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Generating carbon credits from peatland rewetting

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Peatland rewetting can contribute substantially to reducing greenhouse gas concentrations in the atmosphere. This paper discusses recent peatland oriented developments in the UN Climate Convention, its Kyoto Protocol, the REDD+ mechanism and on the voluntary market. The possibilities in the Kyoto Protocol to account for emissions reductions from peatland rewetting are not used because then also land with much less reduction potential has to be monitored and accounted for. In Cancun (December 2010), however, unanimity was reached on a new promising activity under the Kyoto Protocol aimed at rewetting of land with organic soil. In Durban (December 2012) peat was also discussed as an important carbon pool under Reducing Emissions from Deforestation and forest Degradation (REDD+) in developing countries. The voluntary carbon market already now provides opportunities. Since March 2011 the Verified Carbon Standard has a module “Peatland Rewetting and Conservation” (VCS-PRC) for conserving and rewetting peatlands. In the enthusiasm for carbon trade from peatlands, some aspects are generally insufficiently acknowledged:

- Solely the reduction of emissions is rewarded, not the mere presence of a carbon stock.
- For areas that are easily available for rewetting, the necessary additionality often does not exist.
- As carbon credits are only issued after realisation of emissions reductions, investments in carbon projects have to be pre-financed over years.
- In practice much less carbon credits are coming available for sale than actual emissions reductions taking place.
- The costs of generating marketable carbon credits from peatland rewetting are generally higher than the current carbon prices on the voluntary market.
- It is often easier to pursue sponsoring instead of trading and to offer unquantified but area specific emissions reductions and other ecosystem services.

The new possibility to express the peatland ecosystem service “carbon storage” in money and to trade carbon credits offers both chances and risks. The challenge is - under consideration of the dangers - to employ the positive force.