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Nations want cash not to fell trees

By **Tim Hirsch**

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An old argument which provoked years of acrimonious debate following the Kyoto agreement is resurfacing here at the UN climate conference: should people be paid *not* to cut down trees?

On the table is a proposal from the government of Papua New Guinea to start discussions on a system of financial rewards for developing countries which preserve their forests.

The link with climate change is that deforestation adds significantly to the quantity of greenhouse gases in the atmosphere, both through burning and the reduction in the process of photosynthesis which takes carbon dioxide out of the air and "fixes" the carbon molecules into plant material.

Under the rules of Kyoto being confirmed at this conference, there is no mechanism to earn credits in the new carbon market through projects which avoid deforestation.

Companies can, however, contribute to their targets for cutting emissions by funding the reforestation of denuded areas, or the planting of entirely new forests.

This is because Europe and other countries, encouraged by some environmental groups, excluded "avoided deforestation" projects from the rulebook negotiated in 2001, fearing this would open up serious loopholes.

Big players

Bill Hare, of Greenpeace, explains: "The key loophole from the climate point of view was that people would say, 'look, we won't log this area of forest and we will gain the credits from this avoided deforestation'; then you could not be sure that the activity you were trying to stop, i.e. logging, did not just move across the mountain range to another forest and occur in an uncontrolled area.

"In fact, it's a virtual certainty that would have happened."

An attempt to get around this loophole has been put forward in the Papuan proposal, which suggests that rather than earning emission credits from individual projects, the system could be based on the performance of entire countries in reducing the loss of their native forests.



Campaigners say incentives are needed to curb deforestation

According to Kevin Conrad, director of the Coalition for Rainforest Nations, this would provide much-needed financial incentives to slow the rate of tropical deforestation.

"We absolutely must do it if we are serious about climate stability. If you include deforestation from just Indonesia and Brazil alone, the carbon emissions from those two countries basically offset 80% of all carbon emissions savings which come from the Kyoto Protocol.

"Throw in a few more countries, and the Kyoto Protocol is not achieving much at all."

Financial incentives

Another supporter of the proposal, John Niles of the Climate Community and Biodiversity alliance, says many countries are now starting to realise that the decision to exclude forest conservation from Kyoto funding was a big mistake, and he believes the proposal being discussed at Montreal could put this right.

"The UN estimates we need about \$50bn a year to deal with tropical deforestation, and the world is spending right now about half a billion dollars; so we need a financial mechanism that can scale up very quickly," said Mr Niles.

Bill Hare accepts that basing the carbon credit system on national deforestation caps rather than individual projects would remove many of his original concerns - although there was still the potential for the emissions to "leak" across borders.

"With national caps it does not eliminate the problem but it substantially reduces it.

"I think here is an idea put forward by New Guinea that we all have to take seriously and work very constructively to see if we can make it part of the international system one way or the other."

The proposal being debated in Montreal is only to start a negotiating process to look at these incentives, to reward the services to the climate played by forests.

It is too late to change the system which will cover the first period of Kyoto targets between 2008 and 2012.

But it may eventually end what many see as a serious anomaly, and help rectify the bizarre economics which values a scorched wasteland higher than a richly diverse forest that performs services of incalculable value to human societies.



Financial incentives could protect rainforests rich in biodiversity



“ We absolutely must do it if we are serious about climate stability ”

Kevin Conrad, Coalition for Rainforest Nations