

Policy Brief

EXPECTATIONS FOR REDD+: UNFCCC-COP20, LIMA, PERU DECEMBER 2014



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WWF calls on Parties to the 20th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC-COP 20) to integrate REDD+ within the broader climate architecture and address technical issues for REDD+ still under discussion under the Subsidiary Body for Scientific and Technical Assistance (SBSTA).

OVERALL ASKS

Developed country Parties should commit immediate support for targeted actions on forests and the land sector in key regions, since these sectors can deliver immediate emissions reductions for the pre-2020 period.¹ Forest nations can contribute to the peaking of emissions by tabling their **national contributions** toward achieving **Zero Net Deforestation and Degradation (ZNDD)** by 2020. Parties must show a real commitment in providing REDD+ finance and must define a pathway to scale up finance for REDD+ in all phases. This will require rapid advances in the discussions in the Standing Committee on Finance, and in the Green Climate Fund.

It is crucial to guarantee the **inclusion of the forest sector in the new climate regime**; for that, reflections on the role of forests in a land-based approach on a post-2020 agreement need to be advanced.

The Role of Forests Pre-and Post-2020

WWF urges Parties at COP 20 to integrate forest and land use actions, including REDD+, into the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) discussions, by:

- Ensuring all Parties consider the forest and land sector in their Intended Nationally Determined Contributions (INDCs)

- Promoting mitigation actions in the forest and land use sectors, including through REDD+, to help close the “gigatonne gap” before 2020

The latest IPCC science in 2013 and 2014 was a wake-up call for the climate and thus for all countries to drastically reduce their emissions. According to the IPCC scientists, the critical 2 degree target can still be met if global emissions peak by 2020 and decrease by the mid-century by 40-70 per cent (compared to 2010) and eventually go toward zero and below by 2100.²

According to the UNEP Emissions Gap Report (2013), current global mitigation actions will leave us with **an annual emissions gap of 8-12 GtCO₂e by 2020—the so-called “gigatonne gap”** in order to reach the 2 degrees Celsius goal.

Agriculture, forestry and other land uses (AFOLU) play a major role in this as they are responsible for nearly a quarter (24 per cent) of global anthropogenic greenhouse gas (GHG) emissions. AFOLU activities continue to emit 10-12 GtCO₂e annually. About half of **that derives from deforestation and forest degradation (...)**³

However, AFOLU activities, including REDD+ for developing countries, **so far haven't found recognition in the deliberations of the ADP, neither pre-(ADP Workstream 2), nor post-(ADP Workstream 1) 2020.**

¹ 10-12 GtCO₂e are emitted each year from these sectors

² IPCC AR5 Synthesis Report, November 2014; bit.ly/1u1meNe

³ Bastos Lima, M.G., Braña-Varela, J., Kleymann, H., Carter, S. (2014). The Contribution of Forests and Land Use to Closing the Gigatonne Emissions Gap by 2020. WWF-WUR brief no.2; bit.ly/1mGAY7y

PARTIES MUST SHOW A REAL COMMITMENT IN PROVIDING REDD+ FINANCE AND MUST DEFINE A PATHWAY TO SCALE UP FINANCE FOR REDD+ IN ALL PHASES.

WWF applauds the initiative by the **ADP in organizing Technical Expert Meetings (TEM)** to explore technical opportunities to unlock emission reductions pre 2020. One of these sessions was held on forest and land use in Bonn in June 2014. This reinforced the message regarding the important role that forests play in the fight against climate change.⁴

Parties should explicitly discuss the role of forests **under both workstreams of the ADP** to guarantee that its contributions to the fight against climate change are well-acknowledged within the new climate framework under the Convention that will be applicable to all Parties for adoption at COP 21 in Paris 2015.

Therefore, INDCs should be prepared, taking into consideration emissions reductions from the forest sector, including changes in forest cover, contributing to reach ZNDD and related emissions by 2020. In the **forest context, the need for differentiating INDCs becomes apparent**: while post 2020, emissions from the forest sector need to become a mitigation obligation for all Parties in order to enable calculations of total anthropogenic GHG emission,⁵ **REDD+ must remain an incentive mechanism for developing countries, relying on financial support by countries with high responsibility and high capacity, the private sector, and other sources of support.** The inclusion of forest under both work streams of the ADP will also contribute to incentivize the expected participation of the private sector in REDD+ under a future climate framework, as one of the hindering factors for it is the uncertainty of whether REDD+ will be supported in the post-2020 regime.

Consequently, and in line with WWF's overall recommendations for the Co-Chairs' draft text on INDCs Information Requirement (ADP.2014.12.DraftText)—and addressing the principle of common but differentiated responsibility—WWF proposes **that INDCs submitted by developing countries with low responsibility and low capability should clearly indicate which portion of their efforts will require international support and which portion they will undertake themselves.**⁶

Finance

- Adequate and predictable support for REDD+ up to and beyond 2020 is urgently needed
- REDD+ finance needs estimates depend on the level of ambition pursued and range from up to US\$48 billion by 2020 to US\$53 billion annually to achieve ZNDD by 2020

WWF urges Parties at COP 20:

- To make commitments towards REDD+ finance beyond the existing fast-start period to include both the mid- and long-term finance
- To come up with a pathway for REDD+ finance up to 2020 and beyond

While many developing countries have demonstrated their commitment to implementing REDD+ actions, and some donor countries have signalled their continued commitment to finance REDD+, there is a very large number of high responsibility and high capability countries who have not yet indicated how they will live up to the financing commitment made in Copenhagen, including to support REDD+.

On the positive side, WWF welcomes and acknowledges the pledges made in Warsaw at COP 19—especially to the BioCarbon Fund's Initiative on Sustainable Forest Landscapes (ISFL)—as well as the commitments announced more recently at the UN Climate Summit in New York in September 2014. WWF particularly welcomes Norway's financial commitment to Peru of US\$300 million for REDD+ and acknowledges other forest finance bilateral commitments from the United Kingdom, Germany, and Norway to provide support for 20 results-based finance REDD+ programs.⁷ However, no longer term and concrete financial commitments have been allocated or pledged. WWF encourages other key countries like the US who have been supporting important REDD+ initiatives such as the BioCarbon Fund's ISFL, to come forward with more ambitious and substantive pledges of support in Lima.

⁴ See unfccc.int/bodies/awg/items/8171.php

⁵ See WWF International Submission The Information Requirements for INDCs October 2014, in reference to ADP.2014.7.DraftText

⁶ See WWF International Submission The Information Requirements for INDCs October 2014, in reference to ADP.2014.7.DraftText

⁷ See website of the German Ministry of Environment, Nature Conservation, Construction and Nuclear Safety; bit.ly/1172noV

Without greater certainty of adequate financial support, REDD+ countries will not be able to advance with the implementation of REDD+ actions at a pace needed to realize the mitigation potential of the forest and land sector by 2020 and beyond. Immediate support for targeted actions on forests and the land sector through ZNDD strategies, and rapid progress on scaling-up results-based finance to support REDD+ in the long term, are needed.

Adequate and Predictable Support Needed

WWF asks developed country Parties to meet their commitments made in numerous REDD+ UNFCCC decisions to provide **“adequate and predictable support.”** While the “adequateness,” the precise volume of finance necessary to achieve REDD+ objectives from a developing country perspective, is hard to determine, a few studies came up with estimates. These studies show **that the need for REDD+ finance depends on the level of ambition pursued by Parties:**

- **LOWER RANGE Scenario: 50 per cent reduction by 2020 and US\$5 per Ton CO2 = Up to US\$48 billion by 2020**
- According to the most recent study by United Nations Environment Programme Finance Initiative (UNEP FI), Global Canopy Programme and others, “Stimulating Interim Demand for REDD+ Emission Reductions”⁸ projected **supply of emission reductions from REDD+ and/or other forest and land-based activities between 2015 and 2020 will be 3 to 39 times larger than potential total demand.** According to this study, up to US\$48 billion by 2020 need to be secured under a scenario which assumes an **annual reduction of deforestation of 50 per cent by 2020 and a carbon price which is set at US\$5 / TCO2.**⁹

- **MID-RANGE Scenario: 50 per cent reduction by 2030 = US\$17-33 billion annually**

- Previous estimates from UNEP showed **US\$17-33 billion per year** is needed to achieve a **50 per cent reduction in deforestation by 2030** which is also the agreed deforestation target under the New York Declaration on Forest from September 2014.¹⁰

However, WWF stresses that these numbers are **likely to be a minimum** as they focus mostly on opportunity costs of actual deforestation (or calculate with a US\$5-per-ton-CO2-scenario), but not the additional costs of conserving standing forests and avoiding leakage, which is necessary to comply with REDD+. Transaction costs (which mainly address governance) could be of the same magnitude as opportunity costs, at a minimum doubling current financing estimates. Thus, to achieve an objective of **ZNDD by 2020, roughly US\$30-53 billion per year will be required.**¹¹

All finance estimates above are far beyond the **US\$8.6 billion**,¹² pledged and invested so far but are far less than the total **US\$544 billion** spent worldwide on fossil fuel subsidies in 2012.¹³

This urgent finance need for forests further underscores WWF’s overall asks to developed countries to **make pledges to the Green Climate Fund (GCF) this year totalling at least US\$15 billion**, and scale up financing flows through the GCF significantly in subsequent years.¹⁴

Although WWF recognizes that the private sector committed themselves to provide “deforestation free supply chains by 2020” in the New York Declaration on Forests shared in September 2014, up until now the role of the private sector has been incipient; therefore, WWF calls for private sector engagement in immediate action to support REDD+:



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⁸ See GCP, IPAM, FFI, UNEP FI 2014. *Stimulating Interim Demand for REDD+ Emission Reductions: The Need for a Strategic Intervention from 2015 to 2020*, Global Canopy Programme, Oxford, UK; the Amazon Environmental Research Institute, Brasilia, Brazil; Fauna & Flora International, Cambridge, UK; and UNEP Finance Initiative, Geneva, Switzerland.

⁹ Op. cit. GCP, IPAM, FFI, UNEP FI 2014

¹⁰ *Reddy set grow: Opportunities and Roles for Financial Institutions in Forest Carbon Markets*, UNEP Finance Initiative, May 2011; bit.ly/1173O6Z

¹¹ Compare Bastos Lima, M.G., Braña-Varela, J., Kleymann, H., Carter, S. (2014). *The Contribution of Forests and Land Use to Closing the Gigatonne Emissions Gap by 2020*. WWF-WUR brief no.2.; WWF (2011). *Forests and Climate: REDD+ at a Crossroads*. WWF Living Forests Report: Chapter 3; bit.ly/1xzTLD8

¹² Norman and Nakhoda, 2014- Standing Committee on Finance, Eighth meeting of the Standing Committee on Finance Bonn, Germany, 1-3 October 2014 Revised background paper on coherence and coordination: the issue of financing for forests, taking into account different policy approaches; bit.ly/1vdFj5z

¹³ International Energy Agency (2013). *World Energy Outlook 2013 Factsheet*; bit.ly/1zVKVTM

¹⁴ WWF GCEI’s Policy Expectations for UNFCCC COP20, 2014; bit.ly/14yQYR7



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- The financial sector should develop instruments and strategies, such as insurances and guarantee funds, to reduce the barriers to invest in sustainable land use practices in developing countries as part of low carbon development and REDD+ strategies
- The investment community (including financial markets and the financial services sector) should increase transparency in reporting on the “forest footprint” of their investments and to shift them to those that are not driving deforestation and forest degradation
- Companies engaged in extracting industries that contribute to deforestation and forest degradation must invest in switching to deforestation free practices, and in supporting local, regional, and national REDD+ strategies

In sum, the current scale of financial commitments and support for REDD+ is inadequate to achieve the target of 50 per cent of emissions reductions from the forest sector by 2030. Therefore, countries must (individually and collectively) increase in a substantive way their level of financial commitments, and mobilize sufficient resources from a variety of sources, in order to live up to their collective commitments. Without scaling up efforts and guaranteeing adequate and predictable support, developing countries won't be able to make the shift to a low-emissions development path for sustainable economic growth.

SBSTA

Safeguard Information Systems (SIS)

In previous COP decisions, Parties agreed on the “Cancun safeguards” for REDD+ actions and asked REDD+ countries to develop SIS for providing information on “*how the safeguards are being addressed and respected,*” in a manner that ensures “*transparency, consistency, effectiveness and comprehensiveness.*” Such information is to be periodically updated and shared through countries’ national communications, and voluntarily on the UNFCCC web-based information hub. In order to receive results-based payments, REDD+ implementing countries are to share their latest “summary of information.” However, there are **two key gaps** in the existing guidance on safeguards. First, there is **no specification of what type of information the summaries should contain.** Second, there is **no guidance on how to ensure the SIS are transparent, consistent, effective and comprehensive.**

Developing stronger SIS and summaries of information can have multiple benefits, from helping countries’ actions to gain more support (internally and externally) by building credibility on their strategies or action plans, to creating acceptance of a common set of expectations that could eventually simplify the multiple reporting requirements from donors, among other benefits. WWF therefore asks SBSTA 41 to develop further guidance that is **supportive** of developing countries’ efforts to implement REDD+, and **not a burden.** WWF recommends that the UNFCCC **request the following information for the countries’ summaries on how safeguards are being respected and addressed:**

- **An interpretation of the REDD+ safeguards in that particular country context,** i.e. how they are translated into the given national circumstances and priorities

- A presentation of **the existing policy and legal framework** in the country (including other ratified international agreements that can support the implementation of REDD+ safeguards), explaining how they operate and support the REDD+ safeguards
- The **criteria and indicators** utilized by the country to measure performance and progress
- A description of the **methodology utilized** to assess how safeguards are being addressed and respected, for the sake of transparency (e.g. how and when information was collected, how this process was carried out in a socially-inclusive participatory manner, how the information was analyzed and made available)
- The **actions taken and next steps** to respect and address safeguards

For further information, please see WWF submission to SBSTA 41 on “Addressing safeguards in REDD+: the need for further UNFCCC guidance.”

Joint Mitigation and Adaptation Mechanism (JMA)

WWF expects to see **progress on how to address the SBSTA mandate regarding the need for further guidance for other policy approaches such as Bolivia’s proposal on joint mitigation and adaptation**, while also allowing REDD+ to move forward.

Integrated approaches, such as the joint mitigation and adaptation mechanism, can help achieve carbon emission reductions, adaptation benefits and other non-carbon benefits at the same time. UNFCCC Parties have recognized the potential for REDD+ actions to generate adaptation co-benefits. One particular proposal in this direction is the joint mitigation and adaptation mechanism. This mechanism, proposed by Bolivia, includes policy integration and land planning, promotion of biocultural conservation initiatives, and actions oriented to articulate agricultural productive processes managed at the local level.

Some questions, however, may still need further clarity on such as:

- Whether REDD+ provides the flexibility to accommodate the main features of other policy approaches such as the joint mitigation and adaptation mechanism or if a complete new framework is needed
- Whether other policy approaches such as JMA require development of alternative indicators (such as those that could be used to assess performance of both mitigation and adaptation benefits)

Pairing the discussions on non-carbon benefits (NCB) with indicators on adaptation, could be a way forward to accommodate the main elements of the JMA at the national and local level, and could provide a framework for assessing such integrated interventions.

For further information, please see WWF’s submission to SBSTA 40 on “Addressing methodological issues of non-carbon benefits and non-market-based approaches in REDD+.”

WWF emphasizes that **any policy approaches**, non-market or market, towards reducing emissions from deforestation and degradation will **need to incorporate the COP 16 safeguards** agreed upon in Cancun.

IT IS CRUCIAL TO GUARANTEE THE INCLUSION OF THE FOREST SECTOR IN THE NEW CLIMATE REGIME

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WWF's Forest and Climate Programme works to ensure that the conservation of tropical forests as carbon stores is secured by green economic development that benefits people, the climate and biodiversity in transformational ways.
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CONCLUSION

REDD+ is one of the most immediate large-scale mitigation and adaptation opportunities. COP 20 can make important advances on this global effort by consolidating support for REDD+ from donor countries, while at the same time completing the remaining set of technical decisions. Without the finalization of the design elements of REDD+ and without a clear mechanism to support its implementation, limiting the rise in global temperatures to 1.5°C or even 2°C will not be achievable. Finally, COP 20 is a crucial opportunity guarantee the inclusion of the forest sector in the new climate regime.

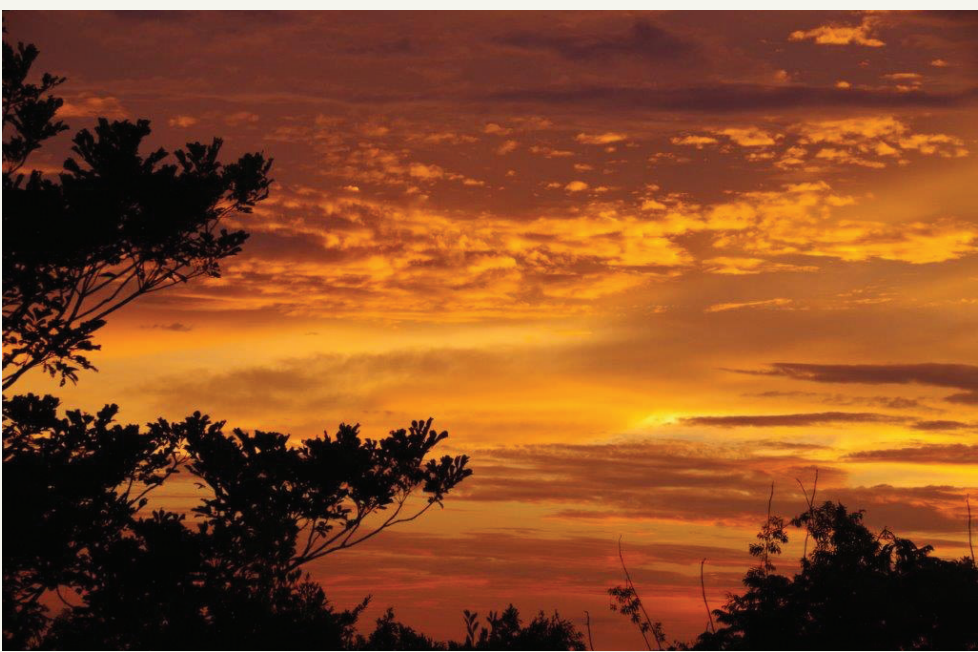
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¹⁵ WWF October 2014 interview on COP20 expectations; bit.ly/1v4yx1Y

COORDINATION OF SUPPORT

In Warsaw, Parties were invited to designate a national entity or focal point to serve as the liaison with the UNFCCC Secretariat and other bodies of the Convention, to improve coordination of support for REDD+ implementation. One of the **main roles of these national entities or focal points is to nominate the entities in their countries that can receive results-based payments.** At this COP, the first meeting of the national entities or focal points will take place, and **WWF expects Parties to agree on how these annual meetings will be organized, structured and facilitated, and that Parties agree on making these meetings as inclusive as possible, allowing participation of CSOs, Indigenous Peoples' Organizations, the private sector, and other key stakeholders.** WWF also hopes to see that those **nominated to represent Parties in these meetings will be people engaged in REDD+ implementation** as this will promote discussions more oriented to REDD+ implementation, challenges and opportunities.¹⁵ WWF emphasizes the importance of having this coordination forum inside the UNFCCC in order to secure the (climate) integrity and transparency of financial support to REDD+ countries.



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