**UN-REDD Programme**

**UN-REDD/EB2/9**

**Second Executive Board meeting**

**Rome, Italy**

**18-19 October 2018**

**Information Note**

**Background on REDD+ and Cooperative Approaches in Support of NDCs**

**Session Objectives**

* This knowledge session will present an overview of forests and REDD+ in the NDCs, as well as the current status of UNFCCC negotiations on Article 6.
* During the session, initial discussion will be promoted, on potential implications for REDD+, including, for example, complementarities between results-based finance and cooperative approaches, as well as options and issues for operationalizing potential transfer of ownership of emission reductions.
* The session will provide a foundation for related discussions to continue in the sessions immediately following.

**Introduction**

* The land use sector, including forests, is represented in the majority of Nationally Determined Contributions (NDCs). 54% of countries included Land Use, Land-Use Change and Forestry (LULUCF) as part of an economy-wide target, while many more (approximately 77%) reference, in some way, a contribution to be made from LULUCF.
* A number of REDD+ countries, in particular, highlight the key contribution to be made by forest-related activities to meet their NDC goals. Approaches range from inclusion of LULUCF in a multi-sectoral or economy-wide target, specific LULUCF targets, and/or specific indication of activities to be implemented as part of the NDC, such as REDD+, zero-deforestation agriculture, agroforestry or improved cook stoves.
* Overall, the LULUCF sector represents 25% of planned emission reductions in current NDCs, making the role of LULUCF in the NDCs second only to the energy sector.
* However, the potential to be harnessed is even greater, given that “natural climate solutions,” including forests, can deliver up to 30% globally of cost-effective CO2 mitigation needed through 2030 to keep warming well below 2°C.
* Article 6 of the Paris Agreement presents new opportunities for cooperation between Parties to enhance global climate change mitigation efforts toward meeting the long-term temperature goal, through the NDCs. Article 6.2 of the Paris Agreement allows UNFCCC Parties to voluntarily engage in “cooperative approaches” involving the use of Internationally Transferred Mitigation Outcomes (ITMOs) towards NDCs, while Article 6.4 establishes a mechanism for greenhouse gas mitigation and fostering sustainable development.
* Considering UNFCCC negotiations on Article 6 are still under way, however, there are divergent views and uncertainty around the eligibility criteria, guidance, rules, procedures and institutional arrangements to be put into place.
* Though it is not yet clear, therefore, if and how forests and/or REDD+ may be included in future cooperative approaches and/or the mechanism established under Art. 6.4, it is important to follow the Article 6 negotiations as they evolve, and consider the potential implications for REDD+, in the broader context of NDCs.

**Considerations for Forests and REDD+ in the Context of Article 6 and NDCs**

* REDD+ forest reference levels and the corresponding results are developed in the context of seeking results-based payments in line with the UNFCCC framework.
* Cooperative approaches and the Sustainable Development Mechanism (SDM) under Article 6 could complement results-based finance/results-based payments to provide an appropriate level of investment in forests in developing countries.
* While the Warsaw Framework for REDD+, in Decision 14/CP.19, leaves the door open to “*results-based actions that may be eligible to appropriate market-based approaches that could be developed by the Conference of the Parties to the UNFCCC*”, it also recognizes that such actions “*may be subject to any further specific modalities for verification consistent with any relevant decision of the Conference of the Parties*”.
* The Warsaw Framework, therefore, does not include the necessary rules and guidance that would be needed to enable the transfer of REDD+ emission reduction units in the context of UNFCCC.
* There are a number of strategic considerations to take into account in the context of potential Article 6 engagement. Unlike results-based payments in the context of UNFCCC, engaging in Article 6 is expected to have an impact on countries’ abilities to achieve their NDC targets/goals. Further, the relationship between the unconditional and conditional components of an NDC and ITMOs, as well as how this potentially relates to REDD+ under Article 6, are other issues which are useful to consider more closely.

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