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Продовольственная и  
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para la  
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## ASIA-PACIFIC FORESTRY COMMISSION

### TWENTY-SEVENTH SESSION

Colombo, Sri Lanka, 23-27 October 2017

## FORESTS AND CLIMATE CHANGE: PROGRESS SINCE PARIS, FINANCING CLIMATE ACTION AND OTHER EMERGING ISSUES

### SECRETARIAT NOTE

#### Introduction

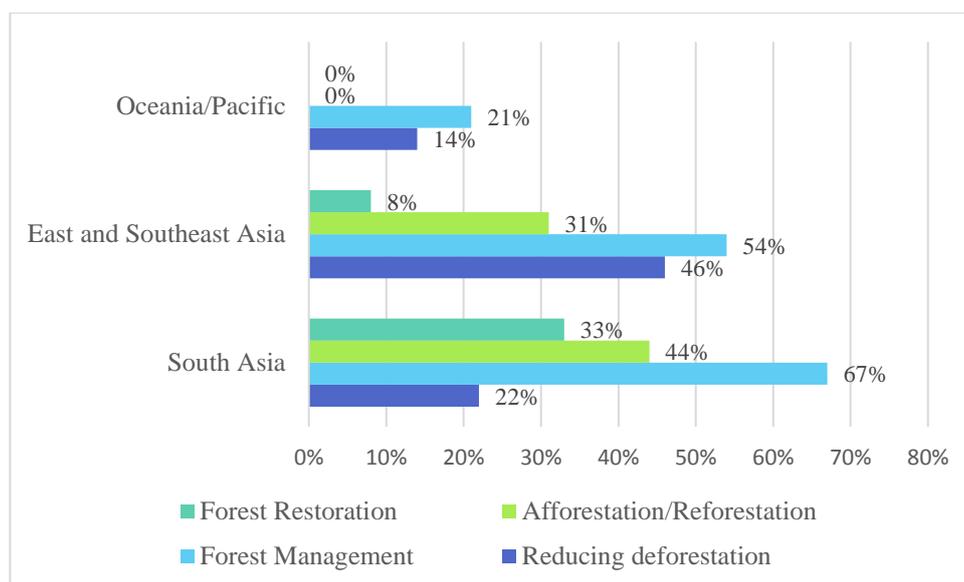
1. This note provides an overview of the progress made by countries in Asia and the Pacific on development and implementation of forest-related actions within NDCs.

#### The Paris Agreement and forestry

2. The Paris Agreement (December 2015) of the United Nations Framework Convention on Climate Change (UNFCCC) makes reference to the importance of conserving and enhancing carbon sinks and reservoirs and highlights the special role of forests in this regard.

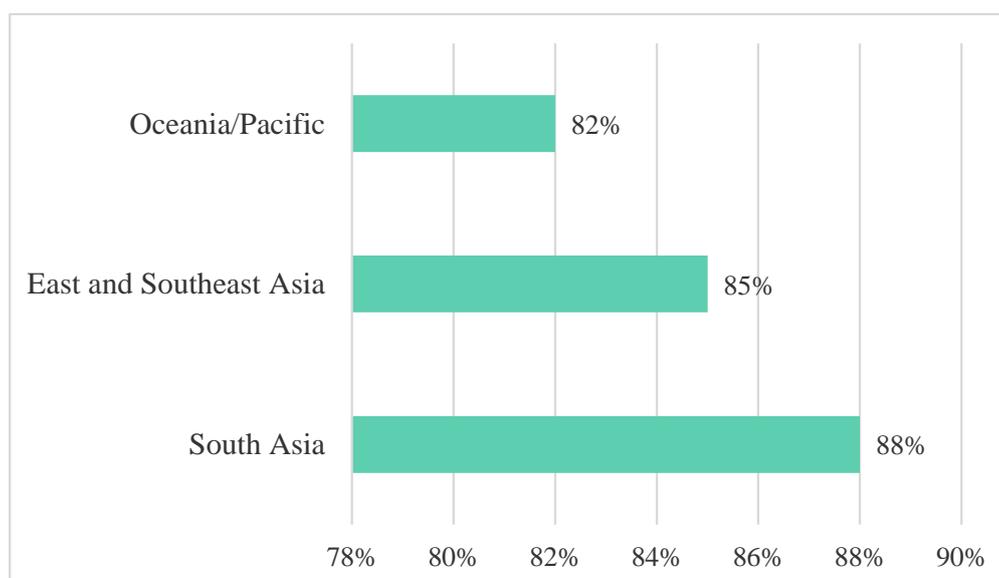
#### NDCs in Asia and the Pacific – an overview from the forestry perspective

3. As of 31 August 2017, 155 Parties had provided NDC submissions to the UNFCCC. Of these, 36 NDC submissions were by Parties from Asia and the Pacific. These include 'business as usual' or baseline scenarios; target conditional and unconditional commitments for emissions' reductions using a range of acceptable methods and benchmarks; include policies or mechanisms to meet the targets; identify priority areas for adaptation and climate resilience; and describe implementation requirements covering financial assistance, technology transfer and capacity development. A high proportion of countries in the region have highlighted Land-Use, Land-Use Change and Forestry as key areas for measures to achieve mitigation targets under their respective NDCs (**Figure 1**). Many countries in the region re-affirmed existing plans for action on REDD+. A number of countries also made commitments to achieving specific levels of forest cover through afforestation and reforestation.



**Figure 1: Percentage of countries in Asia and the Pacific that referred to mitigation policies and measures in their INDCs (by type of activity)**

4. Adaptation is also a key element of the Paris Agreement and the NDCs submitted by Parties. The Agreement establishes a global goal for adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate response to climate threats resulting from warmer global temperatures. In support of this goal, Parties are encouraged under the Agreement to engage in national adaptation planning and implementation processes. Countries in Asia and the Pacific highlighted a range of strategies to enhance adaptation in the forestry sector and strengthen the resilience of forest-dependent communities in their NDCs. Specific measures included community-based forest resource management, mangrove rehabilitation, strengthening forest policies and institutions and enhancing capacity towards sustainable forest management.



**Figure 2: Percentage of countries in Asia and the Pacific that mentioned adaptation areas and/or actions in forests/forestry as part of their INDCs**

5. To encourage further efforts to achieve the 2°C target and address the impacts of climate change Parties will take stock in 2018 of the collective efforts in relation to progress towards the goal set in the

Agreement and to inform the preparation and revision of NDCs ahead of the start of the Agreement commitment period in 2020. Thereafter, Parties will conduct a stocktake of progress every five years, with an expectation that the contributions will progressively grow in ambition.

## **The Paris Agreement and forests and forestry in Asia and the Pacific**

### ***REDD+***

6. As NDCs are reviewed and updated in 2018, the contribution of forests and forestry to achievement of national goals will become clearer. The importance of extensive consultations and contributions from multiple sectors and interest groups is now widely acknowledged. NDCs are already being used by several governments in the region as instruments for policy development and planning, by aligning goals related to climate change adaptation and mitigation actions, including reducing emissions from deforestation and forest degradation (REDD+), sustainable forest management and forest restoration, with wider development goals and decision-making processes.

7. Many countries in the region are making substantial progress in REDD+ and are supported through multilateral initiatives such as the UN-REDD Programme and the Forest Carbon Partnership Facility (FCPF) of the World Bank, as well as bilateral investments. Seven countries in the region (out of a total of 25 globally) have submitted Forest Reference Levels (FRLs) to the UNFCCC, with at least five more Asia-Pacific countries preparing to submit in 2018. FRLs will serve as benchmarks, against which countries can report their performance in reducing emissions (and enhancing removals) of greenhouse gases (GHGs) from the forestry and land-use sectors. One country in the region (Malaysia) has already submitted REDD+ results against its FRL, through an annex to the Biennial Update Report (BUR) to the UNFCCC.

8. The requirement for countries participating in REDD+ to develop a comprehensive National Forest Monitoring System (NFMS), using methodologies consistent with the FRL, has contributed to recent advances across the Asia-Pacific region in National Forest Inventories (NFIs). These NFIs cover not only areas under productive or commercial management and those under the sole responsibility of the national forest administration but also, through a combination of remote sensing and ground-based sampling, allow countries to monitor and measure changes in all forest areas within their jurisdiction. Using the data gathered on above- and below-ground forest biomass, and other carbon pools, through NFI plots, countries are also in the process of developing nationally-specific growth models and allometric equations which will lead to greater accuracy in estimation of GHG emissions and removals. These advances, combined with the development of online facilities to record and share information and data relating to forests, including their management and condition, will in turn allow countries to monitor the impacts of policies and regulations on forest ecosystems, and adapt these policies accordingly, both in the forestry sector and in other land-use sectors and planning processes.

9. Within the first half of 2017, at least two countries in the region (Sri Lanka and Viet Nam) had updated their national REDD+ strategies or action plans, organized multi-stakeholder consultations and endorsed the strategies through official government processes. Several other countries are in the process of doing so, and also determining the investment required to implement these strategies successfully, taking into account current and future domestic finances, both in public and private sectors, and anticipated international investment. In order to catalyse transformational change towards low carbon development pathways and other objectives of the Paris Agreement, these REDD+ strategies should be further integrated into national development strategies. The REDD+ investment planning efforts are facilitated by discussions on the financing of NDCs, enabling specific linkages to be made between actions included in REDD+ strategies and those included in both mitigation and adaptation sections of NDCs.

## ***Transparency***

10. The Paris Agreement establishes a transparency framework with flexibility to take account of Parties' different capacities in Measurement, Reporting and Verification (MRV) of GHG emissions from all sectors, including forestry and land use. The specific details of the framework are yet to be decided. However, Parties will be required to provide a regular national inventory of anthropogenic emissions by sources and removals by sinks and information necessary to track progress made in implementing and achieving the NDCs.

11. Countries which have already engaged in the development of MRV systems for forest-related emissions, through REDD+ readiness activities, are well-placed to build on the skills and institutional capacity thus developed to ensure that reporting from all sectors uses consistent methodologies and quality control procedures. The forestry sector may, in some cases, provide templates and guidance for the development of a national GHG inventory for other sectors such as agriculture.

## ***Financing***

12. Financing to support implementation of the Paris Agreement was a key issue during the COP21 negotiations and this continued through COP22 in Morocco in 2016 and beyond. The preamble of the Agreement makes reference to the goal set in the Copenhagen Accord to reach US\$100 billion of annual funding for climate action by 2020 and embeds a commitment to revisit the adequacy of this pledge in 2025. Article 9 of the Agreement calls for scaled-up financial resources to support climate action.

13. The situation in terms of confirmed finance has not changed significantly since COP21, when a number of public and private funding commitments were made, including some which were specifically earmarked to support Parties' commitments on REDD+. Norway, Germany and the United Kingdom have jointly pledged US\$5 billion by 2020 for REDD+ and an additional US\$1 billion per year thereafter.<sup>1</sup> These funds are intended to include results-based payments (RBPs) linked to verified GHG emission reductions, adding to the US\$755 million that is currently pledged for RBPs under the FCPF Carbon Fund.

14. The main vehicle for channelling finance to countries, created under the UNFCCC – the Green Climate Fund (GCF) – has not received any additional firm pledges since COP21, with a total of US\$10.3 billion pledged to date. Funds will be equally split between actions labelled as 'mitigation' and 'adaptation', both of which may encompass initiatives in the forestry sector. However, since the GCF has been established to cover actions in all sectors related to the objectives of the Paris Agreement, the amount potentially available for forest-related actions currently lies somewhere between US\$1-2.5 billion. As of 31 August 2017, the GCF had approved a total of 43 projects, worth US\$2.29 billion, of which 13 projects are from Asia and the Pacific. Though none of these 13 projects specifically relate to the forestry sector, several include components related to integrated land use management, including e.g. mangroves restoration and watershed management.

15. During 2017, the GCF Secretariat has developed further guidance on financing for the three phases of REDD+: Readiness, Implementation and RBPs. The second phase, Implementation, will be most directly addressed through the development and financing of full-scale GCF projects. Several such proposals, for REDD+ related full scale projects, are already under preparation in the Asia-Pacific region, for submission to the GCF Secretariat and consideration by the GCF Board. GCF guidance for REDD+ implementation projects underlines the importance of national responsibility for financing of enabling conditions, such as governance systems and technical capacity, with GCF finance focused on specific investments leading directly to emissions' reductions or enhanced removals. Guidelines for

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<sup>1</sup> Announcement available at: <http://standwithforests.org/wp-content/uploads/2015/02/2015-GNU-Joint-Statement-on-REDD-for-COP-21-FINAL.pdf>

support to the early phases of REDD+ under the GCF were issued after the 17<sup>th</sup> Board meeting in July 2017, as Decision B.17/16. This decision clarified that countries may use the annual US\$1 million GCF Readiness Fund available per country on the development of FRLs, NFMS, national REDD+ strategies and safeguards' information systems. The decision also clarified that these elements of REDD+ readiness may also be included in full funding proposals to the GCF, provided that they are coupled with related emissions reduction actions and include ways to ensure long-term financial sustainability. Guidance for GCF financing of REDD+ RBPs is anticipated at the 18<sup>th</sup> meeting of the GCF Board in October 2017.

16. In addition, the Global Environment Facility (GEF-7) is preparing for its seventh replenishment in mid-2018. In September 2017, the GEF Secretariat issued Programming Directions and Policy Agenda for this 7<sup>th</sup> replenishment (GEF/R.7/06). This document indicated that, while the GEF will retain its traditional focal areas, GEF-7 will also adopt a number of Impact Programmes, with a focus on specific impacts and particular target locations. One of the areas under consideration is the *Sustainable Forest Management (SFM) Impact Programme*. Under this Programme, a specific focus on SFM in Dryland Sustainable Landscapes is of relevance for some countries in the Asia-Pacific region. Completion of the GEF-7 programming framework is anticipated within 2018. The GEF Secretariat is also administering the Capacity Building Initiative for Transparency (CBIT) fund, established under the Paris Agreement to support developing countries in the establishment of MRV systems, as outlined above, through which the lessons and approaches of REDD+ MRV may be extended to other sectors.

17. In addition, pledges by multilateral development banks and a number of developed countries will result in additional finance of more than US\$30 billion and US\$18 billion per year, respectively, to support climate action and NDC implementation by 2020. Private sector banks and investors have also pledged to expand investment in renewable and clean energy, green bonds, low-emission transport and agriculture. Finally, the International Civil Aviation Organization, which is not part of the UNFCCC and not covered by the Paris Agreement, is nevertheless developing an independent scheme for offsetting emissions from international aviation, which could potentially include a significant financing window for REDD+ actions.

### ***Adaptation***

18. The Paris Agreement text also opened up opportunities to enhance country- and regional-level efforts to strengthen the resilience of forest ecosystems and forest-dependent communities. The Agreement acknowledges clear links between mitigation and adaptation and encourages action that leads to non-carbon benefits. While these benefits are not defined in the context of the Agreement, they can refer to a range of additional co-benefits arising from sustainable adaptation and mitigation actions, including enhanced biodiversity and ecosystem services, strengthened livelihoods, poverty alleviation and improved food security.

19. Forestry sector stakeholders will need to engage with national adaptation planning processes to ensure that the forestry issues are appropriately addressed and build upon sector-specific priorities in previous, ongoing and planned activities. The Paris Agreement also encourages Parties to share information and experiences with adaptation, and countries should assess how existing regional networks, such as the APFC, can enhance collective efforts with effective adaptation planning and implementation in the forestry sector, in the context of broader national adaptation planning processes.

### **Progress implementing NDCs and the role of FAO in supporting implementation of the Paris Agreement**

20. Climate change funding provides increasing opportunities for the forestry sector. As part of the NDC stocktake in 2018, forestry administrations will need to identify actions to address needs and gaps for technical assistance, technology and finance for planning, implementing, and communicating their

priority mitigation and adaptation actions. Forestry sector stakeholders will also need to discuss and develop implementation plans, investment plans and timelines for implementation of forestry sector NDC actions. In developing implementation and investment plans, countries may want to mainstream REDD+ into their national development strategies to leverage the potential of forests and forestry to contribute to emission reductions and to generate adaptation benefits. Countries may also wish to build on activities undertaken through REDD+ Readiness initiatives such as FRL and NFMS development through the UN-REDD Programme, to create enabling conditions for REDD+ implementation, and to develop projects and programmes for REDD+ investments (phase 2).

21. The creation of enabling conditions for REDD+ implementation could include investments in land tenure reform and land use planning; strengthening law enforcement and regulatory frameworks; policy, legal and institutional reforms in forestry and related sectors; development of national forest inventories; and strengthening the institutional and local capacities of relevant stakeholders in the forest and land use sectors<sup>2</sup>.

22. Decision B.17/16 of the GCF indicates that appropriate interventions for REDD+ investment could be identified based on prevailing forest condition and land use. For example, investments in previously forested lands may focus on reducing pressure on forests through e.g. increasing productivity of agricultural land, enhancing carbon stocks through reforestation and agroforestry and restoration of natural forests where possible. Investments in managed forests may focus on those areas which are vulnerable to deforestation due to their proximity to the agricultural frontier, through extension of sustainable forest management for timber and non-timber forest products, ecotourism and payments for ecosystem services.

23. Additionally, countries may also want to consider, in the context of their national forest programmes or forest policy frameworks, the links between their NDC commitments and planned actions in support of the Sustainable Development Goals (SDGs) – particularly SDG13 on combating climate change and SDG15 on life on land – and the Sendai Framework for Disaster Risk Reduction.

24. FAO is prepared to support countries to review and prepare plans for NDC implementation and REDD+ related investments. FAO can also support countries to engage more effectively in global processes to support the Paris Agreement. Based on extensive experience at the country level with national- and field-level programmes on forest governance, sustainable forest management, community forestry, REDD+ and climate change adaptation, FAO is able to assist countries to assess NDC mitigation and adaptation commitments and to support the development of investment plans, policies and programmes to facilitate implementation. FAO is also ready to work with countries at the regional level to further build capacity and consolidate experiences with REDD+ Readiness, including FRLs and NFMS, REDD+ strategy development, implementation and investment planning, resource mobilization through the GCF and other channels and to enrich future discussions and deliberations regarding development of the transparency framework of the Agreement.

25. In addition to country-level preparations for NDC implementation, Parties have been invited to provide inputs to a number of global processes to support further development of the provisions contained in the Paris Agreement and associated UNFCCC mechanisms.

26. To better support member countries' work towards achievement of national-level priorities under the Paris Agreement, FAO has developed a new Regional Initiative on Climate Change (RICC) for the 2018-2019 biennium. The initiative will work to achieve FAO's vision for Asia and the Pacific that *Food and agriculture systems and dependent livelihoods become more resilient to the impacts of climate change through scaled up adaption measures and mitigation options*. The RICC will primarily focus on

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<sup>2</sup> GCF /B/17/16

strengthening the capacities of member countries in the region to develop and implement policies, strategies and investment programmes to scale up climate change adaptation and mitigation in the agriculture sector, including forestry, as part of countries' implementation of the NDCs, SDGs and other international commitments. Programmes implemented under this initiative will also aim to support the work of forestry administrations towards the forestry-specific elements of their NDCs and better engage with Agreement processes.

### **Points for consideration**

27. Commission members may wish to consider the following questions in their discussions:

- What forms of technical support do countries require to plan, implement and monitor the core forestry-related mitigation and adaptation activities identified in their respective NDCs? Interdisciplinary and integrated approaches and transformational change in the forestry sector and in land-use overall are being increasingly highlighted as priorities for bilateral donors, multilateral banks and UNFCCC funding mechanisms such as the GEF and GCF.
- How can forestry sector programmes better create synergies with agriculture and other land-use sectors, and deliver a range of development benefits such as food security, resilience and emissions' reductions? Are there examples of successful integrated forestry initiatives that could be used as best practice cases to guide the development of future integrated programmes at national and regional levels?
- How can countries best use available international financing mechanisms, particularly the GCF, to complement and enhance their domestic planning and investment strategies?

28. The Commission may wish to consider the following recommendations for follow-up action:

- The Commission may wish to recommend that member countries, with the assistance of FAO, identify, prioritize and develop integrated forestry sector projects and programmes that will assist countries to prepare for and implement NDC commitments to climate change mitigation and adaptation, while also delivering development co-benefits such as food security, poverty reduction and increased resilience.
- The Commission may wish to request FAO to strengthen its support to facilitate countries' REDD+ implementation, inclusive of all REDD+ activities as well as investment planning required for implementation.
- The Commission may wish to request that FAO consolidate lessons learned from experiences with NFMS, FRLs and MRV under REDD+ to inform and enrich future discussions to shape and define the Paris Agreement transparency framework.