



REDD+ AT A CROSSROADS: WWF expectations for REDD+ in Durban

WWF key expectations for REDD+ in Durban

1. Close the REDD+ finance gap and clarify the role of market finance
2. Decide on REDD+ methodologies that benefit the climate, people and nature (information system for safeguards, reference levels and MRV)
3. Develop a global target for REDD+ mitigation linked to long-term finance
4. Address drivers of deforestation

Background

- The next UN climate convention meeting (COP17) takes place in Durban, South Africa, from 28th November – 9th December, 2011. REDD+ is a key issue on the Durban agenda.
- As deforestation is responsible for up to a fifth of global carbon emissions, efforts to curb emissions from forest loss in developing countries – known as REDD+ – are key to tackling climate change.
- A REDD+ agreement was achieved in Cancun (2010), **however key decisions are needed at COP17 in Durban in order to get REDD+ right for the benefit of the climate, people and nature.**

1. Close the REDD+ finance gap and clarify the role of market finance

A) REDD+ result-based finance (phase 3)

REDD+ will require new and additional, predictable and adequate funding from **multiple sources**. To close the funding gap between current financial commitments and the resources needed for full implementation of REDD+, different funding sources are necessary. The Cancun decision left open how to finance results-based actions for REDD+.

WWF is calling for an agreement in Durban that includes the following key principles:

- Funding to support **results-based actions** should come from a **flexible combination** of public and private sources, including market based sources, as well as scaled up bilateral and multilateral sources. As agreed in Cancun, funding for **other actions** should be limited to existing or new sources of public finance.
- Durban should look into **new and innovative sources**, beyond existing public finance sources, including REDD+ finance coming from innovative climate adaptation and mitigation financing mechanisms such as forest climate bonds¹, measures to address emissions from international aviation and shipping², or financial transaction taxes.
- **REDD+ credits** should only be included within compliance market-based mechanisms during Phase 3 if they represent performance-based results that are:
 - Quantified against a national reference emissions level/forest reference level or a sub-national reference emissions level/forest reference level that is incorporated into a national accounting system; and
 - Fully monitored, reported, and verified at the national level in a manner that accounts for emissions leakage or displacement.
- As a finance source, **offsetting in compliance markets** should meet the following conditions:
 - It is additional, preserves market integrity, and avoids double-counting;
 - Limited to REDD+ countries that have reached phase 3;
 - Developed countries commit to a 40% emissions reduction by 2020 as compared to 1990 levels, with the vast majority achieved domestically through transforming critical sectors such as energy.
- Given the gigatonne gap that currently exists to meet the 2°C goal from the Cancun Agreements, REDD+ Finance should primarily be used to **achieve additional reductions** in emissions above and beyond national commitments, rather than used as an offset mechanism for donor countries to meet their own domestic commitments.
- Agree to a Green Climate Fund in Durban and, following the recommendations of the Transitional Committee by its fourth meeting to COP 17, agree to add a dedicated REDD+ window under the GCF by the 1st meeting of the board of the GCF to secure a flow of new, additional, predictable and adequate finance for REDD+.

B) Scaled up funding for phase 1 and 2 urgently needed

Developing countries must be assisted in their efforts to achieve the pre-conditions necessary for the full implementation (phase 3) of REDD+.

- **Scaled up funding** from bilateral and multilateral sources is **urgently needed** to assist developing countries in achieving the full implementation phase of REDD+ and achieving the pre-conditions necessary for results-based performance.

¹ Cranford, M., Henderson, J.R., Mitchell, A.W., Kidney, S. and Kanak, D.P., "Unlocking Forest Bonds – A High-Level Workshop on Innovative Finance for Tropical Forests", Workshop Report. WWF Forest & Climate Initiative, Global Canopy Programme and Climate Bonds Initiative.

http://wwf.panda.org/what_we_do/footprint/climate_carbon_energy/forest_climate/publications/?201251/Unlocking-forest-bonds

² "International Transport: Turning an Emission Problem into a Finance Opportunity", WWF Recommendation Paper, June 2011
http://wwf.panda.org/about_our_earth/aboutcc/publications/?uNewsID=200520

C) Estimate global REDD+ finance needs from the “bottom up”

Most available figures on REDD+ implementation are “top-down” estimates based on international analyses using generic scenarios that have not been validated within implementing country realities. More realistic national estimates are needed. These should be based on approaches from the bottom-up (local and regional) implementation with subnational (i.e. local and regional) costs associated with clear actions, targets and timescales.

- Durban should start a process under the UNFCCC to **develop a common methodology** and set of assumptions to derive these “bottom-up” estimates.

2. Decide on REDD+ methodologies that benefit the climate, people and nature

A) Maximise REDD+ co-benefits for people and nature (Safeguards)

- In Durban, Parties should **agree on a common framework** for national information systems on safeguards, guided by a harmonized international structure that includes measurable indicators, guarantees transparency and full and effective stakeholder participation, and allows comparisons to be made between national systems.

B) Avoid “hot air” and reward countries equitably (RL/REL)

- In Durban, Parties should agree on **modalities** for setting reference levels / reference emission levels **aligned with principles** that ensure additionality, avoid displacement, leakage and double-counting, are based on historic data, and provide incentives for countries with low deforestation rates to conserve existing forest carbon stocks.

C) Measuring, Monitoring, Reporting and Verifying of REDD+ (MRV): Start “simple” and aim for continuous improvement

The Cancun COP16 Decision requests that developing country Parties develop robust and transparent national forest information management systems for monitoring and reporting (but not verifying) REDD+ activities. The Decision further requested the SBSTA to develop modalities for MRV of anthropogenic forest-related emissions.

MRV is a complex issue and there is no one single data source that can cover all REDD+ data needs. Therefore, an optimal combination of data sources needs to be found, taking into consideration cost, data quality and potential results of REDD+ activities.

- National MRV systems should build upon **existing data** and expertise, and should aim for **continuous improvement**. MRV of REDD+ should use the most recent **IPCC guidelines** using lessons learned from “fast start” experiences such as the Guyana - Norway agreement.
- In Durban, Parties should agree on using MRV as an instrument to **generate credibility and public trust**, such that REDD+ demonstrably contributes to:
 - Significant and permanent greenhouse gas emission reductions
 - Addressing the underlying causes of deforestation and forest degradation
 - Maintaining and/or enhancing biodiversity and ecosystem services
 - Sustainable and equitable livelihoods
 - Recognizing and respecting the rights of indigenous peoples and local communities
 - Full and effective participation of indigenous peoples and local communities

3. Adopt a global REDD+ mitigation target linked to long-term finance

While Parties in Cancun at COP16 agreed that countries should aim to slow, halt and reverse forest cover and carbon loss, no date was agreed by which this should be achieved.

A clear, ambitious and measurable global target for reduced emissions from deforestation and forest degradation is a critical milestone toward limiting global climate change to well below a 2°C average increase.

A global REDD+ target would also set the benchmark for an associated global target for associated financing to ensure that adequate resources are available to implement REDD+ at scale. Such a target is needed to avoid dangerous climate change, to reverse the alarming trend of biodiversity loss, and to ensure socio-environmental benefits for the more than 1.2 billion people on Earth who depend upon forests for their livelihoods.

The Living Forest Report, Chapter 3, demonstrates that while WWF's proposed target of **Zero Net Deforestation and Forest Degradation (ZNDD) by 2020** is technically feasible, it is only realistic if we employ a REDD+ regime at scale. ZNDD by 2020 will also result in zero net emissions from forest loss and degradation by 2020.

- In Durban, Parties should **agree** to set a measurable, time-bound, global REDD+ target by COP18.

4. Address drivers of deforestation

In order for REDD+ to succeed, it must effectively reduce, and ultimately reverse, the drivers of deforestation. Doing this involves reforming ineffective legal and governance frameworks, harmonizing land use policies across different sectors (e.g. agricultural, mining, public infrastructure and forests), reducing the negative footprint of national and international markets and trade, removing perverse subsidies that result in forest clearing, and clarifying land use rights and responsibilities.

While the Cancun COP16 Agreement recognised the need for all countries to reduce pressure on forests and to address the drivers of deforestation, how this will be achieved remains undefined.

- In Durban, Parties should agree on a specific process (including a work plan) to **develop methodologies** to address the drivers of deforestation in time for adoption by COP18, and agree for countries to report back on progress by COP19.

For further information:

Bruce Cabarle
Leader, WWF Forest & Climate Initiative
Bruce.Cabarle@wwfus.org

Gerald Steindlegger
Policy Director, WWF Forest & Climate Initiative
gerald.steindlegger@wwf.at

Melissa Tupper
Communications Director, WWF Forest & Climate Initiative
Melissa.Tupper@wwfus.org