



"The fight against climate change has to be at the forefront of the global agenda; we need action - governments as well as big businesses must play a part."

Speech by

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“During the course of the last year I acquired approximately 400,000 acres of rainforest in the state of the Amazonas, in Brazil. This large-scale purchase has raised a few eyebrows. Why? Because I have declared that I have no intention of developing this land, there will be no golf courses, no industrial parks and no houses built. I intend to leave it exactly how I found it – virgin forest.

So why my interest in buying up large tracts of the earth's rainforest? Green colonialism; not at all! The answer is actually surprisingly simple; climate change is the single biggest threat to mankind, much bigger than weapons of mass destruction, nuclear weapons or terrorism, and I was simply tired of empty talk from politicians as well as green activists offering no solutions to this giant global problem!

So, I searched for a way to maximise the impact of an investment to combat climate change. I concluded the most efficient investment was to acquire rainforest in the Amazonas, and for a relatively small investment, buying the rainforest in the Amazonas has enabled me to preserve 75 million tonnes of CO₂ – almost half of the UK's annual CO₂ emissions and almost 10% of the total Kyoto CO₂ reduction target, or more than 0.5% of global annual CO₂ emissions to put in to context.

But why the Amazonas? It is a vast area covering nearly 800 million hectares, incorporating land from Brazil, Bolivia, Peru, Ecuador, Colombia, Guyana, French Guyana, Suriname and Venezuela. To put this in perspective, the Amazonas cover an area one and a half times the size of Europe. This Amazonas greenbelt accounts for 20% of global oxygen production & 30% of global fresh water supply; it's by far the largest & most important homogenous water and oxygen source on the planet. Each year, approximately 3.5 million hectares are deforested or burned in the Amazonas (an area greater than Switzerland). This annual destruction is estimated to release over 1 billion tonnes of carbon into the atmosphere each year – more than the global Kyoto targets over 17 years and more than six times the current annual UK emission of carbon.

While governments fiddle around with low impact measures, like increasing energy taxation to reduce energy consumption, they achieve little or nothing. This is exemplified by the fact that one of Labour's best carbon emission reduction achievements has been completely serendipitous; ironically, despite much criticism, the third runway at Heathrow is estimated to have lowered carbon emissions by close to 1 million tonnes per year through reducing aircraft hold times.

Halting the deforestation, as worthy as it is, is only a short-term benefit, the real prize lies in the long-term. This requires social programmes for the poor people living in the rainforests, in cooperation with the nations making up the Amazonas region. The local benefits are clear to see. The vast majority of uncontrolled deforestation takes place on government owned land, due to the lack of resources required needed for security and monitoring over this huge area. With proper measures in place, poor indigenous people would be prevented from cutting trees and selling logs to buy food, or burning forest areas for use as feeding grounds for cattle. Proper investment of the proceeds from the sale of the land will enable local governments to control the development of the forested land, improving the living standards of indigenous people, creating employment opportunities, as well as scope to generate future wealth & long term income for an area. To encourage investment in land in the rainforest it is vital to fight for the inclusion of mature forest as a “Clean Development Mechanism” CDM, under Kyoto, thereby enabling the land to qualify for carbon credits.

Now let us for a moment focus on the immediate effect of the illegal burning and logging in the Amazonas. There is a direct correlation between the deforestation and hurricanes. Last year we had a record of 14 hurricanes in the Gulf of Mexico causing unprecedented devastation and personal tragedies. The cost to the insurance industry has been estimated at \$150 billion. So imagine; hypothetically, the cost of the rainforest land in the Amazonas at prevailing prices would be around \$50 billion, which is one third of what the insurance industry had to pay out as a result of the hurricanes in 2005. What investments can the insurance industry make with a better payback than four months? Also, it is not completely inconceivable, that sometime in the future, the insurance industry will have to contribute to the financing of the carbon credits for the rainforests; after all, the insurance industry would be the single biggest economic beneficiary of preventing deforestation of the Amazonas. So, the bottom line is that the insurance industry should buy rainforest. One of the first people to whom I told the story of my rainforest investment was someone you all know; Hank Greenberg. His immediate reaction was – I want to do the same, so how can I buy rainforest too? Frank Field MP is another person who immediately saw the benefits. Both Hank Greenberg and Frank Field form part of a long list of leading international businessmen, scientists and senior politicians who see the benefits of protecting and preserving the rainforest.

Our planet is deteriorating at an unprecedented rate. I accept that during the last several million years the earth's climate has ebbed and flowed; we have seen both global warming and global chilling before – did not the last ice sheet stop somewhere slightly north of London? However, what has changed is the speed at which our planet is warming up. Global warming is a reality and we have to face up to the fact that, through our actions, we are contributing to the increase. The natural layer of greenhouse gases protecting the earth's atmosphere and controlling climate stability have been irreparably altered by recent emissions of carbon dioxide caused by the increased use of fossil-fuel driven energy over the past 250 years. CO₂ levels will double, possibly triple, from pre-industrial levels during the 21st century, rising at an average of 10% every 20 years¹, resulting in an increase of global temperature of 1.4 - 5.8 degrees.² This increase is leading to unnaturally accelerated changes within the earth's eco-system.

¹ UN Framework Convention on Climate Change (UNFCCC)

² Intergovernmental Panel on Climate Change 2001

Is it pure chance that the 3 warmest years on record have all occurred since 1998? That 19 of the warmest 20 have all occurred since 1980? If current trends continue, temperature rises of 1.4 to 5.8°C, over the next 100 years, are thought likely. This rise in temperature heralds some alarming possibilities:

- Thermal expansion of the oceans, combined with melting ice on land, is raising sea levels; by 2100 levels may rise by up to 88 cm, putting millions of lives at risk from flooding.
- The Greenland ice sheet (holding 6% of the world's supply of fresh water) will start to melt; at 3°C it will release fresh water into the North Atlantic Ocean, irreparably altering the salt balance & destroying the current biodiversity. Ocean currents would be disrupted & European temperatures, kept mild by the Gulf Stream, could plummet.
- The West Antarctic ice sheet (1 km thick in places) is now only 40% of its previous size; if the entire sheet melted, world sea levels would rise by 6 m.

We know the Arctic is warming twice as fast as the rest of the planet.³ The melting of the permafrost threatens to release huge amounts of naturally stored methane and CO₂ into the atmosphere. If this process remains unchecked it could lead to complete meltdown of the ice in Greenland by 2100⁴ with a potential 7 metre rise in sea levels, threatening the habitation of nearly 50% of the world's population. The melting of the polar icecaps is causing sea levels to rise with saltwater intrusion already beginning to contaminate underground freshwater sources in Israel, Thailand, Vietnam and China.⁵ The recent New Orleans Hurricane Katrina is an illustration of the severe storms and flooding that increased evaporation, due to warmer air temperatures, can produce along coastal zones. This is in sharp contrast to in-land areas where inflated temperatures and low rainfall are affecting agricultural yields and consequently food supply.

This brings me back to my interest in Amazonas and the question of what I can do to help in the fight against global warming. The importance of maintaining the earth's eco-system is clearly demonstrated in the problems bred by deforestation. In its natural state the forest of the Amazon basin soaks up 8% of worldwide CO₂ emissions.⁶ In addition, the climate is regulated through the natural transpiration process of the trees whereby the forest 'recycles' the rain, and clouds are formed that cool the entire region. Without this transpiration, rainfall drops dramatically and temperatures can rise by at least 10 degrees, baking the earth, making it impenetrable to rain and increasing erosion rates by one thousand; eventually this will lead to desertification. Trees bounding the deforested area start to die back through lack of rainfall and release the CO₂ stored during their growth.

The Kyoto Protocol has raised global awareness but failed to achieve results. . The objective of the Kyoto Protocol to reduce CO₂ emissions is being hampered by the refusal of major nations, such as the USA and Australia, to commit to ratification. Countries such as India and China, currently undergoing massive and rapid industrialisation, although ratifying the Treaty, are not obliged to reduce carbon emissions under the present arrangement. It is time for a reality check. Greenhouse gases are greenhouse gases, no matter which chimney they emanate from, or on which continent those chimneys are based. All developing countries need to be included in the Kyoto Protocol. Kyoto should be a truly global initiative, to deal with what is

³ New Scientist, Aug 2005

⁴ BBC May 2006

⁵ UNFCC

⁶ The Ecologist July 2005

a truly global problem. Allow me one small example which is pertinent to the United Kingdom. Britain's Overseas Territories (Falklands, St Helena, Montserrat and others) cannot take part in carbon trading because they did not sign up to the Kyoto Protocol in their own right – the UK did so on their behalf. International emissions trading, clean development mechanism (CDM) and joint implementation (JI), would only be available to an overseas territory (OT) if the UK's instrument of ratification was extended to it. But, as the OT would then be part of an Annex I Party it cannot host CDM projects and therefore be eligible for carbon credits since these are only available to non Annex I Parties, generally developing countries – which is exactly what most Overseas Territories are. A valuable financial incentive has been lost to these small economies; this needs to be rectified at the next round of climate change talks.

But let us not be side-tracked by dwelling on the developing countries. The European Union prides itself for saving Kyoto from collapse after the United States abandoned the treaty, then still in draft form, in March 2001 in one of President George W. Bush's first acts in office. But all is not well in the EU camp. A recent European Environment Agency (EAA) report demonstrates quite clearly that things are not going well.⁷ The EU-15 has pledged to reduce emissions by eight percent by 2012. But between 2003 and 2004, emissions rose by 0.3 percent, or 11.5 million tonnes, marking the second annual year of increase. Emissions in 2004 were just 0.6 percent lower than the base year of 1990 - more than four percentage points adrift of where they should have been by that time. The EAA report also makes these points:

- Road transport contributed most to the increase, accounting for a rise of 12 million tonnes of carbon dioxide (CO₂) among the EU-15. Iron and steel makers were also culprits, upping their CO₂ pollution by eight million tonnes.
- Spain and Italy had the biggest GHG rise, with 4.8 and 0.9 percent respectively. Spain switched to fossil fuels after the 2003 drought hit power from hydro. Italy emitted more through oil refining and road transport.
- Germany, Denmark and Finland did best, seeing reductions of GHGs of 0.9 percent, 8.1 percent and 4.9 percent respectively. Germany offset a rise from the iron and steel sector by big reductions in CO₂ in households and services. Denmark and Finland made further moves to switch from fossils to hydro in electricity production.

The area where carbon emissions can be most effectively reduced is in coal-fired power stations.⁸ Electricity accounts for 30% of the UK's CO₂ emissions but without significant investment in infrastructure, existing electrical grids will be unable to utilise non-pollutant sources of energy such as wind. This is an obstacle to sectors attempting to reduce carbon outputs. For example, whilst the hydrogen car should be available by 2015 the environmental benefit will be minimal unless the production of the hydrogen and the re-fuelling outlets can be powered using non-carbon based energy feedstock.⁹ More investment is needed to find viable and preferably renewable alternatives to fossil-fuel and more incentives provided to encourage climate-friendly practices if the rise in global temperature is to be stemmed.

Another obvious area for reduction of carbon emissions in Europe is improved Air Traffic Routings. In Europe, flight plans exceed A to B routes by an average of 10%; with improved Air Traffic Control carbon emissions could be reduced by as much as 10 million tonnes per

⁷ European Environment Agency (EAA) Annual Report 2006

⁸ UK 4th National Communication (Greenhouse Gas Inventory) under UNFCCC April 2006

⁹ Financial Times May 2006



year. The aviation industry has had to invest heavily in avionics upgrades imposed by new European legislation, but national ATC's have not implemented more efficient routings. Further waste is created by frequent national ATC strikes – France in particular - resulting in delays and excessive routings.

Now, let me finish with this proposition to the British Government. The United Kingdom's Kyoto target is a reduction of greenhouse gases by 12.5% below base year levels (1990) over the commitment period (2008 – 2012) equating to 26.2 million tonnes. Preserving 150,000 acres of rainforest, at a cost of less than £2 million, would achieve this annual target. Alternatively, for an investment of just less than £12 million, Britain could meet her entire Kyoto targets to 2012. If the Government adopted this strategy, not only would it be leading the way, but it would also be buying valuable time in which UK industry, utility companies and government agencies could put in place the necessary infrastructure to meet any post-2012 targets. Is this not an option worth considering?

Global warming affects us all, is it not time that we all joined forces to deal with it?"

July 2006

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