REDD (Reducing Emissions from Deforestation and forest Degradation in Developing countries) realities

REDD realities

Simone Lovera

Some six years ago, Kevin Conrad, a close friend and advisor to Michael Somare, prime minister of Papua New Guinea (PNG), had a great idea. The prime minister was complaining to him that the World Bank had forced him to comply with a number of strict conditions on a loan to the PNG forestry sector. The conditions were aimed at conserving the forests in this remote country. As the biodiversity and carbon stored in these forests were of global importance, Mr Conrad advised his prime minister to ask for compensation from the world community for the 'environmental service' of reducing deforestation. Thus the concept of payments for Reducing Emissions from Deforestation and forest Degradation in Developing countries (REDD) was born.

This anecdote is often told by Mr Conrad himself at international meetings. However, Mr Conrad seldom specifies what the conditions of the World Bank exactly entailed – that the government of PNG would make a strong effort to combat corruption in its forestry service and illegal logging in general. So in fact, the prime minister of PNG wanted to be compensated for complying with his very own forestry laws.

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The basic principle of REDD is not necessarily objectionable. In fact, the suggestion that industrialised countries should contribute financially to policies and actions taken by developing countries to reduce emissions from deforestation and forest degradation is very much in line with Article 4 of the Framework Convention on Climate Change (FCCC) and the concept of common but differentiated responsibilities. Reducing deforestation is a contribution developing countries can make towards global efforts to mitigate climate change. As industrialised countries have a historical responsibility for climate change, it is reasonable that they should fully compensate the costs of such actions. So REDD *could* be a great opportunity to combine climate change mitigation, forest conservation and income provision for forest-dependent communities, *if*:

- REDD actions were voluntary and *additional* to deep emission cuts in Northern countries;
- the payments by these same Northern countries covered the full costs of these actions, and these funds were *additional* to the significant ecological reparations they are expected to pay to compensate Southern countries for the significant damage climate change has already caused them;
- these funds were spent on the conservation and restoration of forests and not on the establishment of monoculture tree plantations;
- these funds were spent on policies and programmes fully in line with the UN Declaration on the Rights of Indigenous Peoples (UNDRIPs);
- these funds were shared equitably with the actors that are actually responsible for forest conservation and restoration, namely indigenous peoples, local communities and women;
- these funds were shared equitably among countries that have already put in place effective strategies to reduce their deforestation and countries that have failed to do so until now;
- there were serious problems with corruption and bad governance in the countries concerned; and
- the reductions in deforestation are real.

The problem with REDD is that there are simply too many 'ifs' to be true. Although the overwhelming majority of policy papers on REDD published over the past years, whether by NGOs, indigenous peoples, governments, scientific institutions or multilateral donors,[1] have listed most if not all of the conditions above as preconditions for effective and equitable REDD strategies, few of these policy papers subsequently reach the logical conclusion that REDD should thus not be implemented if these preconditions are not met.[2] This means that the REDD dreams sketched in these policy papers are likely to become REDD nightmares in reality.

1 http://www.redd-monitor.org/2008/12/08/accra-caucus-statement-on-forests-and-climate-change/
http://research.yale.edu/gisf/tfd/pdf/stakeholders/FERN%20REDD%20Position%20Paper%202.pdf
http://www.redd-monitor.org/2008/12/08/rights-based-climate-change-mitigation-and-adaptation
http://www.tebtebba.org/index.php?option=com_docman&task=cat_view&gid=62&Itemid=27
http://research.yale.edu/gisf/tfd/pdf/stakeholders/FERN%20REDD%20Position%20Paper%202.pdf
http://www.cifor.cgiar.org/publications/pdf_files/Books/BAngelsen0801.pdf
http://www.un-redd.org/LinkClick.aspx?fileticket=gDmNyDdmEI0%3d&tabid=587&language=en-US

2 A noteworthy exception is the recently published IIED briefing paper, Cotula, L. and J. Mayers (2009), Tenure in REDD, Start-point or Afterthought?

REDD without emission reductions

The reality is that Northern countries are not willing to commit to deep reductions. The draft US climate legislation that is supposed to be adopted this year is estimated to lead to approximately 0 per cent domestic emission reductions by 2020 compared to 1990 levels (if all non-domestic offsets are excluded).[3] The chances that the US administration will take a position that is more ambitious than this are close to zero. While the EU has at least committed itself to 20 per cent reductions by 2020 even if other Northern countries will not follow, the chances that Canada, Australia, Japan or other industrialised countries will commit to significant emission reductions without the US are equally slim.

The source of REDD funding is another important factor here. If financed through public funds, the reduced emissions from deforestation will at least be additional to the meagre emission cuts proposed. But many Northern countries seem to be in favour of funding REDD through carbon markets. This implies that REDD will, by definition, not contribute anything to emission reductions, as every ton of carbon saved by reduced deforestation will be compensated for by an extra ton of carbon emitted in the global North. REDD without emission reductions will simply mean the end of most of the world's forests, as climate change itself is the number one threat to forests and other ecosystems.

3 The legislation is still being discussed, but this is a conservative estimate. Different US-based NGOs have estimated that the bill will reduce emissions to 1990 levels between 2024 and 2042.

REDD markets versus ecological debt

It is also unlikely that Northern countries will provide the new and additional funding necessary to pay for REDD *on top of* the ecological debt repayment Southern countries have demanded. The African Union recently demanded between US$ 65 and US$ 200 billion per year as ecological debt repayment. The additional costs for REDD vary significantly with the kind of policies that will be implemented. However, the original REDD concept as promoted by PNG would imply that landowners will be granted a right to ask for compensation for not cutting down that forest to produce, for example, palm oil on their land. Oil palm plantation owners can earn between US$ 3,600 and 12,000 per hectare of plantation. Considering that there are 1.5 billion hectares of tropical forests, and that at least 50 per cent of these areas are suitable for oil palm production, the world community would theoretically have to provide between US$ 2,700 and US$ 9,000 billion per year to compensate potential oil palm farmers alone. The chances that Northern countries will commit to paying those costs, on top of their ecological debt payments, are, again, very slim. The financial offer by the EU made on 10 September 2009, less than three months before the Copenhagen Summit, is more in the range of US$ 1.5 to US$ 4 billion per year, some 0.1 per cent of what would be needed for the PNG version of REDD alone.

Many institutions have argued that REDD should be financed through a 'basket of funding options',[4] that is, by a combination

4 http://research.yale.edu/gisf/tfd/pdf/stakeholders/FERN%20REDD%20Position%20Paper%202.pdf

of public funds and carbon markets. As stated above, the first and foremost problem with this is that it will mean that REDD does not contribute to climate change mitigation, but rather to helping the North find cheap reduction options. Allowing carbon offsets for REDD and other projects will also seriously undermine Southern claims to reparations for ecological debt. By absorbing the little development space that Southern countries have left, such offsets will significantly increase inequities in the division of ecological space between North and South (FoE 2009).

REDD forests or REDD monocultures

Another major problem with REDD is the definition of forests that was adopted by the parties to the Kyoto Protocol in 2001. This definition includes not only a forest as commonly perceived, but also any kind of tree monoculture, and even areas that are 'temporarily unstocked' (a euphemism for clear-cut) but waiting to be planted again at an unspecified future moment. This flawed definition will most likely be adopted for REDD activities. As a result, REDD policies might not only ignore serious forms of forest degradation (see also Sasaki 2009) but also the quite common forestry practice of replacing biologically diverse forests with monoculture tree plantations.

While some of the latest proposals include references to the need for 'co-benefits' for biodiversity and even reject 'the replacement of natural forests by tree plantations', these safeguards, even if accepted, will not prevent significant amounts of funding from being used for the establishment of tree monocultures in non-forest areas. The Brazilian national climate strategy, for example, includes a target of 13 million hectares of additional tree plantations, of which only 2 million hectares will be planted with native species. The more recent 'planted forests' strategy sets a target that is more than double that. Most of these plantations will either replace other ecosystems like pampa (grasslands), cerrado (semi-dry woodland) or caatinga (arid woodlands), and/or areas where forests might have grown back provided the land was left undisturbed.

REDD, indigenous rights and equitable sharing of benefits

Indigenous Peoples' Organisations (IPOs) have expressed strong concerns about the potential impact of REDD on their rights and interests, including their land rights. Considering the significant amounts of funding that might be at stake, their fear is that indigenous lands will be subjected to land grabbing for profitable projects. These impacts will be significantly aggravated if REDD is financed through carbon markets, as commercial finance is likely to flow towards projects that are able to reduce deforestation rates significantly. Comparative research in Brazil revealed that deforestation rates in indigenous reserves are between 1.7 and 7 times lower than deforestation rates in surrounding areas (Nepstad et al. 2006). The Center for International Forestry Research has thus recommended that payments for environmental services should not be targeting indigenous peoples, as it would be highly inefficient to pay people who were not planning to deforest their territory anyway.

An analysis by the Global Forest Coalition of the impact of market-based conservation in five different communities revealed that:

> [t]he use of market-based mechanisms inevitably means that the odds are stacked against those in a weaker initial negotiating position. This includes people with no legal land tenure and those unable to afford the considerable expense involved in the preparation of environmental impact assessments, the delivery of environmental services, the fulfilment of a range of quantifiable qualification criteria and the provision of upfront and operational finance, including insurance against project failure. This implies that market-based conservation mechanisms will inevitably lead to increased corporate governance over biodiversity conservation, and erode the governance systems of (monetary) poor communities and social groups including Indigenous Peoples and women.[5]

While carbon markets can, in theory, bring some economic benefits to local communities, it is important to analyse any economic costs in terms of decreased food security and food sovereignty and the loss of alternative sources of jobs and income related to, for example, the establishment of labour-extensive tree plantations. The most significant impact was the sense of disempowerment felt by many community members. In all cases, local residents reported that their control over their forests and livelihoods had decreased because 'the main decisions were now taken by other actors'. Thus, communities that had their own governance systems promoting collective sustainable management of biodiversity became, under the impact of market-based mechanisms, more likely to act individually and pursue individual economic interests such as jobs, profits and financial rewards. The position of women within the communities was also affected, as women's interests are more likely to be overlooked in commercial transactions normally closed by men (even in communities where women previously had responsibility for matters related to forests and biodiversity). Women have a disadvantageous position in monetary economies in general, as they spend a significant part of their time on activities such as childcare, household management, procuring clean water and other goods for the family, which are not rewarded in monetary terms.[6]

The challenge of equitable sharing of benefits is felt not only on a sub-national level. By definition, REDD will lead to much higher payments for countries that have failed to halt deforestation until now, as these countries have deforestation to reduce. Recent proposals to include 'enhancement of carbon stocks' (that is, reforestation, including the establishment of monoculture tree plantations) and land management practices are unlikely to resolve these inequities, as those countries that have caused much carbon emission through both deforestation and other unsustainable land management practices will still receive far higher payments than countries that have practised sustainable land management. African countries will not be able to compete with the likes of Indonesia and Brazil in reducing emissions from land management. Thanks to its

5 GFC 2008.

6 ibid.

land-based emissions, Indonesia has joined the world's three largest emitters. A country like Ethiopia will have a hard time competing with that, even if it does decide to plaster its countryside with 27 million hectares of monoculture tree plantations, as Brazil intends to do, according to its draft 'planted forests' strategy.

Thanks to the vocal campaigns of IPOs themselves, especially at recent conferences of the parties of the Climate Convention, concerns about indigenous rights seem to be taken seriously by at least some governments. In this respect, it has been helpful that the two main multinational initiatives to finance countries' efforts to 'prepare' for REDD, the World Bank Forest Carbon Partnership Facility and the UN-REDD programme, are respectively bound to instruments that demand consultation with and participation by indigenous peoples in the development of policies that affect them. UNDRIPs even specifies the right to 'free prior and informed consent', which means that REDD policies should formally be implemented with explicit indigenous peoples' consent. It is important to note that this pressure from the main REDD donors has been helpful in convincing at least some governments to consult with IPOs in the elaboration of their REDD strategies. For some countries, especially in Africa and Asia, this was the first time ever indigenous peoples were seriously consulted on forest policies.

However, it is important to remain cautious here, as these multilateral donors are mainly funding the preparation of REDD strategies. Once these strategies reach the implementation stage and support comes in from donors and carbon markets that are not bound to indigenous rights' instruments, these rights could easily be marginalised again. Indications are that the capacity of national IPOs themselves to engage in the national REDD debate are a determining factor on whether REDD will benefit them or not, and regrettably many of them still lack that capacity.

Last but not least, at the international level, REDD is in violation of UNDRIPs, as the negotiations have continued until now without any meaningful participation by indigenous peoples, despite the fact that a REDD agreement by the FCCC will have a significant impact on indigenous territories, which are home to many of the world's most precious forests.

REDD corruption

The need for good governance as one of the preconditions for proper implementation of REDD has been emphasised by many intergovernmental and non-governmental institutions.[7] Without good governance, corporations and other national actors will be inclined to claim overestimated or otherwise fraudulent emission reductions. In order to calculate the reductions caused by a specific conservation project, one has to establish an appropriate baseline in order to ascertain exactly what proportion of the emission reductions is the result of the project. But establishing proper baselines and verification of the added value of REDD activities has proven a tremendous challenge. It is hard to define what would have happened with a

7 http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=455&Itemid=53/ http://www.rightsandresources.org/publication_details.php?publicationID=857

forest in a business-as-usual situation. Determining a proper baseline:

> would either take the form of a reference period in the past or a scenario which could be used as a convincing projection of the future trends of deforestation. Unfortunately, there is little chance that the future resembles the past; robust predictions of future deforestation seem unlikely given the complex interactions of factors commanding the pace of deforestation, especially as most of them lie outside the forest sector. (Karsenty 2008)

Another major problem is that of 'leakage', which is inherent in forest-related carbon projects. Leakage means that the environmental benefits of a project are undermined or even completely negated because the destructive activities are simply moved to another area. Protecting one forest area from logging, for example, makes little sense for the climate and provides few environmental benefits if the logging shifts to a nearby area, or another country.

Here again, the problems with REDD are seriously aggravated if REDD is funded through carbon markets. If non-additional emission reductions from deforestation are used to compensate for real emissions in the North, the net result will be increased emissions and thus aggravated climate change.

The fundamental dilemma with REDD is that deforestation itself is an indicator of bad governance and thus a good reason not to implement REDD. As practically all countries in the world (the US being the only exception) have not only ratified the Convention on Biodiversity but also committed themselves in 2002 to significantly reducing biodiversity loss by 2010, those countries that still have high deforestation rates are obviously not complying with international commitments. That makes REDD a recipe for disaster in countries like PNG, Brazil and Indonesia, in fact, in practically all countries that still, 17 years after the UN Conference on Environment and Development, have not succeeded in reducing deforestation.

Learning from success instead of paying for failure

Luckily, there are countries that have succeeded in reducing or even halting deforestation. These countries are complying with the relevant regulations, and they should be rewarded for doing so through the provision of significant new and additional financial resources. Respecting indigenous land rights and community forest management has proven to be one of the most equitable, effective and efficient policy incentives for forest conservation and forest restoration. While these policies require far less funding than compensation schemes targeted at compensating soy farmers for not burning every hectare of their land, they still require institutional capacity, sound monitoring and enforcement systems and resources to develop socially just, participatory and inclusive forest conservation and restoration policies. Both the Convention on Biodiversity and the Framework Convention on Climate Change that were signed in 1992 oblige all governments to conserve forests and require developed countries to contribute new and additional financial resources to reward developing countries for the incremental costs of providing global environmental benefits through reducing de-

forestation. The fact that the overwhelming majority of developed countries have not complied with these legally binding agreements does not imply that they do not exist anymore. Instead, as pointed out by an increasing number of G-77 countries, the failure to comply with these commitments has created an ecological debt that should be repaid on top of the new and additional resources that were promised 17 years ago.

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