

Climate change and Forests

Briefing Note

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Briefing Note **Avoiding Deforestation and Degradation:** **02 Walking the tightrope to success**

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Since the meeting of the Conference of Parties to the UN Framework Convention on Climate Change (UNFCCC) in Bali, December 2007, discussions about the importance of including forests in any climate agreement have been moving at an accelerated pace. The pressure to do something is considerable, but whilst any scheme to reduce emissions from deforestation and degradation has the real possibility of leaving forests standing for both the benefit of the people who directly depend on them and the climate, it could also lead to the world's last great land grab, more deforestation and a further reduction of indigenous peoples' rights.

So how do we make sure that this opportunity is captured and turned into a meaningful and effective instrument that saves forests, mitigates climate change and recognises the rights of forest peoples? The answer isn't simple: it must begin by considering the multiple uses of forests. They are not just carbon stores, they are places of great biodiversity, homes, and the source of livelihoods for the very people who have been protecting them for millennia.

Although debates have been far ranging, the only thing that has been decided is that forests should be part of a global climate agreement. This must therefore be the time to ensure that future forest-climate schemes

have a threefold purpose: to safeguard and enforce the rights of indigenous peoples and local communities, to bring an end to great swathes of deforestation and to help address climate change. It must also not be forgotten that any scheme that doesn't start by tackling the drivers of deforestation is doomed to failure.

This briefing outlines recommendations for positive ways forward, while flagging the previous failures that must not be repeated. Due to the speed of discussions and the masses of words already written about the subject, this briefing is purposefully short. A full report showing the background to the recommendations will be available soon at www.fern.org.



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How to ensure multiple successes

It is important to remember that whilst Reduced Emissions from Deforestation and Degradation (REDD) schemes are about reducing emissions, they should also be about avoiding deforestation and degradation entirely. We must be certain that protecting the forests does not lead to increased emissions elsewhere. In order to do so, all REDD schemes in the South must be done in tandem with, not instead of, reduced emissions in the North.

We must not make the mistake of thinking of forests as simply carbon stores. Instead REDD schemes should take advantage of synergies, for example by being fully integrated into the UNFCCC, the Convention on Biological Diversity and possibly the Convention to Combat Desertification. It should be managed by either a UN organisation such as United Nations Development Programme (UNDP) or United Nations Environment Programme (UNEP) or by the European Union (EU), with oversight by civil society organisations, including forest peoples. Lessons should also be learnt from previous failures such as the Tropical Forestry Action Plan (TFAP) of the Food and Agriculture Organisation of the UN (FAO), World Bank and World Resources Initiative.

Schemes must take note of the drivers of deforestation and work to address them. For example, their design should take from the EU Forest Law Enforcement, Governance and Trade (FLEGT) scheme, which has put clarification of national laws and improved governance at the forefront. Communities whose forests are to be included must have their rights clarified and formally recognised in law. No scheme should go ahead without their free, prior and informed consent. Moreover, they should be immediately brought into discussions about the overall mechanism.

In many cases, before multiple millions are invested to keep forests standing, relatively small amounts should be devoted to improving forest governance, reducing corruption and legally delineating and recognising community forest areas. Novel institutional arrangements will need to be established to ensure that benefits are received by both forest-dependent communities and the relevant authorities.

Not all forests are the same, and trees store carbon differently depending on the stage of their life cycle. Consideration must be given to the fact that peat and old growth forests hold by far the most carbon and should therefore be valued higher and protected first. Carbon fluxes on and around the margins of forests will also need

to be very carefully studied, especially where there are rotational farming systems in operation, to ensure that traditional slash-and-burn farmers are not wrongly targeted as 'carbon emitters'.

Finally, REDD money should only be given to governments that have signed and implemented human rights and environmental conventions such as the Convention for the Elimination of All Forms of Racial Discrimination, the Declaration on the Rights of Indigenous Peoples and the Convention on Biological Diversity.

What would lead to a fall

Whilst there is no doubt that so much interest and investment in protecting forests could be a good thing, history has shown that all too often large top-down schemes backed by organisations such as the World Bank end up having the opposite effect to their stated intention. This could easily happen to REDD too, and there is much concern amongst civil society that schemes could lead to more emissions globally, more profits for corrupt governments and business, and increased poverty and reduced rights for forest peoples. One particular concern is that, in the absence of clear tenure rights for forest peoples, the increased 'carbon value' of forests could lead to a land-grab and dispossession of already very poor people.

To ensure this doesn't happen, many pitfalls must be avoided, but the three most important are that carbon trading is not the right funding mechanism, funds should not only be offered to those with a history of deforestation, and it must not be managed by the World Bank.

The World Bank is positioning itself as the best manager of such a fund, and yet it has a very poor record of forest conservation and management. Add to this the clear conflicts of interest between its funding of fossil fuel extraction and road building schemes and its thorny relationship with indigenous peoples, and it is clear the World Bank is not the appropriate body. It is also clear that beneficiary countries and communities should not have to take on debt to finance setting up new infrastructure or systems to facilitate any schemes.

Schemes must not provide perverse incentives to those who have a record of deforestation whilst failing to reward those that have conserved. Those who have consistently protected their forest until now, including local communities and indigenous peoples, must be included in schemes, or destruction of intact forests will be increased.



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Carbon trading is not working to reduce global emissions of greenhouse gases, and so it would be a mistake to try to fund REDD through this mechanism. We believe a forest climate agreement should not be included in any trading mechanism linked to (the successor of) the Kyoto Protocol. Some of the reasons include:

- Carbon trading does not encourage a reduction in carbon use. By giving the illusion that pollution can be offset, it encourages industrial emitters to use business as usual approaches to dealing with climate change.
- Measuring the climatic effects of programmes to conserve carbon in forests is scientifically impossible. Current proposals and cost estimates typically exclude the real costs of making the attempt, even those as important as analysing remote-sensing and satellite images.
- Speculation lies behind the dash to carbon. A survey of energy traders by Energy Risk magazine revealed that while few believe that the market would do anything to tackle global warming, 40 per cent felt it could lead to financial gain. Even economists like Alan Greenspan see the flaws in carbon trading, and businessman George Soros has described it as “not effective.”
- Flooding the present carbon market with forest carbon credits would make it even less effective than it is already, especially if, as is presently suggested, credits from REDD schemes are priced lower than those presently available.

Conclusion

REDD money offers clear opportunities, but without attention to the factors outlined throughout this briefing, funds are likely to fall into the hands of large, commercial interests and national governments, rather than the many hard-to-reach individuals and communities who are best placed to keep forests standing.

It will be a difficult task to ensure that the scheme works for everyone, but care taken now will lead to massive future benefits. After all, the stakes couldn't be higher - much of life on earth depends on forests, one in six people rely on forest resources for their livelihood, and without forests more than 300 million indigenous peoples would lose their cultural existence.

We must acknowledge that one-size-fits-all, top-down approaches have not worked to conserve forests in the past and are unlikely to work in the future. Schemes must take into account the local underlying causes of deforestation, not just aim for conservation while failing to give the owners and users of forests their rights to develop enterprises and trade. Schemes that have failed to take into account the needs of forest dependent communities have driven the problem elsewhere whilst increasing poverty and conflicts.

The way forward then is to ensure that REDD schemes are not brought within the EU Emissions Trading Scheme (ETS), nor integrated into any trading mechanisms linked to the (new) Kyoto protocol. A fund-based mechanism should be considered instead. This could be used to support the initial work that needs to be done to secure forests and tackle the underlying causes of deforestation, as have been outlined above. Schemes should learn from the past, and existing processes such as FLEGT-Voluntary Partnership Agreements (VPAs) to improve forest governance and the recognition of forest peoples rights.

More detailed information about what REDD schemes should look like and how they should be funded will soon be available at www.fern.org

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