

Working Group on Methodological and Pricing Approaches

Comments by Switzerland

18 June 2012

Switzerland participated in the briefing session (telephone conference) of the working group with PC countries on June 11. Switzerland strongly endorses the results deliberated in the working group as summarized in the current draft document. Switzerland recognizes the tremendous work done by the working group to shape compromises that serves the purpose of piloting an emission reduction program in a limited number of countries that have been developing their REDD+ approach through a thorough FCPF readiness process. Switzerland recognizes the need to achieve some tangible results on REDD+/ERPAs at scale in a limited number of countries before 2020. At the current stage, Switzerland is aware that a compromise need to be made between the “perfect” and the “feasible”. In the Swiss view, the Working Group, by developing the elements for the approaches, has successfully worked towards such a compromise.

Switzerland is aware that the Carbon Fund serves as a main model/pilot for ER payments at scale; thus the CF has a large responsibility as it is seen by many as “trendsetter”. It is important that the evolving UNFCCC principles and the stepwise approach to improve the measurements and reduce uncertainties are being taken fully into account (as outlined under the Overarching Element 1). As progress will be made, the elements now prepared should be considered as adaptable to changing framework conditions in the wider REDD+ policy agenda. Thus, the document submitted is meant to be an initial document that builds on the elements for a methodological framework and pricing approach for a limited number of pilots. Lessons learnt from these pilots need to be brought to the attention of the broader REDD+ processes. As the framework conditions constantly changes, flexibility needs to be kept for both, methodological framework and pricing approach.

Switzerland agrees with the ambition to highlight the non-carbon benefits while keeping payments based on carbon performance (within the endorsed REDD+ strategies of a seller). Switzerland considers it difficult to develop major non-carbon benefits as inherent element in carbon pricing. The main reason is the difficulty to quantify and qualify major non-carbon values in the relatively short time frame available to implement the ERPA pilots. High standards for ER programs will be guaranteed through the process of R-packages and the preparation of ER-PDs and thus the necessary conditions for “high quality” carbon should be fulfilled. It is important however to comprehensively integrate in ER programmes the question of leakages and the risk of non-permanence.

The FCPF Carbon Fund allows the implementation of pilots ERPAs for a limited number of countries that have developed comprehensive REDD+ strategies based on an approach that include carbon and non-carbon benefits. This should suffice to make valid experiences at scale that could inform a possible REDD-ER Programme in a post-2020 climate regime.

While there should be room for further editing some of the statements made in the document of the working group as proposed by CF/FCPF members and observers, Switzerland does not recommend to reopen the text for essential modifications as it has been carefully prepared by the working group and represented well all stakeholders, potential buyers and sellers, civil society and science. Switzerland supports a resolution to adopt the methodological and pricing approach based on the recommendations made by the working group.