

# NO REDD!

A READER: a collection of articles written by REDD Monitor, Global Justice Ecology Project, Censat Agua Viva, Amazon Watch, Acción Ecológica, COECOCEIBA-AT, OFRANEH, World Rainforest Movement, Carbon Trade Watch, RisingTide, ETC Group and Indigenous Environmental Network.

CARBON  
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*Acción Ecológica* is a 25-year old Ecuadorian environmental organisation, whose principles are popular environmentalism, active non-violence and the rights of peoples and nature. *Acción Ecológica* works on the articulation of networks at local, national and international levels, as well as food and energy sovereignty. [www.accionecologica.org](http://www.accionecologica.org)

*Amazon Watch* works to protect the rainforest and advance the rights of Indigenous Peoples in the Amazon Basin. We partner with indigenous and environmental organisations in campaigns for human rights, corporate accountability and the preservation of the Amazon's ecological systems. [www.amazonwatch.org](http://www.amazonwatch.org)

*Carbon Trade Watch (CTW)* aims to provide a durable body of research which ensures that a holistic and justice-based analysis of climate change and environmental policies is not forgotten or compromised. As part of our solidarity work, CTW aims to accompany and support movements and communities in their local initiatives and struggles for environmental and social justice. Importantly, the collective gathers and translates work with others in this field to help facilitate broader co-operation and understanding. [www.carbontradewatch.org](http://www.carbontradewatch.org)

*Censat Agua Viva* is a Colombian environmental organisation that is part of the Federation of Friends of the Earth International. For two decades it has been accompanied by social processes in the defense of territory. Censat promotes a participatory action research process with social organisations and people throughout the country. Censat participates in various national and international campaigns to defend territories against large mining projects. [www.censat.org](http://www.censat.org)

*Ecological Communities Association of La Ceiba – Friends of the Earth, Costa Rica (COECOCEIBA-AT)* is a non-governmental, non-profit organisation founded in April 1999. It consists of members from various social sectors (academics, professionals, environmentalists and peasants). Its staff has over ten years of experience in designing and implementing projects to strengthen sustainable societies, struggles and environmental campaigns and advocate at the political and legal level. [www.coecoceiba.org](http://www.coecoceiba.org)

*ETC Group (Action Group on Erosion, Technology & Concentration)* is a small international civil society organisation. It addresses the global socioeconomic and ecological issues surrounding new technologies with special concern for their impact on indigenous peoples, rural communities and bio-diversity. It investigates ecological erosion (including the erosion of cultures and human rights), the development of new technologies, and it monitors global governance issues including corporate concentration and trade in technologies. It operates at the global political level and have consultative status with several UN agencies and treaties. It works closely with other civil society organisations and social movements, especially in Africa, Asia and Latin America. It has offices in Canada, USA, Mexico and Philippines. All ETC Group publications are downloadable without cost at: [www.etcgroup.org](http://www.etcgroup.org)

*Global Justice Ecology Project* explores and exposes the intertwined root causes of social injustice, ecological destruction and economic domination with the aim of building bridges between social justice, environmental justice and ecological justice groups to strengthen their collective efforts. Within this framework, our programs focus on Indigenous Peoples' rights, protection of native forests and climate justice. We use the issue of climate change to demonstrate these interconnections. Global Justice Ecology Project is the North American Focal Point of the Global Forest Coalition. [www.globaljusticeecology.org](http://www.globaljusticeecology.org)

*Honduran Fraternal Black Organization (OFRANEH)* is a community-based organisation that, since the 1970s, has accompanied the struggles of Garifuna communities and their survival as a people. The organisation's main focus is the defence of ancestral territory. In this regard, OFRANEH has been the only organisation that has consistently and publicly denounced the policies and projects that aim to break up community titles and has, at the same time, struggled for the legal titling of ancestral territory still not recognized by the State. [www.ofraneh.org](http://www.ofraneh.org)

*Indigenous Environmental Network (IEN)* is an organisation of native peoples of the Americas for education, coalition building and action. It has existed since 1990 and is based in northern Minnesota. The organisation continues its strong involvement in advocacy and community mobilisation on a variety of issues surrounding environmental justice. IEN has influenced public policy changes on tribal land, both in national and international arenas. [www.ienearth.org](http://www.ienearth.org)

*Rising Tide* is an international network born out of the conviction that corporate-friendly and state-sponsored "solutions" to climate change will not save us. Rising Tide operates as a grassroots network of groups and individuals who take direct action to confront the root causes of climate change and promote local, community-based solutions to the climate crisis. [www.risingtide.org](http://www.risingtide.org)

*The World Rainforest Movement (WRM)* is an international organisation that, through its work on forest and plantation related issues, contributes to achieving the respect of local peoples' rights over their forests and territories. WRM is part of a global movement for social change that aims at ensuring social justice, the respect of human rights and environmental conservation. [www.wrm.org.uy](http://www.wrm.org.uy)

# Introduction

This reader aspires to broaden the debate on the Reducing Emissions from Deforestation and Forest Degradation (REDD) mechanism.<sup>1</sup> It is not a comprehensive overview on REDD nor does it pretend to be. It aims to highlight critical perspectives that are frequently drowned out by large NGOs, corporative lobbies, governments, carbon traders, international financial institutions and the United Nations.

This collection of articles reveals how REDD is being used to establish a new set of tradable property rights based on trees and other environmental services, while at the same time propping up extractive industries. From an environmental perspective, REDD will not save the climate nor protect forests, nor will it stop dangerous emissions levels. In fact, REDD will offer polluting industries a way to avoid emissions reduction through cheap REDD offsets and allow them to actually increase pollution.

From an indigenous and human rights perspective, REDD criminalises the Peoples who protect and rely on forests. Furthermore, there are no enforceable REDD safeguards at the national or sub-national level that would guarantee protection of the rights of Indigenous Peoples and forest-dependent communities. Meanwhile, carbon traders eager for the large sums of money offered by REDD schemes are already forcing Indigenous and forest-dependent Peoples to sign away their land rights. Several examples of how this is already happening are highlighted in this reader.

The articles are clustered in three sections: The first section outlines the relation of REDD with the carbon market and various financing mechanisms. The second section critiques some of the players involved including extractive industries, geoengineering and GMO trees. The third section looks at case studies and how REDD is being implemented at the local level including current impacts and reactions. The annex holds three landmark statements from social movements warning of the dangers of REDD.

REDD is the wrong direction. The grassroots and social movements demand to be heard and this collection allows us to hear and heed some of these brave and inspiring voices.

<sup>1</sup> REDD includes REDD-plus or REDD+ unless otherwise noted

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## Chapter 1:

# REDD and Financing

# Why REDD/REDD+ is NOT a Solution

*Tom B.K. Goldtooth, Indigenous Environmental Network*

All humans and all life are affected by climate change, however, Indigenous Peoples and local land-based communities worldwide are more vulnerable and therefore are confronting immense challenges. Changes in the climate and environment, the exploitation of economic globalisation, free trade agreements and a continuation of western forms of development threaten indigenous and local land-based communities on a local and global level. The survival of indigenous cultures worldwide, including the languages and right to practice their cultural heritage, continue to be affected by a modern industrialised world with an economic growth paradigm that lacks awareness and respect for the sacredness of Mother Earth. As “guardians” of Mother Earth, many indigenous tribal traditions believe that it is their historic responsibility to protect the sacredness of Mother Earth and to be defenders of the Circle of Life which includes biodiversity, forests, flora, fauna and all living species.

Indigenous Peoples participating in the United Nations Framework Convention on Climate Change (UNFCCC) climate negotiations and the UN Convention on Biological Diversity are in the frontlines of a power structure that minimises the importance of indigenous cosmologies, philosophies and world views. These power structures reside within the UN process and prop up inequalities found in industrialised countries, the more developed of the developing countries, the World Bank and financial institutions. These powerful actors have economic systems that objectify, commodify and put a monetary value on land, water, forests and air that is antithetical to indigenous understanding. Indigenous Peoples, North and South, are forced into the world market with nothing to negotiate with except the natural resources relied on for survival.

With many indigenous communities it is difficult and sometimes impossible to reconcile their traditional spiritual beliefs within a climate mitigation regime that commodifies the sacredness of air, trees and life. Climate change mitigation and sustainable forest management must be based on different mindsets which give full respect for nature and the rights of Mother Earth and not on market-based mechanisms.

History has seen attempts to commodify land, food, labour, forests, water, genes and ideas, such as privatisation of our traditional knowledge. Carbon trading follows in the footsteps of this history and turns the sacredness of our Mother Earth's carbon-cycling capacity into

property to be bought or sold in a global market. Through this process of creating a new commodity – carbon – Mother Earth's ability and capacity to support a climate conducive to life and human societies is now passing into the same corporate hands that are destroying the climate. Carbon trading will not contribute to achieving protection of the Earth's climate. It is a false solution which entrenches and magnifies social inequalities in many ways. It is a violation of the sacred – plain and simple.

We recognise the need for industrialised countries to focus on new economies, governed by the absolute limits and boundaries of ecological sustainability, the carrying capacities of Mother Earth, a more equitable sharing of global and local resources, encouragement and support of self sustaining communities, and respect and support for the rights of Mother Earth.

Long term solutions require turning away from prevailing paradigms and ideologies centred on pursuing economic growth, corporate profits and personal wealth accumulation as primary engines of social well-being. The transitions will inevitably be toward societies that can equitably adjust to reduced levels of production and consumption, and increasingly localised systems of economic organisation that recognise, honour and are bounded by the limits of nature that recognise the draft Universal Declaration on the Rights of Mother Earth.<sup>1</sup>

*In recognizing the root causes of climate change, participants call upon the industrialised countries and the world to work towards decreasing dependency on fossil fuels. We call for a moratorium on all new exploration for oil, gas, coal and uranium as a first step towards the full phase-out of fossil fuels, without nuclear power, with a just transition to sustainable jobs, energy and environment. We take this position and make this recommendation based on our concern over the disproportionate social, cultural, spiritual, environmental and climate impacts on Indigenous Peoples, who are the first and the worst affected by the disruption of intact habitats, and the least responsible for such impacts.*

Dialogue is needed amongst indigenous and non-indigenous stakeholders and especially the public/civil society and their governments to re-evaluate a colonial law system that doesn't work. A body of law needs to be developed that recognises the inherent rights of the environment, of animals, fish, birds, plants, water and air outside of their usefulness to humans. This would address the question as to the law and rights of nature, however within the framework of indigenous natural laws or within the framework of indigenous *Original Instructions*. Most colonial western law limits nature and what North America Indigenous Peoples term as the *Circle of Life*, mere property or natural "resources" to be exploited.

Many Indigenous Peoples in Copenhagen at the UNFCCC COP 15 were demanding action; not false hopes and empty promises. Developed countries use tactics to continue carbon colonialism. As

Indigenous Peoples, many of us are raising the bar. We are mobilising with social movements, workers, women, youth, small farmers and the business sector with a consciousness for social responsibility and will make demands in Cancun at the COP 16 and beyond Cancun to South Africa in 2011 and the Rio +20 in 2012 for the most stringent emission target reductions and real solutions. As Indigenous Peoples, we are the guardians of Mother Earth, and making principled stands for the global well-being of all people and all life.

## REDD/REDD+ in the negotiations<sup>2</sup>

Many Indigenous Peoples are starting to call REDD/REDD+ “Colonialism of forests” or capitalism of the trees and air”. The newspaper *The Australian* calls it a “classic 21<sup>st</sup> century scam emerging from the global climate change industry.”

This is because in reality, REDD/REDD+ is bad for people, bad for politics and bad for the climate. It will inevitably give more control over Indigenous Peoples’ forests to state forest departments, loggers, miners, plantation companies, traders, lawyers, speculators, brokers, Washington conservation organisations and Wall Street, resulting in violations of rights, loss of livelihoods – and, ultimately, more forest loss.

The reasons are simple. Industrialised-country governments and corporations will pay for the preservation of Indigenous Peoples’ forests only if they get something in return. What they want is rights over the carbon in those forests. They need those rights because they want to use them as licenses to continue burning fossil fuels – and thus to continue mining fossil fuels at locations like the Albertan Tar Sands in Canada, the Ecuadorian Amazon, the Niger Delta and Appalachian mountaintops in the United States. They will get those rights by making deals with – and reinforcing the power of – the people that they regard as having “authority” over the forests, or whoever is willing and able to steal forests or take them over using legal means. These people are the very governments, corporations and gangsters who have time and again proved their contempt for the rights and knowledge of Indigenous Peoples. The result is bound to be new and more extensive forms of elite appropriation of indigenous and other territories.

## REDD/REDD+ can't be fixed by attempts to detach it from the carbon markets

Existing REDD/REDD+ projects have already set in motion this transfer of power, nor is there any way that REDD/REDD+ can be “fixed” to alter these political realities. It can only reinforce them. For well-meaning environmentalists to deny this is to indulge in a very dangerous naiveté.

First and foremost, REDD/REDD+ is – and is always in danger of being – a component of carbon markets. While many of the details of REDD/REDD+ are being worked out by well-intentioned economists, lawyers, environmental NGOs, and forest conservationists and technicians with no particular commitment to carbon markets, the money behind it was always going to come mainly from industrialised countries and large corporations looking for more pollution licenses to enable them to delay action on climate change. Even among the Coalition for Rainforest Nations, the consensus is already clear: finance for REDD/REDD+ projects will come from carbon markets.

If REDD/REDD+ plans go forward, billions of tonnes of demand for tradable REDD/REDD+ pollution licenses will be generated by UN-backed carbon markets including the European Union Emissions Trading Scheme (EUETS), bilateral agreements and the voluntary market. Even the technical structure of REDD/REDD+ reflects its market orientation: REDD/REDD+ posits a numerical climatic equivalence between saving forests and reducing the burning of fossil fuels. This equation is indefensible scientifically; its only function is to make different things tradable in order to generate fossil fuel pollution licenses.<sup>3</sup> A non-market REDD/REDD+ would not need to claim this false equivalence between biotic and fossil carbon.

As an alternative to the carbon market mechanisms of REDD/REDD+, there is an emerging movement of friendly countries, NGOs and Indigenous Peoples Organisations (IPOs) proposing a hypothetical REDD/REDD+ that is not connected with the carbon markets. However, these strategic and tactical solutions are risky with no guarantees that these proposals will end up being pushed aside by the more powerful actors with a stake in developing this prospective trillion-dollar market.<sup>4</sup> To act as if REDD/REDD+ might someday be financed by a repayment of the ecological debt the North owes the South, or by a benevolent fund using public or non-market donations, could be naïve. Red flags go up expressing the danger zones of blindly supporting REDD/REDD+, of any kind, as well as any attempt to “fix” REDD/REDD+, that would inevitably mean support for the carbon markets.

Assuming REDD/REDD+ is irretrievably linked with carbon markets, then at least three important conclusions follow:

- (1) There is no way to stop REDD/REDD+ from dividing indigenous and forest dependent communities from each other. Every time a forest dependent community signs a contract to provide pollution licenses for fossil fuel-dependent corporations, it will be potentially harming communities elsewhere who are suffering from the fossil fuel extraction or pollution for which those corporations are responsible. No possible reform or regulation of REDD/REDD+ could prevent this; it is built into its structure as a carbon market instrument. Of course, it would be theoretically possible, with great effort, for indigenous and forest dependent communities who wish to sign REDD/REDD+ contracts to secure the free, prior and informed consent of all the other communities elsewhere who would be harmed.

On my mother's bloodline, I am *Dine'*, an indigenous tribal nation spanning from Alaska, throughout Canada to the southwestern region of the United States. The deep profound spiritual concepts of Mother Earth and Father Sky being part of us as the *Dine'* and the *Dine'* being part of Mother Earth and Father Sky is woven into our "Way-Of-Being" even before we are born, when we are in the womb of our birth mother. It is our belief the *Dine'* must treat this sacred bond with love and respect without exerting dominance for we do not own our mother or father.

The four sacred elements of life: air, fire/light, water and earth in all their forms must be respected, honored and protected for they sustain life. These sacred elements cannot be owned and traded as property. We, the *Dine'*, the people of the Great Covenant, are the image of our ancestors and we are created in connection with all Creation. Mother Earth and our place in the Universe embody deep thinking, what we call "*Nahasdzaan doo Yadilhil bitsaadee beehaz'aani*" or in the closest English translation, "Natural Law".

On the other side of my family, amongst our *Dakota Oyate* (People), we understand our relationship and responsibilities to the natural world and to all life - animate and inanimate. We have an expression concluding our prayers whereby we say, "*Mitakuye Owasin*", in English translation meaning "*All My Relations*". This saying defines the relational precepts we have towards recognizing the rights of Mother Earth, and all life, and the responsibilities we have to remember the responsibility of our place in creation.

Many local communities of these forested areas have values respecting humanity and the concepts of the well-being of community, however, most members of these REDD/REDD+ projects have not been thoroughly informed of the offset reality on how these projects create toxic hotspots violating the indigenous and human rights of communities far away. But unless this consent is obtained in every case – and the list of communities across the globe who would need to be consulted would be huge with many REDD/REDD+ projects – REDD/REDD+ is bound to pit community against community.

Already, a project using aboriginal North Australian Indigenous knowledge of fire management practices to generate pollution licenses for ConocoPhillips has provoked the following reaction from Casey Camp-Horinek, a tribal member of the Ponca indigenous nation in the US, which suffers from the actions of the company in North America: "Indigenous Peoples who participate in carbon trading are giving ConocoPhillips a bullet to kill my people."<sup>5</sup>

(2) There is no way to stop REDD/REDD+ from dividing indigenous and forest dependent communities who sign REDD/REDD+ contracts from other communities for whom climate change is a concern. As part of carbon markets, REDD/REDD+ will inevitably slow action on

global warming; that is what carbon markets are structured to do.<sup>6</sup> REDD/REDD+ will thus heighten climate dangers for Arctic, indigenous lands, small-island states and low-lying and coastal communities, as well as, eventually, everyone else. Again, no possible reform of REDD/REDD+ could prevent the damage it would do to the climate cause, as long as it is linked to carbon trading. Pretending that such reforms are possible only perpetuates the damage. The very structure of REDD/REDD+ makes it impossible that it could ever be made “indigenous-friendly”.

(3) There is no way to stop REDD/REDD+ from being a speculative plaything of the financial markets – to the detriment of the climate and human rights alike. Already, the biggest investors in carbon credits are not companies that need them in order to meet their government-regulated pollution targets.<sup>7</sup>

### **REDD/REDD+ can't be fixed by trying to ensure that the money “goes to the right place”**

REDD/REDD+ proponents often assert that, even though REDD/REDD+ may be bad for the climate, at least it will be good for forests because it will channel large sums of money to nature conservation and biodiversity protection. Leaving aside, for the moment, the difficulty that any program that accelerates global warming will also accelerate forest destruction, this is to overlook the historical lesson that every proposal to solve the problem of deforestation and forest degradation through large sums of money has failed.<sup>8</sup>

This failure is due to at least three reasons:

(1) The problem of deforestation is not caused by too little money. It is caused by too *much* money – money in the wrong hands. More specifically, it is caused by the disproportionate political power and global political organisational capabilities of forest destroyers. What is needed to stop deforestation is not well-funded forest global conservation schemes or new markets for ecosystem services, but, rather – for example – a restructuring of trade, finance and consumption, moratoriums on oil extraction and large infrastructure projects in forests, curbs on logging, agrofuels and commercial plantations, and an increase in the political power of those with the deepest interest in saving forests: the communities that depend directly on them. Making supplementary sums of money available – no matter to whom, and no matter in what amounts – will not help forest conservation unless the underlying causes of deforestation are both understood and addressed. There is no evidence that any major supporter of REDD/REDD+ has the slightest inclination to tackle these underlying causes, although they are well known. Quite the reverse – all of these actors support the forces that have been most responsible for deforestation in the first place.

(2) Even if REDD/REDD+ could be reformulated as a plan to make available huge financial rewards for the indigenous protectors of forests, it does not follow that Indigenous Peoples would be able to collect and use the rewards. As ecological anthropologist Michael R. Dove from Yale School of Forestry and Environmental Studies has observed, “whenever a resource at the periphery acquires value to the centre, the centre assumes control of it (e.g., by restricting local exploitation, granting exclusive licenses to corporate concessionaires, and establishing restrictive trade associations). The pattern is clearly expressed by a peasant homily from Kalimantan, which states that whenever a ‘little’ man chances upon a ‘big’ fortune, he finds only trouble. He is in trouble because his political resources are not commensurate with his new-found economic resources. He does not have the power to protect and exploit great wealth and so, inevitably, it is taken from him.”<sup>9</sup>

The truth of Dove’s words are borne out by the record of recent schemes to reward indigenous and other communities for “traditional knowledge” used in corporate drug development. In the end, the communities that were originally pictured as beneficiaries turned out to be inconvenient entities for buyers and bio-prospectors to deal with, leading to their replacement by ranchers (Argentina), governments (Chile), urban plant merchants (Mexico), or state land agencies and universities (Mexico). Planners were unable to find sites that contained “in one neat package the plants, knowledge, people, territory and decision-making authority, all congealed in the name of [a] participating community” that would receive funds for community development and conservation. Troubled researchers at the United States National Institutes of Health concluded that, in Mexico, treating plant collection as a commodity transaction “breaks the link” among people, plants and territory that the whole deal was supposed to encourage. Anthropologist Cori Hayden observes: “offers of market-mediated inclusion also contain within them the conditions for ever-greater forms of exclusion and stratification.”<sup>10</sup>

An even more brutal kind of property rights evolution has taken place in the Kyoto Protocol’s Clean Development Mechanism (CDM) – of which REDD/REDD+ could soon become a part. In the beginning, sellers of CDM carbon credits were supposed to be local developers of renewable energy, community-friendly tree-planters and other actors who could help the South move toward a low fossil-fuel development path while defending local rights. Given the realities of buyers, developers, lawyers, brokers, bankers and consultants, this turned out to be unworkable. Transaction costs and the predicament of political bargaining, measurement, contracting, investment, cost control, “risk management” and regulation meant that the sellers turned out instead to be the big-corporates Jindal Vijaynagar Steel in India, Rhodia Group that makes speciality chemicals, Tata Group, a conglomerate of corporations in India, and the Votorantim Group, the largest private economic conglomerate in Brazil, all in the business of collecting a premium for activities that on the whole thwarted the struggle to moderate climate change. Nor was it usu-

ally possible in practice for carbon money to be used to benefit local people. Instead, carbon money has harmed them and rewarded their oppressors.<sup>11</sup>

The pattern is already being repeated in REDD. Out of 100 pilot projects – almost all of them connected with carbon trading – many are already stained with the blood of the Indigenous and other Peoples they claim to benefit, involving land grabs, evictions, human rights violations, fraud and militarisation. In Kenya, the Mau forest is being made “ready” for a UNEP-funded carbon offset project by forceful and often violent eviction of its inhabitants, including the indigenous Ogiek People.<sup>12</sup> In Papua New Guinea, carbon traders are accused of coercing villagers to “to sign over the rights to their forests” for REDD/REDD+.<sup>13</sup> The International Indigenous Peoples Forum on Climate Change (IIPFCC) was explicit at the Bali climate negotiations in 2007:

*REDD/REDD+ will not benefit Indigenous Peoples, but in fact will result in more violations of Indigenous Peoples' rights. It will increase the violation of our human rights, our rights to our lands, territories and resources, steal our land, cause forced evictions, prevent access and threaten indigenous agricultural practices, destroy biodiversity and cultural diversity and cause social conflicts. Under REDD/REDD+, states and carbon traders will take more control over our forests.*

(3) REDD/REDD+'s very design ensures that money will flow to forest destroyers, not to forest protectors. To create a REDD/REDD+ commodity, precise measurements of how much deforestation REDD/REDD+ projects prevent is necessary. That market requirement automatically produces a perverse incentive for countries with low levels of deforestation to cut more trees now in order to be able to claim later that they are sharply reducing deforestation and thus deserve more REDD/REDD+ finance.<sup>14</sup> These perverse incentives are already at work in Guyana, where President Jagdeo has launched an “avoided threatened deforestation” scheme. An editorial in Guyana's *Kaieteur News* in May 2009 argued that Guyana “should precede full steam ahead with the exploitation of our forestry resources. In addition to placing our future development more firmly in our own hands, it will ironically make our arguments for REDD/REDD+ even stronger.”<sup>15</sup> Adding to the likelihood of REDD/REDD+ money flowing to the worst forest destroyers is the definition of “forests” used by the UNFCCC, which includes monoculture tree plantations and clearcuts (euphemistically referred to as “temporarily unstocked areas”). Under this definition, the Brazilian government's plans to replace part of the Amazonian forest with oil palm plantations would not count as deforestation.<sup>16</sup> Industrial loggers could also benefit from REDD/REDD+ by claiming to be practicing “sustainable forest management,” while criminalising indigenous agricultural and forest practices.

**REDD/REDD+ can't be fixed by saying that efforts are being made for REDD/REDD+ projects to require the "Free Prior Informed Consent" (FPIC) of affected communities or compliance with the UN Declaration of the Rights of Indigenous Peoples' (UNDRIP) or other codes or principles**

(1) To act as if REDD/REDD+'s structural dangers could be "controlled" by pressing for principles such as FPIC, UNDRIP or World Commission on Dams standards to be applied is to indulge corporations and governments in a false-sense of hope that could damage millions of peoples' lives. First, many countries do not even recognise the existence of Indigenous Peoples, let alone their rights, so neither the principle of FPIC nor UNDRIP will act as protection. Neither FPIC nor UNDRIP are considered legally binding by the Executive Secretary of the UNFCCC nor by any state except Bolivia. During the Nairobi climate negotiations, the President of the Executive Board of the CDM stated publicly that the "Clean Development Mechanism has nothing to do with human rights."<sup>17</sup> In recent negotiations in the "REDD text" within the United Nations Framework Convention on Climate Change's Ad Hoc Working Group on Long-term Cooperative Action, efforts by Indigenous Peoples to negotiate strong language on indigenous rights in accordance with UNDRIP has resulted in attempts by the US and other countries to respond with weakened language. It is important to be mindful that the right to FPIC has already been violated in REDD/REDD+ pilot projects and in preparatory plans in several countries.<sup>18</sup> Other internationally-recognised principles such as the standards urged by the World Commission on Dams have similar limitations.

(2) Even if FPIC and UNDRIP magically became legislated, implemented and an enforceable law across the world within the next few years, it is our opinion as an indigenous-based advocate organisation that they would have to be applied to all the communities affected by each REDD/REDD+ project, not just the one hosting the project. For example, to get the free prior informed consent of indigenous communities affected by the Northern Australia fire management offset project, the consent of indigenous communities affected by ConocoPhillips operations in North America would also need to be obtained, as well as other communities damaged by ConocoPhillips practices elsewhere. This would obviously make REDD/REDD+ commercially unviable: either REDD/REDD+ or FPIC would have to be scrapped. Hence, to avoid delay, it would be more practical to oppose REDD/REDD+ straightforwardly, at the outset.

(3) Whatever the merits of FPIC and UNDRIP, they are, again, incapable of forcing REDD/REDD+ projects to address the underlying causes of deforestation. Even if it were possible to make compliance with the principles of FPIC and UNDRIP a condition for every REDD/REDD+ project, REDD/REDD+ would remain a contributor to both deforestation and global warming, as well as an additional piece of artillery for the use of the corporate and nation-state forces that oppose indigenous rights. To proceed as if FPIC and UNDRIP could "fix" REDD/REDD+, therefore, is ironically ultimately to endorse the violation of the rights of indigenous people as well as all others who value climatic stability.<sup>19</sup>

## Conclusion

The bottom line concerning the question of how to address the issues of increasing climate change is to stop extracting and combusting fossil fuels. There are no other solutions. REDD/REDD+ is not a solution. The push at the Cancun UNFCCC 16<sup>th</sup> Session of the Conference of the Parties (COP 16) will be to reach an agreement on a REDD+ mechanism in Cancun, Mexico. The UN-REDD Programme, the World Bank and others want to launch the REDD+ readiness initiatives. The link between emissions trading and the world of offsets to the vested interests of the pro-REDD marketers is deeply rooted. Real alternatives to the carbon market mechanism of REDD/REDD+ cannot simply become a re-spin of REDD. It is not enough to add a clever adjective, purport to be “fund-based”, get certified or pretend to not ultimately rely on the carbon market and the privatisation and commodification of trees, forests and air.

Fortunately, real alternatives to REDD/REDD+ already exist and include:

Focusing on land tenure dilemmas in forested countries. Collectively demarcating and titling Indigenous Peoples’ territories and land where most of the world’s forests are found. This has proven to be one of the most effective measures for reducing deforestation;

Implementing at the global, national, regional and local levels the United Nations Declaration on the Rights of Indigenous Peoples and other relevant international human rights norms and standards which establish moral and legal obligations to protect and promote the full enjoyment of Indigenous Peoples’ rights and sovereignty in all issues related to climate change, including rights to lands, territories and resources, their traditional knowledge and their free, prior and informed consent;

For other forest dependent communities, ensure the implementation at global, national, regional and local levels international human rights norms and standards which establish moral and legal obligations to protect and promote the full enjoyment of human rights related to climate change, land, water, and a healthy environment;

Efforts to stop deforestation must address the underlying causes of deforestation and focus on ending the demand-side drivers in importing countries;

Addressing governance and poverty;

In so far as finance is required to stop deforestation, funds should be invested in national programmes and infrastructure that directly support alternative rights-based forms of forest conservation, sustainable management, natural regeneration and ecosystem restoration that are already known to work, such as community-based forestry;

Slashing demand for beef, pulp, lumber, palm oil and agrofuels;

Drastically reducing monoculture plantations and logging concessions;

Declaring a moratorium on new fossil fuel and mining extraction and dam construction on or near indigenous land.

It is becoming clear that to separate REDD/REDD+ from the carbon market, it would need to be totally reframed and renamed within the debates and UNFCCC negotiating texts. This would be difficult within the UNFCCC “Bracket-UN-bracket Community” and would require countries with political will to step up to this need.

The mining and combustion of fossil fuels must be drastically reduced with a commitment to a carbon-free economy by 2050. Within the UNFCCC, the governmental parties to the climate negotiations must be lobbied to target aggregate GHG emissions of developed countries by 50 per cent from 1990 levels by 2017.<sup>20</sup> The world governments must commit to the global goal of preventing Mother Earth’s temperature from rising more than 1° Celsius. Given the important role the Arctic plays in the global climate system, a precautionary approach would therefore suggest a long-term target of reducing greenhouse gas emissions and stabilise atmospheric CO<sub>2</sub> concentrations at levels at or below 300 parts per million (ppm).<sup>21</sup> This is more aggressive than the 350ppm target, but mitigating the climate crisis demands drastic action. This would rule out a domino effect of sea-ice loss, what is called an “albedo flip”, a warmer Arctic, a disintegrating Greenland ice sheet, black carbon (black soot), more melting permafrost, and further secondary or “knock-on” effects of massively increased greenhouse gas emissions, rising atmospheric concentrations and accelerated global warming.<sup>22</sup> It must be noted that industrialised developed countries are advocating for only a 450ppm stabilisation goal.

The “Shared Vision” text within the UNFCCC Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA) must have strong language mobilised by the People of the World undertaking a balanced, comprehensive series of financial, technological and adaptation measures, measures addressing capacity building, production patterns and consumption, and other essential measures such as recognition of the rights of Mother Earth in order to restore harmony with nature and to save our native forests.

There is a need for a new paradigm in this world, in relation to how it defines its relationship to Mother Earth. This paradigm requires a change in the human relationship with the natural world from one of exploitation to one that recognises its relationship to the sacredness of our true mother/grandmother – Mother Earth. Economic globalisation and industrialised societies’ economic system is not sustainable.

*We confront the terminal crisis of a civilizing model that is patriarchal and based on the submission and destruction of human beings and nature that accelerated since the industrial revolution. The capitalist system has imposed on us a logic of competition, progress and limitless growth. This regime of production and consumption seeks profit without limits, separating human beings from nature and imposing a logic of domination upon nature, transforming everything into commodities: water, earth, the human genome, ancestral cultures, biodiversity, justice, ethics, the rights of peoples, and life itself. Under capitalism, Mother Earth is converted into a source of raw materials, and human beings into consumers and a means of production, into people that are seen as valuable only for what they own, and not for what they are.*

– Cochabamba Peoples' Agreement (Accord), April 2010

Mother Earth is turned into nothing more than a source of raw materials. Human beings are seen as consumers and a means of production, that is, persons whose worth is defined by what they have, not by what they are. Humanity is at a crossroads: we can either continue taking the path of capitalism, depredation and death, or take the road of harmony with nature and respect for the Circle of Life.

The world must forge a new economic system that restores harmony with nature and among human beings. We can only achieve balance with nature if there is equity among human beings. The industrialised economic system has imposed upon us a mindset that seeks competition, progress and unlimited growth. This production-consumption regime pursues profits without limit, separating human beings from nature. It establishes a mindset that seeks to dominate nature, turning everything into a commodity: the land, water, air (carbon), forests, agriculture, flora and fauna, biodiversity, genes and even indigenous traditional knowledge.

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## What are “carbon offsets”?

*Carbon trading allows industrialised countries and corporations to avoid reducing emissions at source. It takes two main forms: “cap and trade” and “carbon offsets.”*

Carbon offsets are “emissions-saving projects” that in theory “compensate” for the polluters’ emissions. The UN’s Clean Development Mechanism (CDM) is the largest such scheme with 2,400 registered projects in developing countries and almost 3,000 further projects awaiting approval, as of October 2010.

This scheme allows polluting governments and corporations, which have the historical responsibility to clean up the atmosphere, to buy their way out of the problem with cheap projects that exacerbate social and environmental conflicts in the South. Moreover, it delays any real domestic action where a historical responsibility lies and allows the expansion of more fossil fuel explorations and extractions.

The “carbon credits” generated by these projects can be used by industrialised governments and corporations to meet their targets and/or to be traded within the carbon markets. In addition to the CDM there are also voluntary markets, undertaken largely for purchase by individual consumers in the North at the expense of communities and biodiversity in the South.

Therefore, while cap and trade in theory limits the availability of pollution permits, “offset” projects are a license to print new ones, thus, supporting the same industries and practices that cause social and environmental problems for local communities, such as gas flaring, incineration and large dams. Offsets provide legitimacy for continued fossil fuel-based energy use and consumption in the North and act as a backdoor to avoid the responsibility of reducing emissions at source.

# Fast Forest Cash:

## How REDD+ will be market-based

*Tamra Gilbertson, Carbon Trade Watch*

### The Early Years

Since the earliest experiences of offsetting forest have been used as tradable carbon credits.<sup>1</sup> The initial practice of forest offsetting in Costa Rica and Papua New Guinea in the early 1990s established a precedent for inclusion of tradable carbon sequestration offsets or carbon “sinks” in UNFCCC legislation.<sup>2</sup> During the Kyoto negotiating years in the 1990s the US, Canada and Australia had a vested interest for the inclusion of “sinks” in any deal as a means to make their emissions targets cheaper and easier to attain while northern-based conservation organisations took the lead in designing projects in the South.

Pressure by the Northern elites paid off. A 377-page report issued by the Intergovernmental Panel on Climate Change on Land Use, Land Use Change and Forests (LULUCF) was released in May 2000 and outlined how credits could be generated from “sinks”.<sup>3</sup> During the divisive COP 6 in Den Hague in November 2000, one of the major controversies concerned the technical possibility of countries claiming carbon credits for “additional land and forest activities” within their borders as part of their Kyoto Protocol “reduction” commitments. The concept of carbon sequestration was accepted, but the ability to trade credits from the environmental service of “avoided deforestation” was not.<sup>4</sup>

Not until Bali, however, when the United Nations Framework Convention on Climate Change (UNFCCC) repackaged the concept of forestry offsets and adopted REDD in 2007. Although not explicitly market-based within UN-backed emissions trading schemes, the prospect of a market-based REDD set in motion what could arguably be the most reckless land grab in history.

### To market, to market

It is sometimes argued that REDD+, alongside the inclusion of afforestation/reforestation of CDM, would significantly benefit the South. Yet the existence of considerable forested areas does not in itself guarantee a significant flow of REDD+ cash. Historical deforestation rates have been high in Brazil, Indonesia and Malaysia, for example, which may be (perversely)

rewarded by REDD+ for having deforested more rapidly than other countries unless a “correction factor” is built into the scheme.<sup>7</sup> Alternatively, the “baselines” for REDD could be set so high that payments will be triggered for increases in deforestation, as is the case with a recent agreement between Norway and Guyana.<sup>8</sup>

Like the CDM, the complex accounting procedures involved in commodifying forests tends to divert resources from forestry initiatives to carbon counting. While direct estimates for REDD+ are not yet available, it is reasonable to assume that this would be comparable with the CDM, where often less than 30 per cent of financing goes towards the project itself, with the rest absorbed by consultancy fees and taxes.<sup>9</sup> Finally, the combination of significant uncertainties in forest carbon accounting, unequal global power structures and weak governance signal a capacity for large-scale fraud, the siphoning off of funds by elite interests and land evictions.<sup>10</sup>

To date, afforestation/reforestation accounts for just 56 of more than 5,300 projects under consideration for inclusion in the CDM, and no credits have yet been issued for these projects. The slow pace in developing such projects is partly accounted for by the availability of cheaper options, and partly by the restrictions placed upon the use of such credits.

## Head in the Sand

Currently, many REDD+ supporters in the NGO arena often deny the verity that REDD+ is being developed for offsets. Even the NGOs with good intentions contend that the money will flow in one direction – North to South. However, within the trading world REDD+ is viewed in a very different light.

On September 22, 2010 a “reforestation project” in Tanzania became the first forestry investment to earn carbon offsets after credits were issued in the Voluntary Carbon Standard (VCS) registry. The news created a flurry of activity for hopeful market traders eager to cash in on forestry offsets from REDD+ schemes. “Once a forestry project begins trading there, it could open the

The UNFCCC currently caps the use of LULUCF credits at one per cent of base year emissions, meaning that industrialised countries face a limit on how many they can buy.<sup>5</sup> The European Union Emissions Trading System (EU ETS), which drives most of the demand for offsets, currently excludes LULUCF credits altogether.

The EU has maintained the exclusion of LULUCF credits for the third phase of its ETS (2012-2020). More significantly, a series of new activities dubbed “forest management” could be included beyond the one per cent limit. Under current definitions, these could include monoculture plantations and commercial logging.<sup>6</sup>

door for REDD to be included in the UN-based compliance market,” reported Ecobusiness.<sup>11</sup> Reuters printed a quote from Grattan MacGiffin, head of GTE Global Trading Ltd, stating, “(California’s) Climate Action Registry has been doing forestry for a while but the VCS news is bigger, potentially adding impetus to the growing support for a CDM REDD methodology to be given the green light.”<sup>12</sup>

A lot of money is at stake for traders, brokers, conservation organisations, companies, international finance institutions and governments who are banking on REDD+. Calculating REDD+ offset credits are simplified to estimate one metric tonne of CO<sub>2</sub> within the terrestrial system to equal one credit. For example, the controversial Rimba Raya project located in Kalimantan, Indonesia could generate 75 million credits and if priced between 10 to 15 euros per credit could earn an estimated 1.1 billion euros in revenues.<sup>13</sup>

The UN estimates that REDD+ could be worth up to US\$30 billion a year for developing countries and investors but more likely higher returns for private investors in the North.<sup>14</sup> With potential revenue of this scale to be had, peoples’ land rights are quickly being overlooked by hungry investors eager to cash in on fast forest money.

## Bribery and Corruption

From the Amazon, Liberia to Papua New Guinea traders, brokers and conservation organisations earnestly work to secure lands for REDD+. Before REDD+ areas become more valuable and more difficult to attain, “carbon cowboys” deviously persuade communities to hand over land rights. The Wilderness Society’s Tim King told the Sydney Morning Herald that, there had been “a tsunami of carbon traders spreading across PNG. Carbon finance and REDD have triggered a ‘gold rush’ mentality.”<sup>15</sup> The name of the game is to secure the maximum land rights to forests as early as possible while the infrastructure is still being organised.

In late October 2010, Wandogo Siswanto, a lead delegate in Copenhagen and key architect of REDD, was arrested and charged with accepting bribes of up to US\$10,000 from the director of PT Masaro Radiokom, a telecommunications company.<sup>16</sup> In Indonesia, the forestry sector’s reputation has been referred to as “a source of unlimited corruption,” by Indonesia’s Corruption Eradication Commission (KPK).<sup>17</sup>

Bribery, corruption, unequal global power structures, history and governance all play a role in back-door dealings when large sums of money are at stake. Greenpeace highlighted the issue of corruption in a recent briefing by stating, “Corruption within PNG’s forest industry, disregard for land owner rights, inflated estimations of likely benefits from REDD and a lack of effective

institutional systems in place do not engender confidence in the country's ability to manage a funded institutional transition to a low carbon economy.”<sup>18</sup>

Rampant corruption instigated by companies and governments to secure lands in key rainforest nations like Indonesia and Papua New Guinea undermine any real chances of so-called benefit-sharing.<sup>19</sup> Although governance is a real issue, the initial pressure comes from northern players including banks, IFIs and traders. Without acknowledging these unequal global power structures any global forest protection programme is likely to fail whether market or fund-based.

## The Role of the World Bank

Working in tandem with the UNFCCC in Bali, the World Bank launched its Forest Carbon Partnership Facility (FCPF) with the aim to develop pilot projects, securing funding and launch the market. Benoit Bosquet, a World Bank senior natural resources management specialist who led the development of the Facility stated its “ultimate goal is to jump-start a forest carbon market.”<sup>20</sup>

These were unoriginal words reminiscent of 1999 when the World Bank launched its first carbon fund, the Prototype Carbon Fund (PCF) with the aim of creating “a short-term catalyst to jump-start the transfer of finance for clean energy technologies to developing countries”.<sup>21</sup> What followed, in the form of the CDM, was anything but such a catalyst. A closer look into the World Bank’s track record of developing such prototypes show how pilot projects become replicated on a larger scale within the WB and by the private sector.

The FCPF includes over 37 countries in the South and 14 financial contributors in the North worth US\$165 million (US\$115 million to the Readiness Fund, aimed at preparing countries for REDD, and US\$50 million to the Carbon Fund). But the World Bank wants more. According to the latest *World Bank State and Trends of the Carbon Market*, fast-start pledges will not be enough to meet the funding required to set up REDD+ with the Bank calling on large private sector investment as the essential solution to make up the shortfall.<sup>22</sup>

The World Bank has had the intention to make REDD+ market-based every step of the way. The World Bank states, “The focus to date has been on REDD+ readiness, though it is expected that the Carbon Fund, which will provide payments for verified emission reductions from REDD+ programs in countries that have achieved, or made considerable progress towards, REDD+ readiness, will be launched in the course of 2010 as a public-private partnership.”<sup>23</sup>

## Money for Nothing

Selling REDD+ credits will provide another outlet for Northern polluters to avoid responsibility of cutting emissions at source, however, to date, the market demand side for large amounts of offset credits is thin. If REDD+ was included in a current UN-backed emissions trading market the sheer amount of credits could likely collapse the market. While the US and Australia delay setting up emissions markets, offset demands remain relatively low. “But the scheme hinges on rich nations putting in place mandatory emissions trading schemes that underpin demand for large volumes of internationally tradeable REDD credits.” Reuters reported.<sup>24</sup>

The voluntary market provides the place for REDD+ offsets to be sold for now but if and when a US climate bill or Australia passes emissions trading legislation this could have the potential to demand millions of offsets per year.<sup>25</sup> The outcome of including forestry in carbon markets depends on a greater demand which could come from the US and Australia signing up to a climate agreement. Bloomberg reported, “If you take the market as it is now, accepting REDD with the present level of demand would lead to a price crash,” said Emmanuel Fages, a Paris-based carbon-market analyst at Societe Generale.<sup>26</sup> Meanwhile California has passed the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (CETP) which does not yet provide for the inclusion of REDD offsets, however, the inclusion of sub-national sectoral REDD mechanism for REDD offsets imply the probability to be eligible when REDD is “ready”.<sup>27</sup>

## No REDD+!

Although REDD+ is not yet based within an UN-backed emissions trading market, it does not alter the basic direction of the scheme for which it was designed. The question should not be, “Will REDD+ be included in a UN-based offset market,” but rather how is REDD+/readiness being designed to commodify terrestrial carbon and how is this affecting land rights, property rights, sustainable agriculture and Indigenous Peoples’ rights – how is this already affecting the relationship between power and resistance on the ground?

Even if REDD+ could be kept out of a global offsets market, it still would not provide compensation for communities or protect the remaining forests because the major proponents of REDD+ have vested interests in the scheme and intend to be rewarded. REDD+ is inherently linked to offsets trading and has been since its inception. It is doubtful that the key players setting up REDD+, including the WB and governments involved, would concede market-based defeat now. If REDD+ were to be de-linked from an emissions trading scheme, it would need to be re-named and placed inside of a different negotiating track within the UNFCCC structure. In addition, countless amounts of policy and legislation from several countries would need to be re-written.

Land tenure and community rights are at stake, especially for Indigenous Peoples. Northern governments view REDD+ as a means to offset their responsibility for reducing emissions domestically, yet are looking for a way around making public financial commitments. For the financial sector, meanwhile, REDD+ is seen as an opportunity to grow a new speculative market. To tackle such interests requires more than civil society dialogues on safeguards.

One should not be fooled into believing that REDD+ will simply provide benign funding for communities to protect their lands and forests. On the contrary, REDD+ is designed to place fast forest cash in the hands of the elite and at the same time provide yet another pollution pardon and further financing for polluters in the North. Furthermore, REDD+ is a mechanism which presents a legal structure to secure land rights from people who protect and rely on the remaining forests and lands, which is critical to their survival and the health of this planet.

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## REDD: seeing the forest for the trees

*Khadija Sharife*

All carbon is not created equal: One ton of carbon dioxide ( $\text{CO}_2$ ) generated in New York from several McDonalds burgers, for instance, clocking in at 16kg per 1kg of meat, is not the equivalent of one ton of  $\text{CO}_2$  emitted in a country like South Africa, where energy generated from coal allegedly provides basic services such as electricity. The difference, though blurred by mainstream media that reduces the discourse to the democratisation of pollution impacts (strictly observed between “developed” and “developing” countries) is that of extravagant carbon versus survival carbon. Thankfully, the developed nations that engage in the process of carbon-intensive industrialisation declare that they have found an equitable solution so rational it has never been put to a vote: Carbon trading.

Although anti-democratic “strong-men” at the helm of “developing nations” are deplored globally, there appears to be no problem in a global economic architecture controlled via a handful of “strong-states”, such as the G7. This strange reality is evidenced in the fossil fuel consumption by the US (where 25 per cent of global oil reserves are devoured by 5 per cent of the world’s population, emitting 19 tonnes of  $\text{CO}_2$  per capita), which is packaged by the media in vocabulary equating the former with the world’s new largest polluter, China, despite the latter emitting just 4.4 tonnes per capita.

At a January 2010 conference titled, “Investor Summit on Climate Risk” held in New York, more than 450 investors controlling over US\$13 trillion declared that action must be taken to pre-empt international climate change treaties in order to develop sustainable economies, chiefly through the carbon market. “Copenhagen was a missed opportunity to create one fully functional international carbon market,” revealed Peter Dunscombe, head of the Institutional Investors Group on Climate Change (IIGCC), comprised of European financiers.

According to the United Nations Environment Programme, 85 per cent of the finance required to make the shift will be derived from private investors. And, as outlined by the Carbon Trading Summit, also hosted in Wall Street’s hometown in January and attended by systemically important financial firms ranging from Barclays Capital to Goldman Sachs, one primary item on the agenda is “creating the world’s largest commodity market in carbon-backed securities”.

The commodification of pollution is inspired by the rationale of market efficiency: Major polluters issued with permits are incentivised to emit less, thereby enabling them to make a profit selling excess permits to those less efficient. In order to limit the pollution bubble, “flexibility points” facilitate a process allowing for said polluters to finance carbon-light projects in countries that would otherwise engage in conventional methods of “development”. By doing so, securities are generated through various offset tentacles designed to exploit the underdeveloped status of countries that fail to access and use their share of the atmospheric commons.

One tentacle is REDD, which has been branded a revolutionary move by the UN. The initiative is designed to protect and conserve the world’s remaining lungs and carbon sinks – forests – where ongoing deforestation and degradation currently account for 17 per cent of global emissions from stored carbon. Success, we learn, will be achieved through halting these destructive processes taking place primarily in nations that are under-resourced, punctuated by corrupt or diminished states unable to police or protect forested land from illegal logging. The REDD initiative also intends to finance the protection and conservation of said lungs: One-fifth of the world’s fossil fuel emissions are absorbed by forests, with Africa acting as a sink for 1.2 billion tonnes of CO<sub>2</sub> annually.

REDD was first proposed in 2005, at the 11th Conference of the Parties (COP-11) by the Coalition for Rainforest Nations, composed of 15 member forested “developing” countries, including Nigeria, Equatorial Guinea and Liberia, with numerous participants from Lesotho, Kenya, Indonesia and Madagascar. The coalition’s self-described goals are to generate revenue streams derived from a programme of “forest stewardship reconciled with economic development” that is chiefly driven by communities. Branches of REDD range from the UN-REDD programme to the World Bank’s Forest Carbon Partnership Facility. The bank, for instance, remains a key financier with a US\$300 million fund.

The real agenda and primary incentive of the carbon market, however, was articulated by Jack Cogen, president of Natsource (recently labelled as the world’s largest buyer of private carbon credits and managing over US\$1 billion in “natural” assets), who revealed, “The carbon market doesn’t care about sustainable development... All it cares about,” he continued, “is the carbon price.” And Natsource would know. In addition, Kathleen McGinty, vice president of asset management was an aide to Al Gore, and key environmental adviser to Bill Clinton. Both were responsible for muscling the carbon market concept (via the pollution’s trading system) through the Kyoto Protocol. The Chicago Climate Exchange (CCX), self-titled “the world’s first and North America’s only legally binding integrated emissions reduction, registry and trading system,” began motivating as far back as the Rio Earth Summit in 1992 for the climate change problem to be dealt with via a market-based solution to global warming. CCX’s board included a host of powerful players such as the UN’s Kofi Annan and the World Bank’s James Wolfensohn.

The carbon market system, which was partially designed by Goldman Sachs (which incidentally holds 10 per cent of shares in CCX), draws on the tradition of Enron, which also played a role in the early exploitation in the pollution trading commodities market, enabled by an amendment to the US Clean Air Act. Ironically, it was the “Enron loophole” – named as such for Enron’s lobbying to remove regulation of derivatives from the Commodities Futures Trading Act – that upended systemically important financial firms such as Goldman Sachs, deliberately exploiting regulatory and oversight gaps, now on the receiving end of the US\$11 trillion in bail-out funds from the US government.

Enron traders would later proceed to capitalise on the Enron model such as Louis Bradshaw, head of environmental markets at Barclays Capital, one of the world’s largest traders in carbon emissions and creators of the Global Carbon Index.

Goldman Sachs employees, such as Ken Newcombe, were architects of the World Bank’s Prototype Carbon Fund (PCF). Meanwhile the bank itself emerged as the most important financial instrument in the carbon market following the Rio Earth Summit, despite it bankrolling more than 130 major fossil fuel projects during the past decade, with a fossil fuel project calculated as being financed every 14 days. Since Rio, CO<sub>2</sub> emissions from World Bank-related projects are estimated at 43 billion tonnes.

The interlocking nature of these relationships is clear. The percentage of officials at the World Bank composed of economists and bankers produced by institutions such as Goldman Sachs is 50 per cent, for example, as compared to development specialists at eight per cent. And, 75 per cent of financial institutions use standards linked to the World Bank.

The winner of World Bank policies is none other than the US. A US Treasury report unashamedly reveals this cherished synergy, “The policies and programs of the World Bank Group have been consistent with US interests. This is particularly true in terms of country allocation questions and sensitive policy issues. The character of the Bank, its corporate and voting structure, ensures consistency with the economic and political objectives of the US.”

Through the instruments of the World Bank, “developing” the economies of heavily indebted regions is now subject to the free market agenda writ large, as forested regions become classified as natural assets that can be exploited through export-oriented activities, which are inevitably dependent on foreign investment.

Needless to say, given that there is a 92 per cent correlation between rising arms sales and oil sales, with 80 per cent of the world’s oil reserves controlled by rent-seeking or renting governments, the roots of climate change and Northern wealth, remain intimately interlocked with that of Africa’s suffering and poverty, particularly in those regions whose militarised

regimes – such as Nigeria, Gabon, Angola, Equatorial Guinea and others – are dependent on oil exploitation for income.

It is in this context that the carbon market, estimated at US\$3 trillion by 2020, will be realised, rendering it as vulnerable to gaming as derivatives.

Thanks to the Kyoto Protocol's "flexibility points" – mechanisms that include Emissions Trading (also known as Carbon Trading), the CDM and Joint Implementation – major polluters need not reduce their own emissions. One example of gaming is evident in the more than 70 per cent of accredited CDM projects generating Certified Emission Reductions (CERs) directly related to trifluoromethane (HFC-23), a greenhouse gas used a refrigerant. The secretariat of the CDM estimates that one tonne of HFC-23 in the atmosphere has the same effect as 11,700 tonnes of CO<sub>2</sub>. However, records reveal that some refrigerant manufacturers deliberately produced excess HFC-23 in order to offset it and claim financial benefits. According to a 2009 paper, "Scaling the Policy Response to Climate Change," by researchers, Benjamin Sovacool and Marilyn Brown, the value of this scam exceeded €4.7 billion – well over the estimated €100 million.

Sovacool and Brown's study also evaluated 93 randomly selected CDM projects and found that "in a majority of cases the consultants hired to validate CERs did not possess the requisite knowledge needed to approve projects, were overworked, did not follow instructions, and spent only a few hours evaluating each case."

But the incentive for African states to receive funding via carbon credits by establishing "farming forests" is certainly compelling from a financial and ecological point-of-view. After the Amazon, the Central African Rainforest remains the world's second largest forest cover at 18 per cent. Kenya's 400,000-hectare Mau Forest Complex – East Africa's primary water catchment area – for instance, may average 160 tonnes of carbon per hectare. The carbon stock trapped beneath the land is not the only sink: Each year, African forests sink over 1.2 billion tonnes of CO<sub>2</sub>, even though Africa alone contributes less than three per cent of emissions globally, with almost half of this generated from activities such as Shell and Chevron's gas flaring in the Niger.

Multinationals like Shell – precluded from the Copenhagen Climate Summit table as both a major industrial polluter and a duty-holder responsible for reparations – emit more carbon than 150 countries cumulatively. And, despite the intention of carbon markets (and architects) to grant rights to major polluters, by enabling such polluters to circumvent actual emissions reductions by purchasing credits from CDM projects in "underdeveloped" countries, such "rights-talk" remains narrow as it relates to climate change's geographically-fixed discourse composed solely of states and citizens. The former are pegged as duty-holders (whether developed or developing) and the latter as claimants with minimal enforceable rights.

Studies by the University of Berkeley in the US have calculated that industrialised States could owe US\$2.3 trillion in climate change damages that have been inflicted on the ecosystems of developing nations through greenhouse gas emissions as well as depleted water sources and desertification.

The World Bank estimates the costs of adaptation and mitigation at US\$400 billion per annum for developing countries by 2030 if steps are not taken to prevent continued degradation. But just US\$10 billion per annum was allocated to all developing countries for the first phase (2010-2012). Paradoxically, in 2009 – the year of Copenhagen Climate Summit – developed governments subsidised fossil fuel industries to the tune of US\$300 billion.

Copenhagen's vocabulary – limited to North-South binaries – was manipulated to represent financial reparations as foreign aid, shifting the discourse from that of equity to charity. It is no wonder, then, that an alleged 50 per cent of first phase climate funds was derived from diverted foreign aid, with little accountability and monitoring. Ethiopia's dictator, Meles Zenawi, who unilaterally decided Africa's fate with France's President Sarkozy, is at the helm of a country facing severe ecological crises due to mass deforestation caused by illegal logging. The country's under-resourced Agricultural Research Institute (EARI) is reporting a loss of 200,000 hectares per annum. The head of Ethiopia's Institute of Forestry Development, Dr Alemu Gezahegn, revealed that Ethiopia would lose all forested land by 2020 if deforestation continued at the current alarming pace.

France itself maintains an extensive logging footprint in former African colonies and other "Francafrique" territories, such as Cameroon and the Democratic Republic of Congo, with the former being one of the world's top five wood exporting countries in the world, chiefly dominated by a small handful of French companies such as Coron and Rougier and Thanry.

Al Gore's industry-friendly convenient film, *An Inconvenient Truth* squarely placed deforestation via illegal logging on the shoulders of individuals; however, records reveal that logging companies exploit as much as five times an individual's territory. In 2005, the Inter-Press Service quoted (Corruption Rooted in Logging Industry) a senior official at the Cameroonian Centre for Environment and Development based in Yaoundé as saying that NGOs could not name the logging companies for "fear of reprisal" while "the police shy away from investigating the matter as well... because those who are profiting illegally from logging allegedly include senior police officials." As one French national involved in the logging industry revealed to IPS, "We're asked for bribes amounting to millions of CFA francs, and we often pay these out."

Logging is big money. Though wood from Africa and Asia is increasingly treated and finished in China, Europe remains the primary market. Illegal logging of forested lands, generally termed as common property resources (thereby indicating government ownership), or as customary

or community ownership and/or lacking ownership altogether, has rendered barren millions of hectares within the Mau Complex in Kenya, and across the continent. Sudan, for instance, has experienced the loss of more than 8.8 million hectares (ha); the Democratic Republic of Congo, 6.9 million ha; Tanzania, 6.2 million ha; Nigeria, 6.1 million ha; and Cameroon, 3.3 million ha.

Paradoxically, REDD's process is capital intensive, allegedly requiring an average of US\$2,000 for every hectare certified after ownership has been legally proved. This renders the process of establishing farming carbon projects similar to other enclave capital-intensive industries where States tend to lack the funds required to finance the investment, thus paving the way for foreign financiers. And regimes, whether corrupt or democratic, automatically remain on the receiving end of profit, so long as these forests remain open to investment designed to cash in on pollution as well as circumvent emission reductions. As Newcombe stated at 2004's Carbon Expo in Cologne, "The World Bank is reducing the risk for private investors."

And for private investors, the opportunity is tempting. At the Rukinga ranch in Kenya, for example, wealthy Western dotcom entrepreneur Mike Korchinsky and his partner Bob Dodwell spent over US\$400,000 over a period of six months certifying and analysing the 80,000 acres of land they purchased for US\$10 per acre, engineered as a deal that would benefit from the REDD scheme. They can expect well over US\$2 million in returns annually, revealed the UK's Guardian newspaper.

But for the Mau Complex's Ogiek peoples, who were marginalised from ancestral lands during the days of the British Empire, such conservation on the part of the Kenyan government, stealthily engaging in preparation for REDD, amounts to nothing more than criminality, resulting in the forced displacement of more than 1,650 families since November 2009.

Unsurprisingly, the US, Canada, New Zealand and Australia collectively rejected the rights of Indigenous Peoples in the December 2008 Conference of the Parties, COP-14, as outlined by the heavily bracketed REDD text, discussed at Bali's COP-13. Policies resulting in the displacement of vulnerable peoples like the Ogiek mark the general trend of REDD projects: Of 144 projects assessed by the International Institute for Environment and Development (IIED), just one project "included a proposal to make community-managed forests or indigenous peoples' rights a binding part of REDD," revealed the UK's Guardian newspaper.

And despite peoples such as the Ogiek possessing the complex knowledge base required to monitor and protect the Mau Complex, this cannot be done without according legal rights to Indigenous Peoples occupying such land through customary and community ownership – branded by the Kenyan government as squatters. According to the Washington-based Rights and Resources Institute, the process would cost just US\$3.50 per hectare. But the "paper parks" backed by the UN have failed to acknowledge forests as socio-ecological ecosystems, preferring

instead to protect “natural” land devoid – or cleansed – of peoples, lending to the rationales of the conservation and privatisation tradition.

The intellectual structure of pollutions trading was initially created by economist John Dales in his 1968 essay “Pollution, Property and Prices”. The essay, which proposed a market for pollution rights and trading, did so by defining a set of “transferable property rights” that could be utilized using the vehicle of allowable quotas of pollution emissions that could be bought and sold. This, in essence, is used to justify the privatisation of natural resources and ecosystems by financiers. As David Victor stated to the US’s Council of Foreign Relations (CFR), emissions permits “are assets that like any other property right, owners will fight to protect.”

In that same year, Garrett Hardin’s infamous “Tragedy of the Commons” essay, published in the prestigious journal *Science*, stipulated that without centralized control or private ownership, land that is “held in common” by multiple users (such as the Maasai) would be subject to overuse and exploitation from individual self-interest and greed. Hardin, who advocate for the denial of food aid in overpopulated countries and continents, would later amend this theory, declaring that an unregulated commons was the heart of the problem. Hardin’s rationale has become a self-evident truth, with leading property rights specialist and economist Hernando de Soto claiming that property rights are “at the core of the capitalist system.”

It is a system that many in Africa – where just 2-10 per cent of land is privately held (usually acquired through State connections) – simply cannot afford to compete in, even less so under REDD. In Kenya, chunks of the Mau Forest Complex have been acquired by bogus companies related to the State with concessions large and small, such as the Moi-connected Sian Enterprises. Others include Olalarusi Inv Far (9,887 acres), the Catholic Church of St Francis (7,305 acres), Ilgina Contractors (3,202 acres) and the Kiptagich Tea Estate. Ironically, many like Ilgina, whose directorship is comprised of the powerful Ntutu family (Agnes Naropil Ntutu, Kiteleiki Ntutu and Kunini Ole Ntutu), were party to the registration and allocation of land via the Ntutu Presidential Commission (1986) demarcating the boundaries of the Maasai Mau Forest. According to the hard-hitting Nation newspaper, “members of a powerful [Ntutu] family in Maasai amassed chunks of land, virtually owning the entire Maasai Mau Trust Land Forest in Narok.”

Unlike Korchinsky and Dodwell’s plan at Rukinga ranch, where 50 community “shareholders” will receive returns from the project, and US\$600,000 will be ploughed back into protection, there exists little accountability for the bulk of forest concessions. “Logging companies may turn into carbon companies. In most countries in Africa you can do what you like, log out the trees, put in roads, do anything. There is little or no monitoring. The rewards could be 99 per cent for me and 0.5 per cent for the communities,” stated Dodwell.

Nor is there input for law enforcement agencies in multinational home countries such as France, or host countries, such as Kenya and Cameroon, with leakages between markets and territories left at the discretion of financial firms such as Goldman Sachs and financial institutions like the World Bank.

“Alarm bells are ringing. The potential for criminality is vast and has not been taken into account by the people who set it up,” stated Peter Younger, an Interpol Environment Crimes Specialist, to the UK’s Guardian newspaper. “Organized crime syndicates are eyeing the nascent forest carbon market,” he said. “Carbon trading transcends borders.”

These syndicates operate through the same shadow networks established by financial firms, banks and accounting firms that facilitate illicit capital flight from the continent, artificially impoverishing Africa – at a price tag of US\$148 billion per annum, according to the African Union.

The potential trade in carbon rights and carbon farming is already bringing out the big guns around the globe. More than US\$100 million in bogus credits had been extended to indigenous tribes in South and Central America. Meanwhile, near Australia, Kevin Conrad, Papua New Guinea’s Special Environmental Envoy and Ambassador for Climate Change, revealed: “We found that because Papua New Guinea was advocating a regime shift in forests, we had every carbon cowboy in the world descend upon Papua New Guinea and try to get a deal with some landowners ...that [would] somehow gave them some credibility.” World News Australia reported, for instance, that Papua New Guinea leader, Abilie Wape was kidnapped at gunpoint by the police to “legally” surrender the carbon rights of the Kamula Doso peoples forest. “Police came with a gun. They threatened me. They told me, “You sign. Otherwise, if you don’t sign, I’ll ... lock you up,” Wape is reported as saying.

This warning was similar to that of Kenyan Prime Minister Raila Odinga in 2009, when he suggested that every single Ogiek would face arrest if they did not voluntarily move as part of the government’s plan to reclaim the Mau Forest Complex. This move had been promoted as part of the agenda to secure the Mau’s crucial forested land, which also generates East Africa’s primary water catchment area that supplies major rivers and lake systems, including the Nile and Lake Victoria, and feeds into Uganda, Tanzania, Somalia, Ethiopia and Sudan.

This was, of course, never directly connected to the REDD process that is still in the planning stage. According to a source, a special consultation process is still being planned for Indigenous Peoples living in forests in the coming weeks, including issues related to compensation.

If any forest peoples remain, that is.

# Climate Finance:

## The role of the World Bank and the Inter-American Development Bank

*Paulina Garzón, Policy Director, Amazon Watch*

Climate change has been adopted as an institutional priority for the World Bank (WB), and the Inter-American Development Bank (IDB), which is made obvious by taking note of the capital increases approved this year by both institutions. The WB and the IDB are keen to be creditors of climate finance funds and they are boosting an aggressive *institutional and regulatory enlistment* to promote the carbon market.

The carbon market plans to include forests conservation projects in developing countries which have the capacity to sequester greenhouse gas emissions, and with it, “offset” the emissions from polluting activities in developed countries. This is made through REDD and REDD+, for which an initial budget of US\$3.5 billion is required, and a figure of between US\$25 billion to US\$50.000 billion for the next five years.<sup>1</sup>

REDD and REDD+ type projects are governed under the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) whose environmental financial arm is the GEF (Global Environmental facility), established in 1991.<sup>2</sup> GEF operations are carried out through a tripartite association between the UN Development Programme, the World Bank and the UN Environmental Programme, known as the “implementing agencies”. In 1999, the GEF started to involve the multilateral bank and currently counts with seven institutions known as the “executing agencies”, from which there are regional banks, the IDB and three UN entities.

The executing and implementing agencies, including some NGOs, are responsible for the formulation, presentation, implementation, monitoring and evaluation. The projects must be developed considering consultation and dialogue processes with national governments and other interested actors, although frequently only large NGOs and some of the biggest Indigenous Peoples’ Organisations have been part of the consultation process, without taking into account the participation of smaller groups and local communities affected by climate change.

The strategies used by the multilateral banks to implement the Structural Adjustment Programs in the late 70s, and more recently in the framework of the “Apertura 2000” initiative to strengthen and widen the private intervention in the oil sector in the Andean-Amazonian countries, have several parallels with the strategies being used around climate change and carbon markets:

strengthening the private sector; the design of an institutional architecture in a national level that allows the application of the priorities identified from the bank sector; the elaboration and reform of normative frameworks; tripartite dialogues (governments, enterprises, civil society) in which the banks have been self-assigned as facilitators for the negotiations among actors; the substitution of regulations and protection principles of economic, social, environmental and cultural rights contained in international treaties and agreements with weak institutional policies; and the application of regional “recipes” which do not recognise differences in each country.

The identification of these parallels as well as understanding the logic and context behind the WB and IDB is important in order to demand accountability from the banks to address climate change.

## The World Bank

The WB is a member of the Climate Change Team of the UN Secretariat and a participant of the collective framework, “Acting on Climate Change: The UN Delivering as One”.<sup>3</sup> As such, the WB has a particular role, including a human rights responsibility, through financing activities in the fight against climate change.

In 2008 the WB adopted a “Strategic Framework for Development and Climate Change”, and established, among others, the following lines of actions: mobilise additional funding under favourable and innovative conditions (as the Climate Investment Funds); facilitate the development of funding mechanisms based on markets; underpin resources from the private sector; carry out investigations on public policies and knowledge; and strengthen initiatives for creating capacity within countries.<sup>4</sup>

The WB is becoming the principle mechanism for funding carbon markets and is responsible for the body created by the United Nations that manages public and private funds, the Climate Investment Funds (CIFs). The CIF was established in 2008 by multilateral banks and countries “as an interim measure, pending the establishment of an international regime post-2012 to govern the national emissions of greenhouse gases”, with one of the main objectives being the promotion and expansion of carbon markets. These funds can buy carbon credits from offset projects in developing countries and pay for the service of delivering such credits. The emission offsets are used to comply with Kyoto Protocol targets as well as other regulated or voluntary market regimes for the reduction of greenhouse gases.

The WB has argued that it is “well positioned” to lead the global climate funds and has taken control over the CIFs. From these funds, there are two types: The Clean Technologies Fund

and the Strategic Climate Funds. The latter include several programmes: The Forest Investment Programme; The Programme to Expand Renewable Energy in Low Income Countries; and the Pilot Programme for Climate Resilience.

The Forest Investment Programme, established in 2009, funds the preparation of national strategies for the implementation of REDD projects under the Forest Carbon Partnership Facility (FCPC). Furthermore, it gives funds to other schemes that promote carbon markets in forests, including the UN-REDD programme. These “preparation for REDD” strategies, who have the WB as general coordinator and beneficiary, are known as “reddiness” or “redd-ready”. The FCPC itself consists of a Preparation Fund with public resources, which is being used to prepare national strategies and to establish a monitoring system. This includes The Carbon Fund which consists of public and private resources, which is being used to test the carbon markets for REDD projects.

Although the WB has declared its commitment to fight against climate change, and has defined the FCPC and the Forest Investment Programme as its main strategies for forests conservation, many civil society organisations and grassroots movements around the world view with scepticism the processes being developed under these funds. Among some of the most worrying reasons are the weak (or nonexistent) consultation processes with local communities; the lack of criteria to determine when a country is ready to implement REDD projects (reddiness); the negative impacts such as deforestation and loss of biodiversity (due to fast agreements and lack of planning); the lack of safeguards to protect Indigenous Peoples’ rights; and the lack of regional policies to stop deforestation.

## Inter-American Development Bank

The IDB has been widely questioned due to its lack of commitment towards sustainability, lack of transparency and lack of strategy that effectively integrates the environmental aspects in its operations. The fossil fuel based projects represent the major part of its energy portfolio while its renewable energy portfolio represents less than 10 per cent. To worsen the situation, the last 10 years of funding for large scale projects from the IDB, mainly through the Regional Integration of South America Initiative (IIRSA), has intensified deforestation in the Amazon, which is the most critical and extended problem in the region.

One of the priorities that the IDB has established to combat climate change is the promotion of carbon markets. It supports, among other things, the strengthening of institutional capabilities on a national level that include: the creation of technical units, new inter-ministerial coordination mechanisms, the development of public policies and normative frameworks and the facilitation of meetings among private investors and governments. Furthermore, the IDB is working together

with the WB, the UN and private investors to implement new financial mechanisms to support adaptation and mitigation projects, including REDD and REDD+.

The IDB is one of the institutions that implement the CIFs – which come from multiple donors and are managed by the WB – and is an executing agency for the GEF. In March 2007, the IDB established the Sustainable Energy and Climate Change Initiative (SECCI) and in 2008 approved the creation of its own financial tool with the SECCI funds. These funds are oriented to strengthen four fundamental pillars: renewable energy and energy efficiency; development of agrofuels; increase access to carbon markets; and climate change adaptation. The SECCI funds have two components, one that manages the IDB funds coming from the institution's ordinary capital, and the SECCI funds that come from multiple donors. The high demand of the SECCI funds drove them to re-supply the fund with US\$40 million dollars in 2009.<sup>5</sup>

The IDB has also accessed other financial instruments that have allowed it to make more resources available for mitigation and adaptation, allowing the countries to have access through the IDB to funds like the CIFs, the Adaptation Fund, the GEF (since 2004 the IDB is one of the financial entities of the UNFCCC), resources under the Kyoto Protocol (Clean Development Mechanism), and combined resources with other multilateral institutions.

The IDB is seen as a new organism to increase funding towards energy, adaptation and mitigation activities. Through the Co-Financing Facility for Climate Change, the IDB looks to lever up funding not only with other multilateral institutions, but also domestic funding for the private and public sectors, with the aim of supporting the new priorities and norms of what would be the international carbon market post-2012.

Two key issues in front of the Conference of the Parties in Cancun, COP16, will be to establish the Green Fund, which came out of Copenhagen during the COP15, and the role that the multilateral banks will play in the long-run. In order to get ready for the COP16, the IDB is looking for support from governments and the private sector to increase its profile as a channelling institution for funds within the framework of the UNFCCC. During the UN conference last October in Tianjin, China, the Advocacy Group on Climate Finance, who has the mission of recommending fund sources for the Green Fund, suggested that part of the money should come from the carbon markets and multilateral banks.

Climate change is becoming more and more a business opportunity that not only attracts investors around the world but also presents an opportunity for the WB and the IDB to increase their profits. The multilateral banks have proposed an additional cost of US\$350,000 dollars for each project that has been funded through the Forest Investment Programme, The Programme to Expand Renewable Energy in Low Income Countries, and the Pilot Programme for Climate Resilience, arguing that they need to cover staff costs and other costs involving the development,

support and supervision of the projects. This percentage is 40 per cent higher than the one charged to any average project from the banks.<sup>6</sup>

## Conclusion

Set against the lucrative carbon markets and the negligence of the states, it is essential that the multilateral banks not only recognise the interdependence between human rights and the environment, but also take responsibility of their actions based on free market growth which accelerates the processes of climate change and affects local populations, especially Indigenous Peoples. The integration of the Precautionary Principle and the right of the affected peoples to Free, Prior and Informed Consent over the programmes, policies and projects “that address climate change” must be a minimum first step.

The WB and IDB argue that, in theory, the carbon market and REDD projects initiatives are a “win-win” strategy, but experience shows that such initiatives have the potential of producing more harm than benefits for both the climate and local communities. The inclusion of multilateral banks to fund adaptation and mitigation programmes to address climate change is mistaken and only looks to maintain and expand the status quo. The serious conflicts of interests and powers, as well as the historical record of financing polluting ignore the rights of Indigenous Peoples, making the banks fundamentally flawed and problematic actors.

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# Socio Bosque: another face of green capitalism

*Yvonne Ramos, Acción Ecológica*

Communities and organisations throughout the world are against using forests for climate money-making business schemes because it would expropriate millions of hectares of land, result in the loss of communal land rights and because polluters would be the ones to benefit.

The communities and social movements of Ecuador are no exception. Convened by the Confederation of Indigenous Nationalities of Ecuador (CONAIE) and the Confederation of Indigenous Nationalities of the Ecuadorian Amazon (CONFENIAE), Indigenous women met in Tena, in the Napo province, on July 29 to 31, 2010. The participants in the Conference on Women and Climate Change voiced their opposition to the Socio Bosque project whose goal is to sign contracts with local communities for four million hectares of forests and 800,000 hectares of *páramos*.<sup>1</sup> The majority of the slated land is in Indigenous Peoples' territories. The goal of the Ministry of Environment is to implement this initiative as part of REDD. This would allow the government to sell Indigenous Peoples' forests on both the carbon market as well as the environmental services markets.

## Why are communities against Socio Bosque and Socio Páramo?

At the end of 2008, the Ministry of the Environment started implementing the Socio Bosque Project and, in 2009, it began implementing Socio Páramo, alleging that these projects were solutions to climate change and that they provided local communities and Indigenous Peoples with incentives for land “conservation”. However, according to Max Lascano, Director of the Socio Bosque, the program strives to sell environmental services like water, biodiversity and carbon to public and private companies based on the contracts the government has signed with local communities.<sup>2</sup>

Furthermore, Socio Bosque is not for “conservation” since it does not prohibit destructive activities like mining and oil extraction in the areas under contract.<sup>3</sup>

To enter into the competitive environmental services market, the Ministry of the Environment has stipulated that the contracts last for 20 years and that they are automatically renewed for an additional 20 years.

## The contract<sup>4</sup>

The first prerequisite for the communities and the individual land owners for participating in Socio Bosque is that they must show the land titles to their parcels and territories. The contracts have 15 obligations for the communities and only three for the Ministry.

One of the obligations of the Ministry is to monitor the compliance of the commitments assumed by the “executors” – the land owners and communities. For this purpose, in clause six, the ministry reserves the right to perform inspections *in situ* at any time, use remote sensors, aerial photography or any other technique or technology. At the same time, the contracted community has to present a signed statement on the current state of the project. This amounts to subjecting owners of the forest to constant surveillance, security measures and even police control as is already the case in some projects in Brazil.

The contract includes many unfavourable obligations for the communities. One of the obligations is to refrain from hunting, fishing, change of land use (agriculture) or cutting down trees, all of which constitute the traditional basis of community sustenance and food sovereignty. To guarantee compliance with the commitments assumed by the “executor”, the state reserves the right to establish civil, penal and administrative sanctions such as reimbursing totally or partially the “incentives” that have been allocated by the ministry according to clause nine on damages and liabilities. This clause clearly undermines the collective rights of Indigenous Peoples.

Since the communities will not be able to scrape together the money for the reimbursement, this clause is a lock that will keep the land owners or communities from being able to withdraw from the project. The contract chains the land owners and communities to the Socio Bosque programme.<sup>5</sup>

## Legal framework

According to the Constitution of 2008, in Article 74, persons, communities, peoples and nationalities have the right to benefit from the environment and the natural wealth that allow them to live well. This article further states that environmental services will not subject to expropriation; their production, benefit, use and utilisation will be regulated by the State. Article 313 stipulates that “the state reserves the right to administer, regulate, control and manage strategic resources and includes biodiversity, water and genetic heritage as strategic resources.” Article 316 states that the state may delegate the participation of the strategic sectors and public services to private-public partnership companies in which the state is the principal stockholder.” “The state may in exceptional circumstances, delegate the exercise of these activities to the private sector and the popular and solidarity economy, in those cases established by law.”

It is also noteworthy that in the Bill on the Environmental Code, the state reserves the right to be the owner of the strategic resources and can sell them to third parties, be they other states, Companies or NGOs. This confirms the possibility that environmental services in the Socio Bosque areas could be sold to public or private entities or even foreign countries. For example, a community's forests could be included in debt-for-nature swaps as part of the payment of the foreign debt of the state. In this regard, the United States recently announced that it would subtract US\$21 million from the foreign debt of Brazil in exchange for initiatives to protect the forests of the Atlantic Mata in Brazil. Such forest protection could result in REDD-type projects in Brazil.<sup>6</sup>

The Public Security Act states that strategic resources specified in the constitution (Article 42) require special regulation. The strategic resources include biodiversity, genetic heritage and water, the geographic spaces that contain them, all the corresponding services and activities as well as the public and private companies that manage these resources. As for the protection of installations and infrastructure (Article 43), the Ministry of Defence, in the event of grave insecurity that endangers those public and private companies responsible for the management of the strategic resources, will use the army to protect the installations and infrastructure. The autonomous decentralised governments are subject to and will enforce the provisions of these norms regardless of their administrative autonomy. This means that the Socio Bosque areas since they are included as part of the strategic resources could even be militarised.

Clause eleven of the contract establishes that the regulatory framework for Socio Bosque is the current laws but that laws issued by the Ministry in the future will also be enforced. Therefore, by signing a Socio Bosque contract, communities are committing to abide by laws and norms that are unknown or do not even exist as of yet.

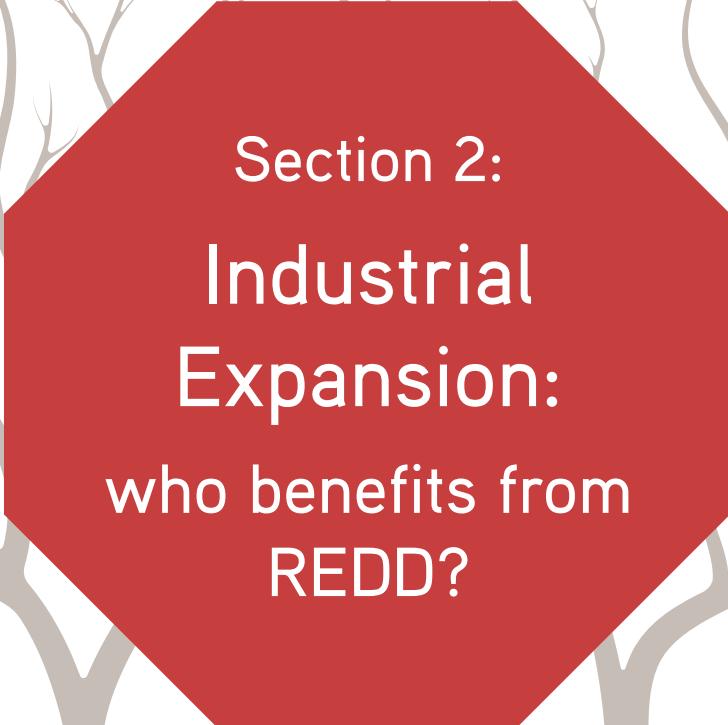
The state which now has contracts that cover 4 million hectares, could be negotiating the forests and territories of the Indigenous Peoples and using them as collateral for REDD-type credits, loans and financing. Socio Bosque is nothing more and nothing less than another face of green capitalism.

The vulnerability of the communities could be exacerbated further by the National Plan on Afforestation and Reforestation that is being implemented under PROFORESTAL. PROFORESTAL is promoting the use of 1 million hectares of monoculture plantations to sell Certified Emission Reductions (CER) on the global carbon market.

While Northern countries continue with unbridled and voracious consumption of strategic resources instead of reducing their emissions, the Indigenous Peoples of the Global South are being pushed towards the definitive loss of their collective rights to their territories.

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Section 2:  
Industrial  
Expansion:  
who benefits from  
REDD?

# A critical vision of REDD

*Ricardo Carrere, International Coordinator, World Rainforest Movement*

## What exactly is REDD?

REDD stands for “Reduced Emissions from Deforestation and Forest Degradation”. It is a new and controversial concept adopted in international negotiations on climate change. The idea behind it is simple: deforestation results in carbon emissions, which exacerbate climate change, and so those who successfully “avoid” deforestation will be financially compensated.

However, the issue is not as simple as it sounds. In the context of the UN Framework Convention on Climate Change, the idea of addressing carbon emissions from forests was initially referred to as “avoided deforestation”. It is important to stress that the term used was “avoided deforestation” and not “avoiding deforestation”. This is where the problem starts. While what is really needed is to “avoid deforestation” in all countries, the term “avoided deforestation” simply means that a country will carry out less deforestation than before, even if deforestation continues. More importantly, the scheme offers financial compensation for areas where deforestation has been “avoided”.

## Where would the money go?

The central concept of REDD is to make forests worth more if they are standing than if they are cut down, and to pay someone – governments, companies, Indigenous Peoples, local communities – to keep the forests standing and thus keep the carbon stored there from being released. The question is, who will be the “someone” getting the money, and under what conditions?

The ideal situation would be for an indigenous or traditional community to receive money for the conservation of the forest that they are already conserving.

The problem is that REDD money is not geared towards situations like these, since its goal is to reduce emissions from deforestation. This means a situation in which, unless payment is provided, a forest will be destroyed – and this does not apply in the case of communities that are conserving their forests.

If REDD is implemented, there will undoubtedly be a few “showcase” projects that provide funds for forest communities, which would be used as publicity to promote REDD and to divide NGOs, Indigenous Peoples’ Organisations and community organisations. But these would be exceptions to the rule. The bulk of REDD money would go – by definition – towards “avoiding” deforestation that would occur if these funds were not provided, and would therefore be channelled to either companies or governments, or both.

This kind of REDD would mean:

- 1) That no money would be channelled to countries where there is no deforestation.
- 2) That communities that are not actively destroying forests would not be eligible to receive REDD funding.

This would give rise to a series of perverse consequences:

- 1) Countries with a good record of forest conservation would get nothing.
- 2) REDD could encourage countries to carry out deforestation in order to be eligible for funding in the future.
- 3) Those who are primarily responsible for deforestation (governments and companies) would be the main beneficiaries of REDD, since they are the only ones who would be able – if they received enough money – to avoid the deforestation for which they are responsible.
- 4) In order to receive money it would be enough to simply “reduce” deforestation, without actually stopping it, which would mean, for example, that a country could be paid for destroying “only” one million instead of two million hectares of forest.
- 5) REDD money could help governments and large conservationist organisations to strip local communities of their rights to the use of their forests.
- 6) The deforestation that is “avoided” – and paid for – one year could be carried out in subsequent years.

## Other dangers

An Action Plan adopted under the United Nations Framework Convention on Climate Change calls for “policy approaches and positive incentives” (in other words, monetary payment) on issues relating to REDD and highlights three activities to be promoted: “conservation”, “sustainable management of forests” and “enhancement of forest carbon stocks”. All of this combined is known as “REDD-plus”. Every one of the REDD-plus activities has potentially extremely serious implications for Indigenous Peoples, local communities and forests:

- “*Conservation*” is a word that sounds good, but the history of the creation of national parks aimed at ensuring conservation includes numerous cases of forced evictions and the loss of the rights of Indigenous Peoples and local communities who live there.<sup>1</sup> There is no guarantee that this history will not be repeated.
- “*Sustainable management of forests*” also sounds good, but it could result in subsidies for commercial logging operations in old-growth forests, Indigenous Peoples’ territories or community forests... of which there are already numerous examples.
- “*Enhancement of forest carbon stocks*” could result in the conversion of forests into industrial tree plantations, since the United Nations definition of “forest” does not distinguish between a tropical old-growth forest and an industrial monoculture tree plantation.<sup>2</sup> As far as the UN is concerned, both are forests. This means that if someone is able to demonstrate that a plantation can store more carbon than an existing forest, the conversion of this forest into a plantation will receive the blessing of the UN and the forest’s destruction will be subsidised through REDD. There are a number of countries (for example, Indonesia) that have already taken significant steps in this direction.

## The carbon offset scam

Trees store carbon. When trees are cut down or burned, the carbon is released into the atmosphere. Those who promote forest-related carbon trading schemes claim that “it doesn’t matter to the atmosphere if a ton of pollution comes from a coal-fired power plant or a burning forest.”<sup>3</sup>

However, it does in fact matter to the atmosphere where pollution comes from. From a chemical point of view, obviously a carbon dioxide molecule emitted by a fossil fuel-burning power plant

is the same as a carbon dioxide molecule released by a burning forest, but from a climate change point of view, they are very different. In the case of fossil fuels – coal, oil, natural gas – these have been stored beneath the earth's surface for millions of years and can only release carbon into the atmosphere when they are extracted and burned. Once they have been burned, the result is a net increase in the amount of carbon present in the biosphere. Trees, on the other hand, store carbon for relatively short periods of time – they die, decompose, are cut down or burn down – and have formed part of the circulation of carbon in the biosphere for millions of years. Their disappearance does not imply changes in the net balance of carbon in the biosphere, which remains the same.

From this we can conclude that it is not possible to “offset” emissions from the burning of fossil fuels through the conservation of carbon stored in trees. Despite this fact, the REDD mechanism will allow polluting industries to “offset” their emissions and possibly even be declared “carbon neutral” through REDD.

## The biggest global land grab ever

Beyond the fallaciousness of its role in mitigating climate change, it is important to stress that REDD could trigger the biggest land grab by large corporations ever seen. Even worse: the REDD land grab has already begun.

In Kenya, the government has already evicted people – including Ogiek indigenous people – from some 21,000 hectares of the Mau Forest and intends to carry out further evictions. In August 2009, Kenyan President Mwai Kibaki declared that everyone living in the Mau Forest should be arrested. “The government shall take action against people who destroy forests. Such people should not be spared at all, they should be arrested and charged with immediate effect,” Kibaki ordered.<sup>4</sup>

The United Nations Environment Programme (UNEP), whose regional headquarters are based in Nairobi, supports the Kenyan government’s plans for the Mau Forest, despite the evictions. “The Mau Complex is of critical importance for sustaining current and future ecological, social and economic development in Kenya,” said UNEP Executive Director Achim Steiner, adding, “UNEP is privileged to work in partnership with the Government of Kenya towards the implementation of this vital project.”

But the Mau Forest is the ancestral home of the Ogiek, who depend on the forest for their survival. The organisation Survival International has condemned the evictions and described the Ogiek as “conservation refugees”.<sup>5</sup>

A forest-related carbon offset project is also destroying sources of survival in Guaraqueçaba, on Brazil's Atlantic coast. The project was set up by The Nature Conservancy (TNC), a US-based conservationist NGO, and co-financed by three major greenhouse gas polluters: General Motors, Chevron and American Electric Power.

Journalist Mark Schapiro reported on the project in 2009. He found that local communities had been stripped of their sources of livelihood to make way for the conservation project. A local villager, Antonio Alves, had been arrested at gunpoint and held in jail for 11 days for cutting down trees to repair his mother's house.

TNC's position regarding the people who live in and around the forest reserves in Guaraqueçaba is clear. "The carbon idea is not really tangible to people in the community," TNC's director of forests and climate in Latin America, Miguel Calmon, told Schapiro. "You can't go into these private reserves. That land is not their land anyway. If you used to go into the forest from your house across the road, now you can't. That land is already owned."

TNC contracted a local NGO, the Society for Wildlife Research and Environmental Education (Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental, SPVS), to buy the land and manage the project. Local villagers told Schapiro that SPVS employees had shot at them. "SPVS doesn't want us here," said one villager. "They don't want human beings in the forest. The land isn't even theirs, it's ours."<sup>6</sup>

For another of its projects, the Noel Kempff Climate Action Project in Bolivia, TNC also teamed up with three massively polluting energy corporations: American Electric Power (AEP), BP-Amoco and Pacificorp. The project doubled the size of an existing national park and paid logging companies to leave. But Greenpeace describes the project as a "carbon scam".<sup>7</sup> In a 2009 report, Greenpeace revealed that some of the logging companies had simply moved to the next available forest area. One logging company used the money it had received from the project to cut down trees in another part of the forest. This is what is officially referred to as "leakage": logging is stopped in one area but continues elsewhere. Since the Noel Kempff project began, deforestation rates have actually risen in Bolivia.<sup>8</sup>

An AEP internal document reveals why this type of project is so attractive for highly polluting companies: "The Bolivian project... could save AEP billions of dollars in pollution controls."

AEP chief executive Michael G. Morris told the *Washington Post* in October 2009, "When Greenpeace says the only reason American Electric Power wants to do this is because it doesn't want to shut down its coal plants, my answer is, 'You bet, because our coal plants serve our customers very cost-effectively.'"<sup>9</sup>

For highly polluting corporations, REDD is simply a way to let pollution continue and remain “cost-effective”. But if there is to be any chance of preventing climate change from becoming irreversible, it is crucial to stop burning fossil fuels. If this doesn’t happen, even the tropical rainforests could disappear: according to experts, a 4°C increase in global average temperature could lead to “a loss, almost total loss, of Amazonian rainforest.”<sup>10</sup>

Allowing greenhouse gas producing industries to take over the vast areas of forest they need to offset their carbon emissions through REDD would result in a land grab of proportions never before witnessed in the world. The impacts of this land grab on Indigenous Peoples, local communities and their forests are already becoming evident.

This is why Indigenous Peoples are fighting back against the trading of carbon stored in forests. In April 2009, almost 400 indigenous representatives adopted the Anchorage (Alaska) Declaration, which specifically rejects carbon trading and forest offsets as “false solutions to climate change.”<sup>11</sup>

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## Of InfraREDD and InfoREDD:

When biodiversity is reduced to biomass  
the climate is ripe for biopiracy

*ETC Group*

When the UN Convention on Biological Diversity was adopted at the Rio Earth Summit in 1992, we coined the term “biopiracy” to argue that the treaty signalled the biggest grab of indigenous knowledge and sovereign resources in 500 years. While claiming to establish national authority over the biodiversity within national borders and creating a modest (albeit welcome) space for the participation of indigenous and local communities, the *de facto* impact of the CBD was to establish that all of the biodiversity (genes and species) pirated by colonial powers prior to 1992 and kept in zoos, herbaria, botanical gardens or gene banks instantly became the legal property of the colonizer. In one myopic moment, all the biodiversity that had been collected (and studied and considered to have value) became the heritage of the thieves; leaving to Indigenous Peoples and post-colonial governments all the remaining biodiversity not collected and not known to have value. This was presented as a great victory for the people.

In the intervening 18 years, Indigenous Peoples and the governments of the global South have been fighting an uphill battle to gain acceptance of some kind of “access and benefit sharing” deal that would be both fair and financially beneficial. Some now believe the goal is in sight while others fear it is slipping away – overridden by new tactics and technologies.

As much as the 1992 Convention imposed a mass (intergovernmental) amnesia that wiped away history, new developments at the CBD and under the so called “REDD-plus” agenda at the UNFCCC, may allow new technologies to commercialise the biodiversity that has yet to be commodified, enabling a new wave of plunder of the territories of peasants and Indigenous Peoples. For instance, until now, forests have been controversial within the CDM of the UNFCCC, because, among other reasons, of the difficulty of quantifying the amount of carbon dioxide they absorb. New technologies, including satellite surveillance, are capable of detecting the changes in forest biomass. The application of these technologies would necessarily lead to increased surveillance not only of “trees”, but the whole forest, as well as of the Indigenous Peoples who live there. Furthermore, digital and genomic technologies will upload the remaining biodiversity onto the Internet where it can be modified and monopolised by those with sufficient techno prowess. Once digitised, the living biodiversity may become commercially irrelevant and the land ploughed to more profitable purposes in the service of the new Carbohydrate Economy.

## InfraREDD biomaps:

Satellites and fixed-wing aircraft can now combine to map and monitor (in three dimensions) tropical biomass in ways not imaginable when the Biodiversity Convention came into force. Cameras mounted on light aircraft or helicopters can use hyper-spectral imaging to analyse visible and infrared wavelengths that reveal variations in vegetation. Precise light measurements expose soil nutrients identifying not only the type of surface vegetation but what lurks beneath. The technology was originally developed to find burial sites but has branched out to service a multitude of interests from archaeologists to the CIA, and now to facilitate the privatisation and commercialisation of the “air” of the forests.

The potential for biomapping (and biopiracy) is considerable. Plants are affected by the composition of the soil they grow on. Wavelengths in the range 400 to 2350 nanometres can be monitored from the air to detect any changes in water or soil chemistry. It is already possible for airborne police to identify human skin and determine whether the body is alive or dead.<sup>1</sup> The near-term possibilities include the aerial identification of proprietary crops or livestock with unique genetic traits or DNA markers and (importantly for indigenous and local communities) the opportunity to triangulate on soils, bugs or plants offering industrial uses. After it is pinpointed and pocketed, the biodiversity and its land can be used for other purposes.

In September of 2010, the Carnegie Institute at Stanford University announced, with WWF and the Peruvian government, that it had mapped over 16,600 square miles of Amazonian forest (about the area of Switzerland). While satellites mapped vegetation and recorded disturbances, the satellite images were complemented by a fixed-wing aircraft deploying Carnegie’s proprietary LiDAR technology (light detection and ranging) to produce three-dimensional representations of the area’s vegetation structure. On the ground, scientists converted the structural data into carbon density aided by a modest network of field plots. Carnegie’s novel system brings geology, land use, and emissions data together to advise Peru – and anyone else with access to the data – that the region’s total forest carbon storage weighs in at about 395 million tonnes with emissions of around 630,000 tonnes per year. The IPCC estimate for carbon storage in the surveyed area was 587 million tonnes. However, under REDD-type programmes, Carnegie’s high-resolution approach could yield more credit per tonne of carbon.<sup>2</sup> The system is also cheap. The price for mapping Peru was eight cents per hectare and a similar map in Madagascar was only six cents.<sup>3</sup> So, in the world of carbon trading, how much biomass can the land produce?

The implications of these infraREDD technologies are substantial. It may be possible for industry or governments to cherry pick the biodiversity they currently regard as important while dis-

counting and discarding the rest. Further, the technology will allow the tracking of the people in the forest, which in turn may influence land rights negotiations. Additionally, the ability to assess the total biomass and its carbon value renders the biodiversity irrelevant and only the biomass commercially important.

## InfoREDD - iBio and Digital Diversity:

The Complacency from industry believing it can do without most of the world's biological diversity is terribly wrong – but that does not change the threat to biodiversity. Synthetic biologists – who insist they will be able to rebuild extinct species from scratch in their laboratories and build any new species commerce might desire – sometimes do not see the need to conserve the “old stuff” just in case. At the beginning of this year, scientists at Cambridge University discovered a way to trick cells into reading DNA differently. The result is that instead of having only 20 amino acids from which to build virtually everything in nature, scientists now have 276 amino acids and claim they can construct almost any kind of living organism they imagine. In May this year, a company called Synthetic Genomics managed to construct the first-ever self-replicating artificial microbe – a species that has never before lived on earth. Now that they have established the “proof of principle”, synthetic biologists believe they can construct microorganisms that can turn any biomass into food, fuels, pharmaceuticals or plastics.

New information technologies encourage their hubris. The International Barcode of Life project (IBoL) and the related Consortium for the Barcode of Life hosted by the Smithsonian Institution in the United States are mapping the genome of every known species and placing the electronic maps on the Internet. In addition, thousands of samples are being sent voluntarily to the Smithsonian (in spite that US is not a signatory to the Convention on Biological Diversity and could claim ownership of these resources), and other institutions of the global North, such as the Biodiversity Institute of Ontario in Canada. Once mapped, it will be theoretically possible for corporations – armed, perhaps, with the self-replicating technology patented by Synthetic Genomics Inc.– to download a genetic blueprint, tweak it at will, and construct new life forms. Life-science enterprises from pharmaceuticals to seeds might conclude that gene banks, zoos and botanical gardens – and conservation programs – are passé.

IBOL is not alone. One “competitor” initiative called the Genome 10K project (dedicated, to mapping the whole genome of 10,000 species) is expected to cost no more than US\$50 million (US\$5,000 a species). Again, it is expected the species map will be available to anyone with access to the Internet.<sup>4</sup>

Just like Carnegie's LiDAR technology, the cost of DNA sequencing is becoming negligible - a hundred-thousandth of what it was a decade ago. For example, the first human genome sequence (with 3 billion base pairs to assay) took 13 years and US\$3 billion. Now, it can be read in 8 days for US\$10,000. Oxford Nanopore Technologies and rival, Pacific Biosciences, both claim that within three years they will be able to map the human genome in 15 minutes for US\$1000. Impressively, Pacific Biosciences says it will be able to assay a genome from a single DNA molecule.<sup>5</sup> If (or is it when?) that time comes, it could be possible to store a molecule of all the world's estimated 10 million species embedded on one side of a credit card-sized disc - with the digital map of each species ensconced on the other side.

Again, once digitised, the industrial world will see no need for biological diversity. Rain forests – or, more accurately, the land in which the trees stand – can be put to “more productive” purposes maximising the production of biomass. According to some venture capitalists, the most important economic factor in the world today is that only 23.8 per cent of the world's annual terrestrial biomass finds its way to the marketplace – meaning that 76.2 per cent of the world's annual terrestrial biomass is available to be monopolised.

## Conclusion

In 2010, the UN's Year of Biological Diversity, as indigenous and local communities and governments debate the fairness of an Access and Benefit-Sharing agreement and the rights of Indigenous Peoples, as well as their valuable contribution to conserving biodiversity, new forms of biopiracy and new strategies for biomass control may mean that the realisation of rights, benefits – and justice – for Indigenous Peoples are receding even further away than in 1992. For corporations, the issue is no longer who will own ecosystems and biodiversity, but who will be the new *biomassters*.

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# Extractive Industries and REDD<sup>1</sup>

## Sinning then praying evens the score or how to legitimise pillaging and destruction<sup>2</sup>

*Diego Alejandro Cardona and Tatiana Roa Avendaño<sup>3</sup>*

On April 20<sup>th</sup>, the Deepwater Horizon oil platform exploded 1,600 metres below the sea's surface in the Gulf of Mexico and proceeded to spew thousands of barrels of oil a day. The British transnational BP that operated this platform contended the well was leaking 5,000 barrels a day but its calculations are conservative compared to the 10,000 or 30,000 estimated by other sources. US "scientists now calculate that the equivalent of the oil spilled in the Exxon Valdez spill may be polluting the coastal waters of the Gulf of Mexico every four days."<sup>4</sup>

All eyes are on the Gulf. Clearly, the disaster is immense and it is hard to say what may happen when the water currents carry the spilled oil to other areas. But the fact that the spill is off the coast of Mississippi in waters of the United States has made it seem particularly newsworthy. Without belittling the importance of the spill, it is worth noting that many similar catastrophes have already occurred.

This catastrophe once again illustrates the vulnerability of an industry that lacks adequate technological responses to the continuous accidents that threaten human lives and the integrity of territories.<sup>5</sup> The oil industry is by nature risky and dirty. Nonetheless, the extractive frontier continues to expand into the oceans, forests and the Arctic, endangering ancestral peoples and pristine territories. Hydrocarbon exploitation results in high rates of biodiversity destruction throughout the world and intense social and environmental conflicts for local communities that are victims of displacement, illness, violence and the social degradation of their territories.

### A permanent, recognised and perpetuated disaster

Science has shown that burning fossil fuels, especially hydrocarbons, is the principal cause of climate change and that industrialised or developed countries have the greatest responsibility in this regard. Meanwhile, the United Nations and international institutions promote false solutions to climate change such as the strategy of Reduction of Emissions from Deforestation and forest Degradation in developing countries, better known as REDD, that pretends to "pay

for conserving” the forests of the planet. Companies and Northern governments sponsor REDD-type projects with either public monies or the carbon market to show how they are contributing in solving climate change. Thus the root of the problem continues intact and the crisis continues to worsen.

Powerful extractive industries companies support and finance REDD-type projects. Well aware of the conflicts they generate, the companies seek to greenwash their image by showing an interest in offsetting the destruction. In this regard, REDD fits the bill. On one hand, REDD-type projects provide greenwash, because REDD makes them look like responsible environmentalists. On the other hand, companies expand the oil exploration and exploitation frontier, confident the destruction of one area will be offset by funding or implementing REDD-type projects or by buying “carbon credits.”

As the era of *easy oil* is ending and the era of *difficult oil* is upon us, the oil industry increases exploration in remote and complicated places. And in doing so, the oil industry threatens sacred territories that Indigenous Peoples, afro-descendants and small farmers have wisely preserved. So what is currently at stake is the protection of the last natural refuges where ancestral peoples conserve most of the mega-biodiversity.<sup>6</sup> One of the sources of conflicts generated by REDD-type projects with local communities is that often REDD-type projects restrict the activities of the people who live in the project area arguing that communities’ traditional activities affect conservation despite the fact that it is precisely these people who have been the historic guardians of these territories.

REDD is therefore rife with ethical problems while it allows companies to continue their extractive activities, deforestation, degradation and pillaging because REDD fuels conflicts with local communities.

## **“Conserving” here, destroying there**

Since the 1990s, British Petroleum’s (BP) oil extraction in the hills of the Casanare Province in Colombia has destroyed forests. The seismic explorations destroyed water springs and tap water from the region’s key rivers leaving Indigenous Peoples and small farmers either without water or with limited water use. The subsequent protests were memorable.<sup>7</sup> This is one of the many oil projects executed in a biodiversity hotspot where ancestral communities and territories are located.<sup>8</sup> Some of the damage done by BP could be allowed and legitimised by BP’s participation in the REDD-type project known as the Noel Kempff Mercado National Park in Bolivia.

In the case of the Brazilian Amazon, the government of Norway is the principal donor of the Amazon Fund, whose goal is to contribute to the conservation of the Amazonian rainforest

by reducing emissions.<sup>9</sup> Thus Norway shows its leadership and demonstrates its disinterested commitment to the environment.<sup>10</sup> So far so good. However, analyzing the donation in a broader context, one discovers that,

“around the same time as the signing of the donation, the government of Norway also sealed a deal between its state oil company, Statoil, and the Brazilian oil giant, Petrobras to cooperate in oil exploration in deep waters.”<sup>11</sup>

Furthermore,

“the government of Norway is investing in bauxite mining and aluminium production in the Amazon rainforest that it purports to be protecting. The Norwegian state company Norsk Hydro ASA – Europe’s third biggest aluminium producer – recently signed an agreement granting it control of the mining company Vale do Rio Doce’s aluminium business in Brazil.”<sup>12</sup>

The agreement grants control over mines and smelters to the Norwegian state company that will benefit from the supply of cheap energy provided by the construction of the Belo Monte hydroelectric dam. To build the dam hundreds of square kilometres of rainforest will be flooded and destroyed thus threatening with extinction the Indigenous Peoples of the Xingu River basin, who have historically conserved the rainforest. The construction of the dam has been adamantly opposed for years.

Clearly Norway’s funding of the supposed conservation of the Amazon is not disinterested, but, on the contrary, it seems that Norway’s participation in projects of avoided deforestation and degradation is to open the door for furthering activities, such as oil exploitation, mining and other extractive industries that destroy forests, territories and the livelihoods of local communities. It is noteworthy that the manager of the Amazon Fund is the Brazilian Development Bank (BNDES) which finances devastating megaprojects and agrofuels that deforest the Amazon.<sup>13</sup>

## REDD and Logging and Mining Companies

It is not only oil companies that are eager to take advantage of REDD projects for greenwash and to avoid having to reduce their emissions at source, other extractive industries like logging companies and countries that log trees and consume timber are also aggressively promoting these projects.

With initial funding from Norway, the International Tropical Timber Organization (ITTO), an inter-governmental body of countries that produce and consume timber from tropical forests, already launched its Thematic Program on REDD and Environmental Services (REDDES).<sup>14</sup> ITTO

also participates in the Collaborative Partnership on Forests that “will collaborate” with UN-REDD.<sup>15</sup> The ITTO also has been lobbying at the United Nations climate change negotiations to include “sustainable forest management” (logging) and “production forests” (monoculture plantations) in the rules of the REDD game.<sup>16</sup> ITTO is also financing protected areas of up to 2.9 million hectares, some of which are already prototypes for REDD like the Iwokrama Forest in Guyana.<sup>17</sup>

Other sectors of the logging industry are also jumping on the REDD bandwagon. The Forest Stewardship Council, whose controversial certification scheme for timber supposedly produced sustainably wants to broaden its certification scheme to include REDD.<sup>18</sup>

The mining companies also want to get in on the REDD action. For example, the mining company Rio Tinto infamous for violating human rights and causing environmental destruction promotes REDD by saying, “REDD is used as an economic tool to offset the carbon footprint of Rio Tinto.”<sup>19</sup>

It is worth noting that emerging sectors of extractive industries are also enthusiastic about REDD. For example, another form of extraction is the privatisation and sale of water. The extraction of water could eventually be offset by REDD and the conservation of water could also be considered an aggregate value of gourmet REDD.<sup>20</sup>

## Promoting plantations

The definition of forests currently adopted by the UN climate change convention contains a large loophole: it fails to distinguish between natural forests and plantations, including eucalyptus, pines, acacias, oil palm, and others. Biodiverse, natural forests could therefore be destroyed and replaced with plantations, but this would not be treated as “deforestation” because – according to the definition - the area would still be covered by trees.

The lack of a clear distinction is no accident. Defining a forest simply in terms of tree cover - rather than complex ecosystems and the livelihoods of peoples interacting with them – has long been used as a cover for the expansion of industrial-scale plantations. The UNFCCC is discussing a loose definition knowingly, and against the backdrop of significant resistance.<sup>1</sup> Why has a definition been adopted that fails to differentiate forests from plantations? The most plausible explanation, arguably, is that commercial interests take precedence over environmental and social objectives in the shaping of REDD policy.

Further information in World Rainforest Movement: [www.wrm.org](http://www.wrm.org)

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## Rights and Safeguards

The United Nations Framework Convention on Climate Change is defining REDD without having satisfied the demands of Indigenous Peoples including the right to participate, table proposals and decide about project negotiations.

The Copenhagen Accord that was controversially produced in December 2009 includes REDD+ and opportunities to use markets, without even mentioning the principle of free, prior and informed consent of Indigenous Peoples.<sup>21</sup> Nor does the Copenhagen Accord guarantee the recognition and effective implementation of the United Nations Declaration on the Rights of Indigenous Peoples.

The safeguards that would theoretically protect the rights of Indigenous Peoples and their territories are only window dressing and can be manipulated when they are applied by the companies and governments, since to access “REDD funding, a government need only say that it is supporting the respect for the knowledge and rights of Indigenous Peoples, because the safeguards are conditioned by the phrase “should be promoted and/or supported.”<sup>22</sup>

## Violations of Rights

The safeguards are not even being applied because they have yet to be finalised. It is important to highlight that a REDD gold rush has been unleashed with no rules and regulations let alone safeguards. Hence, there are notorious conflicts and violations of the rights of communities in REDD-type project areas. This means that we are not talking about potential risks, but about abuses that are already occurring.

In Brazil, the Guaraqueçaba project, originally created to combat global warming ten years ago, is now being presented as a REDD-type project. This project includes three carbon projects: the Morro da Mina, Rio Cachoeira and Serra do Itaqui reserves. It was created by The Nature Conservancy, (TNC), jointly with the Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental (SPVS), owner of the three reserves and financed with resources from General Motors, Chevron Texaco and American Electric Power.

The communities that traditionally inhabited these territories suffer restrictions to transit in their own lands, attacks with guns by the project’s guards when they gather food near the Rio Cachoeira reserve (which is financed with funding from General Motors), displacement to urban shanty towns, jail for using wood for traditional uses (housing), and the loss of subsistence, among other documented impacts have been denounced by local communities.<sup>23</sup>

In fact, the creation of protected areas that supposedly sought to guarantee natural diversity has always been contrary to the traditional uses of the peoples that have guaranteed the conservation of these territories. Millions of people in the world have suffered serious conflicts with protected areas including national parks, and many suffer the prohibitions stipulated for their territories in the guidelines of the World Commission on Protected Areas.<sup>24</sup>

Even though in some cases extractive activities are prohibited, the reality is that the guidelines tend to be more aggressively applied to the peoples who since time immemorial have inhabited and conserved this territory instead of the extractive industries themselves.<sup>25</sup> Despite the prohibition of destructive activities, there is a lengthy list of oil exploration and exploitation projects in protected areas especially in the South. This tendency will not change with the oil companies' involvement in REDD even if the goal is the conservation of forests. On the contrary, REDD could legitimise oil companies violating norms in protected areas.

## Conclusion

The search for responses to climate change necessarily entails questioning the oil-addiction model that sustains the dominant economic and political system. The immense power that is nourished by this model tries to silence the voices of affected peoples, but many persist in denouncing it. In Colombia, the U'wa People have firmly resisted oil operations in their territory for fifteen years. In Ecuador, the Shuar, Ashuar and Huaorani Peoples and the Sarayacu community have waged important campaigns against oil operations. But other social sectors in Ecuador also resist. A recent poll conducted by the Ecuadorian government showed that more than 75 per cent of the population does not want oil operations in Yasuni National Park. This is just one of many examples of resistance to oil drilling around the world.

REDD does not address the real cause of the climate change problem, but, on the contrary, perpetuates it. REDD favors those who have provoked the most profound environmental crisis of all time which is threatening the very survival of life, by green washing their image, providing offsets and even profits. REDD, supposedly created to guarantee the protection of the world's forests, allows polluters to expropriate vast ancestral territories of Indigenous Peoples, small farmers and afro-descendants.

The blood of the Earth that flows in the depths of the Gulf of Mexico illustrates the oil industry's perversity and calls upon us to fathom the insanity of oil fever.<sup>26</sup> The threats will increase if we continue to depend on such problematic and hard-to-access energy sources. REDD must not be a tool for avoiding real solutions to climate change nor must it be allowed to evict Indigenous Peoples from their territories.

The solutions to climate change begin with questioning the burning of fossil fuels and establishing guarantees so that the peoples who have conserved the forests may continue to live in them.

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# Cashing in on Creation: Gourmet REDD privatises, packages, patents, sells and corrupts all that is Sacred

*Indigenous Environmental Network*

*We cannot condone activities that  
defile the sacredness of Mother Earth.<sup>1</sup>*

-International Indigenous Peoples' Forum on Climate Change

Not only in the kitchen can you put on your chef hat and create a gourmet feast, but also in the carbon market. REDD-type projects are already resulting in evictions, loss of land rights and may even become the largest land grab of all times.<sup>2</sup> Thus, it is more urgent than ever that Indigenous Peoples and civil society grasp the grave threats to Indigenous Peoples' and forest-dependent communities' rights, lands, territories and very survival, not only of REDD but also of the so-called Gourmet REDD.

Throughout the world, you can now find buffets and smorgasbords with gourmet menus ranging from dishes of commodified indigenous traditional knowledge of seeds, medicinal plants, patented human genomes of Indigenous Peoples to trees, fauna, endangered species and even earth and water that have been privatized and made publically available on the commodity trade market regimes.

As the possibility of achieving binding emissions reduction targets becomes increasingly remote, if not impossible due to the utter lack of political will, REDD has become not only the sole foreseeable, concrete outcome of the climate change negotiations in the coming year but also the ticket for greenwashing the United Nations historic, political and environmental fiasco.<sup>3</sup> REDD is being billed as saving the world's forests and the climate, and even more intensely, albeit clumsily, fast-tracked.<sup>4</sup> Gussying up REDD's image with pretty "Gourmet REDD" projects is part of deceiving the public into believing that the international community is doing something to respond to the climate change crisis.

In essence, Gourmet REDD allows REDD+ projects to combine simple forest carbon credits with different kinds of offsets, such as offsets based on biodiversity, water, soil, sustainable

development, traditional knowledge and even low carbon cultures and lifestyles.<sup>5</sup> This constitutes commodification not only the very survival of peoples and ecosystems but the peoples themselves.

REDD is a false solution to climate change that already includes forests and plantations in the carbon market.<sup>6</sup> For many Indigenous Peoples, REDD constitutes CO<sub>2</sub>lonialism of the Forests because it allows Northern polluters to buy permits to pollute or “carbon credits” by promising not to cut down forests and plantations in the South. *The Australian*, calls REDD a “classic 21<sup>st</sup> century scam emerging from the global climate change industry.”<sup>7</sup> Not surprisingly, carbon trading scams and scandals, carbon criminals and flagrant human rights violations, has brought both the mandatory and voluntary carbon market under fierce criticism.<sup>8</sup>

In order to greenwash and sugarcoat REDD and carbon trading, there are norms, standards, third-party verifiers, certification systems like the Climate, Community & Biodiversity Alliance, “charismatic carbon” and “the gourmet niche of the carbon market.”<sup>9</sup> Thus, carbon traders can increase their profit margin by combining REDD with other exotic forms of supposed compensations for environmental destruction. These days, everything is being turned into an environmental service or “offset”, and “biobanking” is all the rage. Not only species, but also biodiversity’s structure and function, are being assessed, quantified and commodified to create value-added REDD.<sup>10</sup>

Capitalists often increase profits by adding extra sellable layers to commodities called “aggregate values”. Now this mechanism for maximizing profits is being applied to REDD to create the “Gourmet REDD” market. Not only can you buy offsets from the carbon sequestration of trees, be they from a plantation or an intact forest, but you can get more greenwash and bang for your carbon buck by overlapping “Payment for Ecosystem Services” and offsets from conserving biodiversity, supposedly protecting waterways, promoting sustainable development and “low carbon” cultures and using traditional knowledge systems. Schematically, it looks like this:

### **The Gourmet REDD Recipe: Creating the Stock Market of the Sacred**

**REDD + PES (Payment for Ecosystem Services)<sup>11</sup> + “Sustainable” Logging + Biodiversity Offsets** (including credits for endemic and/or endangered species) + **Water Offsets + “Sustainable Development” + Traditional Knowledge Systems + “Low Carbon” Cultures = GOURMET REDD**



Compounded  
Commodification

Privatisation of Trees,  
Forests, Soils, Air, Life,  
Culture and Peoples

## One Stop Shopping

Not accidentally, a lot of the ingredients for Gourmet REDD are conveniently found in Indigenous Peoples' territories, which include most of the world's forests since they have sustainably used and nurtured them for millenniums. As the map produced by the Indigenous Peoples Climate Change Assessment vividly shows, most of the world's biodiversity, languages, genetic resources and centres of origin of staple crops are found in the same places.<sup>12</sup> In fact, a lot of the vestiges of our planet's bounty and divine essence – what the Maori People call *mana-* resides in Indigenous Peoples' territories, land and seas.

## Shopping Lists

There are serious concerns that the inventories and surveys, like the Indigenous Peoples Climate Change Assessment (which even includes "Spiritual Services") and the Millennium Ecosystem Assessment, could be used by biobankers and biocultural carbon prospectors as shopping lists for Gourmet REDD and as data for the creation of the stock market of the Sacred.<sup>13</sup> Furthermore, useful analytical tools originally created for other purposes, like the socio-cultural indicators on Indigenous Peoples' well-being elaborated under the Convention on Biological Diversity, UNESCO heritage recognitions and many others, could also be taken advantage of designing, monitoring, reporting and verification of Gourmet REDD.<sup>14</sup>

## Carbon Chefs

Not only Ecosystem Market Place, Climatebiz and Species Banking, but other banks like the World Bank and Merrill Lynch stockbrokers, academics, anthropologists, corporate "conservation" NGOs, intergovernmental bodies like IUCN and even UN agencies, the United Nations University and, of course, UN-REDD and the REDD+ Interim Partnership and the UNFCCC itself, are all in the running to see who will be the Julia Child of Gourmet REDD.<sup>15</sup> Given the vast sums of money to be reaped in the projected US\$1-2 trillion carbon market it remains to be seen if London as the international centre of carbon trading will also become the Cordon Bleu of Gourmet REDD or if the wheeling and dealing and tasting of Gourmet REDD will transpire in decentralised carbon "bistros".<sup>16</sup>

## Prep Cooks

Many people and organisations hope that REDD can be fixed by, among others, adding "good" governance, excluding plantations, protecting Indigenous Peoples' rights and using fund-based approaches. Unfortunately, there is little political will from the superpowers to do the former, and fund-based REDD will probably bankroll the launching of REDD pilot projects and countries' "readiness" in the first phase, thus essentially serving as the prep cooks for carbon market REDD.<sup>17</sup> Other fund-based approaches, like the Amazon Fund whose manager is the Brazilian

Development Bank which finances mega-infrastructure projects, cattle ranching and agrofuels that cause massive deforestation of the Amazon, could end up transitioning to the carbon market once the rules for REDD are defined.<sup>18</sup>

## Gourmet REDD Cakes

Like birthday cakes, Gourmet REDD can be customised and have a variety of fillings, layers and frosting. An enterprising carbon chef like The Nature Conservancy could start with a UNESCO World Heritage Site, like the Noel Kempff Mercado National Park in the Chiquitano Peoples' territory in Bolivia, make an alliance with oil giants and other polluters, add offsets from the conservation of biodiversity, such as endangered jaguars, endemic plants and patentable botanicals, and fleece the eco-tourists for a glimpse of the stunning beauty of the eighty meter high Rainbow Waterfall. Et viola! You have cooked up the perfect holistic Gourmet REDD and gorgeous centrefold to advertise "Green Banks" in TIME magazine!<sup>19</sup> (Much to its promoters' dismay, *The Washington Post* was not particularly impressed.<sup>20</sup>)

Or if one is feeling adventurous, use another UNESCO site like the Yasuní World Biosphere, where in addition to carbon credits and biodiversity offsets, one could also generate offsets from "avoided oil drilling" (called oil "compensation") and from the conservation of the culture of the Waorani Indigenous Peoples.<sup>21</sup> For a really exclusive touch, one could also claim offsets for "protecting" the Taromenae and Tagaeri Indigenous Peoples living in Voluntary Isolation who are purported to inhabit the Yasuní areas. Endangered Peoples or peoples with very small populations, like the Zápara of the Ecuadorian Amazon whose Oral and Cultural Heritage has been recognised by UNESCO, could also be used to lend an exotic spice to a Gourmet REDD recipe. This would be tantamount to commodifying not only the very survival of a people but the people themselves. In the ghoulish logic of commodification of cultures and peoples, the more endangered the people and the lower the birth rate the more "valuable" the cultural offset.

## Where Privatisation of Life intersects with Privatisation of the Sky

Gourmet REDD converges the privatisation of life with the privatisation of the sky (*aka* assigning property rights to the Earth's ability to keep the atmosphere balanced). But this is not new. The UNFCCC has already made inroads in this regard by allowing for genetically modified trees to be used to generate carbon credits. Given this convergence of privatisations and compounded commodification, it is worthwhile to review the lessons learned in the resistance to patents on life and see how these shed light on the emerging market of the simultaneous commodification of both life and the sky.<sup>22</sup>

The privatisation of life hints at what may happen with Gourmet REDD and premium biocultural carbon credits. A number of international instruments and bodies have created, or are in the throes of creating, the frameworks for patenting life forms, including the World Trade

Organization through the introduction of the trade-related intellectual property rights (TRIPS), the World Intellectual Property Organization and the Convention of Biological Diversity, as well as national and bilateral laws and agreements, such as the Free Trade Agreements between the United States or European Union and the Latin American and Caribbean countries.

Privatising life requires complying with the prerequisites, structures and procedures of intellectual property rights and patent laws. These include “prior art” – the obligation to prove that what is patented has been duly registered and its ownership documented before hand. The way to go about doing this is to enter all traditional knowledge, plants, culture and members in a database and registry. If some knowledge is sacred, not to worry, one can always put a little red circle next to the file name so people know not to open or hack it.<sup>23</sup> One also needs to produce a certificate of origin to be able to prove provenance. To ensure that everything and everyone has a certificate of origin; barcodes are assigned to all living beings and cultural constructs, hence, the existence of the Consortium for the Barcode of Life.<sup>24</sup>

Unresolved issues include how to enforce one's intellectual property rights internationally and what kind of centralised mechanism is required to monitor, police and enforce the traffic and theft of these commodities. How Gourmet REDD will build on this precedent and navigate its inherent perversity remains to be seen.

Meanwhile, the monumental political, economic and legal framework for global REDD and the corresponding expropriation of Indigenous Peoples' forests is being rapidly hauled, hoisted, welded and shoved down communities' throats.<sup>25</sup> The World Bank, the United Nations Framework Convention on Climate Change (UNFCCC), the UN-REDD Programme, and the REDD+ Interim Partnership are charging full steam ahead with REDD+ and REDD+ readiness initiatives without any legally binding commitments to protect Indigenous Peoples' land rights. Nor will any such commitment be added at the last minute to stave off the worldwide REDD landgrab because, as the backroom negotiations on REDD safeguards in Copenhagen definitively showed, there is absolutely no political will to do so.

Some Indigenous Peoples who are participating in these carbon schemes are trying unsuccessfully to obtain equitable benefit sharing are prone to remark “Well, at least we're get something out of it” or “It's better than nothing”. However, equitable benefit sharing is a big ol' REDD herring.

Even model REDD pilot projects like the Juma project in Brazil at the end of the day provides less net “benefits” than the subsistence derived from the forest by Indigenous Peoples before REDD restricted access to the forest and prohibited family agriculture.<sup>26</sup> In fact, just as official United Nations documents foresaw, REDD may already be reducing the caloric intake of communities and causing malnutrition and hunger.<sup>27</sup> Furthermore, in the long run, if Indigenous Peoples participate in carbon trading, they run the risk of being accomplices in the destruction of the ecosystem that they depend upon to survive.<sup>28</sup>

In hindsight, the staggering REDD onslaught against Indigenous Peoples, their land rights and forests may ultimately prove to be genocidal and the biggest land grab in history. Meanwhile, carbon cowboys are running rampant throughout the world coercing Indigenous Peoples into signing away their rights to their forests in billion-dollar carbon scams. With the advent of Gourmet REDD, Indigenous Peoples and forest dwelling communities also run the risk of being tricked into signing contracts that commodify their way of life, culture, children and all that is Sacred.

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# The link Between REDD and genetically engineered trees

*Anne Petermann, Global Justice Ecology Project*

The rising importance of forests in the climate change debate has ironically been helping to advance the development of genetically engineered trees (GE – also called genetically modified or GMO trees), including through REDD. GE trees are increasingly being promoted for the production of supposedly carbon neutral energy, for carbon sequestration as well as for traditional uses like paper production and construction.

Trees are being specially engineered to produce everything from liquid fuels (agrofuels), to electricity to plastics and chemicals—all as a supposed part of the solution to climate change. Industry argues that fast growing, intensively planted GE tree plantations will protect forests by allowing for “more wood on less land.”<sup>1</sup>

The massive quantity of wood required to manufacture all of these wood-based products, however, would cause massive global deforestation. Such deforestation would be necessary both to supply the skyrocketing demand for wood, and to make room for the new GE tree plantations. Because of the difficulties in manufacturing agrofuels, chemicals and plastics from ordinary trees, eucalyptus and poplars are being genetically engineered to facilitate this process. The escape of GE tree seeds or pollen into the environment, however, would cause impacts that would ultimately worsen climate change. Low lignin GE trees, for example, store significantly less carbon both in the trees themselves and in the soil. Conversion of native forests to plantations releases carbon through the deforestation process and results in up to 75 per cent less carbon being stored on the land.

Because the UN’s REDD scheme includes no mention of biodiversity, it can include industrial tree plantations. In addition, the UNFCCC decided in Milan in 2003 that GE trees could be used in carbon sink plantations, meaning that REDD can also include GE tree plantations.

At the heart of the issue is the UN’s definition of forests, which is so vague that it includes monoculture tree plantations, even though such plantations do not provide habitat for biodiversity or livelihoods for forest-dependent peoples. Groups globally have been challenging this definition of forests, insisting that any definition of forests must be scientifically based and include social and ecological criteria.

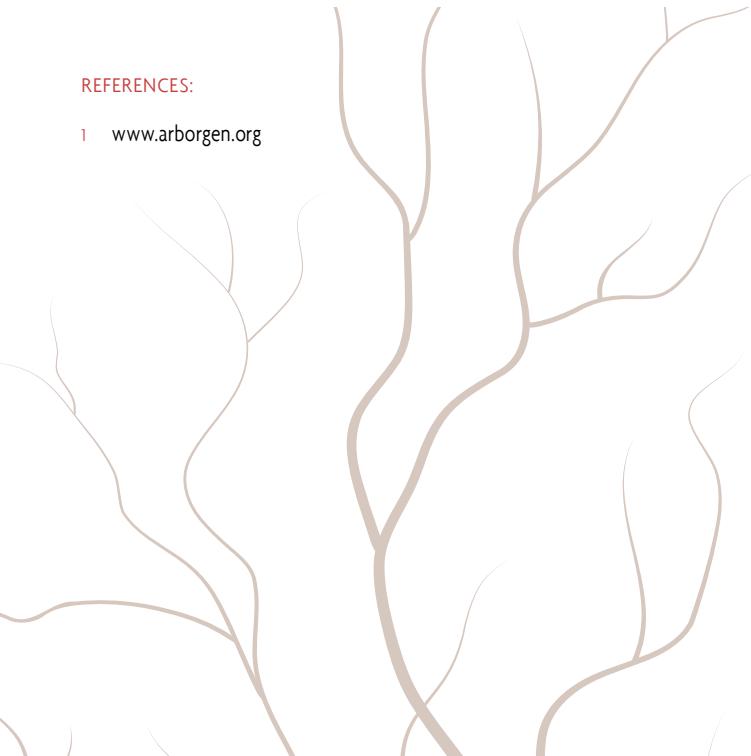
The United States government recently approved the release of 260,000 genetically engineered cold tolerant eucalyptus trees in “field trials” across the Southern US. The fact that these eucalyptus trees have been genetically engineered to tolerate freezing temperatures poses a very dangerous threat, as it allows the development of eucalyptus plantations, with all of their devastating social and ecological impacts, in regions of the world previously too cold for them to grow.

GE eucalyptus will exacerbate the existing problems with eucalyptus trees. These problems include wildfires, depletion of ground water, escape into native ecosystems and displacement of communities and biodiversity. Eucalyptus trees are notoriously heavy water users and they increase wildfire dangers, since the oil in eucalyptus trees is highly flammable. Eucalyptus firestorms in Australia in 2009 moved at 100 kilometres per hour and killed more than 200 people. The GE tree company ArborGen that is developing GE eucalyptus hopes to win approval to commercially release them in both the U.S. and Brazil. Once they are approved they could be exported worldwide.

The land grabbing and privatisation of forests under the REDD regime will be a disaster for the forests and for forest dependent and Indigenous Peoples around the world. The fact that REDD can include GE trees is one more reason why it should be rejected.

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## Biodiversity and REDD

The UN Convention on Biological Diversity (CBD) met for two weeks in October to supposedly create the new strategic plan for saving biodiversity. Their goals for protecting biodiversity under the Millennium Development Goals were a dismal failure.

The first item on the agenda of the CBD COP-10 Working Group II was Biodiversity and Climate Change, under which fell REDD, the Reducing Emissions from Deforestation and forest Degradation scheme.

Many countries spoke in favor of REDD. But given the overwhelming propaganda throughout the conference center on using the market to protect biodiversity, this is hardly surprising.

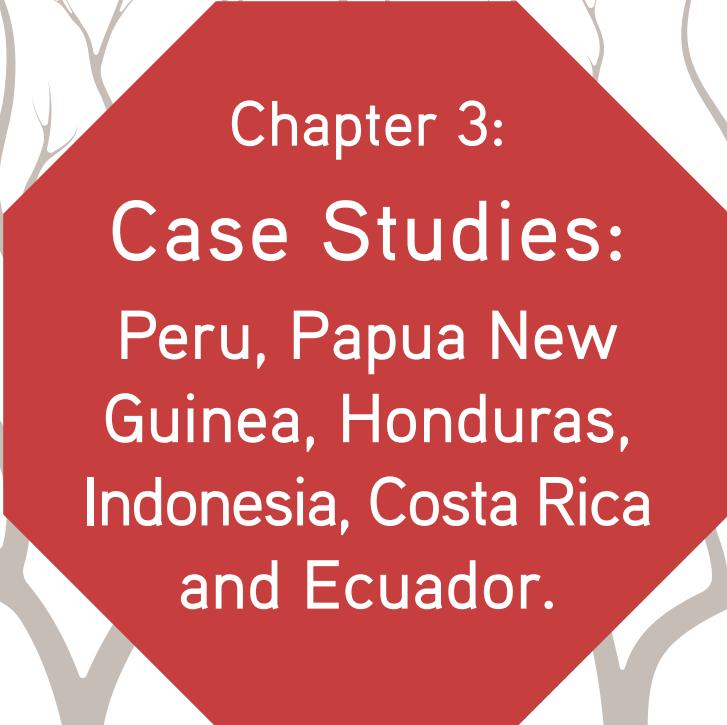
One of the major threats to forest biodiversity is, in fact, the UN's own definition of forests—which is also used in the language of REDD. The definition of forests is so vague, it allows destruction of forest biodiversity for conversion into monoculture tree plantations—or “green deserts” as they're known in Brazil. Saying a tree monoculture is a forest is like saying a cornfield is a native grassland. Even socially and ecologically destructive genetically engineered trees are possible. The REDD agreement itself never even uses the word “biodiversity.”

Protecting forest biodiversity should be a major priority. With REDD being rapidly pushed forward, not to mention all the new and emerging pressures on forests—like wood-based agrofuels and bioenergy – discussions around how to protect forest biodiversity are critically important. Instead, they are being swept under the rug.

At the UN Convention on Biological Diversity, I overheard one of the participants say, “REDD is the ultimate intelligence test for humanity.”

While the speaker meant to say that it is imperative to get forests into the market as the best and only chance to save them and stop climate change, I interpreted it quite differently. It is an intelligence test all right. Will dominant culture change its ways in the face of full-scale ecological crisis, or will it not? Einstein famously said, “Insanity is doing the same thing over and over and expecting a different result.” One could easily apply that logic to REDD and the attempt to use the market to protect biodiversity.

We've seen for centuries how the use of the market on natural resources has impacted those resources. We have the climate crisis, the biodiversity crisis, the ocean crisis, the food crisis, the water crisis... Privatising and marketing biodiversity has driven Planet Earth to the point where, to quote John Trudell, “civilized man may make survival on Earth for civilized man impossible.”



Chapter 3:  
**Case Studies:**  
Peru, Papua New  
Guinea, Honduras,  
Indonesia, Costa Rica  
and Ecuador.

# REDD+ and the Ecuadorian SocioBosque Programme: an award for deforestation and massive usurpation of territories

*Acción Ecologica*

REDD is a mechanism which countries and polluting industries in the North will use to increase emissions rather than reduce them.

Not only will REDD favour privatising the atmosphere, but it will also submit the forests in the South to new ways of expropriation and put power over the forests in the hands of polluters, carbon market speculators and environmental services merchants.

According to the Indigenous Environmental Network (IEN), official REDD documents indicate that this mechanism “could cause the lock-up of forests”, make Indigenous Peoples lose their territories, cause “conflicts over resources”, “marginalize the landless and those... with communal use rights”, undermine collective land tenures, “deprive communities of their legitimate land-development aspirations” and “erode culturally rooted not-for-profit conservation values”.<sup>1</sup>

The REDD mechanism is correctly called “CO<sub>2</sub>lonialism of the forests” since it allows polluting companies from the North to acquire rights to pollute in exchange for an economic contribution for forest conservation. REDD reduces forests to mere carbon sinks.

There are also proposals to implement REDD in Northern countries such as the ‘Boreal Forest Initiative’ in Canada which was launched without any consultation with Indigenous Peoples. REDD will serve, both in the North and in the South, to “offset” fossil fuels extraction mega-projects and polluting industries. The false premise is that there is a molecular equivalency between the fossil fuel carbon that comes from underground with the carbon contained in emissions from polluting industries.

This analysis concurs with statements from the Indigenous Peoples’ International Forum on Climate Change (IPIFCC) which highlight that REDD (forests in the carbon markets) will allow the states and carbon traders to take more control of Indigenous Peoples’ forests and, therefore, will not benefit Indigenous Peoples. According to the IPIFCC, REDD will result in more violations of Indigenous Peoples’ collective rights, territories and resources, as well as land grabs and forced

displacement. REDD will also threaten indigenous agricultural practices, destroy biological and cultural diversity and will cause social conflicts. “It is not only ‘carbon’ or pollution which is being negotiated, but peoples’ lives”.<sup>2</sup>

## Ecuador must not fall into the REDD trap

We have repeatedly seen how replacing native ecosystems at high plateaus and in tropical forests with non-native pine, eucalyptus or teak monoculture plantations causes biodiversity and water source destruction. It has also undermined the traditional activities of local communities and abused traditional community solidarity work of the *minga*.<sup>3</sup>

Instead of taking actions to halt these problems and the expansion of fossil fuel and mineral extraction projects, the Ministry of Environment is implementing the Socio Bosque and Socio Paramo programmes.

The most important components of the Ecuador-REDD programme are Socio Bosque and Socio Paramo which aim to take control of over 4 million hectares of tropical forests and 800,000 hectares of high plateau located on indigenous territories. For the implementation of this project, the owners, mainly Indigenous Peoples, have to present the property title of their territories and sign a contract with the Ministry of Environment. At the same time, “owners” are given an “economic incentive” for “conserving” their territories, and this exchange is presented as a supposed solution to climate change. The Ministry of Environment does not establish any conservation commitment. The government aspires to gain biodiversity tenure, carbon and water in order to trade them on the international market. With the signing of the contracts, the territories practically become state mortgages for 40 years whereby the communities could be subject to serious economic, civil and penal sanctions.

Parallel to the implementation of this programme, the legal framework to sell environmental services is being put in place, according to Max Lascano, Director of the Socio Bosque programme.<sup>4</sup>

Unfortunately, several indigenous communities have already signed contracts with Socio Bosque and Socio Paramo. Some of them even thought this would be a safeguard and exempt their territories from large-scale extractive operations such as mining and oil drilling. However, Lascano emphatically declared that mining and oil operations will be carried out with or without Socio Bosque.<sup>5</sup> In fact, there is no part of the contract that says the state commits to refrain from these types of operations.<sup>6</sup> It is important to highlight that many of the signed contracts are precisely for areas where strategic natural resource reserves are found and where the peoples have historically opposed the exploitation of these resources in their territories.

Socio Bosque undermines Indigenous Peoples' and local communities' collective rights over their territories because it limits community access to and traditional use of the forests including agriculture, hunting or fishing. It creates a system whereby land rights and power are transferred to the state. Furthermore, in the event that communities try to withdraw from the contract, they are forced to return the money they have received. The sanctions for communities in compliance with the contract are penal, civic and administrative; in addition, they give up their right to legal redress and are subject to being tried by the courts in Quito. Furthermore, communities become subject to new norms and regulatory frameworks that the Ministry will create in the future.

Local enforcement is carried out by members of the same communities who are hired as forest keepers, which subjects the rest of the community members to their surveillance. They present monthly reports on what is happening in the forests. The community's President has to sign a sworn statement each year on the state of conservation of the forests. Furthermore, technicians from the Ministry of Environment can enter the forests at any time to monitor and research, using any type of method including remote sensors or satellite surveillance.

Socio Bosque provides economic compensation which is inversely proportional to the amount of land in the project. This stimulates fragmentation of lands and communal territories which is already starting to generate serious internal conflicts.

The fact that the communities are being "paid" to conserve their forests is polemic. On one hand, it is controversial because conservation is an activity that communities have been doing for thousands of years; in fact if this was not the case, there would not be so many millions of hectares of standing forests. Bringing money into the equation distorts the meaning of protecting livelihoods, since it commodifies it, reduces community members to guards of their own forests. It also results in Indigenous Peoples unwittingly mortgaging their territories, and threatening their communities' food sovereignty.

We must ask ourselves: How will the Ministry of Environment use the Socio Bosque contracts? Is it aspiring to take Socio Bosque to Cancun as an investor portfolio for the carbon market? Will it offer gourmet carbon credits from Socio Bosque for the water and biodiversity markets as well?

The new permits to pollute which will be generated through REDD help to hide the fact that the only feasible solution to climate change is to leave the oil, coal and gas underground.<sup>7</sup> In this sense, the original proposal of the Yasuni initiative without using carbon markets, which aims to leave the oil underground, has important local, national and international implications. On the local level, the aim is to defend indigenous territories and protected areas; on the national level, it is to open the way to a post-oil Ecuador; and on the international level, it is climate justice.

The proposal is to identify the extraction and burning of oil as the principal cause of climate change, instead of temporarily sequestering carbon. REDD and carbon offsets are just a perverse way to hide the real problem and promote a new form of colonialism.

There are heroic examples of peoples' resistance to fossil fuel extraction in Ecuador. Resistance such as the struggles of Sarayacu and the Shuar and Achuar peoples in the south of the Amazon and the continued resistance against turning Ecuador into a mining country is also inspiring.

We must support the original proposal of the Yasuni initiative to leave the oil underground. Instead of signing any more contracts with Socio Bosque, communities should declare their territories free of extractive industries, free of plantations and 'yasunise them' for the good of their peoples and humanity.

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# Enclosure of forests and peoples REDD and the Inter-Oceanic Highway in Peru

*Joanna Cabello, Carbon Trade Watch*

The dominant voices within the UN climate negotiations, together with corporate lobbies, mainstream NGOs and multilateral financial institutions, are pushing for another false solution to climate change. Arguing that a standing tree must have more (monetary) value than a cut one, they privatise the carbon absorbed in the forests in order to make it tradable. This mechanism called REDD is full of incentives that benefit polluting industries by allowing them to continue business as usual, generate more profits and, by presenting themselves as “green”, legitimise their activities. By extending markets and profits, REDD endangers indigenous territories, cultures and environments. One example of this perverse mechanism is the highway that divides the Amazon in half and now “offsets” its deforestation impacts while benefiting logging companies.

In the middle of the Amazon where Brazil, Peru and Bolivia meet is one of the most biologically rich regions in the world and where many Indigenous Peoples communities and some of the last surviving Peoples live in “voluntary isolation”. This region called MAP (*Madre de Dios* in Peru, *Acre* in Brazil, and *Pando* in Bolivia) is a crucial stretch of the Inter-Oceanic South highway, a project which is part of the IIRSA or Regional Infrastructure Integration of South America.<sup>1</sup> The highway, promoted largely to meet the demand for Brazilian soy for biofuels and grains on Asian markets, connects Brazil with the Pacific Ocean ports in Peru, thus uniting the continent from east to west.

The more than 300 mega-projects that comprise IIRSA are based on the assumption that increased trade liberalisation and regional integration on global markets will drive more “development”. However, mega-dams, ports, roads and waterways have serious social and environmental impacts. The Inter-Oceanic Southern highway also threatens to undermine an area that provides refuge to a number of indigenous groups living in voluntary isolation.<sup>2</sup>

These indigenous groups avoid contact with others for fear of the devastating consequences suffered in the past. In Peru, the rubber boom (end of 1800–1915) and the on-going exploration and exploitation of hydrocarbons have resulted in terrible losses, persecutions and the introduction of diseases, forcing them to live in “isolation”. Between 1990 and 2002, five Territorial Reserves were created in Peru for the peoples in “voluntary isolation” however; all of them are currently invaded by illegal loggers and/or with extractive industries concessions.<sup>3</sup> The highway itself,

according to the Regional Advisory Foundation on Human Rights, affects the Territorial Reserve for the Yora, Amahuaca and Yine peoples in “voluntary isolation” in Madre de Dios.<sup>4</sup>

## REDD+ enters in the picture

Parallel to this, the pollution and deforestation caused (and to be caused) by the construction, asphalting, maintenance and use of the highway are being justified with the implementation of REDD+ projects. Currently there are two projects on the Peruvian side that purport to be “avoiding” the deforestation that the highway would generate if these were not implemented.

Despite opposition from grassroots movements and some governments, REDD+ is already happening simultaneously on different levels: pilot projects, national and sub-national programmes, and bilateral and multilateral agreements.<sup>5</sup> The projects are being implemented under schemes such as the World Bank's Forest Carbon Partnership Facility (FCPF) and the UN-REDD programme, and the generated credits are already being sold on voluntary carbon markets.

In addition, the REDD+ is more than just avoided deforestation and forest degradation, it also includes the possibility of offsetting emissions through “sustainable forest management”, “conservation” and “increasing forest carbon stocks”. Although it sounds good at first glance, this is opening the door to logging operations in primary forests, displacement of local populations for “conservation”, increase of tree plantations.<sup>6</sup> REDD+ is another extension of green capitalism, subjecting the forests and its inhabitants to new ways of expropriation and enclosure at the hands of polluting companies and market speculators.

Last May, AIDESEP, the biggest Indigenous Peoples' Organisation in Peru, publicised their rejection to the REDD programme as a market mechanism, affirming that “There is an intense international pressure to surround and engage Indigenous Peoples in this REDD business... Meanwhile for the last 10 years there is no pass for giving titles to any Indigenous community in the Amazon; the state that privatises everything is now quickly and easily delivering thousands of hectares to forest concessions, plantations, and now even worse with the “environmentalist excuse” of REDD.”<sup>7</sup>

## Opening the way to deforestation: the Peruvian case

The Ministry of Environment in Peru plans to implement REDD+ on 54 million hectares of the Peruvian Amazon, which would open the doors of more than half of forested territory to the

carbon markets.<sup>9</sup> This represents a double threat to Indigenous Peoples and the territories. The Inter-Oceanic South Highway for example is not only causing substantial social and environmental impacts, but also serves to “justify” the implementation of REDD+ projects that accentuate these problems. This seriously increases the vulnerability of the forest inhabitants, especially those who are in “voluntary isolation”.

Along with 37 other Southern countries, Peru participates in the World Bank’s FCPF, which aims to lay the foundations for the forest carbon market and supports the preparedness of the countries that apply the necessary reforms to implement REDD+. In June of this year, Peru presented the REDD Preparation Phase document to the World Bank.<sup>10</sup> There have been serious concerns about both the process of formulating the document as well as the document itself. Concerns include problems with the assessment of deforestation and forest degradation scenarios it causes, the rights of Indigenous Peoples and local communities, the participation of rights holders, governance and monitoring.<sup>11</sup> Daysi Zapata, Vice President of AIDESEP, declared that “AIDESEP has not participated in the preparation process for REDD+. In April the Ministry of Environment sent a letter informing us about the process. It would have been better to invite us to help with the writing of the document. Especially since the Ministry began the REDD+ process in 2008.”<sup>12</sup>

The situation for communities living in “voluntary isolation” is already dramatic given the ongoing invasion of their lands. They depend mainly on hunting and fishing for food, and are seriously threatened by the increase of external contact. The capacity to sustain these areas is being threatened once again with the implementation of REDD+ projects which allow polluting companies, the main drivers of deforestation and forest degradation, to continue and increase business-as-usual

### To enclosure, measure and sell.

In this context, the “*Madre de Dios Amazon REDD Project*”, developed by the NGO Greenoox, aims to “respond to the implementation of the Inter-Oceanic highway with a protected area that starts at less than 50 kilometres of the road”. The project developers argue that the area is being threatened because “the new road will bring settlers who subsist on farming and ranching economies that create deforestation.” They estimate that within ten years the project will generate 11 million tons in carbon credits.<sup>13</sup>

The 96,906 hectares of the project established under the rubric of “sustainable forest management” are inside the forest concessions of *Maderera Río Acre SAC* and *Maderera Río*

*Yaverja SAC.* These concessions are limited to the north by the Ecological Station and Indigenous lands *Cabecera de Río Acre* (Brazil), and are limited to the west by the Territorial Reserve for peoples in “voluntary isolation” of *Madre de Dios* (Peru), inhabited by Yora and Amahuaca peoples.<sup>14</sup>

Both concessions have been certified since 2007 by the FSC (Forest Stewardship Council) for whom according to Greenoox, “one of the main reasons for obtaining the certificate was the generation of carbon credits.”<sup>15</sup> This project was also approved and validated by other international standards. However, there are serious contradictions on the alleged “sustainability” of these certifications. An international campaign denounces that “by creating a mass market for wood from primary forests, the FSC has become the leading cause of ancient forest loss and its deterioration.”<sup>16</sup> Also, the timber industry has strong interests to include “sustainable logging” in the activities eligible to earn REDD+ credits. The NGO Global Witness alleged that a major cause of forest degradation and a precursor to deforestation is industrial logging, even when it follows “best practices” to reduce its impact. In the Brazilian Amazon for example, 32 per cent of “selectively” logged forests were completely destroyed over a period of four years.<sup>17</sup>

This year, 40 tonnes of carbon from nearly 100,000 hectares of forests was sold on the voluntary market of the Chicago Climate Exchange for a total of US\$280,000.<sup>18</sup> Greenoox, with extensive experience in the development and sale of carbon credits, obtained US\$7 per tonne of carbon from the 2006-2009 certificates.<sup>19</sup>

Another timber company bought the credits; China Flooring Holding Inc., China’s largest supplier of wood flooring. Besides being a large wood consumer, in 2008 this company received US\$100 million from Morgan Stanley and the International Finance Corp, a group of the World Bank, for the development of large-scale monoculture plantations in the province of Jiangxi.<sup>20</sup> With the credits bought at the CCX, China Flooring Holding Inc. will be able to greenwash its activities and/or profit by reselling the credits onto the financial carbon markets.

At the global level, the International Tropical Timber Organization (ITTO) – an intergovernmental body that includes 60 countries of producers and consumers of wood in tropical forests and the European Union, is a key actor in the push to approve REDD+. The ITTO has launched a thematic program on REDD and environmental services with an initial funding of US\$3.5 million from Norway.<sup>21</sup> In addition, the 45th session of the ITTO Council held in November 2009, recommended that efforts relating REDD+ should focus on promoting “sustainable forest management”.<sup>22</sup> In this regard, this sector’s lobbying seeks above all to include forest extraction inside REDD under the guise of “sustainable management” in order to benefit from carbon markets while maintaining business-as-usual.

Similarly, another project called “Los Amigos” is following the same steps towards REDD+. Also coming from a forest concession, it is signed by the Amazon Conservation Association (ACA) and the *Asociación para la Conservación de la Cuenca Amazónica* (ACCA) aims to “secure its conservation in the long-term, its sustainable use and management”.<sup>23</sup> This project comprises 140,000 hectares adjacent to a Territorial Reserve of Indigenous Peoples in “voluntary isolation”, to the Amarakaeri Communal Reserve, and to the buffer zone of the Manu National Park.<sup>24</sup>

Although it has not yet sold credits, Winrock International measured the biomass and carbon stocks of this concession in 2006 and concluded it contained 79.4 million tonnes of CO<sub>2</sub>.<sup>25</sup> In 2008, ACCA started to elaborate the documents for the Climate, Community and Biodiversity Alliance (CCBA) and the Voluntary Carbon Standard (VSC) international certifications.<sup>26</sup>

## REDD, a double threat.

Not only the climate loses when mechanisms which expand the structural problems are imposed but also pressure on and dispossession of indigenous and forest-dependent communities territories is impossible to measure. The emissions rate from deforestation and selective logging of forests has increased this year in Peru due to the asphalting of the Inter-Oceanic highway.<sup>27</sup> From 2003-2009, the designated areas for hydrocarbon exploration and exploitation in Peru increased from 15 per cent to more than 70 per cent of the Amazon territory, where “40 hydrocarbon blocks are overlapping to hundreds of indigenous communities and four are directly threatening the groups living in “voluntary isolation””.<sup>28</sup>

Therefore, REDD+ is a threat to local communities and ecosystems, benefiting the polluters and main drivers of deforestation. Not only is the implementation of mega-projects, such as those under IIRSA, rapidly increasing in vulnerable areas, but REDD+ also legitimises and expands a socially and ecologically unsustainable system.

The attempt to offset pollution with deforestation in the name of “preserving” the forests is an example of absurd greenwash being implemented by climate criminals who delay a real transformation of our unsustainable system. In order to confront the real causes that have led us into this mess, the climate debate has to be re-politicise and leave aside this managerial and apolitical vision that only offers ways to expand markets. Indigenous Peoples, peasants, social movements, youth associations, grassroots organisations, among many others, are forming a common front in the struggle to stop this new enclosure of the environment. The debate and actions cannot be focused on how to measure and sell carbon. The debate and most importantly, the actions, have to open the way for different ways to change our current economic and political system and thus, stop new and old forms of dispossession.

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## REDD projects in Papua New Guinea “Legally untenable”

*Chris Lang*

Papua New Guinea was one of the founders of the Coalition for Rainforest Nations that five years ago proposed “a novel economic model for reducing deforestation” at COP-11 in Montreal.<sup>1</sup> But the country has seen a series of REDD related scandals and the problems, it seems, just won’t go away.

In July 2010, two REDD-type projects in PNG applied for approval under the Climate, Community and Biodiversity Alliance standards.<sup>2</sup> The projects are the Kamula Doso Improved Forest Management Carbon Project and the April Salumei Sustainable Forest Management Project.

The Kamula Doso project was set up by Nupan, a company run by Kirk Roberts, who describes himself as “one of the most important foreigners in PNG”.<sup>3</sup> Roberts has visited many villages in PNG, promising communities riches from his carbon trade projects.

In November 2008, Nupan received a letter from Theo Yasause, then head of PNG’s Office of Climate Change. Attached to the letter was a certificate titled “Series Number B1 Voluntary carbon credits issued under the UNFCC Reduced Emissions from Deforestation and Degradation (sic) initiative for clean development mechanisms.”<sup>4</sup>

In February 2009, Yasause sent a “Notice of Nullification (sic) of all correspondences (sic) and certifications issued on Kumalo (sic) Doso Pilot Project on REDD” to the Managing Director of Nupan PNG Limited. In June 2009, Yasause explained to a journalist with the Economist magazine that “We have since ceased dealing with Nupan as all landowners are not involved nor does the provincial and local governments in that area.”

Yasause has since been suspended and is under investigation, in part because of his dealings with Roberts and for issuing a series of what appear to be REDD carbon credit certificates. Yasause denies any wrong-doing and claims that the certificates are “samples”.<sup>5</sup> Which raises the questions: Why are the documents on official headed paper and why did Yasause sign and stamp the documents?

In 2009, SBS television in Australia broadcast a series of four programmes about Australian carbon traders in PNG. In one, Abilie Wape, the head of a landowner group in Kamula Doso, said he was threatened at gunpoint to sign away the carbon rights to the forests. In July 2010, the *Post Courier* reported that SBS had bribed him to say that he was held at gunpoint.<sup>6</sup>

Brian Thomson, Senior Correspondent at SBS TV News, rebutted the claims in the Post Courier article:

*"The landowner concerned, Abilie Wape, came to my hotel willingly, knowing that I was investigating claims that landowners were being put under pressure to hand over the rights to the carbon in their forests. Abilie made the claims without coercion, encouragement or payment;*

*It is quite clear to me that Abilie has since been put under pressure by someone to change his story. It is disappointing, but perhaps understandable given the sorry state of affairs surrounding carbon trading in PNG, that he has sought to tarnish my reputation in order to get himself out of a difficult situation. I note that the businessman concerned has not sought to refute the claims with me directly. I do not, and never have I, offered payment to anyone. The story published in the Post Courier is utterly false.<sup>7</sup>*

There have also been other reports of intimidation. In September 2009, journalists from the Sydney Morning Herald reported talking to a tribal representative who told them that:

*"he had been coerced into signing a memorandum of understanding that gave Nupan power of attorney over his land. Initially he refused. 'I didn't know anything about the certificates, that was my first time in hearing about the certificates,' the tribesman said;*

*The tribal representative claimed he eventually signed the memorandum in the face of Nupan's persistence. 'I couldn't do anything ... So I just went ahead and signed it. Then later I complained to my lawyer.'<sup>8</sup>*

There has been a long-running legal battle between the PNG Forest Authority and the NGO EcoForestry Forum over the forests of Kamula Doso. In July 2010, the National Court ruled that the "Kamula Doso Forestry Management Agreement of 1997 is not a valid Forestry Management Agreement".<sup>9</sup> In other words, the forests of Kamula Doso cannot be legally logged.

Nupan's REDD project can only be claimed to be additional if it is an alternative to logging. "We will save our rain forests from logging, for generations to come," writes Wisa Susupe, chairman of the landowner group Tumu Timbers, in the foreword to the project design document. The document explains that the landowners plan "to convert the Forest Management Agreement to a Carbon Project".

One of the project's objectives is;

*avoiding large-scale greenhouse gas emissions from deforestation from the commercial timber harvest of Kamula Doso (approximately 37 million tCO2-e of GHG emissions avoided over the next 40 years.)*

But if the commercial timber harvest is not going to happen, on what basis can Nupan claim that the REDD project is additional?

The comments submitted to the CCBA reveal further problems.<sup>10</sup> Isaiah Simaka, the chairman of Beagua Resources Conservation, a landowner group in Kamula Doso, writes that;

*any statements of awareness by for Kamula Doso Block 2, is false and is illegal and as a chairman and Land Owner, with up to 80% of portions of land in Kamula Doso Block 2 declare all climate change activities there in stated area is illegal and void.*

He invites the project developers to “physically come to Lake Murray and identify yourself there.”

The April Salumei project is no less controversial.<sup>11</sup> It is run by the Rainforest Management Alliance (RMA), which claims on its website that;

*The Project Design Document (PDD) is shortly to be approved to Community Climate and Biodiversity (CCBS) Gold standard, another first for Papua New Guinea.*

Except, of course, that Rainforest Management Alliance does not actually know whether CCB’s auditor Scientific Certification Systems will approve the project or not.

Rainforest Management Alliance, or Rainforest Project Management as the company seems to be called in the project design document, is headed by Stephen Hooper.<sup>12</sup> Recently, the company did not reply to requests for information from Ilya Gridneff, Papua New Guinea Correspondent for Australian Associated Press.<sup>13</sup>

In his comments submitted about the project design document, Matt Leggett of WWF’s Western Melanesia Programme Office, lists three principal concerns about the April Salumei project:

1. Community testimony and research findings ... indicate that the level of community consultation and understanding of the project in the region is insufficient to guarantee the project has ensured free, prior and informed consent of landowners.
2. The proposal does not adequately recognize or account for existing disputes over land tenure and landowner company representation in the region.
3. According to recent statements by the Office for Climate Change and Development the development of voluntary carbon projects is not currently supported by the Government of PNG.

Leggett visited four communities in the project area in June and July 2009 and reported that “many landowners complained of being strong-armed into supporting the project during this visit despite having little to no idea of what it involved. People were told ‘We are not here to answer your questions; we just want to hear yes or no about the carbon project’. Village meetings were filmed, and cameras switched off when criticisms or concerns raised.”

On 14 July 2010, a press release was published in the Post Courier about Voluntary Carbon Projects in Papua New Guinea.<sup>14</sup> It is signed by the current Executive Director of the Office of Climate Change and Development, Wari Iamo, and states that;

*As the Government Agency which must approve all national Reduced Deforestation and Forest Degradation (REDD+) projects, the Office of Climate Change and Development OCCD) formally disavows any partnership, support, endorsement or any other form of connection to the proposed April Salumei forest project.*

The press release came after Rainforest Project Management stated that OCCD was a “project partner” of the April Salumei project.

Meanwhile, on 9 August 2010, the PNG Government’s Acting Chief Secretary, Manasupe Zuren-uocthe, wrote to Stephen Hooper, reaffirming;

*the Government and the Departments commitment and support for this project to you and the developer.<sup>15</sup>*

In a comment submitted to CCBA, Wari Iamo states that both the Kamula Doso and April Salumei projects are “incompatible with existing PNG laws and regulations”. Iamo’s comment includes a letter from O’Briens Lawyers, which concludes that;

*there is no legal or other basis for the establishment of Carbon Sequestration Schemes in Papua New Guinea such as the Kamula Doso Projects and the April Salumei Projects. Both projects are legally untenable.*

Of course, in the byzantine world of carbon trading in Papua New Guinea, none of this may be what it appears to be. The government’s opposition to voluntary carbon trading may be because the PNG government wants to make sure that it gets a slice of the carbon action by holding out for what it hopes will be billions of dollars of REDD funding once the UNFCCC has agreed on an international REDD mechanism.

What we do know is that carbon trading in PNG is a mess. It’s doing nothing to stop the logging of PNG’s forests. And local people are at the back of a very long queue when it comes to benefiting from REDD.

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# REDD and markets:

## Plunging over the climate crisis cliff

*Javier Baltodano, Coecoceiba-Friends of the Earth -Costa Rica*

*“Only human beings step  
in the same puddle twice.”*

### Climate Crisis: The Dangers of Hypocrisy

We have all heard the hype: “Climate change cannot be addressed without carbon markets.” “The climate disaster can be turned into get-rich-quick schemes.” “Cash in by selling carbon credits on the stock market! Certify your products as carbon neutral!” “Turn your country into a money-making machine by converting your entire region into a monoculture tree plantation which will be clear-cut to useless stubs in ten years!” (No need to lose sleep over the local farmers and Indigenous Peoples that have been evicted in the process – what is important is to save the climate!)

Given the volume of the hype we often forget that the climate crisis is provoked by industrialised societies’ addiction to oil. In addition, many analysts ignore that this is a crisis with differentiated responsibilities, that is to say, certain societies have a bigger responsibility than others, and the real solution is to stop pumping oil to the surface, reduce the extraction, consumption and burning of fossil fuels for transportation, agribusiness and industry; slash the unbridled consumerism of goods and services and, of course, reduce deforestation and forest degradation.

We need to recover and restore forests both to mitigate as well as survive climate change. However, instead of an honest, carefully planned strategy that is politically, socially and economically holistic, REDD has being used by the World Bank and other financial institutions to create a new offset mechanism based on the carbon market, like the Clean Development Mechanism (CDM) which was developed in the first stage of the Kyoto Protocol.

### REDD: Markets take over the Forests

At first, the REDD proposals were shyly billed as “avoided deforestation,” that is to say, if a region has a deforestation rate of X and it reduces it by 50 per cent with new policies and measures

then the carbon that has been “stored” by not deforesting is added up, certified and sold on the international markets to offset the carbon emissions that must be reduced (according to the KP) by the industrialised countries. As environmental organisations have explained: the idea is simple: deforestation is responsible for as much as 12 per cent of the carbon dioxide emissions and, hence, global warming, so financial compensation is offered to those who avoid deforestation.

But the devil is in the detail and, specifically, the definitions. The REDD concept is *“avoided deforestation”* not *“avoiding deforestation”*. The truth is that REDD is not about supporting programs that really avoid deforestation but rather paying those who deforest and make money from deforesting, to deforest a little less and be paid for the profit they lose. REDD does not pay those who do not pollute or do not deforest. On the contrary, it only pays the forest destroyers. The countries and communities that take care of their forests cannot receive a cent from these programs because a prerequisite to getting paid under REDD is to destroy forests. Furthermore, just because you do not log an area now, does not mean that it will not be logged in the coming years. This perversely encourages new areas to be logged while returning to those areas that were temporarily not deforested. Such is the REDD merry-go-round that companies and governments can profit simultaneously from logging and REDD.

## **REDD+: Forest Mayhem and Logging Companies’ Profit**

The logging companies have also gotten in on the action and included their agenda in REDD+. Concepts like “sustainable forest management” and “temporarily unstocked carbon” sound great. But it turns out that these are really ways to include clear-cutting and even the use of tractors to log in REDD+ projects. The logic is totally twisted and perverse. It goes like this: Since we have logged most of the timber from the forest, the trees will tend to grow back and absorb more carbon. This is billed as “sustainable management” and “temporarily unstocked carbon” in spite of the destruction of biodiversity, fragmentation of ecosystems and the increase in forest fires caused by the excessive drying that logging causes.<sup>1</sup>

## **REDD and markets: Hypocrisy about Participation**

Up until now, a variety of REDD-type initiatives have been implemented. However, the consultations with Indigenous Peoples and civil society have been criticised for lacking a participatory process and transparency.<sup>2</sup> In Meso-America, some REDD-type initiatives recognise that Indigenous Peoples and other social sectors should be included in a transparent fashion in the corresponding consultations.<sup>3</sup> However, hypocrisy prevails. For example, in Costa Rica, the World Bank through its Forest Carbon Partnership Facility (FCPF) financed a consultation process to establish a REDD fund management (R-PP). In an initial document, the position of the

indigenous sector and some of the environmental groups explicitly state that “the REDD strategy should not focus exclusively on the global carbon market.”<sup>4</sup>

In fact, during one of the few opportunities to participate in the elaboration of this document, Coecoceiba – Friends of the Earth Costa Rica, one of the most representative ecologist organisations, tabled and explained its absolute rejection of REDD in the carbon markets and asked for the discussion to include time to analyze the opportunities for doing REDD outside the carbon market before embarking on any discussion about how to quantify carbon for selling it. But this proposal was completely left out of the document. Similarly, Indigenous Peoples declared in the Global Climate Summit in Cochabamba, Bolivia and in documents in Costa Rica that they oppose the inclusion of Indigenous territories in the carbon market. Nonetheless, there is tremendous pressure from governmental institutions, officials of the World Bank and logging companies to define the REDD strategy based on the global carbon market.

## Payment for Environmental Services and REDD: The Costa Rica Example

Costa Rica has been a pioneering country in the development of a scheme for Payment for Environmental Services (PES). PES is often cited as a success and is the basis for the Costa Rican R-PP proposal. In fact, REDD is considered the third generation of measures to avoid deforestation and PES is considered the second.<sup>5</sup> However, there are many myths about PES in Costa Rica that need to be dispelled.

In the first place, PES in Costa Rica is hailed as an initiative of the private sector when, in fact, it is subsidised by a tax on fuel consumption. It turns out that more than 90 per cent of the funding for PES in Costa Rica in the last 15 years has come from this fuel tax and not from the sale of the certified environmental services or other market schemes. The World Bank, through its Ecomarkets projects, pressured the PES in Costa Rica to be market-based and has successfully deviated from its original intent which was to be a complementary tool for national planning and protection of forest cover.

The second great myth is that Costa Rican PES is responsible for reducing the deforestation and promoting the regeneration of the forests. However, the truth is that the principal cause of the restoration of the forest cover in the country is that the large cattle ranches have been abandoned because the international market for beef has significantly shrunk. Another very important measure for avoiding deforestation was the adoption of the Forestry Act of 1996 which prohibits land use change in areas with forest cover. The scope of the PES is less than 200,000 hectares of forests in different phases of regeneration, a little less than five per cent of the national territory.

In addition, the Contraloría General de la República (the government's accounting office) has calculated that the PES gobbles up 25 per cent of the budget of the Ministry of the Environment. This Ministry is in charge of the protection of the Wild Protected Areas (its acronym in Spanish is ASPs) in 25 per cent of the national territory and for ensuring compliance with the forestry act in the whole country. In this regard, the PES, is a very expensive tool that wastes funding that could be better invested in greater control of the ASPs and the forest activities in the national territory.

Furthermore, the funding of PES is often wasted and does not effectively contribute to consolidating the forested areas or the standing forests. For example, in Costa Rica millions of dollars have been invested in PES in Indigenous Territories (TI). In some cases the money paid out is invested in a participatory way in infrastructure (roads, schools) or in sustainable projects (promoting agroforestry based on cacao, bananas or other crops). However, there are extensive territories where money from the PES is distributed in murky ways among individual holders and is used for their own purposes. It is also worth noting that there are large areas in Indigenous Territories that are owned by non-indigenous persons. These areas are usually deforested or illegally logged or used to expand monocultures of palm and pineapple. Little or no money from PES has been used to compensate non-indigenous families so they withdraw from these territories and the forests so that they can be restored.

## Forest certification moves in

The Forest Stewardship Council (FSC), an organization dedicated to certifying logging companies, recognises that “the inclusion of the forest sector in the initiatives to reduce emissions depends on the confidence in the standards of the practices which substantiate the management of the carbon stocks and carbon accounting” and recognises that some fundamental aspects of the methodology of carbon accounting, including aspects like leakage, additionality and permanence remain to be resolved.<sup>6</sup>

The FSC also recognises that aspects related to biodiversity conservation and social justice should be taken in account when evaluating carbon trading projects. Of course, the FSC is also eager to get in on the juicy profits. In its advertising, FSC promotes itself as the best certifier for carbon projects “including REDD” given its experience and because its certification includes criteria on biodiversity conservation and respect for Indigenous Peoples’ rights. However, the FSC has been repeatedly called to task about its capacity to apply its standards and for certifying vast monoculture plantations where there are serious doubts about the compliances with the established norms.<sup>7</sup>

## Win-win or Lose-lose?

Who is going to win and lose in the REDD game? “It is a ‘win-win’ situation,” according to the corporations and ‘privileged’ sectors that want to continue enjoying a model which is irresponsibly called “development.” It is a “win-win” situation because you can rake in the dough while reducing emissions. But this has little to do with the reality. The truth is that it is actually a “lose-lose” situation for everybody because REDD is the game of commodifying and selling the right to pollute the atmosphere and a cutting-edge way of privatising the sky, one of the last remaining public spaces.<sup>8</sup> We all lose because the carbon offsets game does not guarantee a real reduction in emissions and allows us to avoid facing up to the truth that the climate crisis is humanity’s greatest challenge.<sup>9</sup> We all lose out because precious time is lost that needs to be used to generate the social transformations required to free ourselves from our oil addiction, which is the only path for really addressing the crux of the climate crisis.

## Forests for surviving climate change

REDD has been definitively co-opted by the commodifying initiatives of the World Bank. Environmental groups and social movements, including the Durban Group for Climate Justice, the Friends of the Earth Federation and Via Campesina have rejected REDD and all of its variants.

Clearly avoiding deforestation and forest degradation is a core part of any strategy for addressing climate change. This is especially true in a region like Meso-America where the geographic, climatic and social conditions make the region particularly vulnerable. It is also clear that funding is important for generating regional strategies and planning to address the underlying causes of deforestation and forest degradation and the corresponding political, social and environmental issues. There is plenty to say from an ecologist perspective about how to generate this funding and how it could be invested. In concluding, we will point to two of the fundamental principles for taking on this task:

1. The strategies to reduce deforestation and consolidate forest areas must be discussed in a transparent fashion in open processes that include the participation of all the interested parties. Up until now, the REDD processes have been largely guided by the World Bank and the funding for participants has gone to a great extent to the organisations that are in favor of market-based REDD.
2. It is possible to create strategies to address the underlying causes of deforestation outside carbon markets and financed by monies from taxes or the payment of the climate debt.

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# REDD and community engagement

*Brihannala Morgan*

The development of the voluntary market for carbon offset credits from REDD has been immensely controversial from a community and Indigenous rights perspective. Could REDD make it possible for communities to receive financial benefits from protecting their forests, and using the land as they have traditionally? Is it possible to engage Indigenous and local communities in a fair and just benefits sharing mechanism, based on Free Prior and Informed Consent (FPIC), or is that a pipe dream in the context of the international carbon market?

This article is based on research conducted from 23 REDD projects being developed in Indonesia, projects that aim to produce credits for sale in the voluntary market. Through interviews and project planning documents, the research looks at how these projects are engaging with communities who live in or near project areas. The research has shown that REDD projects systematically fail to include Indigenous Peoples and affected community members in any meaningful fashion. The incentive structure around REDD rewards project developers for moving projects forward as fast as possible, giving project developers the perverse incentive to cut corners when it comes to involving affected communities.

## Talking the Talk

Most project developers accept that it is necessary to engage communities in REDD projects. Without a compliance market for REDD, the voluntary market is the only guaranteed place to sell forest carbon credits. In the voluntary market, co-benefits like biodiversity conservation and community development are marketable commodities. Most projects surveyed plan to seek certification from the Community, Climate, and Biodiversity Alliance (CCBA), which provides certification of community and bio-diversity components of projects that are being developed for the voluntary market. Ecosystem Marketplace, an industry research group, found that the community development co-benefits promised by project developers were highly attractive to offset buyers.<sup>1</sup>

While getting a better price for credits is obviously an important incentive for project developers, most developers interviewed also considered it important to engage local community members

to ensure the carbon at the core of their investment was protected. As one project developer who chose to remain anonymous put it, “We cannot just throw them all in jail, so we need to find a way to engage with them.” If communities are not given alternative livelihoods that they accept, they will either continue to use the forest as they have always done (creating permanence concerns), or would simply move their activities to other areas where the forest was not protected (generating leakage issues).

## Actual Engagement Mechanisms

What does “community engagement” really mean, at the forest and community level? This study established four main mechanisms that project developers used to engage community members.

*Service/Gift provision:* Of the 23 projects surveyed, nine projects planned to provide necessary services – like health clinics and primary schools – as part of their community engagement process. The Indonesian government has programs to provide education and health care to its citizens, but because of a history of mismanagement and corruption this often does not occur.<sup>2</sup> These services were provided as an alternative to providing gifts –like laptops, solar panels, and cook stoves – which were considered to be less fundamental to the well-being of the community. These gifts are provided to each family or individual in hopes of generating good will for the project. The Rimba Raya project in Central Kalimantan was the only project that focused on these gifts, which, incidentally, was one of the projects used as a model to set up the Voluntary Carbon Standard (VCS). Service provision begs the question; if communities were to continue using the forest or were to shift their activities, would REDD project developers withhold classes and health services?

*Jobs/alternative livelihoods:* All projects surveyed involved creating new jobs and/or alternative livelihoods, in order to make it possible for communities to live without using the forest. The most common jobs provided were as forest wardens to protect and monitor forest condition during the project’s lifespan. Other common alternative livelihoods provisions included support for the development of non-timber forest products like rattan and sandalwood. In most projects surveyed, alternative livelihoods mechanisms were developed with little or no input from the community. It is not certain whether these alternatives could provide sustainable and fulfilling alternatives to traditional practices that will be locally appropriate in the long run.

*Cash payments:* Nine projects are providing communities with cash payments in return for not using the forest. Five of the 23 projects surveyed explicitly mentioned a Payment for Environmental Services model, which focuses on paying communities in cash to conserve resources that provide valuable ecosystem services—for example, paying communities to conserve a forest in

order to protect downstream communities from flooding. These payments can be delivered to communities as cash payments per individual or family, payments to the community as a whole, or an ATM card. Another variation on cash payments, micro-credit schemes, were proposed in four of the projects. In these micro-credit schemes, communities are able to take out small loans to support projects that could provide alternative livelihoods.

*Direct Engagement:* Two projects surveyed prioritize rights of communities within REDD. Both of these projects are using participatory forest management techniques, basing the REDD area on traditional land use patterns, and developing access plans based on traditional lands rights and management practices. Community members are developing access rules and restrictions. In both cases management plans were based in the Free Prior and Informed Consent of community members, and management of the forest blocks is planned to be done by community groups.

## Why are these mechanisms used?

Project developers understand that communities who depend on the land and forests will continue to use these resources unless they are given a reason to stop. At the same time, the more effort that project developers put into community engagement and the more they arrange for benefits to go to community members, the less money they are likely to make. Why have project developers settled on the compromises and community engagement mechanisms discussed above?

*Because it saves them money:* Benefits like jobs, services, and cash are quick and relatively cheap to implement. As seen in the two projects that made a point of supporting community land rights and FPIC, building community-led projects takes a lot of time. These projects also had trouble securing funding, because they cannot guarantee marketable credits as quickly as other projects. These community-based projects also focus on passing any profits to the community, meaning the project developers will not see the profit for themselves.

*Because purchasers do not know the difference:* There are no minimum standards for community engagement in the voluntary market and most people who purchase carbon credits either do not care, or do not have the experience to be able to judge what is better or worse in terms of community co-benefits. This information is also not easily available for those who actually do care.

*Because they can:* Only about 2 percent of Indigenous communities in Indonesia have legal rights to their land and therefore have the legal right to decide if they want to be part of REDD projects, or demand equitable benefits sharing.<sup>3</sup> Project developers are able to work directly with the local government, and engage community members as much or as little as they want.

## What is the future for communities and REDD?

The trends around REDD project development in Indonesia are becoming clear. While a few smaller projects are attempting to base REDD in land rights and Free, Prior, and Informed Consent, the vast majority of projects are primarily concerned with moving ahead quickly, and making profits.

While none of the projects surveyed ignored the presence of Indigenous and affected communities completely, they attempted to buy their engagement in the project with jobs, gifts and money. The impacts of this type of alienation have been seen time and time again, whether the perpetrator is an extractive industry or a national park. Cultures are destroyed, as communities are no longer able to use the land for traditional hunting, farming, and spiritual practices. REDD projects initiate the risk of community dependency on the unstable carbon market, something impossible for local communities to control.

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# HONDURAS: REDD and the destruction of the Indigenous Peoples of the Planet

*Honduran Garifuna Organization ; OFRANEH*

The inclusion of Honduras among the countries that receive funding from the UN-REDD Programme marks the beginning of a new chapter of territorial pressures and human rights abuses against the Indigenous Peoples of this country.

The funds from the UN-REDD Programme are managed by the World Bank, an international organisation that lacks credibility with the world's Indigenous Peoples who have suffered the consequences of the World Bank's initiatives and projects on many occasions.<sup>1</sup>

The strategy of the United Nations Framework Convention on Climate Change (UNFCCC) endangers Indigenous territories because the World Bank lacks respect for Indigenous Peoples. In addition, the World Bank has instigated forestry projects that not only were huge failures for Indigenous peoples but also contributed to deforestation.

REDD can also be used to reward those who participate in clear-cutting and industrial agriculture, ignoring those countries that have low rates of deforestation. This is because it aims mainly at creating financial incentives to encourage those involved in deforestation to become managers of the remaining forests.

The absence of differentiation between timber plantations and forests allows habitual deforesters to benefit from destroying forest reserves and converting them into crops such as eucalyptus or oil palm.

Meanwhile, the forest peoples who for centuries have taken care of the resources from which they obtain their subsistence are in danger of being expelled from their ancestral lands, due to the lack of recognition for their territories. Territorial recognition has been watered down to promises or fictitious titles that do not include their functional habitat.

In spite of the existence of operating guidelines for the UN-REDD Programme, which includes in its Article 19 the right to consultation, in our country this concept has been distorted.<sup>2</sup> In most cases, these "consultations" are no more than gatherings in luxury hotels, with the participation of a small group of foreigners specialised in "conceding" the go-ahead to a nation-state which is managed by third-rate businessmen.

An example of the state farces known as “consultations” is the so-called consultation on the contentious “Indigenous Peoples Development Law” organised by the Inter-American Development Bank (IDB) and a little group of consultants who are fans of neo-liberal policies despite the fact that the vast majority of Indigenous people in this country do not even know that this law exists.

The World Bank ignores the international conventions and declarations on Indigenous Peoples, as the former president of the World Bank indicated to Ana Palacios in a letter to the Inspection Panel in response to a petition presented by our organisation regarding the destruction of Garifuna People's community property by the World Bank.<sup>3</sup> Ms. Palacios emphatically stated that the World Bank does not feel obligated to comply with ILO Convention 169 on Indigenous and Tribal Peoples.

Another example of the mistaken forest policies of the World Bank is the project that the World Bank financed in the Democratic Republic of the Congo, where the T'wa (pygmies) were affected by a forestry project that exacerbated the risk of their extinction.<sup>4</sup>

Hence, the “good faith” in the consultations called for in Article 19 of the guideline of REDD, rings hollow given the worldwide spectacle of resource-plundering and expropriation of Indigenous Peoples’ territories, where most of the remaining natural resources and energy of the planet are found.

At the Summit of Mother Earth held last April in Bolivia, the REDD issue was the subject of intense analysis and strong condemnation by the participants: “We condemn neo-liberal market mechanisms such as the REDD mechanism and its versions REDD+ and REDD ++, which violate the sovereignty of our peoples and their right to self determination.”

REDD and the CDM are promoted as panaceas to solve the problem of climate change by those who have polluted and implemented environmentally destructive projects and now purport to be defenders of the environment.

In Honduras, the nation-state has not only blocked the application of ILO 169 and ignored the UN Declaration on the Rights of Indigenous Peoples, but has also tried to water down the Peoples’ rights. In a show of their ignorance of the law or simply cynicism, they label us “ethnicities” who have no rights under international law.

The Planning Workshop promoted by CADD and GTZ must address the importance of real recognition of the territorial rights of Indigenous Peoples, which include the functional habitat of the Peoples. This is necessary to avoid human rights violations that mar any “good intentions” the United Nations and the World Bank may have of stopping the world from dying smothered by emissions from “development”.

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**NO REDD!**

## Appendix: Declarations

### The Latin American Coordination of Rural Organisations - Via Campesina (CLOC-VC)

14 October 2010

The Latin American Coordination of Rural Organisations - Via Campesina (CLOC-VC) expresses its total rejection of the false solutions to climate change and particularly to the mechanism known as REDD, REDD+, REDD++ is being pushed in the Cancun conference because it represents a step towards the privatisation of nature and the dispossession of our peoples.

As noted by the People's Summit Against Climate Change held in Cochabamba, where the CLOC-VC took an active part "We condemn the market mechanisms and the mechanism of REDD (Reducing emissions from deforestation and forest degradation ) and their versions + and ++, it is violating the sovereignty of Peoples and their right to free, prior and informed consent and the sovereignty of nation States, and violates the rights, customs of the Peoples and the Rights of Nature."

The REDD project (Reducing Emissions from Deforestation and Forest Degradation), is an initiative arising from climate change negotiations which aims to incorporate forest-ecosystems - and other ecosystems - into international markets, used to attack the rights of peoples and communities over their lands and territories. This mechanism is a deepening and global expansion of privatisation and ownership of forests, moors and farmland by state and private companies. REDD involves the creation and global trade in environmental services at the expense of food sovereignty and other rights of peoples to promote their control by large corporations, control of territories and the militarisation of them.

The suffering of communities are already visible where they are implementing these types of projects, with a small sample of the threat of REDD impacts on farmers in Ecuador, Brazil, Indonesia and Kenya where there are already implemented projects.

We reject these forms of interference in our lands and territories that, drawing on the needs of communities, using strategies of division and false consultations, seek to engage in these REDD mechanisms.

REDD is one more way to transfer the responsibilities from countries that have polluted the atmosphere to the people of the South that historically have tended the planet, which can in no way can be reformulated so that the service of forest protection and to favour the peoples.

We demand that they address climate change with the only possible solution which is to reduce consumption and fossil fuel extraction and support *campesina* agriculture, which means consequently a change in relationships between humans and nature, inspired by those Indigenous Peoples and peasants that have maintained this until today.

We warn the *campesinos* of the continent that any intention to implement so-called social and environmental standards in REDD projects do not solve problems, as REDD does not stop climate change, nor stops the interests of appropriation of our lands.

Forests, mangroves, deserts, wetlands and *campesina* agriculture protects the planet, this is where there are more biodiversity-rich areas, natural reservoirs, water and carbon and thus maintains balance in the climate. These ecosystems with traditional practices are a source of life and home to communities, including Indigenous Peoples, fishermen and African-descents, who have remained in these territories and who have always taken care of the ecosystems.

However, these lands are being destroyed by oil extraction, mining, industrial timber exploitation, conversion of forests and agricultural lands to forest plantations and monocultures for agrofuels and agroexplotación. All this contributes to accelerating pollution and deteriorating living conditions in rural areas as well as worsening climate change, as they emit large amounts of CO<sub>2</sub> and other greenhouse gases.

So to combat climate change involves, first, changing the development model based on consumption and extraction of fossil fuels, seriously stopping deforestation and addressing what it means to end the underlying causes, to support family farming and respect and promote the collective rights of peoples and nations over their lands and territories.

We appeal to build broad alliances in the countryside and the city so that with unity we will be able to defeat this new threat to our peoples.

Our climate is not for sale!

The *campesinos* and *campesinas* are cooling the planet!

## Shell bankrolls REDD Indigenous Peoples and environmentalists denounce

9 July 2010

Oil giant Shell, infamous for the genocide of the Ogoni People and environmental destruction in Nigeria's Niger Delta is now bankrolling REDD, a false solution to climate change that puts forests in the carbon market and has been denounced as potentially the "largest land grab of all time."

REDD (Reducing Emissions from Deforestation and Degradation) allows polluters like Shell, Rio Tinto and Chevron-Texaco to buy their way out of reducing their greenhouse emissions at source by supposedly conserving forests. However, according to the Indigenous Environmental Network, REDD is rife with "perverse incentives" to convert natural forests into monoculture tree plantations and to actually increase deforestation.

Shell, Gasprom and the Clinton Foundation are funding the landmark REDD Rimba Raya project on 100,000 ha (250,000 acres) in the province of Central Kalimantan in Indonesia. According to Reuters, the Rimba Raya project marks "a milestone" in the development of a global market in forest carbon credits.

Shell's REDD carbon offset project could be quite a money maker. Reuters calculates that "At about \$10 a credit, that means about \$750 million over 30 years."

Renowned Nigerian environmentalist Nnimmo Bassey, Director of Environmental Rights Action and Chair of Friends of the Earth International, has a long history of opposing destructive oil extraction activities. "We have suffered Shell's destruction of communities and biodiversity as well as oil spills and illegal gas flaring for decades. Now we can add financing REDD for greenwash and profits to the long list of Shell's atrocities."

Tom Goldtooth, Executive Director of the Indigenous Environmental Network, noted that "Shell already committed genocide against the Ogoni People of the Niger Delta. REDD allows Shell and other polluting corporations to expand fossil fuel extraction and continue destroying the climate and violating Indigenous Peoples' rights worldwide. As we speak, Shell is trying to expand its oil drilling operations in environmentally sensitive offshore Alaska, despite the protests of Alaska Natives."

"Shell is compounding its devastating impacts on Mother Earth and Indigenous Peoples by financing REDD which may result in the largest land grab of all time and more genocide against Indigenous Peoples," Goldtooth warned.

According to Goldtooth, "Most of the forests of the world are found in Indigenous Peoples' land. REDD-type projects have already resulted in land grabs, violations of human rights, threats to cultural survival, militarisation, scams and servitude."

For Teguh Surya, Campaign Director of WAHLI–Friends of the Earth Indonesia, REDD is simply "pathetic eco-business." "Shell must not use our beautiful forests to greenwash the environmental crimes and human rights abuses it has committed in Nigeria and elsewhere."

Last week, the 300 million-strong international peasant and farmer organisation, Via Campesina, rejected REDD and denounced that forest conservation should not be used as "an excuse" so that "countries and corporations continue contaminating..." Furthermore Via Campesina noted that "carbon trading has proven extremely lucrative in terms of generating investor dividends, but has completely failed in reducing greenhouse gases."

CITATION: David Fogarty and Sunanda Creagh. Indonesia project boosts global forest CO2 market. Reuters. Tue Aug 24, 2010.

## No REDD! No REDD Plus!

### Global Sign-On Campaign against Schemes for Reducing Emissions from Deforestation and Forest Degradation

December 2010

As part of a mounting global civil society criticism of the ineffective and unjust solutions to climate change – including carbon trading and geoengineering – representatives of peoples’ movements and independent organizations oppose the schemes for Reducing Emissions from Deforestation and Forest Degradation (REDD) currently being formulated under the United Nations Framework Convention on Climate Change – and already piloted in schemes such as the World Bank’s Forest Carbon Partnership Facility and the United Nations REDD Programme.

The proposed UN climate negotiator’s ‘forest deal’ jeopardizes the human future by serving to further entrench fossil fuel use – the major cause of the climate crisis – while at the same time failing to safeguard the future of forests and the rights of Indigenous Peoples and forest-dependent communities over their territories and knowledge. Further, there is a clear disregard from Northern countries to address the high levels of consumption in those countries as a driver of deforestation.

The projected growth of carbon markets in the US, Australia and elsewhere is set to trigger a huge new demand for imported pollution rights to allow industrialized countries and industries to continue business as usual and avoid emissions cuts at home. Norway has already calculated, for example, that Amazon forest conservation could “offset” or compensate for ten times its yearly emissions. However, a drought in 2005 turned the Amazon forest into a carbon source, not a carbon sink, and such events could occur in the future.

The REDD or “REDD-readiness” programmes in Southern countries that currently receive public funding do not constitute evidence that REDD will be pursued independently of carbon markets. On the contrary, such programmes are taxpayer-funded means for setting up the technical, legal and political infrastructure for the expanded market in forest carbon that will ultimately be demanded by big polluters in the US and elsewhere.

The new pollution licenses to be generated by REDD are designed in a way that obstructs the only workable solution to climate change: keeping oil, coal and gas in the ground. Like the carbon credits produced under the Kyoto Protocol’s Clean Development Mechanism (CDM), they are not intended to result in any net climate gain, but merely to “compensate” for excessive fossil fuel use elsewhere. In reality, they fail to achieve even this null result. Like CDM credits, they exacerbate climate change by giving industrialized countries and companies incentives to delay undertaking the sweeping structural change away from fossil fuel-dependent systems of production, consumption, and transportation that the climate problem demands. They waste years of time that the world doesn’t have to solve this problem.

Worse, biotic carbon—the carbon stored in forests—can never be climatically equivalent to fossilized carbon kept underground. This is because carbon dioxide emitted from the burning of fossil fuels adds to the overall burden of carbon perpetually circulating between the atmosphere, vegetation, soils and oceans. However, carbon dioxide stored in forests is not a permanent sink for carbon in the same way as fossilized carbon. This inequivalence, among many other complexities, makes REDD carbon accounting impossible, allowing carbon traders to inflate the value of REDD carbon credits with impunity and further justify the increased use of fossil fuels. In 2009, even Interpol has warned against the vulnerability of REDD to international fraud and corruption.

REDD's focus on the mass production of pollution licenses for industries in rich countries would inevitably neglect the needs and violate the rights of ordinary people throughout the world. In the South, REDD would transform the carbon in living trees into private property so that it can be awarded or transferred to private corporations in the North. Despite efforts to create safeguards to prevent the violation of the human rights of Indigenous Peoples and forest-dwelling communities, there is no guarantee to their effectiveness. In the worst case, REDD could inaugurate a massive land grab that would leave Indigenous Peoples and forest-dependent communities with nothing. In the North, meanwhile, REDD credits would enable fossil fuel-related corporations to maintain business as usual, to the detriment of communities affected by fossil fuel extraction and pollution.

In this context, the idea that REDD could help secure the territories or consolidate the rights and livelihoods of forest-dependent peoples is ludicrous. In the voluntary carbon markets, carbon forestry and REDD-type projects have already resulted in land seizures, violent evictions, forced displacement, violations of Indigenous Peoples' rights, militarisation, loss of access to land and livelihood, loss of biological diversity, fraud, coercion and the corruption of the sacred. Inclusion of forests and tree plantations in the giant compliance carbon market could only multiply such abuses.

In addition, climate policy negotiations at the international and national levels are considering the inclusion of soils and agricultural practices into REDD and other carbon marketing schemes. Just as Indigenous Peoples and forest dependent communities are threatened by forest-based REDD, agriculturalists, pastoralists and peoples' food sovereignty will be seriously threatened should this come to pass. In effect, this will extend the commodification of lands as offsets for wealthy polluters over much of the earth's surface. As well, we reject any incentive to use the oceans for REDD projects as well.

Further, because every REDD project would affect not only forest communities, but also people suffering from the operations of companies buying REDD offset credits and indeed those impacted by the climatic damage incurred by the project, the consent of vast numbers of people would need to be obtained for each project – something REDD practitioners have no intention of attempting.

REDD would also endanger forest conservation itself, by giving short shrift to many of the characteristics of forests essential to survival – the complex and diverse ways in which Indigenous Peoples and forest-dependent communities constitute homes, livelihood sources, storehouses of biodiversity and medicines, regulators of watersheds, and centres of culture and spirituality – while failing to address the underlying causes of deforestation. REDD initiatives are set to include industrial plantations and even the planting of genetically modified trees. REDD could indeed become, in the words of The New York Times, a “cash cow for forest destroyers.”

Forests have been and can only be protected through locally-led forestry governance, strong rights and institutions for forest-dependent people, especially Indigenous Peoples, locally-initiated investments, strictly enforced bans on trade in timber products, addressing excessive consumption in the North and so forth. Fixing a climate crisis caused in the main by the large historical fossil fuel users in the North must not be a burden borne by disenfranchised Indigenous and forest-dependent peoples in the South. There is indeed a climate debt the North owes the South and to imagine that it could be paid off by investments in REDD projects that generate carbon credits for industrialized countries would be the height of irony.

Durban Group for Climate Justice Signatories:

Acción Ecológica, Ecuador

Carbon Trade Watch, International

CENSAT AGUA VIVA, Colombia

Centre for Civil Society Environmental Justice Project, University of KwaZulu-Natal,  
Durban, SA

COECOCEIBA-Amigos de la Tierra Costa Rica, Costa Rica

CORE (Centre for Organisation Research & Education), India

The Corner House, UK

FASE – ES, Brasil

FERN, UK

Global Justice Ecology Project, USA

Indigenous Environment Network, International

Institute for Social Ecology, USA

Moving Mountains, China

National Forum of Forest People and Forest Workers, India

Peoples Movement on Climate Change (PMCC), International

School of Democratic Economics, Indonesia

SOLJUSPAX, Philippines

Sustainable Energy & Economy Network, Institute for Policy Studies, USA

Timberwatch, South Africa

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## Further info:

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Indigenous Environmental Network: [www.ienearth.org](http://www.ienearth.org)

Carbon Trade Watch: [www.carbontradewatch.org](http://www.carbontradewatch.org)

REDD-Monitor: [www.redd-monitor.org](http://www.redd-monitor.org)

Durban Group for Climate Justice: [www.durbanclimatejustice.org](http://www.durbanclimatejustice.org)

World Rainforest Movement: [www.wrm.org.uy](http://www.wrm.org.uy)

Acción Ecológica: [www.accionecologica.org](http://www.accionecologica.org)

Global Justice Ecology Project: [www.globaljusticeecology.org](http://www.globaljusticeecology.org)

ETC group: [www.etcgroup.org](http://www.etcgroup.org)

Rising Tide North America: [www.risingtidenorthamerica.org](http://www.risingtidenorthamerica.org)

Organización Fraternal Negra Hondueña - Pueblo Garífuna: [www.ofraneh.org](http://www.ofraneh.org)

Censat Agua Viva: [www.censat.org](http://www.censat.org)

Friends of the Earth: [www.foei.org](http://www.foei.org)

The Corner House: [www.thecornerhouse.org.uk](http://www.thecornerhouse.org.uk)

COECOCEIBA - Amigos de la Tierra, Costa Rica: <http://coecoceiba.org/>

Amazon Watch: [www.amazonwatch.org](http://www.amazonwatch.org)





Saving the Earth's climate, remaining forests and ecosystems may prove to be some of humanity's greatest challenges. In the UN climate negotiations however, a controversial scheme to supposedly protect the Earth's remaining forests is eclipsing the urgent need to reduce emissions at source and phase out fossil fuels.

'Reducing Emissions from Deforestation and Degradation' (REDD) is a carbon trading scheme based on the assumption that fixing a price on trees is the best way to protect forests. However, many Indigenous Peoples, forest-dwelling communities, farmers, women associations, social movements and grassroots environmental NGOs reject REDD - a false solution to climate change which further commodifies nature.

**No REDD! A Reader**, exposes how REDD is irremediably flawed, bankrolled by big polluters, intrinsically linked to the carbon market and may result in the largest land grab of all time. This compilation of articles gives a voice to the growing resistance and demonstrates that far from saving the world's forests, REDD may destroy forests, threaten the survival of Indigenous Peoples and forest dependent communities and exacerbate the climate crises.

"Deforestation must be halted and not merely reduced. REDD does not even pretend to face this critical problem. No REDD, a Reader is a must read for all who seek to know the truth about this mercantilist tool. It is also highly recommended for those who believe that policies to fight the current climate chaos must see the people and Mother Earth and not merely see trees as commodities for cash and carbon speculation."

*Nnimmo Bassey, Executive Director of Environmental Rights Action/  
Friends of the Earth, Nigeria (ERA/FoEN), Chair of Friends of the  
Earth International and poet*

"For several years, banks and industry have been moving to take over the carbon of the world's forests. Ordinary people need to know what's going on. This book is here to help."

*Larry Lohmann, The Corner House*