

ASSOCIATES AWARD NO. LAG-A-00-00-00019-00
“FORESTS AND THE CLEAN DEVELOPMENT MECHANISM:
ANALYSIS AND POLICY DIALOGUE IN THE ANDEAN REGION”

CLIMATE CHANGE PROGRAM AND BOLIVIA COUNTRY PROGRAM
THE NATURE CONSERVANCY

SEVENTH QUARTERLY REPORT
APRIL – JUNE 2002

As described in the October 2000 workplan for the above-referenced Associates Award, the goal of this project is: to ensure that the potential is realized in the Andean Region for achieving long-term conservation, sustainable development and climate protection through forest-based activities under the United Nations Framework Convention on Climate Change. Various activities carried out under this Award will help fulfill the following five objectives:

OBJECTIVE 1: Conduct Green House Gas (GHG) Inventory and Projection for the Bolivian Government

OBJECTIVE 2: Provide technical assistance to the Government of Bolivia entities involved in Climate Change negotiations regarding the treatment of land use change and forestry (LUCF) within the UNFCCC.

OBJECTIVE 3: Strengthen the capacity for analysis and negotiation of the Government of Bolivia Climate Change negotiators regarding the treatment of land use change and forestry (LUCF) within the UNFCCC.

OBJECTIVE 4: Develop additional miscellaneous Climate Change activities.

OBJECTIVE 5: Contribute to the development of shared regional positions among the Andean countries regarding the treatment of LUCF within the CDM and, more broadly, among the countries of the Amazon basin.

OBJECTIVE 6: Strengthen the capacity for analysis and negotiation of the Andean countries regarding the inclusion of land use change and forestry (LUCF) projects in the Clean Development Mechanism.

Activities conducted during reporting period to achieve objective 1

Assess economic, social, technical, and political capacities to adopt a national GHG emissions cap:

- The contracted consultants completed the database of Bolivian greenhouse gas emissions inventories for the years 1990, 1994, 1998 and 2000. This is very helpful, as from now on Bolivia will be able to utilize this tool when undertaking its national inventory work. The database will be submitted in CD form with the final report.
- Some difficulties were encountered in the emissions inventory of the LULUCF sector, nevertheless work was continued with the necessary corrections and adjustments.
- A draft document of the summary of emissions inventories was completed and is being revised. Once the revisions are concluded, the document will be sent for editing and printing. It is hoped that these activities will be concluded in September 2002, and the final product will be submitted with the next report.

Activities conducted during reporting period to achieve Objective 2

This objective was completed during the first reporting period. No further activities were carried out.

Activities conducted during reporting period to achieve Objective 3

This objective was completed during the third reporting period.

Activities conducted during reporting period to achieve Objective 4

Miscellaneous climate change activities:

- PNCC contracted Miguel Angel Castro Fernandez to develop activities related to its strategy of establishing mechanisms to incorporate the issue of climate change in prefectures and municipalities. The consultant was contracted for a three-month period, and will start his activities in July.
- Dr. del Barco presented his workplan for the development of a Carbon Law Project. The goal of this project is to guarantee investment in CDM and JI projects. Principally, it envisions the creation of clear laws regarding the ownership and distribution of credits in order to avoid additional transaction costs for investors. The workplan was approved, and it is hoped that the product will be delivered in the next month.

- Other activities that the PNCC Coordinator continued during the quarter are summarized in the following:
 - Participated in the National Communications Expert Consultative Committee meeting that took place in Bonn during April 15-17.
 - Held meetings with the Face Group of Holland, who are interested in carrying out reforestation projects through the Clean Development Mechanism.
 - Participated in various meetings related to the report that Bolivia presented in Bali.
 - Participated in the 16th session of the subsidiary agencies of the UNFCCC held in Bonn from June 2 – 14, 2002.
 - Coordinated and participated in a series of meetings with Dr. Jose Furtado of the Imperial College of London, who seeks to cooperate with Bolivia to carry out climate change adaptation work. Together, they visited a series of governmental, non-governmental authorities with a fair amount of success. It was decided that the Bolivian Climate Change Adaptation Strategy process would be initiated with a workshop in October or November.

Activities conducted during reporting period to achieve Objective 5

No further activities were carried out during this reporting period.

Activities conducted during reporting period to achieve Objective 6

Preparation of the three analytical papers and planning of a technical workshop continued during the reporting period. Progress on the two papers not completed in the previous period is summarized below:

- *Understanding and Managing Leakage in Forest-based Greenhouse Gas Mitigation Projects* -- the three authors revised the second draft based on comments from external reviewers, including USDA, USAID, and US State Department.
- *The Scale of Land Use, Land-Use Change and Forestry in Developing Countries for Climate Mitigation* –The two authors produced a second draft of the paper incorporating comments from external reviewers.

The project coordinator began developing a production and distribution workplan to complete and publish the final papers. This final phase of the task will be completed in the upcoming quarter.

Working closely with USAID staff, the grant administrator and project coordinator continued preparations for a technical meeting with Andean and USG climate experts. A one-day workshop, “Leakage, Permanence, And Scale: Addressing Technical Issues in Forest-Based Projects for Climate Change Mitigation” took place on May 16. Five delegates from Bolivia, Chile, Ecuador and Colombia, attended, along with seven

delegates from US Department of State, USAID, USDA, USFS, and USEPA. Authors of each of three analytical papers presented their key findings. Leading policy and scientific experts made formal comments on each of the papers, followed by general discussion.

On May 17, the five Andean delegates met with World Bank staff to discuss the Bank's BioCarbon and Community Development Carbon funds. This briefing was followed by discussions with the Climate and Forest Working Group, a coalition of NGOs working on these issues.

TNC met twice with USAID staff to coordinate activity. The grant administrator and project coordinator in Quito maintained regular communication via phone and email to review progress and to coordinate future work.