

Domestic policy

Indonesia to reclassify oil palms as forest

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Indonesia is set to redefine oil palm plantations to prepare for a UN-led forestry carbon market.

The country's Ministry of Forestry is writing a decree to include controversial oil palms in the forestry sector, the Jakarta Post reported today.

"It is to anticipate the implementation of the Redd scheme," Tachrir Fathoni, head of the ministry's research and development division told the paper.

Developing countries including Indonesia are pushing for a Redd (reduced emissions from deforestation and degradation) scheme to be included in a post-Kyoto global climate regime.

Forest-rich nations that halt deforestation would be eligible to claim carbon credits under the mechanism.

UN rules allow countries to use individual definitions of what constitutes a forest, and oil palms are tall enough to qualify.

Palm oil is a popular component as a biofuels in rich countries.

But the plantations are blamed for increasing greenhouse emissions, as tropical rainforests and peatlands in southeast Asia are being destroyed to make way for palm oil production, Greenpeace has claimed.

Few buyers

The move by Indonesia could mean the country could earn an additional amount of Redd credits, depending on the scheme's final rules and regulations, which have yet to decide on a market-based or fund-driven approach.

But Paul Butarbutar, country director for Indonesia at South Pole Carbon Asset Management, said it's unlikely that the country will be able to sell many carbon credits generated by oil palm plantations.

"I really doubt that any country, especially European countries, would be willing to support the development of oil palm plantation as part of Redd, or to buy any carbon credits from oil palm plantation through Redd," he told Point Carbon News.

He added that oil palm plantations would find it difficult to show they had cut emissions.

"The exception might be if such oil palm plantations are developed on severely degraded lands. But still, this does not mean that carbon credit buyers would be willing to buy from such projects," said Butarbutar.

Earlier this month the EUobserver reported that the European commission has drafted a similar rule change in European law, potentially paving the way for future EU purchases of palm oil-based credits.

However, the draft has come under fire and it remains highly unlikely whether it will be adopted.

Indonesia said last month the forestry sector is set to play a pivotal role in its plan to cut carbon emissions the future.

Emission cuts will partly be achieved through protecting trees and rehabilitating a total of 21,135,000 hectares of land over the next 10 years.

By Stian Reklev – sr@pointcarbon.com

Beijing