LULUCF: No offsets, no false accounting

[The draft paper on LULUCF, which remains unchanged from 29th April 2010 is FCCC/KP/AWG/2010/6/Add.2 and can be found at http://unfccc.int/resource/docs/2010/awg12/eng/06a02.pdf]

The draft paper on land use, land use change and forestry (LULUCF) is deeply flawed for three main reasons:

- It will perpetuate harmful carbon credits for monoculture tree plantations, falsely classed as forests;
- It contains proposals to greatly increase those carbon credits under the Clean Development Mechanism and to extend them to all kinds of crop and tree plantations and to 'forest management', a term commonly used for industrial logging;
- It will allow Annex I countries to claim 'emissions reductions' which do not exist and will play into the hands of the bioenergy industry if emissions from logging and forest degradation are no longer to be counted.

False definitions, in particular of 'forests' and 'forest management', together with the possibility of much greater reliance on carbon markets, could turn LULUCF into a major new carbon finance tool for any type of plantation and logging. Plantations financed under LULUCF proposals could include tree plantations falsely regarded as 'carbon sinks', GM no-till plantations (including GM soy), other crop plantations classed as 'revegetation', tree plantations for biochar.

Forest definition:

The LULUCF proposal would perpetuate the current definition of 'forests' under the CDM, which includes industrial tree and shrub plantations as well as real forests. Even palm oil or jatropha plantations for agrofuels can be classed as 'forests'. This false definition allows for further forest destruction and conversion and encourages the expansion of plantations at the expense of people, climate and environment.

LULUCF and carbon offsets:

LULUCF is supposed to be about Annex I countries' accounting for greenhouse gas balances from their own land use sectors. Nonetheless, 1% of CDM credits are already allowed to come from 'Afforestation and Reforestation' in developing countries. This term is widely used for monoculture tree plantations. Rules for such CDM credits were relaxed last year, and more projects are now being approved, though the overall 1% limit still applies and has not yet been reached. Carbon market funding for plantations (including, but not restricted to the CDM), poses a significant threat to forests, threat to real forests, forest-dependent peoples, including Indigenous Peoples, soil and water. Far from creating a 'carbon sink', plantations deplete soil carbon, trees will generally be cut down, and large-scale plantation fires are becoming more common. Furthermore, carbon offsetting is at best a 'zero sums game', which prevents real emissions reductions in Annex I countries. Carbon held in trees, crops and soils can be released again at any time, whereas fossil fuel carbon is permanently locked away, unless those fossil fuels are burned.

The draft paper, if adopted, would continue CDM credits for "Afforestation and Reforestation" and thus for monoculture tree plantations beyond 2012, which means more land-grabbing and more destruction of ecosystems and biodiversity. CDM expansion is mentioned in several paragraphs, on the basis that Annex I countries can meet their commitments through projects hosted by developing countries.

Even more worryingly, there are proposals to

- increase the amount of CDM credits which can go towards "Afforestation and Reforestation" and potentially other 'land use activities';

- work towards including soil carbon in the CDM: This will mean funding for no-till GM monocultures, such as GM soy or GM corn. It could also mean tree plantations to produce biochar. Such funding will serve agribusiness and large plantation companies, lead to more land-grabbing, agro-toxin use and environmental harm, with no proven benefit and, instead, potential dangers to the climate;

- work towards including crop management and "revegetation" in the CDM: This further opens the door to extra funding for agribusiness and plantation companies;

- work towards including other land use practices, including forest management in the CDM: Under current and proposed definitions, 'forest management' can mean destructive industrial logging.

The LULUCF offsetting proposal could potentially open the doors to (almost) unlimited carbon offsets from crop and tree plantations of all types, from logging, forests, grasslands and croplands. This is being discussed outside the REDD Plus and Agriculture negotiations, and outside the negotiation about CDM reform, thus bypassing those working groups.

The 'bioenergy loophole':

Already, all greenhouse gas emissions linked to bioenergy, including agrofuels, can be ignored under the Kyoto Protocol. This is because they are treated as 'carbon neural' – any emissions linked to them are counted as forestry and agriculture emissions in producer countries. Now, under the new proposals, Annex I countries could also ignore emissions from degrading their own forests, including to supply more large-scale wood-based bioenergy. Those emissions are expected to accelerate fast due to bioenergy subsidies and incentives, particularly in Europe and North America. Ignoring them entirely further benefits the agrofuel and bioenergy industries. At the same time, we cannot rely on any LULUCF rules to protect forests in the face of rapidly growing industrial bioenergy demand. Firstly, just addressing the climate impacts from bioenergy sourced from Annex I countries could create a perverse incentive for even more imports at the expense of forests and grasslands, Indigenous Peoples and other forest-dependent communities in developing countries. Secondly, there would still be no accounting for indirect impacts. Emissions from forest degradation as well as deforestation in Annex I countries must be fully counted under LULUCF rules. This however, does not obviate the need for curbing demand for wood, energy and agricultural produce in Annex I countries, and the need for choosing genuinely climate—friendly, sustainable renewable energy.

Other loopholes:

The LULUCF proposals are full of dubious creative accounting, which will allow Annex I countries to further underestimate and under-report greenhouse gas emissions, particularly from logging and forest degradation and from land conversion. Other organisations have calculated that overall loopholes could account for as much as 5% of Annex I emissions in 1990. Many of these loopholes relate to the baseline or 'reference level' with which countries would compare emissions from the LULUCF sector. There are proposals to allow countries to choose their own reference level, which means that they could suit one which best allows them to hide emission increases from the forests and agriculture.

There are concerns about proposals regarding 'force majeure', meaning 'extraordinary event or circumstances' which destroy forests and which are beyond the control of humans. Those include forest fires and large-scale insect outbreaks, but with the current, flawed forest definition, they also include fires which result from industrial tree plantations, many of which deplete freshwater and are highly fire-prone, and which directly result from policies to promote plantations.

Current LULUCF proposals are deeply flawed and must not go forward in their current form. LULUCF rules must not allow for offsetting. Afforestation and reforestation must be excluded from the Clean Development Mechanism and no other type of land use must be included. Emissions accounting loopholes would allow Annex I countries to hide a large proportion of emissions from logging and land conversion and would further play into the hands of the agrofuel and bioenergy industry. Furthermore, the definition of forests must be changed so as to exclude all industrial tree plantations.