



AUSTRALIA

Submission under the Cancun Agreements | September 2011

Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+) | SBSTA

I. Overview

This submission contains the views of the Australian Government on methodological issues referred to SBSTA in appendix I to decision 1/CP.16, as invited under FCCC/SBSTA/2011/2.

Australia has previously outlined the importance of including REDD+ in the new international climate change regime. Deforestation accounts for approximately 18 per cent of global greenhouse gas emissions, with around 13 million hectares of the world's forests being cleared each year. REDD+ can and should make a significant contribution to global mitigation of climate change.

In common with the views previously expressed by many Parties, Australia considers that the development of the following should be a key priority for the SBSTA ahead of the Conference of the Parties at its seventeenth session:

- characteristics for safeguards information systems, forest reference emission levels/reference levels, and systems for forest monitoring and measurement, reporting and verification;
- information that should be provided through safeguards information systems;
- distinction between forest reference emission levels and forest reference levels;
- distinction between forest monitoring and the measurement, reporting and verification of results; and
- modalities for forest reference emission levels/forest reference levels, forest monitoring and measurement, reporting and verification that can be independently verified by an expert panel.

II. Characteristics for safeguards information systems (SIS), forest reference emission levels/reference levels (RELs/RLs), and systems for forest monitoring and measurement, reporting and verification (MRV)

The development and implementation of SIS, RELs/RLs, and systems for forest monitoring and MRV should be guided by broad and over-arching characteristics. Well established principles, and definitions for these principles, exist for non-Annex I National Communications (decision 17/CP.8) and IPCC good practice guidance. The principles are: transparency, consistency, comparability, completeness and accuracy. These principles should form the core characteristics for each of the REDD+ elements set out in paragraph 70 of decision 1/CP.16. These include safeguards information systems, RELs/RLs, and systems for forest monitoring and MRV.



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III. Guidance for systems providing information on how safeguards are addressed and respected

The Cancun Agreements call for REDD+ activities to be carried out in accordance with the guidance and safeguards contained in appendix I to decision 1/CP.16. These safeguards aim to ensure that implementation of an international REDD+ mechanism does not result in negative, unintended social, economic or environmental impacts. Safeguards promote the sustainability of a REDD+ mechanism by addressing environmental integrity. Safeguards also afford local and indigenous communities with strong ties to the land and the opportunity to apply local knowledge. They help ensure the sustainability of REDD+ activities beyond the initial stages of project development.

The effective implementation of SIS is key to achieving the goals stated above. Development of a SIS should be undertaken at a national scale, drawing on subnational and project information. A SIS should include the institutions, processes and data through which information on safeguards is collected, assessed and reported. The development of a SIS will be an ongoing process, requiring regular review and update of the data and information included, to better assess and monitor the impact of REDD+ programs on safeguards

In addition to the characteristics set out as principles in the IPCC good practice guidance, a SIS should also demonstrate full and effective participation of all relevant stakeholders. These characteristics will also enable other Parties and the international community to learn from experience and strive for ongoing improvement. They will also form an important part of building credibility and confidence in national REDD+ systems to attract increased financial support.

The design of a national SIS should be integrated with existing data sets, and monitoring and reporting arrangements, some of which exist outside of UNFCCC processes. This will avoid creating an increased reporting burden for developing country Parties. To achieve this, reporting of information related to the SIS could be undertaken as part of national communications, and biennial update reports to the Conference of the Parties (COP) as provided for in the Cancun Agreements. Notwithstanding the reporting method selected, Parties participating in REDD+ activities should report SIS information every two years at a minimum. This frequency is important to promote confidence and ongoing improvements on safeguards based on lessons learnt. The design of the SIS should also include opportunity for regular reviews to facilitate ongoing improvement. These reviews should provide for the full and effective participation of relevant stakeholders, and international partners.

The information to be provided through the SIS should include the following:

- Description of the design and structure of the SIS;
- Details on the legislation, policies and governance arrangements in place to support, or that are relevant to safeguards;
- Description of how national circumstances apply to safeguards and processes to better understand these, including but not limited to:
 - Identification of natural forests and other areas important for the conservation of biological diversity and a description of how these areas have been defined, and application of existing international frameworks such as the Food and Agriculture

- Identification of relevant stakeholders, in particular indigenous and local communities
- Actions taken to address safeguards and future plans for improvement.

The SIS should include an initial assessment drawing on all available data. This initial assessment can then provide the basis for ongoing review and progress.

IV. Modalities for forest reference emission levels and forest reference levels

The credible and robust calculation of RELs/RLs will be critical to the effectiveness of a REDD+ mechanism. The purpose of national RELs/RLs should be to set a realistic scenario for emissions and removals in the absence of future REDD+ interventions. The Cancun Agreements request developing country Parties that are aiming to participate in a REDD+ mechanism to develop a national forest reference emission level and /or forest reference level.¹ However, the distinction between these two terms is currently unclear. Resolving this distinction should be a key priority for SBSTA.

In addition to the characteristics set out as principles in the IPCC good practice guidance, RELs/RLs should strive for environmental integrity by mitigating the potential for creating perverse incentives, including potential for leakage. On this basis, RELs/RLs should be established at a national level, be spatially explicit and cover border to border of a country.

National RELs/RLs should be based on information submitted by developing country Parties and technical assessment by an expert panel. The development of modalities that can be independently verified by an expert panel should be a key priority for the SBSTA ahead of COP17. These modalities should not mandate a specific national formula. Instead modalities should outline minimum requirements to be addressed in REL/RL submissions by host Parties. In this regard, there are valuable lessons that can be learnt from the recent process for submission and review of information on forest management reference levels for Annex I Parties. Notwithstanding, it is recognised that the objectives for the reference levels being considered through that process may be different to REDD+. Nevertheless, modalities for REDD+ RELs/RLs should include:

- factors that may be used to calculate RELs/RLs, this could include historical emissions data, information about pre-existing emission reduction measures, drivers of deforestation, and other relevant national circumstances;
- basic data requirements to support the use of each of the above factors;
- a process for periodic adjustments of RELs/RLs as a result of improved data availability or to take into account verified emissions reductions achieved;
- the role of CDM projects related to REDD+ activities, as appropriate; and
- the role of the UNFCCC Secretariat, expert panels, and the COP in the process of reviewing and establishing RELs/RLs.

Modalities for establishing RELs/RLs should encourage host Parties to present preliminary REL/RL

¹ This provision provides for the development of subnational forest reference emission levels and /or forest reference levels only if appropriate, as an interim measure. It will be important for the robustness and credibility of Parties' REDD+ systems that national levels are established as soon as possible.

submissions so that they may benefit from technical feedback from experts and peers that can share lessons learnt. The process for the development and review of Readiness Preparation Proposals through the World Bank Forest Carbon Partnership Facility's Readiness Fund provides a practical example of this. Countries that have participated in this process have noted the value of feedback from technical experts in the field. Developing country Parties have also commented on the value of learning from the experience of other countries.

V. Modalities for forest monitoring and for measuring, reporting and verifying emissions

The Cancun Agreements request developing country Parties to develop a robust and transparent national forest monitoring system for the monitoring and reporting of activities. The Cancun Agreements also require results-based actions to be fully measured, reported and verified. At present, the distinction between forest monitoring and MRV is unclear. Resolving this distinction should be key priority for SBSTA.

Australia proposes that forest monitoring systems should enable Parties to undertake regular scans to rapidly detect areas of change. Such a system is important to assist Parties to take action as soon as practicable to address drivers of REDD+ activities. An MRV system measures emissions and removals for accounting purposes. Accounting compares these measurements to a pre-determined reference level for the purpose of establishing results. Consequently, the measurement capabilities of a MRV system should be taken into account when developing RELs/RLs. A MRV system also includes reporting and verification of the results and methods for calculating these results.

Credible and robust national MRV systems will be critical to the effectiveness of a REDD+ mechanism. For the same grounds as the characteristics proposed for RELs/RLs, forest monitoring and MRV systems should strive for environmental integrity by mitigating the potential for creating perverse incentives, including the potential for leakage.

Australia recognises the importance of a highly integrated MRV system design that includes remote sensing, ground data and models as emphasised in IPCC good practice guidance. Australia's experience in developing an integrated system, the National Carbon Accounting System has shown that such a model is achievable. This system is one of the few in the world that has been developed with the specific purpose of accounting for greenhouse gas emissions from the land sector.

Robust and transparent MRV should comprise measurements at a national scale, include all carbon pools, and be based on wall-to-wall, spatially explicit time series. Methods for estimation should meet the highest level of IPCC standards possible. MRV systems to enable participation in a REDD+ market-based mechanism should ideally be Tier 3. These elements provide the necessary data to address permanence and leakage. In addition, having clear institutional and governance arrangements in place to promote consistent and reliable operation, will be key to a robust MRV system.

The process for reporting should be through national communications, and biennial update reports to the COP as provided for in the Cancun Agreements. These reports should be provided to the UNFCCC Secretariat and made publicly available. The information reported and methods for measuring results should be independently verified by expert panels. The development of modalities that can be independently verified by an expert panel should be a key priority for the SBSTA ahead of COP17.