



Compiled and edited  
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## Carbon credits mostly hot air for UK investors

Investors are failing to profit from carbon credits according to the UK Financial Conduct Authority (FCA), a financial services industry regulator. Carbon credits, certificates or permits represent the right to emit one tonne of carbon dioxide (CO<sub>2</sub>) and can be traded as financial instruments. They have been touted by some as 'the next big thing' in commodity trading and as a key to promoting sustainable development, including in the tropical forestry sector. However the FCA states in a recent report that "many investors have told us they are not able to sell or trade the carbon credits they have bought. None of these investors reported making a profit." They also report that an increasing number of investment firms, advisors and brokers are using high-pressure sales tactics to sell investors carbon credits, voluntary emission reductions (VERs), certified emission reductions (CERs) or an opportunity to invest directly in a 'green' scheme or project that generates carbon credits as a return on investment. The FCA report calls for tighter regulation on the sale and marketing of carbon credits and related products.

Read more at: [www.fca.org.uk/consumers/scams/investment-scams/carbon-credit-trading](http://www.fca.org.uk/consumers/scams/investment-scams/carbon-credit-trading)

## Japan importing illegal timber?

A recent report from Global Witness says that Japan, one of the largest importers of timber from the Malaysian state of Sarawak, is failing to keep illegal timber from entering the country. Roughly one third of all timber products exported by Sarawak over the last two decades have been destined for Japan, which represents the single largest bilateral flow of tropical timber over the period. According to the report, Japan's Goho-wood legality verification system is accepting most timber products from Sarawak as legal, on the basis of the Sarawak government's verification procedures. The report documents the Sarawak government's inability or unwillingness in some cases to enforce its own laws, and questions whether the Goho-wood system's reliance on such government assurances can ensure the legality and sustainability of imports.

Read the report: [www.globalwitness.org/library/japanese-companies-buying-tropical-timber-linked-illegal-logging-human-rights-abuses-and](http://www.globalwitness.org/library/japanese-companies-buying-tropical-timber-linked-illegal-logging-human-rights-abuses-and)

## Honduras' Miskito Indians granted land title rights

The Associated Press recently reported that the Honduran government will grant title to more than 655 000 hectares along Honduras' border with Nicaragua and the Caribbean coast to the Miskito Indians inhabiting the area. This will be in addition to 107 000 hectares awarded to the Miskitos in the past year.

According to the executive director of Honduras' National Agrarian Institute, Reynaldo Vega, the Miskitos can use the

land titles to defend the area's natural resources. Mining, gas, oil and lumber companies operating in the area would have to deal with the Miskitos as owners of the land if they wish to work in those areas. The granting of the land title guarantees the rights of five Miskito communities comprising approximately 22 000 people living in over 100 villages.

Read more at: [www.usatoday.com/story/news/world/2013/09/12/honduras-miskito-indians-title-coastal-lands/2807695/](http://www.usatoday.com/story/news/world/2013/09/12/honduras-miskito-indians-title-coastal-lands/2807695/)

## Indonesia establishes REDD+ agency

Following up on requirements under a billion dollar 2010 agreement with Norway, Indonesia has established a national agency to implement the country's REDD+ program. The ministerial-level agency, established by presidential decree, will manage the national REDD+ strategy between various ministries responsible for land use policy country-wide (one reason for the delay in its establishment was disagreements between existing ministries over the new agency's role). It will also supervise the monitoring, reporting and verification of emissions reductions outlined in the agreement, under which Norway is compensating Indonesia based on the country's progress in reducing greenhouse gas emissions from deforestation.

Read more at: <http://news.mongabay.com/2013/0907-indonesia-redd-agency.html#fjZVwKO1RBMMBew5.99>

## Costa Rica signs carbon credit agreement

The Government of Costa Rica and the World Bank-led Forest Carbon Partnership Facility (FCPF) signed a Letter of Intent negotiating an Emission Reductions Payment Agreement valued at up to US\$63 million in September 2013, making Costa Rica the first country in the FCPF to access large-scale performance-based payments for conserving its forests, regenerating degraded lands, and scaling up agro-forestry systems for sustainable landscapes and livelihoods. Costa Rica also plans to establish a national carbon market to allow trading of carbon credits generated from domestic activities.

Costa Rica's proposal to the FCPF would help meet pending demand for additional landowners to participate in the country's Payments for Environmental Services (PES) program that will protect and regenerate forests on about 340 000 hectares of privately owned land and also in indigenous peoples' territories. The country, long a global pioneer in preserving tropical forests and exploring innovative ways to pursue sustainable green growth, recently became a member of ITTO and will host an ITTO co-funded International Forum on Payments for Environmental Services from Tropical Forests in April 2014 (see *Meetings*, this issue).

Read more at: [www.forestcarbonpartnership.org/letter-intent-signed-costa-rica](http://www.forestcarbonpartnership.org/letter-intent-signed-costa-rica)