

Work on the AWG-LCA Revised NT Intersessional informal consultations

Paragraphs 106 to 128 of the Annex to FCCC/AWGLCA/2009/INF.1

Informal subgroup on para 1(b) (iii)

13 August 2009, 1545h

The following sub-sections and paragraphs in FCCC/AWGLCA/2009/INF.1 in bold font have been consolidated:

- *Sections C.1 Objectives, scope and guiding principles (paragraph 106 to 112)*
- *Section C.2 Means of implementation (paragraph 113)*
- *Section C.3 Measurement, reporting and verification of actions (paragraphs 115-121).*

The rest of the text, in normal font, corresponds to original text that was not consolidated.

C. Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries¹

Structural proposals

Proposal 1

Subsections 3 (MRV of actions) and 4 (MRV of support) should be merged into one single subsection titled “MRV of actions and support”.

Proposal 2

The financial arrangements to support REDD+ actions should be included as part of the broader financial framework proposed to support NAMAs in developing countries (paras. 115 and 122 to be incorporated to Chapter IV on Finance).

Proposal 3

Move paragraph 110 under the “Means of implementation”

Para 121 duplicates paras 94–96, delete 121 from section C.

Paras 122–124 duplicate paras 98–101, delete 122-124 from section C.

Move paragraphs 125–126 to chapter IV.A on Finance; move paragraph 127 to “Mitigation by developing countries, Institutional arrangements”.

Proposals for additional paragraphs:

The global goal under the new agreement should include policies and measures that assure the reduction and reversion of GHG emissions from deforestation and forest degradation immediately in a 10 to 20 year framework.

To appropriately address actions related to REDD in developing country Parties, it should be taken fully into account issues related to non-permanence, leakage and additionality of forest-related mitigation actions. Those problems are still being considered under the methodological issues under the SBSTA.

¹ The Bali Action Plan, in its paragraph 1 (b) (iii), calls for the consideration of enhanced national/international action on mitigation of climate change, including, inter alia, policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

Considering the serious risk of reversion inherent to REDD actions in developing country Parties, such actions should not be linked to quantified emission limitations or reduction objectives (QELROs) of developed country Parties, and should not be addressed under market-oriented approaches which could undermine the environmental integrity of the global GHG emission reduction goal.

Any REDD action in developing country Parties addressed under international emission trading schemes should be supplementary to the QELROs adopted by developed country Parties and additional to the national mitigation efforts by developed country Parties.

Finally, any REDD action to be developed in developing country should ensure sovereignty and national as well as local control over REDD-plus activities.

1. Objectives, scope and guiding principles

- x.1 A REDD plus mechanism is hereby established
- x.2 The objectives of this mechanism are to help:
 - (a) [Developing country Parties to [re-organize the] work within their forestry sector to contribute in the efforts towards low-carbon economies and taking part in the global effort to stabilize and reduce GHG concentration in the atmosphere][Developing country Parties to re-organize the forestry sector thus implementing low carbon economies and taking part in the global effort to stabilize and reduce GHG concentration in the atmosphere];
 - (b) Developed country Parties to meet their ambitious quantified emissions reduction targets
[up to x per cent.]

x.3 All Parties should collectively aim at halting forest cover loss in developing countries by 2030 at the latest and reducing gross deforestation in developing countries by at least 50 per cent by 2020 compared by current levels

Objectives and scope

106. Developing country Parties contribute to enhanced mitigation actions in the [forestry sector] [land use, land-use change and forestry sector] [agriculture, forestry and land use sector] by reducing emissions from deforestation and forest degradation, [maintaining existing carbon stocks and] [enhancing removals] [or increase in forest cover due to afforestation and reforestation], [while promoting][enhancement of carbon stocks due to [sustainable forest [and land] management] [sustainable management of forest]].²

[106.1 The REDD-plus mechanism shall be effective, results-based, flexible, dynamic and incentive-driven. To achieve this, the mechanism shall be implemented in successive, gradually intensifying phases, beginning with national REDD-plus strategy development and core capacity-building (phase 1), followed by the implementation of national REDD-plus policies and measures in combination with compensation for proxy-based results for emission reductions and removals from selected forest activities and land use and land-use change categories (phase 2), and finally evolving into a results-based compensation mechanism for fully measured, reported and verified emission

² Increasing forest cover due to afforestation and reforestation, maintaining and enhancing forest carbon stock by forest conservation, incremental change of forest cover, sustainable management of forest, reducing deforestation, and reducing forest degradation.

reductions and removals from the whole forestry sector and other selected land use and land-use change sectors (phase 3).]

Principles

107. REDD-plus [actions] [strategies and action plans][policy approaches and positive incentives] [should] [shall]:

- (a) [Contribute to the objective in Article 2 of the Convention;]
- (b) [Be country-driven and voluntary;]
- (c) [Be integrated into NAMAs],
- (d) [Be undertaken in accordance with countries' capabilities and national circumstances]
- (e) [Be subjected to adequate, predictable and sustainable financing and technology support for these actions][insure equitable access to financial and technological support for these actions]
- (f) [Facilitate sustainable development, reduce poverty and respond to climate change in developing countries, rather than a way to help developed countries to fulfill its commitment of emission reduction].

108. [Broad country participation] [Maximize participation of developing countries], [sustainable forest management] [sustainable management of forests], [improved forest governance,] permanence and [co-benefits] [social and environmental benefits] such as biodiversity [conservation] [and other ecosystem services] should be promoted, and [domestic] leakage should be [avoided] [reduced as much as possible]. [Safeguards to protect biological diversity in host countries, including safeguards against the conversion of natural forests to forest plantations, should be established. REDD-plus actions should complement the aims and objectives of national forest programmes and relevant international conventions and agreements.

109. Indigenous peoples and local communities [should] [shall] be [effective] involved in [the design, development and] implementation of REDD-plus actions and their rights [should be] respected, [including full prior and informed consent,] consistent with the provisions established under the respective national legislation or, in its absence, [in accordance with the United Nations Declaration on the Rights of Indigenous Peoples] [consistent with relevant international instruments and obligations]. [The COP (or the Conference of Parties serving as the assembly of the Parties) shall, in consultation with appropriate indigenous peoples' and local community organisations, develop guidelines to ensure that the rights of indigenous peoples and local communities are not adversely affected by actions to reduce emissions from deforestation and forest degradation.]

110. Developing country Parties aiming to implement REDD-plus actions [shall] [should]:

- (a) Develop REDD-plus national [implementation plans] [action plans] [strategies] [or subnational strategies and, where applicable,

subnational actions], [as part of their low-carbon/emission strategies,] covering different phases of implementation when appropriate (i.e. a readiness phase, a policy implementation and demonstration activities phase, and full implementation) [and in accordance with national circumstances];

- (b) Designate a national authority for [coordinating, registering, supporting, approving and] implementing REDD-plus actions, [according to relevant national legislative and policy frameworks] [and ensuring the full and effective participation of all relevant stakeholders, including in particular indigenous peoples, local communities and women, in all the different phases of implementation of REDD-plus actions];
- (c) Establish [national] reference emission levels and/or [national] reference levels in accordance with their national circumstances [and respective capabilities], which can be [independently] reviewed and adjusted over time, and submit them to [the Conference of the Parties] [the future REDD coordinating mechanism under the UNFCCC] [and be adopted by the Meeting of the Parties to this Agreement].

111. Option 1

Robust and transparent national monitoring, reporting and accounting for emissions and removals in the forest sector [shall] [should] be established, [in accordance with national circumstances and capabilities,] with the establishment of subnational accounting as an optional interim measure [and as part of the national system] [for demonstration activities]. Each developing country Party should develop a unique emissions [and removals] accounting and monitoring system for its forestry sector which includes all subnational activities [, with adequate, predictable and sustainable financial and technical support from developed countries].

112. Option 2

National [and/] or subnational accounting of emission reductions from deforestation may be accounted for at either national or subnational level, as decided by each Party. [REDD-plus activities implemented at the subnational level shall address and account for leakage in a comprehensive and conservative way.]

Addition

112.2. Developing country Parties that undertake nationally appropriate mitigation actions to reduce emissions from deforestation and forest degradation shall ensure that:

- (a) Necessary actions are taken to avoid national and international emissions displacement;
- (b) Such actions are permanent and do not result in an increase in emissions from deforestation and forest degradation at a later time;
- (c) Appropriate governance structures are put in place to facilitate the appropriate use of funds provided for reducing emissions from deforestation and forest degradation;

- (d) **Appropriate consultative mechanisms and domestic legislative arrangements are put in place to avoid infringement of indigenous peoples and local community rights.**
- (e) **Land tenure systems are recognized;**
- (f) **Actions are consistent with the conservation of biological diversity.**

112.3. Developed country Parties shall undertake policies and measures to ensure that the import of forest products and other commodities from developing country Parties does not contribute to emissions from deforestation and forest degradation.

112.4. All Parties shall undertake policies and measures to ensure that actions undertaken by persons with legal personality of their countries do not contribute to international emissions displacement in forests of developing countries.

112.5. Developing country Parties that wish to undertake tier 2 nationally appropriate mitigation actions associated with reducing emissions from deforestation and forest degradation shall be guided by good practice guidance developed by the Intergovernmental Panel on Climate Change and any relevant decisions of the Conference of the Parties serving as the assembly of the Parties.

112.6. Tier 3 nationally appropriate mitigation actions shall not apply with respect to reducing emissions from deforestation and forest degradation and hence nationally appropriate mitigation actions for reducing emissions from deforestation and forest degradation shall not be eligible for emissions trading.

Move paragraphs 111 and 112 to chapter II.B, subsection 3 on Measurement, reporting and verification of supported actions

Proposals that can be taken as alternatives or additions to the paragraphs above

Alternative/ Addition 1 (refer to paragraphs 106.5 to 106.7 in INF.1)

Recognizing the urgent need to take further meaningful action to reduce emissions from deforestation and forest degradation in developing countries, and the role of conservation, sustainable forest management and enhancement of forest carbon stocks, all Parties shall support or undertake such action as appropriate to national circumstances and capabilities.

Within the context of nationally appropriate mitigation actions for developing countries, a framework for voluntary actions to reduce anthropogenic emissions by sources and increase removals by sinks in the forestry sector (hereinafter referred to as the REDD-plus mechanism) is hereby defined.

The purpose of the REDD-plus mechanism is to assist developing country Parties in:

- (a) **Contributing to the objective in Article 2 of the Convention;**
- (b) **Enhancing efforts to achieve sustainable development goals through their nationally appropriate mitigation strategies;**

- (c) Meeting their commitments under the Convention and related international agreements;
- (d) Conserving biological diversity and combating desertification;
- (e) Developing comprehensive land-use inventories and monitoring frameworks; and
- (f) Achieving sustainable land management.

Alternative 2 (refer to alternative of paragraph 107 in INF.1):

A mechanism to reduce emissions from deforestation and forest degradation [and other forest-related activities] in developing country Parties is hereby defined.

The purpose of the mechanism shall be to assist developing country Parties to maintain [and enhance] forest carbon stocks while promoting their sustainable development; and to assist all Parties in contributing to the ultimate objective of the Convention by reducing emissions from deforestation and forest degradation [and by enhancing removals through other forest-related activities], and in meeting their commitments under the Convention and any of its related legal instruments.

Emission reductions [and enhanced removals] resulting from activities under this mechanism shall be certified by operational entities to be designated by the [supreme body of this agreement], on the basis of:

- (a) Voluntary participation approved by each Party involved;
- (b) Real, measurable and long-term benefits related to the mitigation of climate change; and
- (c) Reductions in emissions [or enhancements of removals] that are additional to any that would occur in the absence of the mechanism.

Alternative 3 (refer to alternative 2 to paragraph 110 in INF.1)

REDD-plus actions will be implemented through the forest carbon mechanism according to the principles of effectiveness, efficiency, simplicity, environmental integrity, consistency and fairness. The forest carbon mechanism should address permanence, leakage and additionality.

Participation in the forest carbon mechanism will be voluntary by Parties, and should be country-driven, taking into account national circumstances and capabilities. Under the forest carbon mechanism, Parties shall:

- (a) Develop robust national carbon monitoring and accounting systems that are subject to review;
- (b) Develop national frameworks for the sustainable management of forests;
- (c) Establish national forest emissions levels, which take account of national circumstances, and that are agreed by the COP based on independent expert advice.

2. Means of implementation

Note: Owing to the different initial capabilities of developing countries to implement REDD-plus activities, Parties foresee different phases: an initial readiness phase, which can include or be followed by a policy implementation and demonstration activities phase, and a full implementation phase. The options presented in paragraphs 113–114 below relate to support for those phases.

x.1 The developed country Parties shall provide financial resources according to their obligations under the Convention. Under the REDD-plus mechanism, developed country Parties commit to adequate, predictable and long-term sustainable funding of activities for reducing emissions by sources and increasing removals by sinks in the forestry sector and other selected land-use and land-use change sectors in developing countries.

x.2 Funding shall be based on an appropriate and effective international funding mechanism. The Conference of the Parties shall, at its 15th session, establish such a funding mechanism. At its [16th] session, the Conference of the Parties shall supplement the relevant principles, modalities, rules and guidelines for funding of all phases, including decisions on linkage to the carbon-market.

x.3 A REDD+ mechanism should be transparent, efficient, and equitable; and it should ensure a fair distribution of REDD derived benefits among all relevant stakeholders and indigenous peoples and local communities, in response to their efforts in REDD activities.

113. Recognizing the need for financial support for capacity-building, technology transfer, policy implementation and institutional arrangements [necessary for strengthening forest governance], scaling-up demonstration activities, and measuring, monitoring and verifying emission reductions and increases in removals, and changes in carbon stock from the forest sector, readiness activities for REDD-plus [including activities to be implemented up to 2012] shall be financially supported through:

Option 1

The establishment of a [Readiness fund][Special REDD-plus fund][a new and additional fund]. The funds shall come from contributions from [developed country Parties], [market-linked revenues], [innovative funding sources including auctioning of national emissions trading allowances or of assigned amount units at international level, and penalties or fines for non-compliance of developed country Parties with their emission reduction and financial resources commitments]. These funds shall be [new and additional to ODA], [complementary to GEF, and bilateral and multilateral funding].

Option 2

A window of the relevant financial mechanism established under the Convention through [an International Climate Fund][a special climate change fund][a mitigation fund].

Option 3

Existing funds and institutions including multilateral, bilateral and domestic arrangements.

113.1. Acknowledging that the need for financial support will vary by country, and over time, and depending on their national circumstances, [as countries progress through phases of implementing nationally appropriate mitigation actions on REDD-plus].

114. [The full implementation phase of REDD-plus [strategies and actions] [activities] in developing countries, including early actions, [should][shall] [be supported by] [should be financed by]]

[Option 1]³

use of public funds, through one or more of the following approaches:

- (a) A specialized fund established under the COP for reducing emissions from deforestation and forest degradation;
- (b) Specialized funds or funding windows established under the COP;
- (c) Trust funds for community forestry accounts, a Convention adaptation fund, by which conservation and sustainable forest management could be supported as adaptation measures, and/or a forest reserve fund for conservation and sustainable forest management under the mitigation fund under the COP proposed in paragraph 175 below.]

[Option 2]

use of markets, such as:

- (a) Access to the carbon market through issuance of carbon credits for emission reductions from deforestation and forest degradation;
- (b) Access to the carbon market for emission reductions from deforestation and forest degradation, and for conservation and enhancement of carbon stocks in existing forest.]

Alternative to subparagraph (b)

[For REDD-plus actions to be eligible to generate tradable emissions reductions or removal units, the monitoring, reporting and verification must be at the national scale unless methodologies for estimating intra-national leakage resulting from subnational or project-level REDD-plus actions have been adopted by the COP, in which case those methodologies shall be applied.

Participation in the carbon market will be limited to Parties that have used country-specific, national reference levels of greenhouse gas emissions and removals.]

[Option 3]

a [flexible] combination of market approaches and funds, such as:

- (a) [A fund for conservation additional to ODA, [international levies] and/or market-linked mechanisms;]
- (b) [Funds for capacity-building, conservation efforts and sustainable forest management. Use of funds [or markets] would depend on host countries' preferences for activities to reduce emissions from deforestation and forest degradation;]
- (c) [A market-based approach for supporting enhancement of carbon stocks through sustainable forest management and reduced [emissions from] deforestation [and forest degradation]; and a non-market-[regulation] based approach for supporting stabilization of forest cover, conservation and maintenance of carbon stocks through sustainable forest management;]

³ This proposal is presented in conjunction with proposals for adaptation and mitigation funds presented in paragraph 175.

- (d) [A special climate change fund complementary to the Global Environment Facility and bilateral and multilateral funding, to support ongoing forest conservation and efforts to enhance forest carbon stocks, while using the certified emission reductions that accrue from project activities, involving the private and public sector to contribute to compliance with part of the countries' quantified emission limitation and reduction commitments under the Convention.]

Alternatives to Option 3, subparagraphs (a), (b) and (c)

Alternative 1

- [(a) A fund shall be used to support efforts to conserve carbon stocks, including sustainable forest management. Activities to reduce deforestation and degradation can also be financed by the fund depending on host countries' preferences. Replenishment sources of the fund as been detailed in paragraph 7 above.
- (b) A market shall be developed, learning from the CDM, for supporting reduced deforestation and degradation as well as enhancement of carbon stocks through sustainable forest management.
- (c) The Conference of the Parties shall elaborate modalities and procedures with the objective of ensuring transparency, efficiency and accountability to ensure the environmental integrity of the mechanism.]

Alternative 2

- [(a) A fund shall be used to support conservation efforts and sustainable forest management and provide upfront funding for demonstration activities. Activities to reduce deforestation and degradation can also be financed by the fund depending on host countries' preferences. Replenishment sources of the fund shall follow as has been detailed in paragraph 7 above.
- (b) A market shall be developed, learning from the CDM, for supporting reduced deforestation and degradation as well as enhancement of carbon stocks through sustainable forest management, based on a voluntary participation of Parties. Market and/or non-market approaches shall be developed for supporting stabilization of forest cover, conservation, and maintenance of carbon stocks through sustainable management of forests.
- (c) The Conference of the Parties shall elaborate modalities and procedures to ensure the integrity of the carbon market in other sectors, the compatibility with the CDM and real benefits to climate and sustainable development.]

Alternative to options 1, 2 and 3 in paragraph 114

- [(a) Use of markets or funds would depend on host countries' preferences for REDD+ actions;
- (b) Access to the carbon market for REDD+ actions;
- (c) Funds to support REDD+ actions;
- (d) Funds for ongoing capacity-building, support of price floors, etc.]

Option 3.1

[A combination of market approaches and/or funds:

- (a) Use of markets or funds would depend on host countries' preferences for REDD-plus actions;

- (b) Access to the carbon market for REDD-plus actions;
- (c) Funds to support REDD-plus actions organized under the Convention;
- (d) Funds for ongoing capacity-building, support of price floors, etc.
- (e) Recognizing that higher levels of measurement, reporting and verification will be required for market-based eligibility.

Alternatives to paragraph 114:

Alternative 1

[Prior to the commencement of the full implementation phase, the [supreme body of this instrument] shall elaborate rules, modalities and procedures for the establishment of a robust framework for addressing issues of non-permanence.]

Alternative 2

[This paragraph should define the concrete activities within REDD-plus to be supported by the fund, namely the orientation of the financial supports, which could include: capacity-building, formulating plan and strategy, establishing carbon accounting and monitoring system, technology transfer, policy implementation, institutional arrangements etc.]

Alternative 3

[A fund shall be established to reward or provide incentives for reducing emissions through sustainable land management practices, including forest conservation, sustainable forest management, the avoidance of deforestation, afforestation and sustainable agriculture.]

114.1 When accessing the carbon market the Secretariat would register the information agreed by the Parties under Paragraph 118, and if achieved, any subsequent emissions reductions or removals enhancements. On a periodic or annual basis:

- (a) Based on the total projected emissions reductions and removals enhancements, the Secretariat would deduct an equivalent number of assigned amount units from the respective allocations to relevant Parties. Deductions would be equitable and held by the Secretariat in an independent settlement account.
- (b) As emissions reductions or removals enhancements are reported to the Secretariat and independently verified, they would be exchanged on an equal basis for the assigned amount units held in the settlement account.
- (c) If the supply of verified emissions reductions or removals enhancements is less than the total deductions, then the Parties may agree that they be auctioned with the proceeds used for the general purposes outlined in Paragraph 4; while if supply of verified emissions reductions or removals enhancements is greater than the total deductions, then the surplus may be made available under relevant flexibility mechanisms, as agreed by the Parties.]

Move paragraphs 113 and 114 to chapter IV.A on Finance

3. [Measurement, reporting and verification of actions] [Measurement and monitoring system]

115–116.

Option 1

[Developing countries participating in the forest carbon mechanism shall register their national forest emissions level in their National Schedules, with activities under the forest carbon mechanism measured, reported and verified against their agreed national forest emissions levels].

Option 2

[Developing country Parties requesting support [shall] [should] record under the NAMA registry REDD-plus actions undertaken within their REDD-plus national [implementation plans] [action plans] [strategies], including information on the extent and type of support requested and the nature of the action, and any information received on measurement, reporting and verification of actions, including their outcomes.]

Option 3 (Alternative to paragraph 115)

[The COP (or the Conference of the Parties serving as the Meeting of the Parties) shall develop appropriate means of measuring, reporting and verifying tier 2 nationally appropriate mitigation actions associated with reducing emissions from deforestation and forest degradation.

To assist in developing methods and procedures for measuring, reporting and verifying Tier 2 nationally appropriate mitigation actions associated with reducing emissions from deforestation and forest degradation, developing country Parties shall develop:

- (a) national capacity needs assessments;
- (b) national forest inventories;
- (c) national and, where appropriate, subnational baselines to calculate changes in emissions from deforestation and forest degradation;
- (d) strategic plans to reduce emissions from deforestation and forest degradation.
- (e) quality assurance and quality control regulations to ensure that funds for reducing emissions from deforestation and forest degradation are used directly for that purpose and not diverted for other purposes.]

Option 4

[Developing country Parties requesting support [, including market-based eligibility,] [shall] [should] submit to [...] [the Conference of the Parties] [the future REDD coordination mechanism under the UNFCCC] their national REDD-plus [implementation plans] [action plans] [and] [strategies] [information on their REDD-plus actions to the Conference of the Parties] [, including information on the extent and type of support requested, the nature of the actions to be supported, [as far as possible,] their systems for measurement [, reporting and verification] [monitoring] of actions, and the outcomes of the actions].]

117. [When establishing national reference emission levels [and][or] or national reference levels, [or subnational strategies] taking into account national circumstances, developing country Parties that are requesting support shall follow the guidance decided by the [COP] [Meeting of the Parties to this Agreement at its first session] to be adopted

at its [xx] session on how to establish the levels[, including ways to address [domestic leakage]] [if applying subnational approaches for demonstration activities] [and the development of guidance in monitoring and reporting with the full effective engagement of indigenous people and local communities.]

117.1. [A global reference level for future emissions and removals from the forestry sector and other selected land-use and land-use change categories and activities from developing countries shall be established in order to avoid carbon leakage and to ensure the environmental integrity of the mechanism.

117.2. The methodology for the establishment of a global reference level shall:

- (a) Be robust and based on objective, measurable, and verifiable criteria;
- (b) Ensure additionality both at the national and the global level compared to business as usual scenarios.]

118. [Parties aiming to implement REDD-plus actions [duly supported with assured funding] shall, [[under the NAMA registry as mentioned in paragraph 115 above]] [on the basis of their national REDD-plus [implementation plans][action plans][strategies]]:

(a) [Report information on the implementation of national REDD-plus [implementation plans][action plans][strategies][actions], readiness activities, including policy implementation and demonstration activities, and identified co-benefits [such as biodiversity];]

(b) [Measure and report the quantitative reduction of GHG emissions [or quantitative increments in removals] achieved and/or the change in carbon stocks in relation to the [reference emission level] [/reference level] [or the aggregate reductions achieved by its registered subnational activities] [national reference levels for emissions, removals, conservation areas, and existing forest carbon stocks, where relevant,] [national reference levels for emissions and/or removals, where relevant].]

(c) [Report information on REDD-plus actions taken [up to 2012] [during the period from 2005 up to the date a Party gives notice under this paragraph] for consideration of credit for early action;]

(d) [Report information, to be determined by the Parties, related to the application of a correction factor to the relevant national reference levels, either higher or lower, taking into account national circumstances, historically low rates of deforestation and forest degradation, developmental divergence, and respective capabilities and capacities.]

Alternative to paragraph 118

[As part of the measuring and reporting process described in paragraph 88, Parties shall measure and report the quantitative reduction of GHG emissions achieved and/or the change in carbon stocks in relation to the national reference emission levels.]

Move paragraphs 115 to 118 to chapter II.B subsection 3 on Measurement, reporting and verification of supported actions

119. Developing country Parties [shall][should] develop robust national monitoring systems for emission reductions [and][/or] emissions removals, carbon stock changes, [in the land use, land-use change and forestry sector] [taking into account] relevant methodological guidance [to be] provided by the [COP] [Meeting of the Parties to this Agreement], on the basis of the advice received from the Subsidiary Body for Scientific

and Technological Advice (SBSTA) including the use of [relevant IPCC guidelines and methodologies] [, when appropriate][the most recent IPCC guidelines [and methodologies] for GHG inventories] [, taking into consideration the indigenous ancient knowledge and local communities].

120. [[Measurement and monitoring][Measurement, reporting and verification] of REDD-plus actions shall be carried out in accordance with guidelines to be [agreed][decided] by the [COP] [Meeting of the Parties to this Agreement]. These guidelines shall [cover, inter alia, eligibility criteria for access to support] [, take into consideration the advice resulting from the outputs of the work programme on methodological issues established under the SBSTA, and the type of support required, [while recognizing that higher levels of measurement, reporting and verification will be required for market-based eligibility.]]

120.1. [Monitoring, reporting and verification for REDD-plus actions shall extend to the provisions for involvement of indigenous peoples and local communities as set out above, and to consistency with sustainable forest management, noting, inter alia, the relevant provisions of the United Nations Forum on Forests, United Nations Convention to Combat Desertification and the Convention on Biological Diversity].

121. [Verification of [reported greenhouse gas emissions reductions and removals resulting from] REDD-plus actions shall be carried out by [an expert review team [under] [the guidance of]] [national expert review teams, peer reviewed by a team of experts appointed by] the [COP] [Meeting of the Parties to this Agreement at its first session] [in accordance with the agreed rules and guidelines] [or] [a measurement, reporting and verification technical panel [appointed by the COP]] [measurement and monitoring technical panel] [which is to be established by the future coordinating REDD mechanism, which [shall] include inputs by indigenous people as well as local communities] [national experts and peer reviewed by international teams under the guidance of the COP in the case of national scale activities, and by an independent body(ies) in case of subnational scale activities]]

121.1. [To maintain the environmental integrity within and between international agreements on climate change, at the end of an agreement period, any final surplus in accounted emissions reductions and removals or enhancements compared with the reported quantity should be transferred to a subsequent international agreement on climate change.]

4. Measurement, reporting and verification of support

122. [Option 1]

Parties, when providing support to REDD-plus actions in developing countries, [shall][should] enter information into the NAMA registry on the extent and type of support to be provided, and the nature of the action to be supported.]

Alternative to paragraph 122:

[Means for measuring, reporting and verification of support by Parties shall be undertaken in accordance with general MRV provisions for NAMAs.]

123. [Option 2]

[Developed Country] Parties, when providing support to REDD-plus actions in developing countries, [shall] [should] provide information on the extent and type of support, and the nature of the action for which the support is provided]. [All Parties recognize that the level of support, through fund or market options for REDD activities, will be important in determining the success of developing countries in reducing the emissions from deforestation and forest degradation.] [All Parties recognize that the level of support, through fund or

market options, will be important in determining the success of developing countries in implementing REDD-plus actions].]

124. [Measurement, reporting and verification of support provided [by Developed Country Parties to Developing Country Parties] for REDD-plus actions [should][shall] be carried out] [by a technical panel comprised of experts equitably balanced between developed and developing countries] [by the expert panel appointed by the COP as in paragraph 121 above].]

5. Institutional arrangements, including funds

x.1 [Effective forest governance is a prerequisite for managing forests sustainably and should be promoted at all governance levels, from national to subnational to local level.]

125. [Option 1]

The financial arrangements to support REDD-plus actions should be included as part of the broader financial framework proposed to support NAMAs in developing countries (see paras. 115 and 122 above and chapter IV below).]

[Option 1.1]

Specialized funds, funding windows and a board shall be established by the COP, as well as mechanisms to link the various funds. Each of the funds could be advised by an expert group or committee supported by a technical panel/technical panels.]

Alternative to paragraph 125:

[Developing country Parties may be eligible to seek funding through the REDD Window of the International Climate Fund.

A special allocation shall be provided through the REDD Window to assist developing country Parties to establish develop community-based trust funds to support local actions associated with reducing emissions from deforestation and forest degradation.

The COP (or Conference of Parties serving as the assembly of Parties), in collaboration with other organisations, shall develop regional REDD centres.

The purpose of regional REDD centres shall be to assist developing country Parties build their capacity in measuring, reporting and verifying nationally appropriate mitigation actions associated with reducing emissions from deforestation and forest degradation.]

126. [Option 2]

The financial arrangements to support REDD-plus actions should be developed for REDD-plus activities in developing countries, and should:

- (a) Be under the guidance and authority of the COP;
- (b) Ensure full transparency, efficiency, effectiveness, openness and the equitable and balanced representation of [all] Parties;
- (c) Provide coherence and coordination between various sources of financing.]
 - (c).1 [[Secure] [Provide] adequate, predictable and sustainable financial resources]
 - (c).2 [Ensure under the authority of the COP the development and application of guidance and criteria on what REDD-plus action can be funded by which financing mechanism]
 - (c).3 [Coordinate implementation through internationally accredited agencies while leveraging the efforts already undertaken by the World Bank's Forest Carbon Partnership Facility and the UN-REDD Program]
 - (c).4 [Include ongoing activities coordinated through existing institutional arrangements]

Move paragraphs 125 and 126 to chapter IV.A on Finance

127. [Option 3]

A specific body shall be established to supervise REDD-plus actions. An entity or group of entities or bodies shall be designated by the COP [to verify and certify the emission reductions [or removals] achieved] [to assess the emissions and removals].

Move paragraph 127 to chapter II.B, subsection 5 on Institutional arrangements

128. *[Issues identified by Parties in the context of paragraphs 110–127 above as requiring further elaboration at the appropriate time include rules and modalities in relation to activities or necessary arrangements, provisions for linking the information on readiness and implementation of REDD-plus actions with the financial resources.]*

Alternative to section C:

A. OBJECT AND PURPOSE

x.1 [A mechanism for reducing anthropogenic emissions by sources and increasing removals by sinks in the forestry sector and other selected land-use and land-use change sectors in developing countries (REDD-plus mechanism) is hereby defined.

x.2 The REDD-plus mechanism shall be effective, result-based, flexible, dynamic and incentive driven. To achieve this, the mechanism shall be implemented in successive, gradually intensifying phases, beginning with national REDD-plus strategy development and core capacity-building (phase 1), followed by the implementation of national REDD-plus policies and measures in combination with compensation for proxy-based results for emission reductions and removals from selected forest activities and land-use and land-use change categories (phase 2), and finally evolving into a result-based compensation mechanism for fully measured, reported and verified emission reductions and removals from the whole forestry sector and other selected land-use and land-use change sectors (phase 3).

x.3 The REDD-plus mechanism will gradually be phased out as developing country Parties commit to quantified emission targets for the land-use, land-use change and forestry sector.

x.4 The purpose of the REDD-plus mechanism is to assist developing country Parties in:

- (a) Contributing to the ultimate objective of the Convention by reducing their emissions by sources and increasing removals by sinks in the forestry sector, and other selected land-use and land-use change sectors;
- (b) Initiating efforts to embark on economy-wide low carbon development pathway, through economy-wide low carbon development plans;
- (c) Meeting their commitments under the Convention and related legal instruments;
- (d) Developing capacity and a reliable national framework for measurement, reporting and verification of emission reductions and removals from forestry sector and other selected land-use and land-use change sectors;
- (e) Achieving sustainable development; and
- (f) Conserving biological diversity.

x.5 The developed country Parties shall provide financial resources according to their obligations under the Convention. Under the REDD-plus mechanism, developed country Parties commit to adequate, predictable and long-term sustainable funding of activities for reducing emissions by sources and increasing removals by sinks in the forestry sector and other selected land-use and land-use change sectors in developing countries.

x.6 Funding shall be based on an appropriate and effective international funding mechanism. The Conference of the Parties shall, at its 15th session, establish such a funding mechanism. At its [16th] session, the Conference of the Parties shall supplement the relevant principles, modalities, rules and guidelines for funding of all phases, including decisions on linkage to the carbon-marked.

B. DEFINITIONS

x.7 For the purpose of this mechanism the following definitions, to be provided by the Subsidiary Body for Scientific and Technological Advice, shall apply:

- (a) "Forest" (as defined in 16/CMP.1)
- (b) "Afforestation" (as defined in 16/CMP.1)
- (c) "Reforestation" (as defined in 16/CMP.1)
- (d) "Deforestation" (as defined in 16/CMP)
- (e) "Plantation"
- (f) "Biological diversity"
- (g) [...]

C. SCOPE

x.8 For the purposes of this mechanism, eligible activities and land use categories are those set forth in annex A and that started on or after [...].

x.9 The mechanism shall provide flexibility for including over time additional land-use and land-use change categories and activities on the basis of measurable, reportable and verifiable commitments and actions, including guidelines agreed by the COP.

D. PRINCIPLES AND GUIDELINES

x.10 Governance of and participation in the REDD-plus mechanism shall be in accordance with the provisions and principles of the Convention, in particular the principle of common but differentiated responsibilities and respective capabilities, and guided by the following:

- (a) Recalling Article 3.4 of the Convention, developing country Parties have a right to and should promote sustainable development.
- (b) The Parties should take measures to anticipate, prevent and minimize the risk of inter- and intra-national carbon leakage. The Parties should cooperate to address leakage.
- (c) The Parties should take precautionary measures to anticipate, prevent and minimize the risk of non-permanence. The Parties should cooperate to reduce the risk and consequences of non-permanence.

x.11 In their actions under the REDD-plus mechanism, the Parties shall:

- (a) Ensure the environmental integrity of the mechanism; especially global and national additionality of reduced emission and enhanced removals from the forestry sector and other selected land-use and land-use change sectors to any that would have occurred in the absence of the REDD-plus mechanism;
- (b) Ensure against the conversion of natural forests to forest plantations;
- (c) Ensure real, measurable and long-term benefits related to the reductions of emissions by sources and increasing removals by sinks from the forestry sector and other and other selected land-use and land-use change sectors;
- (d) Respect the rights of indigenous peoples and ensure the full and effective involvement of stakeholders, in particular indigenous peoples and local communities, in the design and implementation of all activities linked to this mechanism;
- (e) Take precautionary measures and establish safeguards to protect biological diversity in REDD-plus host countries; and
- (f) Establish and further develop measurable, reportable and verifiable nationally appropriate REDD-plus framework, institutions and capacities.

E. MEASUREMENT, REPORTING AND VERIFICATION (MRV)

x.12 The Conference of the Parties shall develop guidelines, principles, methodologies and mechanisms for measurement, reporting and verification (MRV) of emission reductions and removals from the forestry sector and other land-use and land-use change categories and activities, based on the most recent IPCC guidelines for GHG inventories, for adoption at [COP 17].

- x.13 The REDD-plus framework shall be consistent with overall approaches to measurement, reporting and verification of nationally appropriate mitigation actions by developing country Parties under this Agreement and related agreements, recognizing the need for higher tier level of MRV for sectors linked to the carbon-market.
- x.14 Emissions and removals shall be reported in a transparent, consistent, comparable, complete and accurate way.
- x.15 Verification should build on review procedures and methodologies for Annex I Parties, including making use of the institutional function of the UNFCCC secretariat as host of the verification mechanism. The Conference of the Parties shall define rules and procedures for international verification of national GHG inventories, including a comprehensive and robust international expert review of inventories.

F. REFERENCE LEVELS

- x.16 A global reference level for future emissions and removals from the forestry sector and other selected land-use and land-use change categories and activities from developing countries shall be established in order to avoid carbon leakage and to ensure the environmental integrity of the mechanism.
- x.17 The methodology for the establishment of a global reference level shall:
- (a) Be robust and based on objective, measurable, and verifiable criteria; and
 - (b) Ensure additionality both at the national and global level compared to business as usual scenarios.
- x.18 In addition, individual country specific reference levels for developing country Parties shall be established. Such country specific reference levels shall be dynamic, adjustable over time and incentivize all developing countries to participate in the REDD-plus mechanism.
- x.19 The methodology for the establishment of individual reference levels shall be robust and based on objective, measurable, and verifiable criteria, taking into account relevant national factors, such as:
- (a) Historic emissions and removal rates from the forestry sector;
 - (b) Forest cover;
 - (c) Expected future emission and removal trends;
 - (d) Capacity for emissions reductions and removals based on, inter alia, GNP per capita;
 - (e) Other country specific conditions and circumstances.
- x.20 An expert body shall be mandated to propose individual reference levels. Any such proposal shall be subject to the approval by the concerned developing country Party before being submitted to the COP or a mandated body for final determination. The reference levels shall be updated at regular intervals.

- x.21 The Conference of the Parties shall establish:
- (a) The global reference level, subject to the requirements set out in paragraphs 16 and 17 above; and
 - (b) Guidelines, and supplement and expand methodologies and procedures for the establishment of individual reference levels in accordance with the principles defined in paragraphs 10 and 11 above, for adoption at [COP 17].

G. PARTICIPATION

- x.22 A developing country Party is eligible to participate in the REDD-plus mechanism if:
- (a) It is a Party to the Convention; and
 - (b) It is in compliance with its commitments under the Convention.
- x.23 Subject to paragraphs 29, 31 and 36 below, the Conference of the Parties shall establish additional eligibility criteria for each phase, to be adopted at its [16th] session.

x.24 Parties participating in the REDD-plus mechanism shall designate a national authority for this purpose.

x.25 A Party that authorizes private and/or public entities to participate in REDD-plus activities shall remain responsible for the fulfillment of its obligations under the Convention and this Agreement. Participation of private and public entities is subject to whatever guidance may be provided by the Conference of the Parties or any mandated body.

H. MODALITIES AND PROCEDURES

x.26 The REDD-plus mechanism shall be subject to the authority and guidance of the Conference of the Parties and be supervised by a mandated body.

x.27 The Conference of the Parties shall elaborate modalities, rules and procedures for the REDD-plus mechanism, in particular for ensuring transparency, efficiency and accountability through independent auditing and verification of REDD-plus activities and the dispersal and expenditure of REDD-plus related compensation.

x.28 In phase 1, subject to the provisions of paragraph 29 below, a developing country Party, that meets the requirements set out in paragraph 22, will receive assistance to develop a national

REDD-plus strategy, including, but not necessarily limited to:

(a) Policies and measures for the establishment of capacity and framework necessary for measuring, monitoring, analyzing, reporting and verifying emission reductions and removals from the forestry sector and other selected land-use, land-use change categories and activities as defined in Annex [B];

(b) Initial institutional development to address the reductions of emissions and increase of removals from the forestry sector and other selected land-use, land-use change categories and activities as defined in Annex [B]; and

(c) Identification of necessary adjustments in forest law and governance.

x.29 A developing country Party is eligible to participate in phase 1 activities, if it has demonstrated a national commitment to the REDD-plus mechanism in accordance with the principles defined in paragraphs 10 and 11 above.

x.30 In phase 2, subject to the provisions of paragraph 31 below, a developing country Party will receive additional financial resources to implement the national REDD-plus strategy defined in phase 1 by adopting policies and measures, such as:

(a) Development of a comprehensive REDD-plus legal framework, including, but not limited to, reform of land tenure with due regard to collective land rights, land use planning and forest governance, where necessary and appropriate, and of respective law enforcement capabilities;

(b) Further development of MRV institutions and capacities; and

(c) Development of a REDD-plus action plan within the framework of a national low carbon development strategy.

x.31 A developing country Party is eligible for funding under phase 2, if it has demonstrated commitment to implementing the REDD-plus strategy developed in phase 1, *inter alia*, by:

(a) Establishment and/or elaboration of transparent, rule-based forest governance; and

(b) Implementation of inclusive, multi-stakeholder consultations and cooperation, including consultations and co-operations in good faith with the indigenous peoples and local communities concerned through their own representative institutions in accordance with international instruments.

(c) Establishment of safeguards against the conversion of natural forests to forest plantations;

(d) Establishment of safeguards to protect biological diversity;

x.32 Subject to the provisions of paragraph 34 below, such funding shall be granted on the basis of performances, including measurable, reportable and verifiable indicators for the implementation of policies and measures, as well as for institution and capacity-building.

x.33 Subject to the provisions of paragraph 34 below, further funding may be granted on the basis of results derived from proxy data on reduced emissions and enhanced removals from the forestry sector, and other selected land-use, land-use change categories and activities defined in Annex C. Suitable proxy data are identified in Annex D. An expert body should be mandated to propose proxies and corresponding indicators for individual countries, to be finally determined by the COP or any body so mandated by the COP.

x.34 Where necessary, ex ante funding may be granted on the basis of spending plans and stated commitments, subject to ex post verification of delivery.

x.35 In phase 3, subject to the provisions of paragraph 36 below, a developing country Party shall be compensated for emission reductions and enhanced removals from the whole forestry sector and from other selected land-use, land-use change categories and activities as defined in Annex E, relative to the agreed country specific reference level for future emissions, provided that reductions in emissions and enhanced removals from land use activities are:

- (a) Measured, monitored, reported and verified; and
- (b) Additional to those achieved in previous phases.

x.36 A developing country Party is eligible for compensation under phase 3, if:

- (a) It remains in compliance with phase 1 and 2 eligibility criteria in accordance with paragraphs 29 and 31;
- (b) It can demonstrate that previously received compensation under the mechanism has been spent according to agreed guidelines for agreed purposes; and
- (c) It has implemented an operational national forest greenhouse gas inventory based on measured, reported and verified data according to agreed rules.

x.37 The third phase shall end individually for each developing country Party, unless a further decision is taken by the Conference of the Parties to extend it, when the Party commits to quantified emission reduction targets for the land use sector.

E. INSTITUTIONAL FRAMEWORK

x.38 The Conference of the Parties shall, at its 15th session, mandate an appropriate institutional body to ensure immediate efforts to implement the REDD-plus mechanism and define the relevant principles, rules and guidelines for the mandated body, to be adopted at its [16th] session.

Annex A – Categories and activities (potentially) covered by the REDD-plus mechanism
[...]

Annex B – Categories and activities for the purpose of phase 1 (para. x.28)
[...]

Annex C – Categories and activities for the purpose of result-based funding in phase 2 (para. x.33)
[...]

Annex D – Suitable proxy data for the purpose of result-based funding in phase 2, (para. x.33)
[...]

Annex E – Categories and activities for the purpose of result-based funding in phase 3 (para. x.35)
[...]]