



# WWF Forest and Climate Programme

## External Policy Report -- UNFCCC COP19, Warsaw 2013

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UNFCCC's 19<sup>th</sup> Conference of the Parties (COP 19) was held in Warsaw, Poland, from Nov. 11-22, 2013. COP 19, already dubbed the Forest COP by some, will certainly be remembered as the most important COP for REDD+, given that Parties were able to produce the *Warsaw Framework for REDD+* making REDD+ a reality by finalizing a framework for a working REDD+ mechanism. This opens the door and unlocks funds for REDD+ countries to launch REDD+ activities, under the UNFCCC, that conserve tropical forests, fight climate change and benefit people and biodiversity.

This report captures the main developments related to REDD+ discussions and negotiations, and presents highlights of the analysis of the adopted decision, as well as the conclusions derived from the two weeks at the COP.

### Main Headlines:

Overall, the outcomes for REDD+ at COP19 align very well with WWF's expectations and positions:

- Parties have adopted what is officially known as the *Warsaw Framework for REDD+* -- **REDD+ is a reality under the UNFCCC.**
- This includes a methodological guidance package, or "rule book" of five key decisions on such technical issues as reference levels (RLs), and monitoring, reporting and verification (MRV), which empowers tropical forest countries to move forward with the implementation of REDD+ activities.
- The **Green Climate Fund** was identified as a key entity through which REDD+ finance should be facilitated.
- Parties also agreed that ALL phases of REDD+ should be supported (e.g. Phase I: readiness /capacity building, Phase II: piloting/demonstrating, and Phase III: implementation of results-based activities) – not just Phase III. This reaffirms previous decisions.
- It was agreed that REDD+ countries would appoint a **REDD+ national entity or focal point** to facilitate the coordination of support for REDD+, which would be supported by the UNFCCC

system, and which would be encouraged to meet regularly to exchange information and share lessons learned.

- **Social and environmental safeguards** were linked to results-based payments – recognizing their importance for the sustainability of REDD+.
- A REDD+ **Information Hub** has been established through which REDD+ results and payments information will be shared to ensure transparency and environmental integrity.
- **REDD+** is now **linked to other relevant discussions** under the UNFCCC, recognizing its important contribution to the climate change discussions and actions (e.g. through the Standing Committee on Finance).

## REDD+ at COP19: Detailed Report

REDD+ negotiators started discussions in Warsaw under three tracks of negotiations:

1. SBSTA – design elements or rule book
2. Joint SBSTA/SBI process – coordination of support and institutional arrangements/governance alternatives
3. COP Work Program – REDD+ Results-based finance

### Week One:

All three negotiation tracks started sessions in the first week of the COP. Here are the main outcomes of the first week of negotiations:

1. **SBSTA:** The mood was constructive and negotiators were open to making compromises in order to reach consensus on the technical discussions. Parties managed to produce **two draft decisions** that completed the methodological package for the design elements of REDD+, specifically on the issues of Reference Levels and Measuring, Reporting and Verification (MRV). It was agreed that these decisions would be forwarded to the COP for adoption only if Parties could develop an acceptable decision on REDD+ Finance – taking an all or nothing approach.
2. **Joint SBSTA/SBI process:** The discussions were mainly led by the Coalition for Rainforest Nations (CfRN) which pushed hard for the creation of a **REDD+ Committee** or body. The produced text contained three different options on how to approach the issue: **i)** mainly focused on institutional arrangements at the national level (i.e. establishment of a REDD+ focal point/national authority, similar to the DNA of CDM); **ii)** establishment of a REDD+ Committee (CfRN option); **iii)** continue deliberations regarding institutional arrangements and governance

alternatives in the future (just kicking forward the discussions a year or two). Agreement wasn't reached, and since the SBI had to close sessions, the text with options was annexed to the conclusions of the co-chairs, creating uncertainty regarding the way forward.

3. **COP Work Program:** The co-chairs produced text on **REDD+ results-based finance** to be used as the basis of the negotiations. The text put forward was long and vague, it didn't make any single connection to the Green Carbon Fund (GCF) and included weak language on developed countries' commitments to provide finance for REDD+; furthermore, it was completely skewed towards imposing more requirements to developing countries without providing any guarantees on provision of adequate and predictable support. As a result, the text was overwhelmingly rejected by Parties (mostly REDD+ countries) and couldn't be taken as the starting point of the negotiations on this track.

#### **Assessment of week one:**

Great progress was achieved in REDD+ technical negotiations, however little was achieved in the discussions on finance. Originally, there was a common understanding that the REDD+ "package" should be composed of the technical decisions *and* the decision on finance. However, CfrN action resulted in the joint SBSTA/SBI outcome being included as part of the balanced REDD+ package, and with wide reluctance among Parties to create a REDD+ body as CfrN was calling for, this put at risk the potential for major progress on REDD+ in Warsaw as week one ended.

#### **Week Two:**

Over the second week, Parties worked mainly in informal consultations mode, with both sets of co-chairs: Norway and Indonesia for the COP Work Program on Results-based Finance for REDD+, and Switzerland and Paraguay for the joint SBSTA/SBI process. Here is a summary of the main developments during the second week:

1. **Joint SBSTA/SBI process:** SBI chair allocated more time for negotiators to meet and try to find a compromise solution regarding the three options on the table over informal consultations.

After the inability of some CfrN countries to compromise or to negotiate a different alternative that didn't include the creation of a REDD+ Committee, negotiations stalled and the group could not move forward. The SBI chair instructed the co-chairs to carry out bilateral consultations with all interested Parties in order to identify the option with more support and to retake discussions after their findings.

Bilateral consultations took place and results showed that there was no consensus on the creation of a REDD+ Committee; CfrN countries kept insisting and as a result, the SBI chair carried out consultations with HODs and decided that Parties must focus on working on Option

1: institutional arrangements at the national level, drafting a draft decision on the REDD+ focal point/ National authority, and that the discussions on the REDD+ body could be restarted in 2017. When Parties went to drafting mode, CfrN countries tried to again introduce language making reference to the creation of the REDD+ Committee, which was rejected by HODs. Parties felt these CfrN countries were breaching the agreements made and staged a massive walk-out leaving just a few CfrN countries in the room.

The co-chairs were then mandated to finish drafting the text on the basis of the agreements and this draft text was forwarded for adoption by the COP.

2. **COP Work Program on Results-based Finance for REDD+:** The co-chairs held informal consultations to discuss acceptable elements for re-drafting text, but since there were too many different views, they did not progress to drafting mode.

The co-chairs then carried out bilateral consultations with all interested Parties, and called informal discussions again. After this, co-chairs presented a new draft to Parties that was accepted as the basis of the discussions. With one day left, Parties started negotiating language and worked overnight and into the morning to produce a draft decision that was accepted by all. The clean text includes explicit reference to the Green Climate Fund as a source of finance for REDD+, as well as finance for the different phases of REDD+. The draft was presented to Parties and there was only one subject to solve: language proposed by Bolivia regarding the funding of non-market-based approaches, including the joint adaptation and mitigation mechanism. After some time negotiating, Bolivia accepted more general alternative language. The text was forwarded to be adopted by the COP within only a few hours before the start of the final COP plenary session.

**Assessment of second week:** Parties were divided in both work streams. In the joint SBSTA/SBI process, the lack of consensus on the need to create a new body for REDD+ was evident and as a result, the draft decision sent this issue for consideration in 2017. As per the COP Work Program on Results-based Finance for REDD+, Parties showed their willingness to compromise to achieve a decision that is not perfect or complete, but that sets important milestones towards a better decision in Paris.

## Snapshot analysis of the decisions adopted

### SBSTA\_(design elements or rule book)

1. Guidance for the **technical assessment** of reference levels (RLs):
  - Parties have RLs assessed against guidelines in the Annex
  - Secretariat prepares synthesis report on RL assessment process
  - Assessment Guidelines

- 1) Objectives & Scope– Assess conformity with prior decisions
- 2) Procedures
  - A. Organized by Secretariat, LULUCF & CGE experts
  - B. Timing – detailed timelines for back and forth interactions between assessors and Parties
  - C. Assessment teams submit report to Web Platform
2. Modalities for measurement, reporting and verification (**MRV**)
  - 1) Consistent with prior decisions on MRV, RLs and NAMAs
  - 2) MRV data reported through biennial updates and technical annex
  - 3) Consistency between MRV'd results in tCO<sub>2</sub>e and RL in tCO<sub>2</sub>e
  - 4) Experts through ICA process will review and report MRV'd REDD+ emissions reductions

Three other shorter decisions were taken on **drivers, national forest monitoring systems and safeguards** (previously developed). With the methodological package adopted, REDD+ countries have all the guidance they need to undertake REDD+ and seek results-based finance.

The technical demands on REDD+ countries are substantial, therefore, it is fundamental that donors continue to provide on-going financial and technical support in the medium and long term.

There are important potential linkages between the technical aspects of REDD+ and coordination of support/institutional arrangements and finance decisions.

**Joint SBSTA/SBI process** (coordination of support and institutional arrangements/governance alternatives)

- The decision invites Parties to assign a national coordination entity or focal point to serve as liaison to UNFCCC which may obtain results-based finance, and which, *inter alia*, addresses the following needs & functions:
  - ✓ Strengthen information sharing and good practices
  - ✓ Identify and consider possible needs and gaps
  - ✓ Provide opportunities to exchange information between bodies under Convention and bilateral and multilateral finance entities
  - ✓ Information on improving effectiveness of finance
- National coordination entities are encouraged to voluntarily meet annually to discuss above matters – start at SBSTA 41 in Dec 2014 (subject to supplementary funds).
- SBI to consider outcomes, existing institutional arrangements or need for potential governance alternatives – make recommendations @ COP 23, Dec 2017.

- With respect to the point related to ensure the **provision of adequate and predictable support** beyond existing fast-start funding for the period until 2020, there was no discussion or agreement, but only recognition of the need of the support.

### **COP Work Program** (REDD+ results-based finance)

The COP Work Program was established with the aim “to contribute to the ongoing efforts to scale up and improve the effectiveness of finance for the activities referred to in decision 1/CP.16, paragraph 70 (...)”, and “will address options to achieve this objective (...) including:

- (a) Ways and means to **transfer payments** for results-based actions;
- (b) Ways to incentivize **non-carbon benefits**;
- (c) Ways to improve the **coordination** of results-based finance”

An assessment of the adopted decision shows that it:

- Reaffirms and recognizes the importance and necessity of **adequate and predictable financial and technology support** for all REDD+ “requirements”, but **it doesn’t state who specifically** should provide such support;
- Recognizes the need to scale up and improve the effectiveness of finance, but **it doesn’t say specifically how** (still recognizing all sources, public and private, market and non-market, etc.);
- Recognizes the **key role** that the **Green Climate Fund** (GCF) will play in channeling financial resources to developing countries;
- Reaffirms the need for adequate and predictable support for **all phases of REDD+**;
- Establishes the **link between** access to **finance and** the respect of **safeguards** (the information should be submitted before REDD+ countries can receive results-based payments);
- Encourages all financing entities, including the GCF, to channel support in a **fair and balanced manner**;
- **Links** the methodological package or “**rule book**” to the **access of support** (in particular *requests* the GCF to apply this when providing RBF);
- Establishes an “**information hub**” on UNFCCC web platform for REDD+ to publish information on results and corresponding payments;
- Delineates a **pathway or checklist to unlock results-based finance** (info/results from REDD+ elements, 1/CP.16, par. 71);
- Requests the **Standing Committee on Finance** to dedicate its soonest possible forum to consider the issue of financing for forests (ways and means to transfer payments for RBA, as well as for alternative approaches).

The adopted decision doesn't resolve the COP Work Program mandate of contributing to scale up finance for REDD+, however it:

- Explicitly establishes a **link between the GCF and REDD+**;
- Creates and clarifies a **pathway to access** results-based finance;
- Sets the ball rolling for REDD+ countries to **move towards implementation** in the different phases;
- Keeps the options open for different sources of support, **allows for flexibility**;
- Represents an important **building block** for connecting REDD+ to the broader climate architecture
- **Political will, ambition, and commitment** will be key in the months to come to achieve a stronger decision that ensures finance for REDD+ in the medium and long term.

## Conclusions

Parties were able to make compromises in order to produce seven decisions: five decisions related to the methodological guidance that was needed for REDD+ countries to move forward with the implementation of activities; one on institutional arrangements and coordination of support for REDD+; and one on Results-based Finance for REDD+.

The REDD+ “**rule book**” (the methodological guidance package of 5 decisions) has been finalized, opening the door for REDD+ countries to start up with implementation activities under the UNFCCC. Any country can submit as soon as deemed appropriate, a Reference Level or Reference Emission Level to be assessed under the rules adopted, and from there move forward with the steps to access results-based payments.

The joint SBSTA/SBI process also had a strong conclusion given that it decides on the establishment of a **national entity or focal point for REDD+** to facilitate the coordination of support for REDD+. Such national entities or focal points are encouraged to meet in the context of the SBs meetings each year to exchange information and share lessons learned.

Finally, the decision derived from the works on the COP Work Program on Results-based Finance clearly identifies the **Green Climate Fund as a key entity to finance REDD+**; it encourages all entities intending to support or supporting the implementation of REDD+, to **apply the methodological package** approved under the UNFCCC; recognizes the need of adequate and predictable support for **all REDD+ phases**; and finally, clearly establishes a **link between** the report on how **safeguards** are addressed and respected **and the access to finance**.

**The Warsaw Framework for REDD+ has been adopted**, and by concluding (most of) the Cancun mandate, Parties have made REDD+ a reality.

- The **rules are clearly defined** now, so REDD+ countries can move forward with the implementation through phases
- The methodological guidance and technical decisions promote **transparency** and **environmental integrity**
- Parties have shown that with hard work and political will, **consensus can be achieved**
- **REDD+** is now **linked to** other **relevant discussions** under the UNFCCC, recognizing its important contribution to the climate change discussions and actions

## Next steps for UNFCCC

More work needs to be done, in particular related to:

- The ways and means to **transfer results-based payments**
- The **operationalization** of the information hub
- Pending issues in SBSTA (methodological aspects of **non-carbon benefits and non-market based approaches**)
- Reflections on a post-2020 agreement and the role of forests in a **land-based** approach
- **Scaling up finance** for REDD+ in all phases, but in particular for the long term.

As some of our colleagues from the REDD+ world have explained: we have finished building the **REDD+ house**, now we just need to equip it with all the necessary features – but the door is now open for business – REDD+ is a reality.

## Next steps for WWF

The realization of REDD+ is a major achievement for WWF after more than five years of direct work to prepare and push for REDD+ to become a reality. This does not, though, mark the end of WWF's REDD+ efforts. It is now more important than ever before for WWF to:

- ✓ Reaffirm its commitment supporting REDD+.
- ✓ Reaffirm its commitment to tropical forest nations and communities and to supporting their efforts to implement REDD+ and conserve their forests.
- ✓ Continue to push for developed nations to increase funding of all phases of REDD+ with the UNFCCC framework – without this, the system cannot operate.
- ✓ Continue to support capacity building and knowledge sharing efforts necessary for effective REDD+ implementation.
- ✓ Continue to support the UNFCCC system as it begins to implement REDD+ and works through the finer details of implementation.
- ✓ Continue to work with national and multi-national entities (e.g. Norway, World Bank) to support alignment of these, UNFCCC and other REDD+ related systems in ways that ensure the effectiveness of REDD+ globally.



WWF's new three-year Forest and Climate Strategy, which is currently being approved, includes plans for these activities.

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