



REDD+ Readiness in Malaysia:

Summary of Recommendations

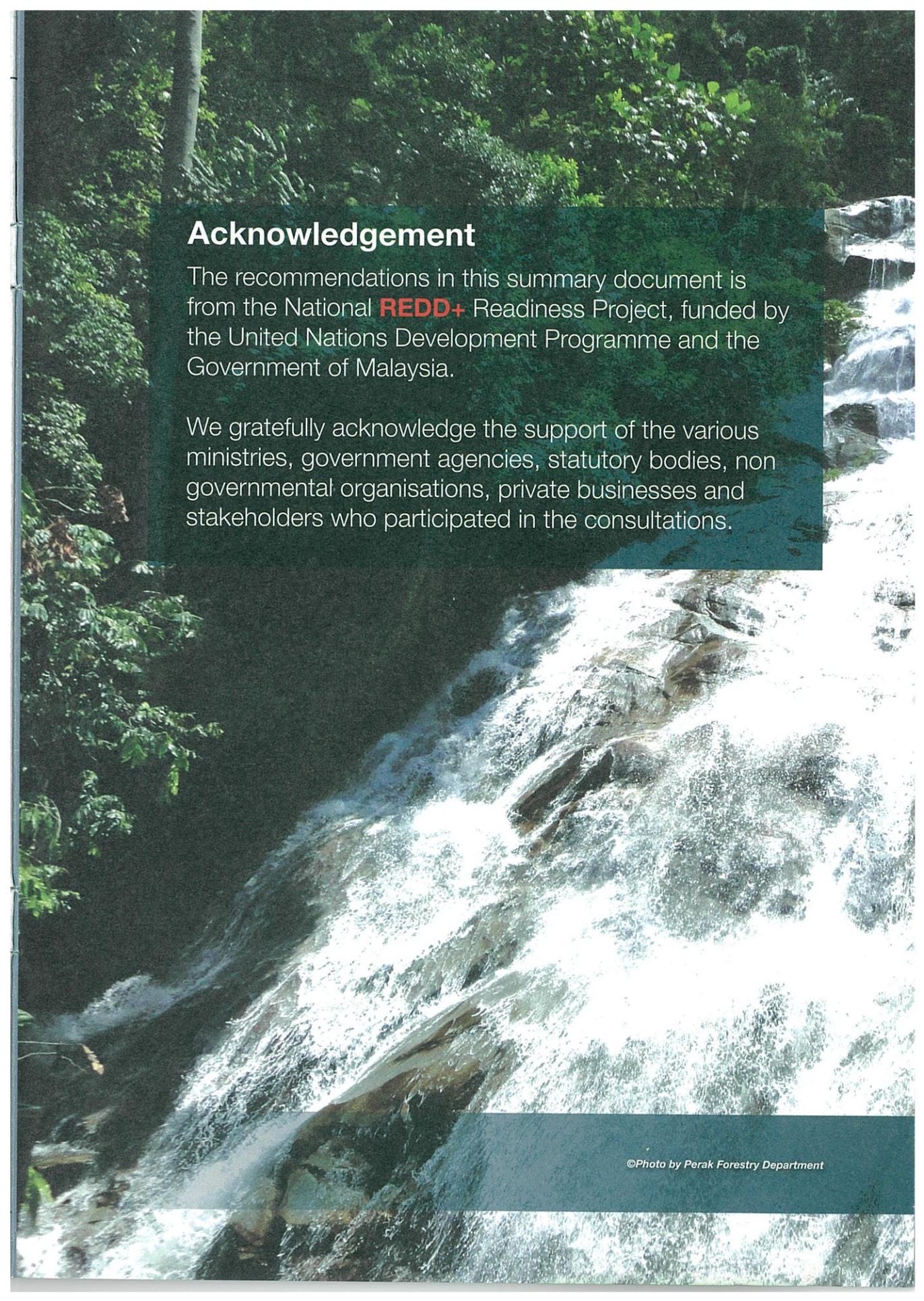




REDD+ Readiness in Malaysia: *Summary of Recommendations**



*Recommendations in this summary document are from the National REDD+ Readiness Project, which was funded by the United Nations Development Programme (UNDP) and Government of Malaysia.

A large waterfall cascading over rocks in a lush green forest. The water is white and frothy as it falls, surrounded by dense green foliage. The scene is captured from a low angle, looking up at the waterfall.

Acknowledgement

The recommendations in this summary document is from the National **REDD+** Readiness Project, funded by the United Nations Development Programme and the Government of Malaysia.

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Acronyms

COP	Conference of Parties
MRV	Measurement, reporting and verification
NRE	Ministry of Natural Resources and Environment, Malaysia
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDD+	Reducing Emissions from Deforestation and Forest Degradation and the role of conservation, sustainable management of forests and enhancement of carbon stocks in reducing emissions
REL	Reference Emission Level
RL	Reference Level
SIS	Safeguards Information System
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

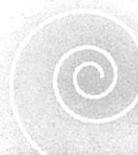


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1. Background

In the 11th Session of the United Nations Framework Convention on Climate Change Conference of Parties (UNFCCC COP) in Montreal in December 2005, Papua New Guinea and Costa Rica submitted an item in the agenda on reducing emissions from deforestation in developing countries, and suggested approaches to stimulate action¹. The submission proposed actions to reduce emissions from tropical deforestation and to initiate discussions on the technical issues related to the inclusion of emissions from deforestation. In the same submission, the countries estimated these actions would help prevent as much as 10 – 25%² global carbon emissions from tropical deforestation³. REDD is a cutting-edge forestry initiative that aims at tipping the economic balance in favour of sustainable management of forests by placing a value for the carbon stored in trees. This would make forest's economic, environmental and social goods and services benefit countries, communities, biodiversity, and forest users, while also contributing to important reductions in greenhouse gas emissions. In 2007, the Bali Action Plan stated that a comprehensive approach is required to reduce emissions from deforestation and forest degradation and to include its role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries, which is the “+” in REDD+.

At the 16th Session of the UNFCCC COP meeting (2010), it was agreed that the following elements are to be developed:

- a) A national strategy or action plan;
- b) A national forest reference emission level (REL) and/or forest reference level (RL) or, if appropriate, as an interim measure, sub national forest reference emission levels and/or forest reference levels;

1 <http://unfccc.int/resource/docs/2005/cop11/eng/misc01.pdf>

2 This figure was quoted based on initial studies conducted by IPCC although current figures estimates that land use, land use change and forestry contributes about 10-20% of global emissions.

3 IPCC. 2000. Land Use, Land-Use Change, and Forestry. Cambridge University Press.



- c) A robust and transparent national forest monitoring system for the monitoring and reporting of the agreed REDD+ activities with, if appropriate, subnational monitoring and reporting as an interim measure, in accordance with national circumstances, and with the provisions contained in previous decisions as agreed by the Conference of the Parties; and
- d) A system for providing information on how the safeguards are being addressed and respected throughout the implementation of the REDD+; National strategies or action plans, should address, inter alia, the drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified by the decision, ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities.

It was also agreed that REDD+ activities should begin with the development of national strategies or action plans, policies and measures, and capacity-building. This would be followed by the implementation of national policies and measures and national strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into results-based actions that should be fully measured, reported and verified⁴.

2. Objective

This document aims to provide a summary of options on three areas for REDD+ implementation, namely institutional framework, legal and policy framework and sustainable financing. These options were derived from reports from the joint UNDP and NRE funded REDD+ Readiness in Malaysia project.

4 <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf>. Para 73.



3. Summary of recommendations



Institutional framework

An institutional framework is needed to ensure the effective and efficient implementation of REDD+. There are functions and roles which are new and specialised for REDD+ and results-based payments, which necessitate the establishment of a REDD+ entity. The new and specialised functions for the REDD+ entity include the following:

i. To develop and manage the measuring, reporting and verification (MRV) functions to enable a results-based incentive system to be implemented

An MRV system is a critical element in the development of a results-based incentive system for REDD+. A baseline for measurement would need to be established, which would be either the national forest reference level/ national forest emissions level (RL/REL) An MRV system would periodically monitor and measure the results through a national forest monitoring system for Malaysia. The MRV system would also provide the information required for periodical reporting to the UNFCCC focal point and other relevant national committee. While the methodologies for verification are still being discussed, a verification process may be required to enable results-based payments against an agreed performance baseline. The REDD+ entity would be responsible to manage and facilitate the MRV process and to report to the UNFCCC focal point.

ii. To develop and manage a safeguard information system (SIS) to provide information on how REDD+ safeguards are being addressed and respected

The principle purpose of a SIS is to provide information on how the REDD+ safeguards are being addressed and respected. The REDD+ entity would be responsible to maintain the SIS



once it is developed. It is important in developing an SIS to find the balance between developing a robust and transparent system while not being too cumbersome and costly to implement.

iii. To develop and administer policies and procedures related to REDD+ implementation

The implementation of REDD+ would be guided by the international decisions made at UNFCCC meetings as well as a National REDD+ Strategy. The REDD+ entity would need to develop standard operating procedures, legal arrangements, processes and procedures for implementation and a grievance procedure where appropriate. In addition, the REDD+ entity would need to review and update policies based on UNFCCC COP decisions where necessary.

iv. To manage the financing incentives for REDD+ and to ensure sustainable financing for REDD+ activities.

This function may be related to the REDD+ entity or as a separate entity. The purpose of the financing function is two-fold: the administration of the financial payments against verified results and to further capitalise and ensure the sustainability of existing funds to enable REDD+ to be implemented over a long term.

v. To manage the communications on REDD+

The REDD+ entity would need to develop and implement a strategic and targeted communications plan to meet the different needs of relevant stakeholders and audiences. This communication would also function to highlight programme successes especially to international donors and other investors. This communications function would be necessary to raise awareness of stakeholders and to build support for the programme from various interested parties. It would also function to inform and provide lessons learnt to internal and external stakeholders on REDD+.

REDD+ and the National Policy on Climate Change

Forestry was identified as one of the key actions within the National Policy on Climate Change, as a means to achieve the vision of ensuring climate-resilient development to fulfil national aspirations for sustainability. REDD+ corresponds with one of the Principles of the Policy, which includes the conservation of environment and natural resources. REDD+ has also been identified as one of the strategy in achieving Malaysia's voluntary reduction of up to 40% in terms of carbon emissions intensity of GDP by the year 2020 compared to 2005 levels conditional upon receiving adequate and effective levels of transfer of technology and finance from Annex 1 partners. The strategy involves keeping the pledge made at the Rio Summit in 1992, which is to maintain at least 50% of land as forests.



Based on the specialised functions for **REDD+**, two options were provided with regard to an institutional framework for **REDD+**. These are:

To establish the **REDD+** entity within the **Ministry of Natural Resources and Environment**. This would be either as a dedicated division or as part of the Climate Change and Environmental Management Division or part of the Biodiversity and Forest Management Division. The advantages of a **REDD+** entity within the Ministry are that it can be established quickly and that it would provide a direct access to the **UNFCCC** focal point; OR

To establish the **REDD+** entity within a **National Climate Change Centre**. At this stage, this option would only be possible should a National Climate Change Centre be established, which will require approval from relevant authorities.



Policy and Legislation Framework

The review of the legal architecture confirms that there is no legal prohibition to implement **REDD+**. Malaysia's Federal Constitution, forest laws and land laws do not contain prohibitions of this nature; and none of these laws refer expressly to the concepts of environmental services or reducing emissions from avoided deforestation. This observation is consistent on examination of the forest laws, the land laws in privately owned land as well as in laws related to protected areas, which does not prohibit or enable **REDD+** activities.

Three options were identified, which are:



To **enact a new, specific law** exclusively for **REDD+** and its associated matters. The advantage of this option is that laws pertaining to **REDD+** would be consistent throughout the different sectors. However, the disadvantage of this option is that the enactment of a new law would be time-consuming and administratively burdensome; Or



To **incorporate REDD+ provisions in existing sectoral laws**, primarily in laws related to forests and protected areas. This would provide an option which could easily be implemented, as this would



Sustainable financing

The critical element in ensuring **REDD+** is a success would be the ability to provide sufficient and sustained financing in support of **REDD+** activities. The financing for **REDD+** would need to cover procedures related to the management of funds received, and disbursement of payments that is transparent and accountable.

Two options were identified, which are:



To **establish a dedicated REDD+ finance mechanism**. The advantage of a dedicated mechanism is that it would have a single manager with a single objective, which is to support **REDD+** activities, and thus would make it easier to track its achievements. However, a minor disadvantage of a dedicated fund is that it would limit access to funding which is only specifically earmarked for **REDD+**; OR



To **have the funds for REDD+ specifically earmarked within a broader conservation or climate change fund**. This fund would require more engagement with different government agencies due to its overarching objectives. The advantage of this option is that it would enable access to a broader platform of donors and would help to mainstream **REDD+** into the conservation or climate change agenda. However, this fund would require greater capacity to manage a range of financing needs for either the conservation or climate change theme.

The selection of the options would be based on the objective and functions of the fund. Capitalisation of the financing mechanism may be from international and national sources. National sources of funding may be from public-private partnerships. The governance of the financial mechanism should be transparent to attract a broad base of investments and to ensure efficient and effective use of the funds with equitable sharing of benefits. The financial mechanism should have clear objectives, with fiduciary standards, governed by a legal status and mandate as well as incorporating a grievance mechanism.

4. The Way Forward

The retention of forest and tree cover of at least 50% is deemed essential to achieve Malaysia's voluntary indicator of up to 40% carbon emissions intensity of GDP by the year 2020 compared to 2005 levels upon receiving adequate and effective levels of transfer of technology and finance by Annex 1 countries. The way forward is for NRE to engage with the relevant stakeholders in making decisions on the options provided from the **REDD+** Readiness project.







For further information, please contact:



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