



December 6, 2008

FERN, FRIENDS OF THE EARTH INTERNATIONAL (FOEI), AND RAINFOREST FOUNDATION UK (RFUK) SUBMISSION TO THE UNFCCC SECRETARIAT IN RESPONSE TO REQUESTS FOR IDEAS AND PROPOSALS ON THE ELEMENTS CONTAINED IN PARAGRAPH 1 OF THE BALI ACTION PLAN DECISION 1/CP.13 (FCCC/AWGLCA/2008/16)

On the context and objectives of policy approaches and positive incentives

To effectively reduce emissions from deforestation and forest degradation, Parties will need to implement a broad suite of policy approaches and incentives that address the underlying causes of forest loss, including actions within but not limited to the forest sector.

Degradation of tropical forests, particularly by industrial logging, is a significant source of carbon emissions and must be included in any REDD mechanism. The carbon stock of forests subject to commercial logging, even of a selective nature or under so-called "Sustainable Forest Management", is on average significantly less than the carbon stock of natural, undisturbed forests. Furthermore, roads and other infrastructure built to facilitate industrial-scale logging often open up the forest to further exploitation, leading to deforestation and permanent conversion.

Policy approaches and positive incentives for REDD must be based on sound definitions of "forest," "deforestation" and "degradation," that reflect the qualitative distinctions between natural forests and plantations. Plantations contain only a fraction of the carbon and biodiversity that natural forests have and should therefore not be included in the definition of 'forest'. Positive incentives aimed at sustaining standing forests must not end up profiting plantations.

Conversion of forests to plantations **is** deforestation and logging **is** forest degradation. This understanding should be reflected in the design of any policy approaches and positive incentives for REDD.

Parties must ensure that any REDD mechanism:

1. Recognizes and supports the broad range of policy approaches and positive incentives necessary to guarantee lasting protection of natural forests and reduction of deforestation and degradation, including policy, institutional and legislative reforms, enhanced forest law enforcement and improved forest governance, and strengthened recognition of Indigenous Peoples' and community

rights, regardless of whether the impact of these measures can be immediately quantified in terms of carbon emission units.

2. Does not allow Industrial-scale logging to benefit from financing for REDD or forest conservation.
3. Does not encourage or finance conversion of natural forests to plantations.

On the nature of policy approaches and positive incentives

Insofar as funding is required for REDD and forest protection measures, a fund-based mechanism is the only suitable approach to supporting countries in the design and implementation of the legal, institutional and governance reforms needed to address the underlying causes of deforestation and forest degradation. Furthermore, public funds are generally more easily tracked, managed and regulated than disperse, highly opaque and complex markets. The inherent unpredictability and potential volatility of market instruments compromises the reliable provision of funds needed.

A market which links emissions from fossil fuels to the purchase of REDD "offset" credits could ultimately undermine efforts to combat climate change -- by creating a false exchange between continued emissions in Annex I countries and temporary prevention of emissions from deforestation and degradation in non-Annex I countries, and by diverting funds from much-needed investment in energy efficiency and renewable energy sources in industrialised countries.

Parties must ensure that any REDD mechanism:

1. does not lead to the "offsetting" of emissions in Annex I Parties (by allowing REDD credits to be used for compliance with Annex I Parties' emission reduction commitments);
2. be designed and implemented to recognize and support the necessary policy, legal and institutional reforms as well as governance measures to ensure permanent reduction of emissions;
3. be financed through public funding;
4. must be based on the five principles of good governance: Transparency, Inclusiveness, Accountability, Coordination and Capacity;

Lasting reduction of emissions from deforestation and forest degradation is not possible without the full and effective participation of forest-dependent Indigenous Peoples and local communities. There is increasing scientific evidence that forest areas controlled by the local communities that live in and depend on them are less susceptible to deforestation and degradation.

Parties must ensure that any REDD mechanism:

5. respects and promotes the rights and interests of Indigenous Peoples and local communities, including the right to free, prior and informed consent (FPIC), in its design and implementation, in full compliance with relevant international human

rights conventions and applicable national laws, including *inter alia*, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Convention on Biological Diversity (CBD), as well as other relevant international, customary and national law

6. is developed and implemented with the active involvement of stakeholders and rights holders, particularly Indigenous Peoples, local communities and civil society in every step of the process;
7. ensures equitable benefit-sharing between and within Indigenous Peoples and local communities, especially among vulnerable groups and women;
8. upholds participatory standard-setting and promotes good governance, in particular with respect to forest policies and law enforcement;
9. establishes transparent and participatory mechanisms to prevent or resolve conflicts over access, use, and ownership rights that could arise during the development and/or implementation of REDD-related activities;

Halting climate change requires a just and global transition to a low-carbon economy based on sustainable consumption patterns that do not contribute to deforestation and forest degradation.

REDD programmes should tackle the underlying drivers of deforestation and degradation, such as the demand for agrofuels, meat, and forest products, and reward reduced consumption. Policy approaches and positive incentives for REDD must be flexible enough to encourage measures which address demand for the timber and agricultural products which contribute to forest destruction.

Parties should require that any REDD mechanism:

10. ensure coherence between deforestation policy goals and national or international trade policies on national and international scales.
11. be underpinned by laws and policies not only in tropical countries but also in the countries whose markets generate demand for forest and agricultural products.
12. make efforts to support Parties in governing their forests effectively through enacting binding policies to reduce demand for and trade in forest and agriculture products produced in contravention of any Parties' laws.

On what should be measured, reported and verified:

There are many actions that Parties could undertake to address the underlying causes of deforestation and forest degradation, which may not result directly in readily *quantifiable* greenhouse gas emissions reductions but whose impact on deforestation and degradation could nevertheless be measured, reported upon and verified using alternative non-greenhouse gas metrics.

Focusing policy approaches and positive incentives for REDD solely on actions which result in immediately and precisely quantifiable greenhouse gas reductions would limit the ability of Parties to address the underlying causes of deforestation and degradation.

Parties should require that any REDD mechanism should measure, report and verify the following *inter alia*:

1. Policies, measures and activities undertaken to address the underlying drivers of deforestation and forest degradation.
2. Actual change in forest cover, differentiating between areas of permanent loss and those that are temporarily deforested as part of a sustainable land use pattern of forest-fallow farming.
3. The effects of REDD on Indigenous Peoples and local communities - with a view to 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.