

African Climate Change Negotiator Meeting

Kampala, 27-28 Sept. 2001



LAND USE, LAND USE CHANGE AND FORESTRY (LULUCF)

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What is the status of negotiations?

Agreement on the eligibility of activities (Art. 3.3/3.4)

Governing Principles

Definitions

LULUCF under the CDM

Definitions and modalities via SBSTA and IPCC

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What is the status of negotiations?

Agreement on the eligibility of activities (Art. 3.3/3.4)

Article 3.3 activities (Afforestation, Reforestation and Deforestation) are eligible.

-No ceiling for Annex-I countries.

Article 3.4 activities (management of crop-, rangeland, forests and revegetation) are eligible.

-Net-net accounting for agricultural activities

-Forest management to compensate for 3.3 debit up to [8.2] Mt C and ceiling fixed per country (App. Z)

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What is the status of negotiations?

Governing Principles

- sound science as guidance
- consistent methodologies to be applied
- consistency with Article 3.1
- no accounting of 'mere' presence of carbon stocks
- biodiversity conservation and sustainable use of natural res.
- no transfer of commitments to future commitment periods
- timely accounting of reversal of carbon removal
- exclusion of windfall effects

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What is the status of negotiations?

Definitions

Definitions for forest for first commitment period is given as

a) minimum land area of 0.05-1.0 ha, b) tree cover of >10-30%, and c) minimum height of 2-5 metres.

This definition would de facto include agroforestry as an option. Agroforestry is considered to have a very significant sequestration potential (also in Africa, see IPCC Spec. Rep.).

Other definitions

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What is the status of negotiations?

LULUCF under the CDM

Eligibility of LULUCF activities under the CDM is limited to afforestation and reforestation. Ceiling set at 1% of base year emissions, times five.

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What is the status of negotiations?

Definitions and modalities via SBSTA and IPCC

Biome-specific definitions of forest and definitions and modalities for including LULUCF under CDM.

Elaborating on accounting and monitoring measures on basis of 1996 Guidelines.

**Definitions and modalities referring to the issues of non-permanence, additionality, leakage, uncertainties, windfall effects, socio-economic and environmental implications.
Report on good practice.**

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What is expected from COP7?

The political agreement achieved in Bonn (COP6.5) is to be converted into legal text and adopted at COP7.

Decisions relating to the UNFCCC ‘track’ were finalised at Bonn (Special Climate Change and LDC Fund, Development and Transfer of Technologies, and Needs of Developing Countries from the adverse impacts of climate change/impact of the implementation of response measures).

Decisions relating to the Kyoto Protocol ‘track’ remain to be finalised to different degrees (Adaptation Fund, Mechanisms, LULUCF, Compliance).

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What is expected from COP7? -cont.-

Most draft decisions relating to LULUCF are consensus. Square brackets remain only for amount of compensation of Article 3.3 debits through forest management activities.

Modalities for including LULUCF under the CDM are expected to be discussed during COP8 only - after SBSTA/IPCC reports are made available.

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Can Africa benefit from sinks?

- **Climate gradient from humid tropics to arid drylands**
- **Synergy aspects of sink projects and sustainable development**
- **Institutional requirements for access to sink projects (infrastructure and capacities, information management, marketing, ODA, FDI)**
- **Regional distribution of CDM projects**

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Can Africa benefit from sinks? -cont.-

Climate gradient from humid tropics to arid drylands

Climatic and geobiochemical parameters determine growth potential. Highest in humid tropics (up to $10 \text{ t ha}^{-1} \text{ a}^{-1}$) and lowest in arid drylands ($< 1 \text{ t ha}^{-1} \text{ a}^{-1}$), thus follows present vegetation gradient.

Estimated minimum investment scale of sink projects (100,000-1,000,000 t C) unlikely to be achieved in most subregions, competition for arable land. However, a variety of smaller multi-benefit projects under given definitions is feasible in the region.

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Can Africa benefit from sinks? -cont.-

Synergy aspects of sink projects and sustainable develop.

Sink projects to be related to action programs for a) food security (e.g. agroforestry), b) combating desertification, c) conservation and biodiversity and/or d) industrial programs (wood processing, pulp&paper, bioenergy).

Synergies in terms of support to complementing a broader sustainable development agenda, cost-effectiveness and environmental-economical packaging.

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Can Africa benefit from sinks? -cont.-

Requirements for improved access to sink projects

Institutional infrastructure, implementation capacities, legal framework and political support required for access to CDM LULUCF projects.

Facilitation possible through ODA support if national sustainable development agenda prioritised accordingly (e.g. national afforestation and reforestation agenda).

‘Marketing’ of synergy benefits to addressed through existing FDI channels.

Utilisation of related structures (e.g. NAP for UNCCD).

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Can Africa benefit from sinks? -cont.-

Regional distribution of CDM projects

The discussion on an equal distribution of CDM projects in the regions is on-going.

Option to negotiate a fair share of LULUCF projects for the region or option to trade in such a request for increased share in energy related small-scale projects.

Networking/bundling of small to medium sized LULUCF projects in subregions and packaging of environmental support frameworks (identification, conceptualising, marketing and implementation of multi-benefit projects).

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Small scale projects for sinks?

No! Small-scale sink projects are not provided for in the draft decisions on mechanism (see FCCC/CP/2001/L.7).

Small-scale projects do include a) renewable energy project activities (15 MW), b) energy efficiency improvement projects (15 GWh/a), c) other activities that lead to reduction of anthropogenic emissions by sources (<15 kt/a)!

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LULUCF and the adaptation fund

Certain overlap between conventional sustainable land use management activities, adaptation and LULUCF mitigation measures (e.g. mangrove reforestation, agroforestry).

Coherent approach may optimise diverse funding options and resulting in e.g. National Adaptation Programs of Action being a well integrated national strategies for natural resource management.

As the adaptation fund is to be funded through the 2% levy on CDM projects, availability of funds is largely dependent on actual CDM projects. Fund size expected to be small, prioritisation expected to be difficult.

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LULUCF and the LDC fund

LDC-fund under the UNFCCC, managed by the GEF, is to support the work program of LDC's.

As this is not yet specified it would certainly include capacity-building measures (see FCCC/CP/2001/L.2) addressing LULUCF relevant frameworks (fragile ecosystems, land degradation/desertification, food security, water resource management etc.). Fast-track for small-size LULUCF projects?

Packaging of a full support system on all activities to the three funds recommended.

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How would the inclusion of sinks affect access of other projects?

CDM is an mainly market-driven process. The better the „marketing“and political frameworking the better the chances to gain access to numerable projects.

Depending on decisions for regional distribution of CDM projects.

Possible benefits by attraction to forestry and downstream sector (e.g. wood processing, pulp&paper, bioenergy) and/or sectors related environmental policies (e.g. ecotourism).

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Sinks under Joint Implementation and the consequences for Africa

Sink projects under the Joint Implementation mechanism are certainly highly competitive (considering the potential in Russia and other Economies in Transition) due to scale, potential and the absence of a CDM-levy.

Direct comparisons or figures are, however, not available. The existing diversification in the forestry sector (growth rates, wood species, processing costs etc.) would still provide for a certain competitive advantage in the African region.