



# **SUBMISSION BY THE PLURINATIONAL STATE OF BOLIVIA**

## **Agenda item 5**

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

Elements for a possible draft decision on modalities for national forest monitoring systems and measuring, reporting and verifying  
(FCCC/SBSTA/2012/L.31)

***Invites Parties and admitted observer organizations to submit to the secretariat, by 25 March 2013, their views on issues related to methodological guidance on forest monitoring system and measuring, reporting and verifying that also consider, for developing countries that may wish to do so, the multiple functions of forest as appropriate when implementing activities as referred to decision 1/CP.16, paragraph 70, based on nonmarket approaches;***

### **1. Background of non-market-based approaches at UNFCCC**

The paragraph 67 of the UNFCCC decision 2/CP.17 establishes the following: “Notes that non market based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as a non-market alternative that supports and strengthens governance, the application of safeguards as referred to in decision 1/CP.16, appendix I, paragraph 2(c–e), and the multiple functions of forests, could be developed”.

Therefore, at the center of non-market-based approaches is the issue of joining mitigation and adaptation to be achieved through the integral and sustainable management of forests.

The Conference of Sustainable Development of Rio+20 has noted the importance of “holistic and integrated approaches to sustainable development which will guide humanity to live in harmony with nature”.

The United Nations Forum on Forests 10 developed at Istanbul, Turkey (april 8 to 19, 2013) has underscored the importance to promote the development of both market and non-market-based approaches to address sustainable forest management in a holistic, comprehensive and integrated manner.

## **2. Conceptual foundations**

### ***2.1 Forests and joint mitigation and adaptation***

Forests play a key role in relation with mitigation to climate change through the carbon emissions reductions. In addition, the linkages between forests and adaptation are twofold. First, adaptation is necessary in order for the forests to continue developing environmental functions (adaptation of forests), and second, forests play a vital role on the adaptation of indigenous people, local communities and society in general (adaptation of forest-dependent communities). There is a good understanding that sustainable management of forests can have an important role on adaptation to climate change through by ensuring a variety of environmental functions. Consequently, mitigation has an influence on forest adaptation through the reduction of anthropogenic pressure on forests, and conversely, the measures of adaptation can increase the permanence of the carbon stored on forests in a changing climate.

Market-based approaches are based on the “Payment of Ecosystem Services (PES)” which is oriented to create linkages between buyers and sellers of environmental functions, then reaching the scope of the markets to environmental public functions. Therefore, at the center of PES is the issue of ex-post payments.

### ***2.2 Non-market-based approaches***

Market-based approaches promote the establishment of transaction of units or carbon between a network of buyers and sellers of carbon through a global carbon market, and it is highly dependent on the compulsory or voluntary commitment of countries responsible of emission of carbon to the atmosphere, and on the price of the ton of carbon.

Conversely, non-market based approaches are based on strengthening the role of the public and the collective action of indigenous people and local communities, considering the principle of the Common but Differentiated Responsibilities by which developed countries are committed to transfer finance, technology and capacity building to developing country parties. Non-market-based approaches lies on expanding the reach of rights, responsibilities, rights and obligations in the context of the sustainable management of forests, instead of expanding the reach of markets, which frames the understanding of the concept of “Management of Environmental Functions” (MEF) instead of the PES.

REDD+, has primarily developed as a market-based approach, and therefore is based on measuring forest reference level at different levels of performance in order to quantify the reduction of carbon emissions throughout time. Then, REDD+ is based on ex-post payments of quantified emissions reductions.

Conversely, the JMA is based on the enforcement of sustainable management of forests to achieve outcomes of joint mitigation and adaptation. It is based on territorial planning and planned deforestation through an intervention based on promoting nested levels of governance, and creating linkages between instruments of promotion, oversight and control. The JMA is based on ex-ante sustained funding for the enhancement of sustainable management of forests in order to achieve joint mitigation and adaptation outcomes.

In this context, there are two methodological challenges in order to create a system of monitoring, reporting and verifying, in the context of implementation of non-market-based approaches, such as follows:

- The measurement of sustainable management of forests taking into account the multiple functions of forests.
- The trade-offs between joint mitigation and adaptation resulting from the sustainable management of forests.

Consequently, the ex-ante sustained funding for the achievement of joint mitigation and adaptation indicators through sustainable management of forests needs to consider specific guidance on forest monitoring system and measuring, reporting and verifying when implementing activities as referred to decision 1/CP.16, paragraph 70, based on nonmarket approaches.

### **3. Guidance on MRV for non-market-based approaches**

The monitoring, reporting and verifying (MRV) for the joint mitigation and adaptation approaches through the integral and sustainable management of forests, a non-market-based approach, will take into account the measurement of results-based action on joint mitigation and adaptation based on the achievement of sustainable management of forests, according with national legislations, policies and circumstances, taking into consideration two types of result-based actions.

In this context, there are two types of result-based actions based on the interlinkages between two scenarios. The first scenario is related to actions oriented to the strengthening of the sustainable management of forests, and the second scenario is related to the achievement of structural joint mitigation and adaptation outcomes.

First scenario of result-based actions:

- Empowerment of local autonomous units of governance and of indigenous people and local communities.
- Secure land and forest tenure.
- Implementation of instruments for territorial planning and plans for the integral management of forests.
- Cross-sectoral and cross-institutional linkages to address sustainable management of forests.
- Strengthening of local practices for the sustainable management of forests and ecosystems (including sustainable food production and diversification of forests livelihoods, and restoration of degraded areas).

Second scenario of result-based actions:

- Eradication of extreme poverty on forest-dependent people.
- Reduction of unplanned deforestation and of forest degradation through forest fires.
- Reduction of vulnerability of society and ecosystems to climate change.

The ex-ante sustained public funding is oriented to foster the achievement of result-based actions in context of the first scenario, which is to improve sustainable forest management, and then expecting to have also an important impact on joint mitigation and adaptation outcomes as highlighted on the second scenario.

Consequently, the MRV system is oriented to measure, report and verifying results-based actions in the two scenarios highlighted above, which, in turn, are linked to the specific procedures to be developed for operationalizing the option related to the ex-ante sustained public funding.