



Issue 21

November 2, 2011

Greetings!

CINCS is pleased to send you **Forestracker - In Depth**, an edited, bi-weekly snapshot of global news and developments relating to the forestry carbon markets, REDD projects, and terrestrial sequestration, as well as in depth research and analysis on current issues.

Sincerely,

The CINCS (Climate Investment Network for Carbon Sequestration) Team

In This Issue

[Policy Updates](#)
[Trading Tracker](#)
[Markets](#)
[Around the World \(Country Developments\)](#)
[Science and Technology](#)
[Report Tracker](#)
[Project Tracker](#)
[Conference Tracker](#)

Policy Updates

California Cap and Trade: Finally, Approval! The big story around the water cooler this week is no doubt the final approval of California's cap-and-trade regulations. After years of drawn out debates, legal challenges, and even a public referendum, California now seems set to launch the United States' first comprehensive cap-and-trade scheme (knock on wood), and the first that will look toward international REDD+ credits in coming years.

Ecosystem Marketplace

Analysis: Climate impasse could kill carbon offset investment. The failure of U.N. climate talks to clarify the future of the Kyoto Protocol and its market-based mechanisms could dry up investment in the carbon offset market, possibly threatening prices that are already trading near record lows.

Reuters

Durban: A Summit of Small Steps? You may have missed it in the non-deluge of publicity and the absence of fanfare; but this year's UN climate summit will be getting underway in exactly four weeks' time. The location this year is Durban in South Africa; and appropriately for the Rainbow Nation, delegates from different parts of the planet are approaching the meeting with a plethora of different priorities. The task, as always, will be to find enough common ground for an outcome that takes the global community of nations forwards, if only by a few steps, rather than backwards.

BBC

Putting a Price on the Ecosystem with Carbon Credits. As COP 17 approaches in Durban, South Africa, in late November, carbon trading and the now-voluntary carbon market may be a logjam issue. The world must be sure to see REDD as a climate change mitigation strategy and to be both patient and exceedingly careful when using this framework to attempt to solve the environmental and social ills that plague so many resource-rich, developing places.

polycymic

Trading Tracker

As of November 1, 2011

Europe

European Climate Exchange (ECX)
EUA, DEC 2011: EURO 9.81
CER, DEC 2011: EURO 6.73

United States

The Green Exchange (NYMEX).
EUA, DEC 2011: EURO 9.87
CER, DEC 2011: EURO 6.67
RGGI, DEC 2011: USD 1.90
CCAR, MAR 2012: USD 1.85

Canada

Montreal Climate Exchange (MCEX)
MCS, Jun 2011: CAD 1.000

Japan

Japan Climate Exchange.
Tokyo Cap-and-Trade Credits: YEN 12.000 (in August, 2010)

India

National Commodity and Derivatives Exchange Limited (NCDEX).
CER, SPOT: INR 704.96 (as of Dec 25, 2010)

Markettracker - In
Depth

Issue 22 coming up next week -
November 9, 2011

Please click below to view our

sample issue or to subscribe to our bi-weekly Marketracker - In Depth.

[View sample issue](#)

Could a forest be worth more than a gold mine? Jason A. Sohigian, the Deputy Director of the Armenia Tree Project (ATP), presents at TEDx on the often-unacknowledged economic value of forests, including wildlife habitat, safeguarding watersheds, soil health, and tourism. In Amerina, Sohigian estimates the economic value of forests to be between \$7 million to \$1.1 billion annually, if not more. "I'm suggesting that we can redefine our economic systems to do three things: understand the true value of natural capital and forests, understand our relationship with nature both at the individual and economic level, and finally save money by investing in natural capital like forests, especially in places like Armenia, where it can be critically endangered," Sohigian says.

[Mongabay.com](#)

Markets

Are We in a Voluntary Carbon Double-Dip? Recession and riots and price crashes, oh my! The world is watching with bated breath as fiscal policy makers worldwide attempt to stay afloat of a "double dip" recession. Below the surface in the carbon world, the closure of the CCFE, FSA admonishment of offset scams and precipitous decline in compliance offset prices have sent the carbon marketplace into a tailspin.

[Ecosystem Marketplace](#)

Malaysian sustainable timber certification fails Dutch standards. An independent panel in the Netherlands has found that the Malaysian Timber Certification Scheme (MTCS) falls short of Dutch standards for sustainable forestry. The final decision comes after a series of judgements and appeals with the latest panel concluding that MTCS still allows natural forest to be destroyed for monoculture plantation and that the scheme ignores the rights of indigenous people.

[Mongabay.com](#)

Ethanol Output Edges up, Highest since June. U.S. ethanol production rose slightly last week as corn harvest produced fresh supplies of the key ingredient for the fuel on good blender demand. The Energy Information Administration reported Wednesday that U.S. ethanol production totaled 909,000 barrels per day in the seven days to October 21, up 1,000 barrels per day from the previous week.

[Reuters](#)

Toymaker Hasbro Cuts Deforestation from its Supply Chain. Hasbro, the second largest American toy company, today announced a new packaging policy that excludes the use of fiber produced via destruction of rainforests, reports Greenpeace. The policy requires suppliers of forest products to "demonstrate compliance with all applicable international and national legal requirements for forest management, harvest, manufacturing and trade." It mandates third party verification of legality in cases when a supplier is sourcing from areas determined to be "high risk" for illegal logging.

[Mongabay.com](#)

Around the World (Country Developments)

AFRICA

Ghana Builds REDD Regulatory Regime. Ghana has recently been admitted to participate in the REDD+ Readiness Preparation processes of the World Bank's Forest Carbon Partnership Facility (FCPF) and has several affiliations with other forest governance initiatives that give it a head start as far as forest governance and REDD are concerned. It also just wrapped up a three-year effort to document and map all of its biomass - an accomplishment that could support REDD readiness across the continent.

[Ecosystem Marketplace](#)

Nigeria: Now That the Nation Has Got REDD Alert, What Next? It is definitely celebration time for environment stakeholders especially the Federal Ministry of Environment now that Nigeria has been granted the green light to benefit from the \$4 million (N600 million using official rate) from the United Nations (UN) Reducing Emissions from Deforestation and Forest Degradation (REDD) programme.

[All Africa](#)

ASIA

Chinese tree planting gets under way in green drive. The Swiss Pharmaceutical maker Novartis International AG has planted the first batch of 12,000 trees in Liangshan Yi autonomous prefecture, in Southwest China's Sichuan province. It is part of the third carbon-offset project initiated by Novartis worldwide. The Sichuan Carbon, Community and Biodiversity project was jointly carried out by the Sichuan Forestry Administration, The Nature Conservancy - a US-based international environmental organization - Daduhe Forestation Bureau and Beijing-based Shanshui Conservation Center.

[China Daily](#)

Indonesia's forest moratorium: A stepping stone to better forest governance? A team of scientists linked to the Center for International Forestry Research has released an analysis of the Indonesian government's two-year ban on new forestry concessions. The announcement in May of the moratorium was greeted with dismay by elements of the business community who expressed fears that a curtailment of economic growth would result from the moratorium's limitations on forest-based development opportunities. Meanwhile, environmentalists were disappointed by the narrow scope of the moratorium and its many exclusions and exceptions.

[CIFOR](#)

Rimba Raya Debacle Casts Pall Over Indonesian REDD. Bureaucratic machinations on the part of Indonesia's Ministry of Forestry have knocked the wind out of a pioneering forest carbon project that had become one of the first to attract big-league financing, lured in part by the promise of a profitable carbon market. Many are now left wondering about the future of REDD and its risky business.

[Ecosystem Marketplace](#)

EUROPE

Prince of Wales campaigning to save Count Dracula forests. The dark forests of the Carpathian Mountains, that once inspired the vampire legend, are some of the last untouched wilderness areas in Europe. Many of the tiny Saxon villages have not changed for centuries and bears and wolves can still be found in the woods. However rapid economic growth in the new EU country of Romania means that both the forests and the ancient way of life is under threat from building and demand for timber. The Prince, who recently brought a home in a small village in the area, is calling for protection for the forests before they are lost forever like the woodland that once covered much of Britain.

[The Epoch Times](#)

AUSTRALIA

Carbon tax opposition promises years of uncertainty for Australia's green investors. Australian investors in energy infrastructure and renewables are bracing for years of uncertainty after the opposition Liberal Party reiterated this week that it will seek a repeal of the government's controversial carbon pricing mechanism. The Labor-led coalition won a long-running battle last month to pass legislation that enables a carbon tax to be introduced on carbon intensive firms from July 2012, before transitioning into a national emissions trading scheme from 2015.

[Business Green](#)

CENTRAL AND SOUTH AMERICA

Isolated Indigenous People and Tourists Collide in Peru Park. New video released by the Peruvian government shows a potentially disastrous encounter between tourists and indigenous people long isolated from the outside world. In a motor boat tourists follow a group of Mashco-Piro people walking along the shores of the Manu River in Manu National Park. At one point one of the tribal members prepares to fire at the boat with an arrow. But danger doesn't only come from the possibility of a violent clash: uncontacted indigenous people, those who have chosen isolation from the world, are incredibly susceptible to disease.

[Mongabay.com](#)

Sierra Gorda Brings Small-Scale Farmers into Mainstream Carbon Market. Mexico's Sierra Gorda Biosphere Reserve links more than 260 small-scale farmers in a project that helps them earn carbon income for planting trees. It's the kind of project that addresses the needs of poor people around the world, and last month it was validated under two leading standards. But can that success be replicated?

[Forest Carbon Portal](#)

NORTH AMERICA

Forest biofuel projects could increase West Coast carbon emissions. Thinning West Coast forests on a widespread scale to feed bioenergy projects would increase the region's production of greenhouse gases, according to a new study. Research published Oct. 23 in the journal Nature Climate Change undermines the argument that substituting wood-based biofuel for fossil fuels would reduce carbon emissions.

The Los Angeles Times

American Forests Establishes New Science Advisory Board. The board, which will grow to 20 or more over the next year, will inform and evaluate American Forests' forest restoration work and public policy initiatives, including helping develop new programs and projects.

Santa Barbara Independent

Science and Technology

With Deaths of Forests, a Loss of Key Climate Protectors. The trees spanning many of the mountainsides of western Montana glow an earthy red, like a broadleaf forest at the beginning of autumn. But these trees are not supposed to turn red. They are evergreens, falling victim to beetles that used to be controlled in part by bitterly cold winters. As the climate warms, scientists say, that control is no longer happening.

The New York Times

Breakthrough technology enables 3D mapping of rainforests, tree by tree. High above the Amazon rainforest in Peru, a team of scientists and technicians is conducting an ambitious experiment: a biological survey of a never-before-explored tract of remote and inaccessible cloud forest. They are doing so using an advanced system that enables them to map the three-dimensional physical structure of the forest as well as its chemical and optical properties. The scientists hope to determine not only what species may lie below but also how the ecosystem is responding to last year's drought—the worst ever recorded in the Amazon—as well as help Peru develop a better mechanism for monitoring deforestation and degradation.

Mongabay.com

Are Dead Trees More Combustible than Live Ones? The last few years of computer modeling of fire behavior in dead forests indicated that wildfires would not turn into crown fires as readily there as they do in forests of living trees because many of the dead trees have lost their needles. Crown fires are the hottest, fastest-moving and deadliest of all forest fires.

The New York Times

Traditional Farm Methods Help Climate Mitigation. Traditional agriculture methods could help protect food supplies and make agriculture more resilient to the effects of climate change, a report by the UK-based International Institute for Environment and Development (IIED) said. Traditional knowledge, rather than modern methods, has helped indigenous people in countries like China, Kenya and Bolivia to cope with extreme weather and environmental change, the report said.

Reuters

The Forester's Toolbox: Technology Shores up Supplies for the Future. At this very moment, about 466 miles up in space, NASA's Terra satellite is recording atmospheric data across a 1,400-mile-wide swath of Earth. It uses a moderate-resolution imaging spectroradiometer, or MODIS for short, to record phenomena like volcanic eruptions, floods, storms, droughts and forest fires. Forest managers (along with scientists and researchers) are monitoring data from Terra, playing their role in a long line of wood products industry stakeholders, in order to ensure our forests provide satisfactory yields year after year. And they are fighting a winning battle. Though threats to the forest are many, the industry is moving toward global forest sustainability by combining technology onboard Terra with advances in computing, biotechnology and policymaking—making our industry greener than it's ever been.

EARSC

Crop Scientists Now Fret about Heat not just Water. Crop scientists in the United States, the world's largest food exporter, are pondering an odd question: could the danger of global warming really be the heat? For years, as scientists have assembled data on climate change and pointed with concern at melting glaciers and other visible changes in the life-giving water cycle, the impact on seasonal rains and irrigation has worried crop watchers most.

Report Tracker



The Supply Chain of CO2 Emissions

PNAS

October 2011



Agricultural success from Africa: the case of fertilizer tree systems in Southern Africa

Earthcane

October 2011



Last opportunity to save natural forest and peatland in Indonesian pulpwood plantation concessions

Greenomics

October 2011

Project Tracker

CDM Projects Registered (July 2011)

Kenya	Aberdare Range Mt. Kenya Small Scale Reforestation Initiative Kamae-Kipipiri Small Scale A/R Project Read More
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Voluntary Markets: Projects Registered (June- July 2011)

Uganda	Kachung Forest Project: Afforestation on Degraded Lands Read More
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Methodology Tracker

Approved methodologies

Senegal	Afforestation and Reforestation of Degraded Mangrove Habitats Read More
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Conference Tracker



Forests Indonesia

Alternative futures to meet demands for food, fibre, fuel and REDD+



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