



**Short input for the TFP Meeting in Gland, Switzerland on
Reducing Emissions from Deforestation and Degradation of Forests (REDD)
and
Nationally Appropriate Mitigation Actions in developing countries (NAMA)¹
Update with specific reference to the current negotiations texts
4 August 2009**

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¹ Prepared by Juergen Blaser and Carmenza Robledo, Intercooperation, Bern, Switzerland. www.intercooperation.ch

Background and context

Deforestation, as defined in the framework of the UNFCCC, is the direct human-induced conversion of forested land to non-forested land. There is yet no agreed definition on forest degradation under the UNFCCC. A special process defining forest degradation is ongoing (coordinated by FAO).

The agenda item on “Reducing emissions from deforestation in developing countries and approaches to stimulate action” was first introduced into the COP agenda at its eleventh session in Montreal (December 2005). After a two-year process, the Bali Action Plan² was elaborated which proposes to strengthen the role forests in non-Annex 1 countries through the *“development of policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries, role of conservation, sustainable management of forest and enhancement of forest carbon stocks in developing countries”*. This new and firm intention, referred to as REDD, was endorsed by the climate change policy makers in December 2007 (Decision 2/CP13).

According to the FAO, the rate of deforestation during the 1990s was 12.9 million hectares yearly, corresponding to emissions of 5.8 GtCO₂/yr (FAO, 2006 and IPCC, 2007c). Over 85% of the current GHG emissions from deforestation and forest degradation (DD) take place in the tropics, making them the single most important source of GHG emissions in these countries (Stern, 2007; FAO, 2005). The part of deforestation of all GHG emissions is estimated to 17-20% (ICPP, 2007; Baumert et al., 2005).

The term REDD-plus was introduced after the mentioning of various forest mitigation options under paragraph 1 (b) (iii) of the Bali Action Plan. The term REDD-plus includes reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries. During SBSTA/climate talk meeting in June 2009, some countries are also including agriculture in the REDD-plus concept. In terms of forestry the term REDD-plus allows addressing mitigation to climate change using all activities included in the framework of sustainable forest management. An overview on forest mitigation options and the specific position of REDD-plus is presented In Figure 1.

Table 1. Overview on mitigation approaches considered in Forest Landscape Carbon Management

Mitigation option	Mitigation objective	Mitigation policy instrument	Forest/Land Management Option
Reduce GHG emissions	Reducing deforestation	REDD (“first D”)	Committing forests as carbon pools (1) (through e.g. enforcement of law, creation of new protection areas, payments for environmental services in form of contractual agreements to retain forests)
	Reducing degradation	REDD (“second D”)	Restoring lost carbon pools (2) (through various forms of sustainable/multiple-use forest management such as sustainable timber yield management, Community forest management; PES in the form of credits per ton carbon sequestered, Ecological restoration of degraded forests)
Increase CO ₂ sequestration (removals of CO ₂)	Enhancing existing (degraded) forests (restoration of lost carbon pools)	REDD Plus	
	Creating new forests and tree cover	CDM A/R (outside forests)	Creating new carbon pools (3) (through planted forest; agroforestry; rehabilitation of degraded lands; agro-sylvo-pastoral systems)

² UNFCCC-COP 13: the Bali Action Plan charts the course for a new negotiating process designed to tackle climate change, with the aim of completing this by 2009. It focuses, inter alia, on the role of forests.

1) Conclusions by the Subsidiary Body for Scientific and Technological Advice (SBSTA) in Bonn (1-12 June 2009)

Eighteen months after parties to the UN Framework Convention on Climate Change and the Kyoto Protocol adopted the Bali Road Map at COP-13, consisting of two negotiating tracks to enhance international cooperation to address climate change; comprehensive negotiating texts are now on the table. It remains now to be seen how these documents will evolve over the next six months and what may eventually be adopted in Copenhagen in December. The June meetings 2009 in Bonn marked a shift in the negotiation process. Previously, delegates exchanged ideas and stated their positions in both the *Ad Hoc* Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments by Annex I Parties under the Kyoto Protocol (AWG-KP). In Bonn, delegates worked to elaborate specific proposals, and in some cases, clarify areas of convergence and divergence.

This analysis will take a closer look at the texts emerging from the June 09 meetings in order to examine how they have taken the shape they have and what this could mean for the process looking to the three upcoming climate change talks in Bonn (August), Bangkok (October), Barcelona (November) and beyond.

SBSTA discussed REDD on technical grounds and mainly in a contact group and through informal consultations. Nonetheless, negotiators prepared a bracketed draft decision. The main issues in the discussions included:

Reference levels vs. reference emissions levels or both

On reference levels and reference emission levels, some parties sought to refer simply to “reference levels” as a general term that encompasses reference emission levels and other relevant reference levels. Indicating that reference emission levels are associated only with deforestation and forest degradation, some parties insisted on referring to both in order not to prejudge the outcome in Copenhagen.

The role of indigenous peoples in developing and applying REDD-plus methodologies

On the role of indigenous peoples, a number of countries stressed the importance of indigenous peoples and their knowledge in monitoring, reporting and reference-setting activities. One developing country expressed concern about the ability of indigenous peoples’ knowledge to produce sufficiently robust monitoring methodologies. Parties tentatively agreed to recognize the need for full and effective engagement of indigenous peoples and local communities in monitoring and reporting of REDD-plus activities.

Use by developing countries of the most recently adopted IPCC guidance and guidelines

For the time being, parties were unable to agree on the use the most recent IPCC guidance and guidelines, with some parties seeking their use “as appropriate.” The phrase remains in brackets in the draft decision and will be discussed at SBSTA 31.

Independent review of forest monitoring systems

On independent review of forest monitoring systems, parties debated whether the results, or the system itself, should be open to independent review. Some developed countries sought language indicating that the monitoring systems and their results be open to independent review. One developing country requested that the text be bracketed.

Elements to account for when establishing reference levels or reference emission levels

On establishing reference levels and reference emission levels, broad agreement existed that, *inter alia*, national circumstances, respective national capabilities and capacities, and historical data be taken into account. In the final informal meeting, one developing countries suggested that adjustments for expected future emission trends be taken into account and another suggested that legislation under development also be taken into account. There was insufficient time to discuss these proposals and they were bracketed for further discussion at SBSTA 31.

Conclusions (FCCC/SBST/2009/L.9)

SBSTA recognizes that in order to generate accurate and precise data and information for establishing reference emission levels and reference levels, and for establishing and operating monitoring systems, there are research priorities and capacity-building needs. SBSTA also notes that it may need to consider further guidance on methodological issues in accordance with any relevant decisions adopted at COP 15. The conclusions contain a bracketed draft COP decision as an annex. The bracketed decision, *inter alia*: encourages all parties in a position to do so to support and strengthen developing countries' capacities to collect, access, analyze and interpret data in order to develop estimates; and recognizes the need for full and effective engagement of indigenous peoples and local communities in monitoring and reporting REDD-plus activities. While there was no agreement a draft COP decisions on REDD, negotiators could clarify areas where methodological work could be done to facilitate political discussions.

Relevant information:

For the item the following documents are posted:

FCCC/SBSTA/2009/L9 Agenda item 5. Approaches to stimulate action

FCCC/SBSTA/2009/2 Report on the expert meeting on methodological issues relating to reference emission levels and reference levels. Note by the secretariat

FCCC/SBSTA/2009/MISC.1 Issues relating to indigenous people and local communities for the development and application of methodologies. Submissions from Parties

FCCC/SBSTA/2009/MISC.1/Add.1 Issues relating to indigenous people and local communities for the development and application of methodologies. Submissions from Parties. Addendum

FCCC/SBSTA/2009/MISC.2 Information on experiences and views on needs for technical and institutional capacity-building and cooperation. Submissions from Parties

FCCC/SBSTA/2009/MISC.2/Add.1 Information on experiences and views on needs for technical and institutional capacity-building and cooperation. Submissions from Parties. Addendum

2) Conclusions by the Ad Hoc Working group on Long-term Cooperative Action (AWG-LCA) in Bonn (1-12 June 2009)

The AWG-LCA 6 concentrated on developing negotiating text, using a Chair's draft (FCCC/AWGLCA/2009/8) as the starting point. The main outcome of the meeting was a 199-page draft negotiating text (FCCC/AWGLCA/2009/INF.1) that include all proposals and options made by parties and which will be forwarded to the AWG-LCA's next Climate Talks in Bonn in August 2009. The text covers all the main elements of the Bali Action Plan namely a shared vision for long-term cooperative action, mitigation, adaptation, finance, and technology. Narrowing down options in the negotiating text and reaching an agreement at COP 15 in Copenhagen will require both intensive technical drafting and common political vision in the upcoming Climate Change Talks in Bonn, Bangkok and Barcelona.

The following aspects are reflected in the negotiating text:

1. Mitigation actions by developed countries [literal A] (which has a strong link to the AWG-KP process Art. 3.9 review on the modalities for Annex one parties for achieving their commitments);
2. Mitigation actions by developing countries [literal B] (NAMAs), including measuring, reporting and verification (MRV) of actions and support;
3. Treatment of REDD-plus [literal C] including policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries).

The negotiating text recognizes the need that developed country Parties show leadership in mitigation commitments or actions, in supporting developing country Parties in undertaking adaptation measures and nationally appropriate mitigation actions (NAMAs), and in assisting them through the transfer of technology and financial resources to move towards a low-emission development pathway. Furthermore, the shared vision for long-term cooperative action aims to achieve sustainable and climate resilient development and to enhance actions on adaptation, mitigation, technology, finance and capacity building, integrating the means of implementation to support action on adaptation and mitigation in order to achieve the ultimate objective of the Convention.

Paragraph 55 establishes the country Parties with nationally appropriate mitigation commitments or actions either mandatory or voluntary. Further, paragraph 65 presents the options for developed country Parties for achieving their quantified emission limitation and reduction objectives. It presents 3 options:

Option 1: mostly through domestic actions; {and they may acquire, from developing country Parties, emission reduction units provided that the acquisition of emission reduction units is supplemental to domestic action}}, which should fulfill at least 90 per cent of their commitments exclusively from domestic actions. A maximum of 10 per cent of their commitments should be achieved through the use of flexibility mechanisms, including offsets}; or

Option 2: domestically; if developed country Parties intend to achieve any proportion of their emission reductions abroad, commitments to undertake deeper emission reductions would be required, as well as clarity on the proportion of emission reductions to be achieved domestically and abroad; or

Option 3: internally and not through flexible market mechanisms.

Paragraph 65, though not emphasized in the June meeting of the AWG-LCA in Bonn, is extremely important for defining the potential size of a REDD-plus market, because it determines if emissions reductions from REDD-plus can or cannot be used for fulfilling GHG reduction commitments from Annex I countries. Thus, REDD carbon market potentials seem to be quite limited considering these options. In addition, a new negotiation position has been brought up by G77 and China that REDD should be an offsetting measure and possible carbon markets should be developed without considering mitigation commitments of Annex-I countries.

REDD-plus is mentioned in the negotiation text under literal B, mitigation by developing countries. REDD-plus, however, is not mentioned at all in literal A (by developed countries) because no party provided input in this regard, but REDD is still an option for CDM (AWGKP), though without a firm lobby. With regard to mitigation by developing countries, REDD-plus is mentioned as one of the activities that could be included in a NAMA (§ 73(f)). Because of this it is necessary to have a careful reading of what a NAMA can become, even if there is still a lot to be negotiated.

Some key elements from NAMAs seem to be:

- NAMAs will be instruments designed at the national level. Guidance will be given by the COP or a body created for this aim.
- Developing country Parties will contribute to enhanced mitigation by developing NAMAs. Activities under the NAMA's need to be country driven and aimed at promoting sustainable development. It is still not clear if and how voluntary commitments can be properly included.
- A register for reporting progress in the implementation of NAMAs is under discussion; if needed, with measurable, reportable and verifiable support by developed country Parties.
- Developing countries may register their NAMAs on a voluntary basis. The level of mitigation effort by developing countries shall be commensurate with the level of support received from developed countries. Such measure also includes a MRV component.
- A support and accreditation mechanism is an alternative to the register. Such a mechanism could have a "support" and "accreditation" path.
- Options for mechanisms for registering and facilitating implementation of NAMAs are explained in §81.
- NAMAs should get support for its implementation.
- There could be unilateral NAMAs (as those financed fully by the developing country).
- These can register their progress using the National Communications.
- In section E the possibility to create a NAMAs crediting mechanism is presented, as well as a sectoral crediting mechanism.

Major elements under REDD-plus are developed under section literal C of the FCCCA/AWGLCA/2009/INF.1 document, on pages 110 to 129 (paragraphs 106 – 128), under the following five headings:

1. Objectives, scope and guiding principles, including the phased approach;
2. Means of implementation (including funding mechanisms);
3. Measurement, reporting and verification of actions;
4. Measurement, reporting and verification of support;
5. Institutional arrangements, including funds.

As main conclusions out of a rather incomprehensible negotiation text under section C with a lot of alternatives, options and brackets to each paragraph, the following interpretation can be made:

(1) Objectives, scope and guiding principles, including the phased approach

REDD-plus is generally agreed upon, including REDD, ensuring permanence of existing carbon stocks and enhancing removals by sinks. The term sustainable forest management (SFM) is used in many of the options proposed; some options make it clear that degradation needs to be closely linked with increasing removals from sinks through forest restoration. National level participation, SFM, forest governance to ensure permanence and co-benefits through a broader ecosystem approach is generally recognized. On the question of leakage, there are still considerable differences. Yet it is not clear if REDD-plus should be a self standing approach or being integrated in NAMAs. Recognition of local rights, and in particular free, prior and informed consent approaches for indigenous peoples have been stressed in some of the options proposed by Parties. National reference levels and accounting of emission reductions are generally recognized, though subnational approaches have been stressed in many of the options. This question remains open and will be a main element for discussion.

(2) Means of implementation (including funding mechanism)

Regarding financing REDD-plus, there are different approaches proposed, but in general terms, the negotiating text tends to differentiate between two funding “phases”:

- a) Readiness activities phase of REDD-plus actions, and the subsequent policy implementation and demonstration activities phase, including the activities to be implemented up to 2012;; and
- b) The full implementation phase of REDD-plus activities in developing countries (Table 2).

Some proposals clearly identify a specific phase between readiness and full implementation, generally referred to policy and measures.

Table 2. REDD+ financing, summarized from the AWG-LCA-text

Phase	Options	Approaches
The readiness activities phase of REDD-plus actions, and the subsequent policy implementation and demonstration activities phase, including	A readiness fund established under the COP to support capacity-building, technology transfer, policy implementation and institutional arrangements.	
	REDD-plus readiness windows of the relevant Convention funds	
	Auctions of allowances for implementation of national policies and measures	
	Limited access to the market for emission reductions achieved by demonstration activities.	
	A special climate change fund to finance activities, complementary to the financing provided by the Global Environment Facility and by bilateral and multilateral funding, for enhancing the capabilities of developing countries to monitor changes in their forest cover and the associated carbon stocks and for designing and implementing policies that reduce deforestation and forest degradation.	
Full implementation phase	Using public funds	A specialized fund established under the COP for REDD-plus
		Specialized funds or funding windows established under the COP
		Trust funds for community forestry accounts, a Convention adaptation fund, by which conservation and sustainable forest management could be supported as adaptation measures, and/or a forest reserve fund for conservation and sustainable forest management under the mitigation fund
	Use of markets	Access to the carbon market through issuance of carbon credits for emission reductions from deforestation and forest degradation

		Access to the carbon market for emission reductions from deforestation and forest degradation, and for conservation and enhancement of carbon stocks in existing forest
	Combination of markets approaches and funds	A fund for conservation additional to ODA, international levies and/or market-linked mechanisms
		Funds for capacity building, conservation efforts and sustainable management. Use of markets or funds will depend on host countries
		A combination of market based and non-market based approach
		A special climate change fund complementary to the Global Environment Facility and bilateral and multilateral funding,

Fund and/or market based approaches are still very much debated, though there seems to be consensus that readiness goes towards fund based. There is still no clarity in respect to the full implementation phase (see table).

(3) Measurement, reporting and verification of actions

With regard to monitoring, reporting and verification (MRV), the negotiation text mentions the progress made by SBSTA on methodological issues and the need to consistently include REDD-plus activities in the NAMAs. Different options have been proposed on how developing country Parties report on their REDD-plus activities, including their system of measurement and verification of actions. Different views exist on how such reporting is done, and to what extent local forest dwellers and indigenous communities are involved in MRV. The debate is still open on how verification of reported GHG emissions reductions and removals resulting from REDD-plus should be (technically/scientifically) undertaken.

(4) Measurement, reporting and verification of support

It is proposed to merge this sub-chapter with sub-chapter 3 (MRV of actions). The entire sub-chapter is bracketed, there is no consensus on the extent and nature on how [developed country] Parties should report on their supportive actions to REDD-plus.

(5) Institutional arrangements, including funds

Some parties consider including in the negotiation text specific wording on effective forest governance as a prerequisite for SFM. In respect to financial arrangements, there is the proposal to include REDD-plus as part of the broader financial framework proposed to support NAMAs, but also the specialized fund established by COP. Alternatively the proposal has been made to consider particularly the REDD window under the International Climate Fund. There is also mention of existing initiatives and to better explore them, in particular the Forest Carbon Partnership Facility (FCPF) of the World Bank and the UN-REDD program. Another proposal relates to the establishment of a specific body to supervise REDD-plus activities. All these proposals are bracketed.

Finally, a comprehensive proposal has been submitted by one Party as alternative text to the entire section Literal C. It proposes a comprehensive approach to REDD-plus in a broader SFM approach, accompanied by a comprehensive financing package and high level of MRV requirements.