

Mani long win

Cash for carbon:
hot prospect or hot air?

Colin Hunt
School of Economics
The University of Queensland

c.hunt3@uq.edu.au

**Logging oil palm and livelihoods in
Papua New Guinea**

**Symposium at James Cook University
20 April, 2011**

Market failure

Emissions of C at no cost



Conservation of C no benefit



REDD and REDD plus

REDD

Reduction in
deforestation
and forest
degradation

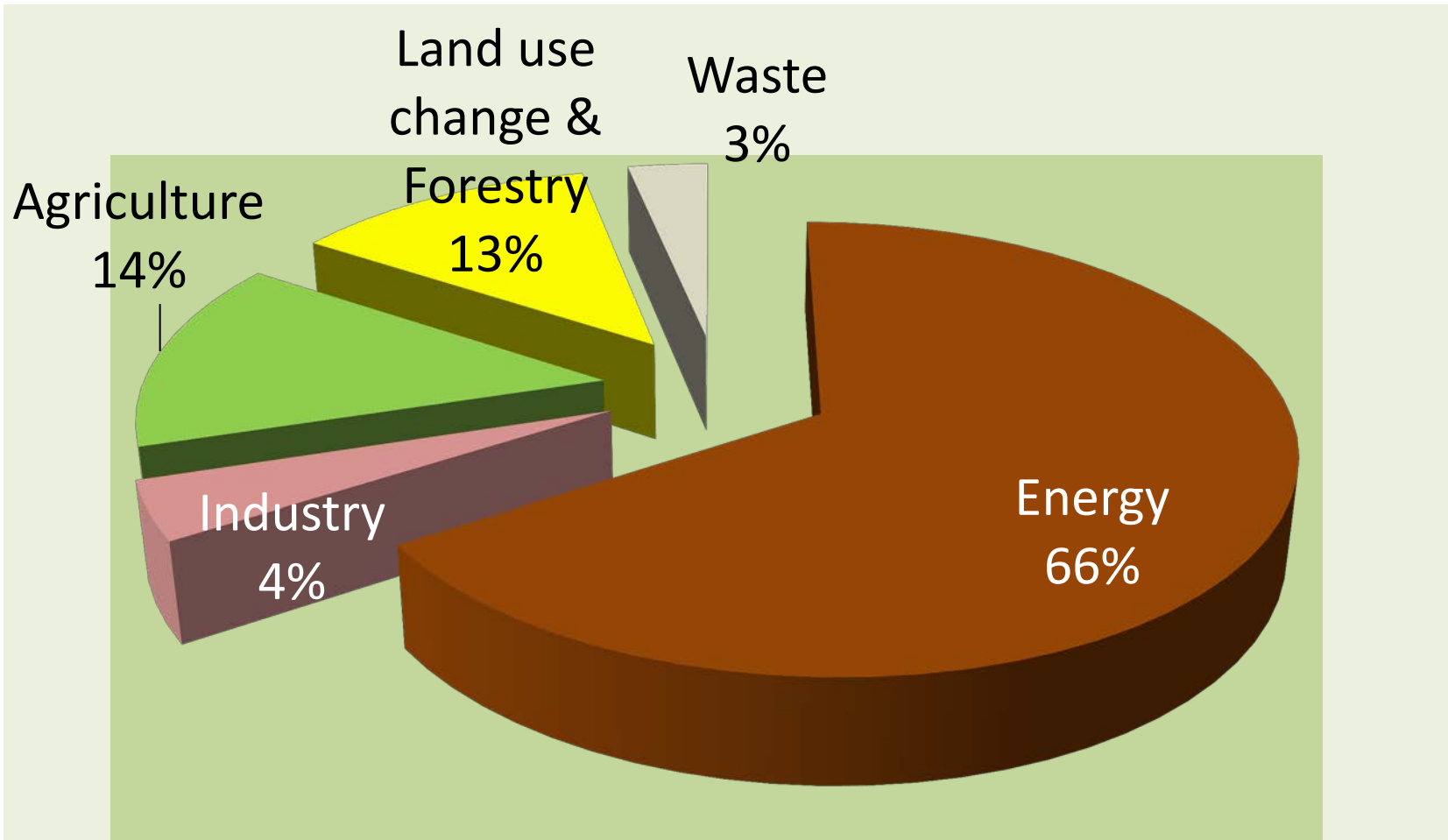


REDD++

Low impact
logging,
enrichment
planting,
etc.



Global greenhouse gas sources





Kyoto 1997

Bonn, 2005



An aerial photograph of a vast, dense tropical rainforest. The canopy is a rich, vibrant green, with numerous tall, slender trees visible. The forest extends to the horizon, creating a sense of depth and scale. The text "Coalition of rainforest nations, 2005" is overlaid in the center in a white, sans-serif font.

Coalition of rainforest nations,
2005

Coalition of rainforest nations





Bali 2007

“If the US is not willing to lead then
get out of the way!”



Kevin Conrad



Paula Dobriansky

A wide-angle photograph of a large conference hall. A long, light-colored table runs down the center of the room, with many people seated at it. The room is filled with people, and the ceiling is high with many lights. The text "Copenhagen 2009" is overlaid in the center of the image.

Copenhagen 2009

Cancun 2010



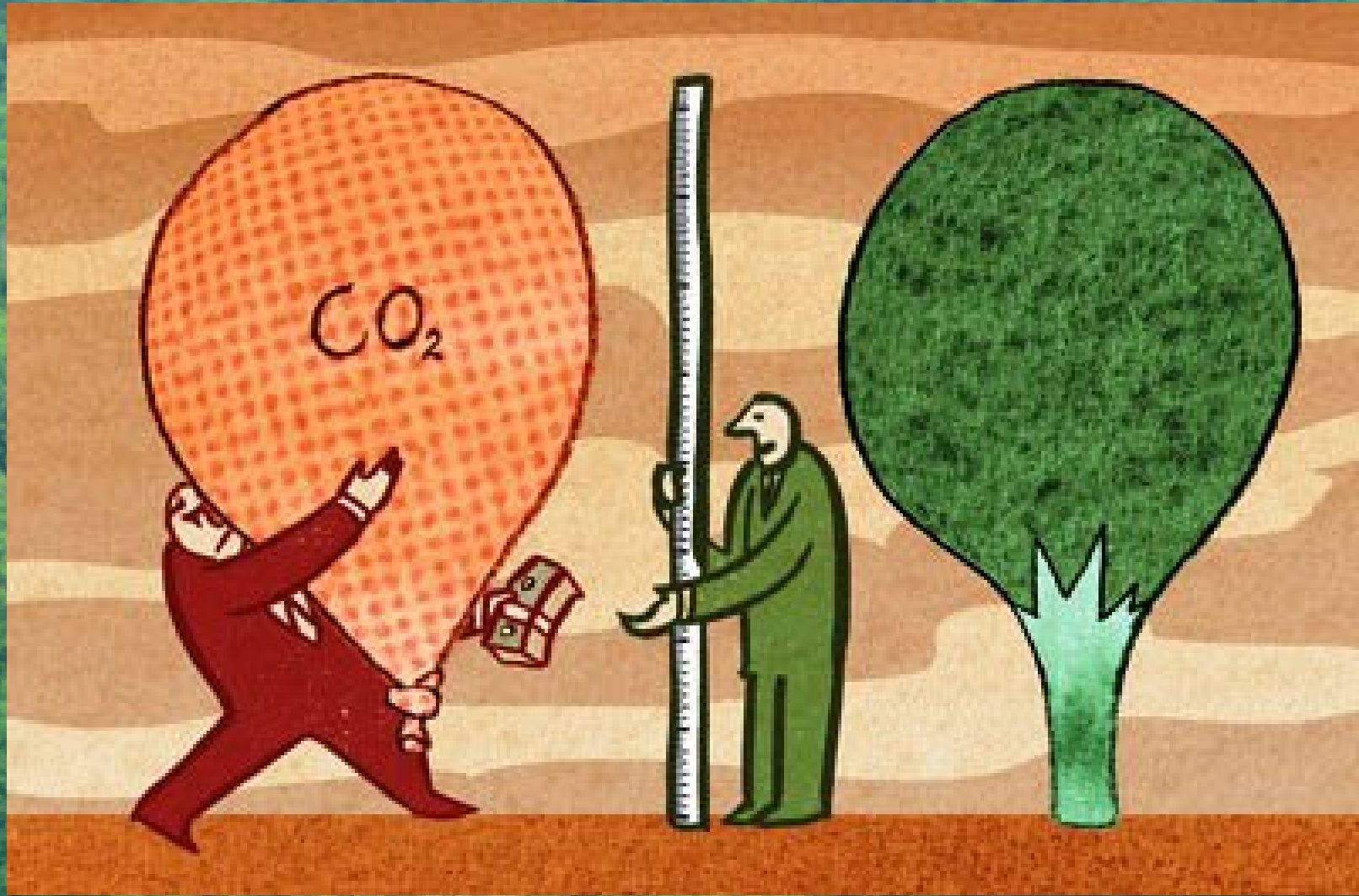
How much carbon in forests?



PNG logging 175,000 ha a year



Markets and 'mani long win'

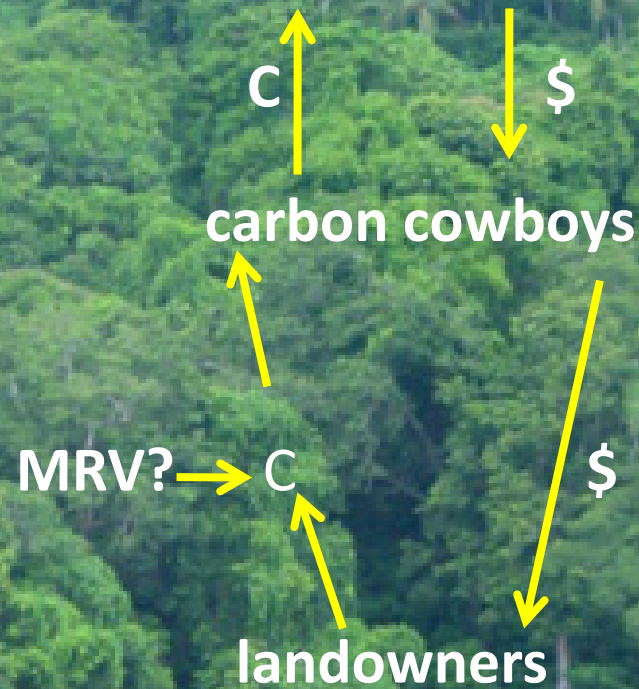


1. Global (UNFCCC) market



2. Voluntary market

Demand for C offsets



PNG to reap handsomely from voluntary carbon trading

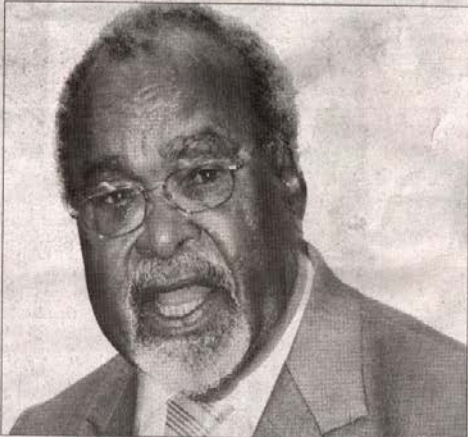
By PETER SOLO KINJAP

IN AN open letter dated 28th July 2010 to the Prime Minister Grand Chief Sir Michael Thomas Somare, the CEO/Chairman of Nupan (PNG) Trading Corporation Limited Kirk William Roberts said a research in Europe and America indicated that PNG voluntary carbon credits would sell for between \$5 (K15) and \$7 (K21) in the coming years, if PNG takes up the opportunity.

Kirk William Roberts went on to say in his letter, "In view of recent events around the world, I write to you today to inform you of the result of research we have been doing throughout Europe and the Americas."

Mr Roberts assured the PNG Prime Minister through his letter saying "as you know, my company, Nupan (PNG) Trading Corporation Limited, represents thousands of landowners and ILG's throughout PNG. You would also be aware that we have been assisting ILG's in the establishing of voluntary carbon trading projects, the first of which is just a few weeks away from being complete."

He said, "It is with great pleasure we inform you, that after research with some 50 brokers and over 100 organizations, we believe the initial



Prime Minister Sir Michael and Deputy Don Polye... said t

New Guinea, Tumu Timbers Ltd is estimated to receive more than 20 million kina every year for the next 35 years onwards and expected to provide employment for over 3,000 locals if the Kaluma Doso voluntary carbon trade project is managed properly. Chairman of the local landowner

own the land and the forest (97%) most of which is virgin/untouched. The 47 million hectares of land and forest in PNG is sufficient enough to supply oxygen/carbon exchange for that matter as it is now. PNG does not need to cut down the trees for logging and plant again for carbon trade. Of

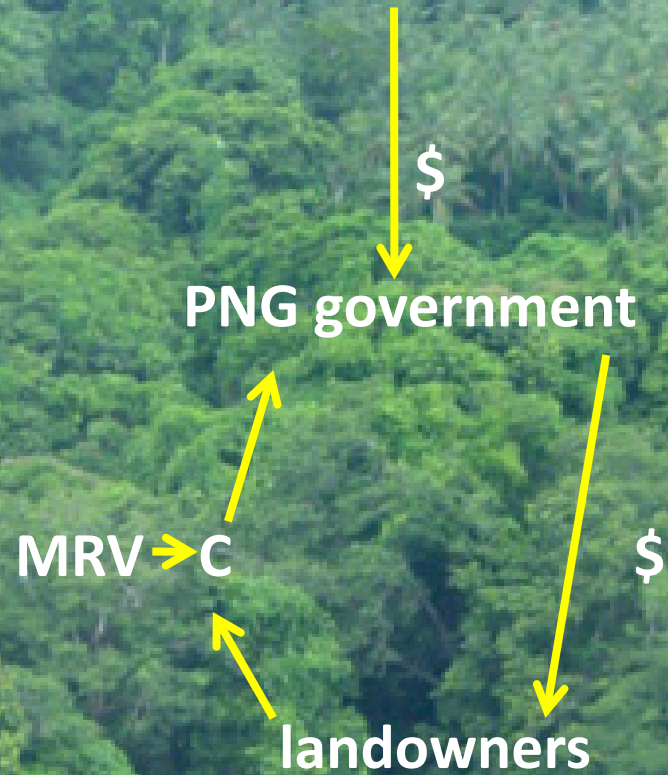
Interesti attending t Debate of General A USA, and Don Polye's Sir Michael release clai




Carbon Cowboy

"I am a top foreigner in Papua New Guinea, says carbon kingpin",

3. Donor



An aerial photograph of a vast, dense tropical rainforest. The canopy is a thick, vibrant green, with some taller trees visible as dark vertical lines. The text "Is a tonne of CO₂ a tonne of CO₂?" is centered in the upper half of the image in a white, sans-serif font.

Is a tonne of CO₂ a tonne of CO₂?

An aerial photograph of a dense tropical forest. The canopy is a vibrant green, with numerous palm trees visible throughout the landscape. The forest extends to the horizon, creating a textured, layered appearance.

Measurement

Leakage

Permanence

Would the forest have
been cleared or logged?





REDD and PNG livelihoods

Donor

\$

PNG government

MRV

C

\$

landowners

