

## **Submission by Brazil**

### **Implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities.**

28<sup>th</sup> of March, 2011

1. The Government of Brazil, in response to the invitation to Parties contained in document FCCC/SBSTA/2010/L.15, paragraph 1, welcomes the opportunity to submit views on the implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities.
2. Brazil is of the view that the work under the SBSTA should aim at advancing discussions, primarily at the technical level, building upon the work undertaken by the CDM Executive Board, its Afforestation and Reforestation Working Group and Secretariat about the Implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities , in order to provide further clarification and information for consideration by policy-makers.
3. Brazil suggests that once the synthesis report based on the views submitted by Parties and admitted observer organizations is issued by the UNFCCC Secretariat, as per paragraph 2 of document FCCC/SBSTA/2010/L.15, an in-session workshop during the SBSTA thirty-fifth session should be undertaken to address major technical and scientific issues arising from suggested approaches on Implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities.
4. In order to provide technical and scientific information to be considered in the abovementioned synthesis report, Brazil presents the following Annex providing information and views on the implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities

## Annex

### Technical and scientific information and views of Brazil on the implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities

#### 1) Introduction

In the Brazilian point of view, it is important to define and limit the potential objective associated with the discussion on the issue of forests in exhaustion”, taking into account the attached recommendation provided by the CDM Executive Board (CDM EB). Brazil believes this discussion will offer an important option for improving the eligibility criteria of lands for the development of new A/R CDM project activities, reinforcing the Kyoto Protocol’s environmental integrity and the CDM’s double objective.

Current eligibility criteria prevent the use of lands that contained forest plantations in the past, which were harvested and converted to non forested lands. Therefore, they restrict the use of the CDM to stimulate the establishment of new forest stocks on such non forested lands, through afforestation and reforestation practices. These lands should be eligible since the generation of new forests stocks on such sites would be a matter of additionality, not of eligibility.

The amount of lands that contained planted forests in developing countries in the past is quite significant. In this sense, current eligibility criteria provide an additional burden to mitigation activities by developing countries, as the supply of eligible lands for A/R CDM is unnecessarily restricted.

#### 2) Understanding the technical rationale

Within the scope of silviculture, the concept of “replanting” or “reform” refers to the establishment of new forests in areas previously covered with planted forests, which have reached the final harvesting process or “exhaustion”. Differently from practices based on forest management or natural regeneration, the establishment of new forests in such exhausted areas requires anthropogenic intervention.

In regular intervals (rotations that vary according to the species at stake), the wood from production forests is harvested and a new period of growth of the same tree/forest begins. Such a new period of growth is based on the human-induced regeneration of the remaining sprouts on the remaining roots and stumps, which is commonly known as the “resprouting” process. For example, in some countries it is common to grow production forests for 2 or 3 rotations (7 years each) and the full production cycle may last for 21 years, based on the resprouting process. In the case of several species, there is not even the possibility of “resprouting”.

The number of rotations, enabled by human induced resprouting practices, and the existence period of planted forests are a function of the economic feasibility of wood production in a fixed portion of land, which, by definition, decreases and terminates over time. Hence, the decreasing productivity of the forest makes its maintenance in the same area unfeasible after the last rotation is conducted, or even before, depending on different species and circumstances. As such, one of the two alternatives below is expected to occur after the last rotation:

- The establishment of new forests for any purposes in the same area. In this case, new trees must be planted after the final harvest.
- The non-establishment of new forests in the same area. By definition, the old/exhausted production forests would be harvested to supply its respective end-use, and as such, one can conservatively conclude that the area at stake would be converted to other land-uses, as per the most likely regional economic scenario.

Harvesting is an expected fact since the establishment of the respective production planted forest. However, it is important to notice that the harvesting of planted forests in exhaustion does not hold an *a priori* relationship with the establishment of new forests in the same area, including through potential A/R CDM project activities. Thus, the possibility of using an area that contained planted forests in exhaustion for the purposes of establishing new forests shall not be restricted through eligibility criteria. Rather, it is a matter of baseline and additionality assessments, for which there are already clear and consistent rules.

If the abovementioned issues are not taken into account, the use of lands containing planted forests in exhaustion might not be allowed in A/R CDM projects, even if the assessment of baseline and additionality leads to the conclusion that the establishment of new forests in exhausted areas would not occur in the absence of the project. Therefore, even if areas that are temporarily covered with planted forests in exhaustion were converted to another land-use (e.g. pastureland), as per baseline and additionality assessments, it would be necessary to convert non-forested lands (e.g. pastureland) into new forests in order to enable the eligibility of an A/R CDM project encompassing new forests, inducing land-use change in two different localities in symmetrically opposed ways. In this case, additional environmental, social and economic impacts would also be unnecessarily generated.

**3) Expected benefits**

The eligibility of lands containing forests in exhaustion, as per the definition recommended by the CDM EB, is likely to generate several important benefits both in terms of mitigation potential and sustainable development, as follows:

- Increase in the amount of lands eligible for A/R CDM project activities:

In accordance with FAO<sup>1</sup>, more than 52 million hectares were covered with planted forests in developing countries in Africa, Latin America and South East Asia, in 1990, as per the table 01 below. A significant portion of these lands are located in Least Developed Countries (around 8.9 million hectares, which is more than the areas in Latin America and the Caribbean, for example). Current rules prevent the possibility of using of the CDM to create new forests stocks, for any purposes, on such lands after the forests are finally harvested or “exhausted”. The eligibility of lands containing planted forests in exhaustion could result in the re-utilization of part of such lands, consequently reducing the demand for other land-uses.

Table 01 – Area covered with Forest Plantations in 1990.

Country/area	Area of forest plantations 1990 1000 ha
Total Latin America and the Caribbean	8.707,00
Total East, South and Southeast Asia	32.009,00
Total Africa	12.057,00
<b>Total</b>	<b>52.773,00</b>
<b>Total LDC's<sup>2</sup></b>	<b>8.910,00</b>

Source: FAO/FRA 2005

<sup>1</sup> <http://www.fao.org/forestry/32041/en/>

<sup>2</sup> The classification of LDC's has followed the criteria established by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLLS) <http://www.unohrls.org/en/ldc/related/62>

- Increase mitigation potential in developing countries.

In contrast to several Annex 1 countries, the mitigation potential in developing countries is often strongly related with the establishment of new forests stocks, given natural geographic features such as the occurrence of tropical or semi-tropical conditions. As such, the non-eligibility of lands containing planted forests in exhaustion further prevents developing countries from benefiting from the CDM in scopes in which they have good mitigation potential, such as in Scope 14 (Afforestation/Reforestation).

- Improve the balance between A/R and non-A/R CDM project activities.

The development of A/R CDM project activities is already limited by the cap in the use of tCERs or ICERs (1% x 5 from 2008 to 2012) and by market restrictions adopted by some Parties. As of March 16<sup>th</sup> 2011, there were only 21 registered A/R CDM project activities, which represent only 0.7% of the total amount of registered CDM project activities. By increasing the availability of land to the development of A/R CDM project activities, such a balance might also improve.

- Enhance the conditions for sustainable development co-benefits.

With the eligibility of lands containing planted forests in exhaustion, the CDM may trigger the establishment of new forests stocks on lands that had already undergone land-use change for productive purposes. It could prevent unnecessary land-use change, e.g. conversion of pasturelands or other agricultural lands into forested lands, avoiding the unnecessary displacement of economic activities in a country's territory. In addition, it also allows the CDM to provide incentives for the creation of sustainable sources of firewood, which contribute to the sustainability of the energy matrix of several developing countries that heavily depend on the use of biomass.

#### **4) Potential interactions with other concepts and definitions**

Brazil agrees with the CDM EB definition given that the eligibility of lands containing planted forests in exhaustion would meet all requirements contained in the modalities and procedures for A/R project activities under the CDM, if the provisions and revisions contained in its attached recommendation are taken into account. There would be no overlaps or significant conflicts with key issues and definitions, such as the ones presented below:

- **Additionality and methodological issues:**

As explained in Section 2 of this annex, the issue is not related to additionality. Rather it is a matter of eligibility. The fact that such lands may become eligible does not necessarily mean that all A/R CDM projects developed on them will be automatically additional. On the contrary, eventual A/R CDM projects developed on lands that contained planted forests in exhaustion would need to fulfill all baseline and additionality criteria, as in any A/R CDM project activity. In any case, baseline and additionality assessments will need to focus on the extent to which the new carbon stocks, generated through A/R practices on such lands, would be established regardless of the CDM. Naturally, supplementary methodological adjustments might be necessary for the comprehensive accounting of carbon in each applicable pool.

- **Forest Management and scope of A/R activities eligible for the CDM**

The eligibility of lands containing planted forests in exhaustion for the development of A/R CDM project activities does not result in the creation of a new category of A/R CDM project activities. Provided a proper definition such as the one recommended by the CDM EB is adopted, only lands in which new forests stocks triggered are established through planting, seeding or human-induced promotion of natural seed sources will be eligible for Afforestation and Reforestation CDM Project Activities. This would avoid the claiming of credits through forest management practices, e.g. enhancing existing forest stocks.

- Deforestation

The eligibility of lands containing planted forests in exhaustion poses no additional risk to stimulate deforestation in developing countries, since it does not allow for the conversion of natural forests to non-forested lands. On the contrary, the establishment of new forest stocks indirectly helps decreasing the pressure on native forests. Moreover, the objective should be to allow new and additional A/R activities on lands that were previously under a temporary economic use. The re-utilization of the same portion of land is a sustainable good practice and it should be encouraged.

## ATTACHMENT

EXTRACT FROM THE ANNUAL REPORT OF THE EXECUTIVE BOARD OF THE CLEAN  
DEVELOPMENT MECHANISM TO THE CONFERENCE OF THE PARTIES SERVING AS  
THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL  
4 November 2009

*“65. In response to a request by the CMP (decision 2/CMP.4, para. 42), the Board conducted a study on the implications of the possible inclusion of reforestation of lands with forests in exhaustion as CDM project activities and agreed to the recommendation contained in annex I to this report.”*

FCCC/KP/CMP/2009/16

Page 27

Annex I

**Recommendation on the implications of the possible inclusion of reforestation of lands with forests in exhaustion as afforestation and reforestation clean development mechanism project activities, taking into account technical, methodological and legal issues**

1. Following the request contained in paragraph 42 of decision 2/CMP.4, the Executive Board of the clean development mechanism has assessed the implications of the possible inclusion of reforestation of lands with forests in exhaustion as afforestation and reforestation clean development mechanism project activities, taking into account technical, methodological and legal issues.
2. The Board agreed that “forest in exhaustion” is an area of land that contained forest – established through planting, seeding and/or the human-induced promotion of natural seed sources – on 31 December 1989 and/or at the starting date of the project activity. If the land at the starting date of the project activity is forest then, in the absence of the project activity, it would be converted to non-forested land through final harvesting within [5] years of the proposed starting date of the project activity. If the land at the starting date of the project activity is non-forested land then, in the absence of the project activity, it is expected to remain as non-forested land.
3. The Board further agreed that the legal implication of the above definition is a revision of decision 16/CMP.1, annex, section D, in order to introduce a new paragraph 13(bis) as follows: For the first commitment period, reforestation activities shall be limited to reforestation occurring on those lands that did not contain forest or contained forest in exhaustion on 31 December 1989.
4. The Board noted that if this revision is applied, reforestation of lands with forests in exhaustion would meet all requirements contained in the modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol.