

Zero Net Deforestation by 2020 - A WWF Briefing Paper -

1. Introduction

Deforestation continues at an alarming rate – 13 million hectares per year, or 36 football fields a minute (7.3 million hectares per year “net” forest loss taking into account forest restoration and afforestation). Deforestation and degradation of forests, particularly in the tropics, have dire consequences for the global climate, biodiversity and people.

In proposing a target of zero net deforestation by 2020, WWF aims to help consolidate efforts to halt deforestation across various international initiatives and to set a global benchmark against which the success of these efforts can be measured.

This briefing paper provides guidance and recommendations on implementation strategies to achieve the zero net deforestation target.

2. Why WWF proposed the target?

2.1 Deforestation has negative effects on the climate, biodiversity and people

- Emissions from deforestation, and forest degradation, currently generate almost 20 per cent of global greenhouse gas (GHG) emissions. Without effectively and urgently addressing deforestation the world will fail to mitigate dangerous global warming.
- Forests contain the vast majority of the world's terrestrial biodiversity. WWF's Living Planet Report shows an alarming picture: Over the last 35 years we lost 30% of the planet's biodiversity. Without effectively and urgently addressing deforestation, particularly in the most diverse tropical region, the world will fail to conserve the diversity of species and healthy ecosystems. This can result in huge economical loss as indicated by The Economics of Ecosystems and Biodiversity (TEEB¹) initiative.
- Many people source food, medicine, building materials and fuelwood directly from forests, and depend on forest ecosystem services for water supply, flood prevention, and climate change mitigation. Some 1.6 billion people worldwide depend on forests for their livelihoods, with 60 million indigenous people depending on forests for their subsistence.

2.2 Enhance international efforts and processes linked to climate change mitigation, biodiversity conservation and protection and sustainable management of forests

In proposing a target of zero net deforestation by 2020, WWF aims to help consolidate efforts to halt deforestation across various international initiatives and to set a global benchmark against which the success of these efforts can be measured. These initiatives include:

- The Millennium Development Goals (MDGs), which aim to ensure environmental sustainability (Goal 7) and to integrate the principles of sustainable development into national policies and programmes and reverse the loss of environmental resources. Progress towards achieving this goal is measured *inter alia* by the proportion of land area covered by forest. The UN Millennium Development Goals Report 2007 observed that deforestation continues, especially in biologically *diverse regions*. The UN 2006 Progress

¹ www.teebweb.org

Chart drew the alarming picture that eight of ten regions showed no progress, with a deterioration or reversal against the target of reversing forest loss.

- The United Nations Framework Convention on Climate Change (UNFCCC), which has acknowledged the need to reduce GHG emissions from deforestation and forest degradation (REDD). Zero Net Deforestation by 2020 should be translated to its equivalent in reduction of forest-based GHG emissions in the post 2012 treaty under the UNFCCC.
- The CBD Programme of Work on Forests, which aims to reduce the loss of forest biodiversity associated with forest loss and degradation. The expanded programme of work on forest biological diversity consists of three programme elements, 12 goals, 27 objectives and 130 activities related to Conservation, Sustainable Use, Benefit Sharing, Institutional and Socio-Economic Enabling Environment, Knowledge, Assessment and Monitoring. However, the programme lacks clear, time-bound targets for curbing deforestation. The target of “zero net deforestation by 2020” should be adopted as one of the post 2010 biodiversity targets of the CBD. At the Ninth Conference of Parties to the Convention on Biological Diversity (CBD COP9) in May 2008 in Bonn, delegates of 67 countries pledged support for WWF's call for zero net deforestation by 2020
- The United Nations Forest Forum (UNFF), which has set a global objective to “reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation”. It has also committed to “work globally, regionally and nationally to achieve progress towards their achievement by 2015”. The 2020 target therefore is a natural next step to translate progress by 2015 into a final objective.
- The United Nations Convention to Combat Desertification (UNCCD), which aims to maintain forests and tree cover to combat land degradation and desertification by stabilizing soils, reducing water and wind erosion and maintaining nutrient cycling in soils. Deforestation often causes severe soil erosion and watershed depletion.
- Various other relevant organisations and partnerships, e.g. the World Bank's Forest Carbon Partnership Facility (FCPF) and the Collaborative Partnership on Forests (CPF), are working to reduce forest loss.

3. What does "Zero NET Deforestation" mean?

- **“Zero net deforestation” can be distinguished from "zero deforestation", which** means no deforestation anywhere.
- **"Zero net deforestation" acknowledges that some forest loss could be offset by forest restoration.** Zero net deforestation is not synonymous with a total prohibition on forest clearing. Rather, it leaves room for change in the configuration of the land-use mosaic, provided the net quantity, quality and carbon density of forests is maintained. It recognizes that, in some circumstances, conversion of forests in one site may contribute to the sustainable development and conservation of the wider landscape (e.g. reducing livestock grazing in a protected area may require conversion of forest areas in the buffer zone to provide farmland to local communities).
- **Conserve as much of the world's remaining natural forests as possible.** The Vital Forest Graphic Report published by UNEP/FAO/UNFF (2008) notes that “a “net change” in forest area may hide the fact that natural forests are being deforested in one part of a country or region while forest plantations are being established in another area.. In some cases natural forests are converted into forest plantations while undisturbed primary forests are being changed into modified or even degraded forests. To maximise the conservation of biodiversity and the reduction of GHG emissions we need to conserve as much of the world's remaining natural forests as possible. This is also underpinned by the key findings of leading experts assembled in the Ad Hoc Technical Expert Group (AHTEG) on biodiversity and climate change. In “REDD plus” plantations may have a place and could, for example, relieve pressures to fell natural

forests, but they should be established in addition to, or in support of, reducing emissions from deforestation and degradation not instead of it.

- **Zero Net Deforestation by 2020 needs to be translated into a GHG emission reduction target.** As forest destruction is responsible for close to 20 % of global emissions, it is imperative that action to reduce emissions from deforestation be taken as part of the Copenhagen Agreement. This must be done in a manner that promotes the protection of biodiversity and fully respects the rights of local and indigenous peoples. Countries should commit to reducing gross forest-based greenhouse gas emissions by at least 75% by 2020, with a view to eliminating nearly all human induced forest emissions by 2030².
- **This is a global target, but effective national action plans integrating national REDD plans need to be developed.**

What about forest degradation?

Although WWF's call for zero net deforestation focuses on the need to stop forest loss, avoiding forest degradation is equally important in reducing carbon emissions, preserving biodiversity, and maintaining critical services for people, particularly, local communities and indigenous groups. Often, forest degradation is a process whereby areas of natural forest are gradually transformed into degraded land or replaced by other land uses. Managing forests to avoid degradation is often a key strategy to prevent deforestation. WWF therefore works on both deforestation and forest degradation.

Sustainable forest management can be characterized as an upstream investment in preventing deforestation. It is a critical strategy to avoid “death by a thousand cuts” scenarios, where forests are progressively degraded to the point where they are vulnerable to fire, invasive species, encroachment or conversion to other land-uses.

4. Why 2020?

- For forest resources globally, the 2020 target is a measurable milestone towards a longer term goal of improving forest cover and quality.
- To prevent runaway climate change, greenhouse gas emission rates must peak before 2020 and decline to 80% below 1990 levels by 2050.
- The time-scale is feasible, given the relatively long planning periods associated with global political processes and the time needed to effectively address the underlying causes of deforestation in developing countries.
- With an annual reduction of 10% of the current global deforestation rate, the world can achieve zero net deforestation by 2020.
- It is expected that a REDD mechanism will become fully operational with the start of the second commitment period of the Kyoto Protocol in 2013. This will give a period of 8 years where the mechanism can contribute to the 2020 target.
- The UNFF is committed to achieving progress towards reversing global forest loss by 2015. The 2020 target therefore is a natural next step to translate progress by 2015 into a final objective.
- The 2020 target, however, is not intended to water down existing, yet more ambitious, targets or policies, whether at national or international levels. For example, Paraguay already has a Zero Deforestation Law in force, which prohibits the conversion of native forests.

² See also the proposal for an amended Kyoto Protocol and a new Copenhagen Protocol by members of the NGO community http://assets.panda.org/downloads/treaty_part_1_final.doc

5. How can the target be achieved?

5.1 Promising achievements show the way

Many countries have made efforts to stop forest loss, with some remarkable achievements. Examples include the Amazon Regional Protected Area (ARPA) Programme, and the three-country Heart of Borneo initiative which saw a historic declaration signed by the three Bornean governments – Brunei Darussalam, Indonesia and Malaysia to conserve and sustainably manage 220,000 km² of equatorial rainforests on one of the world's most important centers of biological diversity. The Zero Deforestation Law – which was introduced by Paraguay in 2004, has dropped the rate of deforestation in Paraguay's Atlantic Forests in the period 2005/06 by an incredible 85%. Costa Rica was once a hotspot of deforestation. Forest cover fell from 80 per cent in the 1950s to just 21 per cent in 1987. But since then, Costa Rica has reversed its forest loss by paying farmers to protect the forests, and is getting extra income from millions of tourists coming to see the wildlife. Today forest cover is back above 50 per cent.

5.2 General strategies

There is no single solution for tackling deforestation. Effective strategies will involve a range of measures. These include:

- REDD³ (reducing emissions from deforestation and forest degradation) initiatives;
- integrated land-use policies and planning processes;
- protection and sustainable management of forests;
- socially and environmentally responsible afforestation and reforestation; and
- promoting responsible consumption and production of forest-related goods and agricultural commodities.

The target cannot be achieved by environmental and forest agencies alone. It requires integration of various cross-sectoral governmental policies such as agriculture, energy, finance and trade.

5.3 Key social and environmental safeguards

To ensure the target is achieved in a manner consistent with the principles of sustainable development, WWF recommends that those supporting efforts to achieve zero net deforestation respect the following broad principles:

- Base land-use decisions affecting forests on transparent planning processes to achieve an optimal distribution of natural forests, plantations, agricultural areas, urban areas and other land-uses in a given landscape. Such processes should include well-informed negotiations among a wide range of stakeholders to balance ecological, social and economic dimensions of natural resource use across the landscape.
- Recognize and guarantee the legal and customary rights of indigenous peoples and rural populations to own, use and manage their lands, territories, and resources.
- Maintain and enhance High Conservation Values.⁴

³ See ANNEX 2, WWF Position on Forests and Climate Change Mitigation.

⁴ WWF is opposed to the indiscriminate conversion of forests or other natural eco-systems that have high conservation values and/or critical carbon storage functions with plantations, croplands, pastures, urban settlements and other land-uses. However, the HCV approach, originally developed within a sustainable forest management approach (i.e. FSC certification), does not declare all forests containing high conservation values to 'no-go' zones. Rather it is designed as a tool to enable forest managers to develop conservation-based management plans. See also www.hcvnetwork.org

- Prevent the use or release of Genetically Modified Organisms (GMOs) into the general environment until ecological interactions are fully researched and safeguards are put in place.
- Ensure that projects to reduce deforestation and related GHG emissions, address leakage (the displacement of deforestation elsewhere), additionality (ensuring the reduction goes beyond what would have happened anyway) and permanence (potential for loss of stored carbon due to fire, pests, disease, etc.).

5.3 All actors have a role to play

WWF recognizes that reversing forest loss can only be achieved collectively. It needs the support of public and private sector actors, all parts of the supply chain from producer to consumer and their financiers, and the local stakeholders in places threatened by deforestation. It will also require strong collaboration across relevant international processes e.g. UNFCCC, CBD and UNFF. In the following, we list examples of key measures governments and the private sector can undertake.

- **Government measures to address deforestation in their own countries:** Governments can develop and implement national programmes for reducing emissions from deforestation and forest degradation (REDD), with support from developed countries, to prepare for a post-2012 REDD mechanism. Such programmes should identify policies and measures and of prospective early actions necessary to make meaningful reductions and gain relevant practical experience, assess the drivers of deforestation and forest degradation, identify pathways to equitable sharing of benefits and should contribute to biodiversity conservation and the well-being of people, especially indigenous and local communities. Planning should involve all relevant ministries and levels of government to avoid policy conflicts and clarify respective responsibilities. Pilots can build capacity on the ground and test methodologies for carbon monitoring and measurement. National programmes should also include climate change adaptation measures to reduce vulnerability of forest ecosystems and natural resources and integrate environmental and social safeguards into climate change mitigation and adaptation activities.
- **Government measures to support global efforts to address deforestation:** All governments can support the inclusion of a REDD mechanism as a credible and compensated form of emissions reductions within a post-2012 UN climate treaty. Developed countries can provide funds to contribute their fair global share to support developing countries through commitments for funding all 3 phases⁵ of REDD, both pre-2013 and as part of the post-2012 agreement. High levels of predictable funding from sources such as market-linked mechanisms (e.g. AAU auctioning and levies on international transport) will be needed for all phases. Once in phase 3 a portion of the funding could be provided through compliance market access for REDD (in a way that is additional to the necessary level of domestic action by developed countries). Governments can also adopt responsible public procurement policies for all products made from raw materials potentially linked to deforestation. Such policies can recognise credible voluntary certification schemes for wood and paper products, bio-energy and agricultural commodities such as palm-oil, soy and others. Governments can also take action to combat imports of products containing illegally-sourced timber including legislation to ensure that only wood and paper products from legal sources are traded.⁶
- **Private sector actions:** In forestry, agriculture and extractive industries, producers can develop and implement better management practices that are consistent with environmental and social safeguards and certification standards. Further down the supply chain, manufacturers, traders and end-users can procure responsibly from these sectors and reject products linked to deforestation. The financial sector can also apply investment screens based on these safeguards.

⁵ See ANNEX 2

⁶ Illegal logging is a pervasive problem of major international concern as it often leads to deforestation. Illegal logging and wood trading encompass the harvesting, transport, purchasing and sale of wood, where national or sub-national laws are violated. The share of illegal logging in global wood production is estimated at 20-40%, and the economic loss through lost receipts for the state, industry and forest owners is estimated at US\$ 15 billion (Euros 9.5 billion) per year. Illegal logging pushes wood prices down worldwide by 7-16%. (Illegal logging and the EU, WWF 2008 at www.panda.org/forests)

6. Conclusion

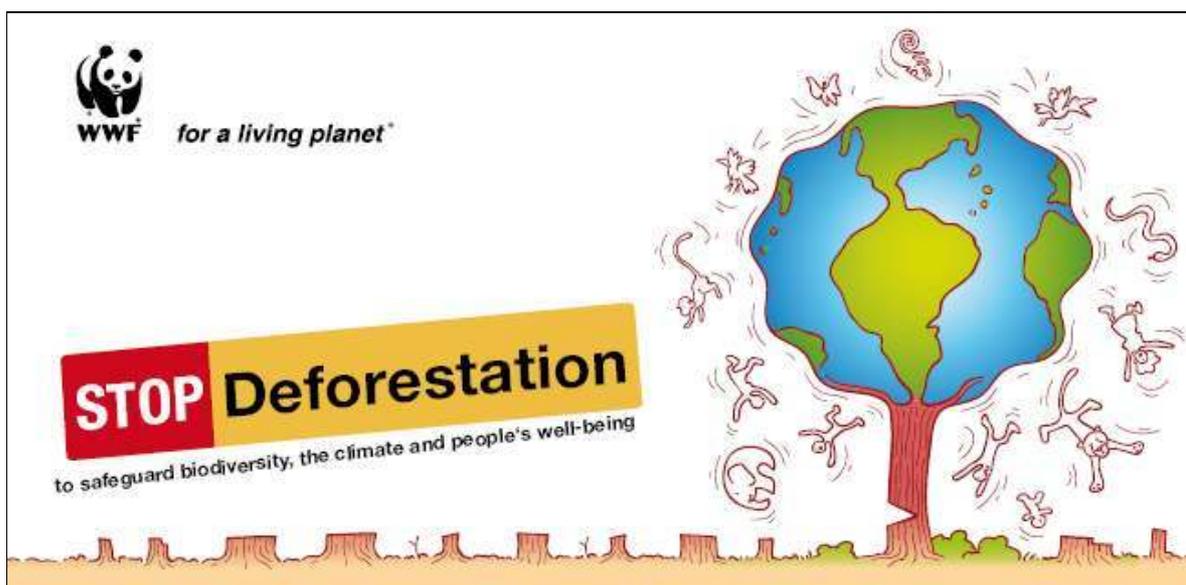
WWF invites all stakeholders to support the call for a zero net deforestation by 2020, and stands ready to work with all stakeholders in making this target a reality.

For further information please contact:

Gerald Steindlegger, gerald.steindlegger@wwf.at

CBD COP 9, May 2008: 67 Countries already pledged support for zero net deforestation by 2020

At the Ninth Conference of Parties to the Convention on Biological Diversity (CBD COP9) in May 2008 in Bonn, delegates of 67 countries pledged support for WWF's call for zero net deforestation by 2020. Led by the CBD Executive Secretary, Dr. Ahmed Djoghlaif, ministers, heads of delegation, the EU Commissioner for the Environment, and representatives of various international organizations made these pledges by signing postcards addressed to WWF International's Director-General, Mr. James Leape⁷.



Dear Mr. James Leape,

I share your concern at the dramatic consequences that deforestation of the planet is causing on biodiversity, global climate, and the health and security of millions of people. I agree we need to reverse and stop this trend.

I offer my personal support to WWF's call for achieving zero net deforestation by 2020.

Sincerely,

_____ (name)

Minister of _____ (country)

_____ (place, date)

NB: You can also drop your signed postcard at the WWF "Plaza of Diversity" Pavilion during the CBD COP9 Conference in Bonn.


To
Mr. James Leape
 WWF International's
 Director-General
 Ave du Mt. Blanc
 1196 Gland
 Switzerland

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Illustration: Lisa Marzochi

⁷ For more information go to <http://www.panda.org/forests>

**Parties to the Convention on Biological Diversity who signed the WWF Postcard
Calling for Zero Net Deforestation by 2020
(As at 30 May 2008)**

- | | |
|----------------------------|-------------------------------|
| 29. Afghanistan | 1. Nigeria |
| 30. Australia | 2. Oman |
| 31. Austria | 3. Pakistan |
| 32. Benin | 4. Panama |
| 33. Bosnia and Herzegovina | 5. Paraguay |
| 34. Brazil | 6. Peru |
| 35. Burkina Faso | 7. Poland |
| 36. Cambodia | 8. Samoa |
| 37. Colombia | 9. Senegal |
| 38. Congo-Brazzaville | 10. Serbia |
| 39. Costa Rica | 11. Sierra Leone |
| 40. Croatia | 12. Slovenia |
| 41. Cyprus | 13. South Africa |
| 42. Czech Republic | 14. St Vincent and Grenadines |
| 43. Denmark | 15. Sweden |
| 44. Ecuador | 16. Tajikistan |
| 45. Ethiopia | 17. Tanzania |
| 46. Finland | 18. Tchad |
| 47. France | 19. Timor Leste |
| 48. Gambia | 20. Turkmenistan |
| 49. Germany | 21. Uganda |
| 50. Guatemala | 22. Ukraine |
| 51. Guinea-Bissau | 23. UK |
| 52. Guinea (West Africa) | 24. Vietnam |
| 53. Hungary | 25. Yemen |
| 54. India | 26. Zambia |
| 55. Indonesia | 27. Zimbabwe |
| 56. Iran | 28. European Commission |
| 57. Japan | |
| 58. Kenya | |
| 59. Latvia | |
| 60. Lesotho | |
| 61. Liberia | |
| 62. Madagascar | |
| 63. Mauritania | |
| 64. Mexico | |
| 65. Namibia | |
| 66. Nepal | |
| 67. Netherlands | |
| 68. New Zealand | |

Others:

- CBD Secretariat
- Commission of Forestry in Central Africa (COMIFAC)
- IUFRO
- Ramsar
- UNEP
- Subregional Programme for the Conservation of Marine and Coastal Areas in West Africa (PRCM)

Note:

Contact **Gerald Steindlegger** (gerald.steindlegger@wwf.at) if you are interested to join in the call for a zero net deforestation by 2020.

WWF Position Paper on Forests and Climate Change Mitigation



for a living planet

July 2009

WWF Global Climate Policy **POSITION PAPER**

Emily Brickell

Climate & Forests Officer
Forests Programme
WWF-UK

Tel: 0044 (0)1483 412579

E-mail: EBrickell@wwf.org.uk

WWF position on forests and climate change mitigation

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Forests have significant economic and ecological value as a provider of ecosystem services, being home to much of the world's biodiversity and supporting the livelihoods of over 1 billion of the world's poorest people. **There is an urgent need for capacity building and early action now.**

*Photo: Misty sunset on the Amazonian forests.
French Guiana*

Executive summary

A strong post-2012 climate regime is essential to keep the rise in global temperature well below 2 degrees Celsius. Reducing emissions from deforestation and forest degradation in developing countries (REDD) is a critical component of the overall greenhouse gas emission reductions required to achieve this climate goal. The following strategies are needed to ensure REDD supports a successful global climate regime.

Phased approach

REDD will require significant preparation and planning to produce measurable, reportable and verifiable reductions. This is best achieved through **national-level REDD programs with national-level baselines and monitoring. These programs should be developed in three rigorous phases: Planning (Phase 1), Preparing (Phase 2) and Executing (Phase 3).** Graduation from one phase to the next should be based on clear, internationally approved standards within a United Nations Framework Convention on Climate Change (UNFCCC) defined framework. The post-2012 treaty will need mechanisms to oversee countries' passage through these phases at their own pace, and to determine and periodically review national baselines.

Financing REDD

REDD will **need substantial and predictable amounts of funding starting immediately.** There is an urgent need for capacity building and early action now. Developed

countries should commit to provide such funding as part of the agreements reached at the 15th Conference of the Parties (COP15) in Copenhagen. **High levels of predictable funding from sources such as Assigned Amount Units (AAU) auctioning,** as well as other possible mechanisms including levies on international transport, **will be needed to secure the fast movement of countries through REDD development phases and as an incentive for emissions reductions and should be urgently pursued.** Additional funding from other public and private funding sources and voluntary carbon markets will also be needed.

Over time, **compliance carbon markets¹** can also play an increasing role in securing adequate funding for REDD. This must happen in a way that maintains the integrity and overall functioning of the market, ensures developed countries have sufficient incentives to transform their domestic economies, maximizes funding for REDD and is perceived as fair in terms of the effort for emissions reductions demanded of different countries.

As a group, developed countries must commit to a 40% reduction by 2020 as compared to 1990 levels, with the vast majority (emissions reductions of 30%-35%) achieved domestically through transforming critical sectors such as energy. Simultaneously, developing countries must be supported to achieve at least 30% emissions reduction below business-as-usual (BAU) scenarios. **Annex 1 countries should assist developing countries to achieve this deviation by funding REDD and other emission reductions efforts with public or market-linked funding such as AAU auctioning.**

¹ Compliance market is defined here as one where a credit can count against a UNFCCC commitment

Additional REDD financing could come from offsets and developing country actions that are not financially supported by Annex 1 economies.

An alternative way to express this would be for developed countries to explicitly set a **'dual-target'** with one part covering domestic action and another part covering their financial and technological support for developing countries' deviation from BAU, including REDD. In either scenario, it is important to prevent REDD from being double-counted as emissions reductions in developed and developing countries.

Early action activities

As agreed in the COP in Bali in December 2007, **pilot projects and other readiness activities at national and sub-national levels should start immediately** to gain experience and help develop robust national REDD systems. **Public funding is the most appropriate source for early action.**

Scope

Stopping deforestation and degradation is the most urgent forest related task, will bring the most immediate climate benefits, and has the most established monitoring methodologies. Addressing emissions from agriculture, forestry and other land uses (AFOLU) is a medium-term priority. Parties should begin now to find ways to create conditions for AFOLU to be integrated in the climate regime over time.

Co-benefits

REDD has the potential to create substantial environmental, social and economic co-benefits. To ensure this, REDD policies must be consistent with national **sustainable development** objectives that promote conservation and **biodiversity**, and safeguard the rights of **local communities** and Indigenous Peoples.

The background

Forests have a vital role to play in the fight against global warming, being the largest terrestrial store of carbon and the third largest source of carbon emissions after coal and oil. Deforestation is estimated to be responsible for 18% of current greenhouse gas emissions². In addition, forests have significant economic and ecological value as a provider of ecosystem services, being home to much of the world's biodiversity and supporting the livelihoods of over 1 billion of the world's poorest people.

Although their importance in addressing climate change is clear, forests have had a complex history in the international climate negotiations. The UNFCCC calls on all nations to protect and enhance the reservoirs of carbon, including forests. The Marrakech Accords made *afforestation and reforestation*³ projects in developing countries eligible to a limited extent for the Clean Development Mechanism (CDM) – a flexible mechanism that allows developed countries to offset some of their emissions through projects in developing countries.

The Marrakech Accords, however, excluded *deforestation* and forest *degradation* in developing countries. There were a number of reasons for this, including concerns that: 1) carbon stored in forests might not be permanent because it could be released in the future due to human activities such as logging or natural disturbances such as drought; 2) protecting a forest in one place might simply result in deforestation in another area (*leakage*); 3) deforestation "avoided" by the project might not have happened anyway (*additionality*), and; 4) data and methodologies weren't available and/or sufficiently accurate.

Another key concern at the time of the Marrakech Accords was that developed countries would have fewer incentives to reform their economies if they were allowed to offset emissions with projects in developing countries.

² Stern, N. "The Economics of Climate Change", (2006), The Office of Climate Change, London, UK.

³ Afforestation refers to planting new forests while reforestation refers to recreating severely degraded or cleared forests.

Where we are now

Avoiding catastrophic climate change will depend upon holding the average increase in global temperatures to well below 2°C – a feat that will require the global emissions of greenhouse gases to be reduced by at least 80% below 1990 levels by 2050. Achieving cuts of such magnitude will require steep reductions in all sources of greenhouse gas emissions – including the emissions from deforestation and forest degradation. WWF's Climate Solutions report concluded that the probability of success in limiting global warming to 2°C drops progressively from greater than 90% down to 35% in the absence of effective action to curb REDD emissions⁴.

Recognition of this reality, together with recent technical improvements in monitoring forest cover through satellite imagery, have contributed to an emerging international consensus, signalled in the COP in Bali, that a post-2012 UN climate agreement must include measures and objectives to curb greenhouse gas emissions from deforestation and forest degradation based on a national-level framework, as well as the necessary finance and technical assistance to achieve it.

Proposals for a post-2012 REDD mechanism have started to address the concerns around leakage and permanence of forest carbon. Widespread acceptance of the need to develop national-level REDD programs goes a long way towards addressing leakage concerns stemming from project-level initiatives. Various options have been proposed to address the risk of non-permanence, including buffers (i.e. only “selling” a proportion of the emissions reductions into the system), pooling of multiple forest areas, discounting (i.e. applying a discount factor to the emissions reductions achieved) and insurance and liability schemes.

Several key questions today shape the debate around REDD. They include:

- How should REDD be included in the post-2012 agreement?
- How can developing countries produce measurable and verifiable emissions reductions through REDD?
- How should REDD be financed?
- What is the appropriate scope of REDD (i.e. deforestation, forest degradation, soils, reforestation, etc.)?

Inclusion of REDD in the post-2012 climate agreement

REDD's integration into the post-2012 UN climate agreement must support speedy implementation and give REDD the prominence it requires. REDD reductions should be seen as part of an overall package needed to achieve climate goals.

The post-2012 treaty will need mechanisms to oversee the development of national REDD programs, as well as mechanisms to determine and periodically review national baselines.

In a scenario where developed countries set an overall target that includes domestic reductions and offsets, developed countries as a group must commit to 40% reduction by 2020 as compared to 1990 levels, with the vast majority (emissions reductions of 30%-35%) achieved domestically through transforming critical sectors such as energy. Simultaneously, developing countries must be supported to achieve at least 30% emissions reduction below business-as-usual (BAU) scenarios. Annex 1 countries should assist developing countries to achieve this deviation by funding REDD and other emission reductions efforts with public or market-linked funding such as AAU auctioning. Additional REDD financing could come from offsets and developing country actions that are not financially supported by Annex 1 economies. An alternative way to express this would be for developed countries to explicitly set a ‘dual-target’ with one part covering domestic action and another part covering their financial and technological support for developing countries’ deviation from BAU, including REDD. In either scenario, it is important to prevent REDD from being double-counted as emissions reductions in developed and developing countries.

⁴ Mallon, K., G. Bourne and R. Mott “Climate Solutions; WWF's Vision for 2050” (2007) WWF International, Gland, Switzerland provides greater detail on the need to reduce emissions from deforestation and degradation as a necessary part of a comprehensive global climate strategy.

Phasing a national-level REDD approach

A national-level approach to REDD in developing countries should be adopted in which activities fit into a national framework and accounting system. A national approach is critical to address the leakage risks described above and to address deforestation in a comprehensive manner, by tackling key national and local drivers of deforestation and supporting institutional and technical capacity building in developing countries.

The system should be built in three phases – Planning, Preparing and Executing – that have clear, internationally approved thresholds and pre-defined criteria for graduating from one phase to the next. A UNFCCC-defined international institutional REDD mechanism would implement the phased process in a way that allows individual countries to proceed at their own pace.

The post-2012 climate agreement will secure measurable, reportable and verifiable (MRV) REDD actions with increasing security as the country moves through the phases. It is anticipated that most emissions reductions would occur in Phase 3, although early action pilot activities should be encouraged in Phases 1 and 2. A summary of the activities and requirements for each stage is provided below:

PLANNING (PHASE 1)

Assessment, planning, stakeholder consultations and institutional capacity building to develop a national REDD plan

By the end of Phase 1, the following requirements will have been achieved:

- 1 Well-established process and institutional arrangement for engaging stakeholders with a credible and monitorable participation plan;
- 2 Identification of national government REDD authority;
- 3 Base-level MRV capability and plan to acquire capability necessary to meet all reporting requirements;
- 4 Approval of a national REDD plan that includes an assessment of the drivers of deforestation in the country and a first cut at a national baseline.

PREPARING (PHASE 2)

Development, initial implementation and monitoring of policies and measures in accordance with the national REDD plan

By the end of Phase 2, national REDD framework would be established through

- 1 Full MRV capability;
- 2 Authentic engagement of stakeholders via a transparent and documented participatory process that reflects prior informed consent of affected forest-dependent peoples;
- 3 Testing elements of the framework (MRV, engagement, improved capacity) through pilot activities at the sub-national and national level;
- 4 Approval of framework and institutional readiness, including a national baseline by the appropriate international body designated by the convention.

Global Agreement and Framework: In addition to in-country development of a national REDD program, the ability to move into full execution is dependent on the adoption of a global framework by the UNFCCC which includes a system for MRV assessment of emissions reductions.

EXECUTING (PHASE 3)

Full-scale implementation of the emission reduction measures under the national REDD plan

Based on development during Phases 1 and 2, by Phase 3 countries would have in place a:

- 1 Fully-functioning national REDD authority and other national bodies to verify emissions reductions;
- 2 Fully-functioning MRV capability operationalized with assessments of deforestation and forest degradation conducted at intervals sufficient to meet all international standards. Assessment results should be independently verified and fully transparent;
- 3 Fully-functioning dispute or conflict resolution capacity to ensure fair and equitable treatment and revenue sharing with Indigenous or forest-dependent peoples.

Financing of REDD

The post-2012 climate agreement should ensure sufficient and sustainable incentives for REDD to become an integral component of the global climate solution and the international financial architecture. It is a priority that industrialized countries commit to provide sustainable and binding funding for mitigation and adaptation in developing countries as a fundamental part of the Copenhagen agreement, alongside their own deep domestic reduction targets.

REDD will need significant funding from multiple sources⁵. Different funding sources will be appropriate for the three phases of REDD's development and for different national circumstances. The funding system for REDD must:

- Promote substantial investment in reducing deforestation from a mix of funding sources as soon as possible.
- Support reductions that have a high level of certainty and climate integrity.
- Ensure that any new supply of credits from REDD does not undermine the functioning and intended purpose of the carbon market.
- Incentivize reaching Phase 3 as soon as possible.
- Treat countries equitably – there need to be adequate incentives for countries that have less capacity to reach Phase 3 and countries with significant carbon stocks but low deforestation rates.

Appropriate funding sources for REDD will vary over the phases as follows:

Planning and Preparing

(PHASES 1 & 2)

REDD will need adequate and predictable funding starting immediately. Developed countries should commit to provide such funding as part of the agreements reached at COP15 in Copenhagen. In the near term, this funding will need to come from new official development assistance while other

market-linked mechanisms are implemented. Pursuant to a new agreement in Copenhagen, high levels of predictable funding from sources such as AAU auctioning, as well as other possible mechanisms including levies on international transport, will be needed to secure the fast movement of countries through REDD development phases and should be urgently pursued. Additional funding from other public and private funding sources and voluntary carbon markets will also be needed.

Early actions during Preparing

(PHASE 2)

REDD will most effectively meet the goal of producing MRV emissions reductions through the implementation of national REDD frameworks where emissions reductions are accurately measured against national baselines. A national approach will minimize leakage, allow for effective treatment of drivers of deforestation and promote permanence.

With that said, it will take some time for countries to reach Phase 3. As agreed in the COP in Bali, pilot projects and other readiness activities at national and sub-national levels should start immediately to gain experience and help develop robust national REDD systems.

Substantial and predictable public funding must be provided to support early action and quickly move countries towards effective national REDD programs (Phase 3 – Executing). Once countries reach Phase 3, this funding could be supplemented as REDD activities begin to enter the compliance carbon markets, in line with the developed country targets outlined above.

Allowing project-based activities to have access to compliance markets during Phase 2 would not adequately ensure climate integrity or incentivize progress to Phase 3, and should not be allowed. The option of banking credits from Phase 2, for use as and when countries have reached Phase 3, may be considered.

⁵ A range of figures have been estimated for the costs of REDD, with most estimates falling within \$20-33 billion/year to halve deforestation. (Stern, 2008, *Key Elements of a Global Deal on Climate Change*; Strassburg et al, 2008, *An Empirically-Derived Mechanism of Combined Incentives to Reduce Emissions from Deforestation*; UNFCCC, 2007, *Investment and Financial Flows to Address Climate change*)

Executing

(PHASE 3)

High levels of predictable funding from sources such as AAU auctioning will continue to be needed as an incentive for emissions reductions achieved. Over time, inclusion of REDD in compliance carbon markets can also play an increasing role in securing adequate funding for REDD once a country reaches Phase 3. This must happen in a way that maintains the integrity and overall functioning of the market, ensures developed countries have sufficient incentives to transform their domestic economies, maximizes funding for REDD and other mitigation actions in developing countries and is perceived as fair. Options for achieving this are described above in the section on Inclusion of REDD in the post-2012 climate agreement.

Scope of forest-carbon activities to be included

The potential scope of forest-carbon extends beyond REDD to conservation and maintenance of forest-carbon stocks and afforestation/reforestation. There are also significant mitigation opportunities in agriculture and other terrestrial carbon outside of forests. Addressing emissions from AFOLU is a high priority in the medium-term, and parties should begin now to create conditions for AFOLU to be integrated in the climate regime over time.

Stopping deforestation and forest degradation is the most urgent task in the context of the overall climate-related land use policy, will bring the most immediate climate benefits, and has the most established monitoring methodologies. Therefore, the post-2012 UN climate agreement should focus first on REDD, defined as deforestation and forest degradation. Over time, parties should seek to include the broadest possible sources and stores of carbon emissions to minimize international leakage and maximize potential climate impact.

Delivering robust climate benefits

Additionality, leakage and permanence

The use of national programmes for REDD, as delivered in Phase 3, is an effective way of addressing concerns with in-country (or intra-national) leakage and difficulties in determining additionality of activities carried out at a sub-national or project level.

Various options have been proposed to address the risk of non-permanence from natural, directly human-induced or indirectly human-induced variations in forest emissions. Solutions should involve a national commitment to address risks that can be mitigated on the ground through capacity building, governance, control of territory, law enforcement, land use planning and other measures. There should be a transparent and independently verified demonstration of these national efforts as part of the monitoring, reporting and verification scheme developed during the Planning and Preparing phases.

Additional steps should be taken to reduce non-permanence risks that cannot be mitigated on the ground, such as changes due to climate change and natural disaster. Potential options include discounting, buffers, pooling, insurance and government guarantee of output. Decisions made around issues should be based on a solid assessment of the range of risks, conservative accounting, an end objective of replacing the “lost carbon” and the importance of ensuring permanence between compliance periods.

Reference levels

A country’s reference level or baseline involves the identification and measurement of emissions reductions in comparison to a business-as-usual scenario. It should be set in a way that encourages “real” reductions that would not have happened otherwise (i.e. ensure additionality).

A technical group under the Convention should approve and review national baselines and strengthen them periodically. Broad participation by countries in REDD should be encouraged, either through flexible baselines based on national circumstances or some

other mechanism. The process of establishing and reviewing baselines should be independent and take into consideration the global impact from all country baselines.

Monitoring, reporting and verifying emissions reductions

MRV of emissions reductions from REDD is critical to ensure that there are robust climate benefits delivered through these activities, alongside environmental and social safeguards. Proposed requirements for the three development phases of REDD have been outlined in the Annex. MRV for forest-carbon by Phase 3 must be equivalent to the capacity to monitor other types of emissions reductions and, therefore, the ability to deliver MRV of emissions reductions is a major component for countries graduating through Phases 1 and 2, with a UNFCCC-approved MRV system being a pre-condition of entering Phase 3.

MRV should be reliable, accurate and efficient. In addition, it should be simple and as cheap as practicable, and able to be applied to a wide variety of countries and circumstances. There should be open and meaningful participation of stakeholders and the systems should be transparent. MRV systems should be based on an internationally approved set of rules with scientific validity and once developed, should be independently verified.

Delivering broader social and environmental objectives

REDD has the potential to create substantial environmental, social and economic co-benefits. Approaches such as High Conservation Value Forests, Sustainable Forest Management, Systematic Conservation Planning, improved management and extensions of Protected Area systems should be integrated into national REDD programs. In addition, REDD should be consistent and develop synergies with the Convention on Biological Diversity.

REDD mechanisms present both opportunities and risks for Indigenous Peoples and local forest-dependent communities. Governments must ensure that any forest and climate agreement/REDD mechanism is consistent with international human rights agreements and declarations, with particular attention to the UN Declaration on the Rights of Indigenous Peoples and ILO Convention 169. Governments must also ensure that the provisions of these international agreements and declarations are actively applied in REDD implementation.

The development of national REDD programs must include genuine engagement of stakeholders via a transparent and documented participatory process. Policies that affect forest peoples require free, prior and informed consent.

Annex A: Preliminary draft of REDD national phasing

Building on the work undertaken by other organisations and parties, such as the Options Assessment Report commissioned by the Norwegian Government and proposals from parties, including the Coalition for Rainforest Nations, this is a preliminary draft for discussion of proposed activities and requirements for the three phases of national REDD development.

PHASE 1: PLANNING

Assessment, planning, stakeholder consultations and institutional capacity building to develop a national REDD plan

Consultation and transparency: Begin a structured and documented process of ongoing consultation with a wide range of non-government and government stakeholders. Establish a national body for coordinating consultation to ensure open and meaningful participation of stakeholders throughout the preparation and implementation phases.

National entity: Identify the national government entity that will have final authority to authorize the REDD units.

Monitoring, reporting and verification (MRV): Establish a national capability for MRV that provides at least a coarse-level assessment of the extent of deforestation and historical trends (at a minimum, this would be equivalent to Tier 1 capability defined by the IPCC).

IPCC and other guidance: While official requirements for REDD MRV are yet to be established, participating countries should follow best guidance (e.g. the latest IPCC guidelines) in developing a sub-section of the national REDD plan for building a more robust MRV capability that will ultimately achieve the principles of transparency, consistency, comparability, completeness and accuracy. Good practice guidance emerging from the Forest Carbon Partnership Facility (37 participating countries) and

the UNREDD program (nine countries) should be applied as appropriate.

National plan: Development and submission of a national REDD plan to the appropriate international body designated by the convention. Elements should include:

- Identification of policies and measures and of prospective early actions necessary to make meaningful reductions and gain relevant practical experience.
- Pathway to equitable sharing of benefits.
- Means of delivering social and environmental co-benefits.
- Assessment of the drivers of deforestation and forest degradation and development of strategies and relevant actions to address them.
- Initial cut of national baseline or reference level with identification of gaps in data, monitoring capacity and analytical capability that must be closed prior to arriving at a final baseline or reference level.

Threshold criteria for moving to preparation phase:

By the end of Phase 1, the following requirements will have been achieved:

- 1 Well-established process and institutional arrangement for engaging stakeholders with a credible and monitorable participation plan;
- 2 Identification of national government REDD authority;
- 3 Base-level MRV capability and plan to acquire capability necessary to meet all reporting requirements;
- 4 Approval of a national REDD plan that includes an assessment of the drivers of deforestation in the country and a first cut at a national baseline.

PHASE 2: PREPARING

Development, initial implementation and monitoring of policies and measures in accordance with the national REDD plan

Implementation framework: Develop a REDD implementation framework that would include appropriate institutional arrangements and legal requirements to implement REDD activities, including clear resource tenure.

Full MRV capability: Develop or acquire MRV capability that provides all information and data for both deforestation and forest degradation in accordance with the standards established by the IPCC and endorsed by the UNFCCC. The level of MRV capability will vary within the country depending upon the significance of target sources/sinks, available data, complexity of land cover, and incentives framework. In some areas, it is anticipated that conservative estimates based on lower precision methods (e.g. “Tier 1” and “Tier 2” in IPCC) will be used initially (with an expectation that countries will move to higher tiers during a timebound period) and uncertainty and risk may also be dealt with through buffering, pooling, discounting or banking.

National baseline: Finalize national baseline or reference level in accordance with the standards eventually adopted by the UNFCCC. Elements should include:

- Baseline or reference level should be established in a manner so that significant improvement from BAU is required prior to generation of verified emissions reductions.
- Demonstration of capability to monitor and document performance in relation to the baseline or reference level.
- National accounting methodology, including means of accounting for impacts of sub-national activities in relation to the national baseline or reference level.

Assessing early action: The national REDD implementation framework should be tested and adapted during Phase 2 based on early action pilot programs at the sub-national and national level and/or demonstration projects.

Transparency and stakeholder engagement: Throughout the development of the national framework, monitoring capability, national baseline or reference level, and initial implementation, an open, transparent and authentic participatory process should be used to fully engage all affected parties.

Threshold criteria for moving to executing phase:

By the end of Phase 2, national REDD framework would be established through:

- 1 Full MRV capability;
- 2 Authentic engagement of stakeholders via a transparent and documented participatory process that reflects prior informed consent of affected forest-dependent peoples;
- 3 Testing elements of the framework (MRV, engagement, improved capacity) through pilot activities at the sub-national and national levels;
- 4 Approval of framework and institutional readiness, including a national baseline by the appropriate international body designated by the convention.

Global agreement and framework: In addition to in-country development of a national REDD program, the ability to move into full execution is dependent on the adoption of a global framework by the UNFCCC.

PHASE 3: EXECUTING

Full scale implementation of the emission reduction measures under the national REDD plan

Based on development during Phases 1 and 2, by Phase 3 countries would have in place a:

- 1 Fully-functioning national REDD authority and other national bodies to verify emissions reductions;
- 2 Fully-functioning MRV capability operationalized with assessments of deforestation and forest degradation conducted at intervals sufficient to meet all international standards. Assessment results should be independently verified and fully transparent;
- 3 Fully-functioning dispute or conflict resolution capacity to ensure fair and equitable treatment and revenue sharing with Indigenous or forest-dependent peoples.

WWF Contacts:

Emily Brickell

Climate & Forests Officer
Forests Programme
WWF-UK

Tel: 0044 (0)1483 412579

E-mail: EBrickell@wwf.org.uk

Melissa Tupper

Communications Lead
Forest Carbon Initiative
WWF-US

Tel: (202)495 4182

E-mail: Melissa.Tupper@wwfus.org