

## REDD+: A Scheme Rotten at the Core

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It has become difficult to get a clear idea of what is really happening with REDD+, the biggest international policy on forests. It has already shown to be a **big failure for the climate, the forests and forest peoples** (1), but many international funding agencies and governments continue to support and promote REDD+. The next round of the UN climate negotiations in November 2019 will discuss REDD+ yet again. This article takes a look at the continued failure of REDD+ to halt deforestation and fundamental flaws of the main international REDD+ initiatives.

### ***The World Bank and REDD+: Facilitating more Deforestation***

Let's first take a look at the World Bank's Forest Carbon Partnership Facility (FCPF), which was launched in December 2007 as a pilot initiative to help "jump-start" the carbon market for REDD+. (2)

Nearly twelve years after its launch, a perhaps predictable pattern soon became apparent: Big announcements on demanding social and environmental 'safeguards,' 'benefit sharing plans' or 'participatory' processes were sooner or later followed by a weakening of these very rules and promises. Yet, those announcements enabled **the Facility to present itself as a 'trend-setter' and satisfy donor requests while ensuring that enough REDD+ country programmes moved ahead** - even if they had not met the requirements for such a progression. (3) The result: 19 countries have been admitted into the Carbon Fund – the Facility's final phase which enables participating countries to receive payments based on 'results' of avoiding deforestation. What this means, in a nutshell, is that **under 'results-based' payments, the government receiving the money can count the allegedly avoided emission in its own country's national carbon accounting system**. If the payment had been for REDD+ *credits* that the Carbon Fund can sell or that members of the Carbon Fund can use to claim that their emissions are not damaging the climate, the government receiving the money would not be able to claim the reduced emissions from REDD+ in its own national carbon accounting system – because the Carbon Fund would already be claiming the reductions.

Before payments can be made, the World Bank needs to sign a contract with the country participant from the global South. So far, the World Bank has signed three: with the governments of the Democratic Republic of Congo (DRC), Mozambique and Ghana. Under these contracts (called 'Emission Reduction Purchase Agreement' - ERPA), **the World Bank will pay US 5 dollars for every tonne of carbon dioxide a government can show to have avoided through keeping deforestation in the country below an agreed limit.**

***But that scenario may be about to change...***

With the Forest Carbon Partnership Facility due to close in December 2025, and because the

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purchase agreements are supposed to cover at least five years, all contracts need to be finalized by the end of December 2019. (4) Whether this will be possible without **another round of weakening rules and donors turning a blind eye** to shortcuts taken in order to meet the deadline, remains to be seen.

Furthermore, **the FCPF's Carbon Fund has already submitted an application to be recognized as a registered trader of REDD credits** –i.e. carbon offsets that can be sold and bought- **to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)**. (5) CORSIA will allow airlines to increase the number of international flights while claiming that this does not damage the climate because the carbon credits they purchase will compensate for a portion of their projected emissions.

If the Forest Carbon Partnership Facility is accepted as a supplier of carbon credits to international airlines through CORSIA, the World Bank's Facility is no longer just a 'results-based' REDD+ payment mechanism – it will be a REDD+ carbon *credit* trading mechanism. Because when airlines buy a REDD+ *credit*, they buy the right to claim that a portion of the emissions from their flights has been compensated. **Much more stringent monitoring and use restrictions imposed on peasant farming communities are likely to be the consequence.**

Existing drafts point to a repeat of the established pattern whereby REDD+ initiatives **blame deforestation on peasant farming and restrict shifting cultivation and other traditional forest use practises** – while large-scale destruction driven by corporations continues unabated. In this case, the consequences for forest peoples and peasant farmers will be no different than they are under private sector REDD+ projects – just on a bigger scale (see also WRM Bulletin [231](#)). These REDD+ projects have above all brought conflicts, contradictions and lies to communities living in and with the forest. (6)

### **What about other major REDD+ pilot initiatives?**

Besides the Forest Carbon Partnership Facility, the Amazon Fund, REDD Early Movers and the Green Climate Fund's REDD+ pilot programme are among the most prominent initiatives that have set out to promote REDD+, either as a carbon trading or as a 'results-based' payment mechanism (although the only real difference between the two is how the REDD+ unit is used). Have these other initiatives fared any better in terms of tackling deforestation or supporting forest peoples' stewardship of forests?

The governments of **Norway and Germany have been committed to pay over one billion dollars into the Amazon Fund**, managed by the Brazilian National Development Bank (BNDES). Norway is by far the largest contributor, with its commitment to pay over one billion dollars into the Amazon Fund if deforestation in the Brazilian Amazon stays below agreed levels. In August 2019, Norway announced that it would be suspending additional payments to the Amazon Fund due to disputes with Brazil's far-right government of Jair Bolsonaro over how the money already committed to the Fund can be spent. Additional payments would have been unlikely anyways since payments are made only after 'results' can be shown that Amazon deforestation is kept below an agreed limit. Under the current government of the extreme right however, the deforestation rate is likely to increase well above the limit. And **failure to produce results means: no payments**.

The government of Germany runs another 'results-based' REDD+ payment programme in Brazil, with the state governments of Acre and Mato Grosso. (7) The **REDD Early Movers programme** is already in its second phase in Acre, where the government received US 25 million dollars between

2012 and 2017 as 'results-based' payments. 'Results' during phase I were easy to obtain for the Acre government, because the limit or reference level had been calculated on the basis of a ten-year average that included the peak deforestation years in the early 2000s. No action was needed to reduce deforestation. In fact, **deforestation could still increase significantly and the government of Acre was still eligible for 'results-based' payments**. The reference level has been lowered for phase II. With a 300 per cent increase in deforestation across the state of Acre in comparison to the previous year, the 2018 /2019 performance in Acre is also likely to be: **no payments**. And as a result, also no funding for government initiatives and programmes that have become entirely dependent on REDD+ payments.

In Mato Grosso, the programme provides payments if (emissions from) deforestation stay below an agreed limit that is the average deforestation in the years 2004-2015. This limit is also very lax because it includes the peak deforestation years. Little is known about how much REDD Early Movers money the German government has disbursed there to date. What is known, however, is that the government of **Mato Grosso used part of the money to purchase satellite images from a private company even though the Brazilian National Institute for Space Research, INPE, is running a widely-recognized satellite-based deforestation monitoring programme called PRODES**. The purchase of private satellite images is even more problematic considering current politics in Brazil. In reaction to the news about the massive increase in deforestation in the Brazilian Amazon since his government took over, far-right president Bolsonaro has been questioning the INPE figures and proposed to replace the bearer of the bad news with the very private service from which the government of Mato Grosso – with German government funds – is buying satellite images.

**The Green Climate Fund's US 500 million dollars 'results-based' REDD+ payment pilot programme** is currently undergoing an evaluation. It has so far approved two funding requests for supposedly 'results-based' REDD+ payments. Both requests were submitted by the UN Development Programme (UNDP) - one on behalf of the government of Brazil and one on behalf of the government of Ecuador. **The Brazilian request for US 96.5 million dollars was approved in February 2019, amidst much criticism and just a month after the Bolsonaro government had taken power**. Key requirements for approval of the Brazilian government's payment request, such as participation of civil society in the body to decide how funds would be used or a commitment to continue implementation of measures to tackle deforestation, seem to no longer be met, and funds may in the end not be (fully) disbursed. The request from the government of Ecuador was approved in July 2019, with the Green Climate Fund Board accepting forest carbon data with an average of more than 30 per cent uncertainty. **Much of the payment to the government of Ecuador may thus be for 'results' based on data uncertainties rather than actual emissions prevented from release into the atmosphere**.

Finally, in September 2019, **the California Air Resources Board (CARB) approved its Tropical Forest Standard**. Initially, the Air Resources Board had set out to adopt a decision that would allow international REDD+ credits to be used by companies in California who are part of the state's emissions trading scheme. When opposition turned out to be harder to overcome than perhaps anticipated, the Air Resources Board introduced another loop to keep the discussion going: Instead of a decision to approve or reject use of international REDD+ credits in the California carbon trading system, it presented a draft 'Tropical Forest Standard'. The Air Resources Board is keen to underline that "The TFS [Tropical Forest Standard] is not proposing, nor would it result in any new offset credits being eligible for use in the California Cap-and-Trade Program ... and any such future connection would require a future rulemaking proceeding and a separate Board vote." (8) That, however, raises the question of why a California state institution would spend so much energy and resources into designing a standard it does then not intend to use? (9)

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Of course all these confusing details about a REDD+ credits versus a 'results-based' payments and who can count how many emission reductions are a **smokescreen that hides at least three reasons for why the REDD+ experiment must be ended urgently:**

- (1) 12 years of REDD+ have been unable to halt or even significantly reduce deforestation.
- (2) REDD+ has been effective as a distraction that turns attention away from the real causes of deforestation and climate change.
- (3) REDD+ projects and programmes have led to more forests and territories of forest-dependant communities being subjected to control and monitoring of a community's land use by outsiders. As offsets, they have also allowed polluting industries to continue or even expand the corporate operations that ruin forests and the climate.

### ***REDD+ as a success? If you ask fossil fuel companies...***

The REDD+ public relations (PR) machine has been in overdrive ever since the scheme was given international visibility through its adoption into the UN climate negotiations. Each delay and failure to demonstrate progress was PR-ed away – not enough time, the circumstances aren't right, too many critics, too little research, too little money, etc.

For all these excuses, a credible example or two can probably be found. But **technical points to 'improve' REDD+ miss the reality that REDD+ is rotten at the core: REDD+ was set up as a carbon trading mechanism**, and renaming it 'results-based' payment, jurisdictional REDD+ or calling it any other name has not improved its underlying assumptions.

No amount of public relations spin will change that. It explains why Norway's and Germany's REDD+ pilot 'performance-based' programmes in Brazil are no longer making payments: **once the fake 'results' manufactured by inflating the limits were gone and genuine action to tackle large-scale corporate deforestation would have been needed to produce 'results', the 'results' vanished.**

At the same time, international media attention has turned to the Amazon where the month of August saw fires burning on a much larger scale than in recent years, releasing massive amounts of carbon dioxide into the atmosphere. Meanwhile, the 96.5 million dollars that the Brazilian government was awarded for 'results-based' REDD+ payment from the Green Climate Fund in February 2019 is less than 1/300<sup>th</sup> of the 31.9 billion dollars that governments and banks in Brazil spent on supporting the soy and cattle industry in 2017 alone. That was before the government of Bolsonaro assumed power.

No matter how well-oiled the REDD+ public relations machine may be: *Nature will not be fooled*. Faith that REDD+ 'problems' can be fixed has shown to be misplaced by evidence accumulated over the past 12 years. REDD+ proponents must cut their losses and put **an end to all REDD+-type schemes**, the international forest policy debacle that has stalled meaningful action on tackling deforestation and supporting communities that live in and with the forest.

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- (1) WRM (2014): [REDD. A Collection of Conflicts, Contradictions and Lies.](#)
- (2) WRM Bulletin 111, "[The World Bank: A major broker of carbon purchases](#)", October 2006
- (3) [An open letter by the Rainforest Foundation UK and others](#) provides several examples of this pattern of the Forest Carbon Partnership Facility making big announcements, only to weaken the rules and requirements at a later stage.

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(4) [Documents and Decisions from the 20<sup>th</sup> meeting of the World Bank Forest Carbon Partnership Facility Carbon Fund meeting](#) on 8-11 June 2019 in Washington, DC

(5) [The Forest Carbon Partnership Facility application to CORSIA](#)

For more information on how international aviation is damaging the climate and why its CORSIA plan will fuel, not prevent climate chaos, see the REDD-Monitor post '[Nature cannot be fooled](#)'

(6) WRM (2014): [REDD. A Collection of Conflicts, Contradictions and Lies.](#)

(7) Germany has also signed REDD Early Movers contracts with the governments of Colombia and Ecuador.

(8) California Air Resources Board Responses to Comments on the Draft Environmental Analysis Prepared for the Endorsement of the California Tropical Forestry Standard. November 9, 2018, 2-26.

(9) Larry Lohmann, [Carbon Confidential. A California Crime Paper](#). The Corner House, 2019