

Reducing emissions from deforestation and forest degradation in developing countries

- Summary of Outcomes from Bali -

Incentives to Capture Climate Change and Biodiversity Benefits
from Reducing Deforestation

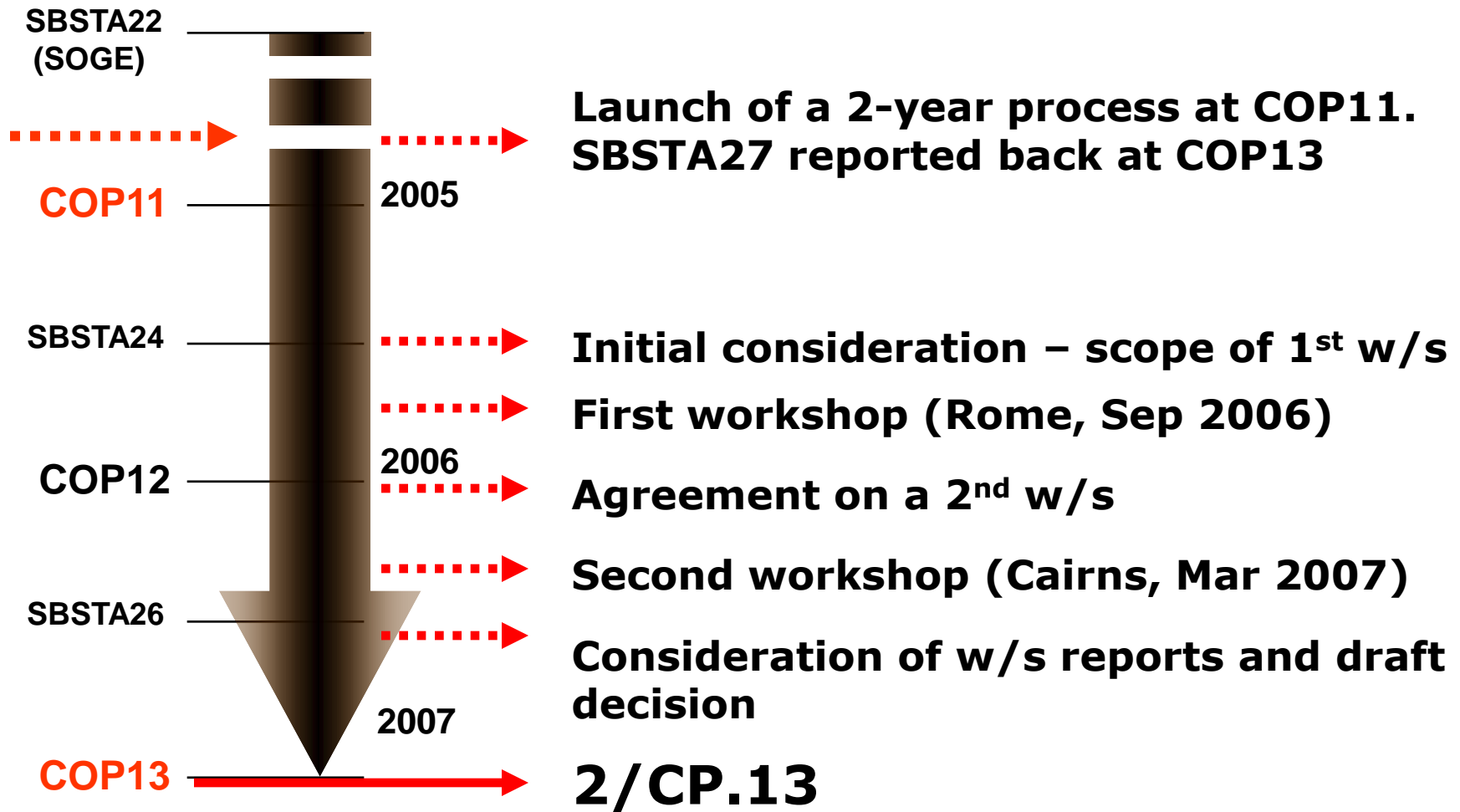
*Joint WGEAB & AIXG Workshop
OECD Headquarters Paris
26 March 2008*



Overview

- The road to Bali
- Main elements of the REDD decision (2/CP.13)
- Capacity building and technical assistance
 - Demonstration activities
 - Programme of Work on methodological issues
 - Role of international organizations and stakeholders
 - Web platform
- Consideration of co-benefits
- Relevant outcomes from Rome (2006) and Cairns (2007) workshops
- Where and when policy approaches and positive incentives will be considered

REDD: The Road to Bali



COP11 mandate (brief history)

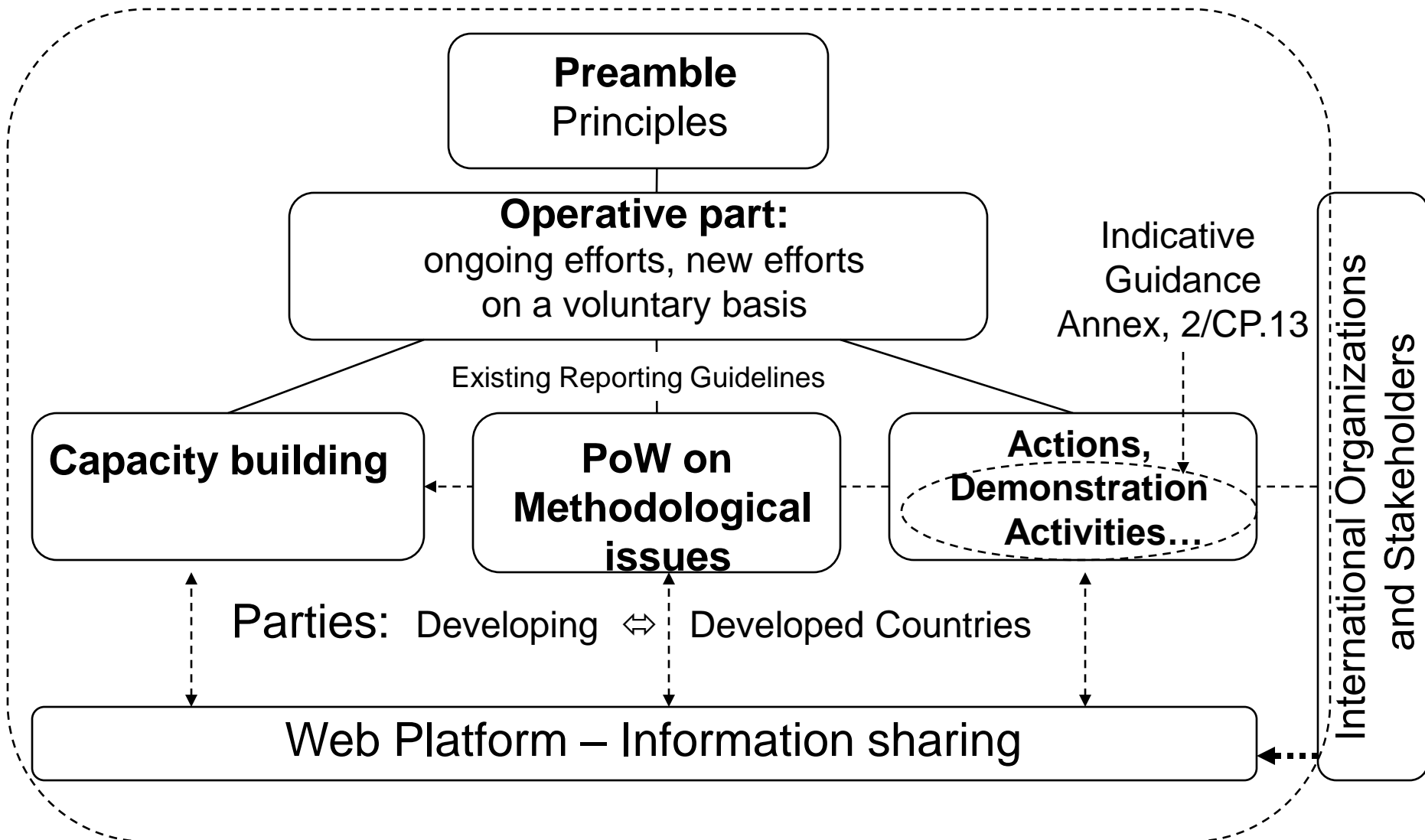
- Submission by governments of PNG and Costa Rica (FCCC/CP/2005/MISC.1) to COP11 (Montreal, 2005)
- Proposal highlighted significant climatic implications of large sources of emissions from deforestation in developing countries
- Proposal called for COP to consider possible approaches to address issue
- Differing views but Parties agreed it is an important issue. Agreed to launch process for further consideration, starting SBSTA24
- COP requested SBSTA to consider
 - Relevant scientific, technical and methodological issues;
 - Relevant information and experiences on policy approaches and positive incentives
- SBSTA 24-27 considered these issues - submissions and workshops
- SBSTA27 forwarded a draft decision for adoption by COP 13

Reducing Deforestation – Mitigation option (IPCC AR4)

- Reduced deforestation and degradation is the forest mitigation option with largest and most immediate C stock impact in short term (IPCC WGIII, AR4)
- Large C stocks, 350-900 tCO₂/ha, prevented from release into atmosphere. Also, large positive implications for environment, biodiversity conservation and sustainable development
- Mitigation costs of reduced deforestation depend on cause of deforestation (e.g. timber, agriculture, infrastructure), returns from alternative forest/ non-forest uses and any compensation paid to landowners to change land use practices
- Costs vary by country and region, but on average costs are low.
- Reducing deforestation – a high priority mitigation option in tropical regions with potential large implications for adaptation.

Main elements of 2/CP.13

Reducing emissions from deforestation in developing countries



Efforts by Parties

(The COP) **Invites** Parties to further strengthen and support ongoing efforts and **Invites** Parties (in particular Annex II Parties) to...

...to mobilize resources to support efforts

Capacity building and technical assistance

Support capacity-building, provide technical assistance, facilitate the transfer of technology to improve, inter alia:

- data collection,
- estimation of emissions from deforestation and forest degradation,
- monitoring and reporting,
- and address the institutional needs of developing countries

to estimate and reduce emissions from deforestation and forest degradation

Demonstration activities

Explore a range of actions, identify options and undertake efforts, to address the drivers of deforestation relevant to their national circumstances,

...with a view to reducing emissions from deforestation and forest degradation and thus enhancing forest carbon stocks due to sustainable management of forests

- including **demonstration activities** (Indicative Guidance, Annex)
- Encourage use of UNFCCC reporting guidelines (most recent)

Programme of Work on Methodological Issues

- **Submissions** by Parties: methodological issues, inter alia:
 - assessments of changes in forest cover and associated carbon stocks and greenhouse gas emissions
 - incremental changes due to sustainable management of the forest,
 - demonstration of reductions in emissions from deforestation, including reference emissions levels,
 - estimation and demonstration of reduction in emissions from forest degradation
 - implications of national and subnational approaches including displacement of emissions
 - options for assessing the effectiveness of actions, and criteria for evaluating actions
- SBSTA will consider these views by Parties at SBSTA 28
- **Workshop** on methodological issues after SBSTA28
(June 25-27 2008 in Tokyo)

Role of International Organizations and Stakeholders

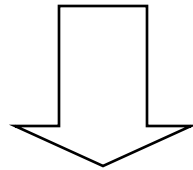
COP invited international organizations and stakeholders to support efforts under the Decision and to share the outcomes with SBSTA by providing information to the Secretariat

...without prejudice to any future decision



Web Platform

Developing a Web platform where **information** submitted by Parties, relevant organizations and stakeholders will be made available



The Secretariat

Consideration of Co-benefits in 2/CP.13

Preamble, where COP recognizes

- that reducing emissions from deforestation and forest degradation can promote co-benefits
- and may complement the aims and objectives of other relevant international conventions and agreements
- that needs of local and indigenous communities should be addressed

Operative part of decision

- Encourages the use of the indicative guidance as an aid in undertaking and evaluating the range of demonstration activities (para 4)
 - Should be consistent with sustainable forest management, noting, inter alia, the relevant provisions of the UNFF, UNCCD and CBD (para 8, Indicative guidance; Annex)

Outcomes from Rome and Cairns workshops (some views on financing options)

- Possible sources of funding: ODA, establishment of funds, multilateral sources, public-private partnerships, PES, market mechanisms
- Consideration of approaches to reward actions to RED needs to be broad and include several alternatives
- Need for additional and innovative financial mechanisms, as well as reinforce existing support
- Up-front financing needed for institutional and technical capacity building
- Implementation of actions on the ground require long-term, sustainable funding
- Important that rewards/ compensation reach “actors” on the ground. Institutions play major role.

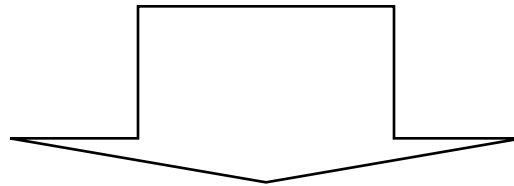
Views on financing options (cont'd)

- Funding should be provided for: demonstrable emission reductions from reduced deforestation, capacity building and technology transfer, demonstration activities
- In general, non-market financial resources accepted. But funding will generally be limited
- Market-based approaches facilitate private sector participation, more likely to be long-term and sustainable. Credits issued through robust accounting system – higher value
- Non-market based approaches do not devalue price of existing C credits and reopen Marrakesh Accords
- New supply of credits must be met by new demand (created by deeper reduction commitment by Annex I Parties)
- Any funding mechanism also linked to how to ensure permanence

Policy approaches and positive incentives

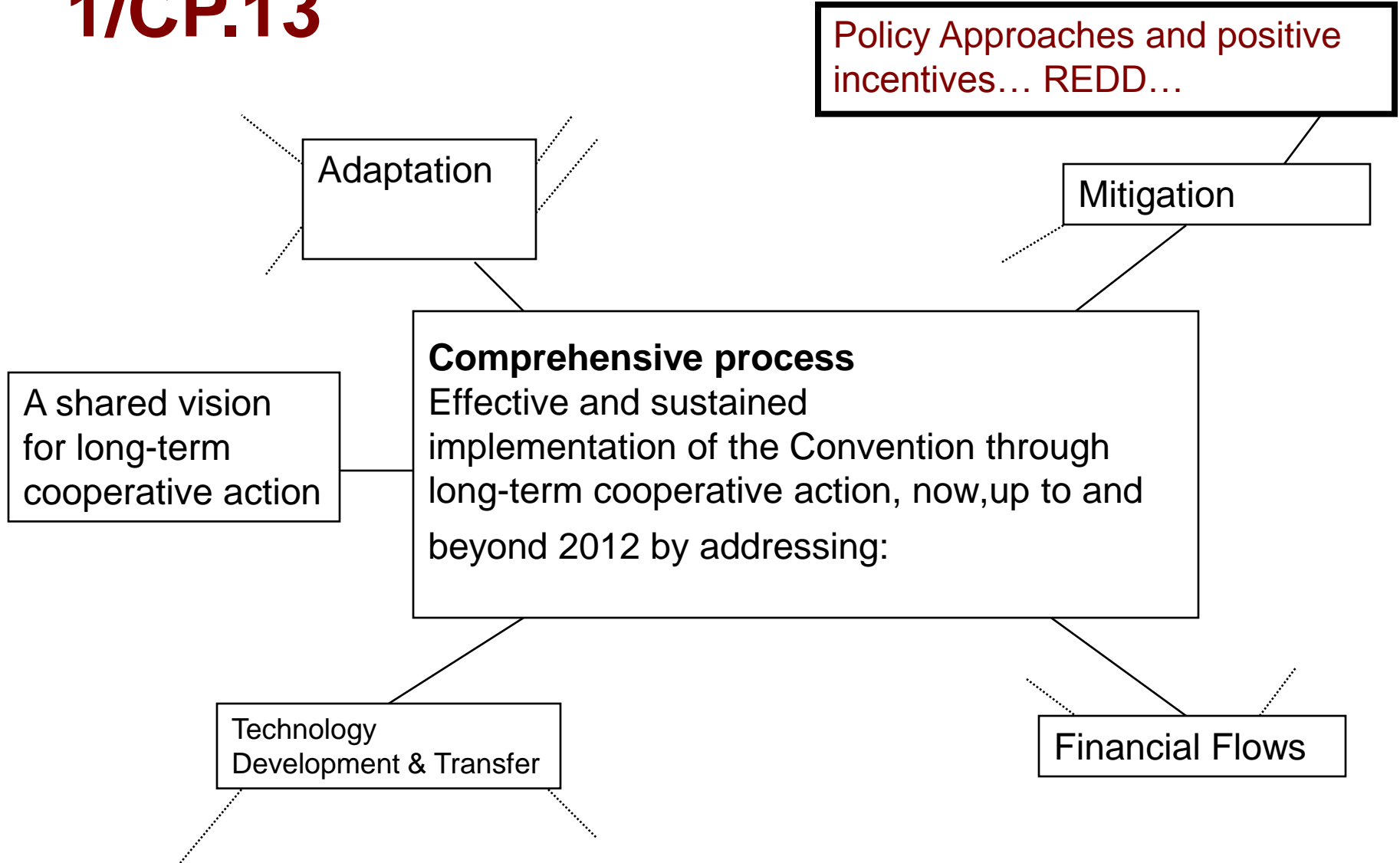
- Proposals by Parties to the SBSTA (SBSTA 25-26)
- PNG/ Rainforest Coalition, Congo Basin countries, Brazil, India, Tuvalu and a group of Latin American countries presented proposals on policy approaches and positive incentives.
- PNG = non-market + market approaches; Congo Basin = funds for stabilizing existing forest areas and SFM; Brazil = voluntary mechanism under Convention; India = Compensated conservation; Tuvalu = fund-based with community participation; Latin America = fund for Avoided Deforestation
- Some of the proposed approaches and positive incentives are linked to a future international regime. Others could be implemented independent of any such future regime.
- Vanuatu, USA and Australia presented on-going efforts/ projects at workshops
- All views/proposals by Parties still open and under consideration

**Where and when policy approaches
and positive incentives will be considered**

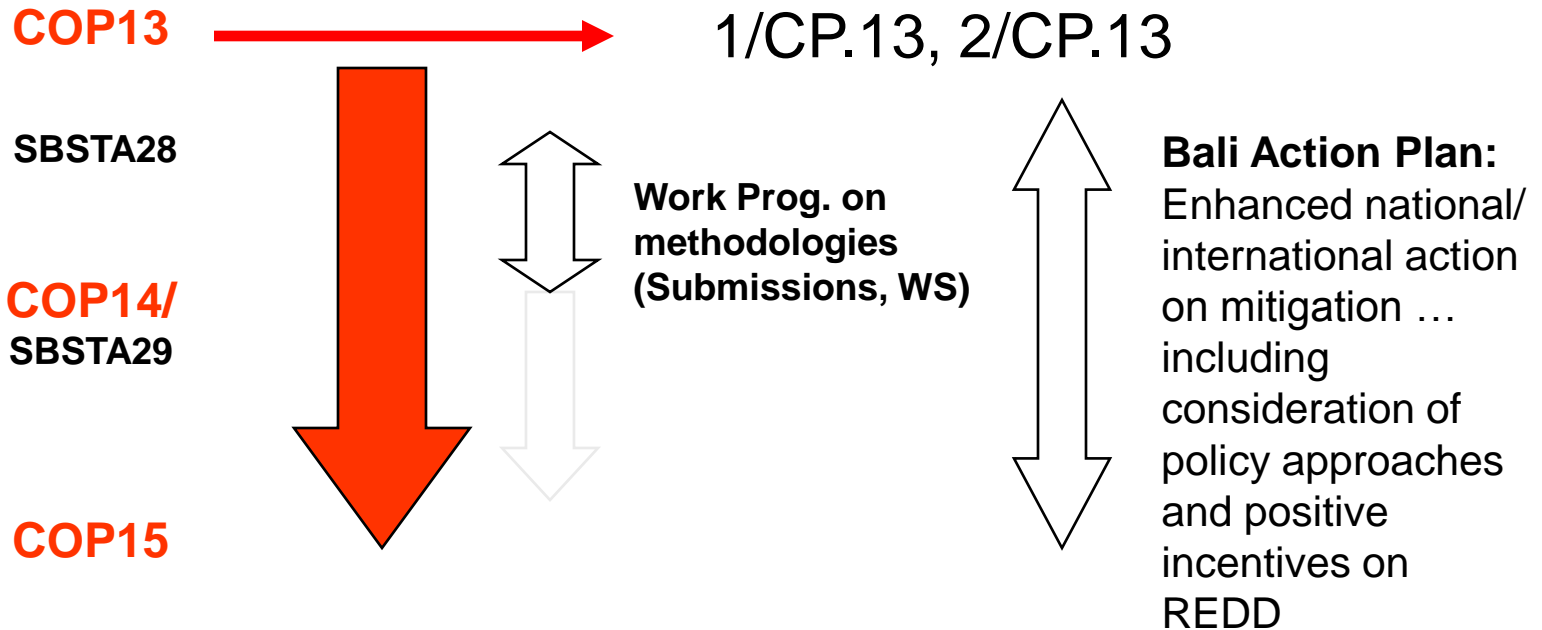


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REDD: ... beyond Bali



THANK YOU

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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE