

Reducing Emissions from Deforestation and Forest Degradation (REDD) in Developing Countries

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Summary of Recommendations

Scope and objectives

IUCN urges Parties to reach an agreement on a REDD-plus mechanism that notes that the overarching aim is to avoid greenhouse gas emissions from deforestation and forest degradation as a necessary component of achieving deep cuts in all sources of anthropogenic emissions in order to mitigate climate change.

IUCN further urges Parties to ensure that a REDD-plus mechanism provides scope for:

- **Reducing emissions from deforestation and degradation through actions** that protect existing forests from immediate and/or medium term threats of forest conversion and further degradation, along with:
 - **Conservation:** Actions to protect existing forests, especially primary forests, including those that face no immediate threat from deforestation and degradation but could in future be subject to land use pressures created by national and international leakage. This is particularly pertinent to high forest cover and low deforestation rate countries.
 - **Sustainable management of forests:** Actions that safeguard against long-term decline of, and as appropriate expand, existing carbon stocks in both community and industrial working forests, in particular forests already subject to commercial logging and shifting agriculture, while ensuring the economically, ecologically and socially sustainable provision of associated ecosystem goods and services.
 - **Enhancement of forest carbon stocks:** Actions that are broader than 'increasing forest cover through afforestation and reforestation' and include landscape-scale restoration of forest ecosystems. Restoration of the more than 1 billion hectares of degraded forest lands would significantly increase carbon stocks and result in healthy resilient ecosystems which provide the multiple goods and services people need to maintain biodiversity and enhance ecological integrity.

Principles – Safeguards

IUCN urges Parties to:

- Agree that safeguards should be 'ensured' rather than merely 'promoted', in order to increase confidence in the REDD-plus regime and strengthen its ability to deliver effective climate change mitigation.

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- Support the retention of a safeguard against conversion of natural forests and other ecosystems into plantations.
- Agree that REDD-plus actions should contribute to and be consistent with the conservation of biological diversity, and safeguard and provide co-benefits for biodiversity and ecosystem services.
- Provide for gender-balanced and broad stakeholder participation in the design and implementation of REDD-plus actions and integrate experiences with multistakeholder platforms established in support of forest governance reform processes.
- Explicitly include women, indigenous peoples and forest-dependent communities when ensuring the full and effective participation of all relevant stakeholders in REDD-plus decision-making processes and actions.
- Recognize and respect the rights of indigenous peoples in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), including their right to free, prior and informed consent, support traditional knowledge and management systems, and recognize and ensure the security of land tenure and resource rights and arrangements.

Means of Implementation

IUCN urges Parties to:

- Ensure adequate, predictable and sustainable financial flows that are new and additional within a portfolio of sources that includes funds for Phase 1 and 2 and fund and/or market financing for Phase 3.

Biodiversity for Effective Climate Change Mitigation

The REDD-plus mechanism should ensure that forests and the services they provide to humankind are conserved, managed and restored in ways that achieve climate change mitigation targets, help secure sustainable livelihoods and maintain the ability of an ecosystem to function healthily and continue to provide goods and services. Underpinning this is a necessary understanding of the relationship between biodiversity and climate change mitigation. Maintaining and restoring biodiversity promotes the resilience of forests to human-induced pressures and climate change impacts and helps maintain the long-term stability of the carbon pool. As such, maintaining biodiversity should be viewed as an indispensable prerequisite for reducing risks associated with REDD-plus actions. Primary forests are generally more carbon-dense, biologically diverse and resilient and have greater adaptive capacity than modified natural forests or plantations. In largely intact forest landscapes, where there is currently little deforestation and degradation occurring, the conservation of existing forests, especially primary forests, is critical for

preventing future greenhouse gas emissions through loss of carbon stocks.

Expanding and enhancing national protected area systems is a demonstrated management option for conserving intact forest landscapes. Sustainable management of production forests and ecosystem-based restoration of degraded forest landscapes likewise result in ecosystems that are more resilient and adaptive than monoculture plantation forests. Policies and measures that promote biodiversity therefore yield climate change mitigation benefits, in addition to a fuller array of ecosystem services and other social benefits.

Scope and Objectives

IUCN congratulates Parties for putting the 'plus' in the REDD negotiations, as outlined in the Bali Action Plan. Optimising climate change mitigation and also delivering other benefits that people and societies need from forests through REDD requires a REDD-plus scope. Taking a landscape-wide perspective when implementing REDD-plus on the ground will allow for the negotiation of an optimum package of goods and services at individual sites. This offers a useful way to integrate global level ecosystem services (e.g. climate change mitigation) with local level ones (e.g. biodiversity

conservation, water supply and quality, timber and non-timber forest products), which is necessary to ensure that REDD-plus works in practice.

IUCN urges Parties to reach an agreement on a REDD-plus mechanism that provides scope for:

- **Reducing emissions from deforestation and degradation through actions** that protect existing forests from immediate and/or medium term threats of forest conversion and further degradation.

“Reducing emissions from deforestation and degradation” can be achieved through such measures as:

- Clarification of tenure and rights for land and carbon
 - Adoption and enforcement of laws to reduce deforestation and forest degradation
 - Establishment of protected areas or community-managed forest reserves
 - Schemes that involve payment for ecosystem services
 - Activities outside the forest sector to reduce the pressure on forests (e.g. certified sustainable agriculture, removal of subsidies that encourage agricultural expansion into intact natural forests).
- **Conservation:** actions to protect existing forests, especially primary forests, including those that face no immediate threat from deforestation and degradation but could in future be subject to land use pressures created by national and international leakage. This is particularly pertinent to countries and areas with currently high forest cover and low rates of deforestation (HFLD).

“Conservation” can be achieved through such measures as:

- Establishing, expanding and effectively managing protected areas and connectivity corridors
- Recognizing and supporting conservation actions by forest dependent communities, including indigenous peoples’ and community conserved areas
- Land stewardship agreements and conservation easements
- Payments for provision of the ecosystem services generated by protected forest ecosystems, including carbon storage, water supply, provision of wildlife habitat, among others.

- **Sustainable management of forests:** actions that safeguard, and as appropriate expand,

existing carbon stocks in both community and industrial working forests, in particular forests subject to commercial logging and shifting agriculture, against long-term decline while ensuring the economically, ecologically and socially sustainable provision of associated ecosystem goods and services. These should be implemented as part of supportive national policy frameworks that also include conservation and enhancement activities in a coordinated way.

“Sustainable management of forests” can be achieved through such measures as:

- Independently certified production of timber
- Sustainable production of non-timber products
- Low impact logging that aims to minimize collateral damage to trees, ground cover and soils
- Active silvicultural interventions to safeguard forests against anthropogenic and destructive alterations to natural fire regimes, pest and diseases and alien invasive species
- Improved rotational cultivation practices that maintain the integrity of forests and the extent of forest cover.

- **Enhancement of forest carbon stocks:** actions including ‘restoration of forests’ as previously proposed by a number of delegations. This is broader than ‘increasing forest cover through afforestation and reforestation.’ By ‘restoration’ IUCN means landscape-scale restoration of forest ecosystems that significantly increases and maintains carbon stocks and results in healthy resilient ecosystems which provide the multiple goods and services people need, maintain biodiversity and enhance ecological integrity. A significant number of Parties already have established experience with such approaches. There are an estimated more than 1 billion hectares of degraded lands where forest landscape restoration opportunities may be found, whose restoration could sequester approximately 140 GtCO₂e by 2030.¹

“Enhancement of forest carbon stocks” can be achieved through such measures as:

- Areas that are allowed to naturally regenerate or are regenerated through plantings
- Areas that are restored for watershed management
- Well-managed commercial and community plantations established on degraded lands

¹ GPFLR: A World of Opportunity. November 2009.

- Restored protective forests that protect against flooding, erosion and other catastrophic events
- Planting of on-farm trees and other sustainable agro-forestry systems.

Principles and Safeguards

Safeguards are necessary to strengthen the potential contribution of forests to climate change mitigation. Without basic safeguards forests could be regarded as a high-risk option, one that will be less attractive to investors. Furthermore, the adoption of adequate safeguards is necessary to avoid unintended consequences from the application of defined terms and interpretation of undefined terms, such as the conversion of primary forests and/or natural forests to perennial woody tree crops.

IUCN urges Parties to:

- Agree that safeguards should be ‘ensured’ rather than merely ‘promoted’, in order to increase confidence in the REDD-plus regime and strengthen its ability to deliver effective climate change mitigation.
- Support the retention of a safeguard against conversion of natural forests and other ecosystems into plantations.
- Agree that REDD-plus actions should be consistent with the conservation of biological diversity and safeguard and provide co-benefits for biodiversity and ecosystem services. Included in this is ensuring that intact natural forests are protected from deforestation or further degradation, and extending and strengthening the integrity of protected areas systems.
- Provide for gender-balanced and broad stakeholder participation in the design and implementation of REDD-plus actions and integrate experiences with multistakeholder platforms established in support of forest governance reform processes to increase the ability of countries to implement those actions.
- Explicitly include women, indigenous peoples and forest-dependent communities when ensuring the full and effective participation of all relevant stakeholders in REDD-plus decision-making processes and actions. This safeguard should contribute to ensuring that forest-dependent communities receive an equitable share of benefits arising from a REDD-plus mechanism.
- Recognize and respect the rights of indigenous peoples in accordance with the

United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), including their right to free, prior and informed consent, support traditional knowledge and management systems, and recognize and ensure the security of land tenure and resource rights and arrangements.

Means of implementation

A phased approach would enable countries with different circumstances to swiftly pilot and mainstream REDD actions in such a way as to meet their immediate and longer term needs while taking a learning- based approach to addressing the drivers of deforestation and forest degradation. IUCN supports the emerging consensus that an operational framework for REDD-plus could be organized in three phases: Preparation and readiness, Intermediate and Final. Such an approach also offers a useful framework to consider how funding could flow to REDD candidate countries and how different sources of funding (including fund-based and market-based) might be combined.

Given the scale of the challenge, there is a need for long term financial flows that are guaranteed, stable and reliable, and are underpinned by strong donor coordination and long-term commitments from both developed and developing countries.

To move beyond the “markets versus funds” discussion and make optimum and coordinated use of both of these financing mechanisms, as well as other sources of funding, a portfolio approach could be accommodated. On the one hand, significant upfront funding will be necessary for e.g. capacity-building, technology transfer, land-use governance reform, institutional strengthening and demonstration activities. Once basic requirements are in place, market mechanisms clearly have the ability to mobilise larger scale funding and to channel investments towards the most efficient use.

IUCN urges Parties to:

- Ensure adequate, predictable and sustainable financial flows that are new and additional within a portfolio of sources that includes funds for Phase 1 and 2 and fund and/or market financing for Phase 3.

ANNEX: THE PHASED APPROACH: AN OPERATIONAL FRAMEWORK FOR REDD ACTION

IUCN welcomes the suggestion by many Parties that an operational framework for REDD-plus action be developed to deliver effective means of implementation and finance by phases. Such an approach would be useful for building confidence and enabling early action. It would also be useful for consideration how funding could flow to REDD candidate countries and how different sources of funding (including fund-based and market-based) might be combined.

More specifically, such an operational framework should facilitate:

1. Individual governments making progress at a pace that is suited to their national circumstances
2. Establishment of multi-stakeholder platforms that ensure the full, effective and gender-balanced participation of forest-dependent communities, and the systematic incorporation of a gender perspective
3. Clarification and recognition of the rights of indigenous peoples and other forest dependent communities
4. Accountable, performance-based delivery of emissions reductions and removals
5. Building of a portfolio approach to financing that coordinates and aligns funding from a diversity of sources
6. Tailored capacity building actions according to governmental and non-governmental needs for the implementation of REDD
7. Legal and policy reforms in key government functions necessary for the implementation of REDD, including legislative and regulatory improvements.

There is a growing body of opinion from a diversity of stakeholders that REDD-plus will only achieve lasting results if it is able to be adapted to the individual circumstances of tropical countries and can directly meet the needs of local people. In this respect IUCN supports the emerging consensus that an operational framework for REDD-plus action could be organized as follows:

Phase One: Preparation and Readiness

- Development of a REDD-plus strategy, including, inter alia, the identification and prioritization of key policy and institutional capacity building measures (for both state and non-state actors), to pave the way for investments in Phase Two through the development of MRV schemes and the identification of required protocols and planning for demonstration activities. This phase could be supported through public and private, multilateral and bilateral grant schemes, such as FCPF and UN-REDD.

Phase Two: Intermediate

- Establishment or strengthening of policies and measures to allow implementation of REDD-plus and, based on performance, encourage scaled-up public and private sector investments in the following areas: (a) institutional capacity, forest governance and information; (b) activities in the forest sector such as land tenure reforms, forest management and restoration of degraded forest landscapes, community-based fire management, etc.; (c) activities outside the forest sector to reduce the pressure on forests (e.g. certified sustainable agriculture, sustainable wood energy supply chains and agro-forestry). Performance-based options for funding could include voluntary contributions from governments, market and transaction-linked international levies, multilateral concessional financing sources, bilateral and private funding.

Phase Three: Final

- Mechanisms such as the carbon market and fund-based mechanisms should, by phase three, deliver performance-based payments. Verification of emission reductions or carbon stock

enhancements relative to a national reference level should be performed by an independent third party. A market mechanism should be supported by an appropriate national regulatory framework that guarantees credibility through unequivocal non-compliance measures, clarifies liability, clearly appropriates responsibility for risk management and establishes a clear framework for the equitable distribution of REDD payments. Consideration may have to be given to as to whether a time-bound mechanism may be required during the early period of REDD market payments to guard against significant price volatility. As with other phases, timing of entry into this phase would be different for each country on a case-by-case basis.

Performance-based delivery

REDD-plus finance should be predicated on performance-based delivery throughout all three phases. Phase Three performance would be underpinned through the measurement reporting and third party verification of CO₂ emission reductions that are additional to a national reference level. Phase Two would require performance-based proxies, responding to specific local drivers of deforestation and degradation, such as measures of the overall rate of deforestation, the proven implementation of policies or strengthening in practice of indigenous peoples' and local communities' rights. A good understanding of what lies behind shifts in forest carbon stocks will be needed to effectively address the drivers of deforestation and forest degradation and this in turn will require effective, participatory nationally-owned processes.

Triggers for different phases

In order to engender sufficient confidence that REDD-plus is capable of delivering durable emissions reductions, the eligibility of countries to move from one phase to the next could be mediated by specific triggers and informed by an independent verification body. Movement through the phases could be based on implementation of specific actions associated with each of the different phases, including particularly: a) Transparency and meaningful participation of all key stakeholder groups (improved forest governance); b) Long-term viability of the emissions reduction via the promotion of social and environmental co-benefits, including biodiversity conservation and ecosystem services; and c) Establishment of appropriate risk management, assigning liability and implementing non-compliance regulation.