27 November 2007

CAN International Position Statement[1]

Reducing Emissions from Deforestation and Degradation: Action in Bali and beyond

The Climate Action Network International (CAN) is a coalition of over 400 environment and development non-governmental organizations in 85 countries worldwide, committed to limiting human-induced climate change to ecologically sustainable levels. This position statement gives CAN's recommendations for the negotiations on reducing emissions from deforestation in developing countries at COP13 in Bali 2007 and beyond.

CAN's objective is to ensure that mechanisms are developed that will reduce greenhouse gas emissions, from deforestation and all other sources, fast enough to prevent dangerous climate change. Reducing emissions from deforestation and forest degradation must enhance the environmental effectiveness and improve the integrity of the UN Convention on Climate Change and its Kyoto Protocol. Thus any mechanism to reduce emissions from deforestation must be additional commitments to deeper cuts in fossil fuel emissions by developed countries after 2012.

Key Recommendations

- **A flexible, step-wise approach that accommodates differing national circumstances and capacities likely offers the highest potential for consensus and broad participation.**
- **Developing country participation in the REDD regime should incorporate rules that define creditability of actions.**
- **Developing countries should have a broad and comprehensive set of policy options available to encourage maximum participation in the REDD regime, including market and non-market instruments.**
- **Annex I countries should support positive incentives for increasing capacity to monitor, measure and verify the success of greenhouse reduction policies and measures.**
- **The objectives of both climate and biodiversity protection should form the basis of any mechanism to reduce emissions from deforestation to secure the environmental integrity of the Convention.**

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[1] Friends of the Earth International,Sustainable Energy and Economy Network, and Sobrevivencia-Paraguay do not support this position statement.

Forests in a Global Climate Framework

To avoid the worst impacts of human-induced climate change, average global surface temperature rise needs to be stabilized as far below 2^0C above pre-industrial levels as possible. Limiting warming to this level is likely to be critical to the protection of tropical forests. To achieve this, global emissions must peak and begin to decline in the coming decade. Reducing emissions from deforestation has a key role to play in achieving this goal.

Tropical deforestation accounts for about 20% of global emissions every year and has huge negative impacts on biodiversity, local communities and indigenous peoples, sustainable long-term economic growth, air quality and other environmental and socio-economic goods and services.

Moreover, deforestation removes the protection that natural forests provide against storms, floods and extreme fluctuations in local climate. Thus efforts to combat deforestation, if designed effectively, can achieve mitigation and adaptation benefits, including biodiversity conservation and sustainable development.

In CAN's view, the question is no longer whether deforestation should be addressed as part of the evolving global climate change regime, but rather how this can be done most effectively and rapidly, while ensuring equitable and fair incentives to stewards and countries. An international mechanism to reduce emissions from deforestation is necessary as part of the post-2012 framework on climate change. This mechanism must adopt national based approaches and deliver sufficient resources to negate the drivers of deforestation. Developed countries must provide substantial resources for capacity building and transfer of appropriate technology for effective monitoring and measurement. Interventions must be timely and address all drivers of deforestation, including highly profitable large scale, 'industrial' deforestation/land conversion.

The scope of a deforestation regime

The current mandate for the UNFCCC's work on approaches to reduce emissions from deforestation (RED) is to discuss reducing emissions from deforestation alone. However, as acknowledged by SBSTA, forest degradation is also an important issue when considering a comprehensive approach to mitigating climate change. In some countries, forest degradation is a larger source of greenhouse gas emissions than deforestation. Such degradation is often an important precursor to total deforestation, contributing considerable greenhouse gas emissions. **We therefore strongly support SBSTA examining the implications of including degradation within any agreement to reduce forest-based greenhouse gas emissions.**

It is also apparent that some provision must be made for countries that currently have low deforestation rates, in part to minimize potential displacement (leakage) of deforestation and degradation from countries that might participate in a REDD mechanism. Several tropical forest-rich countries in Latin America and Africa, for example, are presently experiencing

relatively little deforestation. Without some incentive to protect their forest resources, these countries are likely to face increasing pressure to deforest, especially as countries with higher deforestation rates implement REDD mechanisms that may reduce the supply of forest products while having little or no impact on demand.

Baselines and reference levels

Incentives to reduce emissions from deforestation require a baseline or reference level. **National reference levels should be employed, so as to minimise domestic leakage, and that they should include historical reference periods.** The question of how to set reference levels/baselines and future targets for countries that are not currently experiencing significant deforestation also needs to be addressed.

CAN also recognises that some countries currently may not be able to account at the national level, therefore capacity building and support needs to be undertaken as a priority for countries to implement a national level approach. SBSTA may also wish to examine the potential role and impact of sub-national activities undertaken under a national accounting framework.

Methodological issues

The ability to reliably estimate and verify reduced emissions is clearly essential for any international regime designed to limit emissions from deforestation. **CAN supports the use of the IPCC guidelines as a basis for REDD reporting, where these are relevant and applicable, recognising that additional guidance may be needed. CAN also supports using a gross accounting methodology for measuring emissions.**

While forest degradation also leads to significant emissions, including degradation within a REDD regime may complicate monitoring, and consequently increase the need for capacity building efforts. While remote sensing methodologies, coupled with ground-based measurements for verification, can be used to monitor forest cover and hence deforestation reliably at a moderately coarse scale, measuring degradation currently requires finer resolution imagery coupled with ground-based measurement and this significantly increases technical demands and cost. **CAN therefore recommends that SBSTA examine the implications of including degradation within the mechanism and examine IPCC methodologies on deforestation and degradation to assess whether they are adequate.**

Drivers and policy approaches

Drivers

To succeed in achieving sustainable emissions reductions from deforestation and degradation at a national scale, each country/region must identify and address the drivers of deforestation and degradation. At the international level, this means that any mechanism must be sufficiently flexible to address different national circumstances of participating countries.

Furthermore, to be effective, an international regime to reduce emissions from deforestation will need to provide sufficient resources to balance the driving forces behind deforestation. To begin to halt tropical deforestation, a mechanism (or combination of mechanisms) that generates resources at a sufficient scale will likely require a variety of mutually reinforcing funding options, including direct incentives, additional official development assistance (ODA) that does not divert ODA from other development sectors, carbon markets, multilateral donor funds, taxes or levies, and other potential revenue sources.

Socio-Economic and Biodiversity Issues

Any international scheme to reduce emissions from deforestation and degradation will have an influence on the livelihoods of forest people. To ensure the rights of indigenous peoples and local communities, any REDD mechanism must respect and build upon the rights and needs of Indigenous People and local communities, including customary rights related to land tenure and the right of indigenous peoples to prior informed consent over activities that affect them and their lands.

Forests not only contain carbon, they also protect water catchments, air quality, soil, biodiversity, and people. The REDD mechanism should therefore include measures to ensure that policies and incentives to reduce deforestation under the UNFCCC are consistent with other international conventions (including the Convention on Biological Diversity).

Policy approaches

It is essential to consider a variety of policy options that are linked and mutually reinforced by other international treaties and processes related to addressing emissions from tropical deforestation. Any single approach which reduces emissions from deforestation is unlikely to be suitable for all countries because of different national circumstances and capacities.

CAN considers that:

- **A flexible, step-wise approach that accommodates differing national circumstances and capacities likely offers the highest potential for consensus and broad participation.**
- **Developing country participation in the REDD regime should incorporate rules that define creditability of actions.**
- **Developing countries should have a broad and comprehensive set of policy options available to encourage maximum participation in the REDD regime, including market and non-market instruments.**
- **Annex I countries should support positive incentives for increasing capacity to monitor, measure and verify the success of greenhouse reduction policies and measures.**
- **The objectives of both climate and biodiversity protection should form the basis of any mechanism to reduce emissions from deforestation to secure the environmental integrity of the Convention.**

The Bali Mandate

It is critical that the UNFCCC COP13/Kyoto CMP3 in December 2007, deliver a "Bali Mandate" that establishes the ambition, content, process and timetable for negotiation of the next stage of international action on climate change to be concluded by 2009. It is CAN's view that a strong Bali Mandate is a critical step towards the negotiation of essential agreements that can lead to emissions peaking within the next decade and put the world on a track toward halving global emissions by 2050 compared to 1990 levels. Rapid reductions in deforestation emissions are critical to this task. It is therefore essential that the Bali Mandate includes ambition, content, process and a timetable for negotiation of a mechanism to provide incentives for reducing emissions from deforestation.