

NORWAY

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Submission on methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

The Cancun Decision 1/CP.16 was a milestone on the way to an operative and comprehensive REDD+ agreement under the UNFCCC. Achieving further, substantive progress on this pathway at COP 17 is a priority issue for Norway. A successful outcome on REDD+ in Durban will heavily depend on progress in SBSTA on the work programme defined in appendix II to Decision 1/CP.16.

In this respect Norway welcomes the conclusions from SBSTA 34 inviting for submission of views on a range of methodological issues related to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries. These include guidance on systems for providing information on how safeguards referred to in appendix I to decision 1/CP.16 are addressed and respected, modalities relating to forest reference emission levels and forest reference levels, and modalities for measuring, reporting and verifying as referred to in appendix II to Decision 1/CP.16.

This submission contains views from Norway related to (a) guidance on systems for providing information on how safeguards are addressed and respected and (b) guidance on modalities relating to forest reference levels and forest reference emission levels.

A. Guidance on systems for providing information on how safeguards are addressed and respected

1. It is Norway's opinion that a COP decision on this matter is necessary to operationalise the full implementation of REDD+ as agreed in the Cancun Decision. As Parties have been progressing on REDD+ preparation and implementation; social, environmental and governance safeguards are increasingly seen as sustainability elements contributing to successful REDD+ outcomes. Norway believes that the ability to provide information on safeguard processes and outcomes will be critical if REDD+ is to succeed and the capital needed to run a global incentive structure for REDD+ as agreed in the full implementation phase is to be raised.
2. Robust and informative guidance developed by SBSTA should be valuable and useful to REDD+ countries in developing national systems to provide information on safeguards. The guidance should also provide for transparency and predictability to domestic as well as international communities on what information to expect

regarding how safeguards are addressed and respected in a country undertaking REDD+ activities. The guidance may also contribute to fruitful cooperation between REDD+ countries. In addition, the development of a solid and unambiguous understanding of safeguards within the UNFCCC might facilitate the work on safeguards related to other bodies and organisations.

3. Norway's position is based on what we believe is necessary to construct a robust system that will succeed in delivering REDD+ results, contributing to the ultimate objective of the Convention and respecting the needs of cross-cutting and adjacent policy objectives.

Characteristics

4. Broader principles that are relevant for the development of a system for information, and the provision on information, on how safeguards are addressed and respected include: transparency, involvement of stakeholders, reliability of information, regularity, consistency over time, accuracy, international comparability, and complete coverage in addressing each of the seven safeguards as described in paragraph 2 of Appendix I to Decision 1/CP.16. In addition, alignment with the provision of related information to other relevant international agreements needs to be ensured.
5. Paragraph 71 (d) of the Cancun Agreements requests Parties aiming to undertake REDD+ activities to develop a system for providing information on how safeguards referred to in annex 1 to this decision are addressed and respected throughout the implementation of these activities, while respecting sovereignty. The terms «addressed» and «respected» are key terms here. Norway's understanding of these terms and the implication of the matter at hand is as follows: The term «addressed» relates to policy measures which are planned, implemented, or has been implemented relating to the safeguards; that is action that is intended, is taking place or has taken place. The term thus implies descriptions of policy. The term «respected» implies the achievement of a certain result. This is because when it may be concluded that the safeguards are «respected», the outcome of any actions is known. The term “respected” therefore mandates a description of the situation in relation to each safeguard. It is Norway's understanding that both these terms are equally important, though both might not be equally relevant to the information provided on all safeguards.
6. A system to provide information, as well as the provision of information, serves at least two purposes: a) to inform and strengthen the policy work and implementation of REDD+ policies, and b) to satisfy the needs of financial contributors on the use of finance and implications of policies and activities. Results-based payments require a system with independent review of information to ensure fulfilment of safeguards.

Design

7. Norway understands the task set upon SBSTA to be along two main lines: Firstly; to develop guidance on what a system for providing information on how safeguards are addressed and respected may look like. SBSTA should describe its main features, whilst keeping flexibility for the adjustment to national circumstances. Secondly; SBSTA is to develop guidance as to what information may be relevant to provide for the safeguards as identified in Annex I of the Cancun Agreements, whilst respecting the different circumstances in which the safeguards are to be applied.
8. Norway believes each Party should develop a system that fits its national circumstances. Nonetheless, Norway would see merit in each Party, when providing information on how the safeguards are addressed and respected, also providing information on how the system is built up and functions. That is, the system should provide meta-information: on how the information on the safeguards has been collected, ie a description of the methodologies applied; how participation of indigenous peoples and other relevant groups in the collection of the information has been catered for; what sort of quality assurance system has been applied to the information once collected; and when and where the information is from. The relationship to subnational systems should be elaborated when applicable. It is Norway's understanding that the participation of relevant stakeholders as described in the Cancun Agreement Annex I also covers the participation in the gathering of information for the safeguards information system.
9. Norway recognises the importance of adjusting to existing national institutions and using existing systems when possible and practicable. The safeguards information system should be developed in the context of national legislation and policies.
10. Norway would be happy to engage with other Parties as well as representatives of civil society to discuss what may be useful guidance to provide for the various safeguards as identified in Annex 1 of the Cancun Agreements. A core set of information requirements would be recommendable to ensure international comparability. This would also facilitate exchange of lessons learnt.
11. One example, based on Annex 1 para 2 (a), could be for SBSTA to indicate what international conventions and agreements the Parties may consider it relevant to provide information on. This would provide unambiguous guidance to the Parties, hopefully being helpful as to what considerations may be useful in their work on REDD+.

Provision of information

12. The information should be provided to the UNFCCC Secretariat through the channel deemed most appropriate, such as the biennial update reports. Norway is of the

opinion that the Cancun decision mandates the provision of information at regular intervals. This is related to the use of the term «throughout» in para 71 (d), implying that the information must be provided at set times, with a set period of time between each provision of information. The information should be provided in one of the UN languages and should be made publicly available.

13. Norway also sees merit in creating space for Partner countries to share experiences and lessons learnt, and would be in favour of discussing the possibilities for dialogue between Parties on the basis of the information provided. SBSTA may be an appropriate body to consider this.

B. Guidance for modalities relating to forest reference levels and forest reference emission levels

Introduction

14. The term “modalities” is understood by Norway to specify a set of requirements adopted by the Conference of the Parties. Hence, the task upon SBSTA is to prepare a set of requirements for Forest Reference Emissions Levels (RELs) and Forest Reference Levels (RLs) for REDD+. Norway strongly supports the adoption of a set of modalities for RELs and RLs at COP-17 in Durban that provide clarity on the data needs and processes.
15. The terms “Reference Levels”, “Forest Reference Emissions Levels” and “Forest Reference Levels” are not used consistently in the literature. In this document the terms RELs and RLs are used as these correspond to the terms used in paragraph 71 (b) of Decision 1/CP.16. For further information, see “**Definitions**” below.
16. Norway also recognizes the valuable input to the current discussions from several actors and fora. This submission draws on, among others, the report “Modalities for REDD+ Reference Levels: Technical and Procedural Issues” released by Meridian Institute (2011). The report is available from http://redd-oar.org/links/RL_report.pdf.

Principles

17. The following principles should form the basis for the development of REL/RL modalities:
 - **Environmental integrity:** The modalities should reflect the agreed outcome of a REDD+ mechanism to slow, halt and reverse the loss of forest cover and carbon

stocks, taking into account the ultimate goal of the convention to reduce GHG emissions and avoid dangerous climate change.

- **Access:** The modalities should create incentives for developing country Parties undertaking REDD+ actions to participate in and benefit from an international REDD+ mechanism, taking into account their respective capabilities and national circumstances.
- **Simplicity:** The modalities should establish a clear and straightforward process. They should limit data and formal requirements to those necessary to ensure the integrity of RELs and RLs.

Purpose

18. RELs and RLs will serve as business as usual-baselines (BAU) for emissions and removals from forests in developing countries. Hence, RELs and RLs will serve as a baseline to measure the effects of new policies and measures on emissions and removals.
19. RELs and RLs will form an important basis for the establishment of compensation baselines (CBs). The CB is the quantity of emissions below which a country qualifies for international support in a greenhouse gas based REDD+ system. While CBs will most likely be formed in relation to BAU-baselines, they are not necessarily the same, and it is therefore important to stress that this document concerns mainly RELs and RLs, *not* CBs. Setting CBs should ensure environmental integrity and be adjusted according to unilateral REDD+ actions, and they therefore involve nation-specific aspects of both environmental, political, and socioeconomic nature in the broader sense. The discussion of these should therefore be kept separate from the current REL/RL discussion.

Scope

20. Through the Cancun-decision paragraph 70, countries are encouraged to contribute to mitigation actions in the forest sector by undertaking action within the five agreed activities.
21. The RELs/RLs shall correspond to the combined outcomes of the chosen activities, not separate RELs/RLs per activity. In Norway's view, all parties should at least include activity 70 (a) and 70 (b) (reducing emissions from deforestation and forest degradation), but all possibilities for reducing total emissions are encouraged.

22. Particular attention is needed with regards to forested peatlands, as these contain very significant amounts of carbon, and because drained peatlands continue to emit carbon for many years after disturbance. However, also non-forested peatlands are important in this regard, and Norway therefore welcomes Appendix II (a) of Decision 1/CP16 and the related discussions on implications of REDD+ in a broader land use context. Norway would welcome further discussion of peatlands as soon as possible.

Definitions

23. The following definitions should be understood as *Norway's* current understanding of these terms:

- **Forest Reference Emissions Level (REL)** is the amount of gross *emissions* from a geographical area estimated within a reference time period (REDD).
- **Forest Reference Level (RL)** is the amount of net *emissions/removals* from a geographical area estimated within a reference time period (REDD+). I.e. we do not understand the term as referring to *an area of forest*, but to forest related *emissions/removals* from an area. The net value is calculated using estimated values for gross deforestation and degradation, and removals through sustainable forest management and enhancement of carbon stocks.

24. In other words, RELs and RLs differ in their scope. While RELs only cover emissions from deforestation and forest degradation (DD), RLs also cover removals through sustainable forest management and/or enhancement of forest carbon stocks. However, it must be stressed that even though we propose to use anticipated net values of emissions/removals, it is important that data reported can be disaggregated in order to see how big a role the different mitigation actions are expected to play. Estimates of historic emissions should be based on activity data following IPCC Approach 3 (geographically explicit data) and tier 2 or better for emission factors. With regards to conservation of carbon stocks, the incorporation of this into the calculations is challenging, and Norway would welcome further discussions in SBSTA on how to address this.

25. In Norway's view, the different natures of RELs and RLs implies an option for countries to choose whether they aim to seek results based payments only based on emission reductions from deforestation and forest degradation or if they also wish to seek payments based on carbon removals by their forests. Any country may start with a focus on emissions and broaden its efforts to cover carbon removals at a later stage.

26. A concern in relation to carbon enhancement raised by several actors in previous discussions regarding REDD+, is cases where deforestation of areas are not sanctioned, but reward is given for subsequent "enhancement of carbon stocks" in the

same areas. While a comprehensive and well functioning REDD+-mechanism would capture these challenges, it is important that these issues are taken into consideration, especially in an interim phase. Norway would welcome further discussions in SBSTA on how to deal with challenges like these. One possible solution to this that may be considered could be a time limit for when a deforested area is eligible for inclusion in the REDD+ calculations.

27. RELs and RLs are to be developed based on historic data and *adjusted for national circumstances* to constitute business-as-usual baselines for forest related emissions and removals. In relation to RELs and RLs, Norway understands national circumstances to refer to forestry scientific circumstances. The term should be understood somewhat differently when **Compensation Baselines** (CBs) are discussed. Setting CBs needs to ensure environmental integrity, and could also be part of a country's unsupported domestic actions. They therefore involve nation-specific circumstances of environmental, political, and socioeconomic nature in the broader sense. The RELs and RLs, however, should be predictions of forest related emissions and removals in a BAU-scenario, and should be based on the best available, objective scientific knowledge.

Area based vs. carbon based RELs and RLs

28. In Norway's view, RELs and RLs for results based compensation (phase 3) must be based on estimates of carbon emitted or removed.
29. Area-changes are only relevant for emissions from deforestation and removals through afforestation or reforestation. Emissions caused by forest degradation or removals through carbon stock enhancement or the sustainable management of forests, will not be covered through an area based approach to RELs and RLs.
30. However, in an interim phase, area based RELs and RLs could be used based largely on area change data. This will allow parties to start activities using interim/proxy values for emission estimations, which can be substituted by a full scale system when data coverage and capacities are sufficiently developed.

Process

31. As developing country parties will have very different preconditions for setting a national REL/RL, the reference levels could be submitted progressively as the parties become ready to do so.
32. Norway recognizes that the establishment of carbon based RELs and RLs represents a significant challenge, inter alia in terms of the availability of historic data in many

countries. We therefore suggest a stepwise approach to the setting of RELs and RLs, allowing for gradual improvements in their accuracy.

33. In accordance with paragraph 73 of the Cancun agreements, we suggest that the collection of the necessary data to estimate historic forest related GHG emissions and removals is conducted through the first two phases, allowing for results based demonstration activities based on “interim REL/RLs” and “interim CBs” in the second phase. Interim REL/RLs and CBs may be based on data on area change, combined with conservative emission factors. By using conservative emission factors, the system not only recognizes that further knowledge is needed; it also provides parties with a strong incentive to expand and improve their research and MRV-activities. Other incentives for entering phase three should also be explored.
34. It must be stressed that all parties involved in mechanisms that deliver payments based on interim RELs/RLs and CBs must accept that levels are re-negotiated and verified at regular time intervals to ensure that the levels are in accordance with the latest knowledge.”Interim RELs/RLs and CBs” should therefore be understood as RELs/RLs and CBs that are to be revised and re-negotiated at a later stage. In countries where subnational approaches are used in an interim phase, the goal should always be to reach a national REL/RL within specific timeframes and as soon as possible. A condition for entering into results-based compensation schemes should be the existence of agreed national CBs, based on RELs/RLs covering the same geographical area.
35. It is imperative that the RELs/RLs submitted by the parties are subject to thorough, independent and transparent review. The review process could follow a procedure inspired by the process currently being used to review forest management reference levels for Annex I countries. The RELs/RLs should also be revised at regular time intervals to adopt the best knowledge available. The time intervals should be long enough to ensure predictability for developing countries and to capture dynamics of forest carbon fluctuations, and at the same time be short enough to ensure that they are in harmony with the latest knowledge. A revision of the RELs/RLs every five years could be suitable.
36. The following principles should form the basis of RELs/RLs submitted by the parties:
 - **Objectivity:** The submissions should rely on sound science and limit the room for bias. Relevant guidelines from the Intergovernmental Panel on Climate Change (IPCC) should be taken into account concerning inclusion of GHG emissions by sources and removals by sinks.
 - **Empirical basis:** RELs/RLs should be based on historic emissions and removals, adjusted to national circumstances as required to improve accuracy.

- **Transparency:** Party submissions and the data they contain should be public. Entities approving RELs/RLs should publish the rationale for their decisions. Stakeholders should be consulted and their comments taken into account prior to submission.
- **Independence:** Conflicts of interest among those developing, reviewing, and approving RELs/RLs should be identified and avoided.

37. Norway also recognizes the need for a deeper discussion regarding compensation baselines. The complex nature of CBs, combined with the current progress on RELs/RLs, calls for increased attention to these issues.