ECOSYSTEMS CLIMATE ALLIANCE

Views on the Annex **(FCCC/KP/AWG/2OO9/L.3):**

'Options and proposals on how to address definitions, modalities, rules and guidelines for the treatment of land use, land use change and forestry.'

24 APRIL 2009

This submission contains the views of the Ecosystems Climate Alliance (ECA) on the Annex to the Chair's conclusions on Land use, land-use change and forestry (FCCC/KP/AWG/2009/L.3) of 8 April 2009, 'Options and proposals on how to address definitions, modalities, rules and guidelines for the treatment of land use, land use change and forestry'.

ECA respectfully asks that the Parties and the AWG/KP consider our views.

Formulation of and agreement upon definitions, modalities, rules and guidelines for LULUCF should be undertaken pursuant to agreed policy principles for this sector.

It must be explicit that LULUCF be designed as far as possible to be:

- Comprehensive
- Transparent
- Accountable, and
- Ecologically-focused

Under current LULUCF rules and definitions Annex 1 Parties are able to hide some large emissions and overstate removals of greenhouse gases (GHGs) from their forest industries, resulting in a skewed picture. Major emissions, such as those associated with peatland soils are only partially covered. Accounting approaches are not comparable. The system encompasses a whole set of inbuilt problems, right down to the level of definitions.

Clear identification of LULUCF GHG emissions to atmosphere has been compromised, an obvious motivation being the desire of Annex 1 Parties to use LULUCF as an offsetting mechanism to enable them to reach their emissions targets more easily.

The need for a more rigorous and structured approach to LULUCF is in no doubt. Current definitional and monitoring deficiencies and perverse LULUCF rules must be corrected.

Parties should work towards comprehensive accounting for the LULUCF sector through a phased approach.

In the second commitment period it is important to expand the range of activities, address definitional problems, and rectify the fragmentations and asymmetries in the current system that lead to imbalanced accounting in order to reflect the emissions the atmosphere actually sees.

The aim must therefore be to create rules and definitions that can be used to genuinely minimize emissions from land use activities and maximize removals as per KP Article 2 (a) (ii).

In order to ensure that accounting rules enable policy priorities to be realized, ECA further recommends that specific, measurable, reportable and verifiable policies and measures guide mitigation activity in this sector.

Objectives

- Real reduction of deforestation and forest degradation and prevention of loss of soil carbon from wetlands.
- Biodiversity conservation to be explicitly integrated as a core benefit for mitigating climate change.

Together, these objectives recognise that intact natural ecosystems are generally more carbon dense than degraded ecosystems. Degradation results in significant GHG emissions and significantly reduces carbon storage. Damaged natural forests and other ecosystems are likely to have significant sequestration potential if allowed to recover their natural carbon carrying capacity Conversion of natural forests to short rotation plantations will be permanently carbon negative and should be considered deforestation or degradation. Well-functioning ecosystems have greater resilience to climate change which will aid in their permanence and in their natural adaptation. Parties also have obligations under the Convention for Biological Diversity to avoid perverse incentives to degrade biodiversity.

These objectives should be achieved via the following hierarchy of specific policy measures:

- An overarching policy with the protection of primary forests and other natural ecosystems (including wetlands and peatlands) as its highest priority. *Outcome: Avoid emissions and enhance carbon stocks by protecting carbon stocks in natural ecosystems.*
- Encourage the recovery or restoration of forest and other natural ecosystems, including wetlands and peatlands. *Outcome: Grow new carbon stocks in already degraded forest landscapes, and reduce ongoing emissions from degraded peatlands.*
- Structure LULUCF so as to disincentivise conversion of natural forests to plantations or other types of industrial agriculture, or the drainage of wetlands for these purposes, or industrial logging of natural ecosystems. *Outcome: Reduce levels of forest biomass decline, reduce emissions by restraining conversion of forests to plantations, and by restraining conversion of primary forests to modified natural forests.*
- In forested landscapes subject to on-going clearing and degradation implement strategies to reduce emissions from deforestation, degradation and land-use change, including the application of ecologically sustainable forest management systems in logged areas that are currently the subject of industrial logging practices. *Outcome: Reduce emissions, maintain and enhance forest carbon stocks.*
- Undertake afforestation and reforestation in areas of degraded land incapable of natural recovery. *Outcome: enhance carbon stocks.*

Measurement, reporting and verification against these measures will assess the efficacy of LULUCF implementation.

ANNEX OPTIONS

Option 1

The following elements should be included within a revised Decision 16/CMP.1.

1. Mandatory Accounting:
Accounting and reporting for the following activities in natural forests and other ecosystems should be mandatory:

- Deforestation (emissions);
- (NEW) Forest Degradation (emissions);
- Afforestation (removals);
- Reforestation (removals);
- (NEW) Organic soil (peatland) degradation (emissions);
- (NEW) Organic soil (peatland) restoration (removals);
- (NEW) Wetland degradation (emissions);
- (NEW) Wetland restoration (emissions and removals);
- Forest Management (removals). All emissions currently reported for this activity would be subsumed into the new activity of forest degradation; and
- (NEW) Devegetation (emissions)

It is proposed that plantations should be treated separately to natural forest and could be accounted for as a voluntary or mandatory activity under cropland management.

2. A common historical reference point of forest management emissions for all Parties. Net-net accounting should remain as a serious option.

3. An approach to natural disturbances designed to address only the compliance risk associated with statistically extreme force majeure natural disturbances.

4. A provision to create a carbon cost for the import of wood products derived from Non Annex 1 Parties.

The following elements should not be included within a revised Decision 16.CMP.1:

1. An 'alternative level' or negotiated bar for individual Parties based on national circumstances.

2. A forward-looking baseline or bar that is based on future projections of business-as-usual forest management.

3. Any special rules designed to artificially limit the accounting of emissions (e.g. fast forest fix, land flexibility, or carbon saturation).

4. Any change to the current IPCC default accounting method that assumes instantaneous oxidation of carbon stored in wood or other biomass i.e. harvested wood products should not become an eligible activity.

Specific Commentary to Annex Option 1 proposals

A. Definitions

1 (a) The definition of "forest" should be modified, as follows.

ECA proposes that the existing structural definition of "forest" would be retained and two sub categories erected (Natural Forests and Plantations)

(i) "Natural Forest"

A natural forest is a terrestrial ecosystem generated and maintained primarily through natural ecological and evolutionary processes.

Natural forests are an essential part of the global carbon cycle, and have played, and continue to play, a major role in modulating the strength of the greenhouse affect.

(ii) "Plantation"

A plantation is a crop of trees planted and regularly harvested by humans.

Note: It is proposed that Plantations would be accounted for separately from Natural Forests and reported as an agricultural activity. This would avoid current perverse outcomes because conversion from Natural Forest to Plantation would be treated like any other forest to agriculture conversion.

1 (e bis). Support option 1, addition of "devegetation" definition. This is preferable to option 2 because it enables greater transparency in respect of emissions and removals from vegetation.

1 (f) Support the expansion of the forest management definition to include all human induced decreases in carbon stocks, but it is preferable that emissions and removals from forest activities be separately identified, in the interests of transparency and accountability.

ECA prefers that emissions be identified under a definition of "forest degradation" or "forest biomass decline".

"forest degradation" is the reduction of the carbon stock in a natural forest, compared with its natural carbon carrying capacity[1], due to the impact of all human land-use activities.[2,3]

"forest biomass decline" is a human-induced activity leading to a decrease in carbon stocks or to greenhouse gas emissions on forested land remaining forested land, or both. It includes losses of carbon stocks or emissions from both living and non living biomass and includes above-ground and below-ground biomass. (Note: this is a modification of the definition proposed by Tuvalu.)

If either of these definitions were implemented, then a consequential amendment to 1 (f) would restrict the definition of "forest management" to human induced increase in carbon stocks and/or decrease in emissions on forested land remaining forested land.

1 (h bis) "Wetland restoration". The addition of this definition is supported. However this formulation is properly restricted to emissions reduction and limiting degradation of carbon stocks, and in the interests of transparency and accountability a further new definition is required:

"W*etland degradation"*: any on-site or off-site activity that causes greenhouse gas emissions and negatively impacts the wetland functioning as a carbon store or the ability to sequester carbon and greenhouse gases, such as conversion or reclamation to agriculture, agro-forestry or forestry that involve enhanced drainage or artificial inundation, removal of natural vegetation, mining, or other destruction of wetland areas.

If the definition "wetland degradation", above, is adopted, the definition of wetland restoration would be consequentially amended to delete the second sentence "If elected the activity include emissions of greenhouse gases and reduction of carbon stocks resulting from human-induced drainage of wetlands."

1 (h ter) "Planted production forest". ECA is interested in the identification of planted production forest and its potential for deployment in capturing conversion of natural forest to plantation, something which we have suggested should be addressed under the forest definition at 1 (a), above, through the introduction of a subsidiary definition "plantation", and treatment of plantations as an agricultural crop.

The problem with the proposal for "planted production forest" is the restrictions firstly that it consist of introduced species and secondly "shall have been established by direct

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[1] Carbon carrying capacity (CCC) is defined as the mass of carbon able to be stored in a forest ecosystem under prevailing environmental conditions and natural disturbance regimes, but excluding anthropogenic disturbance; See Gupta, R.K. & Rao, D.L.N. (1994) Potential of wastelands for sequestering carbon by reforestation. *Current Science*, **66**, 378–380.

[2] The definition of forest degradation provided by CAN's REDD Principle 8.2 has been further elaborated here in order to provide effective guidance for activities that are genuinely capable of achieving emissions reductions.

[3] Forest degradation is thus defined without reference to arbitrary definitions of forest or deforestation based on forest cover.

human induced conversion of *non-forest land to forest land*…" This renders the possibility of capturing conversion of natural forest to plantation void, when it is desirable to identify precisely this change.

Hence this definition, if adopted, should be modified to enable identification of plantation conversion.

1 (h qua) "Equivalent forest" Oppose land use flexibility.

1 (h quin) "Force majeure". Support this new definition, with the qualification that the full definition proposed by Tuvalu be incorporated – i.e. add *"Force majeure* is not intended to excuse negligence or other malfeasance of a Party."

1 (h sex) "Time out". Support definition of "*time out"* if it is clarified that emissions from human activity (e.g. salvage logging) must still be accounted for.

1 (h sept) "Certified Sustainable Forest Management". Support definition of certified sustainable forest management.

1 (h oct) "Harvested wood products". Oppose inclusion of harvested wood products.

1 (h nov) "Harvested wood product management". Oppose inclusion of harvested wood products.

1 (h dec) "Importing harvested wood products". Support definition.

1 (h onc) "Non Annex I wood products". Support definition.

B. Article 3, paragraph 3

3. bis Oppose land use flexibility.

4. Support option 3 (delete fast forest fix).

C. Article 3, paragraph 4

6., 6.bis Devegetation, wetland degradation, wetland restoration, forest management should be mandatory activities. Note: ECA proposes a redefinition of forest management and incorporation of either 'forest degradation' or 'forest biomass decline' as mandatory activities. (See discussion under 1(f) above.)

7. Support reference to second commitment period.

8. Support reference to second commitment period and previously elected activities.

9. Wetland ‘degradation’ should be added to the list of activities.

9 bis. Oppose special rule for carbon saturation.

10. Support option 2 – delete the paragraph.

11. Support preservation of options 1 (cap) and 2 (discount); Oppose alternative level for bar in option 3 (ie if the bar is considered it must be a non-negotiable bar set by a common formula); oppose option 4 (forward-looking baseline); net-net option should be added; proposed approach for measuring biomass decline should be added.

12. Delete.

D. Article 12

13. Support option 1 (eligibility of LULUCF under Article 12 limited to afforestation and reforestation).

13 bis. Support.

13 ter. Support.

14. Support continuation of current limit on LULUCF project activities under Article 12.

15. Maintain afforestation and reforestation rules for second commitment period whilst retaining the ability to renegotiate for future periods. Support subject to 13 bis.

15 bis. Support subject to 13 bis.

E. General

16. Support reference to second commitment period

17. Support reference to second commitment period

20. Support, spatially explicit information to be provided by Parties.

21.bis Support option 3, time-out for *force majeure* events, although a requirement to account for human-caused emissions (e.g. from salvage harvest) must be incorporated.

21. ter Oppose change from the current IPCC default accounting method that assumes instantaneous oxidation of carbon stored in wood or other biomass; support accounting of emissions from imported wood products – draft text describing this approach should be included in the annex.

Option 2

Land-based accounting

Moving immediately to full implementation of a land-based accounting system is not feasible for the second commitment period. The goal of fair, transparent and accurate land-based accounting is not yet practically achievable. Instead a phased approach and programme of research to address gaps is required.

ECA supports the eventual implementation of land-based accounting as an aspiration that Parties should work towards. If developed and applied a land-based approach will account comprehensively for emissions to the atmosphere, unlike the activities-based approach.

The land-based option must be fully articulated, developed, tested and refined during the second commitment period with the aim of transition to implementation in the third commitment period.

Robust measurement of the 5 carbon pools (above-ground biomass, below-ground biomass, litter, dead wood, and soil organic matter) will be essential.

ECA proposes the development of a spatially explicit approach for forests that includes a remote sensing element, allied with research and development of the concept of carbon carrying capacity and carbon sequestration potential so that the carbon value of fully stocked forest becomes the baseline for landscape accounting, and the identification of a logged area on the ground and the intensity of that logging, enables calculation of the emission.

Research and further development of methodologies for comprehensive calculation of emissions and emission reductions from peatland soils is also required.

Meanwhile, increased coverage of the LULUCF sector should be achieved through the incremental addition of the new activities, the approach canvassed under Option 1. This is to attempt to rectify the fragmentations and asymmetries in the current system that lead to imbalanced accounting.