



THE CENTER FOR
PEOPLE AND FORESTS

REDD+ 2010

Moving Forward for People and Forests



Key Messages

The COP15 climate conference in Copenhagen saw continuing negotiation on the shape of a potential REDD+ mechanism, and further clarifications on the draft agreement text. Here is a summary of the major developments and their implications.

A final and binding REDD agreement was not achieved

This was due to a lack of international consensus on an overall agreement for addressing climate change. The main obstacles to agreement were emission reduction targets and financing. A meaningful REDD agreement is dependent, in particular, on successful conclusion of negotiations on these two issues. Such a conclusion would have seen acceleration of national REDD readiness programs and dedicated international support. Without it, progress on REDD will continue, but without this important boost.

As there is no final and binding REDD agreement, nothing in the draft text can be described as certain. However, negotiators at COP15 did reach consensus on a number of key issues, which *are extremely likely* to be part of a REDD agreement when it is reached.

With REDD+ now accepted, growing emphasis on social and environmental safeguards, and recognition of local stakeholder skills and knowledge, a space has clearly opened up for community-based forest management.

There is still ample opportunity for forest sector stakeholders to influence REDD+ negotiations to ensure progressive and equitable outcomes benefiting both people and forests.

The draft agreement reflects that substantial progress was made on two crucial areas:

- **REDD+ instead of REDD**
 - » Expands the scope of REDD to cover forest operations that *Do More Good*, as well as those that *Do Less Harm*
- **Environmental and social safeguards became an explicit element of REDD+, including:**
 - » No conversion of natural forests to plantations
 - » Reference to the UN Declaration of Rights on Indigenous Peoples (UNDRIP)
 - » Full and effective participation of local people in planning and implementation

The following key issues must still be resolved:

- **REDD+ financing and benefit sharing**
- **Methodologies for monitoring, reporting, and verification (MRV)**
- **Speed, scale, and strategy for implementation**

Overview and analysis

REDD+ instead of REDD

The '+' in REDD+ widens the scope of the mechanism to include conservation and enhancement of forest carbon stocks, as well as the sustainable management of forests (SMF). This means that activities such as improved management of protected areas, forest plantations and restoration, and reduced impact logging may yet be elements of REDD+ strategies. The definition of SMF, and specifically how it will be distinguished from 'sustainable forest management' (SFM) is not yet clear. However, the definition is certain to cover many of the community-based forest management practices undertaken by Asia-Pacific's local communities and indigenous peoples.

The broadening of REDD to REDD+ is generally seen as a positive move for the Asia-Pacific region. However, there are some concerns that REDD+ will open the door for industrial interests to claim carbon credits while unsustainably exploiting forest areas. It is important to keep this concern in perspective. All REDD+ activities, including those under SMF, will only be eligible for benefits if they demonstrably increase carbon stocks above what would have occurred without REDD+ (based on predetermined reference levels). Only clear improvements in forest management will be eligible.

Environmental and social safeguards as an explicit element of REDD+

Text on safeguards (or standards) is now fixed into the main body of the draft. This is important because it means that they will be a key prerequisite for REDD+ implementation rather than general guidelines, which would be much weaker. Depending on the English words used in the draft agreement (ie, "promoted" or "supported"), some specific safeguards are stronger than others.

A key environmental safeguard is addressed by text explicitly stating that REDD+ actions "*are not used for the conversion of natural forests.*" This is aimed to ensure that medium-term gains in biomass do not encourage clearance of degraded natural forest in favor of fast-growing monocultures.

Social safeguards relating to participation and rights are also clearly positioned in the draft agreement stating that "*full and effective participation of...indigenous peoples and local communities*" is a key element of REDD+ activities. This participation

extends to implementation, not only preparation or readiness activities. The scientific advisory body to the Conference of Parties also explicitly recognizes the value of local knowledge and skills and encourages parties to engage these stakeholders in the monitoring and reporting of REDD+ actions. While not a binding requirement, this is a significant acknowledgement of the importance of locally-generated information.

In "*noting that the General Assembly has adopted the UN Declaration on the Rights of Indigenous Peoples*", the text identifies UNDRIP as an important guide for social safeguards. This language does not put any additional obligation on UNDRIP signatories to comply with the Declaration in the context of REDD+. However, it does provide a benchmark against which rights under REDD+ implementation can be measured, whether or not a party is a signatory. This could be important for REDD+ investors who are likely concerned with guaranteeing results, but are also very aware of public scrutiny by global civil society.

There is not yet specific text on requirements to monitor, report, and verify the application of safeguards. This risks limiting their effectiveness. The draft agreement also confirms that REDD+ implementation can be tailored to national contexts. While this makes practical sense, it does raise the risk that rights issues are not addressed adequately in some countries and that participatory approaches may end up being top-down, superficial, and ultimately counter-productive.

Much remains to be decided on the following issues:

REDD+ financing and benefit sharing

The groups discussing REDD+ deferred all decisions on the financing of the mechanism to other bodies in the Conference of Parties. With no overall agreement in Copenhagen, REDD+ financing through the UNFCCC remains undecided. However, the Copenhagen Green Climate Fund was established under the Copenhagen Accord,¹ signed by 25 countries. The target for this fund is to raise \$US10 billion per year until 2012, with support for REDD+ readiness as one of the few specified areas. However, no agreement was reached on the administration or dissemination of this money. Readiness activities for REDD+ will continue to be supported by existing multilateral initiatives under the World Bank and UN REDD, and through bilateral channels. The Forest Investment Program (FIP) will release up to \$US100 million each to a small number of selected countries for activities that will contribute to the long-term success of REDD+, by addressing wider forest sector issues and practical activities well beyond the readiness phase. But the contentious issue of selling carbon credits in international offset markets to finance REDD+ remains unresolved. It is unknown whether the UNFCCC will sanction this market-based financing option.

Without any agreement on the type, source, or system of financing for REDD+, it is not possible to establish a clear method for distributing any eventual benefits. Although possibly the most pressing concern of all, for both governments and civil society; it is unclear how, or if, the UNFCCC will develop guidelines for REDD+ benefit sharing, nor how binding any guidelines would be for participating countries.

Methodologies for monitoring, reporting, and verifying

The COP's scientific advisory body reached quick agreement that further work needs to be done to develop clear and detailed guidelines for measuring and monitoring forest-based emissions. While recognizing that much good work has already been done, it highlighted the need for improvements in national monitoring systems and basic knowledge of past/current patterns of forest exploitation before REDD+ can be implemented. Parties now agree that historic patterns of deforestation should form part of the baseline against which performance on REDD+ is judged, but no agreement was reached on how the accuracy of these baselines will be determined, or whether external verification of REDD+ results will be required.

¹ The Copenhagen Accord is the non-binding outcome of COP15 that individual countries can voluntarily endorse and make commitments to reduce emissions and/or provide financial support for adaptation and/or mitigation activities.

Speed, scale, and strategy for implementation

Speed: The draft text strongly favors a phased approach to REDD+ implementation. This means that countries begin with externally-funded readiness and planning activities, and then move to a phase of policy reform and institutional development when certain pre-agreed targets have been met. This second phase may involve pilot REDD+ implementation, with limited trading in carbon credits. The final phase, again triggered by pre-agreed targets, will involve full implementation, including trade of credits.

The language in the draft agreement means that it is still uncertain whether the phased approach will be mandatory ('shall') or optional ('should'). Some developing countries believe that they will be ready to move into trading in the short term and that a phased approach is therefore unnecessary. The more cautious phased approach would help ensure that the implementation of national REDD+ programs is dependent on compliance with social and environmental safeguards, because these safeguards would form part of the triggers for moving from one phase to the next.

Scale: Unexpectedly, parties did not reach agreement on the scale of REDD+ implementation. Some parties are reluctant to insist on a national-level carbon accounting system. A subnational, or project-based, carbon account would potentially allow countries to indefinitely implement REDD+ only in certain selected areas. This means they would not consider any continuing or accelerated loss of forest carbon stocks in other parts of their territory and could potentially claim carbon credits when there is no overall emission reduction nationally from the forestry sector. A subnational approach could be a short-term stepping stone to mandatory national REDD+ accounts (a possible compromise outcome known as the 'nested' approach). This would allow quick progress in certain forest areas, piloting participatory approaches before scaling up nationally. This compromise has been ruled out, for now.

Strategy: Parties agreed that REDD+ must be implemented through a clear strategy, whether national or project-based. However, the issue of Nationally Appropriate Mitigation Actions (NAMAs) is impeding an overall climate change agreement, and is also influencing REDD+ negotiations. NAMAs would not commit developing countries to specific mitigation targets; instead countries would have to officially outline all mitigation actions they intend to take for which external support is required. This could be useful as a way to access funds, but if such support became too closely tied to mitigation targets in NAMAs, some developing countries suspect that this would be equivalent to taking on mitigation commitments. Such parties would therefore prefer to keep REDD+ strategies separate from NAMAs.

Next steps

Negotiations on REDD+ will continue throughout 2010 until the end of COP16 in Mexico in December, but there is a chance that agreement may be reached before then. The REDD+ negotiators will meet formally as part of UNFCCC negotiations in Bonn, Germany, for three days in April and for two weeks in June, and informal talks will continue throughout this period. It is evident that, of all the unresolved issues after Copenhagen, REDD+ is closest to agreement. By reaching an early consensus, the forestry sector may give negotiators the confidence they need to complete the job.



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