

W. Java wants clarification on carbon trade

West Java Vice Governor Yusuf Macan Effendi is asking the central government to provide a clear definition on carbon trading mechanisms for the forestry sector, which may motivate provincial administrations to protect the diminishing conservation forests.

Yusuf said the provincial administrations in Java had so far failed to engage in carbon trading as other provinces had outside Java because the matter in Java was regulated in a ministerial regulation and directly managed by the central government.

"I learned about the new regulation when trying to arrange for carbon trading offered by a European institute last year," Yusuf told reporters in Bandung recently.

The institute, Yusuf said, offered a carbon trading disbursement scheme on an 800,000-hectare forested area in West Java. It turned out that the trading was being arranged at the Forestry Ministry.

"The provinces in Java could only compete to obtain higher carbon credits by expanding conservation areas," he said.

Yusuf said the regulation was made on the grounds that forests in Java were limited. Besides, companies operating geothermal plants on the island could engage in carbon trading transactions through the clean development mechanism (CDM) because doing so was considered managing renewable and eco-friendly energy.

However, according to Yusuf, the provincial administration and residents living around the forest required a direct initiative for forest protection to become further motivated in reducing environmental damage.

"Carbon trading should also have been given to the regencies and not only to corporations," he said.

The forests in West Java in 1999 spanned 1,045,071 hectares, but have declined at around 200,000 hectares over the past 12 years.

West Java Environmental Management Agency head Setiawan Wangsaatmadja said that the carbon trading scheme had given new hope to improving the quality of the environment in the future, because economic factors that played a role in environmental damage were difficult to eliminate.

"If there is compensation, those who protect the forest can be compensated. If forest clearers earn Rp 1 million [US\$110] monthly for their daily meals, for example, we can provide them Rp 2 million to protect the forest," Setiawan said.

He added that his agency had taken inventory of the forests in the province, including tree species, since the carbon trading issue was discussed in the COP-13 conference in Bali in 2007. He said carbon trading discussions were currently being held with the finance and forestry ministries.

The problem is, he added, the forests in West Java were owned by various parties, ranging from community-based estates, the Forestry Ministry, state-run forest company Perhutani and the Natural Resources Conservation Agency to local communities.

In fact, forest ownership that had not been registered clearly would face difficulties in earning carbon credits. "Carbon buyers will buy only if the areas have been proven valid. If ownership is clear, carbon credits can be easily be distributed," Setiawan said.

He cited the importance of finishing inventories of forest ownership to complete the documents already available so that it would also be easy for the finance and forestry ministries to issue carbon trading regulations.