

How can tropical forestry projects help fulfil the Kyoto Protocol?

World Land Trust Seminar held at the Linnean Society of London, 29th January 2001

A one-day seminar was held to discuss the implementation of the Kyoto Protocol, and what role carbon sequestration, or tropical forestry in particular, may have in the achievement of its objectives. The World Land Trust has projects around the world, the majority of which involve the conservation of intact tropical forests, thought to be major carbon sinks and stocks globally. Carbon, in the form of intact forests, is being traded on a speculative basis, but what does future international discussion hold for the trading of carbon credits in exchange for carbon sinks? The seminar addressed a number of key issues. These are summarised below:

- **How may tropical forestry projects be used to achieve the objectives of the Kyoto Protocol?**

Forests, in particular tropical forests make up a major proportion of carbon stored as a terrestrial land stock. Despite numerous uncertainties, it seems likely that: maintaining existing forest provides a continuing sink and avoids creating a major source through clearance; forest regeneration will create a further sink; tropical forestry projects may provide short term amelioration of global warming but will not provide a substitute for emissions reduction.

- **How does the UK government plan to legislate to achieve the required objectives?**

The details of the international regulatory framework remain yet to be established, and as a result the UK government are taking a cautious approach to forming legislation with regard to carbon sink projects. Without legislation, most companies in the UK are hesitant to invest in these types of initiatives. However, some countries and companies are voluntarily investing in carbon sink projects that may become eligible under the Clean Development Mechanism or Joint Implementation provisions of the protocol.

- **How might the trading system of carbon credits work?**

The Clean Development Mechanism (CDM) is a way for “non party” states to participate in carbon trading with “party states” through projects that reduce emissions or increase sequestration, with the product (1 tonne of carbon) to be traded according to market value. This will be done through a flexible market mechanism, for which there is as yet, no central system. The current existing market is therefore limited and purely speculative market, but the costs of compliance, in the order of \$100,000, discourage all but multi-million dollar projects.

- **How forestry projects may be of benefit to both businesses and biodiversity?**

NGOs have a key role to play in setting up combined biodiversity and carbon sink projects, by providing opportunities, expertise and ethical supervision. Investment in projects that both conserve biodiversity and provide carbon sinks could be very attractive to industry (whether or not they attract carbon offsets under the CDM or JI rules): fiscal mechanisms that encourage companies to participate are needed.

Forestation projects could have a beneficial impact on biodiversity, but it is essential that without guidelines and impact assessments, projects may present serious threats to biodiversity conservation. Although the CDM does not include biodiversity as a criterion, the UK government should be lobbied to:

- a. Support the inclusion of forest maintenance in the CDM;
- b. Ensure biodiversity conservation is effectively included in carbon sink projects;
- c. Support research and seek other measures to reduce the costs of compliance;
- d. Create fiscal measures to encourage industry to participate in combined carbon sink and conservation projects.

For a complete report of the World Land Trust seminar on "**How tropical forestry projects can help fulfil the Kyoto Protocol?**" email kirsty@worldlandtrust.org