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## Deforestation in the Amazon, and the REDD+ Money that Keeps Coming to Brazil

*The tens of millions of euros that the government of Acre received from the German government for its REDD+ program failed to stop deforestation. Despite this fact—and without having any positive “outcomes” to show when it comes to the climate or deforestation—several Brazilian states continue to receive funds from the German government.*

Deforestation of the Brazilian Amazon is on the rise, and more markedly so since Jair Bolsonaro took office in 2019. The state of Acre is no exception. The tens of millions of euros that the state government received from the German government for its REDD+ program did not manage to stop deforestation. What is more worrisome is that even without positive climate “results,” and with the current increase in the deforestation rate, several Brazilian states continue to receive funds from the German government. The Brazilian federal government recently managed to receive REDD+ funds—almost US \$100 million from the Green Climate Fund—in spite of all the destruction that the government itself encourages. The question then is, what is the current role of REDD+?

With its “jurisdictional REDD+” program, the state of Acre has always been considered a model of success by the World Bank, WRI, Forest Trends, WWF, TNC and other institutions. Since 2010, these institutions have been promoting the REDD+ program as a successful model for reducing deforestation (1). Additionally, the state of Acre would be prepared to sell carbon credits to whomever is interested in buying them, for example to polluting industries from California (2). However, after complaints from community leaders in the territories, more and more evidence emerged that this “success” was nothing more than an illusion. Perhaps the most unfortunate evidence came to light in August 2019, when the increase in deforestation in Acre was one of the highest in the Brazilian Amazon, as compared to other states in the region (3).

One of the main arguments that REDD+ promoters constantly use to explain why the mechanism was not yielding the expected results, is insufficient funds and even the low price of a ton of carbon (4). But between 2012 and 2016, the German government transferred 25 million euros (almost 30 million dollars) to the government of Acre through the **REM “REDD+ Early Movers” program**, administered by the **German public bank, KfW**. In 2017, a new contract was signed for an additional 10 million euros (almost 12 million dollars) for the subsequent three years. And the government of Acre also received other resources, including from the Amazon Fund (5). Therefore, the fact that deforestation has increased, and thus REDD+ efforts have not succeeded, has not been due to a lack of money invested in the REDD+ program in Acre—especially considering that it is one of the smallest states in the Brazilian Amazon, with just 790,000 inhabitants.

An initial and striking incongruity is the Acre government’s calculations, upon which payments from the German government were based. To justify the disbursements made between 2012 and 2016, deforestation could not increase beyond a certain level. In order to determine this level, the government of Acre used the average deforestation rate from the period of 2001-2010. This includes

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the years 2002 to 2004, when there was a significant peak in deforestation in Acre and throughout Brazil (6). So the question is, was it a stroke of luck for the Acre government that the years 2002-2004 were included in its calculations, to arrive at a relatively high baseline for average deforestation?

No. That selection was carefully thought out by government technicians. It is shameful that donors have been complicit in this deforestation data game, which unfortunately enables the Acre government to receive funds for “avoided” emissions from deforestation that only exist on paper. In fact, deforestation could even increase, and the government of Acre could still receive funds. In this way, REDD+ has become a self-contradicting mechanism: it says one thing while doing another. Equally shameful is the fact that, by playing this game, everyone involved is choosing to ignore the much more complex dynamics of the deforestation process and its causes.

In a reflection of this kind, it is always good to remember that in the last 20 years, the most significant drop in deforestation levels in Brazil took place between 2004 and 2009—before REDD+ projects, programs and policies began to emerge in Acre and across the country. The decrease in deforestation during those years was mostly due to effective investment in the entities responsible for controlling deforestation, and to integrated actions to combat it. Similarly, the fact that deforestation began to increase again in 2014 is directly related to the gradual dismantling of the State’s capacity to combat it—especially in the current era of President Bolsonaro.

***If REDD+ funds in Acre were not used to combat deforestation in a structural way, what were they used for?*** The fact is that, to date, there is not enough transparency to be able to say precisely how that money was spent. What we know is that part of it was invested in the state government structure, for example to assemble institutions, to carry out consultancies and other contract work around policies related to “climate change,” and to monitor deforestation. At the same time, the German government required most of the funds (70%) to be turned over to the local population. In its project report, the KfW claims that farmers and indigenous people “benefited.” But in the Chico Mendes extractive reserve in Acre, for example, the program did not help people live with or obtain their livelihood from the forests (7). On the contrary, restrictive measures were imposed on *seringueiros* (rubber tappers); meanwhile, the projects that were supposed to generate alternative livelihoods failed. With respect to the Indigenous Peoples of Acre, despite written promises, KfW money was never utilized for the urgently needed titling of indigenous lands that still have not been demarcated. Meanwhile, large-scale livestock, agribusiness and logging industry activities, which threaten Indigenous Peoples’ territories and forests, managed to proceed.

Even with the rise in deforestation, the current Acre state government reported in September 2019 that **its REDD+ partnership with the German government would continue** (8). This is in spite of the state government’s clear commitment to the advancement of agribusiness, which in turn is strongly related to the proliferation of forest fires that plagued the state and part of the Amazon in 2019 (9). There is no news of funds transfers from the German government to the Acre government through the KfW in 2020. The only news found came from the Acre government itself, which announced in April that it was releasing a total of R\$2.2 million (almost US \$400,000) in the framework of the project with the German government, through the KfW (10).

Mato Grosso, another Brazilian state that signed a contract with the German government in 2017, received funds in a normal fashion from the German government through KfW in 2019 (11). This is another example of how an inflated deforestation baseline can enable payments to continue, despite deforestation actually increasing. This is the case even now, with the situation of calamity, emergency and agony in the Mato Grosso marshland biome—caused by the forest fires that have

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already destroyed 100,000 hectares in 2020 (12). In the midst of the deforestation crisis plaguing the country, it is quite disturbing that the German government continues to sign new REDD+ agreements for “results”-based payments in Brazil, like in the states of Pará and Amazonas (13).

The German government’s vision of REDD+, applied via KfW in Acre, is similar to and reinforced by the vision of Juan Chang, deputy director of the **Green Climate Fund (GCF)**. According to Chang, “if we look at REDD+ as a transition in which you’re providing sustainable livelihoods as opposed to unsustainable activities, then there is a point where you do not depend on the payments that REDD+ provides to sustain your livelihoods and keep the forest. That should be the end goal” (14). In other words, Chang reinforces the view that the populations who inhabit and depend on forests are responsible for deforestation; and therefore, they should be the target of REDD+. Meanwhile, the destructive action of loggers, land grabbers, miners and agribusiness—all implicated in large-scale deforestation—continues to be ignored. Indeed, the central element of the project that Brazil presented to the GCF, which was approved in 2019, is the “Floresta+” program—which is focused on small farmers, Indigenous Peoples and traditional communities. Jair Bolsonaro’s government received US \$96 million from the GCF for this purpose, which was justified by the alleged “result” of reduced deforestation in 2014 and 2015—another example of convenient and expert manipulation of the data.

### ***What is the Current Role of REDD+?***

In the logic of “results”-based payments used by the **World Bank, KfW and the GCF**, the REDD+ mechanism has become even more disconnected from the alarming reality of growing deforestation in the Amazon and its true causes. But just as it has done from day one, REDD+ continues to threaten forest-dependent populations, blaming them for deforestation and restricting their access to the lands and forests on which they depend.

It is incredible that the **German government** continues to provide payments to Brazilian state governments for “results.” Maybe it is because it needs to spend funds that were already earmarked for this purpose. Meanwhile, the **GCF** is being harshly criticized internationally for approving REDD+ “results”-based projects in countries where deforestation is on the rise, and where governments in power are encouraging deforestation (15). For Brazilian state and federal governments benefiting from the German government and the GCF funds, this is also instrumental to create a smokescreen in the midst of the real destruction taking place, as well as to silence critics and to create the outward impression that something is being done.

Faced with complaints about their involvement in deforestation (16), executives of **large national meat and soy agribusiness companies, as well as other multinational companies**, published an open letter in July 2020, ostensibly to demonstrate their concern about forest destruction (17). It is well known that, from the beginning, the national and international business community has supported President Jair Bolsonaro—who is extreme right-wing and neo-fascist. This support is based on his commitment to an ultra-liberal economic agenda that facilitates and increases business and profits for companies that invest in Brazil, promising to open up indigenous lands to the private sector and end environmental regulations.

The business executives who have signed onto the letter—several of whom head up companies with a long history of environmental and social crimes—say they are concerned about “the impact on business caused by the current negative perception of Brazil’s image abroad, as it relates to socio-environmental problems in the Amazon.” However they are not calling for an end to deforestation, but rather an end to “illegal deforestation;” since that their activities and plans for expansion entail even more deforestation. This is why they insist on REDD+: an offset mechanism that creates a

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carbon market where polluting companies can offset their carbon emissions by protecting a forest somewhere else. This is why the executives' letter calls for the "valuation (...) of biodiversity," and the "adoption of carbon credit trading mechanisms," to offer a so-called "reduced carbon" economy—in order to "strategically plan the sustainable future of Brazil" where "there are no conflicts between producing and preserving."

Nonetheless, the main controversy is precisely that by suggesting the REDD+ mechanism, executives are proposing nothing to stop the current capitalist economy, which is destructive by definition. On the contrary, they want to use REDD+ to justify their expansion. Furthermore, to build this "reduced carbon" economy, businesses need more minerals and metals, more land for agrofuels, more infrastructure, more tree plantations for biomass. All of this will lead to companies causing even greater deforestation. And to legitimize their actions, they are obviously thinking about so-called "offset" mechanisms, such as REDD+. The current trend described in this article suggests that REDD+ will lead to even more restrictions and problems for forest communities chosen to "offset" or "sequester" carbon.

On July 10, 2020, the Brazilian federal government—which is also on the defensive when it comes to deforestation—met with the executives who drafted the letter (18). The Brazilian government appears to have taken note of their message regarding the need to invest in offset mechanisms. One of the most recent measures taken by the Ministry of the Environment is its own restructuring: it will transform the Secretary of Forests into the Secretary of the Amazon and **Environmental Services**, with "the mission of promoting the market for fees for environmental services," and with one of these "services" being carbon. As Minister of the Environment Ricardo Salles said in the last UN climate conference, held in Madrid in December 2019, "[It is necessary to make] payments for environmental services viable, and ultimately, to bring money into Brazil—but in proportions that the country needs and deserves, not in small token amounts" (19). Indeed, REDD+ and destructive capital gains—which goes together with bad governance,— appear to be two sides of the same coin. They go hand in hand.

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