

Forests, land-use, and climate-change policy in a post-Paris world

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International Climate Change Policy after Paris
Harvard University
July 14-15, 2016



** Special thanks to Tibor Vegh, Nicholas Institute, for help with the presentation*

The role of forests in climate mitigation

- Deforestation and forest degradation, (through agricultural expansion, infrastructure development, fires etc.) account for 10-15% of global GHG emissions
 - Much of the “D&D” is in developing countries in the tropics
- Very difficult to stabilize global temperatures within 2C without reducing emissions from the forest sector
- Forest emission reductions - Potential complementarities with biodiversity efforts, food security, climate adaptation,

Forest and Land-use Incentive Problems

- Forest land is typically more valuable cleared (and put to other uses such as agriculture or development)
- Economic returns to forest conservation must be increased, e.g., through carbon markets
- Carbon finance for conservation has faced hurdles
 - Technical accounting issues (soil carbon, definition of “forest”, complexities of additionality, permanence, and leakage)
 - Momentum around the idea of a global carbon market has slowed
 - REDD+ credits are not sold and traded at large volumes
 - Revenues for countries to reduce deforestation are very low
 - Concerns over localized indigenous rights, and unequal distribution of benefits

REDD+ program

- **REDD+** = UN initiative to reduce emissions deforestation and forest degradation in developing countries
 - "+" includes conservation, sustainable management of forests and enhancement of forest carbon stocks
 - 2008 UN-REDD Programme
- Objective is to create financial value for carbon stored in forests
- Incentives for developing countries to reduce emissions from forest land and invest in low-carbon paths to sustainable development
- Warsaw Framework for REDD+
 - Adopted in 2013 at COP 19
 - Builds upon earlier REDD+ decisions (e.g. Cancun) adopted by COP
 - Guidance on social and environmental safeguards, reference levels, and national forest monitoring systems
 - Reference framework for the Paris Agreement

Warsaw Framework for REDD+

- **Results-based finance for REDD+**
 - may come from multiple sources, public and private, bilateral and multilateral, including alternative sources
 - developing countries should provide information on how all safeguards have been addressed
 - Financing entities, (e.g., Green Climate Fund) are to channel adequate and predictable finance
- **National forest monitoring systems** should provide data and information that are transparent, consistent over time, and suitable for MRV anthropogenic forest-related emissions
- Developing country parties should provide **information on how safeguards are addressed and respected** throughout the implementation of the activities
- **Forest reference emission levels** and/or forest reference levels shall be subject to a technical assessment and adopts the guidelines and procedures for such assessment
- **Measuring, reporting and verifying (MRV) anthropogenic forest-related emissions** are to be consistent with the methodological guidance agreed upon at COP 15
- Encourages Parties, organizations and the private sector to take action to **reduce the drivers of deforestation**

- **During COP 19**
 - World Bank announced a new US\$280 million initiative under the BioCarbon Fund
 - Government of Norway made a US\$40 million pledge to the UN Collaborative Programme on Reducing Emissions from Deforestation

Paris and REDD+

- Article 5 on REDD+ signals political support for the Warsaw Framework
 - Better protections for forests in developing countries
 - Encourages developed nations to provide the financial incentives for the protection of forests (via the Green Climate Fund, e.g.)
 - Encourages **results-based payments** for verified emissions reductions (COP 19)
- Strengthens efforts on mitigation, finance, and international markets
 - Encourages international cooperation and markets (Internationally transferable mitigation outcomes, ITMOs)
 - Emission reductions in forests could be used to comply with carbon emission regulations (i.e. caps)
- Accounting Principles to make countries' emissions and removals comparable

Paris and Land-use

- The agreement notes the importance of ensuring the integrity of all ecosystems, including oceans, and the protection of biodiversity
- Sources and sinks of GHGs are explicitly mentioned in conjunction with land-use decisions that affect them
- Land-use decisions (e.g. clear cutting of tropical forests) need to be adjusted to better account for the value of these C sinks
- One way to achieve this is through carbon markets

Outlook post-Paris

- Strong signal that public and private finance needs to be mobilized to overcome the global challenges due to a changing climate
- Scaling up of climate change finance (both mitigation and adaptation) is expected in the upcoming years
 - Item 115 of the so-called “Paris Decision”, refers back to the 2009 Copenhagen Accord (COP-15) text, which states: “[...] developed countries commit to a goal of mobilizing jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries”
- Ambiguities include
 - 1) the lack of a clear definition as to what “climate finance” is
 - 2) whether there will be new or additional resources mobilized
 - 3) whether or not the explicit rejection of liability and compensation for climate related damages could affect the amount of funds mobilized.

Outside of UNFCCC

- Other means to finance forest carbon emission reductions
 - Pay for performance
 - Development assistance
 - Loans and bonds
 - Supply chain requirements
- With no global carbon market, individual forest conservation projects will pave the path for conservation finance