

## **Carbon Trading in Forests, Soils and Farmlands: Industry's Recipe for Land Grabs, Yet More Profits and Maintaining "Business As Usual"**

**'Carbon sinks' and agrofuel plantations** – "Carbon sinks" have long been polluters' favourite means of avoiding their responsibilities to cut down on greenhouse gas emissions. Rather than burning less fossil fuels, they seek to create an illusion of solving the problem by simply drawing lines on a map around forests, farmlands and grasslands, claiming the carbon on those lands will absorb and "offset" their ongoing pollution (on paper, if not in the real world). Coupled with carbon trading, the idea that 'carbon sinks' can offset emissions from fossil fuel burning is one of the biggest loopholes in the Kyoto Protocol, one that could soon become far larger and result in massive global land grabs, undermining peoples' rights to land, water and food, and furthering ecosystem destruction.

**The growing threat:** Right now, rich countries can claim that their emissions are reduced by carbon sequestered by their own forests, and they can also, through the Clean Development Mechanism (CDM) claim some carbon offsets from tree plantations in the global South, falsely referred to as 'afforestation and reforestation'.

Plantar's eucalyptus plantations in Minas Gerais, Brazil have been approved for 'afforestation and reforestation' carbon credits, despite long-standing warnings and protests from civil society. The plantations, regularly clearcut to make charcoal for pig iron production, caused the illegal eviction of local people, destruction of their livelihoods, damaged soils and fresh water, and destruction of areas of highly biodiverse Cerrado ecosystems.

In 2009, agrofuels from large-scale plantations became eligible for CDM funding. So far, none have been financed, but over the next year, many are likely. Plantation companies, (oil palm, sugar cane and eucalyptus, for example) are already profiting from CDM funding for some 705 biomass projects, while others get CDM funding for reducing methane emissions from the massive piles of residue they produce.

Palmas de Espino is one of three subsidiaries of the plantation company Romero Group which have been illegally destroying thousands of hectares of rainforest in Barranquita District in the Peruvian Amazon. Communities which have tried to resist were forcibly evicted. Others lost their freshwater and the forest on which they depend. The company has meanwhile been awarded CDM credits for residue 'waste treatment' in the same area.

There are several voluntary, regional and World Bank carbon trading schemes that have begun to award carbon offset credits for 'carbon sequestration' in agriculture, forests and soils. The CDM and the even larger EU Emissions Trading Scheme together account for well over 90% of all carbon trading currently, and the EU Emissions Trading Scheme does not (yet) provide credits for forests, soils and farmlands. So far, CDM funding for 'carbon sinks' has been specifically limited: only 1% of all CDM credits are allowed to go towards 'afforestation and reforestation' and carbon in soils and farmlands and all ecosystems was specifically excluded from the CDM. **These limits were put in place early on because of doubts about the reliability of using lands as "sinks"**. But now, all of this is about to change....

**Blueprint for a new carbon offset bonanza for agribusiness and plantation firms:** There are multiple different doors all leading to the same industry goal, through regional, national, and other processes, both inside and outside of the UN. Industry is pushing at ALL of these doors simultaneously. If they succeed, in the future, **land "sinks" could account for most CDM and other carbon credits**. Here is what is being proposed: under the COP discussions about 'Land Use, Land Use Change and Forestry' (LULUCF):

- Further CDM credits for industrial tree plantations, i.e. for 'afforestation and reforestation'
- A working group to be established with the aim of developing ways to include soil carbon, cropland management, 'revegetation' (any type of plantation), forest management (largely a PR

term for industrial logging) and grassland management into the CDM. This could lead to vastly expanded CDM credits for plantations of all types by 2012.

And related:

- Rich countries could in future be allowed to choose a small carbon offset scheme, which pays a high proportion of carbon credits to GM soya and corn companies which could then quickly turn into very large carbon trading scheme.
- Regional carbon trading schemes: For example, the Australian government has announced a new carbon trading scheme for agriculture only; The US climate legislation (though stalled) would feature 2 billion tons of offsets largely from agriculture and forestry.
- At the Copenhagen COP, 20 governments agreed to set up the Global Research Alliance on Agricultural Greenhouse Gases. This is a multilateral process, outside the UN, which is developing carbon trading methodologies for agriculture.
- Many carbon traders have a longer-term vision of merging REDD+ with agriculture and soil carbon trading (with a growing list of acronyms invented for this purpose).

### **Who will benefit?**

All carbon trading benefits polluting companies in the North by allowing them to maintain business as usual and even enhance their profits through these markets. Agribusiness and plantation companies as well as carbon consultants – **not peasant farmers** - are best placed to take advantage of carbon offsets for forests, farmlands and soils. Here are some of the practices which are likely to 'benefit' most from the current proposals on Land Use, Land Use Change and Forestry:

- More **industrial tree plantations** falsely classed as 'carbon sinks';
- **Industrial logging**: It is claimed that 'sustainable forest management' sequesters carbon compared to forests being clearcut entirely. However, the term is ill-defined and largely used to describe industrial logging – including clearcutting whole forests or destructive 'selective logging' which can drive whole tree species to extinction, at least locally. Industrial logging is often followed by conversion to plantations.
- **GM no-till** monocultures: Agribusiness firms like Monsanto have tried to argue for years that farmers should be rewarded for using their “roundup” herbicide and other agrochemicals to control weeds, instead of mechanical tilling. They claim this will lead to more carbon being sequestered in soils. Evidence for their claims is scant and controversial, but no-till soya is clearly linked to faster deforestation in Argentina and Paraguay, to the displacement of hundreds of thousands of families in those two countries alone, and to desertification of soils and poisoning of people, wildlife, soils and water.
- **Biochar**: Adding fine-grained charcoal ('biochar') to soils is being promoted for carbon sequestration, even though the climate and other impacts of biochar are unclear. There are potential serious risks, for example, because of the very large additional demand for biomass required to produce biochar, and also because fine charcoal particles could worsen global warming if they became airborne. Carbon credits for biochar will create yet another incentive for crop and tree plantations, this time to produce charcoal which would likely be mixed with artificial fertilisers and be applied to monocultures elsewhere.

**IN SUMMARY:** Marketing the carbon in soils, agriculture practices, ecosystems and forests will turn much of the landscape into a commodity for polluters to buy and sell – undermining the urgent need to protect ecosystems, support small scale, agroecological peasant farming and defend people's access to land, water and food.

[www.biofuelwatch.net](http://www.biofuelwatch.net)

email: [biofuelwatch@ymail.com](mailto:biofuelwatch@ymail.com)