



Hidden carbon emissions from trade offsets impacts of reforestation

Countries that appear to have reduced greenhouse gas (GHG) emissions through reforestation may have simply “displaced” the emissions to another country, by increasing their imports of food, timber and wood. A new EU study highlights the need to recognise this ‘loophole’ in ongoing emission targets.

Under international pressure to reduce emissions from agriculture and land use, some UNFCCC non-Annex I countries, such as China, Vietnam and Costa Rica, have significantly increased their proportion of forested areas. However, recent research suggests that more than 50 per cent of the reduction in CO₂ emissions in the last five years attributable to reforestation is cancelled out by the increase in overseas trade needed to meet the continuing demand for forestry products.

This ‘loophole’ is being called ‘Emission Embodied in Trade’ (EET) and means that national GHG inventories may only account for use of forest resources in their own country but that the carbon ‘footprint’ of some products consumed is much higher, since the responsibility for production is shifted elsewhere. This is the only way that developing countries can meet strict UN REDD+ standards¹ for emission reductions through reforestation, according to the researchers.

The scientists warn that failure to recognise EET in future REDD+ discussions is likely to encourage emission displacement through trade, and may therefore be counter-productive to reducing global emissions through land use.

Ecolabelling schemes have emerged in Europe and the USA, which calculate emissions associated with the supply chain *and* lifecycle of a product. However, the schemes are not consistent in their approach, for example, when choosing which GHGs to include. Ecolabelling initiatives are encouraging, but demonstrate an urgent need to develop standardised ways of accounting for international trade in the carbon footprint of a product say the researchers. This is likely to mean greater responsibility for national governments to meet minimum standards for record-keeping and accurate reporting of land use and trade patterns. Setting incentives and guidelines for managing regional activities may also help tackle the illegal trade of timber and wood products that is prevalent in some developing countries.

Alongside political pressure to account for EET when calculating a product’s environmental footprint, consumer demand for ‘green’ products is likely to be an influential factor in bringing about real changes in land use, say the researchers.

For example, public and NGO campaigns expressing outrage over destruction to the native habitat of the endangered Sumatran orangutan have caused consumer boycotts of palm oil products used in the food and biofuel industries. One campaign in the 1990s led to a voluntary halt on production by the palm oil industry in the Tripa swamp in Indonesia, and there are increasing cases of contracts being cancelled with plantation companies involved in new forest clearing.

The Roundtable of Sustainable Palm Oil (RSPO) has brought together industry representatives, trade partners and environmental campaigners to work towards transparency and compliance with sustainability targets. Researchers say that cases of this kind are on the rise and could soon emerge within other major industries, such as sugar cane.

1. See: United Nations collaborative programme on Reducing Emissions from Deforestation and Forest Degradation (REDD+) in developing countries. www.un-redd.org/Home/tabid/565/Default.aspx

Source: Minang, P.A., van Noordwijk, K., Meyfroidt, P. *et al.* (2010). Emissions Embodied in Trade (EET) and land use in tropical forest margins. *ASB Policy Brief 17, ASB Partnership for the Tropical Forest Margins, Nairobi, Kenya*. Downloadable from: www.asb.cgiar.org/PDFwebdocs/PB17_final.pdf

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