

Fact Sheet: Jurisdictional & Nested REDD+

The VCS Jurisdictional and Nested REDD+ Initiative will develop and test new accounting frameworks for crediting REDD+ projects, policies and programs across states, provinces and nations.

Because forest destruction causes up to a fifth of global greenhouse gas emissions, it is widely recognized that efforts to curb climate change must include efforts to Reduce Emissions from Deforestation and Forest Degradation (REDD) and sustainably manage forests and enhance forest carbon stocks (REDD+). To address this, a growing number of REDD+ projects are being implemented around the world, many of them successfully using VCS to quantify their carbon benefits. At the same time, there is consensus in global policy circles that jurisdiction-wide accounting and crediting for REDD+ is needed to efficiently scale up activities over the longer term. However, these two important trends are currently struggling to link up and capture their inherent synergies.

Jurisdiction-wide REDD+ accounting will require scaling up and integrating today's successful REDD+ projects into larger, integrated frameworks for crediting emissions reductions from projects together with those from state, provincial or national policies and programs. Integrated jurisdictional accounting is necessary to ensure emissions reductions from projects and programs 'add up' at various scales. It will also create clear pathways for successful early-action projects to be recognized and credited within emerging national and sub-national REDD programs.

To address the need for integrated accounting, VCS has convened more than two dozen global experts to help advance the Jurisdictional and Nested REDD+ Initiative, or JNRI. JNRI will support the development of integrated accounting frameworks for crediting REDD+ projects, policies and programs across states, provinces or nations.

How will JNRI work?

Currently there are no operational integrated REDD+ accounting frameworks covering the full range of

JNRI is working closely with government, civil society, private-sector representatives and bilateral/multilateral institutions around the world:

Brazil, Colombia, Ecuador, Mexico, Peru, Costa Rica, Ethiopia, Democratic Republic of Congo, Nepal, Australia, France, US, UK, and Indonesia

See the full list of participants on the VCS website

implementation scales – JNRI is the first global initiative to address this need.

JNRI will create a robust set of guidelines

that can be used by jurisdictions working to establish integrated REDD+ programs. This in turn can help promote best-practice and consistent approaches across and between jurisdictions as their programs develop. In addition, JNRI will produce the first global platform for crediting REDD+ activities at multiple scales, employing an integrated, or 'nested', architecture. The JNRI platform can be used to support jurisdictional decisions on the internal allocation of credits – or to allow for the outside crediting of emission reductions from projects and policies and programs within an integrated framework. The platform will include a comprehensive set of components for addressing reversal management, verification and registration of programs, projects and credits, offering a turnkey REDD+ accounting and crediting solution for jurisdictions wishing to use it.

Integrated, jurisdiction-wide accounting frameworks are important for several reasons. They enhance environmental integrity by ensuring all project and other REDD+ activities in a given jurisdiction are developed using consistent baselines and crediting approaches. They mitigate the risk of 'leakage' – the displacement of emission-causing activities to areas outside the project boundary – by monitoring emissions across an entire jurisdictional area. And they provide a way for jurisdictions to go beyond projects and credit the full range of policies and programs that reduce emissions. The ultimate goal is to ensure emission reductions 'add up' at the jurisdictional level, whether national or sub-national, with each participant receiving proper credit for their contribution.

Integrated accounting is also critical for project developers and investors, who need assurances they will get credit for

the emission reductions their activities generate. Current uncertainty about future crediting frameworks increases risk for early action projects, making it harder for them to attract much-needed private finance.

Ultimately, integrated accounting frameworks could serve as key demonstration models, proving that REDD+ projects and activities can be scaled up and accounted for. This in turn has significant potential to boost global confidence in REDD+ as a whole, helping more and more projects and programs attract private finance and helping ensure that early-action projects are successfully integrated into government-led programs. Successful demonstration models also have the potential to serve as a reference for emerging regulatory frameworks, including results-based and pay-for-performance mechanisms already under development.

Who will use JNRI?

Integrated accounting frameworks will be useful to a range of parties, including REDD+ host governments, bilateral donors and multilateral initiatives seeking results-based models as well as early-action projects and investors seeking assurances they will receive credit within emerging regulatory frameworks.

REDD Host Governments

As a part of their “Readiness” activities, many national and sub-national governments are establishing REDD+ frameworks that seek to advance policies, programs and projects for reducing emissions. However, there is little concrete guidance for how to credit emissions reductions generated by such policies and measures. The JNRI initiative will produce a flexible and locally adaptable framework to account for and credit these jurisdiction-level reductions – and in a way that continues to encourage private-sector investment.

Bilateral Donors and Multilateral Initiatives

Much of today’s REDD+ Readiness funding comes from bilateral donors seeking to ensure REDD+ funds are used effectively. One approach is to use results-based payments to reward actual emissions reductions. JNRI will provide a global best-practice framework for accounting for and verifying such reductions wherever they occur around the world. Consistency across geographies and scales (policies, programs and projects) will allow donors and funders to

more easily assess and reward performance. Moreover, supporting such activities will help establish demonstration models that can inform and dock into emerging policy regimes, including compliance carbon markets.

Project Proponents

As REDD+ policies take shape at the sub-national, national and international levels, many REDD+ projects may face an uncertain future if their emissions reductions do not fit into emerging frameworks. By establishing clear pathways for nested project crediting, the JNRI initiative will help assure project developers and investors that their early actions to reduce emissions will be appropriately rewarded.

Ultimately, integrated accounting frameworks can be used to support voluntary market transactions or bilateral and/or multilateral arrangements with donors or institutional buyers of credits. Or they can be used in compliance markets opting to recognize REDD+ credits generated using a credible standard at the jurisdictional level.

Who is working on JNRI?

The JNRI initiative was launched in early 2011 with a public call inviting interested parties to join a global Advisory Committee. More than 150 individuals expressed an interest in joining, and of these, VCS invited 23 representatives from government, civil society, and private sector organizations to provide input and local perspectives on the work. Another group of more than a dozen technical experts was then

assembled to support the development of the initial technical recommendations.

The initiative as a whole is overseen by the JNRI Secretariat, with

representatives from VCS, Climate Focus and the Chair of the VCS AFOLU Steering Committee. The Secretariat is responsible for drafting final requirements based on input from the two committees. Draft requirements will undergo peer review and a 60-day public consultation before being finalized and submitted for VCS board approval and release.

JNRI was made possible by generous support from the Climate and Land Use Alliance, comprising many leading philanthropic foundations working on climate change.

JNRI Timeline

Early 2011: JNRI advisory and technical committees convened, detailed scope of work agreed

October 2011: Summary of technical recommendations drafted, released for peer review

Early 2012: Draft requirements open to public comment

Mid-2012: Final requirements approved by VCS board and released

Founded in 2005 by the Climate Group, the International Emissions Trading Association and the World Business Council for Sustainable Development, VCS has pioneered the development of flexible and reliable tools for generating quality greenhouse gas credits.

Questions about the VCS Standard and Program may be sent to secretariat@v-c-s.org.