

Reducing Emissions from Deforestation in Developing Countries

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The Indian Proposal



Jagdish Kishwan, Director General

**Indian Council of Forestry Research and Education
Dehradun, INDIA**

Indian Proposal

**Alternative Policy Approach to
Avoided Deforestation**

Compensated Conservation

“Compensated Reduction”

Financial incentives to Non Annex 1
countries

for

reducing present annual
deforestation rate and stabilizing it in
future

Compensated Reduction

A Negative Concept

**Proposes Incentive
for**

**Countries with high deforestation
rates**

**Ignores countries improving forest
cover**

**India made its stand clear in Rome
Workshop**

**Avoiding Deforestation
(leading to compensated
reduction) in developing
countries**

not

**part of Kyoto Protocol or
CDM**

Forested Nations

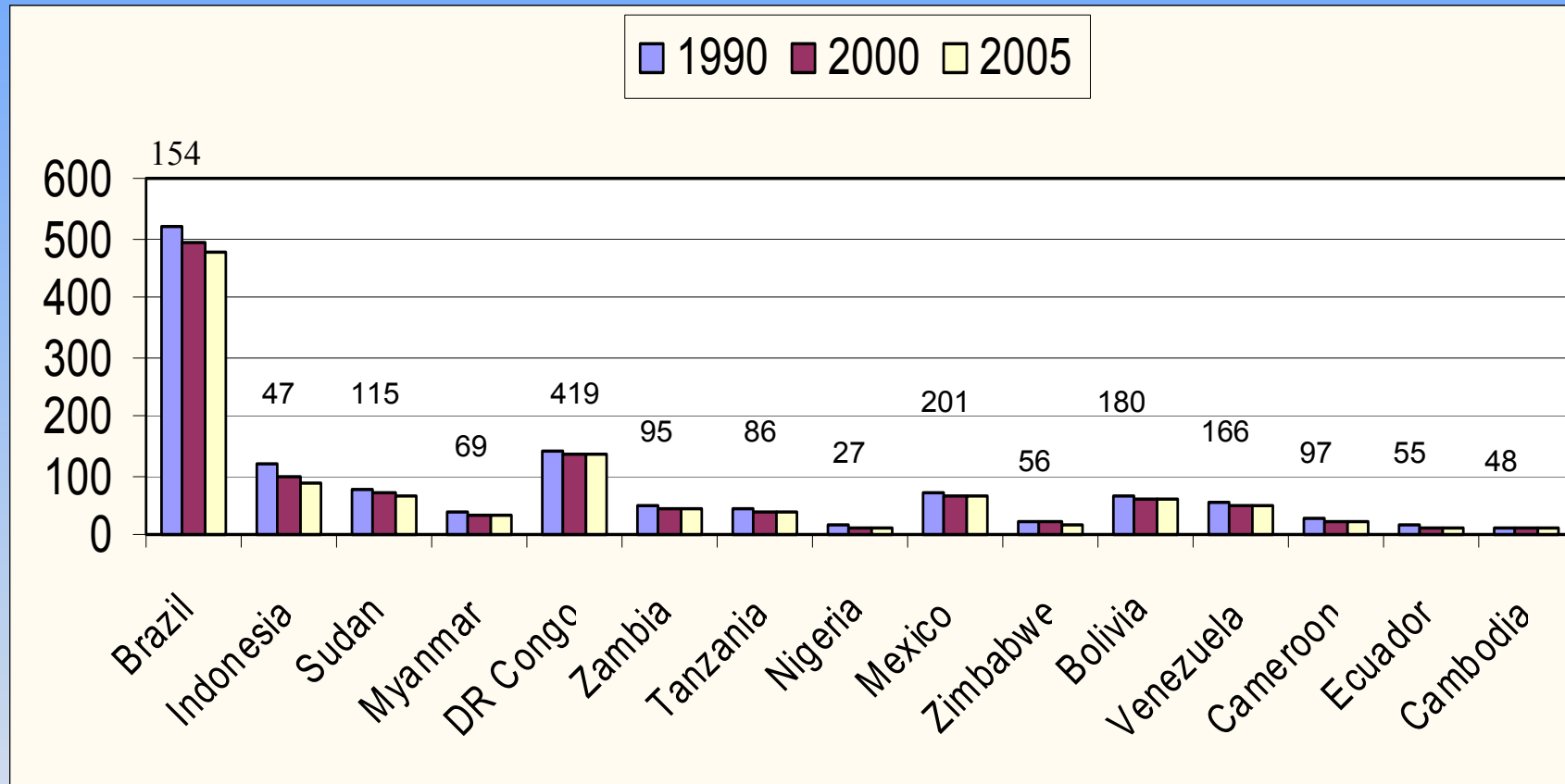
Two Groups

- Nations with decreasing Forest Cover
- Nations with increasing Forest Cover/Growing Stock

Nations: Decreasing Forest Cover

Top 15 Non Annex 1 Countries

Area (Million ha)



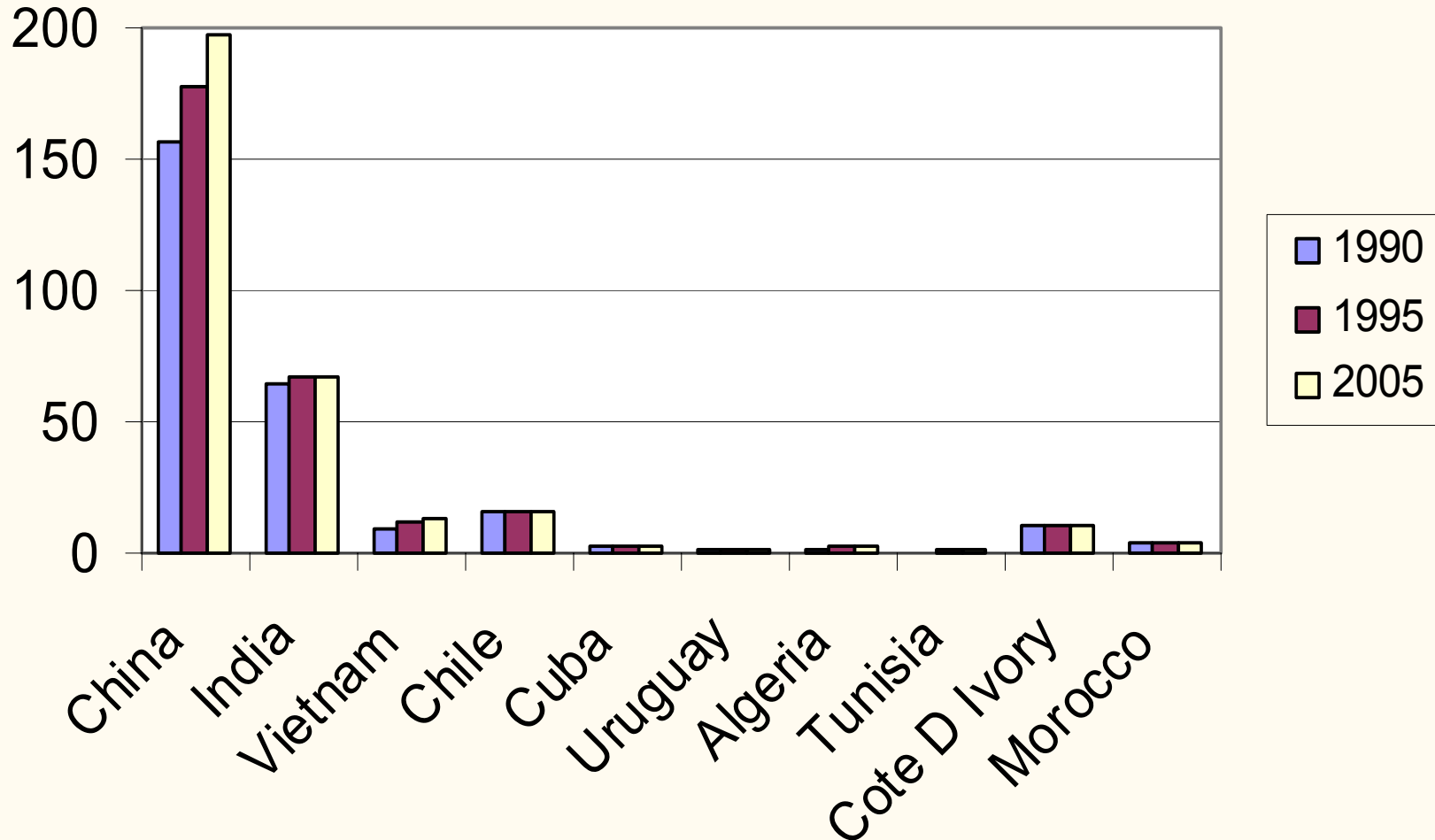
Numbers above the bars represent the years needed to reach zero forest cover with present rate of deforestation (from 2005)

Source: FRA 2005 (FAO 2005)

Nations: Increasing Forest Cover

Top 10 Non Annex 1 Countries

Area (Million ha)



Source: FRA 2005 (FAO, 2005)

Change in extent of Forest Cover and wooded lands 1990-2005

(Excluding Annex I Countries, Data Source: FAO, 2005)

S. No.	Countries	Number of Countries	Area 1,000 ha		Annual Change	
			1990	2005	1,000 ha/ year	%
1	Non Annex Countries with increasing forest cover and other wooded lands	27	443,092	479,624	2,436	+0.55
2	Non Annex Countries with decreasing forest cover and other wooded lands	74	2484,885	2283,436	13,430	- 0.54
3	Countries with negligible or No change	90	-	-	-	-

Which Countries to be Rewarded?

- Nations with decreasing Forest Cover

Or

- Nations with increasing Forest
Cover/Growing Stock

‘Compensated Reduction’ for Nations with Decreasing Forest Cover?

- Rewarding policies and activities with demonstrated disregard for sustainable development reflected in continued deforestation of tropical forests
- Intentional disregard for the forest conservation policies
- Incentive for slowing down the deforestation rate that only prolongs the time-frame for complete destruction of tropical forests
- Supporting such concept is against the Non-legally Binding Forest Principles of Agenda 21.

Why Alternative Indian Proposal?

- Avoidance of deforestation will defeat the very preamble of UNFCCC and Kyoto Protocol (sustainable development)**
- Capable of shifting attention of Annex 1 countries from domestic action for GHG reduction**
- Nations not managing forests in a sustainable manner stand to benefit from the proposal**
- Nations who have implemented strong conservation regulations put at disadvantage**

Conservation Based Policy Approach

Countries like India that have implemented strong conservation measures and regulations also need to be suitably compensated

It is essential to identify different approaches to reduce emission from deforestation

Conservation and sustainable forest management based approach for providing positive incentives for Carbon conserved/gained through sustainably managed forests be suitably rewarded

Concept of Compensated Conservation

- Countries implementing effective conservation policies: increasing their forest cover and in turn reducing emission from LULUCF Sector in spite of huge population pressure need to be rewarded for their Carbon Conservation initiatives
- India instead proposes the concept of “**Compensated Conservation**” as an alternative to the principle of “Compensated Reduction”

Proposed Policy Approach and Incentives

India proposes that the countries like India that have implemented strong conservation measures and regulations be suitably compensated

The proposed mechanism of “Compensated Conservation**” intends to compensate countries for maintaining and increasing forests as carbon pools as a result of effective conservation and increase/improvement in forest cover backed by verifiable monitoring systems**

The Mechanism.....

- The incentive is proposed on maintaining and increasing baseline carbon stocks as a result of demonstrated implementation of strong conservation policies, and consequent increase/improvement in forest cover
- This would be a strong incentive for developing countries to maintain and develop their existing forests
- Determination of change in forest cover at national level

Recent Issues at COP-12 on "Avoided Deforestation"

Carbon stored/Saved

Compensated Reduction

Baseline

Project

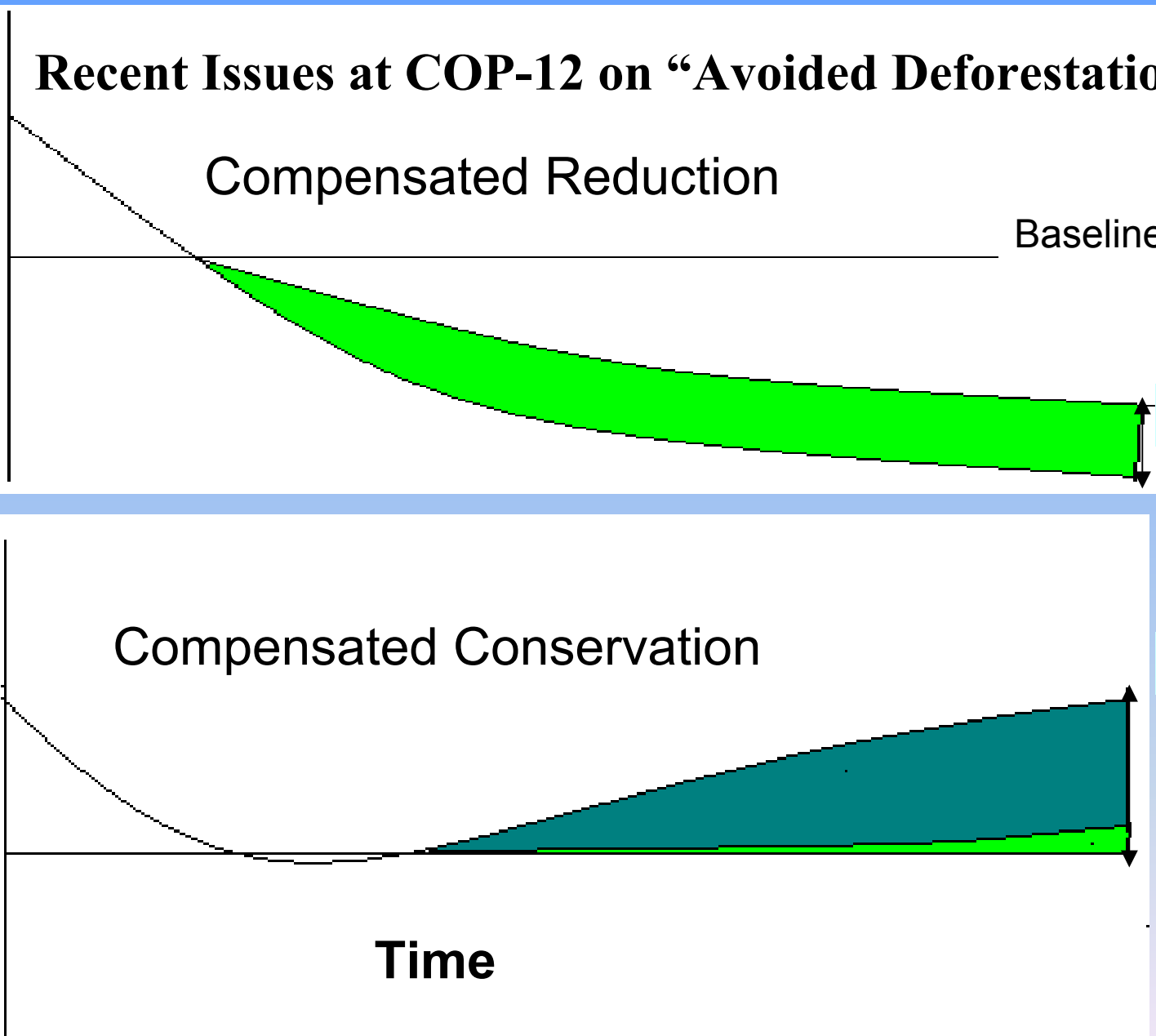
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Compensated Conservation

Project

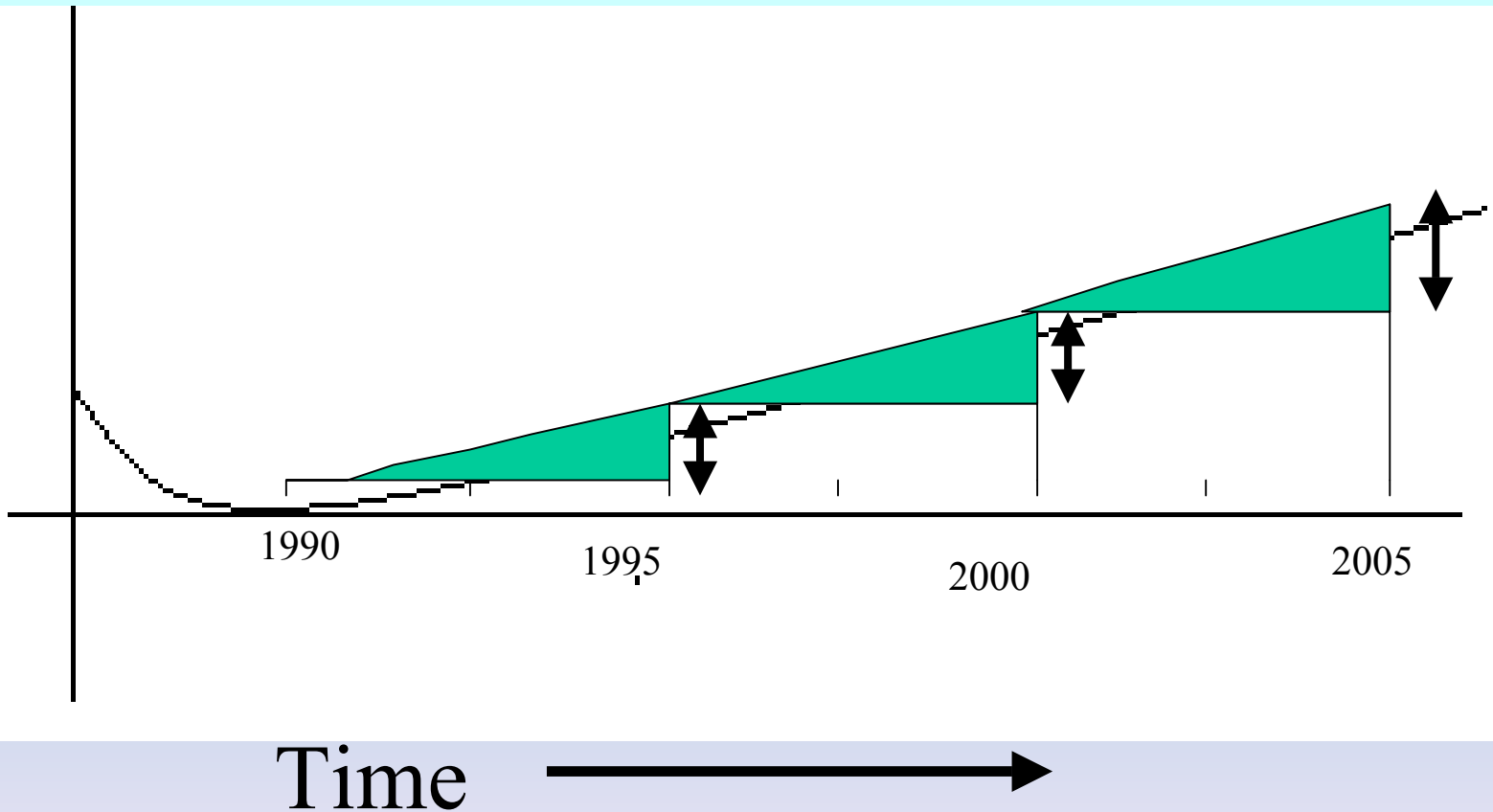
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Time



Compensated Conservation Verification and Compensation

Growing Stock/C Increment



Time



Some Contentious issues can be addressed as follows:

Additionality: Proposal of Compensated Conservation intended to be outside the CDM of Kyoto Protocol

Baseline: Increment/decrease to be evaluated as gain/loss against a pre-determined base year/cutoff year say 1990

Leakage: The Carbon sequestered through CDM A/R projects of host country to be deducted as leakage

Technical and Methodological Requirements

Monitoring and Assessment: Remote sensing coupled with ground verification

Modeling: To link forest type and cover with carbon stocks

Verification: Through independent inspections

Success will lie in developing cost – effective technologies and procedures

Financial Mechanism

Proposed policy approach of “Compensated Conservation” intended to operate within the framework of international conventions, protocols, rules and regulations relating to climate change, but outside the CDM of Kyoto Protocol

Set up new financial mechanism linked to verifiable C-increment

ODA, GEF, or Climate Change Adaptation Fund enhanced and made available for such incentives

Capacity Building....

UNFCCC to strengthen capability (capacity building) for technological enhancement of nations on evolving systems and packages for verifiable and transparent assessment of Carbon stocks in forests/other wooded lands

Brazilian and Indian monitoring systems (remote sensing) good examples

Benefit Sharing

- Fiscal incentives for “Compensated Conservation” to flow against one single National Project
- Recipient country to decide distribution of incentives amongst participating communities including investment in further conservation activities

Baseline Stocks

- Incentive for maintaining baseline stocks would act as insurance cover against loss of associated carbon stock
- Would also encourage developing countries for enhancement of extent and quality of forest cover, associated with increase in carbon stocks, and simultaneously contribute towards conservation of biodiversity

Incremental Stocks

- Such incentive to be provided for effecting expansion, increment or enrichment of forests/other wooded lands from a previously set baseline, that may be fixed at 1990 or other appropriate level

Compensated Conservation

Case Study

India

India: Strong policy framework for conservation of natural forest

THE NATIONAL FOREST POLICY, 1988

Envisages conservation and sustainable management of all types of forests

- **Provisions for maintenance, conservation and enhancement of bio-diversity of forest ecosystems**
- **Maintenance and enhancement of forest resource productivity**
- **Increase in the extent of forest and tree cover**
- **Optimization of forest resource utilization**

India: Policy Framework.....

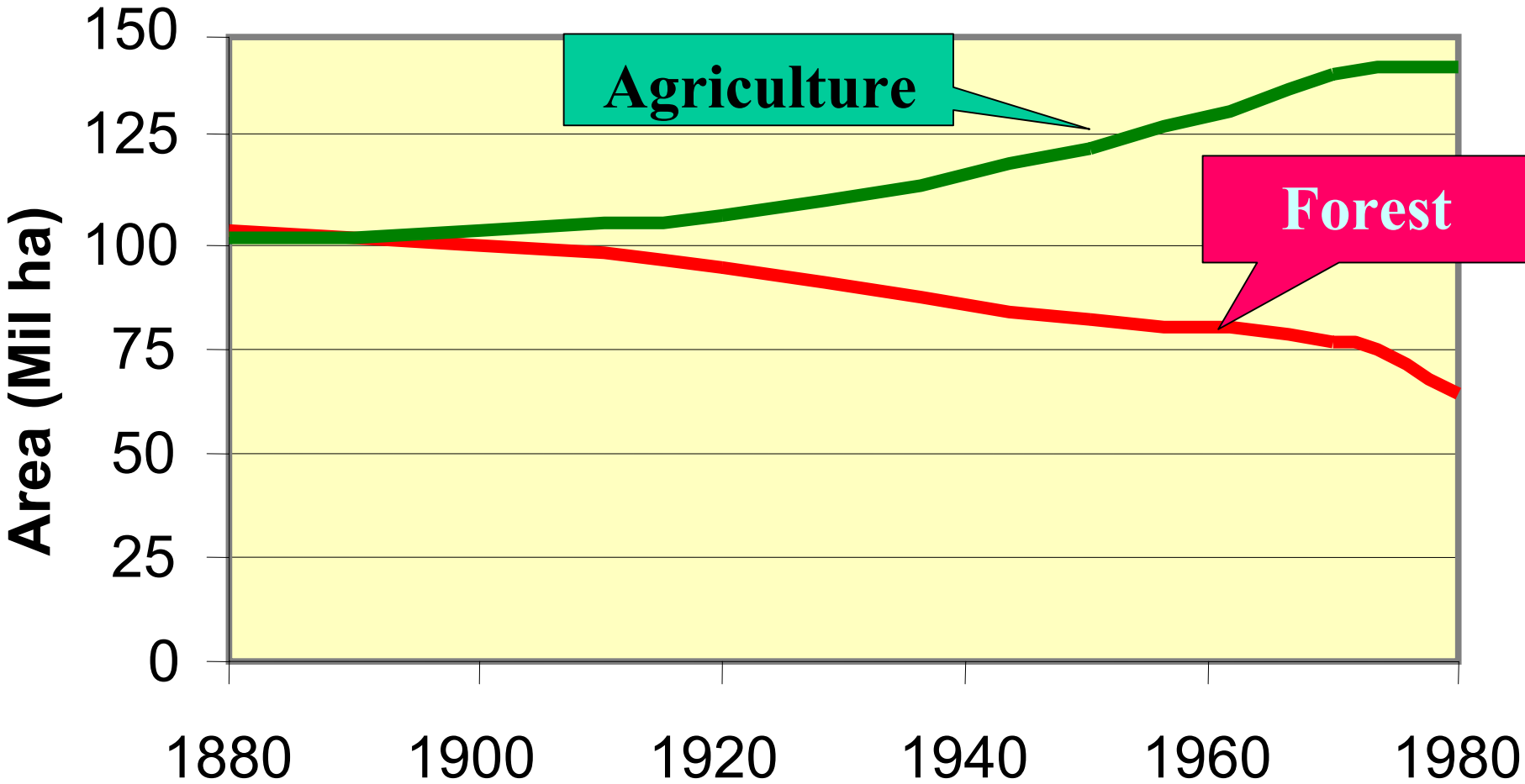
LEGISLATIONS

- The directives of state policy Articles 48 A and 51 A (g), Part IV of the Indian Constitution ensure protection and improvement of the environment and the safeguarding of forest and wildlife
- The Constitution also directs citizens to protect nature and also provides for forests and wildlife as concurrent subjects under Schedule 8, List III, and Entry 17-A and 17-B.

India: Policy Framework

- . The National Forest Policy, 1988
- . The Indian Forest Act, 1927
- . Forest (Conservation) Act, 1980
- . Forest (Conservation) Rules, 2003
- . Biological Diversity Act, 2002
- . Biological Diversity Rules, 2004
- . The Indian Wildlife (Protection) Act, 1972
- . The National Board for Wild Life Rules, 2003

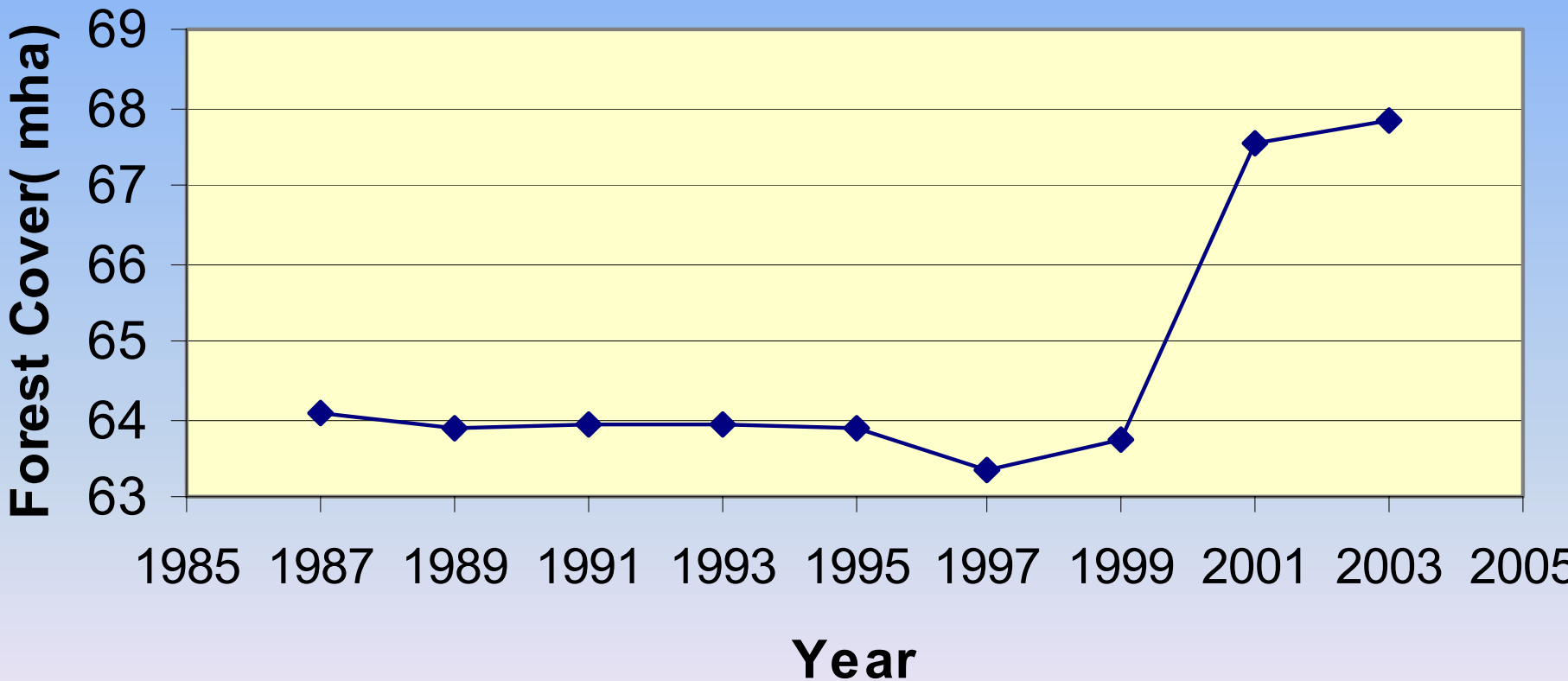
Trends: Land Use in India (Million ha)



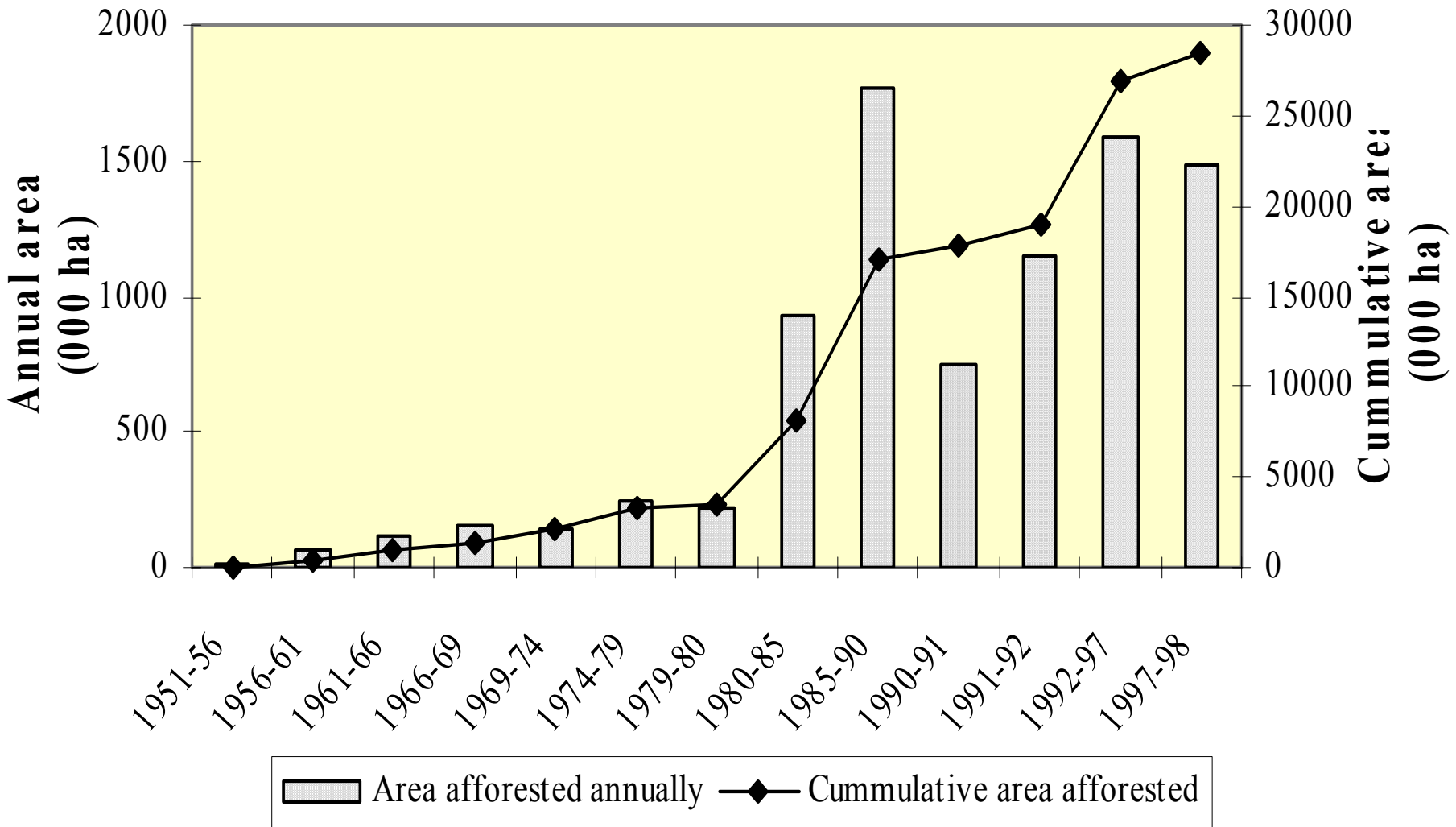
Trends: Forest Cover In India

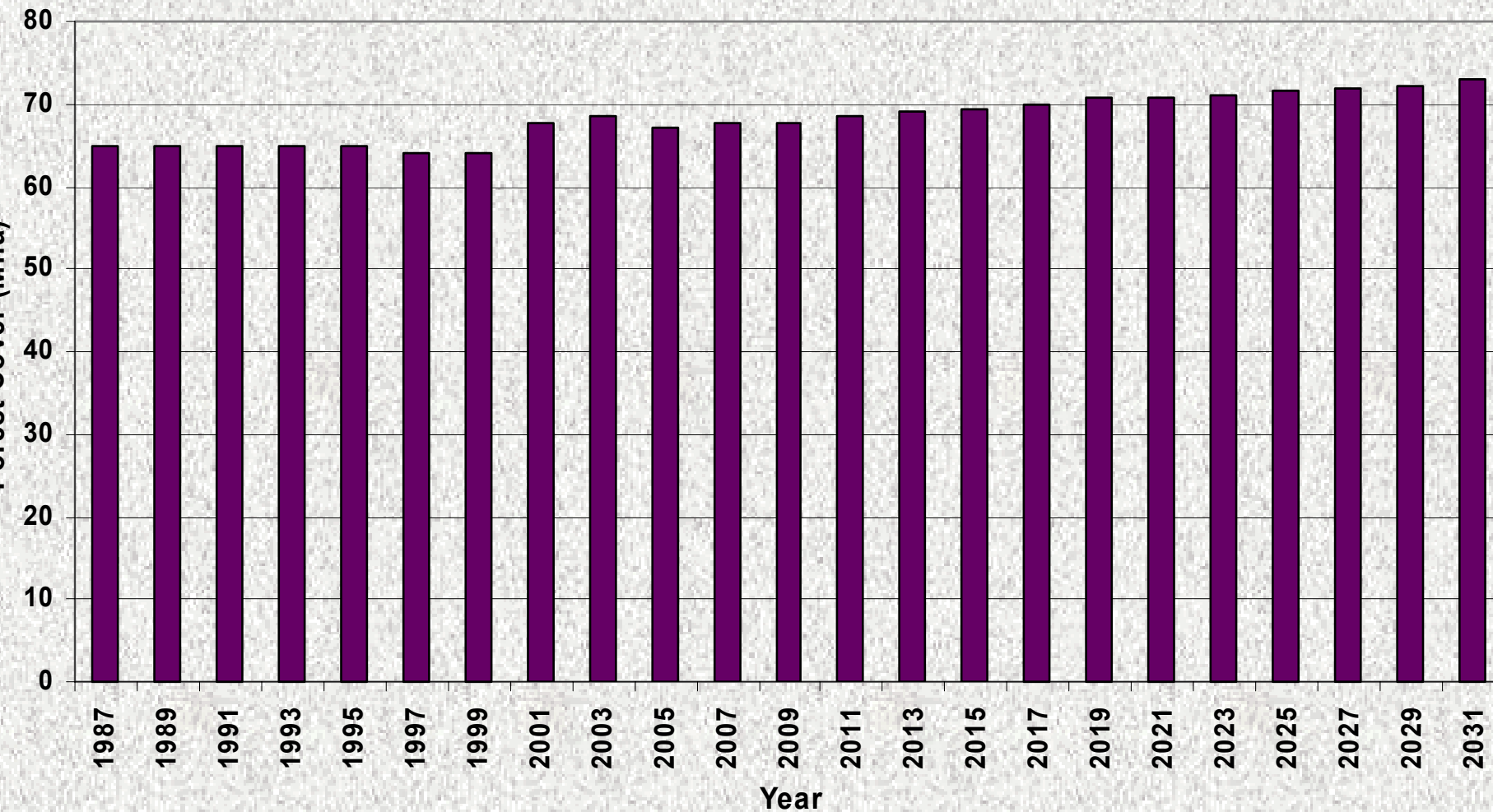
(SFR, 2003)

Status of Forest Cover in India



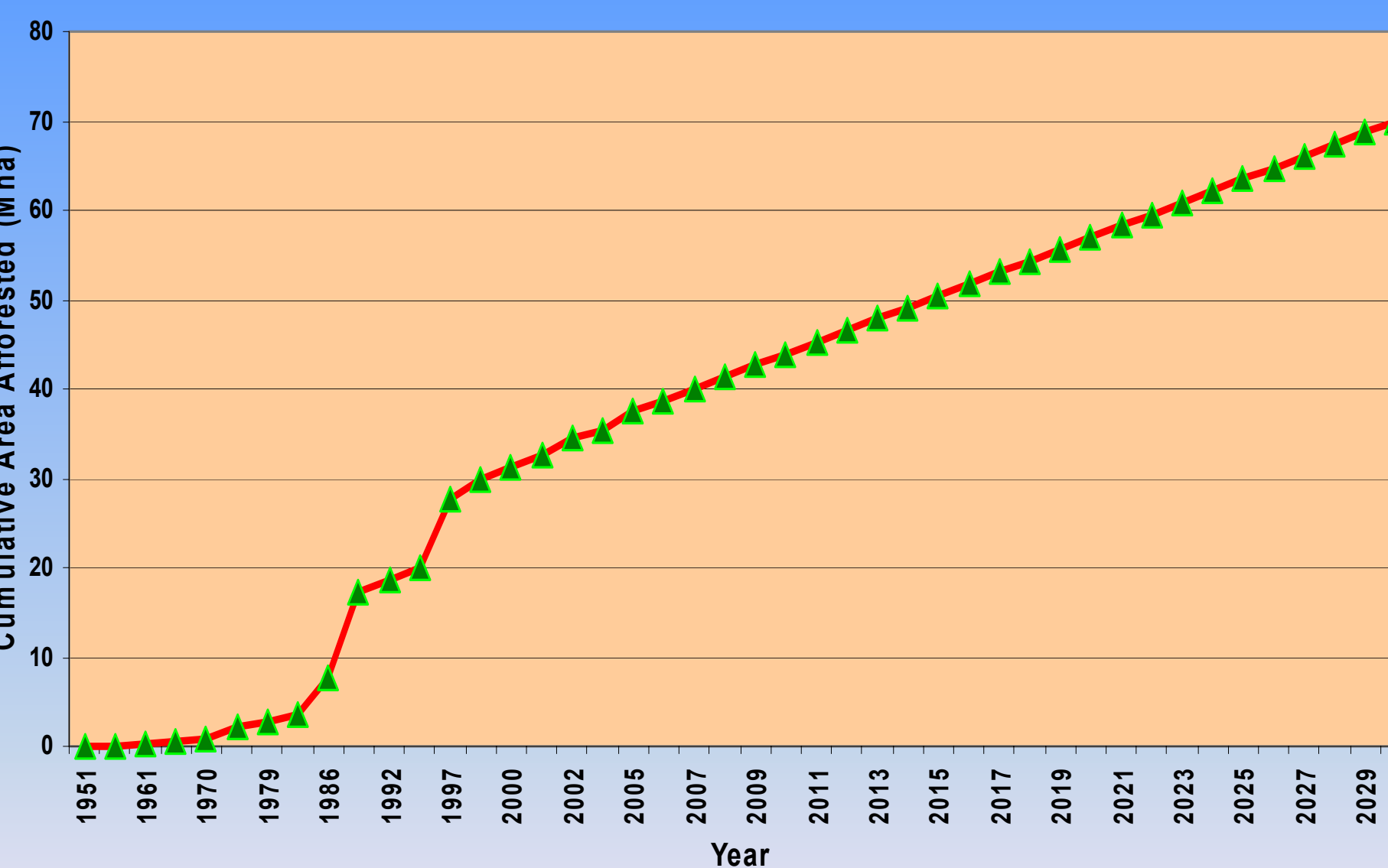
Annual Afforestation In India





projected trend in forest cover under the current trend scenario

(Source: Indian Institute of Science, 2006)



Projected Afforestation under current trend scenario

(Source: Indian Institute of Science 2006)

Growing Stock: Indian Scenario

Growing stock 1980 : 4,196 million M³

Net annual increment of 52 million M³

{or 1.24 % of the growing stock (SFR, 1991)}.

The growing stock in 1995: 4,740 million M³

(with an average standing volume of 74.42 M³/ha)

The growing stock 2003: 6,414 million M³

This includes 4,782 million M³ of growing stock within forest area and 1,632 million M³ as trees outside forest (TOF)

Estimates for removal of firewood from forests vary largely, and are not reliable. Emissions from such removals treated as zero (Carbon neutral)

Carbon Stock Projection: Indian Scenario

The model based projection of carbon stocks in India's forests and tree cover, as per studies of Indian Institute of Science, Bangalore (2006), reflects an increase in the carbon stocks as contained in the country's forests from **8.79 GtC in 2005 to 9.75 GtC in 2030**

Compensation Claim: India

According to proposed policy approach of Compensated Conservation, for India, such incentive would not only be admissible on incremental stock of 0.96 GtC between 2006-2030 (projected increase from 8.79 GtC in 2006 to 9.75 GtC in 2030), but also on the baseline stock of 8.79 GtC as on 2006 (Indian Institute of Science, Bangalore 2006)

Conclusion....

Concept of “**Compensated Conservation**” to be a rewarding act and motivate all nations including Brazil and Indonesia for implementing conservation measures to maintain carbon stocks and thus ecosystem services

Nations to be compensated for ecosystem services generated and enhanced **and not for destroying same**

Thank you

