

# **Reducing Deforestation and the Climate Regime**

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**20% of greenhouse gas emissions are from deforestation**



# Types of activities related to climate regime in general



- Reducing/avoiding deforestation
- Sustainable forest management
- Reforestation
- Afforestation

# Framework Convention on Climate Change (1992)

- Article 4.1 (d): Countries should “...*promote sustainable management, and promote and cooperate in the conservation and enhancement, as appropriate, of sinks and reservoirs of all greenhouse gases not controlled by the Montreal Protocol, including biomass, forests and oceans as well as other terrestrial, coastal and marine ecosystems.*”

# Kyoto Protocol (1997)

- Forests are included in Northern commitments: Reducing deforestation, Sustainable Forest Management, Reforestation and Afforestation all count.
- Clean Development Mechanism only funds projects related to reforestation and afforestation, not conservation
- EU decides to refrain from CDM sinks

# Carbon Sinks, a range of accounting problems



- Carbon errors as large as 500 percent:
- In China: 89%
- In Netherlands pine plantation (neat rows of trees): 49%
- Uncertainty about carbon sequestered by forests: Russia's carbon interaction with the atmosphere in 1990 could be anything between 155 million tonne minus and 1209 million tonne plus (IIASA).

# Two types of carbon trading

- Trading in Emissions: between two countries with binding obligations
- Trading in project-based credits, especially through Joint Implementation (between two country with obligations) and the CDM (between a country with and one without obligations): what is traded are the “extra” emissions that would not have occurred if the project that is financed would not have happened (the “baseline”, or “business-as-usual” situation)

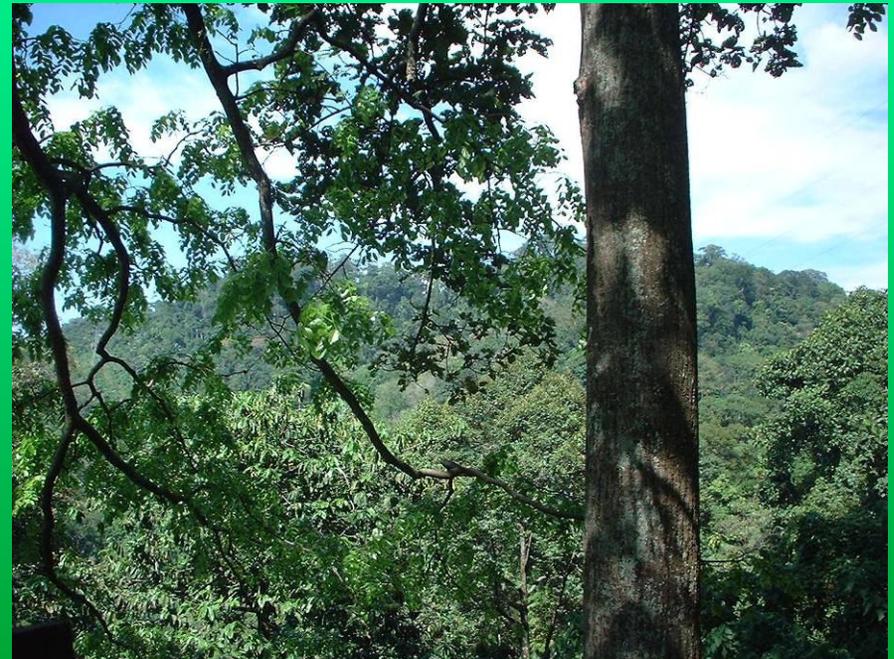
# Extra problems with project-based trading

- Very hard to define what would have happened in business-as-usual situation
- Carbon projects (CDM): as long as some private consultant has calculated that it emits less than “business as usual” (baseline) one can claim a credit.
- Incentive for consultants to approve a lot of “extra” credits, as they earn a living from more carbon trade (e.g. Det Norske Veritas verifies PCF projects of its own clients, including Plantar)



# never trust someone who claims he can calculate the carbon uptake of a couple of trees!

- Some examples of surprises recently discovered by climate researchers:
  - - There is a huge missing carbon sink (the figures don't match)
  - - Dark-colored northern plantations emit carbon
  - - Warming soils release carbon
  - - Amazon rivers emit carbon
  - - Terrestrial plants emit methane
  - - Tree plantations established on peat are a major source of carbon emissions



**Trees don't last: one cannot guarantee carbon will forever be stored in a tree**



# “Leakage”



- Logging corporations, agro-industrial corporations simply move from a ‘protected forest’ to another side
- If consumption patterns are not changed there will always be leakage

# Carbon sinks promote monoculture tree plantations

- Biodiversity destruction
- Displacement of Indigenous peoples
- Rural unemployment, malnutrition and depopulation
- Destruction of rivers, lakes, watersheds
- Pollution by agrotoxics
- Genetically Modified trees create many additional risks



# Examples from Uganda

- (Harold Eraker:) Tree Farms, a Norwegian tree planting firm planned to sell carbon credits for 10 million USD to compensate for emissions from Naturkraft and Industrikraft Midt-Norge, two gas-fired powerplants.
- 50-year lease on 5160 hectares east of Jinja in Bukaleba forest near Victoria Lake.
- Planted with mainly Eucalyptus and pines
- Later acquired 20,000 hectares of land more, and 70,000 hectares in Tanzania
- Pays Ugandan government only for land planted with trees: some 110,000 USD for 6 square kilometers for 50 years lease. Very cheap.
- When Uganda government tried to negotiate better with German Institute for Entwicklung und Umwelt, they said: “Our plane to Germany leaves tonight; if you don’t sign now there will be no deal”

# Examples from Uganda

- Lands were used by local farmers and fishermen. Tree farms area: 5 villages inside area and 8 villages used land for agriculture. Uncertainty about their land rights.
- In 2000 forest authorities offered to evict them. Tree farms had said they would not do “the dirty job of throwing them out” itself.
- Treefarms originally provided several hundred of jobs, but in 2000 only 43 were left. They allowed farmers to grow some crops in between trees until the trees became too high. Local farmers had to do the job of preparing the land for the plantation. They are forced to pay for the use of the plantation land (e.g 100 kg of maize out of harvest of 250 kg)
- Many technical problems: termites, weeds, bad management
- Because of bad publicity and management could not sell credits

## FACE (forests absorbing carbon emissions) Foundation from Netherlands compensating for Dutch powerplants and “carbon neutral” air travellers

- Planned to plant 25000 hectares in border Mount Elgon national park, a park established in 1993 without the legally required consultation with local people. In 2002, 7000 hectares were planted, mainly native trees.
- In 2002, 300 families were evicted in Wanale, Mbale district, causing hunger and misery. Some had lived on the land for 40 years.
- Thereafter many other evictions and land conflicts. Park wardens threatened to shoot invaders. 2003 government cut off health and education services.
- Farmland shortages and degradation outside the park. 450 people per km, most dense in Uganda partly due to evictions. 10-15 people of one family living from 0,25 to 1 hectare of land. Serious soil and forest degradation outside the park, also leading to landslides and fisheries depletion. Lack of fodder, medicinal plants, fuelwood, leading to poverty and prostitution and HIV/AIDS
- In October 2005, Judge ruled Benet people are “historical and indigenous inhabitants of the said area” and asked for degazettement.

## Proposals on the table for new protocol for period after 2012 (Rome workshop)

- Rainforest Coalition (PNG and Costa Rica): Include forests in carbon trade. Two proposals:
  - - project-based, include reduced deforestation in CDM
  - - country-based: Countries sell credits gathered through reducing deforestation on carbon market
- - Brazilian proposal: Countries set target: the better they score, the more official development aid they get (from a fund or perhaps other mechanism, to be discussed)
- - Bonds? Proposal to give cheap loans to forestry sector based on carbon credits
- - Other incentive scheme? cheap loans to government in general, or to energy sector

# complications and questions

- Incentive for countries to postpone reducing deforestation now
- What if there is hardly any deforestation in a country?
- What are effective policies to reduce deforestation? How about peoples rights?
- How much money is needed? Payments for environmental services scheme in Costa Rica would cost 15 billion annually if applied to Brazilian Amazon.
- But giving Indigenous Peoples land rights, and/or imposing a deforestation ban are 'cheap' policies
- Carbon trade in forests: many problems with equity, accounting, leakages

# “Carbon markets will benefit the poor?”:



- *“If there is an equal level playing field so that all consumers and producers can participate equitably*
- *If carbon emissions are properly accounted for*
- *If carbon credits are equitably distributed to the proper “owners”*
- *If the market is properly regulated*
- *If those regulations are effectively enforced”*

# Pro-poor?

- On planet earth, there is no level playing field for carbon producers
- Only large landholders with formal title will be able to compete in the carbon market
- Meanwhile, the carbon market will increase land pressure and land prices, making it more difficult for IPs to get their land rights recognized
- Main victims: Women, Indigenous Peoples, landless farmers, and the monetary poor in general



# Putting carbon and biofuel plantations “degraded land”:

- “The Biofuel plantations are being done on lands which are the primary grazing lands / pasture lands for livestock owned by millions of poor livestock rearers, pastoralists and indigenous communities. By planting this plantations on these lands (both private lands and commonlands), they are denying the grazing rights of communities, who are being forced to thus sell their livestock. In India so-called “wastelands” (which comprise 50 mhas of land) have been identified as lands to be croppex with biofuel plants. These lands are hardly “waste” as they are extremely important grazing spaces for livestock owned by poor small holders. These lands also support dryland farming and shifting cultivation / rotational forestry farming systems. These lands are now being threatened with governemtns huge targets to convert them into biodiesel plantations. This is happening all across India.”

Sagari R Ramdas, Anthra, Andhra Pradesh, India

# Who cares about problems with forests and carbon trade?

- - The Forestry community (FAO, forestry departments in South and North) want money for forestry (= carbon sinks)
- - Big Northern conservation NGOs want more money for forest conservation projects (= carbon sinks), although WWF has been against sinks until now.
- - World Bank, FAO, ICRAF, and UNDP want to move money around (= carbon sinks)
- - Southern countries like PNG have sort of given up hope on halting climate change so they have decided to go for the money (= carbon sinks), although other countries are against (Brazil) as it would lead to lower prices for energy projects
- - Southern conservation NGOs want more money for their forest projects (= carbon sinks)
- - Business people want to make money (= more trade) although some do not want sinks as it would create too many credits, decreasing the price
- - Consultancy firms verifying projects want to make money (= carbon sinks)
- - Northern countries (Annex 1) want to duck their commitments (= carbon sinks), although some are still doubting (EU)
- - Northern consumers want to feel green when flying to Thailand for holiday (= planting trees, and they grew up thinking a pine plantation is a forest)

# Process for next year

- Early next year: 2nd workshop on reducing deforestation
- IPOs can participate??
- Report to SBSTA in May
- Maybe another workshop
- Next COP (Asia? November 2008?) might make decision!!



**There is a battle we can still win!**

