Forests and climate change after Durban

An Asia-Pacific perspective

April 2012

RECOFTC
THE CENTER FOR PEOPLE AND FORESTS

FAO
FIAT PANIS

CoDe REDD

The opinions expressed in this publication are not necessarily those of the organizers.

Forests and climate change after Durban
An Asia-Pacific perspective

Copyright © RECOFTC, FAO, and CoDe REDD April 2012
Bangkok, Thailand

All photos courtesy of RECOFTC

RECOFTC – The Center for People and Forests
PO Box 1111, Kasetsart Post Office
Bangkok 10903, Thailand
Tel: +66 (0)2 940 5700
www.recoftc.org
Email: info@recoftc.org

FAO Regional Office for Asia and the Pacific
Maliwan Mansion, Phra Atit Road
Bangkok 10200, Thailand
www.fao.org

CoDe REDD Philippines
Care of Non-Timber Forest Products Exchange Programme
for South and Southeast Asia
92-A Masikap Extension, Barangay Central, Diliman,
Quezon City 1100, The Philippines
http://ntfp.org/coderedd/

Introduction

Over the past two years, the Food and Agriculture Organization of the United Nations (FAO) and RECOFTC – The Center for People and Forests have brought together regional experts to reflect on the outcomes of the 15th and 16th Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). The resulting booklets *Forests and Climate Change After Copenhagen: An Asia-Pacific Perspective* and *Forests and Climate Change After Cancun: An Asia-Pacific Perspective* were distributed widely and very well received.

In February 2012, RECOFTC, FAO, and CoDe REDD, with support from GIZ-BMU, REDD-net, NORAD, ASFN, and SDC, brought together 13 climate change and forestry experts in Quezon City, Philippines, to discuss the implications on the forestry sector in the Asia-Pacific region of decisions taken at COP 17, held in Durban, South Africa, in November and December 2011. This booklet summarizes their responses to a set of 13 key questions raised at the workshop.

In addition to our sincere appreciation for the contributions of all panelists, special thanks go to Regan Suzuki and Marlea Muñez for organizing the panelists' workshop and to Ben Vickers, Jim Stephenson, and Regan Suzuki for co-authoring this publication. Finally, we acknowledge the valuable support of the session facilitators; Marlea Muñez, Ben Vickers, Regan Suzuki, Jim Stephenson, Doris Capistrano and Maria Cristina Guerrero, as well as opening remarks provided by Assistant Secretary Marlo Mendoza of the Philippines' Department of Environment and Natural Resources and Patrick Durst of the FAO Regional Office for Asia and the Pacific.

Thirteen key questions

Q1 What happened to REDD+ in Durban?

Q2 Are negotiations moving in the right direction?

Q3 How far away are we from an international agreement?

Q4 How will REDD+ be financed?

Q5 What was the impact of Durban on the Voluntary Carbon Market for forestry?

Q6 Does simplicity weaken the safeguards?

Q7 Are forest-dependent people protected?

Q8 Are forest carbon accounting rules clear?

Q9 How can we build capacity for MRV?

Q10 Has the REDD+ dialogue leading up to Durban been constructive for the region?

Q11 What happened to LULUCF?

Q12 What will happen to A/R CDM?

Q13 What is the role for forests in climate change adaptation?

Abbreviations

A/R CDM	Afforestation/Reforestation in the Clean Development Mechanism
ASEAN	Association of Southeast Asian Nations
ASFN	ASEAN Social Forestry Network
BMU	German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety
CBD	Convention on Biological Diversity
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
COP	Conference of the Parties (to the UNFCCC)
ETS	Emissions Trading Scheme (of the EU)
FAO	Food and Agriculture Organization of the United Nations
FPIC	Free, Prior, and Informed Consent
FRA	Forest Resources Assessment
GCF	Green Climate Fund
GHG	Greenhouse Gases
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
LAPA	Local Adaptation Plan of Action
LCA	Long-Term Cooperative Action (Ad-hoc Working Group within UNFCCC)
LULUCF	Land Use, Land Use Change, and Forestry
Norad	The Norwegian Agency for Development Cooperation
MRV	Measurement, Reporting, and Verification
NAPA	National Adaptation Plan of Action
RECOFTC	Regional Community Training Center for Asia and the Pacific (The Center for People and Forests)
REDD	Reduced Emissions from Deforestation and forest Degradation
REDD+	Reduced Emissions from Deforestation and forest Degradation and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks
REL	Reference Emission Levels
RL	Reference Levels
RSPO	Roundtable for Sustainable Palm Oil
SBSTA	Subsidiary Body for Scientific and Technological Advice
SESA	Standards for Social and Environmental Assessment
SDC	Swiss Agency for Development and Cooperation
UNCCD	United Nations Convention on Combating Desertification
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNFCCC	United Nations Framework Convention on Climate Change
VCS	Verified Carbon Standards
UNFF	United Nations Forum on Forests

The experts

Ms. Anna Lehmann
LEAF Program
USAID
Thailand

Dr. Antonio GM La Viña
Ateneo School of Government
Philippines

Ms. Ivy Wong
World Wide Fund for Nature
Malaysia

Ms. Joan Carling
Asia Indigenous Peoples Pact (AIPP)
Thailand

Mr. Lawrence Ang
Ateneo School of Government
Philippines

Mr. Maximilian Conrad
Ministry of Natural Resources and Environment
Government of Malaysia

Dr. Promode Kant
Institute of Green Economy (IGREC)
India

Mr. Resham Dangi
Ministry of Forests and Soil Conservation
Government of Nepal

Mr. Senson Mark
PNG Eco-Forestry Forum
Papua New Guinea

Mr. Samreth Vanna
Forestry Administration
Government of Cambodia

Dr. Suchitra Changtragoon
Department of National Park
Wildlife and Plant Conservation
Government of Thailand

Ms. Vicky Tauli-Corpuz
Tebtebba
Philippines

Mr. Yayan Hadiyan
Ministry of Forestry
Government of Indonesia

Q1

What happened to REDD+ in Durban?

"The dramatic advances seen in Cancun were not repeated in Durban."

Joan Carling

"Local people are asking: 'When is the REDD+ money coming?'"

Vanna Samreth

Durban may not have provided the breakthroughs on REDD+ observed in Cancun, but some important shifts in the discussions and decisions were evident. The REDD+ text emerging from Durban brings greater clarity to the Forest Reference Emissions Levels (RELs)/Reference Levels (RLs), social and environmental safeguards, and Measurement, Reporting, and Verification (MRV), but leaves many questions unresolved regarding the sources of finance and mechanisms for benefit sharing.

In the Subsidiary Body for Scientific and Technological Advice (SBSTA), a decision on developing an 'information system' for reporting national REDD+ safeguard performance has been postponed until Parties have more experience of REDD+ implementation. Safeguards are now explicitly linked to REDD+ finance in the Long Term Cooperative Action (LCA) text, which is an important step forward.

There is an unresolved debate on the sources of financing for REDD+, although the door has been left open for market-based funding. Public funds for REDD+ are still considered necessary by all Parties, particularly during the Readiness phase, underlining reliance on donor support for the strengthening of forest governance, safeguard enforcement, and MRV systems.

The Durban decisions offer little guidance on how REDD+ finance will reach local stakeholders. This presents difficulties for countries, such as Cambodia, that have established pilot REDD+ projects and must demonstrate how benefits can be delivered before building a case for extending the model to other areas.

In general, finance discussions are now more open and less contentious than in previous Conferences of the Parties (COPs). This is expected to continue and should help ensure greater progress at the COP 18 in Qatar.

Q2

Are negotiations moving in the right direction?

There was mixed progress in the negotiations. Many delegates went to Durban expecting to secure a protocol to succeed Kyoto. They were disappointed, particularly with the withdrawal, by Canada and Japan, of support for any subsequent agreements. Unfortunately, there is a sense that the Kyoto Protocol could die due to reluctance by some Annex 1 countries to uphold their historic responsibilities, namely the high emission development paths which have enabled them to achieve industrialized economies.

The key positive development of COP 17 was the creation of the Durban Platform[1] for Enhanced Action, based on the willingness of big developing country emitters, such as China and India, to take on emission reduction commitments in the future – a major sticking point thus far. This launches a whole new stage in the negotiations and opens up many opportunities for constructive dialogue between industrialized and developing countries.

However, it may effectively mean that the principle of 'common but differentiated responsibilities' is weakened. It remains to be seen whether this is a constructive step from the perspective of Asia-Pacific countries, despite the laudable stalemate-breaking actions of China and India. The issue of historic equity between Parties must not be forgotten.

There is also surprisingly little protest among government agencies and the private sector in China and India at the prospect of future emission reductions. Industries are apparently not opposed to emissions cuts in principle, partly because energy efficiency makes business sense and is seen as a low-cost (or no-cost) opportunity. Moreover, they anticipate that more such 'low-hanging fruit' for emission reductions and removals will arise through the technology transfer agreements currently under negotiation.

Despite the optimism, the Asia-Pacific region needs to achieve regional priorities in balancing adaptation and mitigation, as well as finding an appropriate role for REDD+, and a regionally coherent approach.

"The REDD glass is half-full, not half-empty."

Resham Dangi

"A much bigger effort is required on the part of developed countries to match the compromises made by India and China."

Vicky Tauli-Corpuz

"There is a bumpy road ahead for the Asia-Pacific region."

Ivy Wong

"When you remove low-hanging fruit for reducing emissions, more fruits appear as technology advances."

Promode Kant

[1] http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_durbanplatform.pdf

Q3

How far away are we from an international agreement?

It has been widely reported that no international agreement is expected before 2020. One of the key problems is the nature of negotiations; the progress made is not continuous. Parties generally retain fixed positions throughout the calendar year and only make compromises during the last three days of each COP. Over ten years have been spent in this way and we could spend the next ten in similar fashion.

"We have just lost a decade in the fight against climate change."

Tony La Viña

The key to progress is the removal of the split between developed and developing countries, which the Durban Platform brings closer. Some countries, such as South Korea and Mexico, have already effectively made the switch voluntarily, to reflect their new status as middle-income countries. China and India, as major emitters, are also now taking groundbreaking steps towards emission reduction commitments. The one major remaining obstacle to agreement is the United States. China and India both have the internal political structure that enables them to make the decision to join an international agreement, if the government deems such a decision appropriate. The United States does not, and this looks unlikely to change.

"Is REDD+ an end in itself, or a means to address climate change?"

Ivy Wong

The more we repeat the mantra that no agreement can be reached without the United States, the more they effectively have a 'free pass,' which could stall the negotiation process indefinitely. This is why some negotiators are talking about sectoral agreements (e.g., for REDD+) as a potential way forward, rather than waiting for a grand unifying agreement.

REDD+ is a model for the benefits of such an incremental, step-by-step approach. Progress with REDD+ discussions at the UNFCCC has been faster than in other areas due to the confidence building that these incremental advances have fostered. The cumulative nature of the REDD+ negotiations has led in large part to there being no substantive difference in views between Parties in the REDD+ discussions. Talks now focus on technical issues and implementation rather than ideology, linked strongly to the market vs non-market funding debate.

In the Asia-Pacific region, many governments are thinking along the lines of a shared responsibility to protect forests for future generations. If other sectors can follow such an example, we may move toward a binding agreement more quickly than anticipated, although any sectoral agreements would also need to be backed by corresponding sectoral targets. If REDD+ remains the only real source of progress, however, we are still in for a long journey, with little chance of successfully addressing climate change.

Q4

How will REDD+ be financed?

The divide between advocates of market and non-market approaches to REDD+ finance was less pronounced at Durban than previously, reflecting a greater understanding of the issue on all sides. Given the state of the global economy, public pockets are running empty, so it is likely that the bulk of finance will have to come from sources other than multilateral and bilateral donors.

"Donor agencies have to show the taxpayer that financing leads to emission reductions."

Anna Lehmann

Regardless of source, REDD+ financing under a potential REDD+ agreement must be new, additional, and linked to results. As finance for 'Readiness' phases is largely targeted at capacity building, it is not necessarily performance-based. With assistance from multilateral programs like UN-REDD and FCPF, some countries are now moving towards funding approaches that aim to link payments with results. For the time being, public finance is certainly needed to contribute to the Readiness phase, but a broader range of financial sources must be available for REDD+ implementation given the need to deliver measured, reported, and verified results.

"Countries should start implementing REDD+ activities even before international funding materializes."

Vanna Samreth

Market-based finance does not necessarily mean the issuance of tradable 'REDD+ credits.' Private sector investment may also be invested in actions such as developing and implementing improved forest governance, new management standards and certification systems, and promotion of sustainable management of commodities such as coffee and rubber. Such innovative incentives would contribute to meeting REDD+ objectives and could potentially generate interest from sources such as pension funds and sovereign wealth funds, but would not necessarily generate tradable credits.

Some countries, such as Japan, wish to move forward bilaterally with carbon offset schemes, and are thus funding related activities throughout the region, but it is not clear how these will be reported under UNFCCC. The donors want to be able to gain recognition for their investment, but potential recipient countries such as Malaysia fear losing the right to report these REDD+ activities against their own future commitments under the Durban Platform.

Financing options for REDD+ are as diverse as the drivers of deforestation and forest degradation themselves. Ultimately, acceptable options depend largely on national contexts and acceptable approaches at local levels. It is therefore a very country-specific issue and may vary widely across the Asia-Pacific region.

Q5

What was the impact of Durban on the Voluntary Carbon Market for forestry?

In comparison with the compliance market under the UNFCCC, the VCM is not significant in terms of size, but it is a valuable tool for testing methods and gaining experience. The VCM allows countries to make use of the years before a new international agreement may come into effect by testing and refining best practice, standards, and guidelines and by building capacity for a compliance REDD+ mechanism. However, it should not be seen as an alternative to the mechanism itself.

The VCM is driven principally by Corporate Social Responsibility (CSR), and thus serves quite a different niche from the compliance carbon market, which is driven by the commitments of Annex 1 countries under the Kyoto Protocol. CSR is in no danger of going out of fashion and was therefore not directly affected by the outcome of COP 17.

Many civil society organizations and some governments in the Asia-Pacific region are wary of the VCM, particularly with respect to the social acceptability of the methodologies. Papua New Guinea and the Philippines have both suffered from the attention of 'carbon cowboys' and are in the process of developing legislation to protect vulnerable communities from exploitation. However, the majority of VCM projects are now accredited based on one or more standards, such as the Verified Carbon Standards (VCS). These are increasingly robust, and at least as stringent as the CDM in social and environmental integrity.

From its present low base (about 0.02% of the value of the compliance market), the number of forestry VCM projects is bound to increase as large corporations seek to neutralize their carbon footprints. Many countries in the region are looking to the VCM as a bridge to a future compliance REDD+ mechanism and may thus become increasingly involved in the development of these projects. For example, governments may provide guidance on the types of projects they want to see, or on the standards they expect project developers to follow. In essence, therefore, the VCM is likely to have more of an impact on future COPs than vice versa.

"The lessons from VCM will be important in the design of a compliance REDD+ market."

Suchitra Changtragoon

Q6

Does simplicity weaken the safeguards?

The key issue regarding safeguards is not one of simplicity, but of substance. Many NGOs felt that the discussions in Durban undid the good work on safeguards in the Cancun Agreements, by replacing strong language with general guidance. However, the more detail contained in a COP decision, the more burdensome it will be to implement for national governments, which could discourage countries from applying the safeguards. For example, Indonesia has been investigating the development of safeguard information systems for REDD+ and would be concerned if the Durban language was overburdened with too much detail.

The Durban outcome tries to find a middle ground, and recognizes that countries need more experience of REDD+ readiness before committing to a system for safeguard reporting. At the heart of the agreement is the requirement for every REDD+ participant country to report that they have addressed all elements of the safeguards through law. These legal measures must necessarily be developed through full and effective consultation. In effect, Durban decisions allow more country-specific application of safeguards.

Though it remains a relatively new concept, most Asia-Pacific countries are now quite open to the principles of Free, Prior, and Informed Consent (FPIC) – a recent and positive development.

From the perspective of Indigenous Peoples, all the safeguards reflected in the Cancun Agreements should be implemented regardless of the negotiations. As countries learn lessons on sustainable management of forests and as Indigenous Peoples' rights are strengthened, they will gain influence on these issues in negotiations.

It is very significant that safeguards were incorporated in the text on finance developed at Durban, enhancing their effectiveness. This highlights the mutual interest across NGO, donor, and private sector stakeholders in ensuring they are respected.

"Countries are no longer playing the sovereignty card over safeguards."

Tony La Viña

"At a national level, you need to find out where a safeguard standard should be strict, and where it can be simple."

Yayan Hadiyan

"People who have the biggest stake in forests should have the biggest voice, and the support to make themselves heard."

Vicky Tauli-Corpuz

Q7

Are forest-dependent people protected?

"Indigenous Peoples and local communities have the right to decide what kind of benefits they need."

Joan Carling

"In Durban, we emphasized the importance of access to ecosystem services for Indigenous Peoples."

Vicky Tauli-Corpuz

A clear consensus on whether forest-dependent people are better off as a result of Durban did not materialize. One overarching point of tension is the distinction between Indigenous Peoples and local communities, and their respective entitlements to protection through REDD+ safeguards, particularly FPIC. Unless their distinct legal right to FPIC is recognized under REDD+, many Indigenous Peoples' groups fear that their identity will be undermined.

Another source of misunderstanding is the nature of benefits that forest-dependent people may receive through REDD+. The assumption among some negotiators is that benefits will be distributed as some form of cash payments. This is unlikely to be the case in most instances, and there is a risk that if such impressions are communicated to local people, it could result in very unrealistic ideas of how REDD+ will work. At the community level, the most appropriate benefits are often social services such as schools and clinics, and support for forest-based livelihoods, which the judicious use of REDD+ funds can ensure.

The exploitation of indigenous knowledge is a key aspect of the protection of local rights under REDD+. This can result in conflict between and within communities and therefore requires careful attention before guidance on indigenous knowledge is developed for REDD+ safeguards.

There is also a risk that gender equity will not be considered adequately within REDD+ consultation processes, FPIC, and other safeguards. This could result in the further marginalization of an already-vulnerable group.

Above all, forest-dependent peoples' rights are closely linked to climate change adaptation. Bolivia pushed for recognition of REDD+ as a joint mitigation and adaptation mechanism before they would agree to the REDD+ text, a position supported by a number of the Asia-Pacific countries.

Q8

Are forest carbon accounting rules clear?

In Durban, there was some agreement on how carbon accounting systems should be set up for REDD+. Reference Levels (RLs) or Reference Emission Levels (RELs) will be used as benchmarks to assess a country's performance, but it is the countries themselves that will decide how to set them, in a transparent, complete, and consistent manner, with reference to their current emissions profile. This is innovative and important. In particular, it is different from the way that LULUCF accounting rules were set up in 1997 when, with very incomplete information, negotiators devised complex accounting procedures that have at times served to hinder, rather than help, efforts to reduce emissions from the land use and forestry sectors.

Still, the development of national RLs/RELs is a difficult task. Most countries have started by looking at records of historical emissions and practices. While this is a good start, historic data will need to be combined with projections of future emissions. As drivers constantly change, there is no guarantee that past historical trends of deforestation and degradation will continue, particularly with respect to economic drivers such as agricultural commodity markets.

Government agencies responsible for regulating industries driving land use change (e.g., palm oil) need to be involved in determining appropriate Reference Levels to take account of commodity-specific production targets and subsidies. This will help in developing accurate estimates of costs for the required changes to regulation. PNG is an interesting case where it may be possible to use the Roundtable for Sustainable Palm Oil (RSPO) standards as a basis for Reference Levels, so that mandating and rolling out RSPO standards country-wide could be supported through REDD+ finance.

One of Durban's more positive messages is that we do not have to get this completely right at the first attempt. For example, Guyana has developed a Reference Level that is being questioned in academic circles, but it is a starting point that the country can build on and improve over time.

"We are not asked to be magicians for REDD+, pulling numbers out of the air, as we were for LULUCF."

Tony La Viña

"With many drivers related to governance, it is not only a lack of technical expertise that is a problem: government departments also need to talk to each other."

Anna Lehmann

"The step-wise approach can build national confidence to produce RELs."

Resham Dangi

Q9

How can we build capacity for MRV?

Countries across the Asia-Pacific region are not at the same starting point in terms of MRV. India conducts a national forest inventory every two years and Malaysia has been conducting forest inventories for 50 years, while Nepal has just conducted its first full inventory in 17 years, and some countries have never completed one. Forest monitoring and carbon accounting methods must above all be simple enough to be applicable in the long-term, even beyond a REDD+ mechanism. Some countries, such as Cambodia, are concerned that the guidelines for forest accounting, as discussed in Durban, will be beyond their capacity.

"The field of MRV is moving very fast; what we learned two years ago is now obsolete."

Resham Dangi

"We weren't aiming for a decision that spoon-feeds governments, but rather one that provides them with the tools to develop RELs and RLs."

Lawrence Ang

Technology transfer remained a priority for developing countries during Durban and is as crucial for REDD+ as it is for adaptation. However, this process should not be limited to transfers from North to South. Particularly, opportunities for South-South technology transfer abound. India, for example, could serve as a hub for South Asia, and the wider region, in remote sensing and forest monitoring. This is particularly appropriate where ecosystems are similar across borders, as in the Mekong or Gangetic basins.

Furthermore, technology transfer can happen within each country. Greater transparency of forest information systems is required to optimize capacity building for REDD+. For example, forestry departments should prioritize the creation of knowledge platforms so that all stakeholders can access information, data, and technology.

MRV may be more accessible if countries take a 'step-wise' approach. This starts with the use of data from the FAO-supported Global Forest Resources Assessments (FRA), followed by development of generic emission factors, which are assessed and refined over time. Finally, national circumstances and environmental factors are considered. The key to success is practice, or learning-by-doing.

Other countries in the region could learn from Nepal's experience with community forestry, which shows that MRV is not only for 'experts.' Countries need to develop locally-applicable MRV frameworks that reduce costs and allow direct involvement by local communities, where appropriate. Such involvement is particularly important given that MRV for REDD+ must take account of social safeguards. This may involve certain compromises in terms of accuracy and verifiability, but there is little confidence that national MRV capacities can be developed otherwise, except at a prohibitive cost.

Q10

Has the REDD+ dialogue leading up to Durban been constructive for the region?

"We have had a lot of national discussion on REDD+, but the knowledge generated is not disseminated effectively."

Maximilian Conrad

"As emerging market countries, we could start packaging REDD+ as an investment opportunity.'"

Lawrence Ang

"The postponement of the next agreement can be used to prepare – learning from examples in the region and getting ready for the mechanism whenever it comes."

Senson Mark

Regular international and national stakeholder meetings leading up to Durban have certainly contributed to the significant progress of REDD+. The postponement of the successor agreement to Kyoto will allow more time to continue this progress to ensure that the region is ready for the launch of compliance-based REDD+, if and when it arrives.

Indigenous Peoples in the region have started reaching out to states and other actors through REDD+ dialogue in a way they have rarely done before. Relations and understanding between Indigenous Peoples and the World Bank have improved markedly, resulting in significant improvements to the Bank's Standards for Social and Environmental Assessment (SESA) and agreement to allow Indigenous Peoples to select their own representatives in discussions. The fact that the principles of social safeguards, including FPIC, were uncontested in Durban can be held up as the result of both constructive dialogue and successful lobbying on the part of civil society groups.

The high level of international dialogue on REDD+ preceding Durban has therefore had a significant impact on countries reaching agreement. But internal dialogue within Asia-Pacific countries has not always been so constructive. Many meetings are organized hurriedly, which distorts participation. For these events to be effective, they must be followed up with dedicated communication and support services by knowledgeable and independent experts. There is an ever-increasing need for a pool of regional REDD+ expertise to reduce dependency on expensive international experts and to ensure that misinformation on REDD+ does not spread.

Dialogue to create a united front in negotiations could highlight the region's relative financial and political stability, the opportunities for testing ideas such as nested approaches in the island context (Philippines and Indonesia), and the potential to create a unified MRV and financing system similar to the Amazon Fund. There is a positive atmosphere for regional collaboration on REDD+. Countries therefore need to take advantage of the various regional learning platforms that are already available.

Q11

What happened to LULUCF?

"There's a firewall between LULUCF and REDD+, but they are still mutually informative."

Lawrence Ang

"The absence of safeguards in LULUCF highlights the double standards in the UNFCCC process."

Vicky Tauli-Corpuz

In Durban, forest accounting became a mandatory activity for Greenhouse Gas (GHG) inventories, which will become applicable to all countries under the Durban Platform, not just to industrialized countries as previously. Countries will therefore develop and submit their own national Reference Level and can claim that activities bringing them below this level count toward their commitments, up to a cap of 3.5% of their total GHG removals. Another development from Durban is the inclusion of Harvested Wood Products (HWP) in forest carbon accounting. It is important that Asia-Pacific countries understand how these innovations will work.

Natural disturbances are also now taken into account in LULUCF. This means, for example, that a country which experiences regular forest fires, such as Australia, can factor these 'background levels' into their LULUCF Reference Levels. Both this and the HWP issue are very relevant to REDD+.

However, Durban failed to provide the level of detail on LULUCF accounting methods that was expected. Discussions on verification systems for the accuracy of Annex 1 countries' emissions are still ongoing. There is a role for Asia-Pacific countries to engage in the development of these verification systems.

Another concern is that while Annex 1 countries and NGOs rightly encourage Asia-Pacific governments to implement safeguards in REDD+, they ignore the same for their own activities with respect to LULUCF.

Equal numbers of experts from developed and developing countries should be invited to review LULUCF reports. The existing review system is already transparent, but this is an excellent opportunity for the region to build up a pool of experts to audit and validate GHG emissions from the forest sector. Such expertise could readily be adapted for REDD+, so that South-South verification of REDD+ accounts will be possible in the future, rather than the near-monopoly currently held by developed country experts. For this to happen by 2020, when the distinction between Annex 1 and non-Annex 1 countries may effectively dissolve, Asia-Pacific countries should request support to develop the required capacities.

Q12

What will happen to A/R CDM?

We do not yet know whether, or how, CDM can fit under the Durban Platform. Investors need clarity, so if we do not get answers soon, investment in the mechanism may dry up by 2015.

The A/R CDM tool is a very small part of the overall CDM mechanism. Although the number of projects has grown over the past couple of years to nearly 30 worldwide, this is still less than 1% of the total number of CDM projects, and an even smaller proportion of the total Certified Emission Reductions (CERs) generated. Moreover, there is very little room for further growth in the Asia-Pacific region. The mechanism is restricted to lands that were not forested in 1990, and most areas that fit this criterion are prioritized for agricultural production. It cannot be used to improve degraded forestlands that satisfy the forest definition of minimum crown density.

However, the afforestation/reforestation approaches could be very useful for countries that do not have great potential for REDD+. There are interesting possibilities for changing the rules governing A/R CDM to make it more attractive to investors. For example, the temporary CER (tCER), used only for A/R CDM projects, was intended to address concerns over permanence in the forestry sector, but was the key reason private sector interest was so low.

Investors want fungible credits they can readily exchange, which tCERs are clearly not. Risk buffers are used in the voluntary market (such as VCS) to address permanence. The buffers act like a guarantee for the permanence of the credits sold in the market, but unlike with tCERs, the credits from forestry projects using the VCS are fully fungible with credits from other project types. It is yet unclear how the risk of permanence will be addressed in a potential REDD+ compliance mechanism and whether buffers held at national and/ or international levels would be an option.

"Land eligibility rules under A/R CDM place it under severe limits. Unless rules change, there will be no great expansion."

Promode Kant

"For investors, REDD+ is more attractive than A/R CDM, and that is because A/R CDM credits are only valid for 5 years."

Anna Lehmann

Q13

What is the role for forests in climate change adaptation?

Forests are not just a safety net in times of shortage; they are the basis of rural livelihoods in many parts of the Asia-Pacific region. These values, however, are not yet captured in the negotiations. When REDD+ was assigned to the mitigation stream under the UNFCCC, many commentators, including Indigenous Peoples, thought it should straddle both adaptation and mitigation.

This is part of the reason it was seen as so essential to push for strong safeguards, which cover many of the issues that an adaptation approach would have guaranteed. The issue of categorization has once again become important in the context of the Green Climate Fund (GCF). The GCF has windows for adaptation and mitigation, but it is not clear where REDD+ will sit. It may be best to advocate for a separate window for REDD+ to acknowledge its dual role.

Some countries have taken concrete action to recognize the role of forests in adaptation strategies. Forestry is a major element of Nepal's National Adaptation Plan of Action (NAPA). This is largely an effort to institutionalize climate change adaptation into local development planning (or LAPAs), and much of this planning takes place within community forest users' groups. The NAPA mandates that 80% of finance for adaptation goes directly to these LAPA processes, which may hold some lessons for benefit sharing under REDD+.

In Durban, Bolivia's proposal to establish a dual mitigation-adaptation funding mechanism for REDD+ was a very positive development and received support from Asia-Pacific countries, particularly the Philippines. The REDD+ debate is currently the best framework to ensure that adaptation elements are reflected in the UNFCCC forestry agenda. However, other processes are also important for this purpose, such as the UNFF, the CBD, and regional intergovernmental forums such as ASEAN.

Without close attention, it is quite possible for REDD+ and adaptation agendas to undermine each other. It is therefore important for Asia-Pacific countries to make sure that these tracks of the negotiations link together, and to be constantly aware of where the potential for further linkages lies.

"In forestry, the divisions between mitigation and adaptation are artificially created."

Resham Dangi

"We should credit REDD+ for bringing adaptation issues into the forestry agenda."

Vicky Tauli-Corpuz

"We must push for the inclusion of forests in other international agreements, while we have their attention."

Maximilian Conrad

Printed on recycled paper

With support from

Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development and Cooperation SDC