

Deforestation and forest degradation are significant causes of climate change, accounting for nearly 20 percent of greenhouse gas emissions every year. Accelerating deforestation also threatens the world's biodiversity, imperils the 60 million Indigenous people who are entirely dependent upon forests for their physical, cultural and spiritual needs and disadvantages some 1.6 billion people who are heavily reliant on forests and other trees.

A new mechanism to reduce emissions from deforestation and degradation in developing countries (often called REDD) is being negotiated in the United Nations Framework Convention on Climate Change (UNFCCC), and could become a part of the post 2012 agreement to be reached in Copenhagen in 2009. REDD is being promoted as a win-win-win option that will benefit the climate, biodiversity and people. Yet many critical questions remain unanswered, risking the creation of another forest conservation failure: Will REDD help to mitigate climate change and if so, at what costs to people and biodiversity? Or will REDD actually negate efforts that have been made so far? Who will really benefit from REDD funds? And how might trading in forest carbon credits impact REDD-related policies and projects?

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Flying over Iwokrama Reserve, Rupunini, Region 9, Guyana.

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Sustainable timber harvesting operation in Guyana. © Simon Rawles, Friends of the Earth

REDD

critical questions and myths exposed

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myths

myth 1: REDD is intended to stop deforestation

From a climate change point of view, there is a need to stabilize the atmospheric concentration of CO₂ at as low a level as possible. This can partly be achieved by stopping deforestation and forest degradation, which is responsible for some 18% of carbon emissions to the atmosphere - more than all the world's transport.

But REDD itself is not intended to stop deforestation: its aim is only to slow or defer the rate of emissions from deforestation. This is quite different. It means that REDD will allow deforestation to continue with levels potentially increasing in the future. REDD's failure to stop deforestation condones further biodiversity losses and continued impacts on forest-dependent communities.

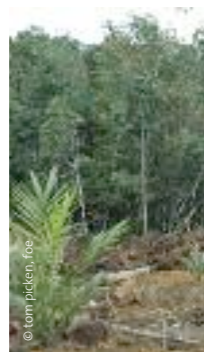
myth 2: a carbon trading REDD mechanism will decrease net global greenhouse gas emissions

If REDD is funded through carbon offsetting it will undermine current and future emissions reductions agreed to by industrialized countries. Allowing countries with carbon-intensive lifestyles to continue consuming inequitably and unsustainably, by permitting them to fund cheaper forest carbon 'offsets' in developing countries, diverts critical resources and attention away from measures to address fossil fuel consumption and the real underlying causes of deforestation.

myth 3: stopping deforestation is too expensive

Calculations concerning the levels of finance that REDD might generate give the impression that completely stopping deforestation would be prohibitively expensive. But this is only the case if those engaged in deforestation are compensated. It would be more useful to focus on the opportunity costs to government revenue streams, jobs and value-added industries. This approach would still provide the necessary positive incentives to governments considering changing their policies with respect to deforestation.

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Left: Land cleared for palm oil plantations in Indonesia. Right: A local guide at Turtle Mountain in the Iwokrama Forest in Guyana.



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myth 4: only carbon markets can generate enough money to fund REDD

Many people assume that REDD is synonymous with carbon trading and offsetting, but this is far from having been agreed. While numerous governments have proposed the use of carbon markets to finance REDD, this needs to be reconsidered. It would create the climate regime's biggest loophole, risking humanity's ability to tackle climate change.

Using carbon markets to finance REDD is not necessary. There are alternative sources of funds that do not rely on voluntary assistance or on carbon trading, such as taxing fossil fuel use and diverting fossil fuel energy subsidies in industrialized countries. These would be true win-win options, since they would also, in themselves, work to reduce greenhouse gas emissions. They would also provide a predictable source of transition funding which carbon markets will not.

myth 5: anyone can participate in REDD projects on an equal footing

Indigenous Peoples and other forest-dependent communities may find it hard to benefit from REDD even if they actively wish to participate in REDD projects. In many countries where customary land rights are not recognized, those without clear land tenure are unlikely to even qualify as participants.

Because projects intended to keep trees standing can also be risky (because of storms or forest fires, for example), project managers can also anticipate having to fund upfront and operational costs, whilst waiting several years to sell forest carbon credits. They might also find themselves saddled with the projects' risks and liabilities. Either way, larger and richer organizations operating to economies of scale can deal with these difficulties much more easily than Indigenous Peoples and local communities, putting them in a better negotiating position from the start. Indigenous Peoples are also likely to have to contend with language barriers and lack of experience in dealing with the technical complexities involved in establishing, monitoring and verifying REDD projects.

critical questions

critical question 1: will REDD protect natural forests?

If based on a definition of forests that includes plantations, as currently planned, REDD will work against efforts to mitigate climate change and achieve climate justice. Plantations are not forests. Large-scale monoculture tree plantations cause serious environmental, social and economic problems, including drastic changes in local and regional hydrological cycles, the deterioration of rivers and streams, air and water pollution due to the use of pesticides and other agrochemicals, and a critical loss of biodiversity. In addition, entire communities may be displaced to make way for plantations.

Plantations also store only 20% of the carbon that intact natural forests do. It thus seems inconceivable that the UNFCCC would sanction any process that allows natural forests to be replaced with plantations. Yet this is exactly what is being proposed. Some countries even support a 'net deforestation' approach, which would allow them to continue logging and cutting forests, whilst conserving forests and/or extending plantations in other areas.

critical question 2: will REDD be an effective way of reducing deforestation?

There is a clear relationship between the destruction of forests and demand for forest and agricultural products. Mining, oil exploitation, road construction and agrofuels are also significant factors. Yet REDD does not currently address reducing demand for timber, agricultural commodities, meat or oil originating mainly in over-consuming industrialized countries. Even more worryingly, it seems there is a real danger that REDD could benefit the commercial loggers and agribusinesses responsible for deforestation, whilst unjustly targeting Indigenous Peoples, local communities and subsistence farmers, and labeling them the primary drivers of deforestation.

Current REDD proposals also fail to address concerns about leakage adequately (the displacement of deforestation and forests degradation to other areas). A project-level approach to REDD could mean that deforestation activities simply shift elsewhere. So, to be effective, a mechanism to stop deforestation would require participation by almost all developing countries with tropical forests, national level accounting of forest loss, and equally effective implementation in all participating countries. Even so, a question still remains about leakage from tropical forests to boreal and temperate forests. Thus REDD might fail, even if the large sums of money being discussed are raised and distributed. Ultimately, the only real solution is to remove the underlying causes of deforestation.

critical question 3: will REDD uphold the polluter pays principle?

REDD is primarily intended to create financial incentives to prompt those currently engaged in deforestation to switch to managing standing forests. REDD as planned seems more likely

to leverage private finance and direct it towards those engaged in logging and industrial agriculture, while ignoring countries and communities that have low deforestation rates. REDD would offer lucrative opportunities to those with money to invest, including carbon finance companies.

critical question 4: will REDD improve forest governance and reduce corruption?

REDD policies are more likely to trigger a rapid expansion in lands set aside for REDD projects. In many countries, governments and others may ignore the customary and territorial rights of Indigenous Peoples, as they seek to protect an increasingly valuable resource from 'outside' interference, violently or otherwise.

Funding reduced deforestation through carbon markets could also lead to a loss of peoples' sovereignty over their natural resources, by allowing the market to decide where those reductions should take place and encouraging foreign investors to buy up land or forest 'services'. This would enable them to dictate how and by who forests can be used. The success of REDD would also be subject to the vagaries of markets and the activities of speculators, and would tend to generate unstable and unpredictable funding.

The large flows of funding that REDD aims to generate are also likely to encourage, rather than discourage, corruption. The complex financial mechanisms envisaged could also help to hide corrupt practices.

critical question 5: will REDD be good for Indigenous Peoples and forest-dependent communities?

Current REDD proposals, especially those that rely on carbon markets, carry new and profound risks for Indigenous Peoples and local communities, and efforts to achieve climate justice. REDD could unleash a devastating wave of further forest loss, land grabbing, corruption, cultural destruction and conflict. Previous experiences, with the Clean Development Mechanism, voluntary carbon offset projects and payments for environmental services schemes indicate that there is little reason for optimism.

Indigenous Peoples and many other local communities depend on free access to forests and other ecosystems for their survival. Forests provide food, water, wood for fuel, medicine and construction materials. They are also at the heart of Indigenous Peoples' cultures, religion and spiritual values. In total, 60 million Indigenous people depend wholly on forests for all their requirements and some 1.6 billion people are heavily reliant on access to forests and other trees to meet their needs. Yet these people may lose access to forest resources as a result of REDD, and risk displacement, violence and lost livelihoods.

conclusions

REDD as it is currently being negotiated is designed to reward those who deforest, not those who already protect their forests. If it permits the replacement of natural tropical forest with plantations and is funded through carbon markets, it will undermine the environmental credibility of the global agreement to reduce greenhouse gas emissions to the atmosphere.

But that does not mean that deforestation should be off the UNFCCC's agenda. Far from it: the current REDD debate should be replaced by UN-wide negotiations focused on stopping unsustainable deforestation and forest degradation once and for all. Governments are already committed to conserving forests under the Climate Change Convention and in other agreements such as the Convention on Biological Diversity.

In addition, it is critical that implementation measures are developed with and take into account the rights and role of Indigenous Peoples, as expressed in the United Nations Declaration on the Rights of Indigenous Peoples. All measures to stop unsustainable deforestation must also respect human rights, especially those of forest-dependent communities at risk of displacement, violence and diminished access to forest resources.

It is particularly important that stopping deforestation is seen as more than just a carbon counting exercise. Renewed efforts to achieve this goal should be founded on the ecosystems approach and climate justice, as well as the rights and role of Indigenous Peoples and local communities. Governments should challenge the underlying causes of deforestation directly, addressing demand-side drivers in importing countries and resolving governance, poverty and land tenure issues in forested countries.

In so far as funding is required to stop deforestation, financing should be invested in national programs and infrastructure that directly support alternative rights-based forms of forest conservation, sustainable management, natural regeneration and ecosystem restoration, such as community-based forest governance. Forest-dependent communities already possess a great deal of the knowledge and experience needed to create more socially just and environmentally-sound alternatives to REDD, and have a successful track record in sustainably governing their forests.

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Left: Deforestation - a leading cause of climate change in the Peruvian Amazon. Right: Logging in Indonesia.

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Funding – from whatever source – should address the needs of developing countries, but should not directly increase the financial value of forests. Benefits to governments could be tied to national commitments to cease commercial deforestation and to restructure logging, pulp and paper and other industries, possibly over a number of years.

It is important to bear in mind that financing is not everything. There are other important and relatively cheap options that could help to prevent deforestation, including direct support to governments dismantling industrial logging operations. A global forest fire-fighting fund and expertise bank to assist countries unable to prevent or stop forest fires would also be a constructive option.

Finding funds to help developing countries match lost tax revenue streams, jobs and value-added industries could provide the necessary positive incentives to governments considering changing their policies with respect to deforestation, but would be additional to the costs associated with tackling the underlying causes of deforestation.

The World Bank, which subsidizes the fossil fuel industry and champions carbon markets, should not be permitted to drive the REDD process forward. Instead, a transparent, accountable and participative fund-based mechanism to stop deforestation should be established within the UN. Funding should be grant-based only. Any loans – concessional or otherwise – would mean that developing countries are pushed into increasing their debt burden because of climate change, a problem for which they are not responsible.

In conclusion, there are many policy-oriented, practical and financial measures that could be taken to stem the tide of unsustainable deforestation and forest degradation – but only if the political will to do so exists. The post-2012 negotiations are a last chance to take action to stop the worst excesses of climate change. Unfortunately many REDD proposals currently on the table are designed to generate profits for polluters, not stop climate change. They must be replaced with a new and real decision to stop deforestation, once and for all.



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