



INTERNATIONAL FOREST CARBON INITIATIVE

FACTSHEET: December 2009

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The Case for Action

Climate change is a global problem and it requires a global solution. If the international community is to solve this challenge, we need to make the most of every opportunity available to us. Among these opportunities, Australia believes that forests rank as an important and unique way to tackle the challenge. Deforestation of approximately 13 million hectares per year – around four times the size of Belgium – accounts for approximately 18 per cent of global greenhouse gas emissions, the bulk of which come from developing countries. This is more than the world's transport emissions put together.

Addressing this issue is commonly known as *reducing emissions from deforestation and forest degradation in developing countries*, or REDD.

Australia is working through the United Nations Framework Convention on Climate Change (UNFCCC) to secure a global outcome that comprehensively addresses emissions from deforestation, making forests part of the solution and no longer part of the problem. Key to this is agreeing a financial mechanism that provides developing countries, and their forest-dependent Indigenous and local communities, with a real incentive to conserve their forests and meet their economic and development aspirations. Developed countries like Australia have a crucial role to play in helping developing countries build the necessary capacity to participate in REDD and in supporting a REDD mechanism.

International Forest Carbon Initiative

Australia's \$200 million International Forest Carbon Initiative is a key contribution to global action on REDD. The Initiative is administered by the Australian Department of Climate Change and AusAID.

Through the Initiative, we are working in our region to help build capacity and provide momentum to support inclusion of REDD in a post-2012 global climate change agreement.

A central element of the Initiative is taking practical action on REDD through collaborative Forest Carbon Partnerships with Indonesia and Papua New Guinea. These Partnerships demonstrate how the technical and policy hurdles to REDD might be addressed and provide useful lessons learned to support international efforts under the UNFCCC to design a REDD financial mechanism.

Through the International Forest Carbon Initiative, Australia is:

Undertaking practical demonstration activities to show how REDD can be included in a post 2012 global climate change agreement.

This includes:

- trialling a range of approaches, particularly in Indonesia and Papua New Guinea, to demonstrate how investment in REDD can achieve emission reductions, while promoting livelihood options for forest-dependent Indigenous and local communities; and
- assisting these countries to develop the underpinnings for regulatory, governance and law enforcement frameworks for REDD and to conserve and manage their forests sustainably.

Increasing international forest carbon monitoring and accounting capacity.

By demonstrating that forests can be monitored effectively through advanced remote sensing, Australia will show that there can be certainty in measuring emission reductions from REDD activities. Activities include:

- directly assisting developing countries, in particular Indonesia and Papua New Guinea, to develop their own national forest carbon measurement systems; and
- partnering with the Clinton Climate Initiative to assist developing countries to develop effective and efficient forest carbon measurement systems.



An Australian Government Initiative



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Supporting international efforts to develop market-based approaches to REDD.

Australia is playing a key role in international climate change forums and in working with other countries to promote the development of market-based approaches to REDD, including by:

- taking a lead role in the negotiations under the UNFCCC on how incentives for REDD can be included in a post-2012 legally binding climate change agreement; and
- supporting the World Bank in the further development and implementation of its Forest Carbon Partnership Facility and Forest Investment Program.

Bilateral Forest Carbon Partnerships

Indonesia - Australia Forest Carbon Partnership:

The Prime Minister of Australia and the President of Indonesia established the Indonesia - Australia Forest Carbon Partnership on 13 June 2008. The Partnership is operating in three key areas: policy cooperation under the UNFCCC and capacity building support; technical support to increase Indonesia's forest carbon measurement capacity; and identifying and implementing incentive-based practical REDD activities.

Policy Cooperation and Capacity Building Support

The Governments of Indonesia and Australia are also working collaboratively in the international negotiations on REDD under the UNFCCC, including sharing lessons learned from our practical REDD activities through joint events and written papers to the UNFCCC.

Australia is providing \$10 million to support Indonesia's forest and climate policy development, including the development of its forest carbon measurement systems, such as Indonesia's National Carbon Accounting System and related Forest Resource Information System. This assistance also includes support for the development of Indofire, an online forest fire monitoring system, which will provide Indonesia with satellite based information to effectively monitor, manage and prevent large scale fires.

In June 2008, the Prime Minister of Australia and the President of Indonesia agreed to develop a Roadmap for Access to International Carbon Markets, which was formalised by Ministers in November 2008. The Roadmap is a multi-phased strategy that is assisting Indonesia develop the necessary technical, system and financial pre-requisites for participation in future international carbon markets for REDD.

Practical REDD Activities

Kalimantan Forests and Climate Partnership

Australia has committed \$30 million to the Kalimantan Forests and Climate Partnership. This Partnership is the first, large-scale REDD demonstration activity of its kind in Indonesia.

It aims to demonstrate a credible, equitable and effective approach to REDD, including from the degradation of peatland, that can inform a post-2012 climate change agreement. The Partnership is trialling an innovative, market-oriented approach to financing and implementing measures for REDD. The initial focus is on an area of 120,000 hectares of forested and degraded peatland in the province of Central Kalimantan on the island of Borneo.

Second practical REDD Activity

Australia and Indonesia have agreed to develop a second practical REDD activity under the Indonesia-Australia Forest Carbon Partnership. The second practical activity will differ from the Kalimantan Forests and Climate Partnership in its location and forest type to test different aspects of REDD. The location of this second practical activity is currently being determined. It will be designed to fit with national and international frameworks for REDD as they continue to develop.



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Papua New Guinea - Australia Forest Carbon Partnership

The Prime Ministers of Australia and Papua New Guinea established the Papua New Guinea - Australia Forest Carbon Partnership on 6 March 2008 to cooperate on REDD. Australia has committed up to \$3 million in initial funding, and in June 2009, a Work Plan was agreed to advance cooperation under the Partnership. This initial funding includes: support for the development and implementation of national climate change policies; capacity building support to enable Papua New Guinea's participation in future international carbon markets; and support for the design of Papua New Guinea's national forest carbon measurement systems.

International Activities

Partnership with the Clinton Climate Initiative on carbon monitoring

Australia's strategic partnership with the Clinton Climate Initiative is assisting developing countries to develop effective and efficient forest carbon measurement systems. Australia is sharing its knowledge and experiences learned through the development of Australia's National Carbon Accounting System by partnering with developing countries. The partnership has supported technical workshops on national measurement and monitoring of emissions from forests for countries such as Guyana, Kenya, Tanzania and Cambodia. This Partnership is also providing high-quality, low-cost forest carbon data to developing countries for incorporation into their national forest measurements systems, providing a sound basis for verification of emissions reductions from deforestation and forest degradation.

World Bank's Forest Carbon Partnership Facility

Australia has provided \$11.7 million to the World Bank's Forest Carbon Partnership Facility Readiness Mechanism, which assists developing countries in their efforts to design and implement national frameworks for REDD. This includes technical and capacity building support for the development of national policies and programs for REDD, national forest carbon measurement systems and national reference emissions levels. The Readiness Mechanism also assists developing countries to engage forest-dependent Indigenous and local communities in national planning processes for REDD.

World Bank's Forest Investment Program

Australia is contributing \$10 million to the World Bank's Forest Investment Program, which complements the Forest Carbon Partnership Facility by assisting developing countries to address direct and underlying drivers of deforestation and forest degradation. The Program is supporting transformational change in forest related policies and practices in developing countries, including by promoting the sustainable management and conservation of forests. This Program is part of the broader Climate Investment Funds managed by the World Bank.

Asia Pacific Forestry Skills and Capacity Building Program

This \$15.8 million Program assists countries in the Asia-Pacific region to increase their capacity to manage forests sustainably to reduce deforestation and forest degradation. Phase I of the Program supported projects in the Asia-Pacific region in areas such as reduced impact logging, forest certification, restoration of degraded forests and research. Phase II of the Program will focus on projects that build Indonesia and Papua New Guinea's capacity in areas such as forest governance, law enforcement and regulatory frameworks that support REDD.

Research partnership on REDD

A research partnership of up to \$3 million has been established with the Centre for International Forestry Research based in Indonesia to help meet the need for further research on policy and technical issues associated with REDD. It is assisting in the collection and dissemination of lessons learned to inform the design and implementation of REDD activities internationally.

Development of concept models for demonstration activities

A total of \$1.5 million has been made available to support non-government organisations to develop concepts for REDD demonstration activities. International non-government organisations have strong local networks and practical on-the-ground experience in promoting sustainable livelihoods for forest-dependent communities, which can help build global expertise in implementing practical REDD activities.

For more information refer to: www.climatechange.gov.au, or email ifci@climatechange.gov.au.