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Item 5 of the provisional agenda

Reducing emissions from deforestation in developing countries: approaches to stimulate action

**Views on issues related to further steps under the Convention related to
reducing emissions from deforestation in developing countries:
approaches to stimulate action**

Submissions from Parties

Addendum

1. In addition to the 10 submissions contained in document FCCC/SBSTA/2007/MISC.14 and the two submissions contained in document FCCC/SBSTA/2007/MISC.14/Add.1, two further submissions have been received.
2. In accordance with the procedure for miscellaneous documents, these submissions are reproduced* in the language in which they were received and without formal editing.

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

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PAPER NO. 1: INDIA

Views from India to UNFCCC on REDD

1. Background:

In response to international debate on “Reducing emissions from deforestation and degradation (REDD) in developing countries”, India proposed the concept of “**Compensated Conservation**” to compensate the countries for maintaining and increasing the carbon stocks as a result of conservation and increase/improvement in forest cover. SBSTA 25 decided to continue discussions on ongoing as well as potential policy approaches and positive incentives, along with related technological and methodological requirements. SBSTA 26 again invited parties to submit to the Secretariat, by 15th August 2007, their views on issues related to further steps under Convention related to reducing emissions from deforestation in developing countries: approaches to stimulate action. The SBSTA also requested Secretariat to compile these submissions for its consideration at 27th Session.

2. Submission:

The Indian submission on the subject is as follows:

2.1 The Policy Approach:

Ever since the discussion on REDD started in the UNFCCC and various other international forums, India reiterated its position by acknowledging the seriousness of threat of deforestation as a major contributor of GHG emissions, and participated actively in the international efforts to reduce deforestation at global level. The proposed range of actions that have emerged so far to address the issue of REDD can be summarized as follows:

- Compensation for reducing deforestation
- Compensation for stabilizing forest cover
- Compensation for conserving and increasing forest cover

Nevertheless, the diverse national circumstances need to be accommodated while developing a policy framework for providing financial incentives under the concept of REDD. Protection and sustainable management of forests need to be considered as positive practices to avoid deforestation. Nations with continued deforestation and now committing to reduce deforestation rates, and those having already taken up strong conservation measures and thereby stabilizing and increasing the forest cover against a pre-determined baseline, present a fit case to be rewarded under REDD, as these efforts reduce the emission of carbon in atmosphere/capture atmospheric carbon, in the process. Besides the above, approaches, SBSTA/COP must be open to consider other successful range of actions that reduce/stabilize or conserve carbon in forest ecosystems. It will be advisable to vet different policy approaches suitable to various national circumstances through pilot projects.

In its country submission at SBSTA 26, India proposed a new potential policy approach based on socio-environmental and technological perspectives and requirements of the country. India proposed that countries that have implemented strong conservation measures and regulations be suitably compensated under the instrument of REDD. The Potential policy approach presented by India was named “**Compensated Conservation**”. The Indian Proposal is intended to compensate the countries for maintaining and increasing their forests as carbon pools as a result of conservation and increase/improvement in forest cover backed by a verifiable monitoring system (FCCC/SBSTA/2007/Misc.2).

2.2 The Proposed Mechanism:

To advance the concept of “Compensated Conservation” further, it would be appropriate to broadly dwell upon the mechanism that could be deployed to make an assessment of incentives accrued and payable, based on enhancement of carbon stocks in forests.

A national level REDD approach to work outside CDM, and financially supported by a specially designed and designated fund is proposed to operationalize REDD concept. The comprehensive approach at national level can be developed by integrating existing IPCC 2006 guidelines, GPG, and use of remote sensing technologies for estimation, acceptance and disbursement of positive incentives. India favours a National Level Accounting Mechanism (as one single country project). COP/SBSTA may develop separate “Modalities and Procedure” for implementation of REDD mechanism under UNFCCC/Kyoto Protocol (on the analogy of decision 19CP.9 for CDM A/R Projects under Marrakech Accord).

In order to ensure uniform reporting at international level, for the purpose of admissibility of incentives under REDD, there is need for recognizing a country specific definition of forest in terms of crown density, which should include natural as well as industrial/short rotation plantations, or in the alternative, if technologically possible, a forest definition based on a minimum default biomass/carbon stocks per unit area.

2.3 Proposed Financial Mechanism:

It is proposed to implement the REDD outside the CDM of Kyoto Protocol. Therefore, the existing market mechanism for CDM will not be applicable for disbursement of financial incentives for approaches qualifying under REDD. Developed country parties must deploy additional financial resources for the purpose. New financial arrangements within the Convention (UNFCCC) can be worked out to enable developing country parties to take admissible action(s) under REDD. UNFCCC may create different financial instruments or apportion funds under the same instrument for different range of actions to be implemented by the countries according to their national circumstances such as:

1. Reducing Deforestation Fund
2. Stabilization Fund
3. Forest Carbon Conservation Fund

While developing any instrument of financial incentives to support REDD, strong need for capacity building expressed by most developing country parties at all stages of discussions on REDD should be kept in view. An ‘Enabling Fund’ to support capacity building and conducting pilot activities related to REDD activities for developing/least developed countries can also be considered.

India reaffirms that there is urgent need for mobilizing new and additional financial resources to provide incentives to country specific approaches under overall umbrella of REDD concept. Funds can be generated by contribution from developed country parties, setting aside part GEF budgets, imposing levy on CDM revenue by UNFCCC, or any other such mechanism.

2.4 Methodological Approach:

Assessment of increment in forest carbon stocks to facilitate disbursement of financial incentives would require a robust methodological approach comprising technological, and monitoring and verification elements.

Summary of technological process to be followed for assessment of carbon stocks at regular intervals of 5 years is given in the Annexure.

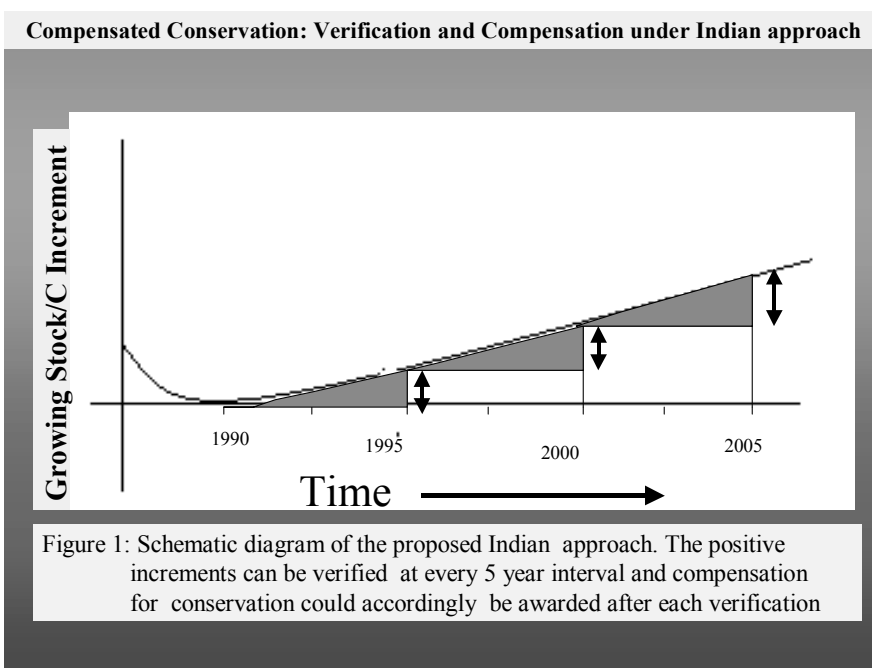
Methodology Proposed

To enable robust reporting of changes (positive/negative) in forest cover, one national baseline is recommended. One single national baseline will prevent double accounting and leakages. While computing increase in forest cover of a country, the afforested/reforested area covered under a registered CDM A/R project activity, will also be subtracted as a minus entry in the national inventory for the specific purpose of national REDD accounting.

Satellite based transparent and verifiable reporting: With the technological advancement in forest resource mapping, it is now possible to measure at national level increase/decrease in forest cover with a fair degree of accuracy and hence GHG capture or emissions respectively.

Further, use of universally accepted IPCC 2006 guidelines and GPG for LULUCF can be adopted for accounting the positive/negative gains in forest carbon stocks.

Periodicity of Reporting: India is of the opinion that it can prepare and furnish a “National Level Forest Carbon Accounts” every five years based on assessment of i) forest cover in three categories of crown density (10-40%, 40-70%, >70%), ii) above and below ground biomass in different forest types, and iii) soil carbon per unit area in different forest types. A schematic diagram of the approach is given in Figure 1.

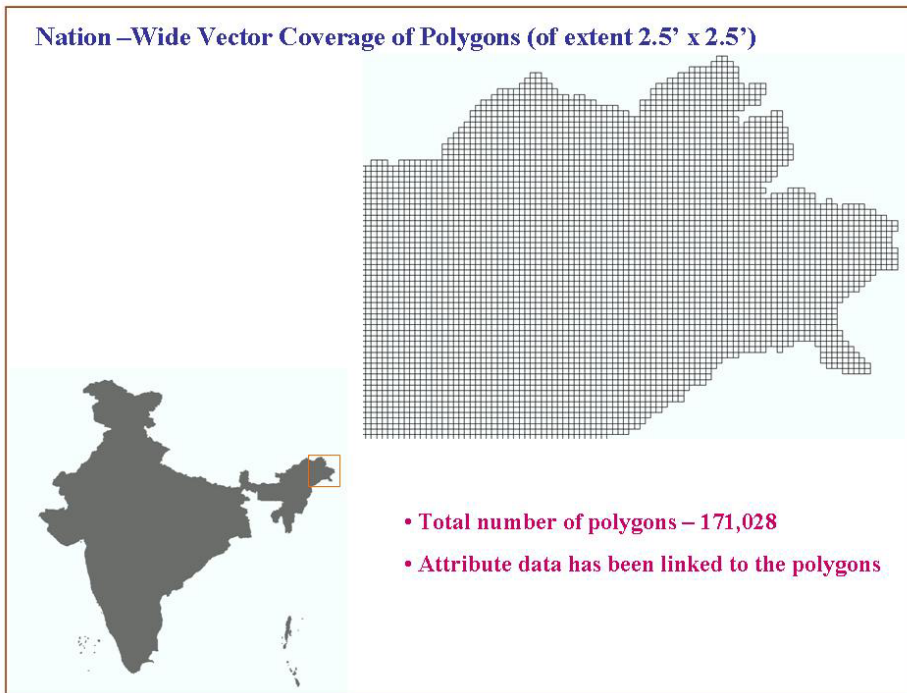


Assessment of Forest Biomass and thereby Forest Carbon stocks at National Level

- Forest type mapping national project currently underway is expected to map forest types of India according to Champion and Seth Classification. It is intended to finally result in a map series showing about 200 forest types of the country on 1: 50,000 scale.
- Nation-wide forest cover mapping done by Forest Survey of India (FSI) biennially on 1:50,000 scale gives three classes of canopy density (10-40%, 40-70%, >70%) excluding scrub.

- An overlay analysis of the above two spatial layers in GIS would give 600 strata (of homogeneous floral composition and canopy density).
- Using inventory data, and volume factor, extrapolation of growing stock to estimate total biomass per ha of forest area for each of the above 600 strata can be done.
- Estimation of growing stock of biomass of forests at the national level can be done using the above approach in a cycle of 5 years using the latest forest cover map.
- Nation-wide grid coverage of 2.5' x 2.5' is shown in the figure 2 below.

Figure 2: Nation-wide grid coverage of Polygons (2.5' x 2.5')



PAPER NO. 2: SWITZERLAND

SWITZERLAND

SBSTA 27

Reducing emissions from deforestation in developing countries

1. Switzerland welcomes the opportunity to submit views on issues related to further steps under the Convention related to reducing emissions from deforestation in developing countries: approaches to stimulate action.
2. Such approaches have to take into account (with the highest priority) the development dimension.
3. They have to generate incentives for reducing emissions from deforestation – and for reducing deforestation itself. They have to consider market-based and other mechanisms such as regulations. Their framework should be (broadly) the Convention's process. For the implementation of actions, they should make use of related international organizations and processes dealing with forests and timber. Concerning actions at the national level, existing experience in a number of developing countries has to be taken into account.
3. A long-term perspective is necessary since emissions from deforestation in developing countries are a major source of CO₂ and have therefore an important role to play in achieving the ultimate objective of the Convention.
4. Under the Convention's process, national and international approaches to stimulate action have to be considered.
5. At the national level, Parties have to establish legal framework for addressing emissions from deforestation. They have to promote sustainable forest management and link it with poverty alleviation policies. At the same time, they have to combat illegal logging. Specific policies have to be designed to promote agroforestry and sustainable forest management. Developing Parties have to mainstream reduction emissions from deforestation issues in national sectoral measures such as rural policy development, land planning. They have to promote alternatives to deforestation in the framework of economic development and diversification. Labels for timber may be an instrument for promoting sustainable forest management. Other important actions are promoting best practices in agriculture and the creation of protected areas and forest reserves.
5. In our view, transparent financial mechanisms able to provide stable, predictable and sufficient resources are necessary. Different institutional designs are possible and thinkable with regard to REDD: Implementation through national, regional or local institutions or through the private sector, but all institutional designs have to consider and integrate the interests of the dwellers living close or in the zones of committed forests in order to be successful. Establishing green funds for economically viable sustainable forest activities and other financing approaches should be envisaged. In this context, the clean development mechanism of the Kyoto Protocol has an important role to play.
6. We propose for consideration the two following examples taken from the Swiss cooperation.

Annex: The Swiss cooperation experience

The Swiss Development and Cooperation Agency (SDC) and the State Secretariat for Economy, (SECO) are in charge of the Swiss international cooperation, and they have REDD relevant activities.

In this context, the Swiss cooperation supports ambitious targets in reducing GHG emissions in a post-2012 climate change regime. Emission reduction trading, through CDM or a similar mechanism, is one of the important options to achieve this target. Mitigation options in forestry, among other sectors, need to be included in such a trading scheme. Such options include (i) a revised CDM afforestation and reforestation scheme that include forest restoration of degraded forest carbon stocks; and (ii) committing forests as carbon reservoirs through emission reduction from deforestation and forest degradation (REDD). These approaches to forest mitigation are interwoven and an integrated scheme needs to be developed, that includes both, a national level approach to set voluntary targets for forest mitigation options and a project-level approach to receive positive incentives for emission reductions and carbon sequestration. Modalities and procedures for such an overall system still need to be developed.

The Swiss cooperation supports the development of an integrated forest mitigation scheme including REDD and Carbon sequestration through participation in technical, scientific meetings to develop carbon accounting systems, socio-economic models and financial models, and, in addition, pilot projects to develop practical experience in developing the forest-based carbon market. The main partner at the international level is the International Tropical Timber Organization (ITTO). ITTO has a specific mandate to promote the sustainable management of the tropical forest resource base. SECO is also considering its involvement in the Forest Carbon Partnership Facility (FCPF) of the World Bank and the Partnership for REDD Preparation (PREP), a joint initiative from the 14 organizations of the Collaborative Partnership on Forests (CPF). Implementation partner in Switzerland is Intercooperation.

The pilot project FORECA (*forêt compromise comme réservoir de carbone*) from SDC is a multi-partnership pursuing a shared goal of testing the feasibility of setting aside threatened forests (so called committed forests) as carbon reservoirs through international transfer payments in the UNFCCC framework of a post 2012 international climate change regime. The pilot project aims at developing economically feasible and socially equitable operational approaches of reducing GHG emissions through the avoidance of deforestation and forest degradation. The ministry for Environment, Water and Forests (MINENVEF) of Madagascar, its development partners, namely GTZ, SDC/Intercooperation as well as other scientific and operational partners will deliver institutional, policy and tenure models that lead to an efficient outcome at the local and the national level.

The pilot project in Madagascar will contribute to the establishment and implementation of an effective payment scheme that helps to reduce GHG emissions from deforestation in non-annex 1 countries and boosts local sustainable development through effective land-use mechanisms

The project entails four main program outputs:

- 1. Mobilizing, at national level, policies to adopt the committing forest approach.** Building capacity at national level to the emission reduction strategies through avoiding deforestation and forest degradation. Project partners will jointly with key actors develop and test eligibility criteria, methodologies for carbon account and monitoring procedures regionally and locally.
- 2. Generating at local level, knowledge on the practical implementation of setting threatened forests aside as committed forests.** In 1 or 2 selected committed forest areas, the project will work with local stakeholders, in particular the main deforestation drivers, in setting aside committed forests and in developing suitable land-use and management schemes in areas outside the committed forests.
- 3. Supporting methodological development for emission reduction through avoided deforestation.** Based on existing practical knowledge in A/R CDM and on experiences in the forests sector on

reducing deforestation and forest degradation, the project will contribute to the development of methodological tools for carbon accounting, additionality aspects, leakages, monitoring and evaluation in respect to the committed forest approach.

4. ***Helping the climate change community to develop an implementable CC-strategy in respect to emission reduction through avoiding deforestation.*** Through regular exchange and information, the project will inform policy makers on practical issues of implementation avoiding deforestation schemes as emission reduction. The exchange would also include to test and adapt submissions and proposals made in the course of the climate change negotiations.
