

November 4, 2006

OP-ED CONTRIBUTOR

Seeing the Climate Policy for the Trees

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Washington

THERE is a little recognized but vital element to re-engaging the United States in solving the problem of global climate change: forests. Creating financial incentives to protect forests and promote tree planting would be attractive to poor nations but also to American companies and farmers, giving the United States government a potent political reason to get involved in international climate policy.

And time is running out. The recent British-commissioned report by Sir Nicholas Stern emphasized the urgency of strong action now -- from all countries -- to avoid massive economic disruption in future decades. One major obstacle preventing American participation in an international climate regime is the lack of binding commitments on the part of developing countries. This is where forestry comes in.

The Kyoto Protocol to cut greenhouse gas emissions recognized the need to finance climate-friendly projects in developing countries. This was the rationale behind the Clean Development Mechanism, which was set up to grant tradable credits to approved projects, and which can be used to satisfy a country's Kyoto commitments by offsetting its greenhouse gas emissions.

The Kyoto signatories expressly limited land use and forestry projects that can get credits to those involving afforestation (tree planting on non-forested land) and reforestation (tree planting on previously forested land). This last-minute compromise, driven principally by the negotiation dynamics at the time, effectively disqualifies important efforts to reduce the rate of deforestation (and thereby reduce the emissions from such activity) in developing countries because such efforts are not eligible to receive credits under Kyoto.

The European Union's emissions trading scheme, which provides the chief Kyoto compliance mechanism for the union's members, has gone even further, excluding all forestry credits, including those from afforestation and reforestation projects.

This has created a huge and inexplicable gap in international climate policy: deforestation from burning and cutting alone is responsible for as much as 20 percent of global greenhouse gas emissions. It is also grossly unfair to the large numbers of rural poor in undeveloped countries who depend upon forests for their livelihood. They are among the most vulnerable to the harm wrought by climate change and would be most responsive to economic incentives favoring sustainable forest management.

World Bank studies show that forestry projects give local people and their governments a critical incentive to manage their landscape sustainably. Concerns regarding forestry credits -- whether they were truly leading to the reduction of carbon emissions -- are already being addressed by the Clean Development Mechanism's board, which continues to approve guidelines to assure their environmental integrity, and through negotiations among the Kyoto parties.

Providing credits for protecting existing forests and other land use practices not eligible under Kyoto, as well as expanding the use of already permitted forestry credits, is clearly consistent with the objectives of the 1992 United Nations Framework Convention on Climate Change and with Kyoto, under which industrial countries commit to promoting "sustainable forest management practices, afforestation and reforestation."

Most important, the additional income that poorer countries would receive from expanded use of forestry offsets could motivate their participation in a post-2012 regime. The recently formed Coalition of Rainforest Nations (a group of 15 developing nations) advocates expanding forestry credits to include efforts to protect existing forests. China and India both have significant interests in extending economic growth to their rural poor, controlling and reversing the spread of deserts, restoring depleted watersheds and expanding their domestic forestry industries -- all of which could benefit from further integration into the carbon markets.

This issue will be discussed at the climate change meeting in Nairobi, Kenya, next week, and may provide a crucial first step for developing countries to agree to binding emissions reductions in any future international regime. There are also opportunities for the United States, the most notable abstainer from Kyoto. A more expansive approach to forestry offsets under any domestic program would help American companies play a role in reducing emissions by giving them additional flexibility in meeting targets.

American farmers would also find this attractive as they look for new sources of revenue at a time when there are pressures to reduce domestic agricultural subsidies. Like the Soil Bank program of the 1950s, which resulted in extensive tree planting on marginal agricultural lands by paying farmers to “bank soil,” forestry credits could offer a new revenue stream for American farmers willing to “bank carbon” by planting trees.

The growing domestic consensus for action was punctuated most recently with the announcement by Govs. Arnold Schwarzenegger of California and George Pataki of New York that California’s greenhouse gas reduction program would be tied to the Regional Greenhouse Gas Initiative being started by seven Northeastern and mid-Atlantic states.

But this patchwork of programs is far from enough. Without re-engagement at the federal level, there is a limit to the role that the United States can play. Given the scale of the effort required to tackle climate change, we need to pursue real emissions reductions anywhere we can find them. As long as forestry credits meet strict standards to ensure their environmental integrity, they offer a way to reduce greenhouse gas emissions cheaply, while at the same time providing an incentive for developing nations and the United States to join in combating the greatest environmental threat to our planet.

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