Submission by Australia to the UNFCCC

23 February 2007

Reducing emissions from deforestation in developing countries

At its twelfth session, the Conference of the Parties invited Parties to submit their views on issues relating to reducing emissions from deforestation in developing countries, focusing on ongoing and potential policy approaches and positive incentives, and technical and methodological requirements related to their implementation; on assessment of results and their reliability; and on improving the understanding of reducing emissions from deforestation in developing countries taking into consideration, as appropriate, relevant provisions of other conventions and also the work of multilateral organizations (FCCC/SBSTA/2006/L.25, paragraphs 5 and 6). Australia is pleased to provide its views on this matter.

Australia regards the United Nations Framework Convention on Climate Change (UNFCCC) process to consider approaches to reducing greenhouse gas emissions from deforestation in developing countries as a critical component of the global effort to reduce emissions. Australia believes that through the reduction of emissions from deforestation, the global community has the capacity to significantly moderate global emissions in the near term. As increasingly evident (highlighted by the Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment Report and the Stern Review on the economics of climate change), reducing emissions from deforestation can result in substantial abatement that is both environmentally and cost effective, leading to clear and immediate atmospheric benefits. And given recent UNFCCC discussions on this matter, it is clear that we have a shared willingness to make progress on this issue.

Discussions so far have been useful but have not progressed beyond consideration of the workshop agendas. In Australia's view, we need to engage in more substantial negotiation as the hard work of designing, agreeing and implementing an effective solution remains in front of us.

Australia's previous submission in March 2006, emphasized that an optimal outcome can only be achieved if we respect the complexity of this issue and the sensitivities related to it. We must recognise that national circumstances vary significantly between countries, and may have a profound effect on national practices and outcomes in relation to forests. Any narrowly focused approach to tackling deforestation is unlikely to be applicable, nor acceptable, to all countries.

Australia maintains that the international community can reach a workable framework to support reductions in emissions from deforestation in developing countries. To do so, SBSTA should continue to build a technical understanding of both forest cover and land use change and their effect on greenhouse gas emissions. In effect, agreement on the technical and methodological issues underpinning this issue will bring us significantly closer to agreement on the policy approaches that will be necessary to reduce emissions from deforestation in developing countries.

Australia recognises that it is very important to progress discussions on potential policy approaches to reduce emissions from deforestation in developing countries. In this regard, SBSTA should also continue to discuss a wide range of policy options to enable Parties to better

understand the choices they may have, and the implications of those choices, when assessing various approaches.

Australia accepts that, to be successful, policy approaches must provide an incentive to reduce emissions from deforestation. We also acknowledge that developed countries have a responsibility to support developing countries to take action. However, it is also true that developing countries (particularly those that are more advanced economically) also have a role to play in managing their emissions, including from deforestation. At this time, Australia is unable to identify a preferred policy approach as the discussion to date has not allowed detailed consideration of proposals. We encourage Parties at the Cairns workshop, at SBSTA 26 and at COP 13 to come prepared to fully explain their thinking behind various policy approaches and how they would work in practice. This will be critical to further developing our mutual understanding of the implications of various approaches, and will be a necessary step towards developing a workable, practical and environmentally effective framework to reduce emissions from this sector.

General principles

To date, discussions on the methodological issues associated with reducing emissions from deforestation have not addressed deforestation in an integrated manner. In order to move this issue forward, Australia thinks it is important that we agree on a set of overarching principles to guide our future discussions on the treatment of emissions from deforestation.

Fundamentally, it is the overarching methodological framework which will determine the outcomes, rather than the individual mechanisms used. It is also important to emphasize that any process to preserve forest carbon stocks must be simple, comprehensive and consistent, as an overly complicated system is likely to fail. Furthermore, we need to ensure that flexible approaches (to accommodate national circumstances) do not equate to 'fuzziness' in methods. With this in mind, Australia proposes the following five key principles in the design of a workable, and effective international framework on deforestation:

*1) **Robust** framework*

- The system needs to be clear and we should start by defining what it is that we are trying to achieve. For example, we need to:
  - identify the types of processes we are attempting to capture (e.g., the loss of forest carbon stocks from anthropogenic sources);
  - be clear about the definition of which processes we want to include (e.g.. temporary forest cover change (degradation) and/or permanent land use change (deforestation));
  - identify the specific regions of interest we are targeting for inclusion in the process; and
  - consider the importance of national circumstances in any system, recognising potentially divergent socio-economic processes and/or impacts (including understanding the scale, drivers and patterns of forest cover change).
- The system needs to be robust.
  - It needs to include accurate monitoring and reporting to underpin all facets of accounting; and
  - There needs to be national level, spatially explicit mapping, with no gaps or overlaps.

*2) **Completeness** over space, time and forest type*

- To enable robust reporting of changes in forest cover, the baseline and coverage should be at a national and sectoral level
  - This will reduce likelihood of leakage within countries, as leakage will be contained within the national inventory (we note that international displacement is still an issue);
- We should clarify the geographical scope of intended process, particularly types of forests we are trying to capture (e.g. tropical, temperate, boreal);
- Definitions of a "forest" can be country specific, however, should be bound by common definitions, such as those in the Marrakesh accords, which were agreed as sufficient to deal with what is included as a forest; and
- We should be clear in the treatment and definition of key activities including temporary and permanent forest cover change or land use change; managed and unmanaged lands; harvest activities; legal and illegal activities.

*3) **Comprehensive**, **transparent** and **verifiable** reporting and monitoring*

- To ensure transparency and verification, methods should be spatially explicit.
- To avoid leakage, methods should be wall to wall;
- To enable robust emissions estimates, methods should be Tier 3;
- Standardised monitoring, verification and compliance procedures will guarantee certainty, transparency, consistency and continuity of data acquisition as well as processing, emissions estimation and accounting; and
- The system should be outcomes driven, rather than rules bound (which are often created in an attempt to deal with exceptions).

*4) **Simple** and **consistent** treatment of deforestation with the rest of the AFOLU sector*

- To reduce the likelihood of leakage within and between countries, emissions should be reported, and accounted, when and where they occur;
- To ensure the consistent treatment emissions across the AFOLU sector, we should avoid stand alone or parallel schemes;
- Ensure consistency with 2006 IPCC guidelines.

*5) **Effective**, **efficient** and **appropriate***

- Methodologies should be cost effective and we should both learn from, and build on, existing efforts to monitor and manage forest resources;
- The system should facilitate technology transfer and sharing, as well as enhance capacity building;
- The process should recognise the integrity of existing mechanisms and international collaboration;
- The approach should allow for the possible involvement of the private sector; and
- The process should ensure that we allow for consistency and/or integration with any future agreement/s.