



Count down to Copenhagen: LULUCF and REDD

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Land Use, Land Use Change and Forestry (LULUCF) is an emission sector under the Kyoto Protocol. It covers cropland and grazing land management, land clearing and forest management in developed countries. Reducing Emissions from Deforestation and Degradation in developing countries (REDD) is similar but is exclusively for developing countries. It will initially be focused on forests, with the possibility of expansion. There are complex existing rules and practices around LULUCF – some of which Australia is seeking to change – but there is no mechanism and no agreement as yet about how to deal with REDD.

Background:

- Tropical deforestation is responsible for approximately one-fifth of global greenhouse gas emissions. Forest degradation is responsible for significant additional emissions.
- The countries where this is occurring are predominately non-Annex 1 countries.
- The Clean Development Mechanism, which credits greenhouse abatement activities in non-Annex 1 countries, allows afforestation and reforestation, but not avoided deforestation and forest degradation, to generate credits for purchase by the Kyoto parties.
- The Coalition of Rainforest Nations wants certified emissions offsets to be created from avoided deforestation and forest degradation and made available on the global carbon emissions markets.
- The LULUCF or land sector has always been a contentious and difficult sector for the Kyoto Protocol. Most parties agree that the current inconsistent and complex rules must change, and a suite of changes is up for consideration by the AWG-KP.

Problems and issues to consider:

- **Accounting:** One of the central issues for the LULUCF sector is accurate and consistent accounting. Currently not all activities are accounted for, and only afforestation, reforestation and deforestation require compulsory accounting. Parties can select which other activities (cropland management, grazing land management and forest management) they account for. Most, like Australia, choose not to account for forestry, enabling Parties to ignore emissions whilst including sequestration. Even if all activities are accounted for, accurate accounting for the sector is extremely difficult eg accounting for soil and tree carbon, differing carbon concentrations between species, and the the different climatic rates of carbon absorption and release.
- **Credits and debits:** LULUCF can add to or subtract from a country's emissions profile. Credits (sequestration from growing and planting trees) are subtractions, while debits (emissions from cutting down or burning trees) are additions. If countries account for more credits than debits, this allows them to emit more overall.
- **Offset or not:** Forests and other natural systems have the capacity to draw down excess carbon dioxide from the atmosphere and already store substantial amounts of carbon. However, many parties

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www.cana.net.au / g.woods@cana.net.au / 0407 227 633

want to offset industrial emissions through savings in the LULUCF sector, or by purchasing REDD credits from developing countries. Deeper emissions cuts could be achieved if gains in this sector were added to efforts in other sectors rather than substituted for them.

- **Rights and interests of indigenous peoples and local communities:** There is a risk that carbon credits for forests could be sold without the knowledge or consent of indigenous forest peoples and local communities, or that they will be cheated of the financial rewards of carbon sequestration or removed from their land to avoid emissions from traditional agricultural activities. There are reports that some of this is already occurring.
- **Permanence:** It is essential that, once a carbon credit is created for a protected forest, that forest is not illegally felled, as often occurs, for example, in national parks in Indonesia.
- **Biodiversity co-benefits:** Forest protection is not just a way of preventing emissions from deforestation and degradation, it also protects biodiversity, enhancing resilience to the impacts of climate change. It is important that LULUCF and REDD rules do not perversely promote, for example, conversion to exotic plantations rather than retaining natural forests or prioritise tree planting schemes over retention of existing forests. There is a strong pressure to give credits to logging regimes (termed 'sustainable forest management') but no explicit negotiating text on forest protection.
- **Leakage:** Carbon 'leakage' occurs when an activity moves from one area to another because of uneven climate mitigation activities. Whether REDD credits will be issued on a project or country basis, and whether all countries participate in REDD will be crucial to how much carbon leakage occurs.
- **Governance:** The capacity of governments to monitor, enforce and report on emissions savings from REDD is limited. If emissions are to be reduced and properly accounted, it is essential that there be transparent architecture and institutions to monitor and manage REDD.

Australia's position

- Australia has indicated that it is seeking a new market mechanism for REDD under the Kyoto Protocol, with developing countries becoming parties to the Protocol and provisions created for sectoral crediting.
- Australia is preparing to play an important role in negotiating the many changes that have been proposed to LULUCF rules under the Kyoto Protocol.
- Under the Kyoto Protocol, Australia had an increased emissions profile in 1990 (its base year), and the subsequent reduction in landclearing allowed Australia to meet its Kyoto target for the forest commitment period, even while increasing emissions from energy by 38 percent. However, Australia has not had to account for emissions from conversion of large areas of native forest to plantation.
- Natural disturbance (impacts of fire, pathogen, drought) is not dealt with under the current Kyoto Protocol. Australia is trying to change this by explicitly stating that only anthropogenic (human-originated) sources and sinks of carbon should be accounted for. If successful, this would allow Australia to claim a carbon benefit from forest management without having to account for the millions of tonnes of greenhouse gases that are released from bushfires.

Further information:

See the other 'Count down to Copenhagen' summary sheets in CANA's international climate series:

Summary Sheet #1 What to look for, What to expect

Summary Sheet #2 International finance for climate mitigation and adaptation

Summary Sheet #3 Global adaptation to climate change

Summary Sheet #4 Legal architecture

Summary Sheet #5 Mitigation

Summary Sheet #6 LULUCF and REDD

Summary Sheet #7 International climate acronyms

For additional information, contact Georgina Woods at CANA : 0407 227 633 g.woods@cana.net.au.

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