
Why carbon sink plantations have been hardly implemented within the Kyoto Protocol's Clean Development Mechanism...so far

In the general public perception, trees are automatically associated with environmental benefits, and there is consumer demand for “cuddly” offset tree-related projects, as opposed to the type of industrial emissions reductions that have dominated the Clean Development Mechanism (CDM) market. It is estimated that some 40% of carbon credits generated in the voluntary market comes from tree-related projects.

However, forestry projects –and specifically plantations as carbon sinks-- have been largely absent from the “certified” –CDM- carbon market. They still represent a tiny share of the Kyoto Protocol's Clean Development Mechanism trading program.

As reported by Jutta Kill (WRM Bulletin 119), “in the three years since the rules for afforestation and reforestation projects were adopted, and after twelve rounds of baseline methodology submissions, only one plantation, in China, has been registered as a CDM project.”

This is good news for local communities struggling against monoculture tree plantations, because if implemented, carbon sink plantations would have been legitimized by the Kyoto Protocol as an alleged “fix” to the increasing problem of climate change and would have further increased the expansion of destructive plantations in the South through subsidies channeled through the carbon market.

The idea behind the concept of carbon sinks is that tree plantations, through photosynthesis, could “offset” carbon dioxide emissions by absorbing CO₂. Many years ago, Larry Lohmann (1) had warned that “The problem is how to calibrate a meaningful and reliable ‘equivalence’ between the carbon sequestered permanently in fossil fuel deposits, the transient CO₂ in the atmosphere, and the carbon sequestered temporarily as a result of any particular tree plantation or national tree-planting programme. No one has any idea how to do this. Nor is it likely they ever will.”

However, the question is: why have tree plantations not been widely adopted as an “offset” mechanism, when so many governments were very keen in their promotion, offering cheap and abundant carbon credits based on fast tree growth in Southern countries?

One of the possible explanations is that, while the Kyoto Protocol recognised afforestation and reforestation as valid activities to remove greenhouse gas emissions, it established limitations for offsets from so-called Activities in Land Use, Land Use Change and Forestry (LULUCF): only the equivalent of 1% of base year (1990) emissions per year per country were allowed. Additionally, credits from such tree planting projects are temporary --a circumstance that buyers perceive as complex and risky.

In addition, carbon sink tree plantations are risky: they can burn and release the carbon stored in the trees, as has happened recently in South Africa and Swaziland (see WRM Bulletin N° 123). At the same time, such plantations face a number of legal problems related to land titles, title to carbon,

transfer of rights, implementation and management contracts, and methodological troubles including unavailable baseline data, an unclear definition of forest, "leakage", etc. (2).

Even more importantly, opposition to plantations at the ground level and support from NGOs at the international level has certainly had an impact. As stated by Economist Franck Lecocq and World Bank officer Philippe Ambrosi in a 2007 report (3), "LULUCF projects in the CDM faced . . . criticism from some stakeholders, notably environmental NGOs. LULUCF projects, critics argued, would be environmentally unsound, would flood the market with unsound credits, and would lead to environmental catastrophes in the South because they would favor fast-growing industrial plantations of alien species over community-based, sustainable forest management. This pressure led to a strict limitation of the scope of LULUCF projects under the CDM in the Marrakesh Accords."

Two recent decisions however may yet attract more plantations to the CDM. First, restrictions have been removed that required that tree planting CDM projects could only happen on land that had not been forested after 1990. This restriction, originally put in place to guard against the CDM providing a perverse incentive to cut down forests to replace them with CDM sponsored monocultures, has recently been removed by the CDM Executive Board. With this change, the CDM will become much more attractive to plantations companies and the change "will make substantive areas used for controversial large-scale plantation management eligible as CDM projects." [see WRM Bulletin N° 119 at <http://www.wrm.org.uy/bulletin/119/CDM.html>]. The second change has just been agreed at the climate talks in Bali; it increased the size of tree planting projects that can apply to the CDM under simplified procedures and with fewer requirements to assess social and environmental impacts. This again will be an additional incentive for plantation companies to try accessing the CDM.

Another point worth mentioning is that while only one tree plantation project has been registered as a CDM afforestation and reforestation project, plantations companies have discovered another route into the CDM: as energy projects --rather than carbon sink projects. V&M do Brasil, whose plantations in Minas Gerais, Brazil, have taken this route and are now cashing in on the CDM without being identified as tree plantation projects in the CDM. In the case of V&M, even murder by its security guards of a peasant inside the V&M plantations was not enough to revoke the CDM registration [see WRM Bulletin No 119, at <http://www.wrm.org.uy/boletin/119/Brasil3.html>].

So far carbon sink plantations have been hardly implemented within the Kyoto Protocol's Clean Development Mechanism, but recent trends could make things change making it necessary to redouble awareness and resistance.

(1) see "The carbon shop: planting new problems", at <http://www.wrm.org.uy/plantations/material/carbon.html>

(2) see "Markets for LULUCF Credits", at http://www.climatefocus.com/newspubs/downloads/publications/LULUCF_markets.pdf

(3) "The Clean Development Mechanism: History, Status, and Prospects" (<http://earthmind.net/labour/briefing/docs/reep-2007-cdm.pdf>).

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