

Iceland

Land Use, Land-Use Change and Forestry (LULUCF)

Submission to the AWG-LCA and AWG-KP, 5 December 2008

Iceland is of the view that sinks as well as sources should be included in a climate mitigation regime. The LULUCF sector should be strengthened in the international climate regime, given its important mitigation potential and possibility for win-win projects supporting climate goals, conservation of biodiversity and sustainable development.

There is considerable untapped mitigation potential in the LULUCF sector, including in avoided deforestation and degradation of forests and other carbon stocks. This should lead to continued work in providing positive incentives to reduce emissions by halting deforestation and land degradation, and increase carbon sequestration in forests, other vegetation and soil.

The LULUCF sector is more complex than most others in terms of methodological issues, accounting rules etc. This means that increased effort should be made to improve accounting rules in LULUCF and address questions relating to permanence of gains, factoring out and other methodological issues. While caution should be employed in constructing new incentives for climate mitigation in the LULUCF sector, this should not deter Parties to proceed to develop such incentives. The experience gained from the implementation of the Kyoto Protocol with regard to LULUCF has led to much more robust science and methodology, which will help further work in this field. Iceland sees climate change mitigation achieved by LULUCF activities as complementary to mitigation achieved by cuts in greenhouse gas emissions, especially from the burning of fossil fuels, not as substitution to such cuts.

Wetland restoration as a new activity

Wetlands, especially peatlands, are the biggest store of carbon on land. The draining and degradation of wetlands turns them into a net source of greenhouse gas emissions, while the restoration of degraded wetlands can halt emissions of carbon dioxide and even reverse them. Wetland conservation and restoration also has significant co-benefits on biodiversity, water regulation etc. Iceland has made a proposal in the AWG-KP on wetland conservation and restoration as an eligible activity for Annex-I parties to meet their commitments in the next commitment period. The proposal would provide incentives for wetland restoration and disincentives for wetland degradation. Credits from wetland restoration (and debits for degradation) could be based on evaluation of change in GHG emissions due to anthropogenic activities.

Iceland has significant mitigation potential in wetland restoration, having drained much of its lowland wetlands in the 20th Century, mostly in order to convert them to agricultural use and less intensively managed grazing areas. Recent studies have showed considerable emissions of CO₂ from these drained wetlands from underlying peat stocks. A project on restoration of wetlands has shown that blocking draining ditches and raising water levels can restore the biodiversity and functions of the original wetlands to large extent, and be a cost/effective measure to stop or significantly reduce CO₂ emissions.

Iceland has in some ways more limited mitigation potential overall than most Annex-I countries, given the fact that almost all stationary energy for electricity and space heating comes from renewable sources. In contrast, Iceland has significant mitigation potential in the LULUCF-sector, and including wetland restoration would enhance that potential. The issue of wetlands and peatlands is, however, by no means only of interest to Iceland. There is a big potential climate change mitigation gain on a global scale to provide incentives for wetland conservation and reclamation. The technical mitigation potential for drained and damaged wetlands, including peatlands, is perhaps equivalent of up to 10% of global emissions. Feasible mitigation by wetland restoration would be a lot smaller, taking into account that much of degraded wetlands are used for food production, habitation and other use, but it would still be significant.