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"Framework for REDD plus action" adopted in Warsaw

Melbourne, Nov 30 (Kate Dooley) -Discussions on reducing emissions from deforestation and forest degradation (REDD-plus) were occurring under several negotiating bodies during Warsaw, with methodological issues being discussed under the Subsidiary Body for Scientific and Technological Advice (SBSTA); a joint work programme under the SBSTA/SBI (Subsidiary Body for Implementation) on institutional arrangements; and a work programme on results based finance under the Conference of the Parties (COP19). In all, 7 decisions on REDD-plus were approved in Warsaw, completing what the COP President called the "Warsaw Framework for REDD plus Action".

Taken together, the decisions constitute 'comprehensive technical guidance and elements that will facilitate result-based finance for REDD-plus', but there were several issues of contention along the way to getting agreement.

The 5 decisions concluded under the SBSTA cover the 'technical guidance' for REDD-plus implementation, namely national forest monitoring systems, measuring, reporting and verifying (MRV), the technical assessment of reference levels, drivers of deforestation and guidance on the frequency of reporting for safeguards information systems (SIS). These issues have been under negotiation in the SBSTA since COP16 in Cancun, and it is worth noting that the majority of negotiating time during the intervening 3 years has been spent on the most technical aspects of REDD- plus viz. reference levels and MRV systems.

At COP18 in Doha, a joint work programme was initiated on the coordination of support, including institutional arrangements, for the implementation of activities in the forest sector. Parties discussed the need to establish new institutions, with strong disagreements over the need to establish new institutions or not, with **Papua New Guinea (PNG)** pushing strongly for a new institution under the COP to be established, resisted by the **United States**, the **European Union** and most other developing countries. The final decision invited Parties to establish national entities, and called for an annual voluntary meeting of these entities in conjunction with the Subsidiary Bodies.

The work programme under the COP on results based finance (RBF) also reached an agreement in Warsaw, following disagreements over the balance in the text between sources of finance. **Brazil** and **Bolivia** asked for clearer reference to the Green Climate Fund (GCF), and for the provision of predictable sources of finance from developed country Parties. **China** called for the exclusion of a paragraph referring to a 'new market mechanism' and **Brazil** suggested a paragraph stating that the REDD finance decision would not prejudge the eligibility or non-eligibility of REDD-plus in existing and new market-based instruments under the Convention.

On adoption of the package of REDD plus decisions by the COP, many Parties spoke of the commitment and cooperation which resulted in the REDD plus decision, including **Mexico on behalf of Environmental Integrity Group (EIG)**, who said that Warsaw is an example of cooperation between the diversity of the committed Parties and stakeholders of developed and developing countries. **Australia on behalf of the Umbrella Group** said the completion of the international REDD-plus architecture is the result of many long days and nights work to find a solution in our aim to slow, hold and reverse the loss of forests. **Colombia on behalf of the Independent Alliance for Latin America and the Caribbean (AILAC)** commended Parties' effort in this process said it believed that this mechanism would allow us to make significant contributions to mitigate climate change post 2020 and earlier.

PNG, on behalf of the Coalition of Rainforest Nations, highlighted three aspects of this set of decisions on REDD-plus, saying first, it provides a roadmap of implementation; second, it starts a process of finance for REDD-plus action; third, it lay the foundation for the REDD-plus mechanism. It said REDD-plus will play a key role in closing the mitigation gap, which is the central element of the post 2020 agreement.

Brazil said we have completed the international architecture that would allow us to continue towards the collective goal set in Cancun to halt deforestation and to provide developing countries with the means to do so. It said that by establishing an agreed methodology to fulfill the requirements to obtain and receive results-based finance, and by assigning the GCF a key role in the provision of adequate and predictable finance for REDD-plus, we are sending signals to all actors supporting and implementing REDD-plus action throughout the developing world.

Brazil underlined the imperative that REDD-plus must ensure environmental integrity, and in order to do so, the results-based finance is not to be used to offset mitigation commitment made by Annex 1 countries.

The Philippines thanked all Parties for working seriously on the issue of social and environmental safeguards. The Philippines said it was very concerned that in the implementation of REDD-plus, there are risks that social safeguards, human rights standards and environmental safeguards can be undermined, noting that it takes the issue of safeguards very seriously.

The EU noted the REDD-plus package provides clear linkages between the methodological framework and finance for result-based actions, meaning the framework will contribute to mobilizing finance for REDD-plus actions. It was also happy with how safeguards are included in different decisions in this package.

Below are highlights of what transpired at the COP as well as in the contact groups dealing with the REDD-plus issues under the Subsidiary Bodies.

COP finance work programme

On Nov 13, during a COP plenary on 'Finance', the work programme on results-based finance for REDD-plus, established in decision 1/CP.18 para 6, reported on two workshops which had been held during the year. The COP established a contact group for agenda item 11b, under the guidance of co-chairs Agus Sari (Indonesia) and Christina Voigt (Norway), which met several times during the second week of the Warsaw Conference.

On Friday, Nov 22, the contact group arrived at a successful outcome, meeting in a final open contact group to approve the decision text. Co-chair Voigt noted the immense effort in the room in our work during the last days and nights, to be constructive and to work for a common cause. She said every country was contributing to work towards a common goal to have the REDD-plus architecture / package adopted by the COP here in Warsaw.

She outlined the main elements of the decision text as the link between progression of developing countries through different phases of REDD-plus and the provision of adequate and predictable support, and a strong focus on safeguards reporting. There are efforts to deal with guidance whether through financial entities under the Convention, or mechanisms that operate outside the Convention, and the decision notes that the GCF should play a central role in REDD-plus financing. There is the creation of an information hub – a digital platform that collects information on results-based actions and results-based payments, which is seen as an important tool by all countries. The decision recognizes that working on non-carbon benefits (NCB) is very important – these are crucial to the viability and sustainability of REDD-plus actions. The co-chairs thanked Parties and said they will forward this text to the COP for adoption.

Previously, during the contact group meeting on Nov 15, Co-chair Sari presented the report from the COP work programme (available here: http://unfccc.int/documentation/documents/advanced_search/items/6911.php?priref=600007594) summarizing the issues covered as: the need to address barriers to providing and receiving finance; the need to scale up resources and ensure predictability; links between finance and safeguards; defining the architecture; strong and transparent governance to make sure resources are mobilized and used properly; a clearing house function to facilitate the transparency and robustness of REDD-plus results; and the central and key role to be played by the GCF. Sari said that some of these issues are discussed in other fora, noting the need to avoid overlap.

Sari asked for reactions from the floor, including a mandate for the co-chairs to draft a text as the basis for discussion next week, noting that many, but not all Parties were represented in the two workshops earlier this year, which would also form input for the text.

Bolivia expressed concerns regarding the summary of workshops and recommendations for a decision to be taken at Warsaw. It reminded Parties that the Doha mandate is for policy approaches, which refers to multiple approaches, emphasizing the idea of different approaches, including non market-based approaches. Bolivia said we are discussing at least four different approaches: the carbon centric approach; carbon and non-carbon benefits; the joint mitigation and adaptation approach; and different approaches in plural. Bolivia noted that the work programme report did not offer a comprehensive understanding of the different approaches as cross cutting issues.

Indonesia said it was important to consider issues such as governance, safeguards, etc., and that the aim is to improve the effectiveness of finance and scaling up finance, including market mechanisms.

The Philippines said scaling up finance is dependent on good governance on all levels, and this really depends on how the safeguards are being implemented in REDD-plus. It said participation of indigenous peoples in making decisions on how REDD-plus finance is going to be used is crucial.

The EU responded to Bolivia, saying that it did not agree that this decision should be neutral on the different approaches to REDD-plus. The EU said the mandate for this decision was results-based finance for REDD plus. It said there was a need to improve information on results to improve the effectiveness of finance and maintain environmental integrity. The EU said it saw a central role for the GCF, but guidance should be coordinated centrally. The EU agreed with the Co-chair's summary of the elements, and noted that before receiving RBP, developing countries should provide information of how safeguards are addressed and respected.

The **US** suggested combining this text with the SBSTA/SBI work programme on institutional arrangements, to leave here with one finance related decision, and agreed with the EU that all elements from decision 1/CP.16 must be in place before RBF can occur.

Australia said it echoed the views of EU and the US. Australia said it had two key messages: to work constructively on an outcome on REDD-plus finance that is economically and fiscally responsible and reflective of real world economy and obligations that are fair. It said the objective of the Convention is not welfare transfer, but achieving a safe climate and it will not be able to agree to only developed or Annex 2 countries being urged to provide finance as the annexes (in the Convention) are out of date. It said there are 61 developing countries wealthier than Annex 2 countries. It noted that Australia has the 2nd highest Human Development Index (HDI) in the world, but there are 3 countries richer than Australia that are exempt from providing climate finance – it said this is not fair and not reflective of the real world. Australia said obligations for new, predictable and reliable finance are not realistic, as it is not just the responsibility of developed countries to provide finance. It said climate finance is not donation; it is investment and enabling conditions must be in place, noting that the lion's share of climate finance will need to come from the private sector.

PNG said that it sees a REDD-plus package coming out of Warsaw which should combine the SBSTA elements with the finance element. It said that architecture for coordinating and coherence would need a good discussion under the joint SBSTA/SBI work programme, as this would require more ambition than just an information hub.

Brazil said this was an important agenda item which defined REDD, in terms of the provision of positive incentives. It favoured an international architecture under the Convention to give some orientation to the current fragmented financing situation for REDD-plus. Brazil said this architecture must have simplicity as a core principle, and we need to use the modalities agreed in SBSTA to access RBP. Brazil said that effectiveness requires assurances of environmental integrity, which would not include an architecture that allows RBP to be used to offset mitigation commitments by developed county Parties. Brazil said that a repository must be simple and not duplicate online tools for tracking finance – there are limitations to those approaches, and the repository must provide clarity on who is entitled to access RBP.

Sudan said it supported the Co-chairs way forward, with a balanced text on non-market and market based approaches. It noted other important issues to be addressed included readiness finance and addressing the drivers to deforestation.

Japan also noted that a variety of finance sources are important, including multi-lateral funds.

Mexico on behalf of the EIG underlined the importance of the central role of the GCF to assure developing countries that results and actions will be paid for. It said a repository or information hub to facilitate the tracking and coordination of information was crucial, and said it would like to see a link between SIS and RBP.

China noted that it is not only the quantity of finance which is important, but ways to transfer finance is also part of our mandate. It said it would like to focus discussion on a clear picture and clear modalities and procedures for that.

Norway thanked Australia for being frank and open, saying it was critical to have all elements on international architecture on REDD- plus finance to work towards a good decision. Norway said it is committed to financing REDD-plus, with the new government announcing they will maintain and possibly increase REDD-plus finance until 2020. It welcomed the progress made on the technical framework for REDD- plus, saying that completing reference levels and MRV is important as it provides the basis on which RBF can be provided. It noted that the draft decision text should focus on RBF.

Guyana said finance aspects should include adequacy and predictability, a variety of sources, with public being the primary source and private including market and non-market sources. It said links with the framework for various approaches (FVA) and new market mechanism (NMM) were needed, and that market payments must be accompanied by a robust MRV system. It said that if coordination and governance issues are not concluded in the SBSTA, then it would like these issues to continue being discussed.

Colombia agreed with Guyana on taking up work by joint SBI/SBSTA under this contact group to have a single decision, and said that unlike the EU, the US and Norway, it sees value in providing specific guidance to the GCF.

Interventions were then made by observers, including **TWN** who said that any finance arrangement which allows developed countries to offset mitigation commitments undermines climate mitigation, noting with concern the vested interests of some organisations lobbying in the REDD-plus process; it also requested that indigenous peoples' voices must be included in REDD-plus decision making. **The Indigenous Peoples Caucus** said that any mitigation action in forests must be incorporated into an overarching human rights based approach, and access to RBP must be conditional on promoting non-carbon benefits. YOUNGOs spoke to strongly oppose using forests as a way of offsetting emissions through carbon trading, saying that emissions should be cut at the source and using carbon trading in REDD-plus as a way to offset emissions is clearly flawed and not a responsible solution. **WWF, UCS, EDF and CI** said it was critical to leave Warsaw with a REDD plus package.

SBSTA/SBI decision on institutional arrangements

On Nov 18, the SBI closed with unresolved differences over several issues, including institutional arrangements for REDD-plus. The contact group on Nov 16, Co-chaired by Madeleine Diouff Sarr (Sénégal) and Keith Anderson (Switzerland), forwarded a draft decision text with 3 options in it, including continuing discussions in 2014. The plenary decided that further consultations would be held in the second week of the conference, led jointly by the SBSTA and SBI Chairs.

The key issue of divergence was around the need for and function of a new REDD- plus institution to be established under the COP. In earlier negotiations, **Brazil, Tanzania, Sudan** and **Mozambique** had agreed on the need for national entities or focal points, with **Indonesia, Guyana** and **Malaysia** emphasizing the need to discuss the international entity. But many Parties did not see the need for a new institution at the international level. As discussions continued over the second week, **PNG** on behalf of the **Coalition for Rainforest Nations** insisted on a new entity being established at the international level, saying this was a way to bring the many fragmented REDD-plus funding streams into one central place, simplifying access to funding, and reducing budget costs. Other Parties, including the **US**, the **EU** and **Norway**, did not agree, wishing to maintain flexibility and diversity in the channeling of donor funds.

The final decision invited Parties to establish a national entity or focal point for REDD-plus as well as different policy approaches, including joint mitigation and adaptation approaches, and for these focal points to meet annually in conjunction with the Subsidiary Bodies. The decision also encourages the sharing on information in order to address issues related to the coordination of support, identify possible needs and gaps, and provide opportunities to exchange information between the relevant bodies established under the Convention, and multilateral bodies.

SBSTA methodological package

On Nov 16, the SBSTA REDD group, Co-chaired by Richard Bamfo of Ghana and Peter Graham of Canada, met in a final contact group. Co-chair

Graham announced excellent progress had been made by the group and noted that the group had completed the evaluation on the technical assessment of reference levels, and had produced clean text on MRV after meeting until 4am. The draft conclusion text recommended a decision on guidelines and procedures for the technical assessment of reference levels and for adoption at COP 19, and a draft decision on methodological guidance for MRV, as mandated in Decision 1/CP.16, appendix II.

The Co-chairs proposed the two clean decisions to be forwarded to the SBSTA Chair for the closing plenary. They said the two decisions remained in brackets to reflect the package concept that was clearly articulated, and the adoption of these decisions would be subject to decisions on institutional arrangements and results-based finance being resolved. These decisions will go for consideration and adoption by the COP at this session, along with the three clean decision texts forwarded by SBSTA 38 (National forest monitoring systems, drivers and timing and frequency for reporting on SIS).

Bolivia requested a reference to joint mitigation and adaptation approaches for the sustainable management of forests, to which the US responded was not included in the SBSTA mandate for this item, and **Colombia** suggested recalling the wording exactly as per the mandate - methodological *guidance* on non-market based approaches and methodological *issues* related to non carbon benefits. We have not agreed to discuss methodological guidance on non-carbon benefits.

Brazil called to suspend the meeting for an informal huddle based on an incorrect version of the text being distributed. The co-chairs called Parties to meet informally to clarify the right version, re-opening the contact group when this was done.

With the correct version of texts resolved, Co-chair Bamfo thanked all Parties, particularly Parties with very small delegations to finally come up with clean decision text. He said that five SBSTA decisions would be forwarded to the COP, with two in brackets pending progress on finance related REDD-plus items.