

# Saving trees first in the fight to reduce emissions need not cost the earth

**P**OLICY-makers are under constant pressure to reduce greenhouse gas emissions. Yet they overlook the cheapest methods of reducing emissions and persist with environmental measures that have little or no benefit.

For example, every year developed countries spend £7.5bn on bio-fuel subsidies that actually increase net emissions and put upward pressure on food prices.

If this money were spent on preventing deforestation and peatland destruction, it could cut carbon emissions worldwide by a fifth. It is common knowledge that forests and peatlands act as carbon stores, and that when they are destroyed they release vast quantities of greenhouse gases.

Few understand the scale of

these emissions, but they account for 20pc of all global emissions – more than the world's entire transport industry.

Despite this, government policy places no value on protecting global forests and peatlands – they are not included in the European Union's Emissions Trading Scheme and are seriously neglected by the UN Kyoto protocol.

The economics of avoided deforestation is staggering. According to the latest report from the think-tank Policy Exchange, *The Root of the Matter: Carbon Sequestration in Forests and Peatlands\**, the cost of preventing peatland destruction can be as little as 10 cents (6p) per tonne of carbon saved.

As can be seen from the table, this compares with the \$146 per

tonne of CO<sub>2</sub> saved through the use of nuclear energy and up to \$292 per tonne for UK biofuel subsidies under the Renewable Transport Fuel Obligation.

This table shows just how expensive current policies designed to tackle climate change are. The Government has a responsibility to reduce emissions in the most cost-effective ways possible, but this clearly is not happening.

According to the Government, environmental taxes cost the average household £1,417 a year. It makes sense then, especially at a time when there is so much pressure on public finances, for Whitehall to spend our "green" budget as wisely as it can.

It is not surprising that public trust in environmental taxes is at a low, when our taxes are spent so



**Simon Wolfson**

Comparing the costs of different options for cutting carbon emissions

Carbon Mitigation Option	Est. min cost per tonne CO <sub>2</sub> abated (\$)	Est. max cost per tonne CO <sub>2</sub> abated (\$)
Biomass (large and small scale)	565	644
Hydrogen (longer term)	254	
Nuclear power & renewable	146	
50c bio-fuel target under RTFO	133	292
Decentralised solar & small CHP generators	49	
Afforestation/reforestation	20	100
Avoided deforestation	3.0	30
Avoided tropical peatland destruction	0.1	4.0

ineffectively. It sometimes seems that policy-makers are more interested in a pick and mix of crowd-pleasing measures than in an earnest attempt to cut emissions.

But the need for environmental measures to be economically responsible goes beyond the question of domestic taxation.

The developing world may simply not accept the burden of over-priced environmentalism, particularly at a time when their economy is slowing and the price of food is rising.

They will conclude (probably rightly) that the costs of adapting to future climate change are far lower than the present costs of fighting it – after all, as yet there is no guarantee that reducing emissions will actually mitigate global warming.

In a world where there are more environmental projects than can possibly be funded, it is vital that we allocate capital to those that achieve the highest return.

Avoiding deforestation and peatland destruction is cheap and can be implemented without huge investment in new technology. It has numerous other local environmental benefits, and would provide developing nations with a valuable source of income.

Some believe that it makes no difference which measures are used first, because the more expensive means of reducing carbon emissions will have to be deployed at some time. They have failed to appreciate the time value of money.

Incurring the lowest costs first can dramatically reduce the net

present cost of tackling global warming, and in doing so it will significantly increase our chances of success.

Of course, forestry and peatlands alone cannot be a solution to climate change, but it should be our first port of call and not the last.

*Simon Wolfson is chief executive of Next*

*\* The Root of the Matter: Carbon Sequestration in Forests and Peatlands. Policy Exchange, London.*

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