



Ideas and Proposals on Paragraph 1 of the Bali Action Plan

Submission by Global Witness

All our comments relate to REDD, i.e. para. 1 (b) (iii) of the Bali Action Plan, “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”.

Global Witness supports the submission by CAN to the AWG-LCA, 30 September 2008, and has the additional following comments.

Policy Approaches

Concrete approaches

- A REDD mechanism should be a stand-alone agreement not linked to the Kyoto Protocol and should contain obligations which bind Annex I countries as well as developing countries. A voluntary REDD mechanism would be more susceptible to leakage.

Biodiversity

- Protecting and restoring forests and their biodiversity is not just a co-benefit, it is an integral component of any effective package of climate change mitigation and adaptation strategies.

Positive Incentives

We support a results-based approach as proposed by Norway, and the need for positive incentives to improve governance and enforcement as recognised by New Zealand.

Conservation and sustainable forest management

- REDD must provide positive incentives to protect natural forests and their biodiversity, and restore degraded forests.

In relation to intact primary forests and modified natural forests, sustainable forest management needs to be defined as a forest management system that has a proven record to be ecologically sustainable, socially equitable and culturally appropriate, and does not result in increased emissions from deforestation and degradation.

Drivers of deforestation and forest degradation

- REDD must provide incentives to reduce the drivers of deforestation and forest degradation, including demand for and trade in forest products produced in contravention of national and international law.¹
- Application of any REDD mechanism must avoid subsidies that lead to deforestation and degradation.

Good governance

- REDD must be designed to provide strong incentives for building good governance of forests at national level.

Five principles of good governance can be identified:

1. Transparency
 2. Inclusiveness
 3. Accountability and responsiveness
 4. Coordination
 5. Capacity
- The design, implementation and monitoring of REDD mechanisms must be transparent and inclusive.

Stakeholders and rights holders, particularly indigenous peoples, local communities and civil society,² need to be actively engaged, not just consulted, during every step of the process at national and international level.

While Mexico's proposal to conduct public consultations is welcome, these are not enough. There needs to be multi-stakeholder participation in REDD.

- REDD mechanisms need to be designed to ensure institutions are accountable and responsive to change.
- REDD mechanisms must provide incentives to improve coordination between relevant government institutions and other actors, both vertically and horizontally, i.e. from central to local level and across government agencies.
- Effective capacity building must be a core element of REDD.

Capacity building must be directed towards indigenous peoples, local communities and civil society to enable effective engagement in REDD design and implementation, as well as towards government institutions to ensure effective forest management and equitable enforcement of REDD-related legislation.

We support Norway in relation to the development of country-specific parameters. Governance indicators, for example, could be used to support and direct capacity building.

¹ The most widely accepted definition of illegal logging is 'Illegal logging takes place when timber is harvested, transported, bought or sold in violation of national laws. The harvesting procedure itself may be illegal, including corrupt means to gain access to forests, extraction without permission or from a protected area, cutting of protected species or extraction of timber in excess of agreed limits. Illegalities may also occur during transport, including illegal processing and processing and export, misdeclaration to customs, and avoidance of taxes and other monies'.

² "Civil society must play an active role in the process, both operationally and in policy terms, independent of other stakeholders; must continue to monitor and evaluate the process after its inception; and must be free to voice its independent opinion without fear of reprisals", Global Witness, Honest Engagement Briefing, December 2008.

The World Bank is not an appropriate institution to coordinate programmes on capacity building. It has a poor record in relation to managing forest initiatives, especially with regard to engagement with indigenous peoples and local communities. Capacity building should be coordinated by the UNFCCC Secretariat.

A first step towards building good governance would be to establish, through REDD readiness programmes, national REDD multi-stakeholder groups which include indigenous peoples, local communities and civil society as full participatory members. The groups would be involved in the design of REDD readiness activities, and thereafter in developing monitoring and verification procedures in the implementation of REDD.

Financial mechanism

Only a fund-based approach will guarantee substantial, sustainable and predictable long-term financial flows. Markets are inherently volatile.

Fiscal oversight and distribution of REDD benefits

REDD must incorporate fiscal oversight mechanisms to ensure that REDD transactions are transparent and that the benefits derived from the mechanism are redistributed to indigenous peoples and local communities.

The best way to achieve this is through oversight by a multi-stakeholder group that includes representatives of indigenous peoples, local communities and civil society.³

Rights and land tenure

REDD must be designed to incorporate positive incentives that ensure the recognition and protection of customary rights, land tenure, and ownership rights of indigenous peoples and local communities to forests and forest resources, including carbon content of forests.

Monitoring, Reporting and Verification

What should be measured, reported and verified?

- Scientific and technological monitoring:
 - Reduction of emissions from deforestation and forest degradation - in respect of gross emissions.
 - Forest carbon stocks and carbon carrying capacity.
 - The effects on biodiversity.
- Governance and social monitoring:
 - Relevant activities by national authorities in relation to the management of forests, with a view to enhancing good governance and reducing illegality. Examples include:

³ An oversight process could be based on the criteria of the Extractive Industries Transparency Initiative (EITI); www.eitransparency.org. The EITI is a coalition of governments, companies, civil society groups, investors and international organizations, and supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. It sets a global standard for companies to publish what they pay and for governments to disclose what they receive.

1. activities enabled by national policies and legislation to promote reduction of emissions from deforestation and forest degradation, e.g. conversion of logging concessions
2. establishment and implementation of systems certifying legality of timber and non-timber forest products
3. the performance of government officials in the detection, reporting and suppression of illegal activity in the forest sector (e.g. through monitoring legal cases)⁴

- The impact of REDD on indigenous peoples and local communities.⁵

How to measure, monitor and verify

There needs to be a distinction between national and international systems.

- At international level, a minimum requirement should be independent ex-post verification by an international review team, similar to the expert review system that Annex I countries have established under Article 8 of the Kyoto Protocol.
- At national level, to make the system more robust mechanisms for independent third party monitoring, reporting and verification need to be established in cooperation with relevant government departments, civil society and the private sector in timber-producing countries.

Capacity building should include development of such systems.

With regard to “scientific and technological monitoring”:

- It is inadequate to rely on information derived from national forest inventories to monitor degradation as these are unreliable and usually inaccurate.
- It is inadequate to rely on remote sensing alone. Ground-based monitoring, involving local communities, is an essential component of a national system.

Compliance

If a binding REDD agreement is concluded, measures to address non-compliance will need to be developed.

Global Witness supports the submission of The Wilderness Society which is complementary to this submission.

⁴ Methodology to enable this is well established. See “Independent Forest Monitoring and Reducing Emissions from Deforestation and Degradation”, Global Witness briefing paper, November 2008; http://www.globalwitness.org/media_library_detail.php/688/en/independent_forest_monitoring_and_reducing_emissio

⁵ With the aim of ensuring compliance with the United Nations Declaration on the Rights of Indigenous Peoples and Article 8 (j) of the Convention on Biological Diversity as well as other relevant international, customary and national laws, including respect for the right to free, prior and informed consent (FPIC) of Indigenous Peoples and local communities.