

GCP Blog

REDD+ makes progress but ultimately fall short amid chaotic climate talks

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After two-weeks of climate change negotiations in Copenhagen, which have included walkouts, protests and halted proceeding, some progress has been made on Reducing Emissions from Deforestation and Degradation (REDD+) but Parties fail to reach an agreement at the 11th hour. Whilst the outcomes from Copenhagen fall short of expectations from many governments and non governmental organisations (NGOs), Copenhagen was not all bad news.

Early in the second week, the Subsidiary Body for Scientific and Technological Advice (SBSTA) reached a decision on REDD+ (FCCC/SBSTA/2009/L.19/Add.1) that provides some key methodological guidance for REDD+ activities;

Midway during the second week, the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) also produced a draft decision on REDD+ (FCCC/AWG/LCA/2009/L.7/Add.6), although the text still contained some high level issues that needed to be resolved at the ministerial level.

Throughout the conference, leaders from developing countries have made political statements about the scale of finance that can be expected for mitigation and adaptation. The EU pledged USD 3.6 billion a year for three years as its fair share of a USD 10 billion fast track fund. The early indications are that 20% of this fast track funding would be allocated to REDD+ activities through initiatives such as the Informal Working Group on Interim Financing for REDD+ (IWG-IFR).

The negotiations on REDD+ are being held under two groups, as detailed on the right. The Subsidiary Body for Scientific and Technical Advice (SBSTA) continues to provide methodological guidance on REDD+. The majority of the discussions, however, have been held under the Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA), which is looking into the policy approaches on REDD+.

SBSTA moves to a decision

On Monday 14th December, SBSTA completed the programme of work begun in Poznan in December 2009 on Agenda Item 5: Reducing emissions from deforestation in developing countries: approaches to stimulate action. At the request of Helen Plume, the Chair of SBSTA, Sra. Lilian Portillo from Paraguay and Mr. Audun Rosland from Norway have held two contact groups and a series of informal meetings from December 8th - December 11th to facilitate negotiations. At the SBSTA closing plenary on Monday the Chair of SBSTA adopted the decision contained in documents FCCC/SBSTA/2009/L.19 and FCCC/SBSTA/2009/L.19/Add.1. The decision provides key methodological guidance for developing countries to be able to partake in a REDD+ mechanism.

Reference levels are to be 'historical adjusted'

The decision states that developing countries should establish forest reference emission levels or forest reference levels using historic data, and adjust for national circumstances. This type of reference level has been classified as an historical adjusted in the Little REDD Book (www.theREDDdesk.org) and was supported by the majority of Parties in recent submissions. As discussed in the Little REDD Book, a key drawback to the use of historical adjusted reference levels is that they may create what is known as 'hot air' if historical reference levels are adjusted upwards to allow developing countries to grow.

The issue of "reference levels" (RL) versus "reference emissions levels" (REL) still remains within the text; this distinction has arisen due to a disagreement between parties over whether a historical baseline should be based on a proxy, such as hectares of forest, (RL) or actual emissions reductions over a defined period (REL).

Indigenous Peoples recognised but no reference to UNDRIP

The issue around the use of the term indigenous peoples (with an 's') that emerged in Poznan has been resolved within the text. The SBSTA text has the following statements.

"Recognizing the need for full and effective engagement of indigenous peoples and local communities in, and the potential contribution of their knowledge to, monitoring and reporting of activities relating to [REDD+]"

"Encourages, as appropriate, the development of guidance for effective engagement of indigenous peoples and local communities in monitoring and reporting"

A key drawback in the SBSTA text and a potential inconsistency with the AWG-LCA text is that it does not take into account the United Nations Declaration on the Rights of Indigenous Peoples; an issue that has been pursued by many civil society organizations.

National versus sub-national accounting

A further area of discussion is the issue of national versus sub-national accounting. Within the SBSTA text, reference is made to the establishment of:

"... robust and transparent national forest monitoring systems and, if appropriate, sub-national systems as part of national

Structure of the UNFCCC negotiations

The Conference of the Parties (COP) is the supreme body of the Convention that meets once yearly and is an association of all the countries that are Parties to the Convention.

The Convention also has several sub groups that are delegated specific tasks within the negotiations. There are two permanent Subsidiary Bodies (SBs) under the Convention that meet twice yearly to give advice to the COP, and two Ad Hoc Working Groups (AWGs) that are temporary bodies under the Convention.

The **Subsidiary Body for Scientific and Technological Advice (SBSTA)** as its name suggests, advises the COP on scientific, technological and methodological matters. With regards to REDD, SBSTA gives guidance on issues such as how to measure, report and verify (MRV) emissions reductions, how to define accurate baselines, and what the scope of REDD is.

The **Subsidiary Body for Implementation (SBI)** gives advice to the COP on all matters concerning the implementation of the Convention. The SBI reviews the financial assistance given to non-Annex I Parties to help them implement their Convention commitments, and provides advice to the COP on the financial mechanism (operated by the GEF). This will have particular significance to REDD when discussion begin in earnest on how REDD will be financed.

The **Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP)** was established in December 2005 to discuss post-2012 commitments for industrialized countries and is set to complete its work by the end of 2009. Although REDD, per se, is not being discussed within the AWG-KP, the complex rules for accounting emissions from Land Use, Land-Use Change and Forestry (LULUCF) are being negotiated within this group, and these are likely to have implications for REDD accounting mechanisms.

The **Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA)** was established in December 2007 with the sole purpose of progressing the program of work launched under the Bali Action Plan and will also complete its program of work at COP 15. "Policy approaches and positive incentives on" REDD are one of the key elements being discussed within the AWG-LCA, under paragraph 1b iii) of the Bali Action Plan.

Contact Groups

The AWG-LCA at it's seventh meeting in Bangkok in

monitoring systems"

One of the key concerns for the sub-national implementation of REDD+ is national leakage, whereby emissions from forests are reduced (or enhancements are increased) in one area but the activities that drive emissions are simply displaced to another area within a country. Leakage undermines the effectiveness of REDD+ and will need to be resolved if REDD+ is to be successful.

National accounting is one way to address leakage at the national level but this would require significant improvements in monitoring and reporting capabilities in many forest-owning nations. It has therefore been suggested by several Parties that developing countries could begin with sub-national accounting and transition to national level systems. Another possibility is the Nested Approach proposed by the Tropical Agricultural Research and Higher Education Center (CATIE) and supported by many Latin American countries (see www.theREDDdesk.org). Under the Nested Approach, projects could be credited at a conservative rate at the sub-national level in countries transitioning to national level accounting. The main argument for sub-national accounting is for the private sector to be engaged. It is unclear how the private sector will otherwise be able to engage in a national level REDD+ mechanism.

Linkages between SBSTA and AWG-LCA

A crucial outcome of the current negotiations will be the effective coordination of the different negotiation tracks under the UNFCCC. Due to the proliferation of groups discussing the issue of REDD+ within the last two years it will be crucial that these groups proceed at the same pace and that there is coordination between these groups. While there are still many interdependencies within the AWG-LCA discussions that are slowing progress and creating overlaps, there appears to be increased coordination between the AWG-LCA and the SBSTA. Policy related issues are being passed from SBSTA to the AWG-LCA and it appears likely that the AWG-LCA text will request a further programme of work from SBSTA, especially in the area of modalities relating to early action and the establishment of reference levels and monitoring reporting and verification procedures.

September 2009 created 6 contact groups. The six groups are:

- a shared vision for long-term cooperative action;
- enhanced action on adaptation and its associated means of implementation;
- enhanced action on mitigation and its associated means of implementation;
- enhanced action on provision of financial resources and investment;
- enhanced action on development and transfer of technology;
- enhanced action on capacity- building.

The first five groups correspond to paragraphs 1 (a) to 1 (e) of the Bali Action Plan and the cross cutting issue of capacity building is being discussed in a separate contact group.

Sub groups on mitigation

Whilst REDD+ will be discussed generally under the mitigation contact group, the majority of negotiations are being held under the sub-group on REDD+ relating to paragraph 1 b iii) of the Bali Action Plan. This sub-group, which is being chaired by Tony La Viña from the Philippines, is one of the most advanced areas within the negotiations. There are some areas of REDD+, however, such as the source of finance for REDD+, that need to be agreed in other areas of the negotiations.

AWG-LCA fails to come to an agreement on REDD+

The AWG-LCA has held closed discussions throughout the two weeks to hammer out an agreement from the Non-Paper 39 that emerged from Bangkok. The policy discussions in Copenhagen mark the end of an intense year of negotiations, starting in Poznan in December 2008, that have seen the text on REDD+ oscillate in length from 2 pages to over 20 pages as Parties try to come to an agreement on REDD+. Whilst it appeared possible early on that a decision on REDD+ was achievable in Copenhagen, as the conference evolved the chances of an agreement dwindled.

Parties release draft decision on REDD+

On Wednesday after a week of gossiping and guesswork on the state of play of the negotiations on REDD+ the subgroup on REDD+ under the AWG-LCA released a draft decision (FCCC/AWG/LCA/2009/L.7/Add.6). The draft text, whilst resembling Non-paper 39 from Barcelona, was considerably shorter at just 4 pages and was missing some key elements that remained to be resolved by the high level ministers.

Missing high level objective

The first key omission from the draft decision was the absence of a high level objective for REDD+. Previous versions of the negotiation text contained both targets to reduce rates of deforestation (by 50% by 2020 and to halt gross deforestation by 2030), and targets to provide finance (amounting to €15-25 billion, although no timeframe was specified for this finance). Apparently, negotiators were unable to decide on both of these issues and the high level goal of the REDD+ mechanism was removed from the text.

Principles and safeguards

The safeguards and principles were little changed in the draft decision and contain references to indigenous peoples and local communities, the UN Declaration on the Rights of Indigenous Peoples, biological diversity and ecosystem services and safeguards against the conversion of natural forests to plantations.

Scope of REDD+ agreed

The scope of REDD+ is very clearly laid out in the draft decision. The activities that can contribute to mitigation under a REDD+ mechanism are:

- (a) Reducing emissions from deforestation;
- (b) Reducing emissions from forest degradation;
- (c) Conservation of forest carbon stocks;
- (d) Sustainable management of forest;
- (e) Enhancement of forest carbon stocks;

Although it is still unclear what is meant by enhancement of forest carbon stocks it is generally accepted that this will refer to afforestation and reforestation activities on degraded and deforested lands, although it may also include the sequestration of carbon in standing forests. The draft decision also requests SBSTA to undertake a programme of work to identify methodological issues to estimate emissions and removals resulting from activities linked to the drivers of deforestation and forest degradation.

Reference Levels remain unresolved

One of the key areas of debate within both the AWG-LCA and the SBSTA negotiations is the issue of national versus subnational accounting. The text on reference levels within the draft decision remains mostly bracketed. As discussed above, the question of national versus subnational accounting is important for the issue of leakage as well as the potential role of the private sector in REDD+.

Financing REDD+ passed to finance contact group

In perhaps the most significant change from Non-paper 39, virtually all reference to sources of finance have been removed from the draft decision. Instead, the text now refers to (non-existent) decisions from the contact group on Finance (paragraph 1 (e) of the Bali Action Plan) and the more general contact group on Mitigation. Whilst this decision is understandable in light of the wider context of mitigation and adaptation financing - it is likely that the text on sources of finance was removed from the REDD+ text because agreement could not be reached rather than for reasons of consolidation within the text.

Overall process ends in turmoil

Whilst it was always unclear how a decision on REDD+ would fit within the overall agreement reached at Copenhagen, it was always hoped that some agreement would be reached. Late on Thursday night it appears that all negotiations on contact groups and sub-groups under the AWG-LCA were suspended to allow negotiations on the overarching political agreement to begin. It is unclear at this time, what drove this process, but the outcome has been a wholly undemocratic and unjust outcome to the UNFCCC negotiations. According to preliminary reports from delegates and reporters at the conference, a small group of influential Parties, including the US, China, Brazil, India and South Africa began to hash out their own international climate agreement. This agreement called the Copenhagen Accord (but maybe more appropriately named the Copenhagen Discord) was finally handed to delegates early Saturday morning who were then given one hour to comment on this document.

There is little positive to say about the final few days of negotiations in Copenhagen and the resulting political "agreement". It is completely unacceptable that the culmination of two years worth of democratic negotiations should end with a last minute rush-job drawn up by only a few leaders simply to produce something that can be signed. Many Parties and Observer organisations will leave Copenhagen with a bitter taste in their mouth as their options have been narrowed considerably.

Where do we go from here?

Perhaps the most important question for REDD+ and the UNFCCC process in general is what happens next? In the absence of both a decision on REDD+ and an overall legal treaty there is clearly still a lot of work remaining in 2010. The mandate of the AWG-LCA and the AWG-KP, which were scheduled to complete their work by COP 15, has been extended until COP 16 in Mexico and it appears likely that there will be meetings early next year to finalise draft decisions under the AWG-LCA and to put the overall UN process back on the rails.

For tropical forests many questions remain unanswered. One of the key outcomes expected from Copenhagen was a commitment to interim financing for REDD+. Although several proposals to finance early action on REDD+ were put on the table it seems, at least in the short term, that these commitments will have to be pursued outside of the UNFCCC process. External processes, such as the UN-REDD programme, the Forest Carbon Partnership Facility, the Forum for REDD Readiness and the Informal Working Group on Interim Financing for REDD+ continue to build trust and experience around REDD+ and to contribute their insights into the UNFCCC process.

Even though a decision was not reached on REDD+ under the AWG-LCA, a draft decision was released and SBSTA completed its programme of work; both of which provide guidance for REDD+. Whilst Copenhagen ended in turmoil, there is still every reason to believe that - with appropriate guidance on financing and targets - a post-2012 agreement can be achieved with action beginning now for tropical forests.