

Forest Watch Special Report – UNFCCC climate talks, 7-18 December 2009

Forest talks at a standstill as Copenhagen ends without an agreement

By Kate Dooley (FERN)

The breakdown and controversial ending of the Copenhagen climate talks was predictable from the outset in a conference which was marked by secret texts, closed door meetings and walk-outs. Negotiations were halted several times over the rumoured plans to introduce a 'Danish text' which was outside of, and did not build upon, the official negotiation process of the ad-hoc working groups of the Kyoto Protocol (AWG-KP) and long-term cooperative action (AWG-LCA). The Danish Presidency of the conference led to further confusion and increased levels of hostility, due to an overall lack of both clarity on the process and consultation with countries. In the end, the most cited outcome of the Conference, the Copenhagen Accord,¹ was a document drawn up in the final days by a select group of countries, and only 'noted' by the Conference of the Parties to the UN climate convention (COP) due to the lack of consensus to adopt it as a UN document. The Accord was strongly rejected by several parties, including Tuvalu, Bolivia, Sudan and Saudi Arabia, both for the lack of substance and the undemocratic nature in which it was drawn up. This raises concerns about the long term implications for multi-lateral negotiations under the UN process.

The Accord refers to "the immediate establishment of a mechanism including [Reduced Emissions from Deforestation and Degradation] REDD+" which operationally links the funds pledged to avoided deforestation as a legitimate mitigation activity, despite the inability of Parties to agree on many key issues in the LCA REDD text. However with no COP decisions on REDD or financing, many argue that these funds can for the moment only be mobilised through existing channels, such as the World Bank and UNREDD. Many groups have expressed concerns about these institutions and their REDD initiatives² and the prospect of further short-term financial pledges being channelled through them makes it likely that the existing problems will be exacerbated.

Draft decision on REDD

REDD negotiations continued at Copenhagen in the REDD sub-group established under the AWG-LCA. By the second week, this group had achieved agreement on many sections of the negotiating text, in particular on the rights of indigenous peoples. All parties agreed to referencing the UN declaration on the rights of indigenous peoples (UNDRIP), a major breakthrough due largely to the intense efforts of indigenous

peoples organisations over the past two years. Despite the majority of Parties and campaign groups firmly believing that accounting for carbon emissions from forests must be done at the national level to avoid leakage (deforestation moving to a different location), further negotiating sessions saw Colombia, supported by the USA, increasingly insisting on a sub-national approach. By 15 December, a draft decision on REDD was produced (FCCC/AWGLCA/2009/L.7/Add.6). This was presented to the COP plenary, where the co-facilitator reported that negotiators were unable to make further progress on the text and the outstanding issues would need to be resolved at the ministerial level. Whilst negotiators and ministers continued to debate the REDD text, no substantial progress was made, partly due to the lack of progress in the wider talks, and partly because of the intractable nature of the outstanding issues, which had been narrowed down to three key areas:

Global objective – The draft decision no longer contains any quantitative goal for reducing or halting deforestation. Developing countries were understandably reluctant to commit to targets to reduce deforestation without firm commitments of financial support from developed countries. The final draft REDD text from Copenhagen contains no reference to sources of finance, instead it contains placeholders to decisions from the finance and mitigation contact groups which are yet to be taken. Under the Copenhagen Accord, \$10 billion per year is pledged for the next 3 years in short term finance, with the UK and France indicating that 20 per cent of this is for avoided deforestation. Due to the controversial status of the Accord, and the absence of a COP mandate on finance, it is not clear through which channels this money will be mobilised, which countries will be eligible, or whether developed countries will keep their promises in the absence of an overall binding agreement.³ Irrespective, it is fundamental to maintain the overall objective to reduce and eventually halt deforestation.

Reporting on safeguards – after tireless campaigning from dozens of NGOs, the section spelling out safeguards to ensure that indigenous peoples' rights are respected; forests not converted to plantations; and biodiversity protected, was maintained in the operative section of the text rather than the preamble. The safeguards are undermined however by the strong opposition of some countries to monitor and report on these. Without such reporting there would be, in effect, no safeguards.



National vs. sub national - Colombia's insistence that the draft REDD text retain the option for separate sub-national accounting has reopened the debate on leakage which led to avoided deforestation projects being kept out of the Kyoto Protocol's carbon offset mechanisms. The risk of leakage is significantly higher in a framework that measures individual projects' emission changes, rather than changes across the whole country. In 2005, when REDD was presented at COP 11 in Montreal, it was the national accounting which many parties argued would help resolve the leakage problem as monitoring at the national level would show whether deforestation rates had declined over an entire country. International leakage would however remain unaccounted for, underlining the importance of reducing the international pressures that drive deforestation.

SBSTA decision on REDD methodology

The Subsidiary Body for Scientific and Technological Advice (SBSTA) is the technical advisory body to the UNFCCC. It too discussed REDD, in parallel to the AWG-LCA, with the task of preparing "methodological guidance" to the LCA REDD discussions. It concluded its REDD work early in the second week of the conference, and the COP subsequently approved the SBSTA decision (FCCC/SBSTA/2009/L.19/Add.1). The SBSTA text gives guidance to developing country parties wishing to prepare for REDD activities.

The SBSTA decision recognises the need for engagement of indigenous peoples in monitoring and reporting, but does not extend this to full involvement, such as in the design and development of programs, and does not reference UNDRIP, falling short of what indigenous peoples groups have been demanding as a minimum to ensure their rights are respected. Other points of concern in the SBSTA decision are that:

(1) Consideration of the drivers of deforestation is confined to developing countries, making it necessary that the LCA REDD text includes strong reference to reducing 'developed countries' demand for timber and agricultural commodities.

(2) The bulk of the decision is concerned with recommendations on the methodology for measuring and monitoring 'forest carbon', including the setting of baselines to account for changes in rates of emissions from deforestation. This appears to be setting the scene for carbon trading as the long-term source of financing for REDD action. The SBSTA recommends that measuring forest carbon stocks and their changes should rely on ground truthing as well as remote sensing, and encourages parties to support technical and expert capacity building in developing countries.

Nonetheless, the focus remains on monitoring carbon rather than deforestation or improved governance.

(3) The SBSTA recommends that reference levels be based on historical data, with adjustments for national circumstances. This opens up the possibility of "hot air" being created, as countries with low historical rates of deforestation could inflate their baselines in order to receive REDD payments, while still increasing deforestation.⁴

(4) The SBSTA was unable to make a firm recommendation on national or sub-national approaches, mentioning sub-national systems only within the context of national systems. The issue was passed back to the LCA for consideration, where it remains unresolved in the REDD draft decision (FCCC/AWGLCA/2009/L.7/Add.6).

What next for forests?

While UNFCCC REDD negotiations will continue for another 12 months, it is important to bear in mind that what is currently unresolved in the draft text presented to the COP plenary represents a substantial deadlock which the 'expert' level negotiators are unlikely to be able to resolve due to fundamental differences in each country's approach to and interpretations of what REDD is. There are entrenched positions on all of the outstanding issues. Progress on these topics will require a fundamental shift in many governments' approach to REDD and a move away from trading one issue against the other.

It remains FERN's view that the biggest obstacles to a fruitful REDD debate is the underlying assumption that REDD will eventually be financed through carbon offsets or some comparable form of tradable emission unit. This assumption has hindered a meaningful debate about what action is actually required to reduce deforestation.

While references to safeguards and indigenous peoples rights undoubtedly has improved the negotiating text, such changes could be undermined if the underlying assumption remains that funding for REDD will come from offsetting carbon emissions. The Copenhagen Accord does not resolve any outstanding REDD issues and may aggravate these concerns if it enables countries to move ahead on REDD quickly without an agreed set of international modalities and safeguards. An important first step in the UN climate negotiations would be for parties to be explicit about the end purpose of measuring carbon and to shift the focus towards agreeing a dedicated plan of action to reduce deforestation.

ENDNOTES

1. Copenhagen Accord http://unfccc.int/files/meetings/cop_15/application/pdf/cop15_cph_auv.pdf

2. See Dooley, et al, (2008) Cutting Corners. FERN/FPP, UK <http://www.fern.org/node/4483> and Daviet, et al, (2008) Ready or Not? WRI Working Paper. http://pdf.wri.org/working_papers/ready_world_bank_redd.pdf

3. ENDS Europe, Dec 11 2009. <http://www.ends-europe.com/22871?referrer=bulletin&DCMP=EMC-ENDS-EUROPE-DAILY?referrer=bulletin&DCMP=EMC-ENDS-EUROPE-DAILY>

4. Many recent publications have pointed out the inherent problems with baselines, and the need for an alternative approach which incentivises fundamental changes in governance and development pathways, including: Dooley, K. (2009) Why Congo Basin countries stand to lose out from a market based REDD. FERN, UK. www.fern.org/congo-basinloseout; Karenty, A. (2009) What the (carbon) market cannot do... CIRARD Perspective No. 1 www.cirad.fr/en/news/all-news-items/articles/2009/just-out/perspective; Karsenty, A., Pirard, R. (2007) Climate change: should we reward "avoided deforestation"? *Natures Sciences Sociétés* 15, 357-369