Effective policies to reduce emissions from deforestation in developing countries (REDD) must address leakage and incorporate social impact criteria

A submission to the Secretariat of the UN Framework Convention on Climate Change

20 March 2008

Introduction

The UN Framework Convention on Climate Change's '*Draft Decision on reducing emissions from deforestation in developing countries'* requests its Subsidiary Body on Scientific and Technological Advice (SBSTA) to undertake a program of work on methodological issues related to a range of related policy approaches and positive incentives; and invites Parties to submit their views on outstanding issues, including, at the national and sub-national level, the implications of *"displacement of emissions, options for assessing the effectiveness of actions…and criteria for evaluating actions."*[1]

In light of the Global Forest Coalition's status as an observer organization permitted to make submissions on any agenda items where submissions have been requested from Parties,[2] we wish to make a submission that relates to two specific, connected and critical methodological concerns. The first is that of the displacement of emissions, or leakage; and the second concerns the use of social impact criteria for assessing the effectiveness of and evaluating REDD-related actions.

Leakage

Any methodologies employed to calculate greenhouse gas emission reductions from reducing deforestation should take into account all direct and indirect forms of leakage. They should address the underlying causes of forest loss and the macro-effects of forest policies themselves. If these macro-effects are not addressed, any policies and incentive schemes targeting specific forest areas will inevitably lead to leakage.

However, the term 'leakage' is quite inappropriate, in that it implies a small-scale impact: the macro-effects of forest policies can actually trigger deforestation in other areas on a larger scale than that avoided in the specific, protected areas. Schemes to halt logging in one area will inevitably promote logging in other areas, unless overall timber consumption and logging and pulp processing capacities are diminished.

The expansion of large-scale, agro-industrial monocultures for food, fiber and energy production, is an important cause of deforestation, both directly and indirectly. Schemes that provide positive incentives for the expansion of eucalypt, oil palm and soy monocultures, tend to promote the expansion of forms of land use that provide very little labor per hectare of land. Eucalypt plantations, for example, provide up to 800 times less employment per hectare than traditional forms of family agriculture. In fact, these forms of land use replace many small farms. Subsequently, many of these small farmers move to new, unexploited areas beyond the agricultural frontier. Thus these schemes can, indirectly, trigger a rapid expansion of the

[1] Reducing emissions from deforestation in developing countries: approaches to stimulate action, Draft conclusions proposed by the Chair, 12 December 2007, FCCC/SBSTA/2007/L.23/Add.1/Rev.1

[2] Can NGOs provide submissions?, http://unfccc.int/files/parties_and_observers/ngo/application/pdf/20060328_can_ngos_provide_submissions.pdf

agricultural frontier into forests and other natural ecosystems. REDD should not include any positive incentives that promote such plantations.

The rapidly rising demand for biofuels is already becoming a major cause of deforestation in regions like South East Asia, and is expected to become a major cause of deforestation and rural depopulation in many other regions as well. Standards that simply guarantee that the crop concerned has not been produced on recently deforested land ignore these macro-effects. Most existing certification initiatives (with the exception of FSC) even allow genetically modified crops, with unknown environmental and social consequences. The use of genetically modified trees could have devastating impacts on natural forests, due to the high risk of genetic contamination. The impacts of such macro-effects on greenhouse emissions are very hard to estimate.

Another example of leakage is that caused by payments for environmental services (PES) schemes. These schemes tend to create a perverse 'right to deforest' for landholders, the macro-effect of which tends to be that a country risks losing most of its forests unless it is able to pay compensation for every square meter of existing forest. The Brazilian government has calculated that a modest payment for environmental services scheme, similar to that implemented by the government of Costa Rica, would cost them US$5 billion per year if applied to just a third of the Amazon. If applied to the entire Amazon, the Atlantic forests and all its other forest ecosystems, the Brazilian government would have to spend at least US$20 billion per year on payments for environmental services, to guarantee halting its forest loss.

Evaluating and using social impact criteria, especially in relation to impacts on women and Indigenous Peoples

If standing forests increase in value because of the application of positive incentives under REDD, they may be declared 'off limits' to the communities that live in them or depend on them for their livelihoods, with serious social impacts, including displacement, conflict and violence, especially for women and Indigenous Peoples, We are already detecting a negative impact on Indigenous Peoples' land claims in countries like Paraguay and Indonesia, as governments prepare to participate in REDD.

In addition, payment for environmental services schemes and other market-based conservation mechanisms tend to further marginalize women, Indigenous Peoples and other social groups that already have a marginal position in the market economy. These groups are strongly dependent on access to the goods and functions of forests and other ecosystems for their livelihoods, but they often lack the money to pay for environmental 'services'. These groups also have less marketing skills and formal land titles to compete in such a market. Furthermore, women and Indigenous Peoples are the least likely to profit from the destruction of forests, and may thus be the least likely to receive any kind of compensation.

It is therefore essential to assess the potential negative social impacts of all proposed actions under REDD, with a particular focus on local communities and indigenous peoples; and on women. Key criteria should include (but not be limited to): (1) the impact of proposed actions on outstanding land and tenure questions; (2) whether or not the proposed actions will be based on the free and prior informed consent of affected communities; and (3) whether the proposed policies create strong social incentives that translate into numerous innovative community-based forest governance schemes.

Environmental and social criteria should be developed and implemented in collaboration with Indigenous peoples themselves, who have extensive expertise in sustainable forest management. Indeed, Indigenous Peoples' forest management has been shown to be one of the most equitable, effective and economically sustainable means of halting deforestation. As the International Forum of Indigenous Peoples on Climate Change (IFIPCC) says, *"Indigenous knowledge systems have the capacity to use local phenomena to predict and identify changes in the environment and this is the basis of our request that our experts be included in the assessments of climate change in much the same manner as was done with*

the Millennium Ecosystem Assessment that has already fed into this Convention."[3] Such an indigenous perspective could and should be contributed through an Expert Group on Climate Change and Indigenous Peoples.

Conclusion

Almost everyone now agrees that urgent action is needed to limit runaway climate change. This means that approaches to mitigating climate change, including through reducing emissions from deforestation and degradation in developing countries, must be both effective and the best possible options, in both the short- and long-term. If leakage issues are not addressed comprehensively, this will not be the case.

Furthermore, it is critical to include social impact criteria when evaluating policy approaches and positive incentives related to REDD, to avoid the development of counterproductive policies, which contribute to climate change and/or disadvantage the very communities and peoples that best understand how to and have an absolute interest in protecting and preserving the world's forests.

The Global Forest Coalition is a worldwide coalition of NGOs and Indigenous Peoples Organizations involved in international forest policy. The mission of the Global Forest Coalition is to reduce poverty amongst, and avoid impoverishment of, indigenous peoples and other forest-dependent peoples by advocating the rights of these peoples as a basis for forest policy and addressing the direct and underlying causes of deforestation and forest degradation. For more information please visit http://www.wrm.org.uy/GFC or contact Simone Lovera, Bruselas 2273, Asunción, Paraguay, tel/fax: 595-21-663654, simonelovera@yahoo.com

[3] Statement of the International Forum of Indigenous Peoples on Climate Change at the High Level Segment of the 13th Conference of the Parties to the Framework Convention on Climate Change and the 3rdCOP/MOP December 14, 2007