CHAPTER 11

Congo Basin Countries and the Reduced Emissions from Deforestation and Degradation (REDD) Process

Building the COMIFAC Position within the Framework of International Negotiations

Vincent Kasulu Seya Makongai, Joseph Armathé Amougouii and Olivier Hamel
Text approved by Etienne Massard Kabinda Makagai, Adélaïde Itoua, Aline Malibangar, and Déogracias Ikakanzamio

Brief Reminder on the Kyoto Protocol and the Clean Development Mechanism

During negotiations on the so-called "flexibility" mechanisms enshrined in the Kyoto Protocol (KP), to facilitate compliance with commitments to reduce greenhouse gas emissions (GHGs) from the North[20], many discussions centered on the relevance of carbon related to "Land Use, Land Use Change and Forestry"(LULUCF). Opponents feared that efforts to reduce domestic emissions in Northern countries would be diverted by the opportunity to invest in cheaper (but unsustainable and difficult to monitor) carbon sequestration projects in land ecosystems in Southern countries. These debates and controversies were provisionally laid to rest upon adoption of the decisions known as the "Marrakesh Accords" in December 2001 (COP-7).

Broadly speaking, the Clean Development Mechanism (CDM) is the only flexibility mechanism concerning Southern countries.[21] The CDM is governed by the same general principles for all projects, whether they pertain to reducing emissions from GHG "sources"[22] or to carbon sequestration by "sinks."[23] The Accords state that all projects to reduce fossil fuel consumption and GHG emissions are eligible for the first commitment period of KP 2008/2012 if project boundaries are clear; the baseline scenarios are solid; strict measurements of emissions are possible; and if periodic/regular checks can be performed in the future. In contrast, if the methodologies are unreliable and inconsistent with the rigor and accuracy of the "source" projects' methodologies, carbon sequestration projects in ecosystems (forest, agricultural or livestock production ecosytems) are not eligible, except for afforestation and reforestation projects.

Thus, the only LULUCF activity approved under the KP is the establishment of plantations on agricultural or non-forested lands, but not the improved management of existing ecosystems to store more carbon. The improvement in natural forests management (i.e., the management of forests for production or conservation) and the improvement of pre-existing agricultural, livestock or plantation production systems are therefore not eligible under the first commitment period. Concerns of abuse in the utilization of "sinks" induced the creation of land eligibility rules for CDM plantations, requiring a standardized national definition for "forest"[24]. To limit the use of this flexibility, the Marrakesh Accords set a cap in equivalent sequestered CO_2 corresponding to 1 % of the 1990 GHG emissions of the purchasing country.

However, negotiations for a possible expansion of eligibility for future commitment periods were planned with the understanding that these negotiations could begin simultaneously with those planned under the KP on post-2012 reduction commitments for Northern countries, that is to say, for 2005.


© Jaap Van der Waarde

Photo 11.1: The forest is also present in areas of rugged relief.

[20] Annex 1 countries in the Kyoto Protocol

[21] Non-annex 1 countries in the Kyoto Protocol

[22] Projects to lower fossil energy consumption or to lower GHG emissions

[23] Land Use, Land Use Change and Forestry

[24] Definition of « forest »: 0.05 ha ≤ minimal surface area ≤ 1 ha; 10 % ≤ tree cover ≤ 30 %; 2 m ≤ height at maturity ≤ 5 m

Post-Kyoto 2012 Negotiations

Preparatory Phase to the Official Post-Kyoto 2012 Negotiations

a – COP-10, Buenos Aires, December 2004 → 22nd SBSTA Session, Bonn, May 2005

The Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Buenos Aires introduced the post-Kyoto 2012 question at a first seminar of governmental experts at the 22nd session of the Subsidiary Bodies in May 2005 in Bonn. During that seminar, Papua New Guinea and Costa Rica launched the idea of an initiative on incentives to reduce emissions from deforestation in developing countries by highlighting the magnitude of emissions caused by anthropogenic deforestation compared to world emissions, and by emphasizing the necessity of Northern countries' cooperation to meet Article 2 of UNFCCC.[25] Since then, Latin American countries (except Brazil) and some Congo Basin countries were approached to support this initiative.

b – COP-11, Montreal, December 2005: Submission from Papua New Guinea and Costa Rica[26]

The Kyoto Protocol having come into force in February 2005, the 1st Meeting of the Parties to the Protocol (CMP-1), was held simultaneously with the COP-11 in Montreal in December 2005. The submission from Papua New Guinea and Costa Rica, supported officially by eight countries including four from Central Africa (CAR, Republic of Congo, DRC, and Cameroon), recalled that the Convention, by targeting reduced emissions from all "sources," automatically incorporated deforestation,[27] and highlighted that in the absence of compensation for the environmental services provided by forests, the KP offers no economic incentive mechanism for Developing Countries (DC) to commit to reducing this deforestation (even though the annual gross loss is about 15 million ha)[28]. They added that remote sensing technologies now enable deforestation to be detected and mapped, opening up possibilities for more concrete assessments.

To take this emission "source" into account, two approaches suggested in this submission were: (i) to adopt an Optional Protocol under the Framework Convention that would specifically test this approach (with countries volunteering from the North and the South) to build a future global regime; or (ii) to expand the Marrakech Accords in post-Kyoto 2012, to include deforestation in compliance with article 12 of the KP. It was then suggested that SBSTA initiate a dialogue, using a project approach and in line with national baseline scenarios based on criteria of additionality (by setting national baseline deforestation rates), of checks on potential leakage, of permanence to cover the risks, and of monitoring based on affordable remote sensing techniques.

Upheld during the session by many countries, including Cameroon and Gabon, the COP took that submission officially into account and invited the Parties to submit their views on it by March 31, 2006 so that the 24th SBSTA session in May 2006 could prepare a workshop on the subject for late August 2006 in Rome and a report for the first session of the 25th session in November in Nairobi. The final recommendations were then submitted to the 27th session in December 2007 in Bali (COP-13) to decide on the inclusion or not of this mechanism on the agenda. The international agenda having been set, the French Facilitation of the Congo Basin Forest Partnership (CBFP) decided to take charge of the consultations of Congo Basin countries in order to support the COMIFAC submissions related to deforestation[29].

c – First Structuring of the Congo Basin Countries' Position in Preparation for the Rome Workshop

The first consultation meeting between the "climate" focal points from major Congo Basin countries took place in March 2006 in Libreville. Based on the outline of a workshop organized in New York by the RainForest Coalition and on the Latin American countries' discussions in Lima, the first COMIFAC submission was developed. The submission[30] highlighted the specific nature of the Congo Basin by emphasizing that this new mechanism should integrate both deforestation (from changes in land use) and forest degradation (from logging), and should take into account the sustainable management process already underway in the sub-region through the implementation of compulsory forestry management plans.[31] For COMIFAC countries, there was no question

[25] "The ultimate goal … is to stabilize … GHG emissions in the atmosphere to a level which prevents any dangerous anthropic disruption to the climate system."

[26] FCCC/CP/2005/MISC.1

[27] UNFCC article 1.9; 3.3; 4.1 (c) and 4.1(d)

[28] FAO Global Forest Resources Assessment 2000, Executive Summary

[29] In the framework of the « Post Kyoto 2012 » component of the project CBFP-CDM

[30] FCCC/SBSTA/2006/MISC.5

[31] 55 % of the forest concessions (or 23 % of the total production area) were under management in Africa (ATIBT: *"Formation en aménagement forestier"* July 2006 FRM - TEREA)

that countries that had not yet made the financial effort to manage their forests should enjoy a tailor-made mechanism that would only value reductions in future emissions,[32] and it was therefore necessary to find a fair and equitable mechanism which would consider *a posteriori* the consequences of previous efforts.

In that submission, key principles were affirmed, such as true benefits for the climate, common but differentiated responsibilities, state sovereignty when it comes to sustainable development, principles of fairness at local, national and inter-state levels, additional resources, and an urgent call for action while respecting preexisting mechanisms (in particular, that Northern countries focus on reducing domestic emissions). But the contribution also stressed the need to take into account innovative policies that integrate national specificity, the participation of the private sector and local communities, and the adoption of financial incentives at regional, national and local levels to provide training, transfer of technology, consolidation of protected area networks and sustainable forest management. It was also suggested that discussions on methodological, technical and political aspects take place in parallel to provide overall consistency. Finally, a sectoral approach encompassing a stratification by biome was also being planned.

The position of the Congo Basin countries was therefore similar to that of the "RainForest Coalition." However, the fact that Congo Basin countries highlighted the need to consider forest degradation on the same footing as deforestation in the proposed mechanism and the fact that they insisted that past forest management efforts should be recognized shows strong nuances which characterize the Central African position.

During the 24th session of the Subsidiary Bodies in May 2006, taking into consideration all contributions, it was noted[33] that, to achieve the final objective of the Convention, Parties felt that «it was necessary to study the issue of reducing emissions from deforestation in developing countries as part of efforts aimed at mitigating the effects of climate changes ». Thus, Parties were asked to present their experiences at the Rome Workshop, to analyze the scientific, socio-economic, technical and methodological questions contained in their proposals, and to assess the methods and needed resources.

To prepare a presentation covering the specificities and the proposals of the Congo Basin, a second consensus-building meeting of "climate" focal points and national forest experts was held in Libreville in early August 2006 to find elements of common ground for Congo Basin countries. The meeting culminated in a presentation which highlighted both the exemplary regional partnership through COMIFAC and the original donor commitment within the CBFP, and which stressed the very low deforestation rates in the Congo Basin (0.27 % for gross deforestation against 0.36 % according to the FAO) and the implementation of ambitious forest management policies (20 % of the area under management), as well as certification and conservation policies. The presentation also stressed the facts that the doubling in size of the population by 2050, its associated poverty, and strong Asian demand for raw materials would have a considerable impact on deforestation rates. Congo Basin countries were favorable to the creation of this potential mechanism on avoided deforestation and degradation under a KP-type "binding carbon market," the only way of ensuring sustainable funding. However, this requires much research in order to quantify the GHG flows and stocks in equivalent CO_2.

Photo 11.2: The logging town of Loundoungou.

Photo 11.3: Boards directly processed from logs in the forest.

32 A refusal that some countries could « have their cake and eat it »

33 FCCC/SBSTA/2006/L.8 articles 1 and 3

Photo 11.4: Training and field visits are essential for understanding the future of the African forest.

For this reason, until the conditions for establishing such a rigorous mechanism are met, Central Africa proposed the immediate establishment under UNFCCC of an incentive fund for the Reduction of Emissions from Deforestation (FRED), which acknowledges forests' role in regulating climate through the allocation of "responsibility subsidies" to countries, weighted by the estimated rate of deforestation in unmanaged and non-certified forests, and which rewards management efforts (forest sustainability) by allocating a "management grant" proportional to the area of managed forest in the country (see box 11.1).

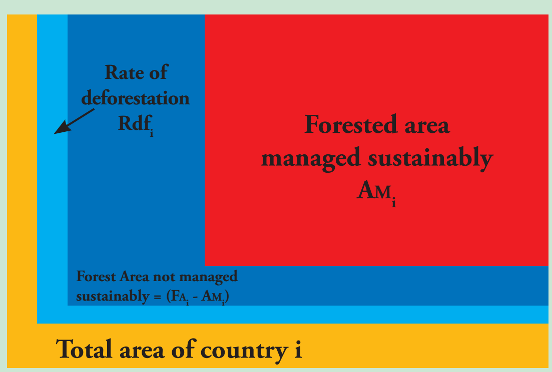
Box 11.1: Proposals from Congo Basin Countries Made During the Rome Workshop in August 2006: ***Mechanism for Allocating a Transitory Incentive Fund for the Reduction of Emissions from Deforestation (FRED) or for a Forest Stabilization Fund***

While remaining convinced that market dynamics are preferable in the long run to a specific fund to finance efforts equitably over a long period of time, and despite IPCC methodologies, Congo Basin countries are aware of the scientific and methodological difficulties and workload to overcome in order to translate unit areas of avoided deforestation into metric tons of GHG not emitted, with a level of uncertainty comparable to that found in the Kyoto-type carbon market.

In order to remove methodological snags and adopt a market system, if possible within the KP/CDM framework, Congo Basin countries wish to create a support fund to strengthen national capacity, especially scientific and technical programs. In addition, awaiting the establishment of rigorous methods, they suggest the immediate creation of an incentive Fund for the Reduction of Emissions from Deforestation (FRED) within the UNFCCC framework but outside of the Kyoto Protocol.

Climate regulation, notably by the conservation of carbon stocks in forests, gives Southern countries a differentiated responsibility according to surface area, pedoclimatic conditions and the country's forest management history. Moreover, « a halt to deforestation » does not mean that logging stops, and thus, is not a synonym of « halting GHG emissions ». To encourage countries to reduce their deforestation rate and promote sustainable forest management, COMIFAC countries propose that the incentive, or stabilization fund, be structured around the recognition of the country's responsibility in regulating climate and conserving biodiversity in proportion to its forest area, both managed and unmanaged. Efforts undertaken to manage forests sustainably and the deforestation rate should be taken into account in the fund allocation mechanism, penalizing bad behavior.

The concrete translation of these principles into a fund distribution mechanism is as follows.



- Recognition of the country's responsibility for climate regulation can result in a country responsibility bonus i (**RG_i**). It would be proportional to the area of existing forest not managed sustainably: **$RG_i = [(FA_i - AM_i) / FA_T] * Fd$**

FA_i being the total forested area for country i,

AM_i being the forested area managed sustainably in country i,

FA_T being the total forested area of Parties not included in Annex 1,

Fd is the total funding volume allocated by FRED.

- For each country, the incentive to reduce the deforestation rate is thus built upon granting a country incentive bonus i (**EG_i**) based on adjusting the **RG_i** such that the country's rate of deforestation is taken into account and bad behavior is penalized:

$$EG_i = RG_i / [\lambda * Rdf_i]$$

λ is the coefficient modulating the incentive (example: **λ** =10) and Rdf_i, the rate of deforestation in the country i.

Thus, EG_i is equal to: **$EG_i = [(FA_i - AM_i) / FA_T * Fd / [\lambda * Rdf_i]$**

- Greater recognition for country i of the impact of forest management in climate regulation translates into a management bonus **MG_i** (Sustainable forest management grant for country i), proportional to the sustainably managed forested area: **$MGi = [AMi / FAT] * Fd$**

AM_i is the forest area managed sustainably in country i.

The total consolidated bonus **OG_i**, overall grant allocated to country i, which integrates both forests' role in climate regulation weighted according to deforestation rates and which rewards sustainable management efforts, is thus equal to:

$$OG_i = MG_i + EG_i$$

or

$$OG_i = [AM_i / FA_T]* Fd + [(FA_i - AM_i) / FA_T]* Fd / [\lambda *Rdf_i]$$

Conclusion

A fund to promote forest cover stabilization would recognize the impact of forest cover in climate regulation and the responsibility of Southern countries in maintaining this cover despite economic and social constraints. The allocation of bonuses would assign financial value to forests' environmental services and would partially compensate for the economic imbalance that exists between forest profitability and agro-industrial speculation of the same land. By weighing up the bonus according to the deforestation rate at any given moment, this instrument encourages the maintenance of forest cover, or the reduction in the deforestation rate, without speculating on the exact decrease in the deforestation rate. With regards to conventional rules, the originality of this fund is that, overall, it values existing forests (and thus, indirectly, the global carbon stock in place) and not the increase in forested areas, whether managed or not (which would translate into an increase in carbon stocks). This incentive and transitory fund, which would compensate (outside the carbon market) both environmental services and carbon stocks, was designed to save time and ward off emergencies in anticipation of a more functional mechanism.

The strength of this proposal is that the bonus is based on surface area measurements without looking at it in terms of biomass, and thus without measuring the sequestration of equivalent CO_2. Hence it is easier to implement and it addresses concerns of immediateness and transition, without trying to put a value on the real impact of biomass-based carbon sequestration on climate stabilization. This temporary instrument cannot thus be part of the KP or « carbon » market system, but it is consistent with UNFCCC. It also has the advantage of presenting complete equity between humid and dry zones and suggests that forest management is as difficult to implement in humid zones as in dry zones.

Fund allocation using this instrument should be « mechanical » and not subject to outside arbitrage. Hence the importance of finding a fair system.

This allocation mechanism can be expanded by introducing an assessment of equivalent CO_2 sequestration instead of surface area. This could be done, notably by using IPCC methods for adapted forest stratification, but this could result in the introduction of similar difficulties faced by other proposals and would delay its implementation.

Remainder of the Funds

This fund allocation mechanism entails the non-distribution of a sizeable portion of the fund. The basis for distribution is the forested area of the country in proportion to the forested area of non-Annex 1 countries. Whereas protected areas or managed forests are entitled to an unmitigated share of the fund unmanaged forests are entitled to compensation likely to be strongly reduced by the deforestation rate. That is why the factor λ is used to accentuate the impact of a bonus according to deforestation.[34] As managed forests are mainly in the minority, there will be a sizeable fund balance which could be managed by the international community to develop conservation programs targetting particularly vulnerable regions and strongly disadvantaged countries, or to strengthen sub-regional capacity and research.

[34] Example: in the simulations carried out the value was λ = 10.

Taking into account the problems in conserving forests in densely populated countries

Simulations were carried out to address the criticism from small, densely populated countries that this proposal did not do enough to promote their forest domain. These simulations showed that the "proportionality" to actual forested area is consistent, but that the distribution mechanism of the fund (which is finite and outside the market system) may lead to an unattractive (modulated) dilution for smaller countries if the application of this mechanism is generalized.

One weakness of this mechanism is the fact that it does not take into account the problems densely populated countries must overcome to conserve or manage their forests sustainably compared to less populated countries.

To address this weakness while maintaining FRED principles, all or part of the bonus can be modulated by population density per km^2. To maintain fairness among Southern countries, this population density cannot be compared to the country's total surface area but to the forested area (FAO or CDM) estimated, for example, in 2005.

The pivot population density (PD) for modulating the bonus could be the average population density of « non-Annex 1 countries » compared to the forested area of the same « non-Annex 1 countries ».

Thus, for country i with population density $\mathbf{D_i}$:

→ if $\mathbf{D_i = PD}$ no bonus modulation occurs.

→ $\mathbf{D_i > PD}$ the $\mathbf{OG_i}$ has more value;

→ $\mathbf{D_i < PD}$ the $\mathbf{OG_i}$ bonus decreases.

With regards to the distribution key $\mathbf{OG_i = MG_i + EG_i}$, the balance of $\mathbf{D_i / PD}$ could come into play either in terms of both parts of the equation, or just one.

Fgi being the final grant allocated to country i:

→ Global application on $\mathbf{OG_i}$: $\mathbf{FG_i = OG_i * D_i / PD}$

→ Application on $\mathbf{MG_i}$: $\mathbf{FG_i = MG_i * D_i / PD + EG_i}$

→ Application on $\mathbf{EG_i}$: $\mathbf{FG_i = MG_i + EG_i * D_i / PD}$

Discussion are still ongoing but it seems reasonable to apply this weighting to the targeted bonus for $\mathbf{MG_i}$, as management is always more difficult in densely populated environments. But other weighting scenarios can be considered.

Photo 11.5: Typical log pile from industrial exploitation.

At the Rome workshop (August 29 to September 1, 2006) each Party presented its experience and position in a constructive fashion. Besides COMIFAC's presentation on bonuses for sustainable forest management and the principle of weighting the bonus for climate change responsibility according to the deforestation rate (encouragement from "virtuous" countries to countries caught in a deforestation cycle), the following presentations were the most significant:

- Papua New Guinea introduced a proposal for a new type of carbon unit exclusively targeting deforestation, and generated by changing the rate of deforestation in a country (involved in the system on a voluntary basis) compared to a baseline level established on a national scale;
- Costa Rica presented its program of Payment for Environmental Services (PES) to reverse the high rate of deforestation observed in the 1980s;
- Bolivia submitted its pioneering project showing that it is possible to develop CDM-type methodologies for avoided deforestation projects at sub-national levels;
- Brazil introduced similar ideas to Papua New Guinea, but differed by rejecting the "market" part in favor of a fund provided by Northern countries disconnected from their commitments to reduce emissions.

Overall, workshop presentations focused on the following sensitive points:

- definitions, including the relationship between deforestation and forest degradation;
- availability and quality of data;
- relevance of scale;
- rate of deforestation and determining factors;
- estimates of changes in carbon stocks, forest cover and their related uncertainties;
- permanence of emission reductions and displacement of emissions (leakages);
- promotion of sustainable forest management;
- capacity building.

The workshop was concluded by suggesting a more detailed discussion before the COP-12 in Nairobi on the two or three main options for reducing emissions from deforestation, expanding on the levels of activity and the positive incentives that could be implemented to use the funds or generate new funding.

d – From Rome to Cairns: Latin American/Central African and Intra-COMIFAC Consultations

To prepare the contribution for COP-12 in Nairobi, a COMIFAC representative[35] took part in the REDD consultation meeting for Latin American countries in Sao Paolo in October 2006 and took this opportunity to present the Congo Basin countries' position. The 3rd consultation meeting of Congo Basin countries took place subsequently in Yaoundé in October 2006.

COMIFAC's position was furthered by renewed insistence on the following points:

- It is vital for Congo Basin countries to take into account the notion of conservation and sustainable forest management (managed and certified forests, and protected areas) in the incentive distribution mechanism;
- The baseline for GHG emissions should not penalize countries which took early measures. A baseline using historical deforestation rates significantly penalizes Congo Basin countries. Mechanisms for adoption should not penalize virtuous countries;
- Congo Basin countries stress that the financial mechanism being considered should be binding in nature to ensure sustainability (mandatory fund or market mechanism linked to Northern country commitments);
- Central African countries want a support fund to be set up urgently in order to strengthen capacity and research and to strengthen scientific and technical programs so that the methodological hurdles can be overcome;
- Given the diversity of situations in Southern countries, the mechanisms to be adopted should be flexible in nature;
- Despite scientific uncertainties and technical constraints in estimating stocks from different biomes, it is necessary to work on carbon stock estimates (CO_2 equivalents) according to the different types of vegetation/biome;
- Incentives should recognize countries' responsibility in stabilizing the climate, in proportion to carbon stocks present in their forest ecosystems;
- Country efforts in terms of conservation and sustainable forest management (managed and certified forests, and protected areas) should also be taken into account.

COP-12 Nairobi provided no decisive elements to the deforestation discussions. Parties agreed to continue the process and confirmed the negotiations schedule for FCCC/SBSTA/2006/L.25 on November 13, 2006. The highlights were (i) an invitation by the Parties to submit comments on issues related to deforestation, and the organization of a second workshop in early March 2007 in Cairns, Australia to study the issues; and (ii) SBSTA review and compilation of all this information at its 26th session in Bonn in May 2007.

To prepare these meetings, the "Coalition of Rainforest Nations" and the Government of Costa Rica proposed that its members and interested countries meet in January 2007 in San José (Costa Rica) to work on a joint submission. The four Congo Basin country members of the coalition (Gabon, CAR, DRC, and Congo) and Cameroon were invited. COMIFAC took advantage of this gathering to organize the 4th consultative meeting of Congo Basin countries in Turrialba. Thus, two regional seminars were held following the Coalition meeting, one for Latin American countries and one for COMIFAC.

Twenty five countries including eleven Latin American and eight African countries (five from the Congo Basin, plus Madagascar, Ghana and Kenya) attended the Coalition meeting. This was preceded by technical seminars in New York, on the basis of which a submission proposal was discussed by Coalition members.

Finally this contribution distinguished four distinct mechanisms:

- The CDM mechanism (in place) for afforestation/reforestation activities;
- A REDD mechanism to finance actual reductions from deforestation in developing countries using a national approach;
- A stabilization fund, specifically for countries with low deforestation rates, to fund policies for maintaining forest cover;
- An activation fund, to be set up immediately, to strengthen countries' capacities (remote sensing, inventories, diagnostic of the deforestation situation, policies to implement) and the setting up of "pilot projects."

The contribution prepared by COMIFAC at its consultative meeting, however, specified certain other points:

- The mandate produced by the COP-12 mentions only deforestation and not degradation, which theoretically shuts out degradation processes. The COMIFAC also emphasized that the translation of the REDD acronym must be "Deforestation and Forest Degradation" and not "Deforestation in Developing Countries."

[35] Mrs Aline Malibangar, CAR "climate" focal point

Regarding the REDD approach, COMIFAC did not voice a preference between an Optional Protocol under the Framework Convention for deforestation and degradation, and an expansion of the Marrakesh Accords, which favors the CDM project approach. This indicates that openness and flexibility are preferred for the time being both for the financial instrument, with or without market mechanisms, and for the implementation scale (regional, national, sub-national, or project). COMIFAC also confirms the Coalition's position on a baseline scenario based on a historical emissions rate incorporating a prospective development adjustment factor (DAF).

- The stabilization fund in the Coalition's submission is based on COMIFAC's proposal to set up a fund to reduce emissions from deforestation. The fund targets countries with low deforestation rates that will not benefit from REDD: countries that have always managed to preserve their forests (e.g., Gabon, CAR); or countries that are in the process of regenerating their forest cover after its sharp reduction (e.g., Costa Rica, Uruguay). This fund would encourage forest cover stabilization, with an allocation formula based on the Rome COMIFAC proposals to prioritize forest areas, deforestation rates and areas under sustainable management.
- The activation fund involves supporting the launch of three types of voluntary strategies for developing countries: 1. instruments without free market mechanisms based on a fund; 2. instruments based on market mechanisms; 3. support for stabilization so that a positive incentive system can operate as soon as the Convention incorporates the process.

Upon reading the Coalition and COMIFAC proposals, some differences can be observed. These differences relate to (i) a less obvious desire for one than for the other to include degradation in the mechanism; (ii) the scale of implementation, which is national for the Coalition whereas COMIFAC does not want to favor any specific approach, and (iii) how to integrate sustainable development efforts into the mechanisms under discussion. Conversely, Latin America's position (excluding Brazil) is more in tune with COMIFAC's on all these points.

Congo Basin participation in the technical workshop in Cairns in March 2007 was limited to Gabon, Congo and CAR. However, this workshop pointed out the proponents for a national approach underpinned by IPCC-type methodologies, and those who challenge the exclusivity of a single approach (subject to compatibility between carbon accounting and between approaches). These quarrels would seem to mask political manoeuvering in anticipation of the fungibility or not of such a mechanism in a Kyoto-type market.

e – World Bank Initiative (Forest Carbon Partnership Facility - FCPF) and the G8

Following the Cairns meeting and just before the 26th SBSTA session in Bonn, the G8 summit was held in Heiligendamm (Germany) in June 2007 to address climate change issues. A series of workshops were organized in which the World Bank (who wanted G8 support) presented its new initiative entitled the "Forest Carbon Partnership Facility (FCPF)." This initiative was requested at the G8 summit in Gleneagles in July 2005 in Britain and constitutes one of the four guiding principles of the Global Forest Alliance (GFA), which is the World Bank's strategic framework of action for forests.

The ultimate goal of this initiative is to provide a series of innovative tools and methods that can be used by the Climate Convention. The objective of avoided deforestation is delimited at the national level in order to benefit from economies of scale and to reduce the risks of "leakage;" and emission reductions are compensated by "non-Kyoto carbon" credits underwritten by the World Bank.[36] In due time, this mechanism will be developed and compensation from other services incorporated, such as biodiversity protection and water protection.

The project is structured around two concepts: (i) the "Carbon Finance Mechanism," designed to compensate reductions in the net rate of deforestation in five pilot countries, using an "innovative" market system outside the Climate Convention and the KP; and (ii) the "Readiness Mechanism" to prepare project dossiers (establishing emission baselines and an emission monitoring facility) for 25 to 30 developing countries wishing to enter the FCPF. Among the issues raised in this initiative, apart from questions about the links between FCPF and the Climate Convention that were not clearly expressed, are: (i) the future integration of "pilot country" operations into the future United Nations mechanism, (ii) the terms for redistributing incentives to the final beneficiaries, and (iii) taking into account forest management.

Broadly speaking, this initiative is supported by G8 countries, provided it does not preempt United Nations negotiations. In its final state-

[36] ERPA = "Emissions Reductions Purchase Agreement".

Photo 11.6: Shifting cultivation is one of the primary causes of forest clearing in the Congo Basin.

ment, the G8 encourages the World Bank for its "pilot initiative for capacity strengthening, creating and evaluating performance-based instruments to reduce emissions from deforestation in developing countries, as an extension of, and without prejudice to, ongoing negotiations within the United Nations."

f – Preparation of the 27th Session of SBSTA, COP-13 and COP/MOP-3 in Bali - December 2007

The 5th COMIFAC consultative meeting (Douala, August 2007) analyzed and modified the SBSTA decision project of May 2007 and drafted a new REDD proposal for the 27th session in Bali in the framework of COP-13. This contribution[37] takes up the main points of the position of Congo Basin countries.

- "An essential priority for Congo Basin countries is that degradation should be taken into account on the same basis as deforestation."
- "It is important that the choice of approach and pertinent action level be flexible." The scale may go from national to local, going through sub-national levels corresponding to administrative territories with relative management autonomy for land use planning (States of a Federation (e.g., Brazil), Provinces (e.g., DRC), Regions/*Départements*, Rural communities/territories, etc).
- "The historical trend baseline (for a national, sub-national or local approach) should be complemented by an adjustment factor integrating development and taking into account national and international circumstances."
- "Only the carbon market mechanism can generate the necessary financial resources for REDD and ensure sustainable funding."
- "Congo Basin countries propose setting up a stabilization fund to compensate standing carbon stocks with a distribution scheme in compliance with FRED."

The 6th consultative meeting (Douala, October 2007) was devoted to preparing negotiations for the 27th session of SBSTA and COP-13 in Bali. On this occasion, participants tried on the eve of the Bali meeting to draft a schematic table (table 11.1) reflecting positions of the main influential parties on the five main issues linked to REDD.

[37] FCCC/SBSTA/2007/MISC.14.

Table 11.1: Outline of the position of the major Parties regarding the five major REDD issues, as perceived by Congo Basin countries

	Degradation/ definition of forest	Sustainable management and stabilization fund	Baseline scenario	Funds/REDD market	National/ project
Brazil	No	No	Historic (to be developed)	Voluntary fund	National
Latin America	Possibly	-	-	REDD market	National + project
Indonesia	Yes ++		Historic + DAF	Market	National
India	Yes +	Yes and reforestation			
China	Yes	Yes and reforestation			Project
Coalition	Yes but flexible	Stabilization fund for countries with low deforestation rates	Historic + DAF	REDD market	National
COMIFAC	Yes +++	Funding of sustainable management/stabilization fund	Historic + DAF	REDD market	National + project
EU	Not too keen except Germany, Belgium, France	Yes, in a second phase	Leaning towards historic with possibility of modifications	Leaning towards REDD market but hesitant	National, while waiting for evidence
Japan	Yes ++	Leaning towards yes and reforestation	Leaning towards historic but?	Leaning towards market	Leaning towards national but…?
USA	Yes	Leaning towards yes	Not really tackled	Fund, as outside Kyoto Protocol	National + project
WWF	Yes ++	Agreement in principle but to be reviewed according to the modalities	Historic and + DAF	Market but with limits	National - projects with national commitments

COP-13 faced an important challenge as the goal was to begin a formal negotiation process between UNFCCC Parties to conclude a global agreement on climate between that point in time and COP-15 in Copenhagen (December 2009), to be ratified before the deadline of the first KP commitment period at the end of 2012.

After intense debate and many new developments, the Conference finally adopted the "Bali Action Plan"[38], which launches and defines the negotiation process and "invites" Parties to reach an agreement within two years. While this plan makes no mention of any numerical target for long-term emission reductions, it provides a framework, organizes upcoming negotiations, and guarantees that Parties will have a productive discussion on a long-term objective. This text is important since it involves the USA and emerging countries. This plan does not explicitly refer to reduction commitments for developing countries, but taking into account actions (measurable and verifiable) carried out in these countries could be a prelude to other forms of commitment from the major emerging countries.

The great innovation of this plan in terms of international climate negotiations is that it proposes taking into account political approaches and positive incentives "in everything concerning the reduction of deforestation and forest degradation in developing countries; as well as the role of sustainable forest management and conservation, and strengthening forest carbon stocks in developing countries".

The plan also explicitly mentions the need to consider "sectoral approaches to enhance implementation of article 4, paragraph 1, subparagraph c of the Convention". This provision invites all Parties to cooperate in order to facilitate technology transfer and implementation of all practices and technologies that control, reduce and prevent greenhouse gas emissions in all sectors, including energy, agriculture, forests and forest management, thereby opening up the prospect of taking into account "bottom up" type approaches.

Decision 2/CP-13, specifically dedicated to incentive measures to reduce deforestation in developing countries, mentions that "forest degradation also leads to emissions and this must be taken into account in reducing emissions from deforestation." The preamble recognizes that "initiatives and measures to reduce deforestation and to conserve and maintain forest carbon stocks in developing countries are already underway," which could be considered as an explicit reference

[38] Decision 1/CP.13.

to management efforts carried out by Congo Basin countries, and goes on to acknowledge that "new measures to reduce emissions from deforestation and forest degradation in developing countries could help the Convention achieve its ultimate goal."

The efforts of COMIFAC countries have thus paid off. The debate on incorporating forest degradation and on the recognition of sustainable management efforts has come to a close. REDD with a D for deforestation and a D for degradation has been definitively adopted. However, the Bali Plan remains cautious on the question of whether conservation, sustainable forest management, and carbon stocks sequestered during afforestation and reforestation should be taken into consideration for the purpose of mitigation. However, the experimental phase launched under decision 2/CP-13 more or less covers public and private initiatives implementing activities to reduce deforestation and forest degradation, with the prospect of seeing their efforts rewarded through the mechanism to be adopted.

This decision and the experimental phase provide the flexibility requested by Congo Basin countries, without prejudice to scale (national or sub-national) or implementation modalities. They also are not prejudiced towards a future financial mechanism, but still lean towards a "carbon market," since decision 1/CP-13-1-bv specifies that "all steps should be envisaged, including the option of using markets to improve the cost-effectiveness of mitigation measures and to promote them." Thus, in terms of expectations, Congo Basin countries are satisfied with the outcome of Bali. However, they remain attentive to future developments in order to preserve the sub-regional coherence of the COMIFAC position and the flexibility they wish to maintain between national and sub-national approaches.

Photo 11.7: Forest roads improve the accessibility of remote areas.

Series of Official Post-Kyoto 2012 Negotiations

a – Technical Meetings Directly Concerning the Congo Basin (Paris, March 2008)

During the week of March 11th to March 14th, 2008, three successive meetings were held in Paris at AFD headquarters. The first brought together international experts to discuss the problematics around REDD in COMIFAC countries; the second meeting was about the Steering Committee of the CBFP-CDM project and finally the third one (7th consultative meeting of Congo Basin countries) was aimed at preparing a new submission for the 28th SBSTA in Bonn.

The technical REDD-COMIFAC meeting's goal was to establish the technical and scientific bases for monitoring and recording greenhouse gas emissions from deforestation and forest degradation, with a view towards carrying out the REDD pilot activities endorsed in Bali. In addition to COMIFAC representatives, the workshop gathered together international experts, representatives from the French and German cooperation agencies, international institutions and governmental agencies, NGOs and associations, research organizations, and the private sector.

Once the IPCC best practice guidelines for measuring and recording the specific impacts of deforestation and degradation were presented, available technologies for remote sensing and forest inventory were discussed in the light of experiments carried out in the Congo Basin. The FORAF[39] project presented the setting up of the *Observatoire des Forêts d'Afrique Centrale* (OFAC), placed under the aegis of COMIFAC, and OFAC's results on deforestation rates[40] in the sub-region. Consulting firms presented their experiences with performing *in situ* inventories relating to forest management. Finally, the research sector assessed how logging has degraded forests in Central Africa by trying to translate available data from management plans and research facilities into carbon figures. REDD experiences and methodologies from around the world (India, Australia, French Guyana, South-East Asia, Madagascar, and Cameroon) and REDD methodological tools developed by the BioCarbon Fund were also presented for possible replication in the Congo Basin.

In conclusion, it became clear that (i) deforestation and forest degradation in the Congo Basin are historically low and that it will be difficult to reduce them significantly; (ii) conservation and forest management play a clear role in forest preservation and thus justify compensation; (iii) finally, forest management fulfills the triple functions of conservation, economic growth and poverty alleviation, which must be strengthened. Finally, it was noted that well-planned and controlled logging does not automatically lead to degradation in the long term in terms of reduced carbon stocks. It was stressed that IPCC methodologies may provide information on degradation linked to other human activities (agriculture, bushfires, mining activities, overexploitation of forests for energy, or

[39] Project funded by the European Commission: www.observatoire-comifac.net

[40] Rate of 0.19 % in line with the results from the CARPE program.

illegal timber logging), but not on impacts from logging operations conducted under sustainable management.

In line with this REDD workshop, the CDM-CBFP project steering committee, which took place right after, validated the projects presented by the DRC and Congo on "REDD Hot Spots" targeting wood energy supply zones[41] for the urban areas of Kinshasa and Brazzaville as "sub-national" REDD pilot projects. These projects address the concerns of decision 2/CP-13 from Bali. Following the workshop recommendations, the steering committee also expanded on the measures to be implemented to increase knowledge of the region and to facilitate implementation of pilot activities.

The 7th consensus-building session of the Congo Basin formulated a submission addressing the requirements of decision 2/CP-13-7a. Perfectible data exist to assess deforestation and to translate it in terms of GHG emissions, but human and technical capacities should be strengthened to characterize data specific to the Congo Basin. To take into account sustainable forest management, it is proposed that emissions from sustainable forest management not be considered, but that reduced emissions or an increase in stocks caused by better management should be. At the national level, the baseline scenario should incorporate future development requirements and the methodology can be defined at the regional level. At the sub-national level, general principles should allow for integration of local conditions and dynamics. The definition of degradation under IPCC should be finetuned to differentiate temporary stock declines from logging operations carried out as part of sustainable management. Flexibility in national or sub-national approaches is vital. The sub-national approach should precede the national approach and should not be limited to the 2008-2012 experimental period. Finally, the criteria for evaluating effectiveness depend on the adopted approach and the specific contexts. The criteria will depend on pilot projects, technology transfer and technical, institutional and material capacity building. It is also reiterated that only the carbon market can sustain REDD financing, but Congo Basin countries continue to request that a stabilization fund be set up to compensate forest environmental services (cfr. the Rome workshop proposal). That fund could be fed by taxes on emission permits and taxes on the "carbon footprint" of products and services collected by Annex 1 countries.

b – The First Meetings of the "Ad Hoc Working Group on Long-term Cooperative Action under the 2008 Convention"

These sessions (in April in Bangkok, in June in Bonn, in August in Accra, and in December in Poznan) are part of the Bali Action Plan and prepared the program of work to be adopted by COP-14 in Poznan (December 2008) to reach post-Kyoto agreement in 2012 on the occasion of COP-15 in Copenhagen (December 2009). The aim is to build a framework for negotiations and identify issues that are the subject of consensus and those requiring negotiations. The actual negotiations will be held in 2009, when the new U.S. administration will be in place.

The first formal session (AWG-LCA-1) on the post-Kyoto 2012 regime took place in Bangkok from March 31st to April 4th 2008. It was a laborious but strategic first discussion, since interpretations of the Bali roadmap had to be harmonized around five identified negotiation blocks, namely shared vision, mitigation, adaptation, technologies, and financing. The sectoral approach issue (North-South technological strengthening in different economic sectors) has often been at the heart of the debate, because developing countries suspect that developed countries are trivializing their status and are leading them to binding commitments without explicitly saying so. Furthermore it should be noted that the World Bank/FCPF project was widely criticized by developing countries who feel that it has no clear connection with international financing structures.

The 5th session of AWG-KP was held in parallel with AWG-LCA, only for Parties to the Kyoto Protocol, and aimed at improving the efficiency and implementation of Northern commitments through mitigation measures. The forest and land use session helped rank issues on which there was consensus and those where there was debate. It appeared that there was post-Kyoto 2012 consensus on (i) taking into account the forest sector including agriculture, (i) keeping already approved general principles, (iii) improving accounting rules, and (iv) the stimulation of CDM afforestation projects in developing countries. The issues that remain under discussion include (a) the distinction between anthropogenic and natural causes of forest carbon stocking, (b) the accounting of carbon stored in timber products, (c) taking into account the effects of climate change (fires, storms, insects ...), (d) the promotion of sustainable forest management, and (e) the effects of bio-fuels. All these issues are important because they will complement the collection of « carbon » mechanisms relating to CDM and REDD.

[41] Expanded to the limits of the concerned provinces or *départements*.

During the AWG-LCA-3 session in Accra, a major step forward was taken in the "forest" dossier. An agreement in principle was reached on the mechanisms to be adopted for tropical forests that go beyond the Bali Action Plan. These mechanisms will apply not only to combating deforestation and degradation but also to human activities promoting "conservation," "sustainable forest management," and afforestation and reforestation. Brazil made this breakthrough possible by removing its objections to the inclusion of "conservation." Thus, from Bangkok to Accra, Brazil has successively altered its position on degradation and conservation, permitting the whole range of forest activities to be covered.

An important debate took place in Accra on "differentiation," which confirms the North-South divide, but which was discussed openly for the first time. The idea was to agree on a set of criteria to determine each country's obligations according to GDP or *per capita* GHG emissions. Delicate subject, because emerging countries feared that this discussion would pave the way to include reduction commitments in a post-2012 agreement while also breaking up the block of non-Annex 1 countries.

At the parallel session of the AWG-KP-5 in Accra on improving the flexibility mechanisms' functioning and on expanding options, the creation of a "sectoral CDM" was discussed. This "sectoral CDM" would complement the current "CDM project." It would allow a Southern country to receive financial support if it enforced regulations limiting GHG emissions in a sector of its economy. This opening could be interesting but, emerging countries in particular, for sovereignty reasons, are reluctant to have to include their public policies in a treaty in order to obtain financial compensation. Congo Basin countries could obtain financial assistance if more stringent regulations were implemented which could help reduce emissions in the forest/timber sector (e.g., limiting log exports to promote national processing capacity). Other policies affecting energy consumption patterns in the country could also receive support in function of the emission reductions that they would generate.

Discussions have begun on the permanence of REDD type reductions and the compatibility between fossil fuel emission reduction certificates and REDD certificates, and thus the type of financial mechanism. Proposals are open to suggestion. Specifically, the proposals consistent with a market system range from the proposal to set up a dual market (Greenpeace) divided into a « fossil fuel » market and a « REDD-type » market for part of the commitments, to a system similar to that governing the CDM afforestation project, which caps the acquisition of certificates for countries subject to reduction commitments to a percentage related to emissions from a baseline year.

c – Steering Committes of FCPF/World Bank: Paris, July 2008 and Washington, October 2008

The World Bank FCPF initiative on REDD continued. The launching workshop was held in Paris from July 8th to July 10th, 2008. Following a call for proposals from the Bank for pilot initiatives in line with a national REDD approach, 39 Southern countries, including all of the Congo Basin countries, expressed the desire to take part in the FCPF mechanism. Among them, 18 countries (including Gabon, DRC, Congo, and the CAR) submitted a fact sheet (R-PIN) stating their willingness to participate and describing the status of existing data and available means. The selection process for these proposals was organized by a steering committee (made up in equal number by contributors and recipient countries) in charge of selecting pilot countries. The steering committee was held during the workshop to launch the FCPF and it finally selected 14 countries including six from Africa, two of which were from the Congo Basin (Liberia, Ghana, Madagascar, Kenya, DRC, and Gabon). The Republic of Congo and CAR were invited to re-submit their fact sheets (R-PIN) at the next selection meeting to be held in October 2008 in Washington, while Cameroon and Equatorial Guinea were to submit theirs for the first time. The selected countries will receive a grant of $ 200,000 to prepare national plans. Once the plan is approved, up to $ 3.3 million may be allocated to implement the national « readiness » plan. After the plan has been carried out, five pilot countries will be selected to carry out the exercise to its end. They will receive a compensation that will depend on the reduction in the net deforestation rate under the "Carbon Finance Mechanism," through an "innovative" market system outside the Climate Convention and outside the Kyoto Protocol.

The 8th COMIFAC consensus-building meeting enabled Congo Basin countries to reaffirm their wish to participate in this initiative in solidarity, without questioning/undermining their need to experiment with sub-national approaches. An uncompromising objective analysis of the FCPF initiative selection results was also made to try to incorporate all Congo Basin countries in upcoming selection phases. Congo Basin countries have also defined a REDD strategy to assess the state of affairs and to prepare the baseline scenario definition and policy strategies to combat deforestation and degradation (see the Congo Basin strategy in table 11.2).

Table 11.2: Mechanisms to reduce GHG emissions from deforestation and degradation (REDD)

Components	Sub-Components	Activities	Implementation
1. State of deforestation and degradation			
	1.1 Study on the causes of deforestation and degradation		
		Developing a State of the Forest synthesis specifically on DD causes	R
		Studies on the causes of deforestation and degradation at the national level	N, RS
		Assessment of areas: cf. cross-cutting component on emission monitoring	
	1.2 Analysis of policies implemented in the country and impact on DD		
		Synthesis of recent studies adapted to the needs of REDD Focal Points and identification of missing analyses/studies	N
		Formulation of terms of reference; additional studies	N
		Preparing national studies	N
		Synthesis of studies from countries at the regional level	R
	1.3 Evaluation of GHG emissions associated with historic and current DD		
		cf. cross-cutting component on emission monitoring	
2. Baseline scenarios of emissions relative to DD			
	2.1 Preparing baseline scenarios		
		Formulation of terms of reference for national and regional studies	R
		Phase 1. Diagnostic study on methodologies/choice (modeling)	R
		Phase 2. Diagnostic of the future drivers for DD and modeling future DD pressure	R, N
		Phase 3. Defining possible reference scenarios	N, RS
	2.2 Evaluation of associated GHG emissions		
		cf. cross-cutting component on emission monitoring	
3. Analysis and definition of potential strategies to combat DD			
	3.1 Defining the different policy options		
		Improving existing policies	N
		Defining new policies	N
	3.2 Comparative study of these policies based on impact modeling		
		Evaluation of associated avoided GHG emissions	N
		Evaluation of resulting constraints	N
		Economic, social and environmental analysis (opportunity costs)	N
		Study of alternatives to reduce emissions in other sectors	N
	3.3 Consensus-building and validation		
		Consensus-building and validation	N
		Official adoption by governments	N
4. REDD implementation framework			
		Defining the national scale articulation - projects/implementing a national carbon registry	N
		Setting up the mechanism for distributing the revenues/incentives from REDD	N
		Defining the legal carbon framework	N
		Defining the financial management and marketing mechanism for REDD credits	N

Components	Sub-Components	Activities	Implementation
Cross-cutting components			
1- Measures to monitor GHG emissions (counting and monitoring)			
	1.1 Forest cover monitoring mechanism		
		Summary of existing data	R
		Study on image availability	R
		Evaluation of national capacity (infrastructure and images)	N
		Initial scoping studies for a mobile receiving station	R
		Study for creating a receiving station	R
		Choice of a monitoring methodology	R
		Installing a receiving station	R
		Image pre-processing	R
		Installing/strengthening national GIS units	N, RS
		Image processing and interpretation	N
	1.2 Measuring carbon stocks		
		Diagnostic study of existing actors and data	N
		Formulating terms of reference for studies	R
		Preparing national studies – carbon stocks/allometric equations	N
		Synthesis of studies carried out in countries at the regional level	R
		Platform for exchange of technical data between countries	R
		Setting up/strengthening national forest inventories	N, RS
	1.3 Reporting GHG emissions from DD using IPCC guidelines		
		Strengthening inventory capacity/training	R, N
2 – Institutional environment			
	2.1 Installing REDD coordinating bodies at the regional level		
		Setting up a regional consensus platform between partners	R
		Setting up a regional REDD scientific committee	R
		Strengthening the COMIFAC REDD Working Group	R
		Supporting REDD coordination at regional level	R
	2.2 Installing REDD coordinating bodies at the national level		
		Operationalize national REDD committees	N
	2.3 Involving and consulting the public		
		Preparing the public consultation plan for the entire process	N
		Implementing the consultation plan	N
3 – Support to negotiation			
	3.1 Support to negotiators from Central African countries		
		Organizing consensus-building meetings	R
		Preparing technical orientation documents	R
		Strengthening country participation in major negotiation meetings	R
	3.2 Support to carrying out strategic studies		
		Preparing an impact study of REDD mechanisms on countries' policies	R
		Evaluation of different countries' positions on REDD	R
	3.3 Development of technical exchanges		
		Organisation of technical and scientific workshops at regional and international level	R
		Exchanges with negotiators from other regions	R

R = regional, N = national, RS = regional supervision

During the second meeting of the FCPF Steering Committee held in Washington (October 2008) members of the fund's decision-making body were appointed. Africa secured four seats among the ten members of the "beneficiary" group, including two countries from outside the Congo Basin (Madagascar and Ghana), and two from the Congo Basin (DRC and Gabon). The initial endowment of $ 100 million for "preparatory funds" was planned for 20 beneficiary countries and the initial selection, held in July, designated fourteen countries, including DRC and Gabon. The second selection, held in October, designated six new countries including Cameroon. In order to incorporate ten additional countries, the idea of increasing the endowment fund by $ 50 million was put forward, subject to approval by the Bank's Board of Directors. Already five countries have been selected, including the Republic of Congo. Thus there are still five countries to be designated under the next and final selection. Despite the efforts of Central African countries to promote a regional "Congo Basin" approach, CAR and Equatorial Guinea have not yet been incorporated. To show their discontent and reassert their commitment to a united regional approach, Congo Basin countries left the meeting. This led to the decision to draft a presentation specifically for a regional approach in time for the next steering committee meeting in March 2009 in Panama.

d – The European Union Position on the Eve of Poznań

While waiting for the USA to redefine its position regarding post-Kyoto 2012 negotiations, the European Union is playing a major role among Annex 1 countries. EU internal debates on how to implement its "Energy and Climate" policy package through concrete North-South policies are interesting because they reflect its eventual negotiation margins.

To date, the European Commission has always been reluctant to introduce carbon credits from the forest sector. Thus, temporary CDM afforestation credits were not allowed in the European EU-ETS 2008/2012 carbon market (and so this type of credit developed poorly). In line with this position, the Commission has so far not proposed using REDD credits that would permit industrial entities or member states to meet their commitments.

Negotiating pressure has brought about a change. From mid-October 2008, the Commission indicated that it did not support the inclusion of REDD credits in the "carbon" market for the 2013 to 2020 period, but was open to proposals for the post-2020 period. For the period 2013/2020, the Commission proposed setting up a public fund to compensate this kind of credit so that the results of pilot experiments could be considered.

The Commission also proposed that the modalities of the "Emission trading system" (EU-ETS), which is the basis for the European carbon market, be revised and that national emission allowances for certain industries not be allocated freely but put up for auction. Furthermore, it suggested that at least 20 % of the revenue from these auctions be used to support emission reduction and climate change adaptation policies, including avoided deforestation and adaptation in developing countries.

This cautious approach is disputed by the European parliament[42] which proposed in its amendments that at least 50 % of the income from allowance auctions be transferred to a community or international fund for countries that ratify the upcoming international agreement. A quarter of the funds would be allocated to forestry projects, another quarter to reducing emissions and technology transfer, and half to climate change adaptation. This international fund would facilitate the transfer of up to € 10 billion a year (including € 2.5 billion for REDD) to countries ratifying the future agreement. Another amendment proposes that European companies that are under the National Quota Allocation Plan (NQAP) can use the credits from forestry activities in Southern countries up to a limit of 5 % of the required emission reductions.

These amendments were not adopted by the Council of Europe as some countries complained to the Commission about restrictions on national earnings. But the ideas of a financing structure, allowance allocation and a partial connection to the carbon market were retained. This kind of structuring is also being discussed in the US Congress.

Nonetheless, in its « environment » session of December 4th, 2008, the European Council undertook its transition. The Council took note of the Commission's suggestions to set up a global mechanism for carbon forestry, and estimated that between € 15 and 25 billion per year were required to halve deforestation by 2020. They highlighted that current negotiations for the "energy-climate" package within the EU will contribute to this funding, while recalling that Member States should determine how revenue generated by the auctioning of quotas within ETS will be used to combat climate change in the EU and in developing countries.

In addition, the European Council stressed that afforestation and reforestation activities should continue to be taken into account during the 2013-2020 period, and invited the Commission to as-

[42] ITRE Commission report (11 September 2008) and Doyle report of the ENVI. Commission (7 October 2008)

sess the impact of credits generated under a REDD mechanism, under appropriate conditions, to see if they might already partially meet government commitments, while being open to the idea that the EU ETS could serve as an additional instrument in the medium to long term.

Finally, the Council asked that the mechanism be implemented based on results in terms of avoided emissions from gross deforestation and forest degradation, while promoting the conservation, sustainable management and enhancement of forest stocks. The Council also suggested that an implementation strategy at the national level covering the whole forest sector is required to reduce the risk of leakage inside a country.

The change in stance within the European Union is positive, although the national approach and some of its theoretical benefits should be demystified with regards to the benefits that may accrue when the sub-national level approach is used within administrative boundaries. This approach would indeed lead to compatibility between the two approaches, carbon accounting with no risk of double benefits for the same avoided emission, and an inter-provincial leakage control as effective as an inter-state leakage.

e – Poznań, December 2008, 29th SBSTA Session, COP-14 and COP/MOP-4

As predicted, this COP was only an intermediate step/juncture between Bali and Copenhagen. Hence no progress was made as to the legal nature of the post-Kyoto agreement or the scale of emission reductions. The European Union announcement of a 20 % reduction in its member-state emissions from now until 2020[43] received mixed reactions from Southern countries, because the IPCC felt that the reduction should be between 25 to 40 %. The planning for 2009 negotiations was refined without any major modifications. A project agreement summarizing the proposals should be provided by the presidency for the 30th SBSTA.

Brazil and Mexico have announced national climate plans, while India and China are firmly rejecting any attempt to reduce emissions. Southern countries have obtained direct access to the adaptation fund, but conversely, Northern countries have not, for now, expanded the financial resources of the fund which still come solely from the collection of 2 % from the CDM, without any similar agreement with regard to other flexibility mechanisms.

More positive confirmations were made than new advances concerning the mechanisms or

Photo 11.8: Clearing vegetation using fire is common before planting.

the expansion of existing mechanisms, including those directly relevant to forests. However, studies are urgently required to simulate how these innovations may impact the sustainability of the whole system. However, Brazil is still against including

Photo 11.9: Shifting cultivation along the edge of the forest.

non-anthropogenic forest carbon in the accounting system for preparing inventories, because it fears that a huge influx of forest carbon units would reduce prices and harm future sectoral investments. However, Brazil is now accepting that national inventories be open to independent and external reviewed which it previously refused.

Basically, while waiting for the new American administration to take office, each Party prepares for the crucial negotiations of 2009, without revealing its strategy.

[43] However, the EU indicates that if other partners (USA but also emerging countries) made similar commitments, the EU reduction rate would increase to 30 %.

Conclusion

Congo Basin countries, gathered in COMIFAC, are aware that the size and quality of their forests represent a huge responsibility both vis-à-vis their own people and the whole planet. The future of this forest is not limited solely to carbon sequestration or environmental services that are essential to the future of the planet; in addition, the human and economic dimensions of this area are inescapable. Under these circumstances, Congo Basin countries consider that REDD and its ramifications represent an essential, structural and cross-cutting, approach in their development strategies.

Achieving these goals involves coordinating all initiatives in Congo Basin countries to make the whole process consistent. To this end, the Ministers of Environment and Forests of COMIFAC countries met in Bangui in September 2008, calling to mind the fact that "only a sub-regional collaborative and coordinated approach by Central African governments with the support of bilateral partners can integrate sub-regional interests into post-Kyoto climate negotiations." To determine a range of development scenarios based on the causes and extent of deforestation and forest degradation requires a preparatory phase for Central African countries. But all current and future initiatives should be integrated into the common work program prepared by Congo Basin countries.

In the "pre-economic crisis" world, Northern institutional partners strongly supported "structural readjustment" to allow the unrestricted development of the liberal economic model, a model that supposedly would address all mutations and accidents.

The financial market crisis has shown the weaknesses of self-regulation of this system, even in countries where the rule of law is beyond dispute. On another level, a major weakness of the liberal economic model is the mismatch between market globalization and its logic of sustained growth, as well as safeguarding the ability of the planet to sustainably provide environmental services while ensuring the renewal of natural resources. Since the causes and consequences of the financial and economic crisis are tackled on such a voluntary and massive scale, the same should happen for the environmental imbalance.

Given that Northern and emerging countries have exploited natural resources without restraint for their economic revolution and given that these rights are now heavily regulated, a new development model should be designed. In a liberal, even if regulated, system, natural ecosystems can be saved permanently only if the environmental services (public goods) they provide are financially developed to rival local or national benefits obtained from agricultural or agro-industrial speculation that would occur instead. REDD and other CDM-type mechanisms that take into account the impact of sustainable management (through production or conservation concessions/management units/land use planning) will help increase the value of standing timber. But a fund is also required (outside the post-Kyoto 2012 "carbon" markets) to stabilize forest cover in order to finance investments from the state and from communities in and outside the forestry sector.

This fund should be separate from the climate change adaptation fund and could be financed through "carbon" taxes levied by Northern countries on their borders to penalize products with carbon footprints not meeting recognized United Nations standards. Thus, carbon markets and carbon taxes become complementary levers to combat climate change while contributing to "cleaner" development in Southern countries, whether in humid or dry regions. For democracies in developed countries, environmental concerns only made their imprint on the democratic way of life once their peoples stopped worrying about tomorrow and started thinking about the day after tomorrow. However, in Congo Basin countries, most people survive on a day-to-day basis. In this context, no democratic governance can sustain environmental conservation measures without providing clear alternatives that benefit people. Moreover, although a decentralized local democracy may benefit from transferring its natural resources management to the municipal level, this would only worsen local or ethnic rivalries if there was not also strong central governance to promote solidarity.

Many people in Central Africa in both urban and rural areas depend directly or indirectly on forest resources, and all village communities in rural zones and forested areas are concerned with the development of a REDD mechanism.

Further, all links in the development and good governance chain should be consolidated simultaneously to face multiple and contradictory solicitations, from Northern countries influenced by a greater environmental awareness to emerging Southern countries mobilized in the search for raw materials and new markets.