

Issues related to a more comprehensive accounting of anthropogenic emissions by sources and removals by sinks from LULUCF, including through a more inclusive activity-based approach or a land-based approach

Views submitted by the World Bank

The World Bank appreciates the opportunity to contribute to Parties' consideration of issues related to a more comprehensive accounting of anthropogenic emissions by sources and removals by sinks from LULUCF, including through a more inclusive activity-based approach or a land-based approach, as referred to in decision 2/CMP.7, paragraph 5.

A holistic approach to landscapes is necessary for sustainable development

Agriculture, water, forests, availability of energy, and food security are all connected. It is not possible to achieve global food security without preserving the ecosystem services that forests provide, and we cannot sustain forests without thinking of how to feed a growing population. This means that meeting international challenges related to greenhouse gas mitigation, adaptation to climate change, food security and inclusive green growth requires a holistic and integrated approach to the management of these resources.

All these sectors are particularly vulnerable to the impact of climate change, but at the same time, land-use change and degradation of natural resources also make a significant contribution to global annual greenhouse gas (GHG) emissions. Promoting integrated sustainable land-use at the scale of entire landscapes and finding solutions that integrate management of land, water, and other resources has the potential to create a "triple win" – reduced GHG concentrations, reduced vulnerability of people and ecosystems to climate change, and improved food security.

Comprehensive accounting can provide a basis to create positive incentives for such a holistic approach

Therefore, it is important to create positive incentives for all countries, both Annex I and Non-Annex I, to enhance their national actions in the land-use sector based on integrated management of different resources.

Enhanced actions by developing countries in the land-use sector should be supported by the enhanced provision of financial resources. Results-based financing for mitigation actions (using appropriate market-based and non-market based approaches), is one potential way to provide these financial resources.

Drawing from insights and lessons derived from the World Bank's climate finance experience, the current accounting approaches for results-based financing for mitigation actions in the land-use sector do not consider the full potential of entire landscapes. Rather different land-uses, such as forests and agriculture, are treated as 'silos' and mitigation actions implemented in these resources are accounted separately. This approach makes it difficult to implement and integrate activities across an entire landscape, and does not recognize all the interactions that can occur between the different land-uses.

A more comprehensive accounting approach has the potential to address this issue if it takes in account the national circumstances and respective capabilities of developing countries. We consider that a more

comprehensive accounting approach has the potential to enhance mitigation actions in the land-use sector, increase the involvement of small land holders and reduce the complexity of accounting.

Activity-based approaches can be an important and cost-effective component of comprehensive accounting

The World Bank, as Trustee of several land-use related carbon funds, has gained considerable on-the-ground experience in accounting of anthropogenic emissions by sources and removals from LULUCF at the sub-national scale. A recent analysis of the lessons learned from implementing Afforestation / Reforestation projects under the Clean Development Mechanism¹, concluded that the rules and procedures for quantifying emission reductions still act as barriers for many entities and additional simplification of the rules and further capacity building is needed to significantly scale up activities.

If Parties would also consider comprehensive accounting in the context of mitigation activities by developing countries, activity-based and land-based approaches to carbon accounting would reduce the complexity and transaction costs if the activities are straightforward, easy to identify and practical to apply.

The World Bank has been pioneering the development and implementation of more activity-based approaches on a project scale. This methodological approach is based on monitoring activities by farmers, such as land-use or agricultural practices, instead of directly measuring carbon stock². This experience shows it is possible to use activity-based approaches that enable cost-effective monitoring across remote rural areas in developing countries, while still providing robust approaches to quantify greenhouse gas emission reductions.

Recommendations for the Parties' consideration

Based on the above, the World Bank welcomes the consideration by Parties of more comprehensive accounting of anthropogenic emissions by sources and removals by sinks from LULUCF. The World Bank would like to encourage Parties to also consider comprehensive accounting in the context of developing countries, as a framework to identify and quantify enhanced mitigation opportunities from LULUCF in accordance with national circumstances and respective capabilities. Parties might want to consider a work program to review how comprehensive accounting of anthropogenic emissions by sources and removals by sinks could provide positive incentives to developing countries to reduce emissions from LULUCF.

It is hoped that this submission will be constructive input to Parties' deliberations. The World Bank would be pleased to elaborate further and contribute to this important work as needed.

Contacts:

Marco van der Linden (MvanderLinden@worldbank.org); and

Ellysar Baroudy (EBaroudy@worldbank.org)

¹ http://siteresources.worldbank.org/INTCARBONFINANCE/Resources/57853-A_BioCarbon_LOW-RES.pdf

² Methodology for Adoption of Sustainable Agricultural Land Management, approved by the Verified Carbon Standard as VM0017