

REDD+: Discussions begin on non-market-based approaches

Bonn, 7 June (Kate Dooley) – The contact group on ‘reducing emissions from deforestation and forest degradation’ (REDD+) under the Subsidiary Body on Scientific and Technological Advice (SBSTA), met on Thursday June 6th, to commence discussions on how non market-based approaches, such as joint mitigation and adaptation approaches could be developed, and to initiate work on methodological issues related to non-carbon benefits. Paragraphs 39 and 40 of the Doha decision (1/CP.18) requested the SBSTA to consider these issues.

There was wide spread support for the importance of non-carbon benefits from observers, and both developed and developing countries. With Indonesia, Cameroon, the Philippines, Thailand and Ghana noting that different methodologies and approaches are needed for non-carbon benefits. The EU and Norway said that utilising and monitoring non-carbon benefits is the prerogative and responsibility of developing countries, while the Philippines, the US and Brazil noted the relationship between safeguards and non-carbon benefits needs to be clarified.

Observers emphasized participation for indigenous peoples and the need to address the drivers to deforestation and degradation, points which Tuvalu reiterated. Indonesia supported the need for non market-based approaches, with Bolivia emphasizing they would like to see a decision with specific methodologies for non market-based approaches in Warsaw.

After the Chair opened the session first to observers, a representative of the **Safeguards Working Group** defined non-carbon benefits as positive social, governance, and environmental outcomes of REDD+ that are essential for achieving lasting emissions reductions. They are

important tangible benefits linked to safeguards implementation and they need to be incentivised through all phases of REDD+. They stated that guidance on assessing results will be needed if countries wish to receive payments for non-carbon benefits, which can utilise proxies, community monitoring and guidance under other relevant processes, including the Convention on Biological Diversity (CBD), FCPF (Forest Carbon Partnership Facility), UN-REDD, the FIP (Forest Investment Programme), and the REDD+ SES (REDD+ Social and Environmental Standards).

A member of the **Accra Caucus on Forests and Climate Change** stated that non-market based approaches to reducing deforestation and forest degradation can offer environmental, social and governance benefits (non-carbon benefits) while reducing emissions. However, they noted with concern that in some tropical forested countries, local forest based communities are being blamed as the drivers of deforestation, based on analyses which under-communicates the role of the major industrial drivers of deforestation. This can result in measures taken to counteract the drivers of deforestation that target local forest based communities. The Caucus recommended that all Parties must adequately identify and address the drivers to deforestation to prevent leakage and to ensure that forest based communities do not become victims of REDD+.

The **International Indigenous Peoples Caucus on Climate Change** (the IP Caucus) reminded governments that most of the worlds remaining forests are found in indigenous peoples customary owned or managed territories. They stated that non-carbon benefits should be defined within a human rights framework, and

non-market approaches should be supported in all aspects of REDD+. In addition, they put forward priority proposals to frame the non-carbon benefits, including establishing mechanisms for full and effective participation of indigenous peoples, in line with their right to free prior and informed consent (FPIC); encouraging governments to provide legal measures to recognize indigenous peoples in all stages of REDD+; to prevent forced eviction and relocation of indigenous peoples; and to establish grievance mechanisms at the local, national and international levels.

The **Environmental Defense Fund (EDF)** said that non-carbon benefits are necessary but not sufficient to achieve emissions reductions - results based payments should therefore be based on quantified emissions reductions. **WWF** said that the implementation of REDD+ can lead to a wide variety of economic social and environmental benefits. Parties should be explicit on the goal of the non-carbon benefits in order to move forward with the work, keeping in mind that not all benefits will be relevant to all parties and their national circumstances.

The Chair then opened the floor to Parties, with the **US** taking the floor to state that they appreciated the opportunity to hear first from observers. It noted that REDD+ brings a host of benefits in addition to mitigation, which goes beyond the safeguards themselves. The US stated that in the context of the UNFCCC the focus must be on reducing emissions, which they believe can be achieved through non-carbon benefits, and that non market approaches are an appropriate way to finance REDD+ if this in a Parties interest and a Party chooses this channel of finance. The US noted that methodological issues specific to non market-based approaches have not yet been identified, and they are interested to explore if differentiated methodologies are needed for non market-based approaches.

Indonesia said they were pleased to see recognition in terms of the complexity of methodological aspects related to non-carbon benefits – there are a wide range of non-carbon benefits, which cannot be addressed with the same methodologies as carbon benefits. It said there is a need to understand how non-carbon benefits will apply in the context of national circumstance, so the discussion may take some time.

For non market-based approaches, Indonesia noted the need to define what we mean by this, and that even in phase 3 (of REDD+) there is a need for actions, which are not practical for market approaches.

Tuvalu thanked observers for their comments and noted that the point raised by the IP Caucus on participation is critical – if we are determining a regime, which will reflect the rights of indigenous peoples, we must reflect their views in discussions. It also noted the point raised by the Accra Caucus on drivers of deforestation and forest degradation - we cannot address deforestation without addressing the drivers. Tuvalu reminded other Parties that developed countries are not the only consumers of internationally traded products which drive deforestation – with some developing countries now importing products which have caused deforestation elsewhere, as a consequence of domestic actions to protect their own forests.

Japan noted that forests provide social and environmental benefits, but that measuring these benefits will be an additional burden for Parties.

Brazil sees the issue of non-carbon benefits as closely linked with other issues, in particular drivers and safeguards, and linked with other forums such as the UNFF. It requested a very clear conceptual discussion on non-carbon benefits, in order to avoid reopening previous discussions and decisions. Brazil saw it as important to incentivise the multiple benefits of forests in order to incentivise the distribution of resources, which will arise from carbon results.

Cameroon thanked observers for their contribution and noted that in COMIFAC countries, the level of deforestation and degradation is very small, so incentives are needed which are not based only on reduced emissions. The work done to protect forests in the Congo Basin region contributes to stabilisation of the climate, and so it would like to see the international community give more importance to non-carbon results.

The **Philippines** said it was important to keep in mind that REDD+ objectives are in line with the objectives of the Convention, which are not limited to emissions reductions, but also include sustainable development. Non-carbon benefits will address the underlying causes of deforestation. Broad criteria will need to be

developed to define non-carbon benefits, and the link to safeguards must be clarified.

Bolivia stated that it has engaged constructively in REDD+ discussions, despite its disagreement with the current REDD+ approach, and it feels that it is now time for other Parties to engage in the development of a non-market approach. Non-market approaches require a discussion about approaches, finance and methodologies. Bolivia has proposed a joint adaptation and mitigation approach as a holistic approach to achieve sustainable development, and wants to see a decision to move this forward at Warsaw, with specific methodological guidance.

Bolivia noted that non market-based approaches must form part of results based finance in order to recognize *ex-ante* public finance delivered through the GCF.

Norway agreed with previous statements that REDD+ can provide important social and environmental co benefits to produce a 'triple win' and that the maintenance of standing forests are contributing to these co benefits. Norway observed that it is in the national responsibility and national interests to implement REDD+ in a way that provides these co benefits. Norway sees that we need to come to a specific understanding of what non-carbon benefits are, before we can enter into a methodological discussion. It stated that non-carbon benefits may be achieved outside the Convention, through multilateral and bilateral arrangements and in other bodies.

Malaysia understands that non-carbon benefits are needed and should be addressed alongside and in the context of safeguards and other ongoing international Conventions. Practical and cost effective processes need to be in place to address non-carbon benefits based on national experiences.

Thailand thanked observers for their interventions, noting their valuable experience on these issues and suggesting a platform to get further observer views into the process. It noted we need a clear definition of non-carbon benefits to then explore whether methodologies can be developed and policy incentives utilised. Monitoring non-carbon benefits remains a responsibility at the national level.

Ghana noted that payment for environmental services (PES) can cover both carbon and non-carbon benefits, in order to achieve sustainable land use. Non-carbon benefits are intangible and will need to be appreciated by quantifying them to recognize their contribution. Sustainable forest management, biodiversity conservation and conserving forests are a huge cost and incentives are needed for the countries that provide these services in order to meet their opportunity costs.

The **EU** stated that non-carbon benefits are an important issue and crucial for the success of REDD+ - to that end the EU provides specific support, which contributes to enhancing non-carbon benefits such as improving forest governance. It noted that countries decide their own REDD+ strategies and action plans and can highlight what they think is important. In terms of methodologies for non-carbon benefits, the EU sees that not only the safeguards, but also the principles in the Cancun decision reflect this. Methodological issues need to explore further what role safeguards already play to stimulate non-carbon benefits.

On non market-based approaches the EU thought it was possible within the current REDD+ structure to have a joint mitigation and adaptation approach and so it did not see the need for specific additional guidance at the international level, as this was a pathway a country could decide at the national level.

Bolivia's intervention had been clear that they see the joint adaptation and mitigation approach as an alternative approach to REDD+, and not something that fits within the principles of REDD+.

The Chair concluded the session with six countries still on the speaking list due to lack of time. The group will continue to meet in informal sessions and drafting groups to advance their discussions on a wide range of issues, in particular monitoring, reporting and verification (MRV); additional guidance on safeguard information systems; the drivers to deforestation and forest degradation; and technical assessments for reference emissions levels/reference levels.