

Small change from climate-change negotiations?

The latest Conference of the Parties to the UN Framework Convention on Climate Change has set the rules for applying the Clean Development Mechanism to forest-related activities

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ACCORDING to the bulk of scientific opinion, the world is getting warmer, due, at least in part, to increasing concentrations of greenhouse gases (GHGs) in the atmosphere. This warming phenomenon, and its effects on the global climate, is what is referred to as human-induced climate change, or global warming. A large part of the build-up of GHGs in the atmosphere has been contributed over the last couple of centuries by industrialisation processes and by changes in land-use, particularly deforestation.

The parties to the United Nations Framework Convention on Climate Change (UNFCCC) accept that human-induced climate change is occurring and that there is a need to reduce its adverse effects. Two main strategies have been identified: mitigation and adaptation. The mitigation strategy concentrates on reducing GHG emissions and on enhancing sinks (the means by which GHGs are removed from the atmosphere); adaptation refers to any adjustment in ecological or social systems in response to the actual or expected impacts to climate change.

Tropical forests

The implementation of both strategies has some important implications for the production and trade of tropical forest goods and services and therefore for ITTO activities.

Mitigation

The Kyoto Protocol (agreed in 1997 but yet to come into force) established reduction commitments for so-called Annex 1 countries (mainly industrialised countries) and created three flexible mechanisms that could help these countries to achieve their reduction objectives; the mechanisms are known as Joint Implementation, International Emissions Trading, and the Clean Development Mechanism (CDM; see the Protocol for definitions of each).

The CDM is of special importance for ITTO because it is the only flexible mechanism that allows the trading of carbon certificates between developing (non-Annex 1) countries and industrialised (Annex 1) countries. However, until 2012 the CDM includes just two activities in land-use, land-use change and forestry (LULUCF): reforestation and afforestation. The Marrakech Accords (2001) defined these as follows:

- 'afforestation' is the direct human-induced conversion of land that has not been forested for a period of at least 50 years to forested land through planting, seeding and/or the human-induced promotion of natural seed sources; and



Carbon sticks: if established since 1990, reforested lands such as these in Java, Indonesia, could be eligible to earn carbon credits under the CDM. Photo: E. Müller

- 'reforestation' is the direct human-induced conversion of non-forested land to forested land through planting, seeding and/or the human-induced promotion of natural seed sources, on land that was forested but that has been converted to non-forested land.

For the first commitment period, reforestation activities will be limited to reforestation occurring on those lands that did not contain forest on 31 December 1989. Note that natural forest management and conservation were not included as eligible activities in the first commitment period.

Many ITTO producer members have expressed their interest in promoting CDM/LULUCF activities as a complement to their own sustainable development goals. However, the negotiation process has been extremely difficult due both to political interests and to some misunderstanding of realities in the forestry sector and such activities are yet to be undertaken on a significant scale.

Adaptation

Negotiations regarding adaptation have been slower than those for mitigation. During the UNFCCC's 8th Conference of the Parties (COP 8) in New Delhi in 2002, many parties expressed the urgent need to understand the potential impacts

of climate change and to promote corresponding adaptation measures. This call was reinforced during the World Summit on Sustainable Development in Johannesburg in August 2002 in recognition of the higher vulnerability to climate change of many poorer and less-developed countries.

The extent to which climate change will affect the availability and quality of tropical forest goods and services is still unclear, although it seems likely that some important tropical forest ecosystems will be threatened. Mexico and Indonesia, for example, have both indicated that an increase in forest fire is one of their major vulnerabilities. In other cases, predicted changes in the morphology of forests and declines in water sources in the next two decades would threaten timber production. Besides the negative impacts on forest ecosystems, the importance of such ecosystems in reducing vulnerability to climate change (eg by supplying environmental services) is rapidly gaining recognition within the UNFCCC.

Outputs and implications of COP 9

The UNFCCC's COP 9 took place in Milan, Italy during the first two weeks of December 2003. It focused, among other things, on decisions regarding the participation of forestry activities in the CDM until 2012. Decision -/CP.9 on 'Modalities and procedures for afforestation and reforestation project activities under the CDM in the first commitment period of the Kyoto Protocol' is a set of rules for LULUCF/CDM projects until 2012. It not only prescribes eligible activities for the CDM but also how carbon will be accounted, monitoring requirements, the duration of LULUCF/CDM projects, the carbon certification process, and the consideration of socioeconomic and ecological issues.

Due to the nature of the definitions and modalities agreed in this decision and because of the cap for LULUCF/CDM projects defined in the Marrakech Accords¹, the potential market for certified emission reductions (CERs)—the tradable carbon certificates from the CDM—produced in the forestry sector in non-Annex 1 countries appears to be relatively small. However, previous experience demonstrates that the inclusion of a CDM component in projects aimed at the sustainable management of rehabilitation activities, plantations and agroforestry can improve their feasibility.

Regarding adaptation, COP 9 made some advances concerning the continuation of financing for national studies in which the vulnerability to climate change at the national level is analysed. Further, COP 9 invited the Global Environment Facility to start the experimental application of adaptation capacity-building and other measures.

ITTO experiences, opportunities and challenges

During the past five years ITTO has gained insight into the potential and limitations of the CDM in forestry activities through the financing and



How to reforest: participants at an ITTO regional workshop on applying the *ITTO Guidelines for the restoration, management and rehabilitation of degraded and secondary tropical forests* conduct a field exercise in cooperation with a local community in Tarapoto, Peru. Photo: E. Müller

monitoring of pilot projects², particularly ITTO PROJECT PD 54/99 (F): 'Alternative financing model for sustainable forest management in San Nicolás forest, Colombia'. Recently, too, ITTO has participated more actively in UNFCCC negotiations, allowing greater analysis of the implications of such negotiations for ITTO's work and a greater understanding of the potential future role of ITTO in the UNFCCC.

It is important that ITTO's practical experiences and knowledge in tropical forestry be introduced into the UNFCCC negotiations. In some areas, such as sustainable tropical forest management and its monitoring, certification and market development, ITTO input could enlighten and enrich the negotiation process.

ITTO could also support its members in understanding the potential of CDM projects for making sustainable tropical forest management more economically viable. Pilot projects can provide experience, training and valuable case-studies and data on the critical issues in LULUCF/CDM. This helps to create capacities and reduce the costs of larger-scale projects.

Finally, ITTO could assist member countries to understand the potential impacts of climate change on the availability and quality of tropical forest goods and services and to prepare corresponding adaptation measures.

¹"for the first commitment period the total of additions to a Party's assigned amount resulting from eligible land use, land use change and forestry project activities under the Clean Development Mechanism shall not exceed one per cent of base year emissions of that Party, times five" (UNFCCC Dec17/CP.7 Num.7b).

²eg PD 54/99 (F): 'Alternative financing model for sustainable forest management in San Nicolás forest'; PPD 42/02 (F): 'Promotion of the Clean Development Mechanism in the framework of sustainable management with local communities involvement'; PD 174/02 (I): 'International workshop on the Clean Development Mechanism: opportunities for the forest sectors in tropical countries'.