

# SPECIAL REPORT: Climate change & forests

## The Bonn Agreement on climate change

The Bonn Agreement, adopted on Monday 23 July 2001 at COP6bis<sup>1</sup>, is a political agreement designed to finalise the text of the Kyoto Protocol. The Bonn Agreement paves the way for the Kyoto Protocol to enter into force by 2002. Although hailed as a great achievement by both governments and many environmental NGOs, the agreement has substantially weakened the already meagre greenhouse gas emission reduction targets of the Kyoto Protocol, and threatens to make matters worse by encouraging damaging large-scale tree plantations.

## Increased emission targets

The Kyoto Protocol required industrialised countries to reduce emissions by 5.2% from 1990 levels by 2012. Initial assessments by Greenpeace and others suggest that as a result of the Bonn Agreement industrialised countries will in fact be able to increase their emissions by an average of 0.3% from 1990 levels<sup>2</sup>. This is because Bonn introduced new loopholes into the Kyoto Protocol. Most of these loopholes relate to forests, trees and agricultural lands, allowing industrialised countries to replace real emission reductions with tree-planting initiatives in the South, and other carbon sink activities such as forest and cropland management<sup>3</sup>.

This special report assesses what is at stake for forests and forest peoples as a result of the Bonn Agreement and what needs to be done to ensure that carbon sink projects will not make matters worse.

## New loopholes under the Bonn Agreement

While negotiators were unable to fully transfer the political deal reached in Bonn into legal terms during COP6bis, the cornerstones of the Bonn Agreement with regard to forests and carbon sinks are clear. Under the Bonn Agreement, industrialised countries will be able to add to the amount of greenhouse gas emissions allowed under the Kyoto Protocol

(the 'Kyoto target') by taking into account:

- the amount of carbon stored in trees that grow on areas not forested in 1990;
- any increases in the amount of carbon absorbed by forests because of changes in the way they have been managed since 1990<sup>4</sup>;
- any increase in the amount of carbon absorbed in croplands and grasslands because of changes in the management of these agricultural soils<sup>5</sup>.

Industrialised countries can also substitute emission cuts of up to 1% of the 1990 baseline emissions by buying carbon credits resulting from afforestation and reforestation projects under the Clean Development Mechanism (CDM). Before credits can be granted from such projects, the Convention's Subsidiary Body for Scientific and Technological Advice (SBSTA) must develop:

*"definitions and modalities for including afforestation and reforestation project activities ... taking into account the issues of non-permanence, additionality, leakage, uncertainties and socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems"*<sup>6</sup>

The terms of reference for this work will be adopted at the 7<sup>th</sup> Conference of the Parties in Marrakech in November 2001 and are of crucial importance to the development of environmental and social safeguards for carbon sink projects.

## Additional funding for the South

In a separate political declaration, the EU, Canada, Iceland, Switzerland and New Zealand pledged to provide an annual contribution of €450m to three new funds. Two of these funds (both to be administered by the Global Environment Facility) will promote adaptation, technology transfer and activities in the energy, industry and transport sectors. A third fund specially created by the Kyoto Protocol will be aimed at more specific adaptation projects and programmes in

1 COP6bis was the supplementary session of the Sixth Conference of Parties of the UN Framework Convention on Climate Change in Bonn in July 2001.

2 Greenpeace (2001): *The Bonn Agreement and the targets of the Kyoto Protocol*, July 23 2001, Bonn. About 3.3% of these loopholes are due to the additional sinks allowances included in the Bonn Agreement, the remaining approximate 2% of fictional reductions were already established in the 1997 Kyoto deal.

3 For a full explanation of carbon sinks and carbon credits see Fern's web site [www.fern.org](http://www.fern.org).

4 Because no methodologies exist to measure this absorption, a 'discounting' formula will cap the allowance, with a maximum amount listed for each country in Annex Z of the Bonn Agreement. Japan and Canada have won considerably more generous caps than the formula suggests, however, because of their 'national circumstances'.

5 There is no cap on these sinks, and their potential size is unclear. As is the case for measuring other carbon sinks, no methodologies exist that verifiably measure the changes in a way necessary for accurate carbon accounting under the Kyoto Protocol.

6 Draft decision -/CP.6 Land use, land-use change and forestry. 27 July 2001 FCCC/CP/2001/L.11/Rev.1, Page 3.

developing countries that ratify the Protocol. Many people are expecting these funds to contribute to forest conservation and restoration projects, as intact forests have an important role to play as carbon stores and in regulating the climate.

### The danger of aggravating the global forest crisis

As well as failing to address the fundamental problem of emission reductions, the Bonn Agreement threatens forests and forest peoples, by:

- **failing to differentiate between forests and plantations:** the agreement makes no distinction between forests and tree plantations. Carbon sinks projects may lead to the establishment of vast plantations that will occupy millions of hectares of land in the South. The varied cultural and economic value of forests to forest peoples is not recognised in the carbon sinks concept as being qualitatively different from industrial mega plantations.
- **increasing pressure on land:** many carbon sink projects will be located on lands where forest peoples' rights and customary land rights are not recognised. Some of the world's poorest people will be displaced and conflicts over land use are likely to increase, along with their associated human rights abuses. The Kyoto Protocol should strengthen or guarantee forest peoples' or local communities' rights to land and natural resources. This is particularly important, as neither the Climate Convention nor the Kyoto Protocol recognises the rights of indigenous peoples to their land.
- **failing to protect old growth forests:** the Bonn Agreement makes no provision for protecting what remains of the world's old-growth forests, despite the important role they play in regulating the climate, and as carbon stores.
- **sidestepping biodiversity issues:** large-scale tree plantations that are established as carbon sinks projects are likely to feature densely packed monocultures of fast-growing species such as eucalyptus and pine, which are of little or no value to forest biodiversity.
- **furthering environmental injustice:** Northern industrialised countries – which are responsible for the

majority of greenhouse gas emissions to date – will further degrade and exploit resources, land and communities in the South, furthering an historic inequality.

### What needs to be done?

The next step on the road to ratification of the Kyoto Protocol is the 7<sup>th</sup> Conference of the Parties to the UN Framework Convention on Climate Change (COP7) in Marrakech in November 2001. There, the process of translating the political deal reached in Bonn into legal text will have to be finalised. This will provide governments, particularly the EU, which fought hard to restrict the use of carbon sinks in the protocol at COP6, with an important opportunity to limit the damage that carbon sink activities stand to do to forests, forest peoples and eventually the atmosphere. Member States and the European Commission should:

- ensure that proper environmental safeguards encourage the conservation of biodiversity and sustainable use of natural resources in any sink activity eligible under the Kyoto Protocol.
- ensure that CDM sink projects address the socio-economic effects of carbon sink activities, protect land rights of indigenous and local communities.
- refrain from using carbon credits originating from sinks projects in the CDM -and other additional sink activities added by the Bonn Agreement- to achieve their emission reduction targets.

### Further information

*Sinks in the Kyoto Protocol. A dirty deal for forests, forest peoples and the climate.* Fern, July 2001. Available at [www.fern.org](http://www.fern.org).

*Sinks that stink.* World Rainforest Movement. A compilation of carbon sink and tree plantation projects with negative social and environmental impacts. Available at [www.wrm.org.uy](http://www.wrm.org.uy).

*Democracy or Carboocracy.* Corner House Briefing 24. Available at Cornerhouse 44-1258-817518. Also shortly available at Fern's website: [www.fern.org](http://www.fern.org)

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