Building a post-2012 global climate regime

European Union COP-15 information sheet

Swedish Presidency
of the European Union

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Cutting forest CO_2 emissions through action on deforestation in developing countries (REDD+)

- *Immediate action to reduce tropical deforestation and forest degradation is crucial to limit global warming to below 2°C and must form part of the Copenhagen agreement*
- *The agreement should set the objectives of at least halving gross deforestation by 2020 and halting global forest loss altogether by 2030 at the latest*
- *These objectives should be met through a UNFCCC programme to reduce emissions from deforestation and forest degradation and to protect forests (REDD+)*
- *A performance-based financial mechanism should be established under the UNFCCC to reward developing countries for verified emission reductions*

Immediate action to reduce tropical deforestation is crucial for keeping global warming below 2°C. Tropical deforestation and forest degradation are responsible for up to **20% of global CO_2 emissions**, more than from all forms of transport combined. Yet this major emission source is not directly addressed by the UNFCCC or the Kyoto Protocol.

There is international consensus that this situation must be rectified in the Copenhagen agreement through a programme for reducing emissions from deforestation and forest degradation in developing countries (**REDD**) and for promoting conservation, sustainable management of forests and enhancement of forest carbon stocks (**REDD+**).

The European Union wants decisive action on deforestation under the Copenhagen agreement. The deal should set the goals of at least halving gross tropical deforestation from current levels by **2020** and halting global forest cover loss no later than **2030.**

REDD+ activities must avoid creating conflicts with the practices of **indigenous peoples** and local communities. They must also preserve **biodiversity** and **ecosystem services** and contribute to sustainable development at the local level.

Combating deforestation and forest degradation will require considerable financial support from developed countries, including 'fast start' financing to support immediate preparatory work from 2010 onwards. Part of the EU's contribution to **fast start finance** could go to REDD+ actions.

The European Commission estimates that REDD will cost developing countries an additional **€18 billion per year by 2020**. International public funding needs for REDD and agriculture in developing countries are estimated at **€7-14 billion per year by 2020.** The EU is committed to contributing its fair share of public financing for REDD as part of a fair and ambitious global climate agreement.

Developing countries with tropical forests should include REDD+ in their **low carbon growth plans**. They will need support to produce accurate data and build their capacities to establish and implement an effective, reliable framework for doing so. The EU's FLEGT Action Plan will help.

The EU and its Member States already provide support to developing countries to reduce deforestation and forest degradation.
Through its **Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan** the EU is contributing to reducing illegal logging and promoting the sustainable management of forests.

The EU proposes a **three-stage approach** to building REDD+.

1. In a **'readiness' phase** developing countries should elaborate REDD+ strategies and set up the infrastructure for implementing them on a national scale.

This phase, which is already under way in some developing countries, would include establishing **national forest inventories** and **monitoring and demonstration activities**. Preparations should be stepped up as soon as possible after Copenhagen.

2. **Concrete national policies and strategies** should be put in place to reduce emissions from the forest sector. These would include such measures as **forest governance, land tenure reforms, forest law enforcement** and **biodiversity conservation.**

These first two phases would be supported directly through international public finance. The EU is open to the use of simplified reporting requirements, combined with conservative estimates of emission reductions, in order to get REDD actions off the ground before stage three.

3. A **performance-based financial mechanism** would be established under the UNFCCC to create an economic incentive to reduce deforestation and keep forests standing.

Developing countries would set a **national reference level** for emissions from deforestation and forest degradation on the basis of historical trends and future projections. The reference level would be **independently reviewed and verified**.

Financing would be released in proportion to how much developing countries **reduced their verified emissions** below the reference level.

The mechanism should initially be funded through **international public financing**. In the medium to long term, it could progressively be replaced by a **carbon market approach** involving the sale by developing countries of credits for avoided emissions.

Credits for avoided emissions
In time, verified reductions in emissions from deforestation and forest degradation in developing countries could be turned into credits and sold in the carbon market.
In the medium term, before 2020, developed country **governments** could be allowed to buy such credits to help them comply with their international emission commitments. The volume of credits would need to be strictly limited to ensure the stability of the carbon market.
In the medium to long term, after 2020, such credits could be phased into the international carbon market for purchase by **companies** covered by cap-and trade systems such as the EU Emissions Trading System.
However, a decision on whether to allow this should depend on the outcome of a thorough review of experience gained to date. It should be conditional on the use of such credits not threatening the **integrity of the market** and on **robust monitoring, reporting and verification requirements** being met.

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