

Avoided Deforestation

New Zealand views

New Zealand has previously submitted its views on the issue of avoided deforestation in developing countries (FCCC/SBSTA/2006/MISC.5 refers).

The SBSTA has invited Parties to submit their 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 emissions from deforestation in developing countries (FCCC/SBSTA/2006/L.25 refers).

New Zealand believes that the issue of avoided deforestation in developing countries should be considered alongside other processes that discuss a future climate change framework. This issue should also be viewed alongside other discussions on land use, land use-change and forestry.

An effective global response to climate change will require all countries – developed and developing – to contribute as best they can. Anything less than broad and balanced participation and action will be inadequate to deal with the magnitude of the challenge. A global response should include action to protect and enhance forest sinks and reservoirs.

We note the complexity of this issue. The complexity arises because of differing national circumstances and the numerous causes and drivers of deforestation. This is perhaps a pointer to the role the SBSTA should play on this issue. A 'one size fits all' approach will not be sufficient; neither will action alone at the multilateral level. The term 'flexible basket' of approaches has been coined as a necessary prerequisite. It is clear that various actions, at multiple levels, from the multilateral level right down to the local level will need to be employed. The SBSTA must therefore remain focussed on what it can reasonably do at the multilateral level. The SBSTA should not be prescriptive. Instead, it should create an enabling environment for voluntary participation by Parties. In that way the sovereignty of national governments is respected and governments can employ flexibility at the local level to respond to national priorities.

The Rome workshop on avoided deforestation provided an opportunity to hear expert views on this issue. It was clear from this workshop that despite substantial national, bilateral and multilateral support to efforts to reduce forest loss, deforestation continues to be a major problem. Clearly, the international community has a role to play. New Zealand fully endorses the summary of the workshop provided by the Secretariat.¹ In particular, we reiterate the following points on financial mechanisms and other alternatives:

- The international process should aim to complement national policies and efforts to reduce emissions from deforestation as well as add to efforts that are already in place;

¹ FCCC/SBSTA/2006/10 refers.

- The consideration of approaches to reward or compensate actions needs to be broad and include several possible alternatives;
- There is a need to find additional and innovative financial mechanisms, and funding needs to be certain, long-term and sustainable;
- Incentives should recognize actions to reduce emissions from deforestation, which could be assessed relative to a reference baseline;
- It is important to ensure that compensation or rewards are received by those actors who undertake actions on the ground. Institutions play a major role in ensuring that actors on the ground are compensated.

Amongst many proposals, a voluntary fund and more market based approaches have been suggested by Parties. New Zealand favours a system that creates sufficient incentive for developing countries to avoid deforesting i.e. a system that would generate revenue from standing forests over time. The weakness of the fund idea, in the absence of any underlying commitments, is that it creates no incentive. Given that governments would contribute to a fund, it simply risks being under resourced because of competing priorities elsewhere which more directly match recipient countries' development priorities.

On technical and methodological issues, we note that tools, methods and data are available and the science is robust enough to monitor and estimate emissions from deforestation within an acceptable level of certainty.

We welcome the views of others and look forward to working constructively to advance this issue.