

Reducing deforestation under the Climate Convention: funding forests, plantations or foresters?

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The tune “The money keeps rolling” from the musical “Evita” kept playing in my mind as I witnessed the forest-related wheeling and dealing that took place during the 13th Conference of the Parties to the Framework Convention on Climate Change (UNFCCC) in Bali in December. The song describes how populist governments try to win public support by throwing money at people, instead of introducing responsible policies that will alleviate people’s poverty in a sustainable manner. Governments’ attitudes to proposals on Reducing Emissions from Deforestation in Developing Countries (REDD) showed some clear parallels.

The meeting itself was a meager success, agreeing to a two-year (and very carbon-intensive) negotiating process. However, in a desperate attempt to keep all Parties, including the US, on board, the meeting failed to agree upon a firm basis for future action on mitigating climate change. A proposal to accept a minimum target for developed countries’ emissions reductions, of 25-40 %, as recommended by the Intergovernmental Panel on Climate Change (IPCC), was watered down during the final late-night negotiating sessions. It is now just a microscopic footnote suggesting governments refer to the IPCC’s reports.

Decisions on forests also failed to reconfirm existing legally-binding commitments to reduce deforestation, as laid down in the Convention on Biological Diversity (CBD). Instead, the final decision merely recommends that governments “take note” of these commitments.

Nor do the outcomes address the major outstanding issue of the need for an improved definition of forests. In the absence of such a new definition, any collection of trees, be it native or alien and invasive, standing or “temporarily unstocked”, still counts as a forest under the Kyoto Protocol.

This flawed definition is becoming more problematic than ever, now that the meeting agreed to apply simplified procedures allowing medium-scale “reforestation and afforestation projects” (read: tree plantations) to be financed under the Clean Development Mechanism (CDM).

Governments’ ignorance about the significance of the difference between forests and tree plantations was illustrated by the fact that all over the Bali conference grounds participants were invited to offset the emissions of their long flight by helping to finance the establishment of teak and mahogany plantations on the island. As if the insecticide-soaked conference grounds were not

artificial enough.

DANCING DOLLARS, DWINDLING RIGHTS

More importantly, the Bali outcomes are almost totally devoid of any recognition of human rights or social justice. The rights of Indigenous Peoples, which are enshrined in the recently adopted UN Declaration on the Rights of Indigenous Peoples, are still squarely ignored by the UNFCCC process. The social dimension of forest policy was condensed into one vague reference to addressing the needs of local and indigenous communities in the preamble of the decision. The outcomes also fail to recognize the specific needs and rights of women, in relation to forests and climate change in general.

Yet, despite the virtual absence of any guarantee of sound policies to reduce deforestation and promote forest conservation, the money was very visibly rolling in Bali.

Donor countries demonstrated their commitment to reducing deforestation by throwing millions of dollars into the World Bank's newly launched Forest Carbon Partnership Facility. This was truly remarkable given that the last annual meeting of the World Bank was dominated by the release of a report by the World Bank's own Inspection Panel slamming the World Bank's latest forest scandal: a post-conflict loan to the forestry sector in the Democratic Republic of Congo. The loan was stated to have violated practically every internal standard and guideline the World Bank has, by opening up the Congo Basin to large-scale logging companies that destroyed massive tracks of pristine rainforests and trampled the rights and livelihoods of Indigenous communities.

Less than two months later almost a dozen governments lined up to contribute between 5 and 40 million dollars each to another major World Bank undertaking on forests. This demonstrates, perhaps more clearly than anything else, that Northern countries are more interested in creating a carbon offset market from which they can buy cheap emission reduction credits, than in establishing rights-based, effective and equitable forest conservation mechanisms and policies.

The millions literally danced across the floor of the Grand Ballroom of the Bali Hyatt on 11 December 2008, when the Forest Carbon Partnership Facility of the World Bank was launched, with applause and self-congratulation almost drowning out the shouts of people outside the room, who were calling for the World Bank to stay out of their forests and respect their land rights.

A WIN-WIN-WIN FOR NORTHERN DONORS

The World Bank's Forest Carbon Partnership Facility certainly represents a "win-win-win" option for donor countries. It presents an easy way of pretending to be generous and contributing to tropical forest conservation, without having to bother about responsible funding strategies. If the Facility turns out to be a disaster, the Bank is an easy black sheep to blame.

The Facility also encourages potentially unwilling developing countries to include their forests in the international carbon market after 2012, providing donor countries with access to an abundance of cheap credits that help them avoid painful emission reductions in their own countries.

As an extra bonus, most of the Facility's funds will undoubtedly flow back into the pockets of an eager forestry consultancy sector in these same donor countries. Careful reading of the draft proposal reveals that the majority of funds will go to the kind of activities the booming forest carbon consultants sector is very good at: setting up monitoring and accounting methodologies to estimate

carbon stocks and building countries' capacity to market existing forest conservation projects as "new and additional" (and thus eligible for carbon credits).

This new forest carbon industry clearly showed its face at the first Forest Day conference, organized by the Center for International Forestry Research (CIFOR) in collaboration with other Collaborative Partnership on Forest partners, on December 8.

Despite CIFOR's own attempts to add some Indigenous perspectives and gender balance to the meeting, the day was dominated by hundreds of mainly male and Northern forestry consultants who flocked together to promote what will undoubtedly become a very profitable business for them. After all, it is the forestry consultancy sector that will be called upon to assist developing countries in their efforts to get 'ready' for the carbon market.

The World Bank will undoubtedly ask them to develop monitoring systems and carbon accounting methodologies, and to design and implement the "pilot projects" the World Bank has been proposing. Furthermore, the consultancy overhead in World Bank projects has always been very high. The failed World Bank-administered Global Environmental Facility Sundarbans Biodiversity Conservation project in Bangladesh, for example, wasted no less than 53% of the budget on foreign consultants and an additional 19% on local consultants and consultancy-related travel.

THE HUMAN GUINEA PIGS WHO LOSE-LOSE-LOSE

Meanwhile, the forest peoples who will be the human guinea pigs in this "learning process" will be at the lose-lose-lose end of the scale. Firstly, they will lose their forests, due to land grabbing. This has already started now that (potential) large landholders are realizing they can apply a "pay-or-I-cut" approach to every hectare of forest land they succeed in wresting from Indigenous Peoples and landless farmers.

Payment for environmental services schemes are already having a negative effect on both Indigenous land rights claims and land reform, and large-scale indirect effects will not be resolved with vague promises of prior informed consultation in relation to specific projects. Of course, as UN Permanent Forum on Indigenous Issues chair Vicky Tauli-Corpuz made clear at the World Bank launch, prior informed consent regarding initiatives like the Forest Carbon Partnership Facility itself is entirely different to prior informed consultation on the ground - especially when there is no guarantee that the outcomes of that consultation will be taken seriously. The World Bank's proposed response — a rushed three months of additional consultations with Indigenous communities — provides very little confidence in this respect.

Secondly, most Indigenous Peoples and local communities will not benefit from "pilot projects" to reduce deforestation, as they do not have deforestation rates to reduce as most of them have successfully conserved their forests for centuries. But the Facility and similar REDD (reducing emissions from deforestation and degradation) proposals are clearly directed towards compensating destructive logging, soy and oil palm companies and countries engaged in deforestation. Those same companies and countries that have, for years, been financed by the World Bank and other banks to destroy the forests, will now be compensated for a potential willingness not to do so.

Thirdly, these women and men will lose because they are in the climate change frontline, with little or no protection from the coming impacts. Carbon offsets through avoided or reduced deforestation will compromise the tough but equitable and rights-based climate regime that is so desperately needed to deal with the greatest social and moral challenge the world community has ever dealt with.

BLINDED BY THE EL DORADO OF CARBON OFFSETS

As expected the formal Bali outcomes on REDD do not prejudice the all-important question of whether reducing deforestation will contribute to mitigating climate change, or whether it will in fact undermine the climate change regime by being included in the international carbon trade market.

Per definition, carbon offsets do not reduce emissions (they simply compensate for continued emissions elsewhere). Thus including forest-related activities does not mean that reduced deforestation mechanisms will necessarily lead to reduced emissions.

Despite this simple fact, and the deafening rhetoric about the need for urgent action in Bali, a large number of countries and many conservation groups are still in favor of financing REDD activities through slow and ineffective carbon markets. Obviously the El Dorado of billions of dollars going to their forest conservation activities is too tempting to ignore. Nevertheless, awareness that efficient carbon offset projects are at odds with equity, conservation, people's rights and an effective climate regime does seem to be increasing. And happily, there are alternatives too. One clear alternative being the Norwegian government's announcement that they would donate a generous US\$545 million per year for the period 2008 - 2012, to help developing countries conserve forests. This money will come on top of their emission cuts, not instead of it.

The argument that "there is not enough official aid money" to conserve forests is false. The challenge is not so much in the quantity of forest conservation funding, but in its quality. If dedicated towards constructing the political will to conserve forests through awareness raising, education and building the capacity of civil society groups and Indigenous Peoples' organizations, effective forest conservation policy does not have to be expensive.

Equitable, rights-based and cost-effective forest policies include the recognition of Indigenous and Tribal Peoples' land rights and promoting the hundreds of small-scale, often women-led forest conservation and restoration projects that have already succeeded in saving millions of hectares of forests. Such initiatives also improve forest governance, which is perhaps the greatest challenge of global forest policy in times of agrofuel expansion. Because they are cost effective, however, these projects are far less attractive to the forestry consultancy sector.

One may only hope that governments will be willing to prioritize the interests of forests and forest peoples, instead of foresters and their tree plantations, when they proceed on the road from Bali.

P.S.

* This article was first published in Forest Cover, the newsletter of the Global Forest Coalition, which can be downloaded from www.globalforestcoalition.org. For more information on the UNFCCC and forests, please visit:

<http://unfccc.int> and in particular

http://unfccc.int/files/meetings/cop_13/application/pdf/cp_redd.pdf

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