

Joint Position on the Scale of REDD+

REDD+¹ activities may be undertaken at various geographic and institutional levels. We support a national framework that includes national carbon accounting, regulation and reporting on emissions reductions, but allows for implementation of activities and crediting at both national and sub-national scales.

We believe that a flexible arrangement could be one of the most effective in reducing emissions, mobilizing resources and providing capacity building. An important element of this approach will be to link the performance of REDD+ activities at different scales to the performance of the country as a whole and vice-versa. Such linkages could be made, for example, through profit-and-liability-sharing arrangements. To be most effective REDD+ will likely need to operate at multiple scales—national enabling policies and measures (PAMs) and site-specific actions. Countries should design rights to the carbon asset across scales to optimize emission reductions and equitable social and environmental benefits, while recognizing and respecting the rights of all stakeholders

A REDD+ mechanism, to be successful at the broad scale envisioned in the context of the UNFCCC negotiations, will necessarily have to function across scales. There will be several different dimensions of scale in a functioning REDD+ mechanism, since several aspects of REDD+ activities can be undertaken at various levels:

- **Accounting Frameworks:** Setting crediting reference levels, monitoring deforestation, and accounting for emissions reductions should be performed at the national level. However, it will take some time for all countries to establish national level accounting systems and sub-national accounting and crediting should be allowed as an interim option for the near-term, as long as it is part of a process to establish a national framework.
- **Implementation:** Implementing activities that reduce deforestation could be undertaken by national governments (through large-scale policy reform), by sub-national governments (through district or provincial spatial planning and policies), or by communities, landowners, or project developers (through specific actions to reduce deforestation in a designated area), or at many levels (through a combination of policy enactment and local action). We believe flexibility in implementation is key and we favor activities at all levels. A careful integration between scales will be important in avoiding potential conflicts generated by creating beneficiary and non-beneficiary stakeholders in a same region.
- **Ownership of credits:** National governments, sub-national governments, or project developers could own the rights to REDD+ credits. We believe that although national governments have authority to allocate ownership of credits through national laws and they are the responsible parties to the UNFCCC negotiation, countries should consider how ownership and benefits of such credits can best be shared among REDD+ stakeholders to deliver cost-effective environmental and socio-economic benefits.

¹ We support a mechanism that encompasses reduced emissions from deforestation and forest degradation (REDD) as well as restoration, environmentally appropriate native afforestation and reforestation, sustainable management of native forests and conservation of carbon stocks of native forests from the start of the mechanism.

Countries will need to define a clear structure of property rights to the carbon asset across scales and stakeholders. Some national governments may choose to own and transact all carbon rights, but other governments should also have the option to devolve ownership of credits to sub-national and local actors as long as the accounting structure for doing so is 'trued up' to the national accounts. If ownership of credits is not distributed by a national government to stakeholders, a benefit-sharing framework should nonetheless be put in place so that incentives to reduce deforestation reach stakeholders on the ground.

In the current debate in the context of the UNFCCC, we believe the 'national approach' should refer to carbon accounting and reporting on emissions reduction goals (compliance or voluntary). National accounting structures are necessary to regulate and credit contributions to national targets from many different activities and geographically specific sites and mitigate in-country displacement (leakage). National approaches do not necessarily require that financial resources be managed through a single national institution, though this is one possible option. The engagement of the sub-national actors in any national REDD scheme should be emphasized as their efforts will contribute to the accomplishment of national reductions.

Sub-national emission reduction activities should take place within the national accounting and reporting framework once these frameworks are established and operating effectively. Demonstration activities may take place prior to the establishment of national regulatory and accounting frameworks as long as already credited activities are not double-counted under the future national accounting system. Such demonstration activities would serve as building blocks for developing national REDD+ "readiness" by building local understanding and capacity of different levels of government and non-government stakeholders to participate in achieving national reduction goals. Sub-national emissions reductions may be implemented at the scale of single land holdings (public, communal, private), multiple landholdings or entire sub-national government regions (e.g., states, municipalities), enabling a flexible approach that is consistent with national accounting.

We see many advantages to creating flexible approaches to REDD+ that allow for activities to be undertaken at various scales. Some activities are best performed at the national level. For example, it is important to set up national-level accounting frameworks to account for leakage and national-level monitoring systems to monitor emissions reductions efficiently across the country. In other cases, project level activities may be beneficial, especially if coordinated on the landscape scale and are part of an integrated policy approach to REDD. For example, allowing some incentives to flow directly to projects may promote increased private investment in REDD+. Finally, in some cases actions at multiple scales will achieve the greatest benefits.

Making flexible arrangements work will require linking the performance of each project to the performance of the country as a whole and vice-versa. A system that allows projects to get off the ground quickly and produce high-quality REDD+ credits with direct benefits to forest peoples, national governments and investors must be linked to actual reductions at the national level. A system in which every stakeholder has a direct stake in the performance of projects within a national system will make it more likely that governments will do what is necessary to implement their REDD+ program. Linkages can be made through taxes, profit-sharing arrangements, clear assignment of liability, or other means. Linking the performance of projects

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and overall national emissions reductions encourages project developers to reduce in-country leakage and encourages the national government to support the success of all REDD+ activities.