Photo: Ron Giling/Lineair

The sustainable use of African forests should be supported – timber and seedlings at a sawmill in Ghana.

[Climate change]

Under-rated forests

Tribune

Africa can contribute to sequestering carbon from the atmosphere. According to the "trade, not aid" principle, credits from sustainable forestry and land use projects should be accepted on carbon markets internationally. The EU should reform its policy accordingly.

[By Lidia Brito and Benoit Bosquet]

The international debate on climate change has recently gained momentum with particular concern for the implications in Africa. It is correct to worry about this continent. Africa is already vulnerable and will become even more so. That was clearly stated in the NEPAD Study "Explore Further Options for Food-Security Reserve Systems in Africa," which points to climate change as the main reason for food shortage.

So far, the debate on what measures to take has largely focussed on adapting to climate change. Doing so is necessary as climate change is under way and cannot be ignored. Africa is already more exposed to natural disasters than most other regions and the ensuing human and environmental problems (vector-borne diseases, crop failures, transformation of ecosystems) tend to be more pronounced.

Nonetheless, adaptation is not the only thing that needs to be done. Africa can – and should – also contribute to mitigating climate change. Appropriate action in the areas of land use, land-use changes and forestry (LULUCF) would serve this purpose. More sustainable practices in agriculture, forest management and forest rehabilitation are essential. These practices should be promoted and supported.

The issue draws attention to the tight nexus that exists between environment, development and trade policies. Specifically, rural populations from Africa and elsewhere can contribute to sequestering carbon through LULUCF activities. Such measures would improve their livelihoods and ameliorate local environmental problems. At the same time, Africans could generate emission reduction credits and trade them internationally. All summed up, the benefits would include the production of additional food, the generation of cash income, the transfer of know-how and long-term capital, the protection of biodiversity as well as soil rehabilitation. Moreover, there would be additional environmental advantages including the improvement of microclimates, the preservation of hydrologic regimes, and the conservation of natural habitats.

For this reason, some experts argue that all categories of LULUCF measures that mitigate climate change ought to be included in trading regimes such as the Clean Development Mechanism (CDM) in the context of Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC). This makes sense, not least, as UNFCCC resources could supplement the scarcer resources available under the UN Conventions on Biological Diversity and to Combat Desertification.

Better land use is at the interface of mitigation and adaptation. Projects that sequester carbon to mitigate climate change can also increase the resiliency of communities and ecosystems. For instance, it would make sense to restore mangrove forests that have been decimated by decades of abusive aquaculture (such as, in particular, extensive shrimp farming). Restoring mangroves would remove substantial quantities of carbon dioxide out of the atmosphere and store carbon in biomass and soils on the one hand. On the other, a natural barrier of vegetation, which stabilises coastlines against the sea, would be recreated.

The industrialised world must give Africa the chance to contribute to climate change mitigation through better land use and sustainable forest management. In this context, the emerging international market for trading in greenhouse gas emission reductions (or "carbon market") presents an unprecedented opportunity. The best way is for Europe, Japan and Canada to buy certificates of carbon sequestration from Africa as part of their efforts to meet their obligations under the Kyoto Protocol. These countries have the right to purchase certificates of carbon sequestration from new and additional forest projects and use them to offset part of their greenhouse gas emissions from industry, transport and housing.

In principle, the CDM allows those industrialised countries that are obliged to reduce emissions (so-called "Annex I countries") to credit certified emission reductions from afforestation and reforestation projects undertaken in developing countries. This can be done up to the equivalent of one percent of Annex I countries' 1990 greenhouse gas emissions. Although this only amounts to a small fraction of what Annex I countries need to do to fulfil the Kyoto goals in the first commitment period (2008-2012), the effort could help to improve forest and land use in Africa and elsewhere.

In particular, the European Union should now demonstrate its commitment to climate change mitigation and economic development in Africa. Under the leadership of the United Kingdom, which took over the EU Presidency on July 1, Europe should fill its quota of credits from afforestation and reforestation projects under the Clean Development Mechanism. In addition, the EU should modify some of the rules that govern its internal carbon market – the EU Emission Trading Scheme (EU ETS).

European view

In spite of their clear advantages in terms of climate, environment and social welfare, carbon credits generated through CDM forestry projects currently have no value in the EU ETS. This is due to the "Linking Directive" that bans credits from forestry projects in general. Environmental pressure groups were in favour of this policy as they believe that a focus on fast-growing forests would undermine conservation of old-growth forests and spawn more monoculture plantations. However, this European view neither takes into account the needs of the people in developing countries nor the urgency to do whatever possible to mitigate climate change.

While European governments can, in the current state of play, still decide to fill up their one-percent quota from land use projects in developing countries, these credits are not fungible inside the EU ETS. Therefore, no European firm is currently interested in purchasing such credits. So far, Europe's market demand is limited to credits from infrastructure and energy projects. The 12,000 facilities which started trading on the EU ETS on January 1, 2005 are staying away from land use projects. In this setting, the market for carbon credits from forestry projects in Africa cannot develop, as it would need funds from the private sector to grow.

The EU ETS excludes all carbon credits from forestry at least until 2008. The question of including them from 2008 on will be revisited in 2006. The European Commission will submit a report for consideration by the European Parliament and the Council of Ministers by June 30, 2006.

As part of the Doha trade negotiations, Europe and other industrialised nations have accepted to liberalise their agricultural markets by reducing subsidies to domestic producers and cutting tariff barriers on agricultural imports. Unfortunately, on the carbon side of the agricultural market, Europe has adopted an ultra-protectionist position. This is regrettable if one considers the foregone benefits to Africa in terms of investment, trade and development.

Besides waiving or at least relaxing this exclusion on imports of carbon credits from forestry, three other changes to the current rules of the international carbon trade are desirable. They concern the relaxation of the one-percent rule, the elimination of the need to replace temporary credits from land use change projects after 60 years, and the expansion of eligibility criteria to include more than just afforestation and reforestation. These changes would affect the CDM from 2012 on. The first change would allow Annex I countries to satisfy a greater share of their increasing responsibilities under the second commitment period of the Kyoto Protocol (2013-2017) with credits from forestry projects implemented in non-Annex I countries. The second change would make it possible for credits generated by forests that are permanent to continue to be renewed for as long as possible. The third change would make more forestry and land use projects eligible to generate carbon credits. That should be done since activities like revegetation, forest restoration, forest conservation, and improved agricultural management also make sense in terms of climate policy.

By agreeing to these changes, the industrialised countries can prove that they are ready to harness market forces in order to mitigate global climate change and to support more sustainable natural resource management. If they shy away from adopting these changes, that will amount to a confession of not wanting to share any of the benefits of the emerging international carbon market. Moreover, such an attitude would mean that rich countries cannot conceive of other ways to help Africa than the traditional flows of official development assistance. The "trade, not aid" principle will have lost another chance.

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