

joining hands across the waters ...

Gulf Islands Alliance

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November 24, 2010

Islands Trust
200 - 1627 Fort St
Victoria, BC
V8R 1H8

Re: Carbon Trading /Sequestration in the Trust Area

Dear Madame Chair and Trustees,

As you are aware, on October 12, 2010, the Provincial Government announced the completion of an agreement involving the protection of more than 1,700 acres on Denman Island. In the press release, Environment Minister Barry Penner stated: "A public-private partnership involving land donations, the transfer of local development rights and carbon sequestration will help protect ecologically sensitive lands on Denman Island."

The use of carbon sequestration/offsets in financing an agreement of this magnitude is without precedent in British Columbia. Since the Islands Trust is responsible for 'the local development rights' involved, we believe a thorough examination of the potential long-term impacts from such an arrangement would be prudent.

The use of this tool by the province in concert with a private landholder and international agencies has caught many individuals and organizations, including the Islands Trust, off-guard. Furthermore, as the implementation of the tool has been widely praised for being innovative and timely, it seems likely that similar proposals will follow. We believe the Trust should be prepared for such initiatives.

At present, it appears there are more 'unknowns' than 'knowns' with respect to the potential impacts of carbon trading;

- What types of incentives will carbon sequestration create?
- Will incentives to deforest or clear-cut more mature forested land (and then replant seedlings with minimal sequestration benefits) be increased by the use of carbon offsets?
- Will values for forested land, and hence returns to land-holder/developers increase as the carbon sequestration potential of a property is taken into account?
- How will measurement and enforcement of CO2 emissions/reductions be monitored?
- Will long-term CO2 reductions simply be achieved at the expense of short-term emissions in another part of the world?

- How will the Trust respond to the Province's Cap and Trade program due for release in 2012?

This is by no means an exhaustive list of issues that carbon trading raises.

We suggest that the negotiations surrounding the initial carbon sequestration agreement warrants an open discussion by Trust Council about the need for a mechanism that allows public participation and input into Carbon trade/sequestration decisions that have impacts on land-use.

As such, we urge the Islands Trust to create a Task Force to thoroughly and publicly explore the potential impacts that carbon offsets and trading may have for land use in the Trust Area.

Sincerely,

Misty MacDuffee
Chair, Gulf Islands Alliance