POSITION PAPER

Reducing emissions from deforestation and forest degradation (REDD) in developing countries

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REDD can deliver rapid emission reductions as a complement to mitigation in other sectors

Deforestation and forest degradation account for approximately 17% of global greenhouse gas (GHG) emissions. In its Fourth Assessment Report (AR4), the IPCC concluded that 'forestry can make a very significant contribution to a low cost global mitigation portfolio that provides synergies with ***adaptation*** and ***sustainable development'***.

Further scientific research since the IPCC AR4 indicates an even greater urgency to reduce emissions in order to stabilise atmospheric greenhouse gas concentrations at safe levels. Given the current rates of deforestation and ongoing forest degradation, IUCN sees the adoption of a carefully designed REDD regime within the post-2012 agreement as a necessary rather than a discretionary mitigation option, complementing ambitious mitigation measures in other sectors. REDD has the advantage that it could deliver urgently needed GHG reductions while other essential mitigation options come on stream. If properly designed, it can provide a bridging mechanism in the transition towards a low-carbon economy whilst increasing resilience and enhancing adaptive capacity to climate change; contributing to rural livelihoods; promoting good forest governance and delivering biodiversity objectives.

IUCN welcomes the broad support from Parties, at the UNFCCC Bonn-1 talks (29 March to 8 April 2009), that recognizes the value of incorporating Reducing Emissions from Deforestation and Degradation (REDD) in the post- 2012 UN climate change regime, as a possible nationally appropriate mitigation action (NAMA) in developing countries and as a ***complement to ambitious targets for emissions mitigation*** in other sectors by developed country Parties.

IUCN welcomes the recognition of the need for **adequate, predictable and sustainable finance** to support the REDD mechanisms, including for capacity building.

IUCN also welcomes the consensus emerging on the need to address **drivers of deforestation**; the importance of financing **REDD Readiness** in implementing countries; the links between **governance** and an effective REDD framework; the need to preserve the **rights of forest dependent communities, with particular attention to the interests of women**; the role of **forest degradation**; the role of **conservation**, **sustainable management of forests** and **enhancement of forest carbon stocks**.

IUCN further welcomes other "informal" processes established in support of the formal negotiations and encourages Parties to take note of their outcomes. These include the **Collaborative Partnership on Forests' (CPF)**, *Strategic Framework on Forests and Climate Change*[1] which clearly outlines how forests, when sustainably

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managed, can play a positive role in climate change mitigation and adaptation. In addition, **The Forests Dialogue (TFD)**, is currently bringing together forest leaders from the private sector, NGOs, Governments, Indigenous Peoples and forest communities to explore and facilitate consensus **on "finance mechanisms for REDD"** [2]

REDD should be designed to include the full range of options defined in the Bali Action Plan – conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

IUCN welcomes the emerging consensus on the scope of forest-based mitigation options to be included in the post-2012 REDD regime, encompassing forest conservation, sustainable forest management and enhancement of forest carbon stocks, as identified in the Bali Action Plan (the 'REDD+ option).

Forest Conservation

Significant emissions can be avoided through initiatives that lead to **conservation of natural forest**, particularly primary forest. **"**Conservation" includes policies and measures that avoid emissions from extant natural forest carbon stocks by preventing the introduction of land use activities that would cause emissions and deplete organic carbon stocks.

Conservation as a mitigation option is especially relevant in largely intact naturally forested landscapes, and can be achieved through a range of measures including: establishing protected areas and connectivity corridors; payments for ecosystem services including carbon storage and regulation of water supply and quality; recognising and rewarding community conserved areas and the promotion of forms of economic development that are compatible with mitigation.

IUCN believes that existing forest carbon stocks need to be included in the future REDD+ regime to avoid the risk that large-scale international leakage may occur to countries with historically low deforestation rates if only those forest nations that are currently experiencing high rates of deforestation participate[3]. Provision should be made to reward countries and communities that are already conserving, sustainably managing and expanding their natural forests, including high-forest, low-deforestation (HFLD) countries

Sustainable Management of Forests

Generally, forest-based mitigation options, such as those envisaged in the REDD+ regime, should be implemented as part of a national policy framework that promotes Sustainable Forest Management (SFM)[4].

[1] For more information on the Strategic Framework on Forests, please visit http://www.fao.org/forestry/media/16639/1/0/

[2] For more information on The Forests Dialogue, please visit http://research.yale.edu/gisf/tfd/ and TFD's statement Beyond REDD: The Role of Forests in Climate Change: **http://research.yale.edu/gisf/tfd/pdf/fcc/TFD%20Statement%20on%20Forests%20and%20Climate%20Change.pdf**

[3] See Reducing Emissions from Deforestation and Forest Degradation (REDD): An Options Assessment Report, Meridian Institute, 2009 , Annex 3.4 . The report is available at http://www.REDD-OAR.org

[4] SFM refers to the overall good protection and use of the entire national forest estate, encompassing seven thematic elements: 1) extent of forest resources, 2) biological diversity, 3) forest health and vitality, 4) productive functions of forests, 5) protective functions of forests, 6) socioeconomic functions, and 7) the legal, policy and institutional framework, as outlined in the "Strategic Framework for Forests and Climate Change" of the Collaborative Partnership on Forests.

In landscapes where commercial or subsistence activities take place, such as logging, the "sustainable management of forests"[5], when implemented through robust and credible frameworks can help reduce carbon emissions, increase sequestration of carbon, and enhance societal adaptation to climate change. At the same time, it can provide co-benefits including a supply of renewable forest products; reduced impacts on biodiversity; secure freshwater supplies and maintain and improve the livelihoods of forest dependent people.

The sustainable management of forests includes policies and measures (*inter alia* criteria and indicators, independent certification, low impact logging) that deliver economic returns while reducing long term and continuous carbon emissions.

Enhancement of forest carbon stocks

The REDD+ regime should also acknowledge the significant potential for enhancing forest carbon stocks through the **restoration of degraded forests**. There are 850 million hectares of degraded forest lands that are unlikely to be converted to another land-use. The UNFCCC estimates that the restoration of these lands could account for a saving of approximately 117 GtCO2e until 2030 – which is equivalent to one and a half times the estimated potential available from avoiding deforestation until 2030[6]. Indeed the restoration of degraded forests offers a triple climate benefit, avoided emissions from further degradation, significant additional sequestration and enhanced ecosystem and livelihood resilience to the impacts of climate change. Also, employment opportunities generated by forest restoration activities can play an important role in supporting rural economic development.

IUCN recommends that a full range of options with respect to conservation, sustainable forest management and enhancement of forest carbon stocks be included in the future REDD+ mechanism;

IUCN recommends that climate change mitigation funds such as those envisaged under the future REDD+ mechanism will be most effective when they encourage the conservation, sustainable management, and restoration of natural forests.

IUCN also recommends that outstanding definitional issues with the purpose of including restoration of degraded forest lands in future REDD+ arrangements be resolved as part of SBSTA's methodological work, drawing on ongoing work in other forest-related fora, such as the Collaborative Partnership on Forests.

[5] The sustainable management of forests refers to landscape or site level interventions for commercial or subsistence purposes that are consistent with principles of sustainable use, such as the CBD's Addis Ababa Principles and Guidelines on the Sustainable Use of Biodiversity http://www.cbd.int/doc/publications/addis-gdl-en.pdf, the ITTO / IUCN Guidelines for the Conservation and Sustainable of Use of Biodiversity in Tropical Timber Production Forests http://cmsdata.iucn.org/downloads/itto_biodiversity_guidelines_june2006.pdf and Revised ITTO Criteria and Indicators for the Sustainable Management of Tropical Forests http://www.itto.int/policypapers_guidelines/

[6] Initial analysis on the mitigation potential in the forestry sector, 2007 http://unfccc.int/files/cooperation_and_support/financial_mechanism/application/pdf/blaser.pdf

To be successful, the REDD+ regime should foster explicit linkages between nationally-owned forest governance processes and nationally appropriate mitigation actions (NAMAs).

IUCN welcomes the recognition by many Parties that forest-based mitigation opportunities are more likely to be successful if REDD+ modalities explicitly **complement on-going forest governance reform**, respect and reinforce **the rights of Indigenous Peoples and other forest-dependent communities, with particular attention to the interests of women,** and underpin the **conservation and sustainable management of forests**.

IUCN welcomes that in this context, several Parties have highlighted the need to address drivers of deforestation, which often lie outside the direct influence of the forest sector, including agriculture, energy, urbanization and infrastructure development.

There is a substantial body of international agreements and best practice guidance that REDD+ can build upon for implementation at national level. These include, *inter alia*, the United Nations Non-legally Binding Instrument on All Types of Forests (2007); the Expanded Programme of Work on Forest Biodiversity of the Convention on Biological Diversity and UN Declaration on the Rights of Indigenous Peoples.

IUCN recommends that a future REDD+ regime takes account of the co-dependent relationship between good forest governance and forest-based emissions reductions.

A mix of financial mechanisms could be employed to compensate for forest-based mitigation action.

IUCN welcomes the willingness of Parties to explore a range of compensation and financing mechanisms for REDD+. IUCN draws attention to recent proposals that promote flexibility with regards to REDD+ financing options and enable different financial mechanisms to be deployed at different stages of REDD+ development and implementation.

As with other schemes that compensate for opportunity costs or pay for ecosystems services, it is important that REDD+ funding supports local livelihoods**, i.e. rewards the communities that implement the scheme**. The long-term success of the REDD+ regime will depend, among others, on equitable benefit sharing with forest-dependent communities.

IUCN further welcomes the emerging consensus on the need to provide, in a first phase, **finance to support REDD+ Readiness activities**, including capacity-building, institutional strengthening, a broad participatory consultation process, technical assistance, improving governance and enforcement, as well as on initiating national programmes and demonstration projects.

IUCN encourages the AWG-LCA to explore how different financial mechanisms can be combined and sequenced in order to ensure that sufficient investment is made in policies and measures that lead to performance-based and equitable REDD+ delivery;

IUCN urges Parties to enhance coordination among the different relevant financing initiatives with which they may be involved with respect to supporting developing countries prepare for REDD+.

“Co-benefits” add value to the REDD+ regime

The benefits of a successful implementation of the REDD regime are not limited to climate change mitigation. **1,6 billion people** depend on forest resources for their livelihoods and **60 million indigenous people** depend directly on forests for their survival. Forests harbour three- quarters of the world’s terrestrial biodiversity: deforestation and degradation are one of the **main causes of biodiversity loss.** Well managed forest ecosystems have an essential climate regulatory role; they provide other important ecosystems services such as water regulation, food and shelter; they contribute to increased climate resilience; they **enhance adaptive capacity** especially when integrated into broader national adaptation strategies.

IUCN recommends that the provisions of the REDD+ regime should aim to maintain or to enhance the delivery of other important forest-related “co-benefits”