



## **Tropical Forest Group Submission on REDD+ Reference Levels To the Subsidiary Body on Science and Technological Advice**

*September 2011*

### **Summary**

For REDD+ to progress, credible reference levels of deforestation and forest degradation and associated GHG emissions in developing countries must be established. REDD+ reference levels are essential for ensuring environmental integrity, for maximizing the value of public finance, for leveraging private capital, for ensuring a level playing field for countries, and for helping advance performance-based incentives as REDD+ programs mature. Clear REDD+ reference levels will identify reductions in deforestation that the international community sanctions as real, additional, and measurable.

Given their overall importance, TFG has focused its UNFCCC policy work on REDD+ reference levels. This submission only addresses REDD+ reference levels. While many other matters are of the utmost importance, they are not discussed in this submission. This submission uses the term “REDD+ reference levels” to include reference forest levels and reference emission levels, including subnational levels.

The UNFCCC process has been grappling with REDD+ reference levels since 2006. Now, five years later, an opportunity finally exists for a meaningful decision to be taken by SBSTA 35 and COP17 on REDD+ reference levels. At the most recent SBSTA meeting, REDD+ reference levels were discussed and Parties and observers were again invited to submit views on modalities for REDD+ reference levels (for the third or fourth time, depending on one's interpretation of prior submission requests). What is different about this request is that Parties and observers were asked to provide *structured* submissions on around five specific sub-topics of REDD+ reference levels: scope/purpose, characteristics, construction, communication, and other relevant issues. SBSTA aims to complete work on these matters at SBSTA 35, and report draft decisions to COP17.

Given that countries have already been asked to develop REDD+ reference levels, if no substantial decision is made at SBSTA35/COP17, the UNFCCC process of REDD+ reference level development is likely to become increasingly irrelevant as other multi-lateral and bi-lateral processes on REDD+ proliferate and advance. This submission includes an annotated history of SBSTA and COP decisions on REDD+ reference levels, an assessment of where things stand on the topic, and proposes recommendations in the format/guidance requested by SBSTA 34.



## **Annotated Background on REDD+ Reference Levels in UNFCCC/SBSTA Processes**

Since Bali (COP13), there have been a series of COP and SBSTA decisions relating to REDD+ reference levels. Some of the major highlights are provided below.

### **COP13 (2007)**

The Bali Action Plan included a request for SBSTA to develop a work plan on a range of REDD+ issues, including reference emissions levels and recommendations for COP14. COP13 also requested parties to use indicative guidance in undertaking and evaluating REDD+ demonstration activities. The parts of this indicative guidance for REDD+ reference levels are:

- Reductions in emissions or increases resulting from (REDD+) demonstration activities should be based on historical emissions, taking into account national circumstances.
- Subnational approaches, where applied, should constitute a step towards the development of national approaches, reference levels and estimates.
- Independent expert review is encouraged.

To summarize, COP 13 asked SBSTA to develop a work plan on REDD+ reference levels and to suggest COP 14 decisions. And the COP: identified historical emissions taking into account national circumstances as a basis for reference levels; noted that development of subnational reference levels should inform national reference levels; encouraged sharing of information on a dedicated UNFCCC REDD Web Platform; and encouraged independent expert review of a range of issues, including reference levels.

### **COP15 (2009)**

4/CP.15 added two important elements to the process of establishing REDD+ reference levels. 4/CP.15 (paragraph 1) requested developing country Parties to:

- Identify drivers of deforestation/degradation resulting in emissions and the means to address these
- Identify activities that reduce emissions, increase removals, stabilize forest carbon stocks
- Use most recent IPCC guidelines as a basis for estimating forest related GHG emissions by sources, removals by sinks, forest carbon stocks and forest area changes
- Establish robust and transparent national and subnational forest monitoring systems that:
  - Combine remote sensing and forest carbon inventories
  - Produce estimates that are transparent, consistent, accurate as possible, and that reduce uncertainties
  - Are transparent and the results are available and suitable for review as agreed by the COP.



And in 4/CP.15 (paragraph 7), COP 15 recognized that developing country Parties should develop REDD+ reference levels transparently, taking into account historical data and adjusting for national circumstances, in accordance with relevant decisions of the Conference of the Parties.

COP15 decision reiterated the indicative guidance from COP 13, and further emphasized that drivers of deforestation be identified. TFG notes that identifying drivers of deforestation and degradation are essential for any comprehensive assessment of both the historical and potential future rates and locations of deforestation and degradation. This decision clearly allows that drivers of deforestation be identified as part of any reference level work, but does not require that drivers of deforestation are intrinsic to REDD+ reference levels.

#### **COP16 (2010)**

From the Cancun Agreements<sup>1</sup>, COP16 requested developing countries to develop the following 4 REDD+ elements:

- (a) National REDD+ strategies or action plans
- (b) REDD+ reference levels
- (c) Robust and transparent forest monitoring systems (including subnational ones)
- (d) Systems for providing information on safeguards

In tandem to this request of developing countries, COP16 requested SBSTA, by COP17, to develop a work program that includes modalities for REDD+ reference levels (as well as modalities on forest monitoring systems and guidance on safeguards). It is important to note that developing countries were requested by COP16 to develop REDD+ reference levels. Thus, any country can submit a REDD+ reference level at anytime. This suggests an urgency for SBSTA 35 and COP17 to resolve more granular issues for submissions, before countries “get out in front” of any international processes.

#### **SBSTA 34 (2011)**

Following the COP16 request to SBSTA for a COP17 decision on REDD+ reference levels, SBSTA 34 met and provided some initial guidance on submissions and future work pertaining to REDD+ reference levels<sup>2</sup>, which has five (5) subparts:

- a) Scope and/or purpose of the reference levels
- b) Characteristics
- c) Guidance for construction
- d) Process for communication
- e) Other relevant issues

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<sup>1</sup> FCCC/CP/2010/Add.1 para 71.

<sup>2</sup> FCCC/SBSTA/2012/2, Annex II



Importantly, SBSTA has for the first time, requested structured submissions and guidance for future work on the topic of REDD+ reference levels. It is important to note that this is first time SBSTA has identified 5 key sub-topics of REDD+ reference levels. This sets the stage, or at least leaves open the door, to reach a SBSTA35 and COP17 decision that consolidates prior decisions on REDD+ reference levels in a meaningful decision.

### **Summary Analysis**

A meaningful decision on REDD+ reference levels is needed to help transform ongoing and future REDD+ programs into more comparable, performance-based, transparent programs. TFG believes the highest level of transparency on REDD+ reference levels is needed, and will in turn help deliver stronger results on safeguards, governance, aligning climate finance with REDD+ needs, and MRV.

Developing countries have already been requested to develop REDD+ reference levels, but only very coarse elements have been identified (such as basing it on historical data, adjusting for national circumstances, using 2006 IPCC guidance, and encouraging expert review and transparency).

No expert review has been established. And there is no process for what happens after an international expert review. Do the REDD+ reference levels get forwarded to COP? ...to a REDD+ Mechanism that does not yet exist? ...simply to the UNFCCC REDD Web Platform?

There is no clarity to how countries should adjust historical data for national circumstances. This could lead to a gross inflation of collective reference levels, if high-deforesting countries use largely historical baselines while low deforesting countries use high-projected threats to their forests.

There is no structure for nesting subnational reference levels with national REDD+ reference levels, even though it has been noted that subnational reference levels and monitoring systems could be an important interim step toward national REDD+ reference levels and monitoring systems.

Developing countries have already been requested to identify drivers of deforestation, but there is no clear link between indentifying drivers of deforestation with proposed REDD+ reference levels. This is a serious omission or gap. Without language linking drivers of deforestation with REDD+ reference levels, the forces/drivers believed by a country to be causing deforestation and degradation may not inform how a country sets and justifies a REDD+ reference level. Such unconnected work could lead to a country describing divergent causes or rates of past and projected deforestation. At best, this would be a poor use of limited resources. At worst, such an outcome could undermine both efforts.



More broadly, developing countries have been asked to develop a range of important and complex submissions on REDD+, but there is insufficient guidance and coordination as of yet. The best way to ensure better guidance and coordination would be the creation of a functioning UNFCCC REDD+ Mechanism. But such a need is beyond the remit of SBSTA.

In today's policy environment, where a comprehensive global climate change agreement is unlikely, and where there is no clear appetite for a UNFCCC REDD+ Mechanism, a credible REDD+ reference level process could be as important to global climate change cooperation as were the QUELROs of the Kyoto Protocol. Credible REDD+ reference levels embedded within the UNFCCC process would provide needed metrics for aligning future REDD+ actions in developing countries with finance from developed countries.



## **Recommendations for SBSTA35/COP17**

At SBSTA 35 / COP17 in 2011, the UNFCCC process must complete three key tasks.

**First**, SBSTA/COP must provide specific guidance to developing countries for how to develop REDD+ reference levels (national and subnational, forest reference levels and forest reference emission levels). This specificity should be structured by the guidance already provided by SBSTA 34, along the five key sub-topics.

**Second**, SBSTA35/COP17 must prescribe a process for international and expert review of submitted REDD+ reference levels. This process should include a proposed timeframe for national REDD+ reference level submissions, a clear process of public comment and expert review (the latter taking into account the former), and total transparency of submissions, comments and review, via the UNFCCC REDD Web Platform.

**Third**, there must be some effort to ensure global additionality (as well as consistency) to the submission and review of national REDD+ reference levels. It is one thing to have REDD+ reference levels proposed with guidance and reviewed by experts. It is another issue altogether to ensure that the collective REDD+ reference levels reach a credible overall amount of potential REDD+ emissions reductions. TFG believes this will require a bounded two-part process. First, countries submit and have their REDD+ reference levels reviewed. And second, all the reviewed REDD+ reference levels would need to be assessed in total, with possible adjustments and political compromise, for a comprehensive listing of all reference levels. Ideally, SBSTA35 and COP17 would also lay out a process for what happens to the collective REDD+ reference levels once they have undergone expert review and revisions, although this could be deferred to a subsequent COP. For instance, the globally-integrated set of REDD+ reference levels should be referred to a specific future a COP (e.g., COP 19) for adoption<sup>3</sup>.

To achieve these three goals, TFG has structured our recommendations based on the indicative guidance from SBSTA 34.

## **TFG Recommendations on REDD+ Reference Levels**

### **(a) Scope and purpose**

The scope of REDD+ reference levels should clearly state that submissions should be based on the 2006 IPCC Guidelines including the key category analysis in Chapter 4 on

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<sup>3</sup> A COP could also take note of the global REDD+ reference levels, if unanimous consent is not possible. And while this would not be ideal, it would potentially allow interested and flexible REDD+ donors and recipients to reach a common understanding. Such understanding, even in the absence of unanimity would help facilitate a range of positive outcomes and opportunities for coordinated cooperation.



AFOLU. The GOFC-GOLD sourcebook should be identified as an important complement to IPCC Guidelines, given that the 2006 Guidelines were not designed for REDD+.

Any decision should include an explicit request that developing countries, when submitting reference levels, should include an assessment of drivers and potential mitigation of drivers (for example through gains in agricultural yields, avoided forest conversion in voluntary agricultural and forestry systems, other laws, programs, policies or projects). Developing countries are already requested to identify drivers of deforestation (1/CP.16, paragraph 72 and SBSTA has already been requested to develop a work program on drivers of deforestation (1/CP.16, Annex II, para a). While COP16 requested countries to identify drivers of deforestation and SBSTA to develop a work program, the UNFCCC has not yet explicitly linked drivers of deforestation to REDD+ reference levels. This connection should be made explicit, given that drivers of deforestation have been causing historical levels of deforestation and are likely to inform future levels of deforestation. Providing critical information on drivers of deforestation will help support historical deforestation rates and help frame adjustments to historical data for national circumstances. For instance if a country expects large areas of forests to be converted to palm plantations, or soy field, or cattle grazing in the absence of REDD finance, this information should be stated explicitly in any adjustments.

Another purpose of the reference levels should be to identify potential mitigation to the drivers, such as agricultural intensification, agricultural yield gains, avoided forest conversion policies and programs, engagement of climate finance and REDD+ finance, or engagement or regulation of the private sector.

Another purpose of REDD+ reference level *process* should be to ensure comparability of REDD+ reference levels. Such comparability will be easier the more specificity to the guidance on REDD+ reference levels (please see below, characteristics).

#### **(b) Characteristics and (c) Construction**

TFG considers the characteristics and construction to be similar enough, that we have grouped our recommendations together for these two topics.

In terms of characteristics and construction of REDD+ reference levels, a decision should, in addition to the scope issues already noted, provide as explicit construction guidance as possible (politically) so that the submissions and review of reference levels can be comparable. Negotiators should invite countries to include:

- Historical rates of emissions from deforestation and forest degradation.
- The time period used for estimating historical activity data and any relevant explanation of these time periods. Ideally, a decision would encourage (not require) the use of the same time frame, such as 2000 to 2010.



- Quantitative or qualitative information on drivers of deforestation and forest degradation.
- Information on forest and non-forest classes, activity data, and emissions factors used in proposing REDD+ reference levels and the methods used for following IPCC guidance, including use of the IPCC Emission Factor Database, and any relevant estimates of uncertainty. Land use classifications must be clearly identified and remote sensing data and field measurements should strive to use the same forest classifications.
- A weighting factor to adjust historical levels for national circumstances. Countries must state explicitly how much of their proposed reference level is on historical data and how much is based on national circumstances for results to be comparable. The weighting factor would simply be the percent of the reference level that is not based on historical data. (Key REDD+ countries, outside the UNFCCC process, could agree to use a similar range of weighting factors. Such a development would greatly help facilitate comparability, the expert review process, and confidence in overall environmental integrity of the REDD+ reference levels.)
- Information on how a weighting factor was developed and what adjustments are made in the submitted reference level to historical data. In other words, countries need to explain both how much of their estimate is based on national circumstances and what specific adjustments are made to historical data.
- Any subnational allocations of REDD+ reference levels and reference emission levels and any explanation as to how subnational allocations were made. Countries should be encouraged to provide information on subnational allocations (to states or provinces, to sectors, to projects, to a combination) as well as the national circumstances or policies that lead to the proposed subnational allocations of reference levels.

#### **(d) Process for communication**

A decision should request developing countries to submit their proposed reference levels to the UNFCCC secretariat for posting on the REDD Web Platform in a new section. Public comments should be encouraged and an expert review process should be clearly established, that takes into account responses posted in the section from members of the public.

The decision should also invite developing countries to cite and refer to other ongoing REDD+ related reference level processes or submissions, to ensure efficiency and to facilitate coordination of REDD+ activities. REDD+ reference levels are being worked on in various forums, from FCPF and UN-REDD, to national communications and other bi-lateral and multi-lateral efforts. Therefore, the process of countries developing reference levels cannot be considered in a void or a vacuum.

To make a credible difference on the issue of reference levels, SBSTA must seek to establish a clear process for reviewing submitted REDD+ reference levels.





This process can take various forms (SBSTA review, expert review under SBSTA, Secretariat review, expert review for the secretariat). But it must be established, and the parameters and the timing of the reviews should be specified. For instance, a SBSTA decision on REDD+ reference levels could state *“SBSTA requests the Secretariat to facilitate posting of submitted reference levels on the UNFCCC REDD Web Platform, to facilitate public review and comment, and to facilitate an expert review of the submissions, with results also posted on the UNFCCC Red Web Platform within one year of country submissions”*.

#### **(e) Other relevant issues**

Developing countries should be able to submit REDD+ reference levels at any point. However, it is important, if there is ever to be some form of collective/global coordination (or reckoning), that countries be encouraged to submit their proposed REDD+ reference levels by a certain point in the future. This will facilitate a more structured process for deliberations and provide REDD+ donors and developing nations information to organize their work (inside and outside the UNFCCC process) in a coordinated manner. Ideally, all of the technical submissions and review will lead to a process of adoption of reference levels by a COP. Reference levels are inherently part technical and part political. If a future COP (which has a mandate beyond technical matters) is tasked with considering a globally comprehensive set of publically vetted REDD+ reference levels, this would ensure that the process of developing and reviewing REDD+ reference levels under the UNFCCC is worthwhile.

Without any REDD+ Mechanism in place, the UNFCCC process on reference levels risks being a waste of countries limited resources, as well as a waste of public and expert engagement. Countries are already developing reference levels as part of other multi-lateral and bi-lateral efforts, where there are real incentives for doing the work to propose REDD+ reference levels. For this reason, and for the UNFCCC to remain relevant rather than a distraction, the UNFCCC process of REDD+ reference levels must be focused and comprehensive, it must include a two-stage process of review of countries' REDD+ reference level proposals (expert review of national submissions and a global review), and the process ultimately should ensure that at some future point, a COP considers all the REDD+ reference levels together at once, to ensure global consistency as well as global environmental integrity and additionality.