

SUBMISSION BY COLOMBIA ON REDUCING EMISSIONS FROM DEFORESTATION IN DEVELOPING COUNTRIES

Mandate

Responding to the invitation by the Subsidiary Body for Scientific and Technological Advice (SBSTA), at its twenty-fifth session (Nairobi, 6–14 November 2006) to provide views on ongoing and potential policy approaches and positive incentives, and technical and methodological requirements related to their implementation; assessment of results and their reliability; and improving the understanding of reducing greenhouse gas (GHG) emissions from deforestation in developing countries, Colombia presents the following ideas and proposals:

Background

Taking into account that developing countries have different drivers of deforestation as well as different needs and capacities, mechanisms to Reduce Emissions from Deforestation (RED) should be designed to be flexible, in order to make these resources available to any Party willing to implement them.

The mechanism developed should also take into account off-set or opportunity costs in land use, implementation costs including new technology and monitoring, it should also try to include degradation issues, since it causes biomass loss, and therefore emissions are due to this phenomenon.

The Stern report (2006) suggests that compensation from the international community should be provided and that it considers the opportunity costs of alternative uses of the land, costs of administering and enforcing protection of forests, and managing of transition. Research carried out for this report indicates that the opportunity cost of forest protection in 8 countries responsible for 70 per cent of emissions from land use could be around US\$5 billion annually, initially, although over time marginal costs would rise. Moreover, Stern points out that carbon markets could play an important role in providing such incentives in the longer term, also stressing that there are short-term risks of de-stabilizing the crucial process of building strong carbon markets if deforestation is integrated without agreements that increase demand for emissions reductions, and an understanding of the scale of transfers likely to be involved.

Proposals

Colombia considers that mechanisms aimed at providing incentives to reduce emissions from deforestation in developing countries should have a wide range of application, as to be able to address this problem as soon as possible and to involve parties under different national circumstances and levels of capacity. Therefore, a mechanism designed to this end should be flexible enough to accommodate different levels of application, or be complemented by one or more other options.

Market instruments must play a key role in reducing emissions from deforestation. In our view, voluntary contributions by Annex I Parties (i.e. official development aid-ODA) will not be able to provide the adequate, constant and predictable flow of resources required to maintain the long-term effort needed to deal with this problem.

With this in mind, we propose that RED be included as an eligible Clean Development Mechanism (CDM) activity and that Annex I commitments in the second and subsequent commitment periods should be strong enough to accommodate the new supply of emissions reductions arising from this and other new options. In such manner, developing countries could be able to increase their contribution to the ultimate objective of the Convention following the principle of common but differentiated responsibilities.

The CDM, with minor modifications, can accommodate national circumstances, capacities and commitment levels by offering the Parties the option of implementing different scales of activities ranging from national to project based.

Therefore, Colombia recommends the implementation of a market mechanism, whether in the framework of the CDM or other innovative instrument designed specifically for RED, being this, the best option for including RED within the activities of the UNFCCC.