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DIVULGAÇÃO BRACELPA

RIO+20 – PART 1

In June, during the United Nations Conference on Sustainable Development, Rio+20, two themes will conduct activities of pulp and paper companies and Bracelpa's: recognizing forest carbon credits and expanding the debate on tree biotechnology.

The objective is to show how it is possible to satisfy the future demand for forestry products while, at the same time, the industry also collaborates in an increasingly greater manner to environmental preservation, social inclusion and the economic viability of the business.

Read in this month's edition the text that is serving as the basis for negotiations and debates on recognizing forestry carbon. In May, we will present the tree biotechnology proposal.

VALUING FOREST CARBON IN THE CONTEXT OF THE GREEN ECONOMY

The strengthening of the planet forests-based economy, as a result of the solid social and environmental criteria, is directly related to the promotion of sustainable development. The production of renewable timber and its products is part of the core of various environmental services and key topics for the green economy and the eradication of poverty, such as: the use of biomass instead of fossil fuels, the sustainable use of land and water resources, large-scale generation of income and jobs in rural areas, the inclusion of small farmers, protection of biodiversity, decreasing deforestation pressures, consolidating sustainable production and consumption pressures based on renewable raw materials, and, especially, mitigating world climate change.

Through photosynthesis and sustainable management, forests absorb CO₂ from the air and stock the carbon equivalent in the biomass and the planted areas, greatly aiding global mitigation efforts. In Brazil, for example, harvesting cycles generally occur every seven years. As such, while *one seventh* of the total stock in a given production area is being harvested, the other *six sevenths* are stocking carbon, generating average stocks that remain steady over time. After harvesting, the same area can be planted again by way of new investments, generating perennial carbon stocks. Thus, in addition to recycling the CO₂ already present in the air and freeing oxygen, planted forests also generate sustainable carbon stocks on the earth's surface¹.

Estimates based on consolidated methodologies indicate that Brazilian forests stock approximately 1.3 billion tons of CO₂ equivalents (tCO₂e), just considering carbon inventory in planted forests areas². In order to

¹ However, there are two types of climate benefits associated with the production of planted forests: (i) carbon stocks in the plantation areas and (ii) potential emissions avoided on account of the use of renewable lumber products instead of non-renewable resources or fossil fuels.

² Brazil has 6.8 million hectares of planted forest. Of this, 2.2 million hectares are used for producing pulp and paper. Estimates of carbon stocks do not include, conservatively, stocks in conservation areas maintained by the sector (legal reserves, permanent conservation and other areas).

grasp this figure, 1.3 billion tons is equivalent to more than half of all of Brazil's emissions in 2005³. The pulp and paper sector alone contributed with an average stock of approximately 440 million tons of tCO₂e.

These estimates do not include, conservatively, stock in conservation areas maintained by the sector, which represents approximately 2.9 million hectares. When we consider the potential use of planted lumber instead of gas or fossil fuels in many chains of production, the potential for further climate benefits is even greater.

However, although Brazil has favorable soil and climate (edaphoclimatic) conditions and despite having the most advanced technology, Brazil still faces a substantial planted-forest deficit and underused potential on account of a number of barriers. In order to overcome this challenge, it is crucial to promote and place economic value on climate, social and environmental benefits through the numerous public and private instruments available, including carbon markets.

Given such, the Brazilian pulp and paper sector, in conjunction with a number of non-governmental organizations, is developing the Brazil Sustainable Forests Initiative. This initiative is based on structuring and implementing a strategic program to expand and sustainably manage industrial forests in a way that integrates the protection and conservation of native forests, as an alternative to mitigating climate change and to promote sustainable land development. The project is inspired by the most rigorous methodologies, including the Clean Development Mechanism (CDM) addressed in the Kyoto Protocol, which will serve as a basis for large-scale pilot programs, as well as for more widespread sector policies and programs.

Thus, the sector expects to coordinate efforts to value climate, social and environmental benefits, including through carbon credits, with the need to and challenge of expanding Brazilian forests within the context of the green economy. This is an opportunity to catalyze deep and positive changes in the economy and the communities involved in the forestry business. In order to make this a reality, we must improve interaction and involvement with multilateral principles and norms.

However, this is not only about Brazilian potentials or needs. According to the UN Food and Agriculture Organization (FAO) forecasts, more than two million people worldwide depend on forest biomass to survive, which makes the need to step up efforts and pursue international cooperation in this area ever more clear. Brazil is poised to act as a leader, including cooperation from South-South, since it has vast experience that can be shared with other developing countries in an attempt to encourage green economies based on synergies between mitigating climate change and promoting sustainable development.

Starting with the United Nations Framework Convention on Climate Change (UNFCCC) accorded in Rio in 1992, the international community has made important advances in combating global warming and, more indirectly, in promoting sustainable development. The Convention and its Kyoto Protocol were also successful in initiating one of the main mitigation instruments, in other words, valuing carbon through market mechanisms, capable of helping bring the factor of a variable climate into the production and consumption systems. Forests were taken into consideration for these mechanisms, though less extensively, in a limited manner and subject to the restrictions of developed countries. We need to advance their involvement more ambitiously.

It is important to include mechanisms that value forest carbon since they can contribute to the development of other topics that are important for sustainable development. Of all externalities referenced in the green-economy agenda, "climate" externality is certainly the one with the greatest potential for internalizing in the production and consumption systems since it can be consistently measured, can be directly attributed to consumers, companies and chains of production and its costs can be estimated and compared on a global level.

Therefore, in the context of the forestry based economy, it is also important that monetary valuing of carbon serves not only as an instrument for mitigation but also a lever for sustainable development. Other green-economy topics (such as water resources, land use, renewable energy, social inclusion in rural areas, biodiversity and the fight against deforestation) can be associated with the value of carbon based on improving and expanding current mechanisms, always using high environmental integration standards.

Due to the interdisciplinary nature and because it involves synergies between the international climate-change regime and the other topics of the green economy, it is fundamental that these points be addressed in the discussions and in the adoption of principles and criteria at the Rio+20.

This is a two-way street that needs to be further explored. Valuing forest carbon, including by means of carbon markets, can lead to developments in other areas as well as synergies with other topics that can make mitigation efforts in production and consumption systems more effective, promoting the green economy in an integrated fashion. This approach seems essential to guarantee the counterparties and create the means to value and make the necessary expansion of the green economy feasible in Brazil and other developing countries in a sustainable and integrated manner. ■

³ According to Brazil's Second Communiqué to the United Nations Framework Convention on Climate Change (UNFCCC), national emissions in 2005 totaled approximately 2.18 billion tons of CO₂.