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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

Report on the in-session expert meeting on matters relating to non-market-based approaches to support the implementation of the activities in decision 1/CP.16, paragraph 70

Note by the secretariat

Summary

An in-session expert meeting on non-market-based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, as referred to in decision 2/CP.17, paragraph 67, to support the implementation of the activities referred to in decision 1/CP.16, paragraph 70, was held in Bonn, Germany, on 6 June 2014. Parties shared their views and experiences related to various non-market-based approaches. The Subsidiary Body for Scientific and Technological Advice may wish to take the outcome of these discussions into account when considering the need for further methodological guidance on this matter.

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I. Introduction

A. Background and mandate

1. At its thirty-eighth session, the Subsidiary Body for Scientific and Technological Advice (SBSTA) noted¹ that non-market-based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, as referred to in decision 2/CP.17, paragraph 67, are important to support the implementation of the activities referred to in decision 1/CP.16, paragraph 70 (hereinafter referred to as REDD-plus activities²).

2. The SBSTA further noted the need for clarity on types of non-market-based approaches related to the implementation of REDD-plus activities, and whether further methodological work could be needed. It also took note of the relationship between this issue and the provision of adequate and predictable support, including financial resources.³

3. The SBSTA requested the secretariat to organize an in-session expert meeting on the matters referred to above at SBSTA 40, and to prepare a report on the meeting for consideration at SBSTA 41.⁴

B. Possible action by the Subsidiary Body for Scientific and Technological Advice

4. SBSTA 41 may wish to consider the information in this document in its consideration of the matters outlined in paragraphs 1 and 2 above.

II. Proceedings

5. The half-day in-session expert meeting on matters relating to non-market-based approaches to support the implementation of REDD-plus activities took place at the Maritim Hotel in Bonn, Germany, on 6 June 2014, during SBSTA 40.

6. The expert meeting was open to all Parties and admitted observer organizations attending SBSTA 40. It was opened by the Chair of the SBSTA, Mr. Emmanuel Dumisani Dlamini (Swaziland). The workshop was co-chaired by Mr. Robert Bamfo (Ghana) and Mr. Peter Graham (Canada). The co-chairs introduced the mandate and objectives of the expert meeting and presented the approach to the work.

7. The expert meeting was divided into two sessions:

(a) Session I: presentations. A presentation was given by the co-chairs on a synthesis of views contained in the submissions from Parties and admitted observer organizations.⁵ One of the co-chairs of the informal consultations on SBSTA 40 agenda

¹ FCCC/SBSTA/2013/3, paragraph 38.

² In decision 1/CP.16, paragraph 70, the Conference of the Parties encouraged developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities: reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks. These activities are also referred to as REDD-plus activities.

³ FCCC/SBSTA/2013/3, paragraph 39.

⁴ FCCC/SBSTA/2013/3, paragraph 41.

⁵ Submissions from Parties are contained in document FCCC/SBSTA/2014/MISC.3 and Add. 1–3.

item 13(b), “Non-market-based approaches”, gave an overview presentation on the status of negotiations under this agenda item. This was followed by presentations by representatives of Bolivia (Plurinational State of), Indonesia on behalf of the 10 countries of the South-East Asia region, and the United States of America;

(b) Session II: plenary discussions. This session covered views and in-depth discussion of proposals on methodological guidance for non-market-based approaches supporting REDD-plus implementation. The discussions were guided by three key questions posed by the co-chairs:

(i) What is meant by non-market-based approaches in the context of the implementation of REDD-plus? Which common elements or characteristics of non-market-based approaches support the implementation of REDD-plus activities?

(ii) What lessons on methodological guidance can be drawn from current non-market-based financing of REDD-plus activities (e.g. through national, regional, bilateral or multilateral funds)?

(iii) Taking into account the existing guidance on financing and methodologies provided by the Warsaw Framework for REDD-plus⁶ and other relevant decisions of the Conference of the Parties (COP), what additional methodological guidance would still be needed for non-market-based approaches? If required, what would be the key elements of such additional methodological guidance?

8. The agenda, information note on the expert meeting and the presentations by representatives of Parties and the co-chairs are available on the UNFCCC website.⁷

III. Summary of presentations

9. The presentation by the co-chairs of the expert meeting referred to in paragraph 7(a) above identified four broad clusters of issues: definition and scope of non-market-based approaches; consideration of non-market-based approaches in the existing or ongoing work under the Convention; further work needed on alternative policy approaches (including the joint mitigation and adaptation approaches for the integral and sustainable management of forests); and potential areas and issues for discussion at the expert meeting. They pointed out that the expert meeting could provide clarity on the need for further methodological work related to non-market-based approaches, particularly at the international level.

10. The co-chair of the informal consultations on agenda item 13(b) referred to in paragraph 7(a) above presented updated information on the status of the discussions on non-market-based approaches under this agenda item. He pointed out that non-market-based approaches are not yet defined and that discussions under agenda item 13(b) at SBSTA 40 would focus on the purpose of non-market-based approaches and the scope of the work programme on non-market-based approaches.

11. In his presentation, the representative of the Plurinational State of Bolivia explained that in his country’s view, non-market-based approaches in the context of the joint mitigation and adaptation approaches for the integral and sustainable management of forests are an instrument based on the international cooperation of Parties through the provision of finance and transfer of technology by developed countries to developing

Submissions from observer organizations are available on the UNFCCC website at <<http://unfccc.int/7482>>.

⁶ The Warsaw Framework for REDD-plus comprises decisions 9/CP.19 to 15/CP.19. For more information, see document FCCC/CP/2013/10, paragraph 44.

⁷ <<http://unfccc.int/8278>>.

countries for the achievement of sustainable management of forests, with a joint approach to mitigation and adaptation, in line with the scientific findings of the Intergovernmental Panel on Climate Change. The representative further pointed out that new methodological guidance is needed, in particular general methodological guidelines for the joint mitigation and adaptation approaches for the integral and sustainable management of forests.

12. The representative of Indonesia, speaking on behalf of the 10 countries of the South-East Asia region, outlined several existing examples of non-market-based approaches supporting REDD-plus implementation in these countries. In the view of these countries, non-market-based approaches refer to approaches that do not generate carbon credits. The representative emphasized that the COP has provided sufficient methodological guidance for non-market-based approaches in REDD-plus implementation with the Warsaw Framework for REDD-plus. The representative suggested using the expert meeting to gain further clarity on the applicability of the joint mitigation and adaptation approaches for the integral and sustainable management of forests in an international setting, taking into account the status of discussions on non-market-based approaches under SBSTA 40 agenda item 13(b).

13. The representative of the United States gave a presentation on non-market support provided for REDD-plus, and the lessons learned from experiences with different initiatives. For this country, non-market refers to everything that is not linked to emission reduction units transacted in carbon markets. The representative emphasized that the most effective approach to financing REDD-plus is the one that best fits the context, including national circumstances and actions to be financed, and that the response may be a blend of tools and approaches. The United States considers the existing methodological guidance to be sufficient for the REDD-plus readiness, implementation and results-based actions that it supports.

IV. Summary of the plenary discussions

14. During session II of the expert meeting, participants engaged in plenary discussions, adding to or elaborating on issues relating to the presentations in session I (paras. 9–13 above). Their discussion was guided by a set of questions (para. 7(b) above) posed by the co-chairs of the meeting.

15. The following main proposals and issues were raised by participants at this session:

(a) Elaboration of how non-market-based approaches as alternative policy approaches, such as the joint mitigation and adaptation approaches for the integral and sustainable management of forests, could be developed to support the activities referred to in decision 1/CP.16, paragraph 70, and views on the need to move forward with the development of methodological guidance for the joint mitigation and adaptation approaches for the integral and sustainable management of forests (paras. 16–19 below);

(b) Recognition of the dual role of forests in mitigation and adaptation (paras. 20 and 21 below);

(c) Sufficiency of the methodological guidance available in the Warsaw Framework for REDD-plus for supporting the use of non-market-based approaches in the implementation of REDD-plus activities, including sharing related experiences (paras. 22 and 23 below).

16. One Party provided detailed clarification of its proposal on developing methodological guidance for non-market-based approaches in the form of the joint mitigation and adaptation approaches for the integral and sustainable management of

forests. The Party identified several aspects or characteristics of such approaches that suggest that it could be different from the current framework relating to REDD-plus:

(a) The joint mitigation and adaptation approach for the integral and sustainable management of forests is based on indigenous peoples' holistic understanding of the multiple functions of forests and on the non-commoditization of the environmental functions of forests. It is a landscape approach that strengthens linkages and synergies to support jointly mitigation and adaptation aspects in forests;

(b) The joint mitigation and adaptation approach for the integral and sustainable management of forests recognizes that more effective adaptation implies the establishment of better conditions for mitigation. Therefore, such an approach would not need to demonstrate that "a ton is a ton" when estimating emission reductions, but a general approximation based on proxies would be sufficient. The implementation of the approach is based on international cooperation and the rights of indigenous and local communities, thereby addressing any inherent risks of implementation without the need for safeguards;

(c) The joint mitigation and adaptation approach for the integral and sustainable management of forests is supported through long-term, sustained public finance that includes a mixture of ex ante payments (for a needs-based approach, in particular for adaptation) and ex post payments (based on a performance-based approach for mitigation). A distinction was made between "long-term finance according to the Convention" and "results-based payments in relation to REDD-plus".

17. In addition, this Party laid out several aspects or elements that need to be developed, including new methodological guidance at the international level, for both the preparation and the implementation phase of the joint mitigation and adaptation approach for the integral and sustainable management of forests. The aspects or elements requiring methodological guidance or further development include:

(a) In the preparation phase:

(i) Proxies to identify mitigation potential in forests without the use of national forest inventories;

(ii) Assessment of vulnerabilities and adaptation options;

(iii) Complementary agreements, including for the provision of finance, the transfer of technology and capacity-building;

(b) In the implementation phase:

(i) Monitoring mitigation actions based on simple indicators, such as area of land-use change or area of forest fire control;

(ii) Monitoring of adaptation actions to evaluate to what extent the well-being of communities, conservation of forests, increasing resilience and reducing vulnerability are promoted, based on general criteria established in line with national adaptation plans (NAPs).⁸

18. The Party further emphasized the need to move forward with the development of such methodological guidance for non-market-based approaches, also because it considers carbon markets to have collapsed. The need for the development of such non-market-based approaches was supported by one other Party, which shared its experience as a least developed country facing difficulties in participating in current mechanisms that focus on carbon benefits.

⁸ Details of this proposal as provided by the Party are available at http://unfccc.int/files/methods/redd/application/pdf/bolivian_proposal_jma_05.06.2014.pdf.

19. In response to some of the elements of this proposal, other Parties provided their views on a performance-based non-market-based approach. One Party noted that REDD-plus has been developed to allow fully measured, reported and verified results-based actions to receive performance-based payments. This Party further emphasized that the discussion here should instead consider alternative performance-based non-market-based approaches that allow results to be measured against indicators other than carbon. Another Party stated that regardless of the mode of financing, REDD-plus is performance-based. It added that in this sense, the joint mitigation and adaptation approach for the integral and sustainable management of forests is also a performance-based approach but it measures the performance of other elements and not in terms of carbon. A few other Parties sought further clarification of the common elements of non-market-based approaches in order to better understand the joint mitigation and adaptation approach for the integral and sustainable management of forests, including whether it is a non-market-based approach or a different approach. According to one of these other Parties, its understanding of non-market-based approaches is that these approaches facilitate access to funds and incentives and are not limited to payments. A few Parties questioned the need for an international framework to be developed for joint mitigation and adaptation approaches for the integral and sustainable management of forests, and whether such approaches could be applied as a national framework.

20. All participants recognized the importance of the multiple functions of forests, and that initiatives are usually not designed for REDD-plus alone, but also aim to secure a broad range of benefits, including adaptation, mitigation, socioeconomic aspects, biodiversity and others. Many Parties expressed the view that each country would have its own unique approach for the consideration of these aspects, depending upon national circumstances, priorities, capacities and capabilities. Several developing country Parties emphasized that guidance for synergies between mitigation and adaptation activities in forests could more appropriately be developed at the national level. An additional concern was raised over the development of indicators and potential additional requirements for developing countries.

21. Many Parties welcomed the discussion on the consideration of adaptation elements in the context of mitigation actions in the forest sector, on a voluntary basis, but considered that these elements of the proposal on the joint mitigation and adaptation approach for the integral and sustainable management of forests in the context of non-market-based approaches could not be properly discussed under SBSTA 40 agenda item 5. In their view, considerations related to forests and adaptation could more appropriately be introduced in ongoing discussions under agenda items related to adaptation, for example on NAPs and on the Nairobi work programme on impacts, vulnerability and adaptation to climate change. To avoid any duplication of efforts, several Parties also expressed the view that further consideration of non-market-based approaches in the context of the implementation of REDD-plus should take place only after the discussions under SBSTA 40 agenda item 13(b) had reached an outcome that could be taken into account.

22. Most Parties were of the view that existing methodological guidance is sufficient for non-market-based approaches to support the implementation of REDD-plus readiness activities and results-based actions. One Party added that in its view an exception is further guidance for safeguards, which will be considered at SBSTA 41. It was also pointed out that current experiences do not include the application of existing methodological guidance for appropriate market-based approaches, but only for non-market-based approaches. Many developing country Parties added their concern that the development of further methodological guidance for such non-market-based approaches could lead to additional requirements and increase the burden for developing countries implementing REDD-plus activities. One Party noted that such additional methodological guidance could also set a

precedent for a distinction between methodologies for market-based approaches and those for non-market-based approaches in other sectors, such as energy.

23. To support the view that the existing methodological guidance is sufficient, a number of developing and developed countries shared their experiences with existing and ongoing non-market-based approaches to support the implementation of REDD-plus activities, in addition to those mentioned in the presentations. A broad range of experiences were presented, with different financing tools being used to provide capital or to reduce risks, provided through a wide variety of public and private sources. The channels for support provided by non-market-based approaches included bilateral, multilateral, regional and national channels, and combinations of these. Experiences were shared on issues such as the use of non-market-based approaches for capacity-building and technology support, creating enabling conditions, and payments for results other than greenhouse gas emission reductions.
