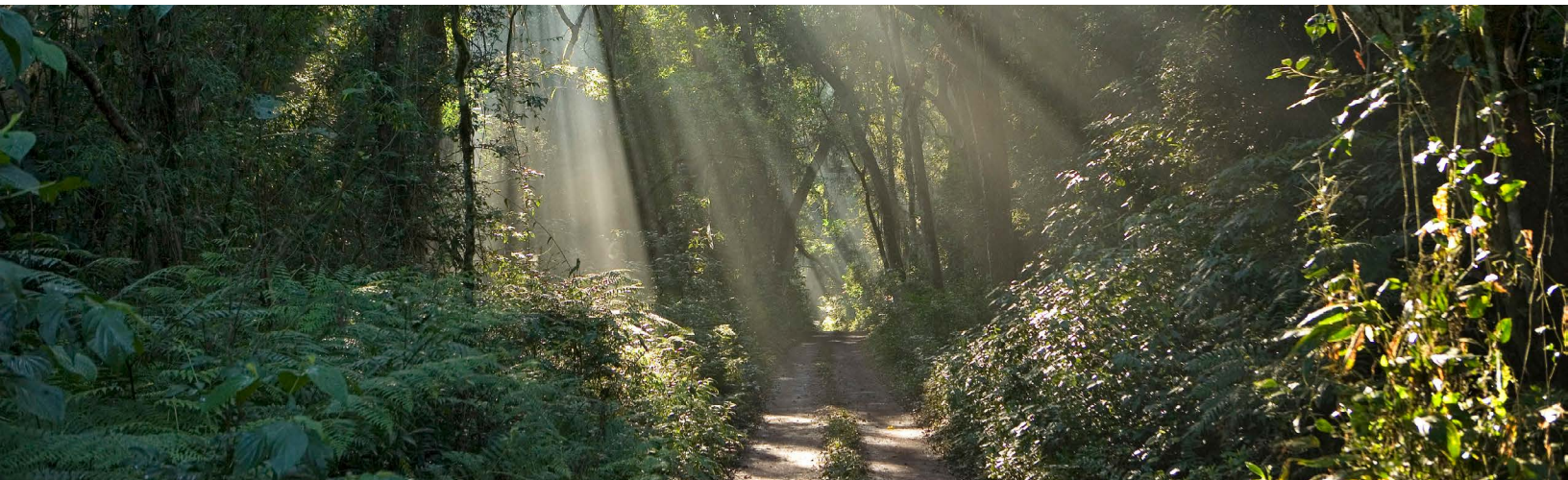


# Accelerating Climate Action in the Land Sector through Article 6



Iguazu National Park, Brazil. © Scott Warren

**To accelerate climate action in the land sector through market and non-market measures, Parties should consider the following recommendations in developing Article 6 guidance:**

- **Parties should consider the many systems already facilitating (or poised to facilitate) transfers in the forest sector.** A broad pipeline for REDD+ results is beginning to show clearer sources of demand and supply for emissions reductions from developing forest countries: efforts like the World Bank's Forest Carbon Partnership Facility (FCPF) are beginning to deliver verified REDD+ emissions reductions and stronger demand signals from entities like International Civil Aviation Organization (ICAO) are under discussion. Meanwhile, past bilateral payment-for-performance agreements could be used as a basis for ITMO transfers from the forest sector in the future.
- **Parties might also consider lessons learned from the sector, including from REDD+ implementation, to inform standards for high environmental integrity across all sectors.** REDD+ rules related to safeguards, measurement, reporting, and verification should be viewed as lessons for ensuring quality emission reductions if translated to all sectors in the context of ITMOs. For example, Parties, in the lengthy process of negotiating REDD+ agreements, learned from experience which details should be a) negotiated in the UNFCCC, b) determined by individual countries, or c) addressed in bilateral arrangements or transfer-based multilateral approaches. Parties may need to craft light-touch, optimally-worded guidance that provides enough guidance to instill confidence in the system and the emission reductions transferred while also passing many responsibilities down to facilitate Party-driven cooperation in line with national priorities and needs.
- **Specific sectors (such as the land sector) do not need to be explicitly referenced in Article 6 guidance.** While countries can benefit from the inclusion and prioritization of the forest sector in cooperative approaches, Parties should not feel the need to highlight the sector with a specific text reference in Article 6 draft guidance. Engaging in a sector-by-sector discussion in the context of Article 6 would be, at best, a distraction from the key issues and, at worst, harmful in securing optimal guidance for cooperative approaches that ensures consistency and high environmental integrity. Limiting the sectors from which a country may transfer could undermine their national prerogative to voluntarily engage in cooperative approaches for emission reductions that meet the criteria of Article 6.
- To facilitate a clear understanding of the role of cooperative approaches in NDC achievement, **those engaged in ITMOs should comply with the evolving modalities, procedures and guidelines for transparency and accounting under the Paris Agreement.**



## Harnessing Nature's Solutions to Climate Change

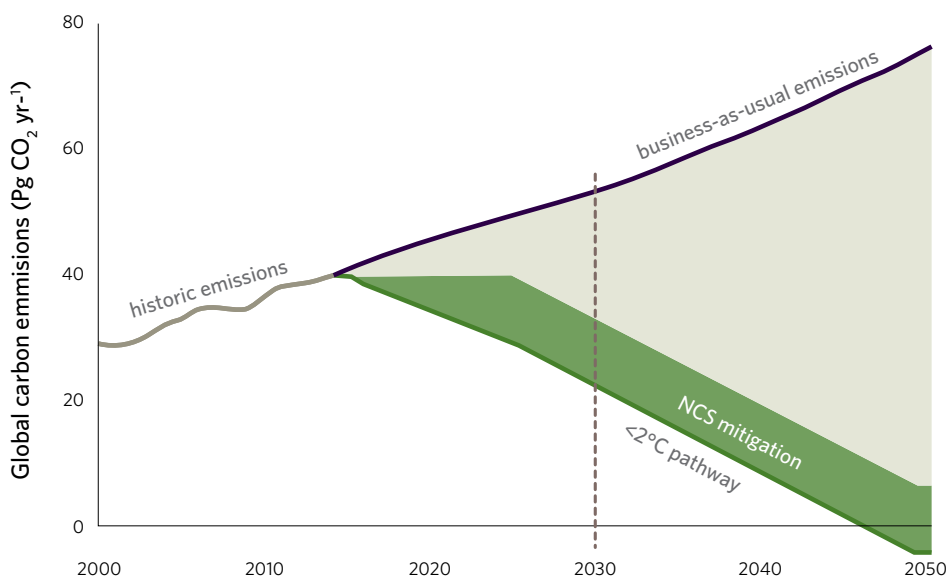
As the science around land use emissions and sinks has improved and efforts to reduce emissions in the sector demonstrate at-scale results, the international community increasingly recognizes the sector's potential contributions to combating climate change. A recent global study<sup>[2]</sup> conducted by The Nature Conservancy and partners found that natural climate solutions alone can provide 37% of the cost-effective climate mitigation needed between now and 2030 to stabilize warming below 2°C (see Figure 1). This can be accomplished in the context of strong environmental and social safeguards, and in addition to proven climate benefits can accrue lasting co-benefits for people and nature.

Many countries have recognized the potential of the land sector to help them achieve their mitigation goals—a 2016 paper in *Nature Climate Change*<sup>[3]</sup> found that around one-quarter of aggregate emission reductions laid out in countries' NDCs between now and 2030 will come from the land sector. Further, global estimates<sup>[4]</sup> suggest that only 2% of public climate finance supports activities from agriculture, forestry, and other land use (see Figure 2). It is estimated that up to USD 33 billion in investment will be needed to make the step change towards a deforestation-free global economy by 2030 (Eliasch Review); this finance will need to come from public and private sources. Parties can and should go much farther in reducing emissions and increasing sinks from the land sector if the world is to narrow the ambition gap. Importantly, countries should aim for greater specificity on the activities and goals of land sector interventions in their future NDCs to enable climate finance flows. At the same time, in line with the Paris Agreement, Parties should prioritize investments for natural climate solutions, be that through climate finance or through carbon pricing.<sup>[5]</sup>

## Introduction

As Parties consider NDC implementation plans in the post-Paris era, stakeholders are assessing how to leverage market mechanisms to incentivize emission reductions across their economies. Significant attention has been paid to opportunities in properly managing terrestrial and coastal ecosystems; as financing scales up for various activities<sup>1</sup> that properly manage and protect these ecosystems—known as 'natural climate solutions'—stakeholders are beginning to reap the climate and development benefits. For example, in developing countries, REDD+ has over a decade of experience in delivering high-integrity emission reductions with significant co-benefits (many of which deliver measured results against Global Sustainable Development Goals) and is poised to support national and international mitigation efforts. And with compliance markets increasingly considering the role of land use emission reductions in the years to come, appropriate UNFCCC guidance this year can provide the right enabling environments and market signals to drive increased levels of finance—from all sources—into the land sector that are needed to meet the goals set out in the Paris Agreement.

**Figure 1.** Potential global contribution of natural climate solutions ('NCS') to a <2°C world.



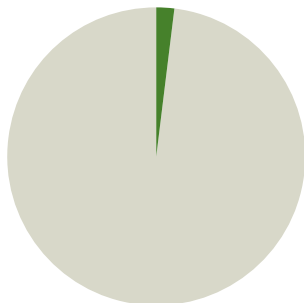
Source: The Nature Conservancy<sup>[2]</sup>

Investment is critical, but must be consistent with international rules for market approaches. Therefore, Parties should work diligently to devise efficient Article 6 guidance this year to accelerate mitigation across all sectors, including through cooperative approaches in the land sector.

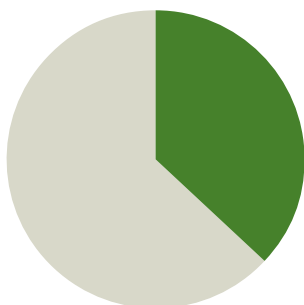
Above: Checking the metal band that expands and measures tree growth in the forest monitoring area near ejido San Agustín, Yucatan. © Erich Schlegel

**Figure 2.** Existing climate finance does not fund forest activities proportionate to their potential.

Only **2% of public climate finance** in 2015-2016 went to the land sector...



...yet **37% of the world's climate solutions** to 2030 come from the sector.



### Scaling Up Forest Sector Actions

Many Parties are particularly interested in ways to integrate the forest sector—proportionate to its mitigation potential—into cooperative approaches that can enhance ambition. For example, REDD+ is primed to effect change at scale before 2030, and access to international cooperation will help. Table 1 presents several options for cooperative efforts in the forest sector to help countries go beyond their NDCs via Article 6 approaches.

Article 6 therefore offers multiple opportunities for Parties to raise ambition in the forest sector, be it through REDD+ or other approaches.

Above: Taking a soil sample during carbon monitoring in the tropical forest near Berau. © Bridget Besaw

Sources: Climate Policy Institute, The Nature Conservancy

**Table 1.** Examples of cooperative approaches to support forests in the context of Article 6\*

Type of cooperative approach under Article 6	Examples of cooperative approaches to support mitigation activity in the forest sector
<b>Article 6.2: Internationally Transferred Mitigation Outcomes (ITMOs)</b>	National/Subnational REDD+ programs under Warsaw Framework for REDD+
<b>Article 6.4: Mechanism under 6.4</b>	Countries utilising and endorsing internationally recognised standards that meet Article 6.4 criteria for environmental integrity.
<b>Art 6.8: Non-market approaches</b>	REDD+ results-based payments without transfer (including Green Climate Fund, other non-market windows and/or some bilateral arrangements); Capacity Building; Technology Transfer; Joint Mitigation and Adaptation (JMA).

\*Note: not an exhaustive list.

## Conclusion

Many Parties recognize in their NDCs that the land sector can play a pivotal role in tackling climate change, but it is also clear that the international community will need to step up its support for such action. This begins with providing appropriate guidance for implementation of the Paris Agreement. Transparency and accounting are fundamental for a functioning system. Guidance on co-operative approaches should emphasize these points. If they do, markets can transfer emission reductions of high quality, across all sectors. This must include land—where taking action through cooperation is essential.



Sac Chaca trees cut from the hardwood jungle in Quintana Roo, Mexico. © Erich Schlegel

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- [1] These activities include 20 distinct terrestrial and coastal management actions that have proven climate mitigation potential within a framework that not only ensures social and environmental safeguards but also promotes a wide range of co-benefits. This paper will refer to these actions as taking place in the “land sector”.
- [2] Griscom, B. et al., 2017. Natural Climate Solutions. *Proceedings of the National Academy of Sciences* Oct 2017, 114 (44) 11645-11650. <http://www.pnas.org/content/114/44/11645/tab-article-info>
- [3] European Commission. 2017. Key role of forests in meeting climate targets. <https://ec.europa.eu/jrc/en/news/key-role-forests-meeting-climate-targets>
- [4] <https://climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2017/>
- [5] While various natural climate solutions such as REDD+ are primed for finance from carbon markets, not all land sector interventions (nor all interventions in other sectors) have fully developed the frameworks and methodologies needed for integration into market mechanisms.