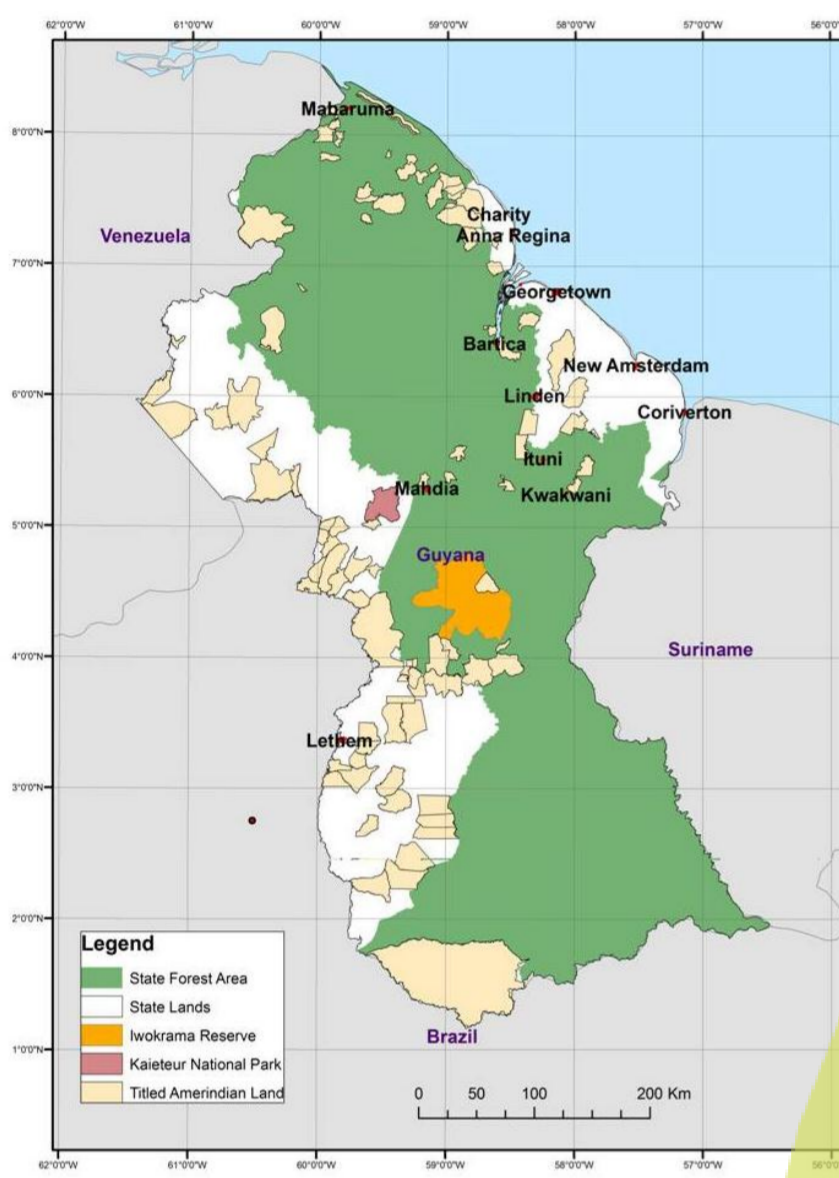


Policy choices for Reducing Emissions from Deforestation and Degradation

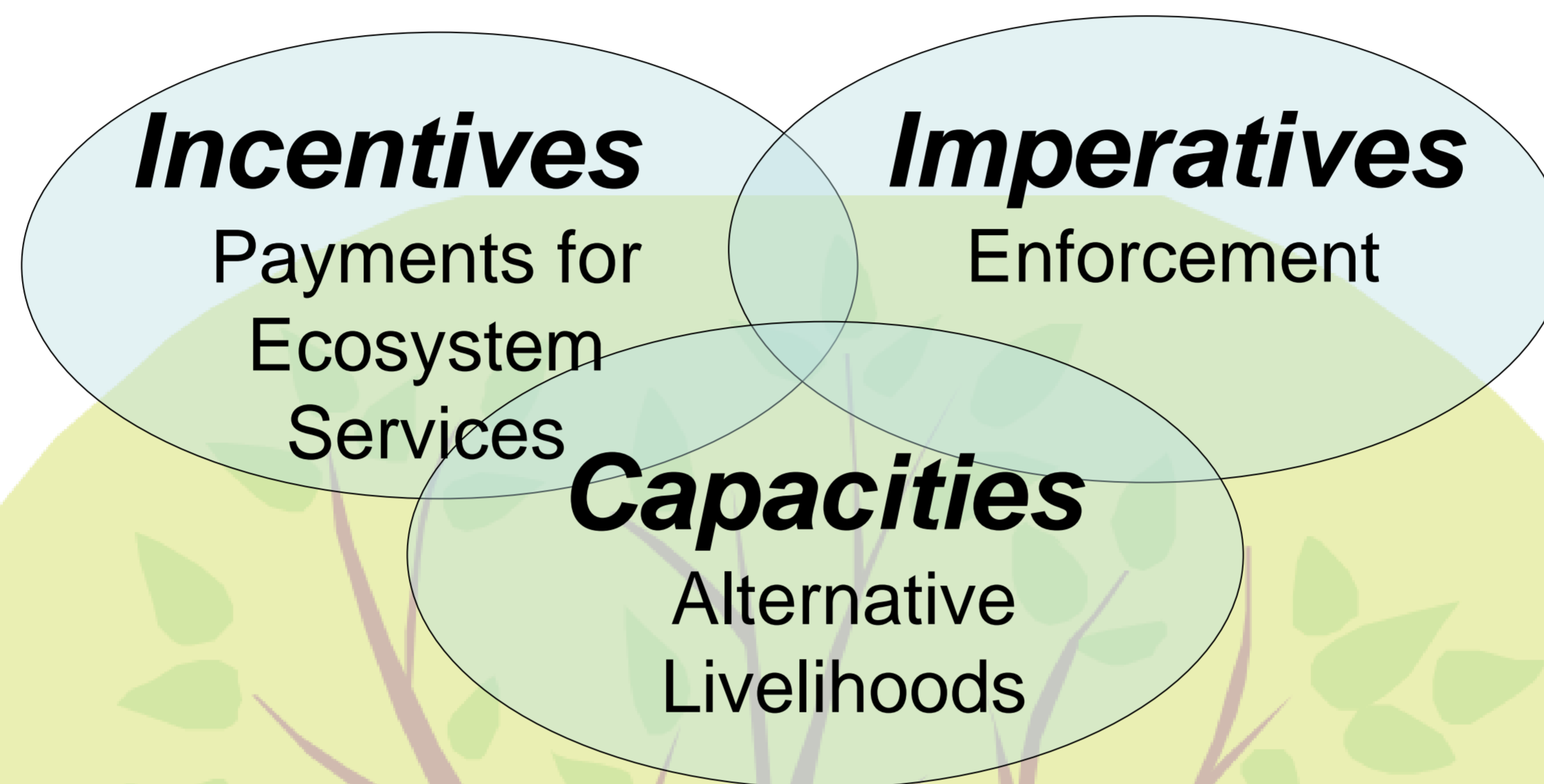
What is REDD?

Under the *UNFCCC* in Cancun in 2010 a mechanism for *Reducing Emissions from Deforestation and Degradation* was established. The mechanism will reward developing countries with finance for reducing their deforestation levels that account for as much as 20% of global anthropogenic greenhouse gas emissions. The question is then: **What are the best policy options** for developing countries to reduce deforestation ?

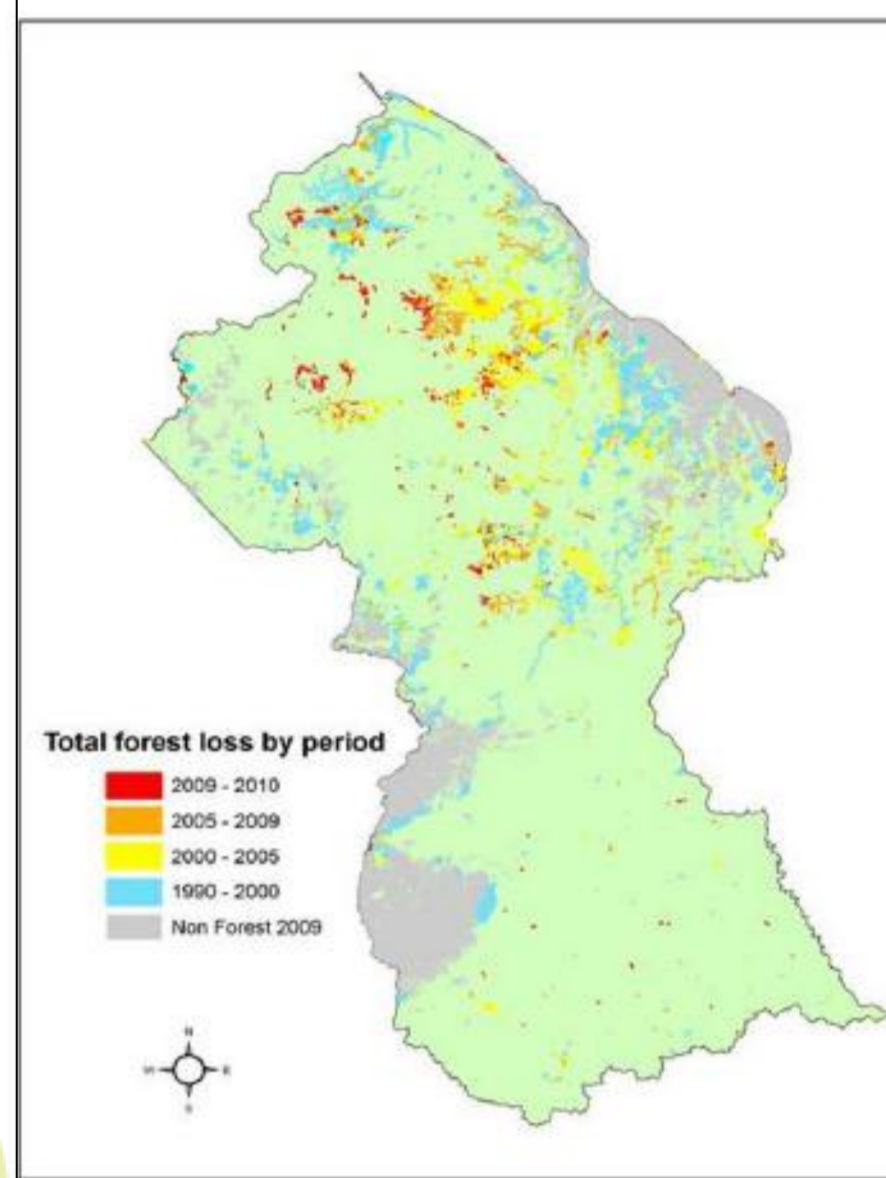
Guyana: Land Tenure



What are the policy options?



Guyana: Deforestation



What affects policy choices? **Economics**

Many factors affect which policy choices are most **economically efficient**. Missing or insecure property rights are common place in the forest sector of developing countries and have been found to be a major driver of deforestation.

I plan to build a micro-economic model incorporating uncertain property rights to determine their effect on the choice of incentives, imperatives or capacities for REDD.

What affects policy choices? **Politics**

REDD gives an opportunity for government to distribute both costs and benefits. Actors who face these costs or who may be able to gain these benefits can affect policy choices by offering rents, or lobbying contributions. How does this affect policy choices, especially in a sector that is often rife with corruption?

I plan to build a common-agency model to investigate the effect that offering rents can have on policy choices.

Evidence from Guyana

Guyana has recently begun the **first national-level REDD programme**, by signing an agreement where Norway has offered finance of up to **\$250 million over five years**. I will collect qualitative and quantitative evidence on the policy process, the benefit-sharing mechanism, and the evolution of the key drivers of deforestation in the light of shifting institutional conditions, such as elections and policy changes. This evidence will be used to verify the economic and political models.

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