

# New Permits to Pollute: REDD and the Green Economy

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REDD (Reducing Deforestation and Forest Degradation) is one of the most deceptive and risky initiatives proposed to mitigate climate change. REDD creates the illusion that by halting forest destruction and degradation, global emissions of Greenhouse Gases (GHGs) will be reduced. In actuality, however, the offset mechanism in REDD allows high GHG emitters to purchase forest carbon credits and avoid their own ethical responsibilities to cut emissions. REDD is a mechanism not to cut GHGs, but to deliver new permits to pollute. And by tying financing for forest protection with international carbon markets, REDD exposes precious natural resources to the risks of market volatility and instability.

The guiding logic of REDD is that if governments and forest owners in developing countries are paid enough money, they will be inclined to keep their forests high in carbon and prevent deforestation and forest degradation, which are both important sources of carbon dioxide (CO<sub>2</sub>) emissions. However, the payments are not for actually protecting natural forests, but for reducing emissions from deforestation/forest degradation. This is an important difference. A government or forest owner must first show that a forest is indeed being destroyed or degraded, and that this can be stopped in exchange for money that compensates for the earnings from clearing or degrading the forest. As long as an acceptable monetary value and viable exchange mechanism can be properly established, the needs of the North can be matched with the needs of the South. In this way, the forest services of carbon sequestration can be secured by high-level emitters who can pay for these services and avoid cutting emissions themselves.

REDD is a central and currently most visible peg in what the United Nations Environment Programme (UNEP) calls the Green Economy. UNEP's conceptualisation treats nature and the functions and capacities of nature as "natural capital," and claims that appropriate economic values can be estimated for the vital eco-system services that forests, trees, lakes, wetlands and river basins provide by capturing and storing carbon, creating water catchments, ensuring the stability of water cycles, soil fertility, local micro-climates for safe habitats, nurturing and regenerating biodiversity (including fisheries), etc. These values are a fundamental part of a country's "natural capital," and can be packaged and traded in international markets to attract investment and development finance.

Tried and tested economic mechanisms and markets exist, which can be replicated and scaled up, including from certified timber schemes, certification for rainforest products, payments for ecosystem services, benefit-sharing schemes and community-based partnerships. In particular, international and national negotiations of a REDD+ regime may be the best current opportunity to facilitate the transition to a green economy for forestry. [\[1\]](#)

REDD will develop markets to sell the capacity of forests to store CO<sub>2</sub> and other GHGs. This may sound better than selling the timber from forests, but such forest carbon markets will create perverse incentives for both wealthy and developing countries. Governments or forest owners in developing countries will be encouraged to deforest (or to threaten to do so) so that they can receive payments to prevent deforestation. And wealthy countries will be able to continue polluting by purchasing forest carbon credits through REDD.

## **Dangerous Ambiguities**

REDD+ was adopted at the UNFCCC [2] 16<sup>th</sup> Conference of Parties (COP) in Cancun in December 2010. [3] It encourages developing countries to contribute to mitigation actions in the forest sector through any of the following: a) Reducing emissions from deforestation; b) Reducing emissions from forest degradation; c) Conservation of forest carbon stocks; d) Sustainable management of forests, and; e) Enhancement of forest carbon stocks.

In the REDD+ framework, forests are viewed as stores of carbon rather than as complex eco-systems that support wide varieties of life, biological processes and people. Many forest conservation programmes have unfortunate histories of evicting local communities from forest areas once they are zoned as national parks and protected areas. At the same time, logging is permitted in particular forest sections which may be old growth forests, community forests and the ancestral domains of indigenous peoples. The UN definition of forests does not distinguish between natural forests and plantations, leaving the door open for investors and governments to convert natural forests (even if sparse) to tree plantations and still get money under REDD+. But so-called “degraded” forests are often scrublands, woodlots and fallows that are valuable to local communities as sources of food, fibre, fodder, fuel, medicinal plants and non-timber-forest-products important for local diets and incomes.

A particularly contentious issue in REDD is ownership: who owns the forests, and who should be rewarded for protecting and not cutting forests? Governments generally claim ownership and sovereignty over all resources within their territories and strike deals that give them maximum gains, be they through logging, mining, industrial agriculture or REDD agreements. The rights of rural and indigenous peoples communities to make decisions about the management of forests that they have long used and stewarded are rarely recognized by governments or the conservation industry. REDD+ will likely enable new property rights: those who buy REDD credits can own a portion of the capacity of the forest to sequester carbon for a certain period of time. The goal of carbon sequestration is already conflicting with the rights of local people to use forests in Indonesia, Cambodia, Lao PDR, Vietnam and Thailand. Rural and forest based communities are frequently portrayed as the primary threats to forests and rarely awarded fair compensation for lost lands and livelihoods.

Many rural, forest-based and indigenous peoples’ communities fear that REDD will further advance land grabbing and the destruction of native eco-systems by providing incentives to governments and large landholders to apply a “you-pay-or-I-cut” approach to every hectare of forest land that they succeed in wresting from local farmers and communities.

## **Enabling the Commodification of Nature**

*“Essentially REDD+, is an investment focusing on retaining or enhancing natural capital, and provides an opportunity to enable countries to move towards realizing green development. Where*

*conditions are favourable, REDD+ potentially represents an important, possibly even the pre-eminent, strand in a natural capital centric investment strategy.” [4]*

UNEP, UN-REDD [5] and the UNFCCC consider REDD+ as a front-runner in creating a market to generate revenues from the capacities and processes of nature. [6] On 4 December 2011, during Forest Day 5 of the COP 17 of the UNFCCC in Durban, Christiana Figueres, Executive Secretary to the UNFCCC announced that, “... almost 200 governments of the world are doing nothing less than writing a global business plan for the planet” and indicated that REDD was “the spiritual core of this business plan.” [7] A large chunk of this business plan entails identifying elements and processes of nature and biodiversity, and giving them “economic visibility” as commodities to be traded on international markets.

In UN-REDD parlance, a Green Development transition implies expanding the range of nature-biodiversity based commodities that can be used to attract private investment:

*“REDD+ investments can be leveraged to induce other investments that can deliver or realize economic value from these other ecosystem services.... Thus REDD+ would deliver not only direct investments in forests but it would also help to lower thresholds for other investments into ecosystem services and the conservation of biodiversity... REDD+ can deliver biodiversity conservation as an additional benefit for mitigation and development. Investments can be directed at a broad portfolio of forest land-use types, not just protected areas.” [8]*

REDD+ is a trail-blazer in UNEP’s Green Economy, which promotes new ways to extract revenues from nature. Central to the framework are increased roles for private investors and finance capital, international open markets for climate mitigation, tradable pollution permits, international PES (Payments for Ecosystem Services) schemes, removing tariff and non-tariff barriers to trade in environmental goods and services, and further liberalization of agriculture trade under the World Trade Organisation. It creates a new system of natural resource appropriation and commodification whereby eco-systems and biodiversity are valued more in monetary terms than for the varieties of life that they sustain.

## **Why Not Protect Forests and Forest Peoples?**

Over 35 % of the Asia-Pacific region is covered by forests, accounting for approximately a fifth of the world’s forests. At current estimation, about 450 million people in the region rely on forests for their livelihoods which are becoming increasingly insecure. Despite their tremendous social, cultural, economic and environmental value, the region’s forests are being destroyed at an alarming rate—almost 4 million hectares per year—because of land conversions (mainly for industrial agriculture and plantations), timber extraction, mining and infrastructure projects. Although rural, forest-dependent and indigenous peoples’ communities have stewarded forests for generations, they face increasing restrictions on using forestlands and are rarely consulted about official forest management plans. On the contrary, dominant models of forestry that include logging quotas, industrial forestry and national parks to conserve protected areas have tended to weaken local people’s rights and access to forests.

Forest loss and degradation are said to contribute approximately 15-18 percent of global GHG emissions annually [9] and by many estimates, half of this amount comes from deforestation and forest degradation in Asia. [10] A great deal of attention is being paid to bringing forests in Asia-Pacific into mitigation plans, especially to offset emissions in industrialised countries.

REDD+ is being promoted across much of Asia as a “potentially large new source of financing for

sustainable rural development in developing countries tied to securing forest ecosystem services that generate local, regional and global benefits.” [11] Bilateral donors, UN agencies and International Financial Institutions (IFIs) are pouring millions of dollars on national “REDD Readiness” (capacity building) programmes. Investment firms, environmental organisations and governments are teaming up to develop pilot projects to generate revenues through international forest carbon markets (for example in Nepal, Indonesia, Cambodia, Thailand and the Lao PDR).

However, none of these massive outlays of money will cut GHGs emissions, address the drivers of deforestation, protect native eco-systems and ensure security of tenure of local communities to their forests. Instead, land, soils and forests will be economically manipulated to allow investors to profit from the climate and environmental crisis. It is crucial that we protect our forests and the livelihoods of forest dependent communities, but selling forest carbon credits will neither protect forests and community rights, nor cool the planet. In its current structure, REDD is little more than a framework to extract value from forests and create a new financial bubble out of living, breathing, eco-systems.

If forests are to be protected and regenerated, the main drivers of deforestation and degradation must be urgently named and tackled. This is a crucial political step since these drivers include powerful corporations, military and government actors, and wealthy consumers. Forest-based and rural communities eking out subsistence livelihoods are not the primary threats to forests. Destructive commercial interests must be effectively shut out of “solutions” and the demands for the products they source from these lands (minerals, biofuels, animal feeds, rubber, high value timber, etc.) should be drastically reduced. Conversions of forest and agricultural lands to agro-industrial estates and industrial plantations must be stopped. At the same time, the tenurial rights of local communities to lands, forests and eco-systems should be secured and protected, and their abilities to protect and manage these eco-systems should be strengthened and supported. Local communities and all citizens need to become aware of the implications of allowing market mechanisms to determine how natural resources are used and managed.

Forests are not suffering because of lack of money. On the contrary, it is indeed money that leads to deforestation and degradation, and that will—in a cynical twist—provide perverse incentives to threaten forests through REDD (unless it is drastically reformed). The huge amounts of funds available for REDD Readiness could instead be used to support national programmes and infrastructure that directly support and strengthen rights-based forms of forest and ecosystem conservation and restoration, and natural regeneration with local-national support, community forestry and fisheries, local livelihoods and economic foundations, and production, consumption and lifestyles that are genuinely green, in harmony with nature.

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## Footnotes

[1] Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication - A Synthesis for Policy Makers, page 6. UNEP, 2011. [www.unep.org/greeneconomy](http://www.unep.org/greeneconomy)

[2] United Nations Framework Convention on Climate Change.

[3] REDD and REDD+ are used interchangeably in this article and refer to the same concept.

[4] REDD+ and a Green Economy: Opportunities for a mutually supportive relationship. UN-REDD Policy Programme Brief. Issue # 01. Page 2.

[5] United Nations Collaborative initiative on Reducing Emissions from Deforestation and forest Degradation.

[6] See, Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication - A Synthesis for Policy Makers, UNEP, 2011. [www.unep.org/greeneconomy](http://www.unep.org/greeneconomy).

[7] <http://blog.cifor.org/5782/countries-draft-“global-business-plan”-for-planet-at-climate-summit-figueroes-says/>

[8] REDD+ and a Green Economy: Opportunities for a mutually supportive relationship. UN-REDD Policy Programme Brief. Issue # 01. Page 4.

[9] REDD+ and a Green Economy: Opportunities for a mutually supportive relationship. UN-REDD Policy Programme Brief. Issue # 01. Page 1.

[10] Lowering Emissions in Asia's Forests Program .  
[http://www.climatefocus.com/pages/lowering\\_emissions\\_in\\_asias\\_forests\\_program](http://www.climatefocus.com/pages/lowering_emissions_in_asias_forests_program)

[11] National REDD + Strategies in Asia and the Pacific, Progress and Challenges. Page 1. Background Paper, Asian Development Bank, October 2010.