

Guiding principles for including avoidance of emission from Deforestation, forest Degradation and Devegetation (DDD) in the international response to climate change

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This submission is intended to frame some broad principles which could help guide an international instrument to reduce emissions from deforestation and forest degradation.

Principle 1. A comprehensive instrument

All relevant land conversions that lead to net emissions should be admitted under this approach, including the three DDDs: **D**eforestation (from forest to non-forest), forest **D**egradation (from forest types with high carbon stocks to forest types with lower carbon stocks) and **D**evegetation (from non-forest status with higher carbon stocks to non-forest status with lower carbon stocks), as far as technology allows their detection¹. Relevant greenhouse gases (GHGs) include CO₂ (from the 5 pools as agreed previously), CH₄ and N₂O. Pools and emission sources can be omitted in a conservative way.

Principle 2. First establish the instrument, then country targets

It is recommended to first set the “DDD instrument” (and other rules of a future climate agreement), and only after that to set national, sectoral, or any other targets there may be for different countries.

Principle 3. A flexible, voluntary scheme

Non-Annex I countries should be free to participate in this scheme. We propose flexibility for the participating countries to choose from a menu of options:

- i) At national or regional level, full carbon accounting of LULUCF without having to address leakage. The condition is to have an operational national LULUCF inventory system. In this case definitional issues (e.g., forest / non-forest) may no longer be relevant.
- ii) At national level, allow permanent credits for certain land conversion avoidance. Countries would have the option to only select deforestation, or deforestation + forest degradation, or deforestation + forest degradation + devegetation of other lands. A condition is to have an operational national LULUCF inventory system for the said activity or activities. This can be seen as being similar to JI track 1, as it too requires the fulfilment of national inventory and reporting requirements.
- iii) At project level, allow DDD avoidance activities (similar to JI track 2). Methodologies would have to address leakage. This mechanism could result in temporary credits.

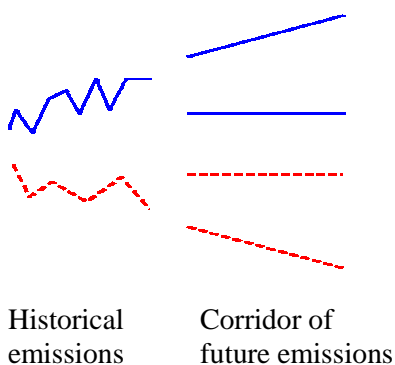
The implementation of these activities should be inspired by already existing modalities and procedures like accounting by Annex I countries. We recommend flexibility in setting national definitions, thresholds, base periods, spatial resolutions and other modalities, followed by UNFCCC approval. Definitions should be chosen within certain bounds. A possibility is the use of Kyoto definitions, but to allow larger area thresholds in the forest definition, to accommodate relevant technical and socio-economic concerns (e.g., those related to remote sensing, land tenure, etc.).

¹ Definitions of these activities can be drawn from the IPCC Report on “Definitions and Methodological Options to Inventory Emissions from Direct Human-induced Degradation of Forests and Devegetation of Other Vegetation Types”.

Principle 4. No-regret targets using a target corridor

No-regret targets could be adopted. That is, there are incentives to reduce emissions below the target, but no penalty for exceeding the target. Targets could be set in the form of a corridor (see drawing below). This corridor could be derived using historical emissions, emission trends, and trends in underlying causes. If actual emissions are above the corridor, no credits can be sold but neither is there any liability (no-regret targets). If the actual emissions are within the corridor, the amount of credits per ton of emissions by which the country “undershoots” the ceiling, varies between zero (when the DDD rate is at the ceiling of the corridor) and one (when the DDD rate is at the bottom of the corridor). This corridor approach reduces hot air and reduces the risk of missing a single-level target.

Even when using the corridor approach, it is possible that emissions could exceed the corridor ceiling in some years. In order to mitigate this, a fraction of credits in other years could be kept in a buffer, to make up for any “shortfalls” when emissions are above the ceiling.



Principle 5. Use existing market mechanisms to compensate for DDD avoidance

The compensation for land conversion avoidance can best be realized through existing market mechanisms. Such mechanisms can be improved in such a way to allow the international trade of emission allowances from reducing DDD.

Principle 6. Encourage early action and capacity building

Encouraging early action could be achieved in a similar way as in the CDM, which had a prompt start from the year 2000. Early crediting could include a first accounting period from 2008-2012, with credits generated in that period to be used in the international market from 2013. During the first commitment period, a learning phase (similar as the Activities Implemented Jointly pilot phase) could be executed in order to get experience and knowledge. This could include pilot projects and collaboration with other UN institutions working in this area (e.g., FAO and ITTO). A second target period could coincide with any non-LULUCF or general target period for the time post 2012. Capacity building initiatives to support early action should be a priority and should begin immediately.

Principle 7. Transparent and verifiable methodologies for monitoring and estimation

Methods for monitoring and estimation could build upon IPCC GPG LULUCF 2003, chapter 4.2.6, expanded and modified as appropriate. Time series consistency between methods for base period assessments and future estimation is desirable. A cost effective and accurate monitoring based on remote sensing technology and ground truthing can meet good practice requirements.

Principle 8. Bottom-up approach with top-down review

The details of each country’s definitions, timing of base period, determination of target corridor, and other issues could be proposed bottom up, and evaluated by a supervisory panel consisting of representatives of other parties, and experts.

Principle 9. Reporting requirements

Countries participation in this mechanism should be required to report on historical emission rates, recent trends, future projections, underlying causes of DDD, and measures taken to reduce DDD. During the target periods the reports must include annual estimation of DDD activities and resulting emissions, at the appropriate level as outlined in principle 3. These reports should be provided regularly (e.g., every 5 years).