

The Road to Doha: The future of REDD-Plus, agriculture, and land-use change in the UNFCCC

Working paper

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Doha. Where one journey ends, and another begins. Where the world pats its back with one hand, and slaps its wrist with the other. Where lines start to blur and foundations begin to shake. Where trust will be broken down to be forged anew. Where negotiations will drag on despite the dire signs. Where urgency needs to be met with a new sense of focus.

The 2012 United Nations Climate Change Conference to be held in Doha this November could not be anymore dramatic. The conference represents a major watershed for decision-making that will ultimately determine the course of the global climate regime for the next decade. Indeed, any chance of the world avoiding the worst-case scenario will likely depend on the outcomes of Doha, in so far as it is expected to set a new vision for the global climate regime that puts in place raised ambition and clear signals for moving forward.

More specifically, Doha is expected to transition the AWG-KP and AWG-LCA into closure, if not officially conclude their work.

Under the AWG-KP, facilitating a smooth transition into the next commitment period would entail Parties determine the length of the second commitment period, address possible legal gaps, and resolve issues such as the carry-over of AAUs and the eligibility of Parties to access flexible mechanisms. Under the AWG-LCA, Parties will need to come to agreement in Doha on how to deal with remaining unresolved issues such as means of implementation for developing countries including finance and technology transfer. There also needs to be a clear decision on where discussions under “mature” topics such as REDD-Plus will be transferred.

Indeed, both working groups have achieved much over the last 5 years including setting the substantive foundations for a new legal instrument, but Parties are now equally

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pressed for time to focus on critical issues that hold the key towards a lasting climate agreement—and all eyes are on the ADP.

The ADP will officially launch its work in Doha towards establishing a new legal instrument by 2015, which will be put into force by 2020. In Doha, Parties are expected to have preliminary discussions over the vision and ambition of a new legal instrument or protocol. And while Parties are aware that it might be premature to delve too deeply into substance under ADP pending the conclusion of the KP and LCA, there seems to be some agreement that a workplan with clear milestones between 2013 and 2015 is a realistic and useful output for Doha.

This is not to say, however, that tensioned exchanges have not materialized. Since Durban, there has been much speculation and debate over emerging concepts under the ADP, and these include: “applicability to all” towards a “climate-effective” regime, reconsidering “common but differentiated responsibilities” in light of “new realities”, and calls for “dynamic differentiation” to nuance deeply seated notions of equity and fairness—for better or for worse.

Indeed, Doha is likely to herald an unprecedented age in climate negotiations, marked by a slow-but-steady reconfiguration of global powers and the easing or stiffening of country positions reflective of the drastically changing economic and political climate, where extreme climate events are increasingly affecting developed and developing countries alike, and where Parties are fully cognizant of the likelihood that they have missed the window to limit global temperature increase to 2°C by 2050.

It is against this backdrop that Parties will strive to carve out an acceptable yet ambitious vision for the ADP to meet the objectives of the Convention in all haste.

Which raises a number of simple yet pressing questions for REDD-Plus, agriculture and land-use change: Where to now? How? When?

We begin with an overview of issues being discussed under the AWG-KP, AWG-LCA and the ADP. We then provide some updates on the REDD-Plus discussions under the LCA and the REDD-Plus Partnership. We then finally provide some analysis on the possible future of REDD-Plus, agriculture and land-use change under the ADP and beyond.

Overview of the AWG-KP since Durban

Prior to the Bangkok meeting last September, the Chair of the AWG-KP issued a note stating her intention to facilitate discussions in Bangkok towards resolving outstanding issues to ensure the successful completion of the group’s work in Doha by recommending an amendment to the CMP for adoption which would allow the second

commitment period to start immediately from 1 January 2013, therefore fulfilling the mandate of the AWG-KP.

Based on this note, discussions in Bangkok, and post-Bangkok analyses from the Chair and other experts, the remaining issues that stand in the way of a second commitment period starting in 1 January 2013 are: ambition, implications of carry-over of Assigned Amount Units (AAUs), and ensuring legal and technical seamlessness between the first and second commitment periods.

With regard to ambition, Parties are debating whether the length of the second commitment period should be five or eight years, and the level of QELROs or targets of Annex 1 Parties in the second commitment period. Those supporting an eight-year commitment period argue that it is “easier to have an overlap than a gap”, referring to how the end of the second commitment period would at least coincide with the new protocol to be set up under the ADP by 2020. On the other hand, those supporting a five-year commitment period see this option as the lesser of two evils, as it would avoid locking in low levels of ambition. There are proposals to manage this issue by inserting text regarding mid-period reviews and ways by which ambition may be increased at any time.

With regard to AAUs, discussions are revolving around how much AAUs from the first commitment period can be carried over into the second. While a huge carry-over would lower the effectiveness of the Protocol, asking Parties to give up their competitive advantage may be politically impossible. Some Parties feel that disallowing it would be equivalent to penalizing over-achievement. There is a consolidated G77 and China proposal to limit carry-over of AAUs to 2.5% of the second commitment period. The Chair, however, has been careful to state that the option of not limiting AAUs is still on the table.

Discussions on technical seamlessness refer to access to the emissions-trading and project-based flexible mechanisms of the Kyoto Protocol, including LULUCF. Developing countries are demanding that access to these mechanisms be limited to only those developed countries who have signed up to the second commitment period, but some developed countries believe providing all countries access to the mechanisms will provide the demand needed to ensure their continuity.

In terms of legal continuity, Parties are keen to ensure that no gap exists between the first and second commitment periods. Parties however are aware that ratifying an amendment under the UNFCCC to operationalize the second commitment period could take a long time for several countries, prohibiting them from participating on the desired start date of 1 January 2013. Options for addressing this potential legal gap are continually being explored, including a “provisional application” of the amendment and establishing a grace period of 90 days for those unable to provisionally apply the second

commitment period to communicate to the Convention how they intend to live up to the KP.

On 9 October 2012, the Chair issued text² as basis for negotiations in Doha which include the above issues for deliberation.

Overview of the REDD-plus work by the SBSTA

The SBSTA work program at the Bonn intersessional in May 2012 included the following items, in order of priority:

1. Modalities of national forest monitoring systems (NFMS)
2. Measuring, Reporting and Verification (MRV)
3. Drivers of deforestation
4. Safeguards/Safeguards Information Systems (SIS)
5. Forest Reference Emission Levels and Forest Reference Levels (RELS and RLS)

The first three were highlighted as priority topics for discussion because they were the agenda items on which there has been little progress, if at all, coming from the previous session of the body or SBSTA 35. On the other hand, according to the parties, further guidance on the SIS and RELS/RLS had already been discussed more extensively in Durban last year.

Most of the SBSTA meetings comprised negotiation on draft text on MRV and NFMS. Discussions on MRV revealed points of misunderstanding and discrepancies on how Parties viewed verification, in particular on international vs. national verification, and whether it should be stricter for REDD+ than for other NAMAs. The link of MRV to RELS and RLS, a stepwise approach to MRV, and linking adaptation to mitigation were also touched on in the drafting sessions on MRV.

On the draft text on NFMS, Parties negotiated on the scope of “forest” to be monitored, i.e., whether the monitoring system would include all forest areas or only certain types, e.g., natural forests. A phased approach to developing a NFMS was also emphasized, as well as the option to include a subnational monitoring system, as appropriate. There was also discussion on the possibility of making information gathered through as NFMS available for utilization in safeguards information system/s (SIS), as well as including language relating the NFMS to forest governance, sustainable management of forests, and multiple functions of forest.

The drivers of deforestation discussion remained very limited due to lack of time at the session. Further work was pushed to SBSTA 37 in Doha, along with bracketed text on MRV and NFMS.

² <http://unfccc.int/resource/docs/2012/awg17/eng/crp01.pdf>

Consideration of the need for further guidance on the SIS was pushed back to future sessions of SBSTA, to conclude such consideration at SBSTA 39. Some Parties expressed that before additional guidance on the SIS is provided, countries must start implementing REDD+ safeguards for at least a few years, to create a better base of experiences and challenges from which to draw content of such guidance.

Overview of the REDD+ Safeguards Working Group (R-SWG)

The REDD+ Safeguards Working Group (R-SWG) (previously the REDD+ SIS Working Group) is a network of northern and southern civil society organizations (CSOs) and indigenous groups advocating at the UNFCCC on REDD+ safeguards, SIS, and more recently, multiple benefits in results-based payments for REDD+.

Throughout the year, the R-SWG has worked to build the international advocacy capacity of three southern CSO partners, namely, HuMa in Indonesia, Civic Response in Ghana, and CEMDA in Mexico, who can link their international activities with their safeguards work at the national level. The 16 core members of the R-SWG include the Ateneo School of Government (ASoG), which coordinates the group, ClientEarth, WRI, CIEL, Climate Justice Programme (CJP), Greenpeace, RFN, Tebtebba, Third World Network, Asia Indigenous Peoples Pact, Institute for Law and Environmental Governance and Indigenous Livelihoods Enhancement Partners in Kenya, and FECOFUN, and with its extended network comprises 25 organizations.

At the UNFCCC intersessional in Bonn, the R-SWG disseminated a collaborative advocacy paper on additional guidance for SIS, supported by 13 southern and northern groups. The R-SWG also actively met with negotiators to keep the conversation going on “the need for further guidance to ensure transparency, consistency, comprehensiveness and effectiveness in the presentation of the summary of information”³ on the safeguards, and considered a success the agreement by SBSTA 36 to continue consideration of this request at its next session, with a view to concluding such consideration by SBSTA 39. Aside from focus on the SIS, the R-SWG launched an advocacy effort to develop closer links and synergies between the CBD and UNFCCC on biodiversity safeguards, building on and contributing to ASoG’s work under Phase 2 of the Swiss-Philippine initiative.

At the Bangkok intersessional in August, the R-SWG produced its second advocacy paper on finance and safeguards, which included as a key message the need to broaden results-based actions to include non-carbon benefits (NCBs) as part of moving REDD+ towards a multiple benefits approach. The group continued to engage in one-on-one meetings with negotiators to discuss both the SIS and NCBs.

³ FCCC/SBSTA/2012/L.9/Rev.1. SBSTA 36, *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*, revised draft conclusions proposed by the Chair. Bonn, 14–25 May 2012.

Agreement in Doha on the outcome of negotiations in both Bonn and Bangkok will enable SBSTA to work on guidance and methodologies for assessing the co-benefits and non-carbon benefits arising from results-based actions.

Overview of AWG-LCA since Durban

Under the LCA, Doha is expected to fulfill the following: specific mandates from Durban, identifying areas for further work where they need further technical or political consideration, and adoption of a decision text towards a Doha outcome. A set of matrices for issues being discussed under the LCA has also been developed and distributed. It outlines the progress made so far including items that need further action.

Throughout 2012, Parties continued consideration of issues mandated by COP17 for further discussion in spin-off groups, and this included topics under shared vision, developed country mitigation, developing country mitigation, the Review, REDD-Plus, sectoral approaches and various approaches, including new market mechanisms. Technology, adaptation, finance, capacity-building, response measures, and Economies in Transition (EITs) were considered in a separate AWG-LCA contact group.

Looming over these debates was the bigger question of whether work under the AWG-LCA could be concluded at all by Doha. While developed countries assure its partners that other fora can be used to discuss unresolved issues under the LCA, several developing countries believe that the means for implementation such as finance have not been adequately addressed to provide clarity between the 2013-2020 and post-2020 periods, so much so that they oppose the closure of the LCA pending the resolution of these items.

As of the Bangkok session, the AWG-LCA chair issued an informal overview of the status of negotiations. The 34-page document is a worrying reflection of the amount of work that needs to be done for a successful outcome in Doha.

Overview of REDD-Plus discussions since Durban

Since Durban, Parties have had a round of negotiations in Bonn and Bangkok, an opportunity for submissions, a technical paper, and a workshop on modalities and procedures for financing results-based actions activities related to REDD-Plus.

On the last day of REDD-Plus negotiations in Bangkok, the Facilitator of the group issued text as a possible basis for negotiations in Doha. The main sections of the text are as follows:

Signal – Parties discussed what signals were necessary to trigger the scaling up of financing for results-based REDD-Plus actions. A few felt strongly that it is important to send a powerful signal to stakeholders on the commitment of the UNFCCC to REDD-Plus. Some signals identified in the options of the text include ambitious emission reduction targets for developed countries, a demand and price for carbon, and an explicit encouragement to the private sector.

Enabling conditions – Parties discussed what would constitute a comprehensive policy framework of enabling conditions for REDD-Plus. Some elements identified so far are adequate and scaled up financing for the early phases of REDD-Plus, strong policies addressing safeguards and the drivers of deforestation, transparent and effective governance, and a baseline for results-based payments.

Institutional framework – Parties explored the institutional arrangements that might be needed to oversee a REDD-Plus mechanism. Colombia, Costa Rica, Honduras and Mexico submitted a proposal relevant to both international and national-level institutions⁴. Options in the text ranged from requesting a REDD window in the Green Climate Fund that would earmark funds for REDD-Plus activities, to creating a Carbon Reserve Bank and regulatory body, to exploring how Parties might use existing institutions to regulate the REDD-Plus space. Most Parties agreed that a system to track credits (or units as some Parties prefer to call them) would be needed. One or two Parties voiced objection to this suggestion, on the grounds that it might infringe on national sovereignty.

Non-market approaches – Bolivia submitted a proposal for developing a joint adaptation and mitigation strategy, as an alternative to markets.⁵

Finally, the text requests either the SBI or SBSTA to develop the institutional arrangements discussed above, and assess the potential of including co-benefits and non-carbon benefits in results-based payments. It also seeks to set a base year from when countries will be eligible for results-based payments.

Ultimately, Parties recognize that scaling up REDD-Plus or “taking it to the next level” would require: (1) ambitious targets which would serve as demand or incentive to protect forests, (2) a complete policy framework (mechanism, safeguards, link to NAMAs, MRV) guiding successful implementation, and (3) the means for implementing REDD-Plus strategies such as financing and capacity.

Some challenges remain towards realizing these elements. Firstly, they are largely hinged on broader political issues such as overall ambition and financing—issues that

⁴ http://unfccc.int/files/bodies/awg-lca/application/pdf/7_colombia_cr_hond_mx_ws_redd+_bkk_august_2012.pdf

⁵ http://unfccc.int/files/bodies/awg-lca/application/pdf/3_bolivia_ws_redd+_bkk_august_2012.pdf

are still being grappled with outside REDD-Plus discussions. Moreover, technical issues such as the establishment of baselines, accounting periods and safeguard information systems have yet to be fully resolved in the SBSTA.

In Doha, Parties will have to work together to find secure homes for unresolved issues to ensure that work on REDD-Plus continues.

Overview of progress under the REDD-Plus Partnership

From Cancun in December 2010 and throughout meetings in 2011 and 2012, the Partnership tackled the various components of its work program including (1) a database of REDD+ financing, actions and results to improve the transparency and coordination of REDD-Plus actions and support, (2) an analysis of financing gaps and overlaps, (3) a discussion on effectiveness of multilateral REDD+ initiatives, (4) sharing of lessons and best practices, and facilitation of cooperation, and (5) building capacity of REDD-Plus institutions.

The Voluntary REDD-Plus Database has since been set up; analysis on the financing gaps and effectiveness of multilateral initiatives have been completed alongside the sharing of lessons; expert workshops have also been organized to address a range of topics including, scaling up finance, applying safeguards, MRV, drivers of deforestation and reference emission levels.

In May 2012, conscious of the end of its work program, the Partnership conducted a review of its achievements and is now grappling with the future of the Partnership.

Parties generally feel that the REDD-Plus Partnership has been very useful towards establishing readiness at a global level, and that it should indeed continue, despite criticism that the USD 4 billion fast-start financing devoted to the Partnership could have been better spent elsewhere. Moving forward, many feel the Partnership should focus on concrete, practical activities. Some have mentioned focus should be shifted to actually unlocking and scaling up finance, providing tailored technical assistance to countries that need it, and facilitating on-the-ground interchanges among Parties, field practitioners and experts on critical issues.

Parties are now putting these thoughts together in a document to formalize a possible “phase 2” for the Partnership. In Doha, there are plans to organize a ministerial meeting to reaffirm the Partnership and launch work on the agreed focus areas. Some Parties have suggested that this should also coincide with the announcement of new pledges for the new phase of work.

The future of REDD-Plus, Agriculture and Land-Use Change in the UNFCCC

At this point, it would be wise to take a step back and assess how the multiple streams of progress achieved under the AWG-KP, AWG-LCA, ADP and REDD-Plus ultimately set the stage for the future of land-use issues under the UNFCCC.

There is no doubt that REDD-Plus and LULUCF, while not perfect, have advanced beyond the expectations of many.

The former, in particular, has managed to create for itself a platform that does not entirely depend on the UNFCCC for action but instead has created enough good will among governments and diverse stakeholders to go on their own and generate valuable experiences that establish early action for forest protection.

And LULUCF, while for a long time full of controversy over complex accounting rules and environmental integrity issues, has emerged with a relatively robust mandatory accounting system for forest management activities.

Agriculture, on the other hand, has largely fallen on the wayside under the LCA, having failed to secure a political and substantive basis for further work beyond just sectoral approaches. This gap has been the subject of much debate outside the negotiations as agriculture was largely seen as a make or break issue for both the Cancun and Durban conferences. And yet, its downplaying persists under the LCA. Under KP, cropland and grazing land management are included as eligible activities under LULUCF but only as voluntary activities. This is mainly due to difficulties in accounting, although breakthroughs have been made in recent negotiations and informal discussions that could potentially influence future discussion towards mandatory and comprehensive accounting for LULUCF that would include agriculture.

All this begs the question of where, how and when will land-use issues be taken up starting 2013. And such questions should be considered alongside the eventual conclusions of the AWG-KP and AWG-LCA and most especially against the backdrop of change that the ADP is catalyzing in terms of focus and shifting discourses.

So while the ADP sets out on its visioning and work planning processes, we quickly speculate on the possible futures of REDD-Plus, agriculture and land-use change in the UNFCCC.

REDD-Plus

As the LCA moves towards wrapping up its work on REDD-Plus with remaining issues on enabling conditions and a GCF window, a “mature” topic such as REDD-Plus and its suite of accompanying decisions should be “locked-in” as ready for implementation under the

SBI for future discussions. Remaining technical issues such as reference levels, drivers of deforestation, and the SIS should continue deliberation under the SBSTA. A Doha decision could officially facilitate this turnover to the subsidiary bodies while the ADP addresses bigger questions such as improving the level of ambition on emissions reduction and financing, MRV, and establishing the role of mitigation mechanisms such as REDD-Plus towards assisting developed and developing countries meet commitments.

Timing-wise, the years between 2013, 2015, and 2020 could be organized to explicitly scale-up phase 1 and phase 2 activities in developing countries, with the SBI monitoring implementation, sharing best practices, and promoting further demonstration and experimentation.

This would mean that come 2015, a clear signal from the ADP should already have been established to create demand and drive investment into REDD-Plus around the world. And this can only be achieved with clear decisions under the ADP on how REDD-Plus will interact with elements such as raised mitigation commitments from both developed and developing countries, MRV, finance, and new market mechanisms under a new protocol, and not to mention language within the ADP and the new protocol supporting continued country efforts to establish REDD-readiness and demonstration.

Come 2020, when a new protocol with all these elements is officially in place, REDD-Plus can transition smoothly into phase 3, where hopefully a far larger institutional machinery will keep supply and demand for REDD-Plus stable, and financial support for performance based payments are sustained through REDD-Plus credits by developed countries, or by in-country support through NAMAs.

What makes REDD-Plus ultimately interesting to watch between 2013 and 2015 is if it will go the path that LULUCF did under the KP of entertaining drawn-out negotiations towards a strict, rules-based accounting regime. As Parties slowly realize the potential of REDD-Plus likely emerging as the most accepted, advanced, and cost-effective model by 2020 for meeting emissions reduction commitments under a new climate regime, it remains to be seen if the ADP will steer discussions towards establishing stricter accounting rules or allow for an organic expansion of effort and collaboration between developed and developing countries towards “climate-effective” outcomes, or a complicated expression of both.

At this point, it would be very hard to speculate on this matter, pending discussions under the ADP, and not to mention the two huge elephants in the room: integrating or collapsing agriculture and REDD-Plus under LULUCF discussions under a new protocol, and treatment of REDD-Plus as an official flexible mechanism in a post-2020 regime. It would therefore be absolutely critical to kick-off Doha’s visioning process with a frank expression of views around the above topics.

Agriculture and LULUCF

As mentioned previously, while LULUCF may have won a small victory with its continuity into the second commitment period of the KP, its fate with regards to a new protocol in 2020 is, quite frankly, still anybody's guess. This is so much more the case with agriculture per se, with some Parties feeling more comfortable folding it into LULUCF, or keeping separate to avoid "contamination", or even strictly treating it as a driver of deforestation under REDD-Plus.

There are moves by several developed and developing countries alike to further close perceived loopholes in LULUCF and this involves calls to institute a comprehensive net-net accounting regime, or in other words, a mandatory accounting system for the whole land-use sector that includes emissions and removals from forest, cropland, grazing land, wetland, and peatland management. Under a new protocol, such a system would likely ensure the highest level of environmental integrity but would in turn require profound political will.

And on this note, we again speculate that before any of these issues become ripe for discussion with respect to a new protocol that is "applicable to all" ("but not uniform in application" as some countries are quick to add), the broader issue of how land-use activities, including REDD-Plus, are to be treated will first have to be clarified.

For instance, will LULUCF remain a mechanism for developed countries to meet emission reduction commitments? Which developed countries are eligible to access it as a flexible mechanism? Is LULUCF applicable to developing countries in terms of meeting NAMAs? Can LULUCF including agriculture be considered under new market mechanisms for developing country participation? How does REDD-Plus interface with LULUCF both as a potential NAMA and a flexible mechanism?

It is with questions such as these that we return to the importance of Doha as a conference burdened with the great responsibility of managing expectations while setting the stage for urgent, incisive, and focused discussion between 2013 and 2015 towards institutionalizing deeper mitigation and financing commitments under a new protocol.

At this stage, we can only surmise that if a renewed focus on mitigation and financing is established under the ADP, that REDD-Plus, agriculture and LULUCF can become major elements of a "mitigation mechanisms" workstream that is closely tied to MRV, financing and new market mechanisms. Under this workstream, we can also go as far as to predict that Parties will work very hard to establish a "dynamic differentiation" between developed and developing countries on the applicability of accounting rules and financing modalities, while developed countries in particular will work very hard towards broadening the scope of and their access to potentially new flexible mechanisms established under this workstream.

Conclusion

It therefore goes without saying that Doha will be a turning point in the history of climate change negotiations in that it will most likely determine the course of how the international community frames heightened efforts to address climate change. Doha will have to succeed in locking-in progress since the Bali Action Plan and establish a new sense of focus among Parties towards urgently coming to consensus on core issues that will ultimately serve as the basis for a lasting climate agreement by 2015.

And as Doha sets out on its visioning and workplanning processes, there is no doubt that the good will generated and the achievements made under REDD-Plus and LULUCF can help fashion collective efforts towards a robust and enforceable protocol by 2020. However, Parties will have to work in lock-step with each other towards ensuring effective and efficient discussions ultimately translate into a crystallization of how REDD-Plus, agriculture and land-use change can seamlessly interface with one another under a new agreement that potentially embraces notions of “new realities” and the need for “dynamic differentiation”, while utilizing new market mechanisms in the midst of waxing and waning signals.

At the very least, Doha should work towards regaining trust and confidence the public has long missed since Cancun. And with this, we cross our fingers for one more conference.

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