

## THE LEGAL RESPONSIBILITIES OF EMISSION TRADING IN CARBON SINKS

*Robert Vincin*

**UNCTAD** (1) Emission Trading Forum from 1996-1999 established process for reduction of and storage of CO<sub>2</sub>. The outcome was presented at the various UNFCCC COP (2) assemblies. The UNFCCC Kyoto Protocol articles 3.3 and 3.4 offers Australia the opportunity to sequester of global CO<sub>2</sub> emissions. Provided the PM and the Parliament ratifies Kyoto the following process is critical if not then it is academic. Article 3.4 offers the greatest benefit to this nation.

There are legal and environmental responsibilities that go with “trading in carbon movement”. Without the clearest of understanding of all the issues and risks in trading in carbon sequestration the sequestering parties can be left with serious financial risks which in turn leaves the governments exposed. Many emitting corporations are not in the re-vegetation business and seek experts with established credentials in plantation projects. Basically, at the end of the day, you as plantation owner are the keeper, the responsible party of the carbon you sold for the next 60 years. The rules to being your own competitive carbon trader/manager/keeper are simple.

- (1) Select vegetation that sequesters, high carbon volume quickly yet permanently. Audit your baseline and progressively verify at intervals the storage volume sequestered
  - (2) Select plantation type, processes and region that will best serve the nations land restoration.
  - (3) Understand the carbon cycle and carbon movement and the UNFCCC 60 year rule. You alone are the keeper of the “vault of carbon” not a fee earning third-party broker acting between you and a buyer!
  - (4) Try to plant in catchments where the peer help and management will aid securing and benefiting from the soil carbon.
  - (5) Engage carbon auditors capable of measuring baseline and the generated carbon biomass, litter and soil.
  - (6) Inform all the stakeholders of the risks and benefits.
  - (7) Establish very realistic cost structure from concept to sign-off in 60 years time (when the Hydrogen economy begins). Understand the, legal, insurance, measurement, auditing, verifying GST taxes, production land cost appreciate the potential of visits by your buyer with real “ownership rights” and kinship to your expertise with their money “the carbon credit purchased”.
  - (8) Consider establishing a perpetual trust (eminent person board (3)) where income from credit sales is redirected back to further plantation and re-vegetation initiatives in the catchments.
  - (9) Assist the government with the full understanding of carbon storage before legislating a “carbon separation act law”.
- 
- (1) The forum consisted of representatives’ heads of CO<sub>2</sub> emitting corporation, legal, science, foresters and potential traders from each continent. Vincin of Emission Traders Int. p/l Sydney was a member of UNCTAD and attends most of the COP atmospheric and desertification assemblies
  - (2) UNFCCC COP United Nations Framework Convention Climate Change, Conference of Parties writing The Kyoto Protocol
  - (3) Eminent Persons and board of trustees can build a perpetual fund to restore and manage land water vegetation and fauna. They could add the comfort that potential direct buyers seek to further insure their investment with your noble initiative. The Board includes regional experts to ensure the carbon secure.