

Friends of the Earth International

Position on REDD (Reducing Emissions from Deforestation and forest Degradation) - 2014

Forest and peoples

More than one billion people, including 60 million Indigenous People, are dependent on forests for their livelihoods, food and medicine.

Forests are not simply groups of trees and inert materials that can be reduced to 'carbon stocks'; commodities that can be traded on stock exchanges and markets. Forests are some of the most diverse ecosystems on the planet. They are complex social structures where local communities and Indigenous Peoples have a role in shaping landscapes, conserving and improving biodiversity and in determining plant formations.

For Friends of the Earth International, protection of forests must be linked to the empowerment of local communities, Indigenous Peoples and forest-dependent populations (which involves the recognition and respect of their rights) and to biodiversity protection. This means having real solutions to climate change in place.

Forests and the climate change agenda

Forests have taken a prime place on the agenda since REDD emerged as a global priority in 2007 at the UNFCCC COP 13 held in Bali, when nations agreed to develop "Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation (REDD) in developing countries and to enhance forest carbon stock" (Bali Action Plan, 1/CP.13, 1(b)(iii)).

Deforestation and forest degradation contribute significantly (between 12-17%) to global greenhouse gas emissions. Addressing alarmingly high rates of deforestation and forest degradation is an essential component of climate change mitigation and adaptation. In addition, addressing the alarmingly high rates of global deforestation is essential to protect biodiversity, water and the rights and livelihoods of communities living in and around forested areas.

Regarding climate change and forests, it is important to make a distinction between the geological and temporary carbon cycles. Carbon in the atmosphere is absorbed by plants and forests, which store it. After their decomposition, the carbon they stored is released back into the atmosphere. By extracting or burning fossil fuels, carbon is released into the atmosphere, disrupting its geological cycle and increasing the amount of carbon present in the atmosphere. The various carbon offsetting proposals fraudulently claim that this additional carbon from fossil fuel extraction and burning can be absorbed by trees.

In other words, if REDD credits are used as carbon offsets, carbon locked in subsoil fossil fuel stores will continue to be extracted and burned by companies. But the carbon stored in trees and soils by REDD

projects will not be locked away in the same way because carbon stored in the atmosphere-land-ocean cycle is dynamic and in flux over relatively short-time periods. Undisturbed fossil fuels, on the other hand, are locked away underground for millennia. As the EU has observed: “[land use change and forestry] projects cannot physically deliver permanent emissions reductions.” (europa.com, 2011)

In view of these considerations, limiting climate negotiations to agreement on REDD implementations bears the danger of:

- shifting attention away from the responsibility and commitment of the industrialized countries to reduce emissions generated by burning fossil fuels that have been, and continue to be the structural cause of the current climate crisis, thereby avoiding the central question of climate debt, and instead merely dealing with mitigating climate change;
- the reversal of the North’s historical responsibility in the discourse of 'symmetrical commitments' regarding current emissions denies the structural causes of deforestation – that is, the over-consumption caused by the dominant economic system – neoliberalism – which favours the North’s access to natural goods.

In the intervening years, REDD processes have advanced in the UNFCCC negotiations and through the establishment of international mechanisms (such as Norway’s Amazon Fund) and subnational processes (such as the Governors’ Climate and Forests Task Force). There is significant evidence based on the experience of our groups in their respective countries, and also on the experience of Indigenous Peoples and peasants, that REDD readiness processes have had adverse effects, from driving policies of displacement (Mexico, Kenya) to inducing potential forest destruction (Guyana, Indonesia) and undermining community control of resources (Panama, Brazil). At the same time, there is a strong and growing body of literature documenting the effectiveness of forest policies that are not based on financial incentives but instead on social and cultural incentives such as traditional value systems, environmental education, well-enforced forest regulations and recognition of communal land rights.

Why we oppose REDD

After long and fruitful discussions based on our work with local communities, Indigenous Peoples and the development of international negotiations, Friends of the Earth International has agreed to carry a NO REDD position. Our main arguments are:

Carbon markets

Friends of the Earth International has an institutional position to reject carbon trading in all its forms. This position extends to a clear rejection of proposals both in the voluntary markets and within the UNFCCC framework to extend the carbon market mechanisms to include sequestered carbon from prevented deforestation, forest degradation, sustainable forest management, conservation of forest carbon stocks or conservation practices or other land-use, land-use change and forestry activity (LULUCF).

The problems and concerns related to extending carbon markets to include sequestered carbon from land-use, conservation activities and forest conservation activities generating 'carbon offsets', which can be purchased by greenhouse emitting countries, companies and individuals in the global North, include:

- like all carbon offsets, REDD will not actually reduce global emissions: maintaining carbon sinks does not address the underlying cause of climate change: instead it enables continued and even increased emissions from fossil fuels to take place in polluting nations. For fair and effective peoples' climate action to be realized worldwide, immediate emissions reductions are required in industrialized countries. Industry needs to stop pumping emissions into the atmosphere *and* forests need to be protected;
- REDD projects are also inherently risky since forests are vulnerable to future weather events, fire and illegal logging, further adding to criticisms that REDD offset credits are inherently impermanent emissions reductions. This makes them particularly unsuitable for inclusion in a trading system (europa.com, 2011);
- REDD could also create adverse incentives for deforestation. As REDD offset credits are only supposed to be generated when deforestation or forest degradation has been avoided, governments and corporations are supposed to demonstrate that, at a given time, they were planning to log or clear certain areas of forest. It is thus in their interest to be able to maintain high levels of planned deforestation;
- REDD is considered to be a relatively cheap carbon offset. However, the influential 'McKinsey cost curve,' which is supposed to demonstrate this, is deeply flawed - which the company has itself admitted (REDD Monitor, 2011). It only accounts for the immediate costs of opportunities foregone, neglecting the complexity and costs of dealing with the underlying drivers of deforestation, as well as the transaction, monitoring, implementation and legal costs associated with various emissions abatement technologies, including REDD. The principle of compensating opportunity costs has not been adapted to limit deforestation in an open and globalized economy: since the global demand for natural resources and energy is not decreasing, reducing the supply of arable lands or limiting the access to mining deposits located in territories with forests, simply results in the risk of increasing raw material prices in global markets, which could lead some countries to increase their agricultural or mining production to the detriment of forests. In this way, a vicious circle is encouraged, leading to a continuous increase of compensations without decreasing deforestation at global level. Therefore, the compensation of opportunity costs are not enough.
- governance of the forest industry, weak law enforcement, and unclear land tenure in many developing nations are themselves drivers of deforestation. Creating a market for forest carbon credits will exacerbate these problems, aggravating land disputes, especially in

cases where governments allocate carbon rights that conflict with the land rights of indigenous and forest peoples. Interpol has also noted that the “potential for criminality is vast and has not been taken into account by the people who set it up,” exacerbating long standing weak forest governance (Guardian 2009);

- forest carbon property rights are ill-defined, and, unlike other commodities, emissions reductions cannot be traced back to a physical product in the supply chain. In addition, the complexity of both REDD and carbon markets is already creating an ideal cover for corruption and fraud, both nationally and internationally (Transparency International, 2011);
- if REDD is linked to carbon markets it would hold the future of the world’s remaining forests ransom to the price of carbon. With low or uncertain prices, forest protection under REDD would not work and would be less attractive than logging. On the other hand, high carbon prices would risk making forests financially lucrative for their carbon, leaving aside other aspects, such as their social role and cultural/spiritual value, in addition to their biodiversity. Turning emissions reductions from forests into an abstract commodity (measured in ‘carbon dioxide-equivalents’ (CO₂-e)) also exposes local communities to global commercial power structures and increasing competition for land and forest carbon resources. Additionally, it benefits financial elites speculating on carbon prices. Due to the high administrative costs associated with REDD projects, a REDD market will also privilege wealthy buyers and intermediaries, rather than forest communities making a once-in-a-lifetime decision with respect to the resources they rely upon;
- despite some gains in satellite technology, the numerous methodological problems involved in quantifying the emissions saved through REDD projects continue. Whether REDD is undertaken through management and carbon accounting at the project-level or nationally, the problem of ‘leakage’ also remains (Wunder, 2008:74). Another unresolved problem is how to identify and agree on baseline or reference levels against which measurements will be made.

Commodification of forests

Commodification refers to the process of transformation of forests into commodities. As commodities, forests can be sold and bought not just as land, but also on financial markets. Forests not only lose the variety of values they have but these values are replaced by a price that becomes the single criteria on which a forest’s importance is based

Through commodification, forests also lose their importance for local communities, Indigenous Peoples and the whole society: the variety of functions that forests have are no longer important and are replaced by a single price.

Putting a price on forests in the same way is equivalent to asking who can pay for them. This excludes

impoverished communities and has the potential to delay or utterly set back processes for the recognition of their community rights by States.

Rights of local communities and Indigenous Peoples

- the REDD mechanism implies strengthening the property rights of the dominant system over forests, while numerous traditional rights based on historical and collective use are not recognized;
- local communities and Indigenous Peoples cannot exercise all their rights over their territories when a REDD project is in place. It is one of the biggest problems we are facing today in all the southern countries. Furthermore, the national REDD implementation schemes do not take into account the cultural impact of their objectives and processes. At the same time affected communities and Indigenous Peoples are generally not consulted according to the principles of free prior and informed consent (FPIC) as we have seen in Mexico, Mozambique, Indonesia and Costa Rica, for instance;
- in some cases, the implementation of REDD is exacerbating conflicts in communities. Such is the case in Chiapas, Mexico, where a REDD project was put in place without paying attention to existing conflicts involving communities. In other cases, REDD projects are put in place following agreements that do not comply with FPIC and that only included one part of the community;
- REDD projects are criminalizing local communities and Indigenous Peoples because they impose punishments and sanctions on those who continue with local forest management practices such as crop rotation for local consumption (which actually produces more biomass), harvesting of non timber products or spiritual practices. REDD projects are also condemning local communities and Indigenous Peoples to dependency on the few economic resources promised to them;
- the REDD safeguards discussed and approved in Cancun are weak and non-binding. The rights of local communities and Indigenous Peoples are weakened and reduced, and the safeguards do not press governments to ratify human rights conventions or to recognize their rights in a binding way.

Tree plantations

The UNFCCC's definition of forests does not distinguish between biodiverse forests and plantations (UNFCCC, 2001). Safeguards to protect natural forests against conversion have been introduced under the UNFCCC, but it is currently unclear how these safeguards will be enforced in practice. Related to this, there is no agreed definition of what constitutes 'forest degradation' in the UNFCCC or amongst other international bodies (Sasaki & Putz, 2009). In Indonesia, this has allowed REDD activities to include the

conversion of degraded forests and woodlands into industrial timber and palm oil plantations. FoEI has a clear position against industrial tree plantations because of all their negative impacts.

Ethics

In terms of the objections to REDD, maybe the most relevant is the one related to its ethical implications. As we know, the permanence of forests has been and is still determined by the existence of a deep-rooted series of values (use, cultural, customary law, spiritual, among others). One of these values is the value of care that the local communities and Indigenous People exert towards the forest, given that it is their home, a spiritual space, a part of their territory, and there they find different elements that help them meet their needs (food, housing, medicines, among others). This value of care is also replaced through REDD by a price: conservation becomes conditioned on communities receiving payment for what they used to do by conviction.

In the case of other stakeholders, such as big landowners, the situation is equally critical, since REDD rewards these stakeholders who are in many cases directly responsible for deforestation, allowing them to choose between logging and destroying forests for profit or leaving trees standing only if they receive the promised payment for the project. This gives rise to distribution inequalities as the richest owners are favored, resulting in “green chiefdoms”, where the landowners with better management, participation and negotiating capacity have the best opportunities in the great “green business”.

REDD proposes to suspend or eliminate traditional practices of production, gathering, hunting or fishing and inhabiting a territory since it is considered that they could degrade or cause deforestation. For instance, a territory under the management of a REDD project does not allow the logging of wood for traditional uses or the practice of shifting agriculture, because these are considered deforestation and degradation practices. Therefore, communities must stop these practices or in other cases leave the territory. The alternative posed by REDD is to receive a payment or compensation for that “sacrifice” and buy the products they need for their well being, sustenance and housing through the market instead – elements that were previously obtained self-sufficiently from the forest.

Families, individuals and communities are undergoing a process of erosion of their ancestral practices and knowledge, including sustained experimentation, adaptation and domestication processes.

It is worth underlining that these values are the ones that have ensured the conservation of territories with forests and the survival of local populations, contrary to the premise highlighted by REDD that “it is only possible to preserve forests if you pay for it”.

REDD, as the frame for conservation payment schemes, transforms itself into some form of 'assistencialism' whereby it is assumed that “something is better than nothing” in terms of the remuneration offered. That is to say, it is considered another source of income, which means that when it is withdrawn, it is possible to assume that “if I don't get paid to preserve, I might as well cut down the trees”, because money is behind the decision to preserve the forest or not. We have seen incidences of this in communities in Chiapas, Costa Rica and Brazil.

In this way, the reductionist concept by which REDD values forests promotes relations that are conditional on payment (money), while it decimates and/or undermines the different and complex forest- valuation systems that the peoples living in the forests have. A good example of this is the territorial view and values of the Afro-descendant people from the Colombian Pacific region (Proyecto Biopacifico *et al.*, 1996).

This proposal comes hand in hand with an ideology that argues that we only take care of that which belongs to someone, and therefore that which belongs to nobody is not taken care of. In other words, that there must be property rights over all things. When there are property rights, you can pay for that care to happen. With this ideology, nature degradation is explained as a market failure because of a lack of property rights and therefore a lack of incentives for anyone to take care of something that belongs to the entire world. Those of us who have worked with peasant, traditional, fisherfolk communities and Indigenous Peoples, for instance, know that this is not true.

These local communities and Indigenous Peoples share a common feature in terms of health, education, and agrarian reform, among others: these needs are not secured by the State. In almost all cases there are no budget allocations to satisfy these needs -which are also human rights- for these groups. At the same time, big budgets are granted to ensure the conservation of different areas when in fact these peoples already carry out this task. In this way, and given the need to satisfy their basic needs, communities end up having access to those conservation programs.

In this light, REDD is in the medium term a catalyst and a cause of deforestation and degradation, in opposition to the goal it supposedly defends. And how does this happen? Once a project comes to an end, after 20, 30 or more years, one or more generations of people will have forgotten their traditional practices and values in their relationship with the territory, those which had previously ensured their conservation. The sons and daughters of those who started to receive payments would never know these other values, these traditional practices; for them the only value of forests would be that conveyed by REDD: money. This way, when the compensation project ends and there are no more resources and no-one is willing to pay, they will still need the means to survive, and the easiest way to do so would be to use the resources of the forest (wood, hunting, minerals, etc) which could be exploited and sold, because ultimately the forest will only represent money and not the territory and values their ancestors knew.

Why we oppose all forms of REDD schemes

All REDD schemes constitute an 'incentive-based mechanism' (regardless of whether the source of funding is the carbon market or public funds). The difference is really that payments in a market funded model are usually financed by corporations buying carbon credits on emissions trading markets, while governments finance REDD payments in publicly funded projects.

On the local level, it assumes paying monetary incentives to local communities will promote behavior that serves the conservation of forests. But it is not local communities who drive deforestation with their traditional practices. Also, introducing payments for conservation activities often creates conflict within communities and can turn their role in conservation into wage labor like we see in the KFCP project in Kalimantan, Indonesia. Meanwhile, the issue of land tenure and social, economic and human rights remain

secondary concerns. The incentive approach assumes that if you pay rents to countries with high deforestation rates they can and will choose to forgo revenue from destructive activities. But the incentive approach ignores the institutional barriers to implementing and enforcing this decision and the political and economic power of destructive industries such as mining, logging or palm oil. FoEI and other organizations have pointed out that increasing the value of forest lands creates an incentive for land grabbing and “green” grabbing (Pearce, Rebecca; 2012).

All REDD schemes are 'performance based', i.e. based on the actual delivery of emissions reductions. The problems with creating reliable baselines, not having reliable baselines for land emissions and establishing additionality persist regardless of funding structure. The focus on carbon accounting seems to push the issues of political reform aside. (Pearce, R.; 2012)

When you make 'performance based' payments to local communities , it creates a tenuous source of income because their receipt of money is contingent on factors that may be beyond their control, e.g. failed plantings, forest fires, illegal logging.

Is important to remember that REDD projects funded by governments may also promote at the national level carbon markets, offsets, commodification of forests, deforestation and forest degradation -all of which we oppose- while they do not necessarily bring more respect for the rights of local communities and Indigenous Peoples. The impacts are not different from REDD market schemes. In the reality in which local communities and Indigenous Peoples live, there is no difference between a REDD market scheme and a REDD public finance scheme.

The REDD mechanism agreed to at the UNFCCC COP 19 held in Warsaw does not prescribe a market or a fund-based mechanism. Nevertheless, we recognize that it has become difficult to disentangle 'fund-based' and 'market-based' REDD+ models, as market-based models of REDD+ implementation generally rely on fund-based finance to establish the conditions, governance structures and monitoring necessary for a market-based scheme. As such public and private finance are not separate. Public finance, notably overseas development aid, is often committed to establish the governance framework for a market-based REDD+ scheme.

FoEI member groups, especially those based in the global South, have been working closely with communities affected by and resisting REDD+ projects on their land. Through this grassroots work and the knowledge gained through this, we recognize that "REDD" as it is in our realities and with its logic has proven to create more problems than solutions.

Our proposal Forest protection means:

- strengthening the rights of Indigenous Peoples and local communities in order to preserve and manage said territories, according to their traditional practices as opposed to strategies determined by market mechanisms, offset/compensation and/or payment schemes, or other strategies that involve modifying the community-based regimes. Such strengthening is a real, effective proposal. It costs less and complies with numerous instruments, tools and human rights policies;

- supporting collective and community-based forest management and an equitable distribution of land use rights, given that this has the effect of limiting environmentally destructive practices (Cardona, 2012), in contrast to payment schemes that displace the values of collective decision-making over land, promoting instead individualist and short term subsistence strategies and practices (McAfee, 2012). For instance, Ferreira and Venticinque (2007) assessed the state of conservation of forest areas under different protection or conservation schemes in the Brazilian legal Amazon, finding that Indigenous lands have the best status, compared to national or regional conservation units subscribed to state property regimes, and that they are an effective tool to contain and/or reduce deforestation. This has also been ratified in other parts of the planet, in addition to finding that in these areas there is less incidence of destructive logging (RRI, 2012);
- public funds to strengthen community-based forest management practices in local communities and Indigenous Peoples as a State obligation in compliance with international agreements, such as the protection of traditional knowledge.
- resources and policies for forest conservation must be additional and democratically determined, not approved as offset mechanisms or imposed as a means to continue polluting. The sustainable proposals of Indigenous Peoples and local communities living in harmony with the territories need to be taken into account, particularly those in support of community-based visions of forests management and conservation. Markets should not be involved and should remain out of the control of corporations, international financial institutions, those resources and policies, should be collectively controlled by the peoples; democratic and technically coherent measures to advance towards a sustainable energy system, urgently eliminating the use and abuse of fossil fuels . Large green house gas emitters, mainly the industrial and consumerist Northern countries, should implement urgent mechanisms to reduce them, without substitutions or offsetting, focusing on reduction targets in their own countries; a vision for climate mitigation and adaptation underpinned by clear climate justice principles, which entails a structural transition away from fossil fuel dependency and other 'dirty energy' sources including nuclear and agrofuels, pursuant to the principle of 'common but differentiated responsibilities and capabilities' the countries of the global North must take leadership and responsibility for climate debt;
- addressing the demand for wood and agricultural products to promote a global transition to a low-carbon economy based on less consumption and consumption patterns that do not contribute to deforestation. Directly or indirectly, through their consumption of different food and non-food products, developed countries damage forests. High consumption levels of natural resources and energy in those countries cannot become the norm throughout the world. REDD cannot be an incentive to maintain those consumption levels. Therefore, it is key that society as a whole demands consistency in public policies affecting forests, in order to prevent the opening of spaces for this type of development;
- rejecting any market-based mechanism, policy or initiative whether an offsetting mechanism, one

that promotes land grabbing, or that does not challenge the causes of deforestation and degradation of forests, or which privatizes or commodifies forests or promotes in any way their transformation and destruction to develop tree plantations, or that reduces forests to mere carbon sinks;

- continuing to work on all levels in our day-to-day life with local communities and Indigenous Peoples, at the national level participating in official and non-official debates, at the UNFCCC in order to continue to influence the forest debate, both within the negotiations and in the side events and civil society spaces. Given that strongly critical perspectives of REDD -such as our NO REDD position- have had a definitive impact on moving policymakers to recognize the inherent flaws in REDD and thus in shifting the emphasis of the REDD framework, we will maintain this position in all these spaces. We will continue to influence governments outside official negotiations by providing them with evidence on the one hand that market-based conservation schemes are bound to fail, and on the other hand, that community control of resources is essential to effective conservation;
- developing and strengthening public policies that effectively enforce forest protection, in full respect of sustainable uses of forests by indigenous peoples and local communities, and ensure sufficient funding for this. Such policies need to be firstly and mostly based on local community governance.

The bibliographic references on the text correspond to:

Friends of the Earth International; "In the REDD: Australia's carbon offset project in Central Kalimantan, december 2011, 24 pages, first edition

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Pearce, Rebecca; communication to the Friends of the Earth International Forests Program, november 2012