



Issue 22

November 16, 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

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In Focus

The State of Water Resource Modelling: Towards an Integrated Approach to Data Management. from CINCS team member Steven Shonts

Water is the most critical natural resource on the planet, providing livelihoods and happiness to every community across the globe, from farmers in rural Tanzania to bankers in downtown Tokyo. Disruptions to water supplies and changes in quality create a host of economic, social and environmental impacts. Further, by 2025, two thirds of the world will live in water stressed regions (Messerli et al. 2009), underscoring the necessity of mitigating and adapting to these ever-growing challenges. This report focuses on sustainability efforts being undertaken by corporations, as they serve as a good case study for confronting emerging water resource issues. Corporations are agile and adaptable, and hence well-poised to implement salient solutions on short time scales. But possibly more importantly, they are invariably the first entities to be "cut off" in times of crisis (Sarni 2011), as agriculture and human consumption are prioritized by states. This means understanding and hedging water-related risks is of the utmost importance if corporations wish to remain competitive in the 21st century.

[Full Article Here](#)

Policy Updates

Bribery, collusion hinder UN carbon scheme -research. The U.N.-backed carbon offset market needs an overhaul as it lacks transparency and is vulnerable to bribery and collusion that threaten efforts to help developing nations cut their growing carbon emissions. A report from the University of East Anglia and University of Sussex warned that the Kyoto Protocol's emissions offset market could not be beneficial to the poor since the offset scheme does not function properly.

Reuters

Trading Tracker

As of November 15, 2011

Europe
European Climate Exchange (ECX)
EUA, DEC 2011: EURO 10.01
CER, DEC 2011: EURO 6.98

United States
The Green Exchange (NYMEX).
EUA, DEC 2011: EURO 10.03
CER, DEC 2011: EURO 6.91
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 23 coming up next week -

October 26, 2011

Please click below to view our sample issue or to subscribe to our bi-weekly Marketracker - In Depth.

[View sample issue](#)

Carbon Trading May Be Ready for Its Next Act. Gone are the days when carbon trade was seen as a vital policy tool to cut emissions at the cheapest cost, and not many people talk about its prospects for overtaking the oil market in terms of traded value anymore. Its reputation has been battered by a €50 million, or \$69 million, scandal over permit thefts. The United Nations' main carbon offset market, the Clean Development Mechanism, has been tainted by an association with land grabs and human rights abuses in poor nations.

[The New York Times](#)

3 sticking points to tackle on REDD+ in Durban, says facilitator. The three main negotiation sticking points that could slow a program to safeguard the world's forests are: a) the decision on finances, how REDD+ will be funded, b) how countries essentially measure, report and verify (MRV) their emission reductions, and the levels from which they start their MRV, c) how to implement what is called an information system for social, governance and environmental safeguards.

[CIFOR](#)

New Study Finds CDM Coal Projects Undermine Climate Goals while Receiving Billions in Climate Finance. A study by the Stockholm Environment Institute (SEI) shows that efficient supercritical and ultra-supercritical coal technologies are not dependent on CDM financing but are being rapidly adopted due to price pressures and numerous Indian and Chinese government policies that mandate higher efficiency technologies.

[CDM-Watch](#)

GREEN DEALS: Tapping the carbon rush. Australian carbon trading firm COzero is dusting off its plans to float, but intends to do so on the Hong Kong market to take advantage of the anticipated growth in carbon and environmental markets in east Asia.

[Climate Spectator](#)

Forestry needs to spend international funding more quickly, efficiently. It is necessary to accelerate REDD+ project implementation and spending. Forests are expected to see billions of dollars a year in new financing under Reducing Emissions from Deforestation and forest Degradation, or REDD+, a global scheme aimed to cut emissions from the sector. Still, this mechanism, which gives incentives to developing countries that keep their forests, must compete for climate change funding against other projects, such as renewable energy plants and urban transport schemes.

[Forest Carbon Portal](#)

New carbon offset project launches. The Carbon Offsets To Alleviate Poverty (COTAP), is planning to battle two major international crises: climate change and poverty. The project launched on November 14, 2011 with the announcement of a partnership with Canadian nonprofit Taking Root and the organization's current project in San Juan de Limay, Nicaragua. COTAP will focus its carbon offsetting projects in impoverished countries.

[Mother Nature Network](#)

Protecting forests, fighting climate change: Moving from REDD+ policy to practice. With new research showing that forests may absorb up to a third of all fossil fuel emissions, more than 1,000 leading experts, activists, government negotiators and global leaders will gather on the sidelines of the U.N. climate summit in Durban.

[CIFOR](#)

Conservation International Enters into Groundbreaking Partnership with Althelia Climate Fund on REDD+ Investments. Conservation International (CI) announced that it has entered into a partnership with the Althelia Climate Fund (ACF), a newly formed investment fund that will focus on sustainable land use, ecosystem services and forest carbon assets generated by projects that reduce emissions from deforestation and forest degradation (REDD+).

Conservation International

OPIC Signs First Insurance Contract for REDD Carbon Reduction Project. The Overseas Private Investment Corporation (OPIC) has executed the first political risk insurance contract for a Reduced Emissions from Deforestation and Degradation (REDD) project that will protect 64,318 hectares of forest in Cambodia and sequester approximately 8.7 million metric tons of CO₂e.

OPIC

Markets

Carbon-trading markets losing global focus. As uncertainty looms over the future of the Kyoto Protocol, the delegates of the Carbon Forum Asia 2011 met at Singapore in an attempt to iron out differences and arrive at new solutions. The sombre note was provided by the World Bank assessment that global carbon markets have stalled after five years of consecutive growth. However, the global carbon-trading market had already touched \$142 billion last year, a long way from the initial year of 2005.

The Hindu

Terra Global Secures Investment Capital for REDD and Land-Use Carbon Fund. Terra Global Investment Management secures approval for up to \$40 million of financing for the world's first globally diverse community-based REDD and land-use carbon fund. The Terra Bella Fund's investment strategy is to provide project finance capital to community-based forest and land-use carbon projects in developing countries. This approval for financing is provided by OPIC, as an anchor investment to an expected final fund size of \$100 million.

Market Watch

Carbon Conscious to plant 10m trees. Carbon forest sink company Carbon Conscious will plant about 10 million native Mallee eucalypt trees in Western Australia's wheat belt next year after Origin Energy exercised about \$30 million worth of planting options. Carbon Conscious develops forestry plantation projects to deliver carbon offset credits. This represents Australia's first major bio-sequestration investment since the Clean Energy Act.

AAP

Around the World (Country Developments)

AFRICA

DR Congo seeks to keep its green lung breathing. Around Ibi Village is a preservation project planned to plant a forest of acacia trees, surrounded by manioc, to provide a 4,200-hectare forest for energy use, at the same time trapping in five years a million tonnes of carbon dioxide. The World Bank's BioCarbon Fund, along with French enterprise Orbeo, - a joint venture between chemical group Rhodia and Societe Generale bank - have each bought 500,000 tonnes of carbon credits to resell to polluters to recompense their greenhouse gas emissions, the Ibi Village project head Delly Kayuka told AFP. However Kayuka voiced his disappointment at the asking price, at \$4 dollars per tonne of CO₂. According to the UNEP the Democratic Republic of Congo's reserves of carbon dioxide, estimated at over 27 million tonnes, could generate up to \$900 million per year up to 2030.

AFP

Ghana on course in implementing climate change mechanisms. Ghana pursues actions to implement one of the most important mechanisms for climate change mitigation. The National REDD-plus Readiness Preparation Proposal (R-PP) aims to assist Ghana to prepare itself and become 'ready' for full implementation of the 'Reduced Emissions from Deforestation and forest Degradation.

Modern Ghana

Ghana Builds REDD Regulatory Regime. A new report examines the state of REDD in Ghana's legal apparatus. This country has 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

Land management initiative proving helpful in Lakki. The UNDP-funded pilot project of Sustainable Land Management (SLM) has proved helpful in educating community about the use of modern methods to combat the menace of land degradation and desertification. An evaluation reported that Kanna plantations have helped to save land from erosion, bring stability in sand dunes and flourish the cottage industry.

Dawn.com

ASIA

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Dawn.com

Lessons on Forest Transition from Vietnam. Vietnam is one of the countries that have experienced forest transition -a move from net forest deforestation to net reforestation and this has partly been as a result of strong government policies on reforestation and forest protection. ASB Partnership had the chance to visit the pilot program on Payment for Forest Environmental Service (PFES) and stated that it has been a successful policy.

The NonProfit Blogs

"Turning bare land into a green nation": How South Korea recovered its degraded forests. A government-led reforestation program in South Korea has succeeded in producing a substantial increase in forest cover over the past 50 years, according to a new study released by the Center for International Forestry Research. The study, Forest Transition in South Korea: Reality, Path and Drivers, showed forested land area has almost doubled in size since the mid-1950s, with 60 percent of the country now covered in forests. The increase in forest cover was mainly accomplished through a government-led efforts.

CIFOR

Paper giant gets heat over Indonesian forests. An Indonesian pulp and paper company accused by Greenpeace of helping destroy the country's rainforests has been on the defensive after the global environmental group announced more companies were cutting ties with it. Greenpeace said it had found extensive clearance of rainforests inside APP plantations on Sumatra island, including areas mapped as habitat for the endangered Sumatran tiger.

Monsters and Critics

Indonesia Loaned \$100 Million to Reduce Greenhouse Emissions, The Asian Development Bank is providing Indonesia with a \$100 million loan to support Indonesia's drive to reduce greenhouse gas emissions and strengthen its resilience against climate change.

Jakarta Globe

Government tells mining firms to invest in reforestation while operating. The Forestry Ministry of Indonesia has called on mining companies to see forest reclamation in areas where they operate as an investment rather than just an obligation. Last year, the government issued a regulation obliging mining firms to conduct reforestation in the forest areas they had cleared for mining operations but only a few had done so mainly due to weak oversight. This has sparked concerns about the state of the country's forests.

The Jakarta Post

EUROPE

Russia May Become Third-Biggest CO2 Offsets Supplier, CDC Says. CDC indicates that the increase in ERU supply will likely put additional pressure on the price for Kyoto credits, as the largest carbon market, the EU Emissions Trading System, is

already suffering from oversupply of allowances, while the post-2012 uncertainty regarding the international negotiations' possible outcomes as well as the negative impacts of the Eurozone debt crisis.

Bloomberg Businessweek

CENTRAL AND SOUTH AMERICA

Pursuing REDD+ as a viable development option: Lessons from Guyana's experience. Report outlines the lessons that can be learned from Guyana's experience with REDD+ which should provide insights for other forest countries. Guyana, with the support of Norway, has put in place a national-scale REDD+ strategy.

Mary Robinson Foundation Climate Justice

Haiti - Environment : Binational Project for the rehabilitation of the Artibonite River watershed. The binational steering committee, established by the Haitian and Dominican authorities aims to strengthen the dialogue between this two countries especially on the watershed management. The project PROBINA estimated at \$ 11 million is funded by CIDA, UNDP and OXFAM and aims to strengthen the organizational and institutional capacities of the countries responsible for the development of the Artibonite River watershed, to support the forestry agricultural and agro-forestry initiatives designed to increase the income of rural populations in the area of intervention.

Haiti Libre

Science and Technology

Biggest jump ever seen in global warming gases. The global output of heat-trapping carbon dioxide jumped by the biggest amount on record, the U.S. Department of Energy calculated, a sign of how feeble the world's efforts are at slowing man-made global warming. The new figures for 2010 mean that levels of greenhouse gases are higher than the worst case scenario outlined by climate experts just four years ago.

The Los Angeles Times

Report Tracker



The Supply Chain of CO2 Emissions

PNAS

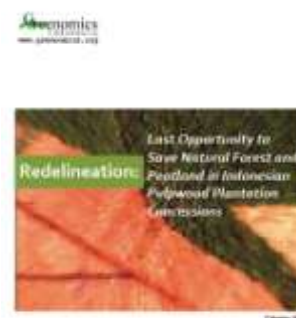
October 2011



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

Earthcare

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-Kipiri Small Scale A/R Project Read More
Voluntary Markets: Projects Registered (June- July 2011)	
Uganda	Kachung Forest Project: Afforestation on Degraded Lands Read More

Methodology Tracker

Approved methodologies

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



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