

The CDM needs to change if it is going to work in Africa

Elements to consider for inclusion of LULUCF in the ETS

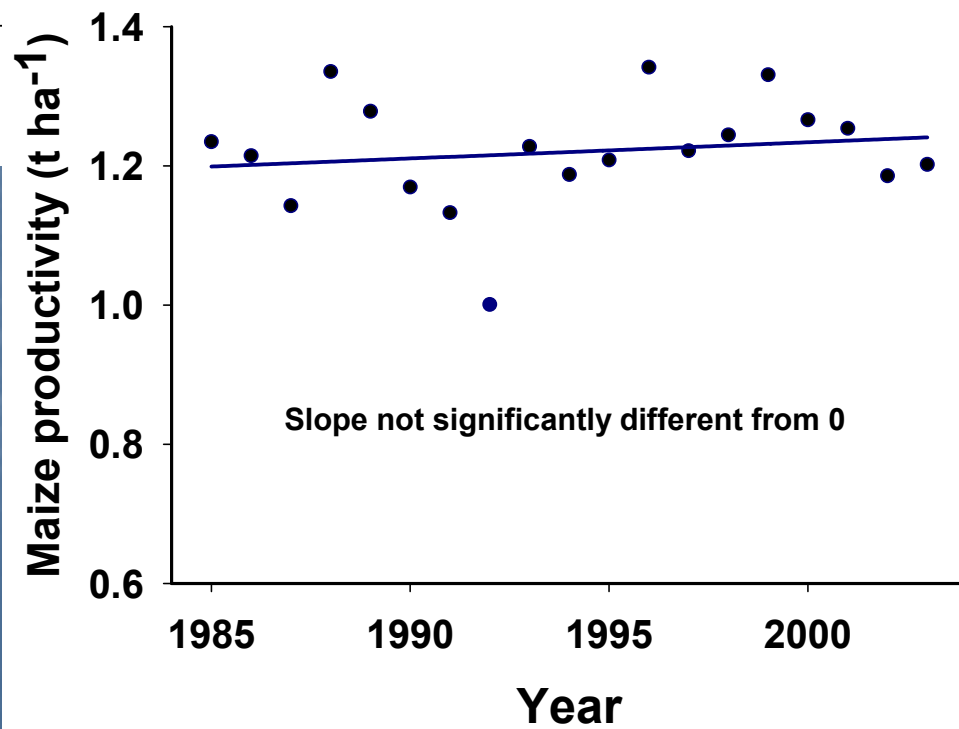
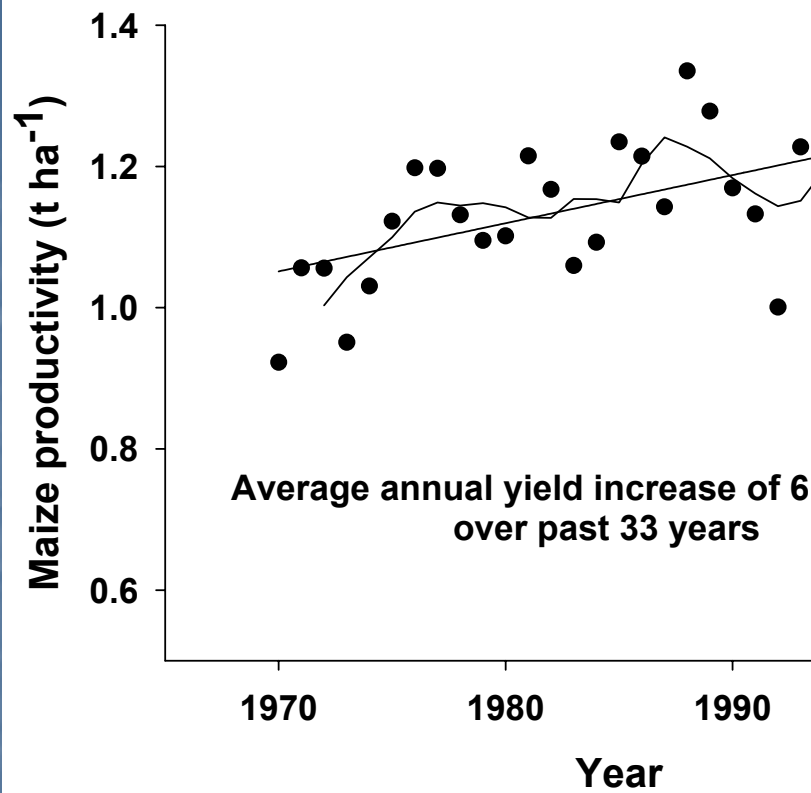
Louis Verchot
International Centre for Research in Agroforestry

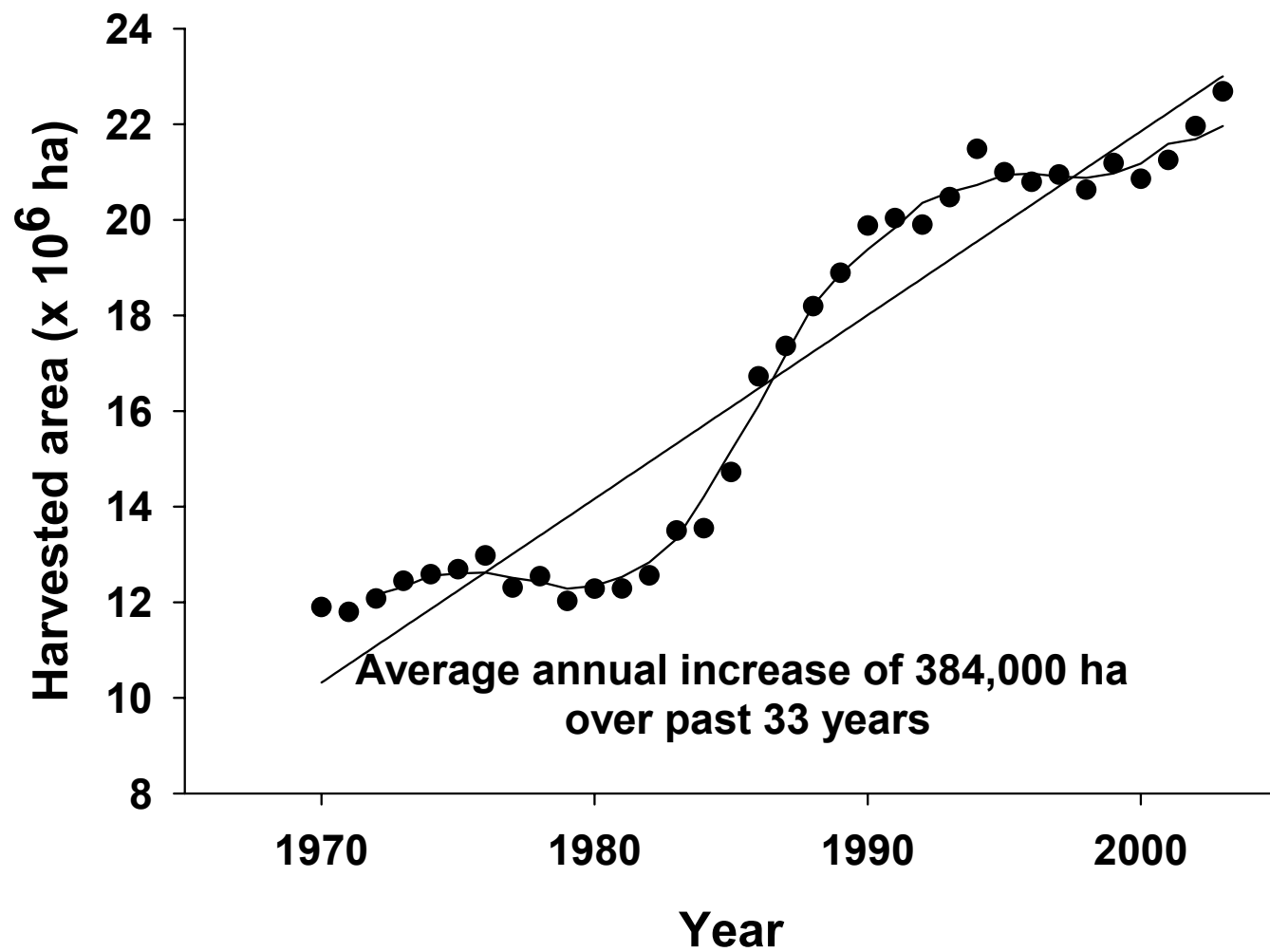
International awareness that CC is a development issue is growing

As climate impacts become unavoidable, the development agenda will have to evolve to include measures to help societies adapt.

Indeed, we must not allow the consequences of climate change to undermine our work to achieve the Millennium Development Goals.

K. Töpfer (COP 10)





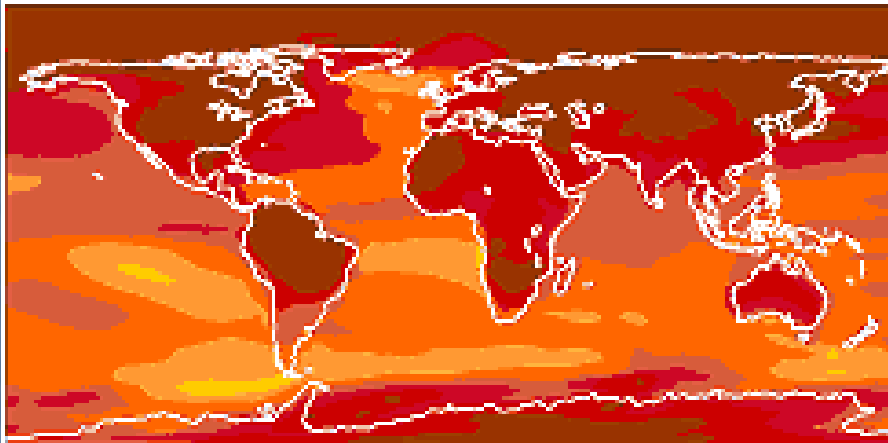




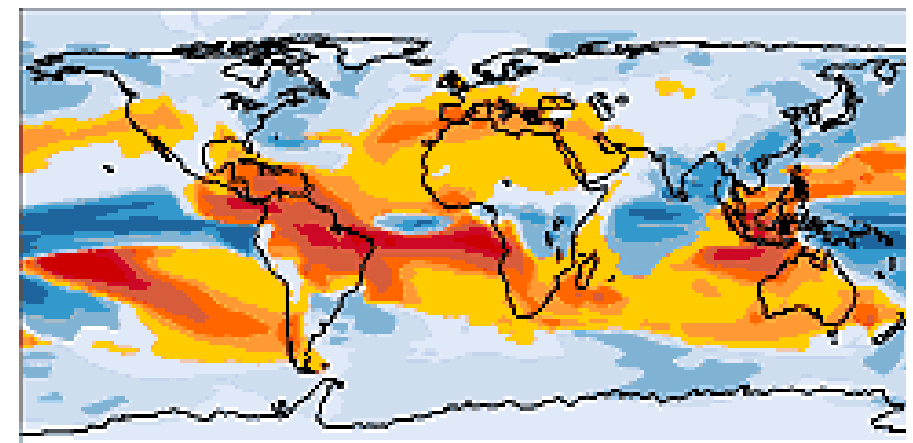
The weather in 2080

Annual changes from the present day to the 2080s with the continuation of fossil fuels as the main source of energy

Temperature (°C)



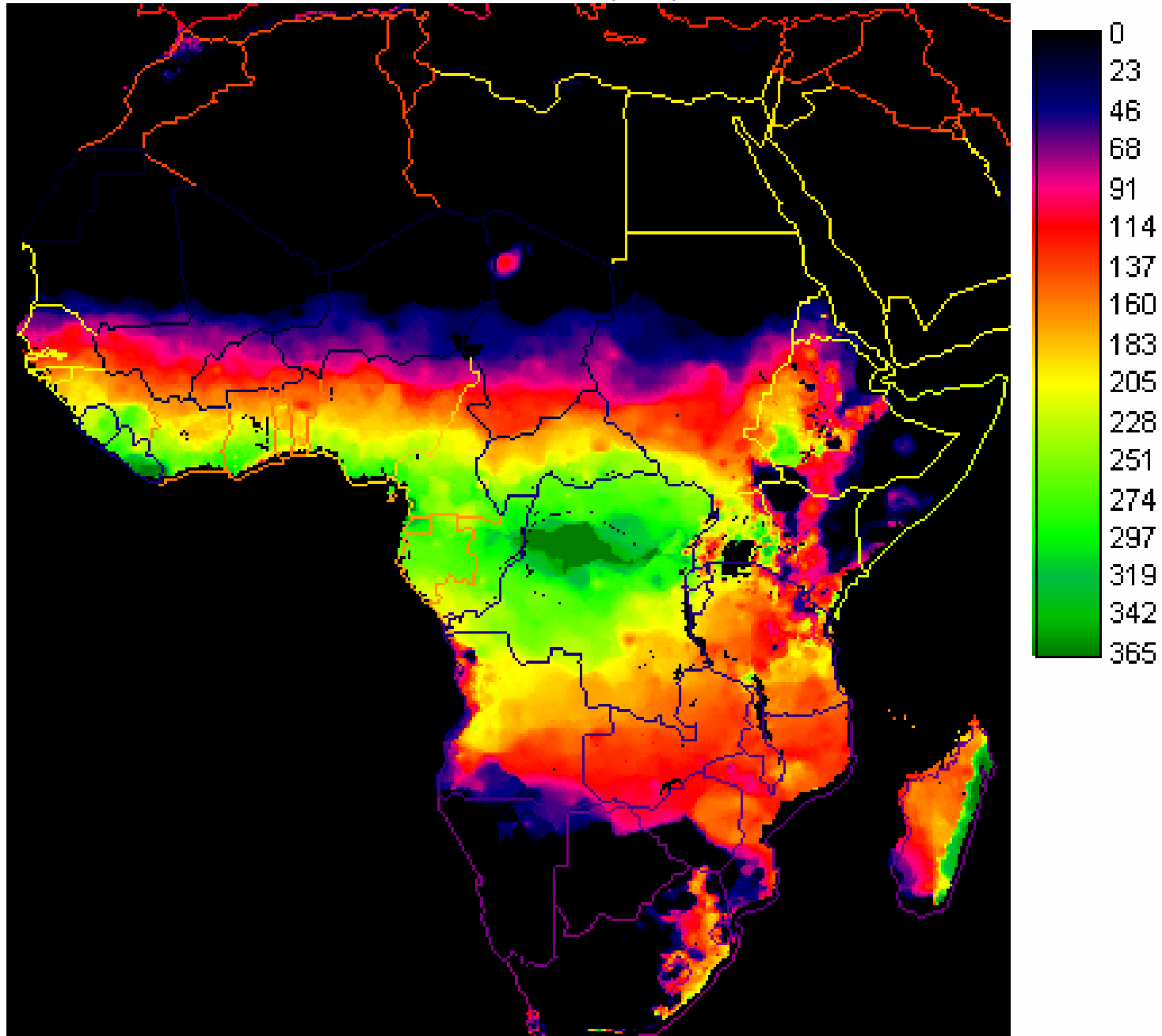
Precipitation (mm/day)



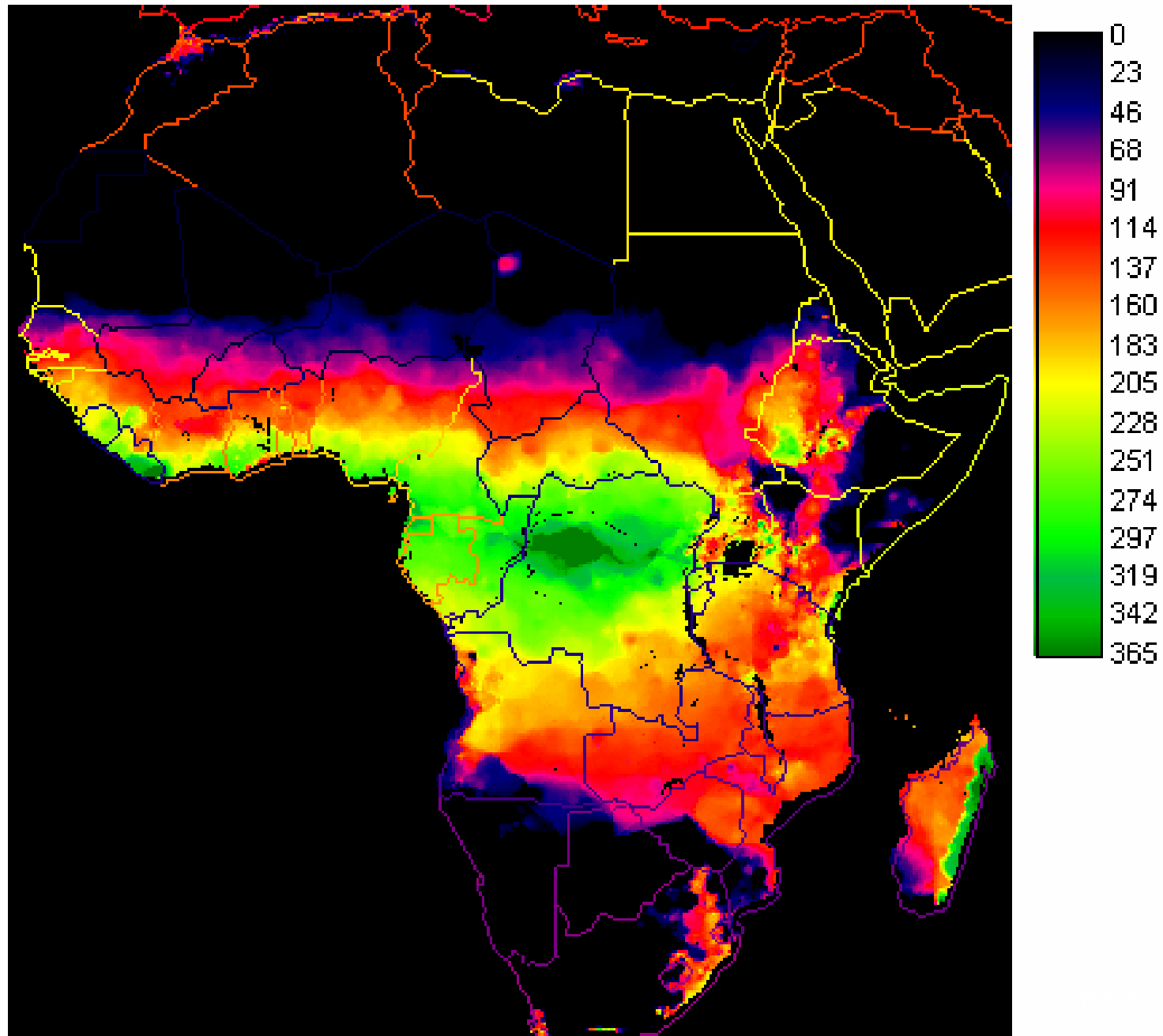
Source: The Hadley Centre

Length of Growing Season 1960-1990

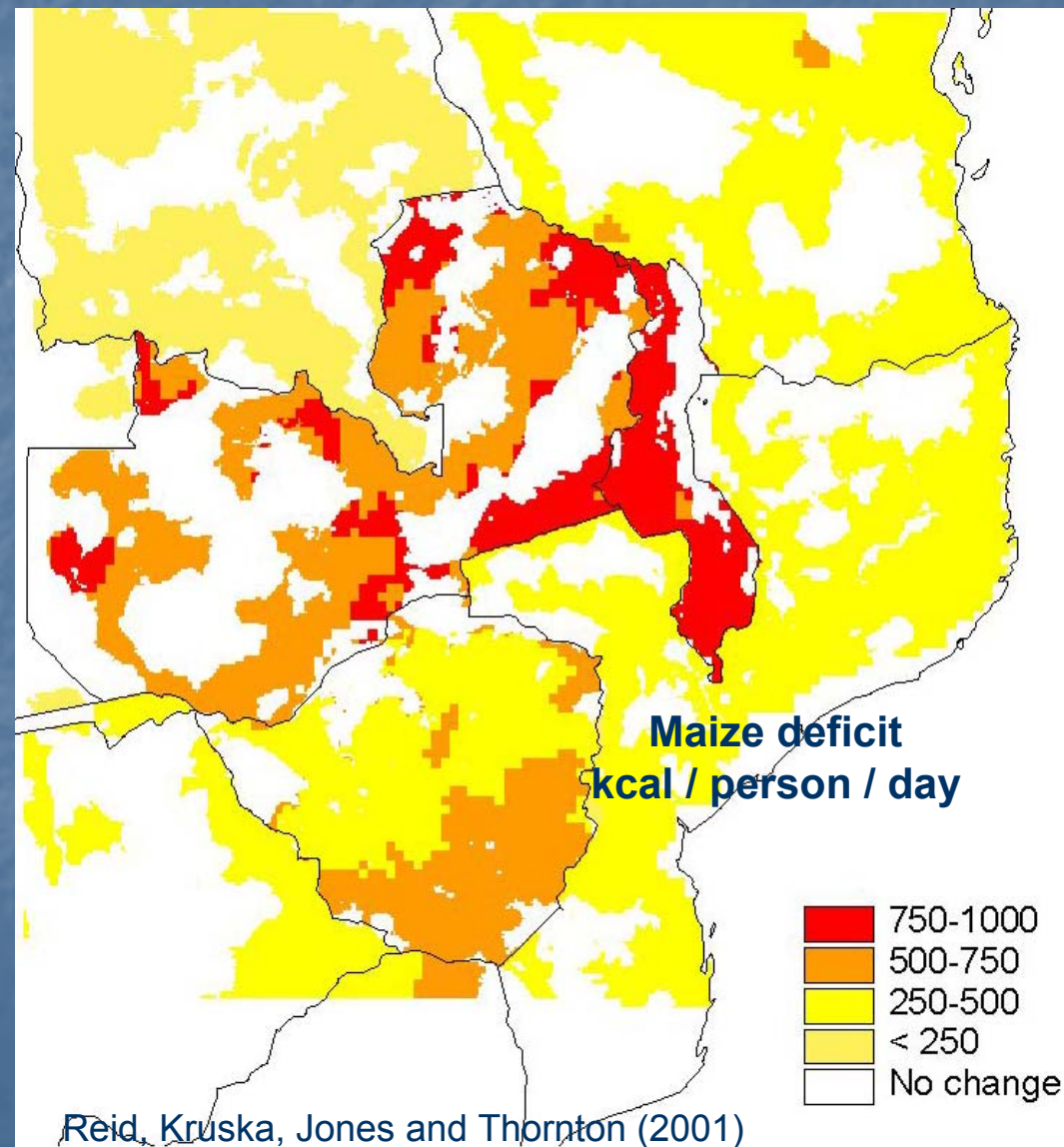
Jones and Thornton (2000)



Length of Growing Season 2040-2070



The combination of population growth and climate change, without any adaptation, will lead to serious calorie deficits in southern Africa by 2050



We need to consider 'adaptation' for agricultural productivity, **because**

- The primary drivers of ΔClim are not going to stop
- Global conventions are not sufficiently effective to stop the increase of GHG concentrations
- Mitigation effects will only provide a partial 'softening' of the effects of CC
- Therefore, local climates and terrestrial ecosystems will change, threatening biota and human livelihoods

*Yet, we hope that food & fibre production,
environmental services, and rural livelihoods
can improve, not just maintained*

Can carbon finance support development that reduces vulnerability and promotes adaptation?

- For non-Annex I countries the CDM is the only flexibility mechanism they can access under the KP
- The way the CDM is developing it is not likely to deliver the development benefits originally expected

More emphasis on LULUCF

Key to making this happen in Africa

- LULUCF will diversify the pipeline
- LULUCF will deliver on MDGs if they are implemented with the rural poor (land degradation, agroforestry, etc)
- LULUCF generate adaptation benefits faster than other types of projects
- LULUCF offers opportunities to link objectives of several MEAs

The CDM is developing slowly

- Number and diversity of developing countries
- Technologies being supported
- Size of CDM pipeline

The CDM is not meeting expectations as a sustainable development mechanism

And Africa in particular is being left out

Adding TCERs and LCERs to the ETS is a good first step, but it is not sufficient to ensure greater participation of African countries

Deliberate action is required if the CDM is going to meet its objectives and contribute to development in Africa

■ Constraints

- Host country capacity
- Transaction costs
- Difficult approval process (EB)
- Perceptions of risk among investors
- Uncertainty post 2012
- Difficulties accessing project finance

ENCOFOR believes that C finance is an important new source of money that can help achieve the MDGs

There are tools out there to help achieve this

- Gold Standard
- CCBA Standards (Silver and Gold)

But these are not sufficient to ensure that the CDM meets its goals

What should be the objectives in a redesign of the CDM

- Provide credible offsets
- Ensure that C finance benefits flow to project providers in developing countries
- Lower transaction costs and make C finance more available to development actors
- Diversify the pipeline
- Provide greater opportunity to link to national development policy
- Favor projects that generate CC adaptation benefits

So If the EU is serious about helping Africa participate in the CDM, and if the EU is serious about ensuring that the CDM provides development benefits, inclusion of TCERs and LCERs in the ETS is a good first step

But more and deliberate actions are required

Thank you