

## **New Zealand**

### **Submission to the Ad-Hoc Working Group on Long-Term Cooperative Action Under the Convention**

#### **Reduction Emissions from Deforestation and Forest Degradation in Developing Countries (REDD)**

24 April 2009

1. Responding to the Chair's request for draft legal text, New Zealand proposes that the Copenhagen agreement establish a "REDD mechanism" under a specific Article of that agreement.

#### **Context**

2. There is overwhelming support within the international community to take effective action on reducing emissions from forest-related activities in developing countries.
3. Almost all Parties, non-government organisations and academics agree that significant financial support will be needed.
4. Many Parties consider that the most robust and reliable source of ongoing financial support will be access to carbon markets. Many also note that funds will also play an important role, either as an interim measure or - in the case of a smaller number of Parties – as a long term source of financial support.
5. At the same time, the potential sources of financial support are becoming more diverse and complex.
6. At present, the principal carbon markets of significant global scale are those related to Kyoto Protocol compliance mechanisms.
7. However, there is now a strong possibility that formal (that is, legislated) emission reduction compliance markets will, over time, extend well beyond the Kyoto Protocol commitments of ratified Annex I Parties.
8. Further, many countries, institutions and non-governmental organisations are taking significant voluntary steps to help reduce emissions from this major global source.
9. Finally, there are a number of proposals currently under active consideration – both within and outside the UNFCCC process - that may lead to major sources of ongoing funding for forestry related activities in developing countries.
10. There is still a great deal of uncertainty as to which and to what extent the above measures will ultimately be put in place.

#### **Establishing a new REDD Mechanism**

11. Given the situation described above, New Zealand considers that the international community, via the UNFCCC, should develop a comprehensive, transparent and robust framework to encourage reductions of emissions from deforestation and forest degradation in developing countries (REDD).

12. Emission reductions generated and verified under such a framework may then be used for:

- Kyoto Protocol compliance (if/as agreed by the Parties to the Protocol)
- Compliance with other regimes (if/as agreed by those countries establishing such regimes)
- Compliance with any funding arrangements (if/as agreed by the Parties to the Convention)
- Voluntary actions (if/as agreed by the organisations undertaking such actions)
- Any or all of the above

13. New Zealand considers this framework could be by way of a new REDD mechanism established under a specific Article of any agreement reached in Copenhagen.

14. The REDD mechanism should:

- respect the sovereignty of the host countries participating in it;
- ensure that emission reductions are real and equivalent regardless of the source of financial support being accessed by the host country;
- be flexible enough to allow interaction with a range of compliance markets, funds, and voluntary activities;
- be pragmatic, efficient, and accessible, including to the private sector if appropriate;
- ensure that emission reductions over a given period are counted only once;
- ensure that entities providing financial support can be assured that their funding is for additional abatement that has not already been funded through some other source for a given period;
- provide for other requirements and standards as deemed appropriate by the international community.

15. Further consideration should be given to how such a mechanism interacts with and/or provides for the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+). Its interaction with relevant CDM provisions would also need to be considered.

### **Form of a REDD Mechanism**

16. Such a mechanism should be established under a specific Article of the new agreement reached in Copenhagen.

17. The major elements of a mechanism should, to the greatest extent possible, be established under the new Article. The Article should also establish processes and timelines for agreeing the necessary methodologies, rules, and guidance to implement the mechanism.

## What should a REDD Article specify?

18. New Zealand considers the major elements that should be agreed in a REDD Article include:

- That a REDD mechanism be defined;
- The purpose of the mechanism;
- Eligibility to participate;
- Voluntary participation approved by each Party involved;
- Scope of the mechanism: in particular: that it should be a national-level mechanism; and whether it shall apply to REDD, REDD+, or only some elements of REDD+;
- Its relationship with Kyoto Protocol compliance markets (noting that a consequential amendment to Article 3 of the Kyoto Protocol may be necessary); and/or its relationship to any other compliance or compulsory regimes established under a Copenhagen agreement;
- A phased approach so as to build capacity for implementation of the mechanism and any funding expectations to support such capacity building;
- Principles to be considered when establishing reference emission levels for each participating host country and a process for how those levels will be confirmed by the international community;
- A mechanism to address circumstances where emissions are greater than reference emission levels;
- A mandate and timeline for the COP to agree an approach to address non-permanence;
- A mandate and timeline for the COP to agree other modalities, rules, guidelines and verification/review procedures as necessary;
- A mandate and timeline for the COP to agree other requirements and standards as appropriate.

19. Each of the elements described above might be contained in separate paragraphs of the new Article. Some of these paragraphs could read as follows:

### **Proposed legal text: New Article**

1. A mechanism to reduce emissions from deforestation and forest degradation in developing countries is hereby defined.
  
2. The purpose of the mechanism shall be to assist developing country Parties to maintain forest carbon stocks while promoting their sustainable development and to assist all Parties in contributing to the ultimate objective of the Convention by reducing emissions from deforestation and forest degradation and in meeting their commitments under the Convention and any related legal instruments.

3. Emission reductions resulting from activities under this mechanism shall be certified by operational entities to be designated by the Conference of the Parties, on the basis of:

- (a) Voluntary participation approved by each Party involved;
- (b) Real, measurable and long-term benefits related to the mitigation of climate change;
- (c) Reductions in emissions that are additional to any that would occur in the absence of the mechanism.

4. Participation under this mechanism, including the provision of incentives for emissions reductions and the acquisition of any such emissions reductions generated, may involve private and/or public entities, and is subject to whatever guidance may be provided by [the operational entity designated by the Conference of the Parties].

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