



## *Norwegian Climate Policy: Reducing emissions and increasing removals in the forestry sector in developing countries (REDD)*

The increase in global mean temperature must be limited to a maximum of two degrees Celsius compared to the pre-industrial level in order to achieve the ultimate objective of the UN Convention on Climate Change. Today, emissions from deforestation and forest degradation in developing countries amount to about 17% of global greenhouse gas emissions. Without agreement on an effective REDD regime in Copenhagen it will be impossible to reach the two-degree Celsius stabilisation goal.

Efforts to reduce emissions and increase removals from the forest sector in developing countries must be an important part of a worldwide low-carbon development path, and be additional to and not replace efforts by developed countries to reduce their emissions.

In order to promote early action on REDD, the Norwegian Government has launched a comprehensive Climate and Forest Initiative. In addition to reducing emissions, the initiative will generate experience that can provide useful input to the negotiation process. The initiative was launched by Prime Minister Stoltenberg at the Bali summit in 2007, and has an annual budget of up to NOK 3 billion (USD ~~2~~500 million).

In addition to reductions in emissions and enhanced removals, a global REDD mechanism should promote sustainable forest management, contribute to the protection of biodiversity, promote sustainable development and poverty reduction, and secure the rights, involvement and livelihood of local communities and indigenous peoples.

*The scope of the REDD regime should be broad* and include both reductions in emissions from deforestation and forest degradation and the promotion of forest conservation, stock enhancement and sustainable management of existing forests. Such a broad scope will provide incentives to make optimal use of all mitigation options, while also reducing the risk of carbon

leakage. Over time, when reliable methods for monitoring are established, emissions and removals from non-forested peat land and agricultural land should also be included.

*A REDD regime should be result-based and incentive-driven.* Because the capabilities of developing countries vary widely, the REDD regime should be structured into *three phases*. It should begin with a readiness planning phase, followed by a phase focusing on the implementation of policies and measures, during which rewards may also be given for results based on proxies for emissions reductions. In the final phase, quantified emissions reductions and enhanced removals should be credited in a solely performance-based mechanism.

In each phase, the commitments of the participating developing countries would grow, and the sources of finance would evolve, while pre-specified eligibility criteria, including requirements for measuring, reporting and verification, would become more demanding.

The result-based REDD regime must include a robust and reliable framework and capacity for *monitoring, reporting and verification* (MRV) of forest related emissions and removals. MRV standards should be based on the most recent IPCC guidelines, which allow countries to gradually improve their inventories.

To ensure credibility, an *independent verification system* for reported emission reductions and defined reference levels should be established.

The *funding* should be result-based, sufficient and predictable, and be based on an internationally binding finance instrument, for instance a financial mechanism as proposed by Norway for auctions of allowances.