REDD+ and Cooperative Approaches in Support of NDCs

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LULUCF and REDD+ in NDCs

- LULUCF sector represents **25%** of planned emission reductions in current NDCs
- Role of LULUCF in the NDCs second only to the energy sector
- A number of REDD+ countries, in particular, highlight the key contribution to be made by forest-related activities to meet their NDC goals.
- Approaches range from inclusion of LULUCF in a multi-sectoral or economy-wide target, specific LULUCF targets, and/or specific indication of activities to be implemented (e.g., zero-deforestation agriculture, agroforestry, improved cook stoves)
- **8%** of all current NDCs explicitly refer to REDD+ implementation.
Enhancing Ambition and Article 6

• The potential to be harnessed is even greater, given that “natural climate solutions,” including forests, can deliver approximately 30% of cost-effective CO₂ mitigation needed through 2030 to keep warming well below 2°C.

• Article 6 of the Paris Agreement presents new opportunities for cooperation between Parties to allow for higher ambition through the NDCs.
Overview: Article 6

6.1 Recognizes all kinds of NDC cooperation

6.2-6.3 Any **internationally transferred mitigation outcome** (ITMO) must be consistent with central **guidance**

6.4-6.7 Central **authority** supervises **mechanism** to mitigate GHGs and support sustainable development (SDM)

6.8-6.9 Framework for **non-market** approaches

NDC = Nationally Determined Contribution. “SDM” is one possible acronym for the 6.4 mechanism.
Art. 6: Cooperative Approaches and ITMOs

Art. 6.2.

- Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of ITMOs towards NDC:
  - Promote sustainable development
  - Ensure environmental integrity and transparency, including in governance
  - Apply robust accounting → among other things to avoid double counting

- Consistent with CMA guidance
  - Decision 1/ CP. 21, Para 36 → requests SBSTA to develop and recommend this guidance

Art. 6.3

→ Use of ITMOs shall be voluntary and authorized by Parties
Art. 6.4: Sustainable Development Mechanism (SDM)

- Establishes a mechanism to contribute to the mitigation of greenhouse gases and support sustainable development
- CMA to adopt rules, modalities and procedures which must be observed when implementing activities under Article 6.4
  - Includes reference to scope of activities
- Not direct government to government cooperation like 6.2 → aims to incentivize and facilitate authorized private or public entities to engage in Article 6.4
Article 6.8: Non-Market Approaches

- Recognizes importance of non-market approaches to assist in NDC implementation
  - context of sustainable development and poverty eradication
  - Including mitigation, adaptation, finance, technology transfer and capacity building, as appropriate
- These approaches shall aim to:
  - Promote mitigation and adaptation ambition
  - Enhance public and private sector participation in NDC implementation
- Framework is defined for non-market approaches under 6.9
Current Status of Article 6 Talks

- Divergent views and uncertainty around the eligibility criteria, guidance, rules, procedures and institutional arrangements to be put into place
- Overall, progress was made in Bangkok toward clarifying options
  - Identifying essential elements for operationalizing the Paris Agreement to be agreed at COP24
- 6.2:
  - Rules needed, including eligibility requirements?
  - Vintages of ITMOs and alignment with the NDC period
  - Metrics – CO2eq or broader
- 6.4 –
  - Embedding within Article 6.2 guidance?
  - CDM as a model?
- 6.8
  - focused on elaborating the work programme
The Tangle of Article 6

Scope

REDD-plus (Article 5)

Use REDD-plus?

What and how often do you report?

Transparency (13.7)

Wiring

ICAO-CORSIA

Linkages with markets for aviation?

NDC Guidance (4.13)

Kyoto Protocol: CDM and Ji

Pipeline eligibility and grandfathering

Finance Mobilized (9.7)

Sustainable Development Goals

promoting sustainable development

Registries

Global Stocktake

Revisit effectiveness

count A6M as climate finance?

Cross-cutting principles

Human Rights (Preamble)

Compliance (Article 15)

Eligibility requirements? Who uses?

Ambition

Progression and Ambition

Environmental Integrity

Overall Mitigation

Articles 2, 3 and 4

R. Bhandary, Climate Policy Lab, 2017

Acronyms

A6M: Article 6 Mechanism (6.4)
CDM: Clean Development Mechanism
ICAO: International Civil Aviation Organization
Ji: Joint Implementation
NDC: Nationally Determined Contribution
REDD-plus: Reducing emissions for deforestation and forest degradation and enhancing carbon stocks
REDD+ in the context of Article 6

• Examples of non-mutually exclusive options that could be considered:

1. Countries continue to rely on results-based finance on the basis of the Warsaw Framework for REDD+ (WFR).
2. Countries transfer emission reductions under the modalities of Article 6.2 of the Paris Agreement in return for transfer-based payment.
3. Countries use Article 6 to involve private and public entities in REDD+ implementation.
4. Countries generate emission reductions under Article 6.4 for specific activities.

Streck et al, Meridian, 2017
UNFCCC Context: REDD+ and Market-based Approaches

- The Warsaw Framework for REDD+ (WFR) leaves the door open to:
  
  “results-based actions that may be eligible to appropriate market-based approaches that could be developed by the Conference of the Parties to the UNFCCC.”

- Recognizes that such actions “may be subject to any further specific modalities for verification consistent with any relevant decision of the Conference of the Parties”.

- The WRF does not include all the necessary rules and guidance that would be needed to enable the transfer of REDD+ emission reduction units in the context of UNFCCC.
REDD+ Results-Based Finance: A Continuum

Pay for performance, not for compliance

REDD Early Movers
Amazon Fund
Green Climate Fund
REDD+ RBP Pilot Programme

FCPF
Tranche A
Tranche B

Market-based, for compliance

AB32 – California Cap and Trade
Japan - JCM
ICAO/CORSIA?
Paris Agreement/Article 6?

Adapted from Lee and Streck, 2016
Considerations at Country Level for REDD+ in Context of NDCs and Article 6

• Unlike results-based payments in the context of UNFCCC, engaging in Article 6 is expected to have an impact on countries’ abilities to achieve their NDC targets/goals.
  – Will there be tonnes resulting from REDD+ that are available for international transfer?
• Relationship between unconditional and conditional components of an NDC and ITMOs, as well as how this potentially relates to REDD+ under Article 6
• Avoidance of double-counting
• Coordination -REDD+ and NDC/Article 6 issues often handled by different institutions – within UNFCCC negotiations and country level
Discussion Questions

- Are there specific recommendations for knowledge products and/or technical assistance on REDD+ in the context of NDCs and Article 6 that UN-REDD could deliver? What type of support might be needed?

- Are there experiences, concerns, issues related to Article 6 that EB members would like to share?
Thank you

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