

Point Carbon

06.12.05 Deforestation brought back into the fold

A deal struck today could see the conference of the parties to the UN climate change convention consider providing financial incentives to developing countries for avoiding deforestation.

The issue is back on the table after it was excluded from international emissions trading under the Kyoto Protocol, and promises to put a carbon value on halting deforestation - the source of 20 per cent of mankind's greenhouse gas emissions. The final outcome is probably some way off and uncertain in nature, but could become a new opportunity for buyers of carbon credits as well as a source of income for developing countries.

Opponents of including deforestation in climate change conjured the spectre of rewarding the halting of deforestation, while in fact pushing it off the radar. Perversely, reforestation is rewarded under the Kyoto Protocol. The new deal hinges on a proposal put forward by Papua New Guinea, where the baseline is calculated by looking at a country's rate of deforestation over a certain period.

A heated debate at the UN climate summit in Montreal led to an agreement on Tuesday on a text for the ministerial level of the Conference of the Parties, running from Wednesday to Friday, to consider adopting. Brazil and the US opposed the move, but a strong alliance of developing countries managed to force a compromise, according to sources close to the talks.

The text recommends that a subsidiary body on science and technology, known as the SBSTA, to consider the matter next year. While the text does not specify where the issue will go from there, the expectation is that the issue could form part of the international emissions trading architecture at some point in the future.

Montreal