Carbon Standard (VCS) will be relevant and useful. These projects test applications and approaches, help create trust among various actors, and generate the data needed for host countries to make the transition to national reference levels. They can offer valuable lessons on governance, accountability, transparency, and multi-stakeholder engagement. The inclusion of tested and proven project standards in a future REDD+ architecture would provide significant incentives for early action; support the establishment of consistent monitoring, reporting and validation (MRV) regimes; prevent unnecessary fragmentation; and facilitate the eventual establishment of a single global standard under an international REDD+ mechanism.

4. **An international body should establish guidelines for REDD+ activities and issue compliance-grade credits for sub-national activities that obtain host country approval.** The development of guidelines and a mechanism for the issuance of compliance grade credits should happen in parallel with the establishment of REDD+ national systems (inventories, MRV regimes and registries) by developing countries.
5. **Recognition should be given to early action and demonstration activities by private and public sector actors that achieve compliance-grade REDD+ credits.** Incentives should be created to encourage early action and drive the development of REDD+ activities. Sub-national activities should stand to be rewarded under a future compliance regime if they meet the requirements for compliance-grade REDD+ credits. Any such credits issued should be discounted from national REDD+ benefits once national reference levels have been adopted by host countries.
6. **Under a phased approach there should be immediate incentives for private sector funding of early sub national demonstration and capacity building activities.** A clear opportunity exists to utilize fast-start public sector funding to facilitate early investment and greater participation by private sector investors in REDD+ activities approved by host countries. This will help to increase the reach, scale and impact of public sector finance.
7. **Abatement schemes in developed countries that create incentives and funding for REDD+ activities are needed and should be supported.** The establishment of domestic abatement schemes in developed countries that support international REDD+ efforts and creating funding incentives is critical to mobilising the funds required for REDD+ activities. Without such schemes in the United States of America, Europe and elsewhere, the public financing of REDD+ will not achieve the desired degree of impact. REDD+ credits admitted under such schemes should include appropriate protections to ensure environmental integrity and prevent any weakening of the drivers of domestic abatement.

CMIA stands ready to provide support, share knowledge and contribute as appropriate to the process of designing and implementing an efficient and financially sustainable REDD+ mechanism that delivers outcomes characterized by the highest possible environmental integrity and social inclusiveness.

CMIA is an international trade association representing close to 50 companies that finance, invest in, and provide enabling support to activities that reduce emissions. CMIA's membership accounts for an estimated 75 per cent of the global carbon market, valued at USD 130 billion in 2009. Solely representing organizations that provide services to and invest in the environmental sector, membership does not include any entities with compliance obligations under cap-and-trade schemes. This results in a unique advocacy platform with emphasis on the environmental integrity of market mechanisms and climate change policies.

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