

Avoided deforestation and CCh MTG

Some inputs from one
Latin-American perspective

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Forests provide different options to mitigate CCh...

- I. Increasing or mantaining **forest area**
 - **AD**
 - Afforestation
 - Reforestation
- II. Increasing or mantaining **C density** in the forest at plot and landscape level
 - SFM, avoided forest degradation,
- III. **Substitution** of energy intensive materials
- IV. **Bioenergy** (fuelwood, residues)
- *** Interactions, positive and negative, between these categories may occur

AD is usually defined as....

- the prevention of the transition of forest to another land use that would contain less carbon (=> avoided emissions from current stocks).
- In this definition forest area would be the variable to monitor,
- But human actions can affect emissions in a FL without a land use change, so.....
- maybe a broader definition of AD should be more adequate (e.g. including changes in C density).

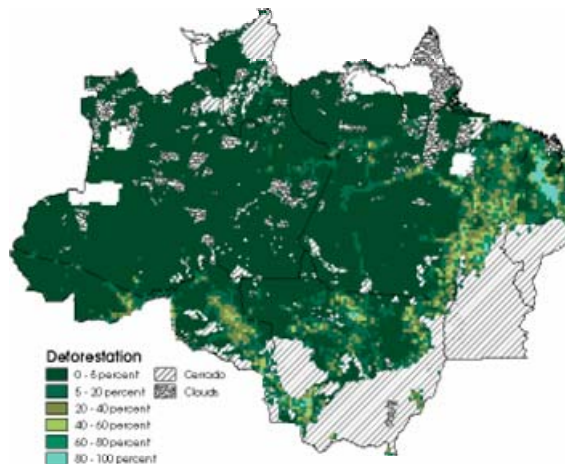
Some facts...

- D is second to fossil fuels as source of GHG,
- AD is the option with the highest theoretical potential to reduce emissions.
- but at the same time, economic and market potential is much smaller.
- Reducing D seems to be something necessary to consider in CCh MTG, as well as in SD strategies,

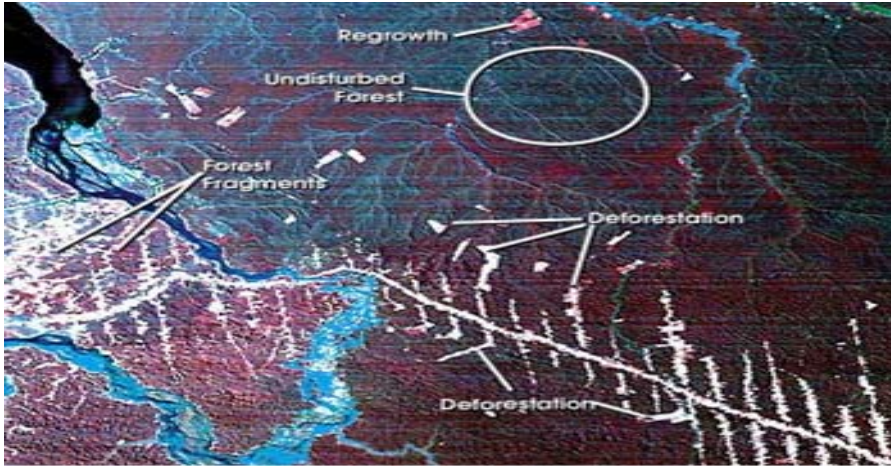
What is behind D?

- D is not a simple process; recognizes different national and international conditions and drivers, whose relative importance vary, e.g.:
 - Global economy relations (trade, relative prices)
 - External debt.
 - Opportunity costs of land use.
 - Poverty and pressure to access the land.
 - Increasing demand for food and wood.
 - Institutional capacity to implement territorial planning and enforce the law e.g. to prevent illegal logging..
 - Sectoral and macroeconomic policies that promote land use changes from forestland to cropland or grassland.

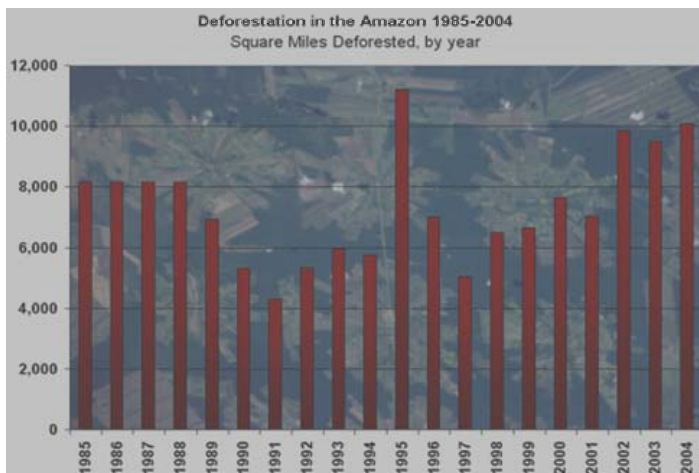
Dynamic of D is sufficiently understood....



e.g. in threatened areas forest competes with other land uses:
crops may displace cattle in grassland, cattle farmers may
move to forest land to deforest and install pastures for cattle;
and after years, if infrastructure is created, crops (like
soybean) may also arrive.



D rates may change between years,
representing difficulties to establish a baseline
scenario...



GLAD-CC
***(Latin American Discussion Group on
LULUCF and Climate Change)***

- History
- Participant countries
(open to all LA countries)
- Secretariat and web page
- Why
- Objectives
- One result: facilitate Lima joint submission

***Lima joint submission proposes 8
principles to guide negotiations***

1. Real benefits for the climate (adequacy)
2. Common but differentiated responsibilities
3. Sustainable development
4. State sovereignty
5. Fairness/equity
6. Cost effectiveness
7. Supplemental funding
8. Integrity of existing mechanisms

And proposes policy approaches and positive incentives

What for?

1. Creation of enabling conditions (e.g. capacity building)
2. Economic incentives for field level implementation:
 - Up front financing
 - Compensation for opportunity cost
 - Sustainable land uses and agricultural intensification (leakage prevention)

Submission says that innovative policy approaches are needed to allow:

- Participation of private sector and local communities
- Positive incentives (economic and financial mechanisms and instruments)
- Conservation
- Promotion of sustainable productive forest activities (e.g. SFM)

Possible sources of financing are proposed:

- ***For up front financing:*** revolving funds, ODA, new donor programs, etc.
- ***For capacity building:*** ODA, bilateral and multilateral agreements, public-private partnerships, etc.
- ***For implementation:*** market mechanisms, fees on carbon intensive commodities and services, etc. (pursuing the ultimate objective of the UNFCCC requires achieving GHG emission reductions at an adequate scale. This implies that large investments in AD and CDM are required).

Regarding technical issues...

- Taking into account national circumstances, implementation of technical issues should be at the project level (up to regional and national scale).
- Methodologies to address technical issues, such as those arising from the scale of implementation, exist and can be adapted as necessary.
- Discussion on technical issues should not delay the adoption of adequate and equitable policy approaches and positive incentives.

Further process...

- Discussion on AD should continue under UNFCCC
- Discussion under KP (2nd CP) not to be excluded (not affecting current mechanisms)
- Capacity building, policy approaches and positive incentives should be addressed by SBI as soon as possible (prompt start of capacity building and implementation)

And, to finalize...

- Increased commitments by Annex I Parties would be necessary (*to intend to escape the dark new future domain Mike Apps clearly presented Wednesday!!!!*) .
- AD should be seen in connection to SFM (not just as conservation) and in particular to SD, to meet the needs of society and preserve natural resources.
- Financing and increased capital flux to non Annex I countries are key factors of success of MTG.
- Low price and high market uncertainties is a lethal combination...MTG will not be cheap.
- Creative (and quick) thinking in the framework of agreed principles is need.

“Everytime a tree is chopped
the noice is heard very far
but, silently, the wind
takes millions of seeds”



Thank you!!!