The Legacy of the Community Carbon Project in Nhambita, Mozambique: Nostalgia, Disillusionment and Indignation

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A Mechanism Rotten at the Core

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The UK company Envirotrade began a REDD+ project in 2003 that involved communities in the buffer zone of the Gorongosa National Park in nothern Mozambique. The project sold carbon credits on the voluntary market. Envirotrade recruited hundreds of villagers to plant trees. Families that received payments during only seven years, were obliged to take care of the trees for many more years. In 2018, the company abandoned the region, leaving behind unfulfilled obligations, debts to villagers and hundreds of perplexed families.

In 2003, the now defunct British company Envirotrade began a REDD+ project among the communities surrounding and within the buffer zone of the Gorongosa National Park in Sofala province, central Mozambique. With the so-called 'Sofala community carbon project', it was claimed that there would be the development of sustainable land use and of activities to achieve rural development in the region. (2) This being a for-profit endeavor, the carbon captured through agroforestry, forest conservation and avoided deforestation was sold on the voluntary carbon market. Envirotrade also recruited hundreds of members of families living in the region of Pungwe, of which Nhambita is a part, as 'producers'. They were tasked with planting various tree species on the basis of a contract establishing payments over seven years, although producers' responsibility to protect and take care of the trees extended beyond that period.

Beyond these agro-forestry activities, the project included the establishment of a local sawmill and carpentry shop that would use local materials in a sustainable fashion, and also the creation of a nursery for fruit-bearing plants and other species. The nursery aimed to support the agro-forestry activities and employed mostly women. Therefore, as well as the producers, the company had contractual ties with carpenters, nursery workers, extension workers and agents who patrolled the forest to prevent deforestation and <u>fires</u>.

Fifteen years later, in 2018, the project ended and left behind unfulfilled duties and hundreds of perplexed families. According to former producers, the company abandoned the region without saying goodbye to the communities and owing payments for tree planting and care services.

"Envirotrade did not leave on good terms. Envirotrade owes payments to many people. Firstly, it owes the producers three years' worth of planting. Secondly, it owes the nursery workers who produced the saplings, also for three years they didn't make the payments. Thirdly, they owe the men who protected the areas, who made the firebreaks, also three years [worth of debts]. Fourthly, they owe the people who belonged to the individual [forest] areas for the carbon, also three years. Lastly, they owe compensation to the workers." (3)

According to the former carbon management company Envirotrade, which refutes the above statements, the business shut down due to the fall in the price of carbon on the global market and the consequent financial unfeasibility, since the revenue from carbon was what sustained the project financially (4). Furthermore, the company considers itself the victim of an 'anti-REDD+ campaign' that supposedly discredited many years of Envirotrade's work.

The question of whether the project actually resulted in the development of the region divides opinions in Nhambita. However, some former producers and Envirotrade technicians lament the ending of the project, mainly because of the loss of the monetary benefits they used to receive on a yearly basis.

Effects, legacy, outlook and strategies

There is doubt among the community of Nhambita as to the possibility or not of the project being taken up again by Envirotrade 'or other interested parties'. (5) Between uncertainty and expectation, some producers on the one hand continue to preserve the trees planted, though not needing to look after them, while on the other opening up new areas for agriculture. While Envirotrade was in the region producers were contractually forbidden from opening up new areas for other activities, including agriculture, since Envirotrade was interested in the largest possible amount of vegetation and biome in order to permit a greater capacity to capture carbon.

Visits paid to households in Nhambita revealed an abundance of fruit-bearing trees, especially mango and cashew trees, planted within the project's scope. Some of the producers visited signed multiple contracts, adopting different systems (bordadura, consorciação, quintal). This was possible mainly for those with greater availability of land.

One of the concerns raised by the producers interviewed was not knowing what to actually do with the trees. This raises a pertinent question about producers' degree of knowledge about the objectives and specificities of the project.

According to one producer,

"We just kept the plants (...) there is an area [where] they were cutting trees down out of nervousness, because they weren't being paid, in the farms as well, they were cutting trees down. I asked why they were cutting, they said [because they were] forbidden for many years and then didn't get paid. The farms are full of plants and they [say] we are going to cut them down." (6)

Beyond the asymmetry in terms of information between the company and producers, the fact that the narrative about better living conditions for the communities as a result of environmental projects was not borne out is also noteworthy. It was found that the company created a significant level of economic dependence within communities, resulting in a rupture in income and subsistence levels right after the company abandoned the region. Strategies to promote sovereignty and independence were not created – on the contrary.

Food sovereignty

One of the most notable criticisms leveled at the Nhambita carbon project by researchers and activists relates to the potential risk it represented to the region's food safety, (7) since the producers

contracted (a few hundred of them) would tend to neglect food crop production in order to devote themselves to tree planting and care.

In fact, this was the perception of a local primary school teacher after observing the dynamics of implementation of the project over the course of some 10 years. She found that with the project, the community of Nhambita displayed a particularity vis-à-vis other communities where she taught. The peasants there dedicated fewer work hours to their farms to be able to invest their time in the agro-forestry activities. "[The peasants] got a little lost because they were more involved with the company and food production had become priority number 2". Although the income from tree planting helped make up their subsistence, "by leaving aside food production, they ended up losing out," she said.

The evidence suggests that the peasants joined the project simply because they would receive monetary payments. Although one cannot minimize the value to the community of the trees planted – for example, supplying shade and fruit, (8) as well as protection from strong winds and cyclones –, within a broader perspective the trees do not seem to be of much use to producers. While some opt to open up new spaces, others cut down some of the trees planted (though on a small scale), which indicates that the project will end up producing the opposite effect from the one desired by its proponents, namely, Envirotrade, its funders and the carbon buyers. Certainly, what determined the acceptability of the project in the community was the structural lack of rural employment in Mozambique.

Obviously, in the absence of a specific study, it would be premature to assess the changes that occurred in Nhambita with regard to reduced local food production and diet. The phenomenon that seems to emerge with the ending of the project is a process of 're-agrarianization' demonstrated by the return to agricultural practice as households' main activity.

Perceptions of the impact

As referenced previously, there are divergent opinions about the economic impacts of the project on the community. In the opinion of the 'nostalgics', the project allowed people under contract to acquire certain materials and consumer goods, like cement bricks and zinc roofing to improve their homes, and certain electrical appliances (radios, solar panels etc), although few homes were built using non-local materials, as observed by our research team.

Among the more skeptical voices, the Nhambita community chief (régulo) stands out, for whom Envirotrade simply 'exploited people'. This community leader refused to become a producer for Envirotrade because he considered the amounts offered insufficient in relation to the effort required to keep the trees alive and healthy, and that the contractual terms benefitted only Envirotrade. With his family, this leader decided to continue placing his bets on food production. Several other families opted not to get involved with the project.

The experience of some women is different from the other producers involved with the project. A female producer reported in an interview that she was hired to work at the Envirotrade nursery, from 6am to 4pm. She would work on her farm before and after these hours, not to mention the household's social reproduction activities. When asked about this workload and the low wages received, she stated that it had been necessary for her survival and particularly for the health and education of her children. After the company's abandonment, women like her – who were still owed money – lost their source of income from the nursery, lost their source of income from the trees planted and had to resort to their farms for their subsistence.

And what about the carbon?

Despite this divergence of opinions, there is a shared suspicion among several members of the Nhambita community: 'Will carbon continue to be captured by the trees they planted and looked after? Will Envirotrade continue to sell carbon credits even after it stopped remunerating them?'

As mentioned earlier, the model used in the Nhambita carbon project was to pay producers for seven years after planting. The company says such payments were advances, since producers undertook to look after and protect the trees over much longer periods, of up to 100 years. (9)

In the case of REDD+, it would not be illogical to think that Envirotrade continues to sell the carbon even if in the eyes of the peasants of the region the project seems to be abandoned. This suspicion was rebutted by the former carbon manager at Envirotrade (10), who said the project had ended completely.

What instigates this suspicion is the fact that the peasants received a team that sought to check the forest inventory in 2019, after Envirotrade had abandoned the region. There are questions over whether the trees continue to serve their initial purpose (carbon capture) without the producers receiving the due financial benefits – not to mention the unpaid debts.

The traps of solutions to the climate crisis from above

Nhambita and other environmental projects to capture carbon demonstrate the fragilities and contradictions of what the authors of this article consider climate action from above. Although the narrative of the proponents of the project presented it as promoting sustainable land use and protecting local biodiversity on the one hand, and permitting rural development through the payment for environmental services to the peasants contracted on the other, the project failed in the following aspects:

a) Environmentalist condescension

Besides the fact that this project was designed from the top down, its proponents disregarded the opinions, knowledge, experiences and true interests of the beneficiaries. Although the peasants were informed of the project's environmental impacts and benefits, the producers had no knowledge of the project's economic objectives. For example, they had no knowledge that carbon is a tradable good that would be sold on the international market, to whom it would be sold and for how much, what it was for etc. In other words, one found a considerable asymmetry of information about the real economic aims of the project: carbon capture and sale of its credits on the international market. Equally, producers were unaware that such carbon credits end up being used to accommodate polluting activities in other parts of the world.

The fact that the project was designed with no consideration given to producers' aspirations and priorities meant that when the company made its exit, producers experienced a sudden drop in their income. After all, they had invested work and land in the project to obtain the economic benefits from the trees instead of concentrating their efforts on the activities that provide long-term benefits without any economic dependence on the company.

Despite the fact that the forest inventory mentioned certain benefits, **producers currently find** themselves with the areas taken over by fruit-bearing trees and other species with little economic usefulness. The fruit end up rotting due to the lack of a market and of processing **units.** The current scenario in Nhambita is the result of policies unadjusted to local realities and priorities, and that accommodate external economic interests.

b) The failure of REDD+ and of the carbon market

REDD+ projects that succeeded in their objective to halt deforestation are unknown, but many have succeeded in their objective to <u>offset</u> polluting activities. Some studies have already presented evidence that this kind of project, beyond adverse social effects, is not effective in reaching environmental goals, i.e., they question the efficacy of such policies in mitigating and combating climate change. (11) However, one needs to reflect upon and question the grounding of policies like REDD+ for depending on international market stimuli in order to materialize. For example, one of the causes of Envirotrade's failure in Mozambique, as referred to above, was the drop in the price of carbon on the international market. Without the sale of carbon credits, the project became unviable financially, which reveals a dependence on the international market's price variability and stimuli.

Over the last 5 years, the price of carbon credits, as in the case of this type of REDD+ project, varied from US\$5 to US\$36 per ton. (12) This variability represents risk for the implementation and sustainability of REDD+ projects that depend on the sale of carbon credits. Beyond the economic risk, this factor represents social risks, inasmuch as a low carbon price may mean fewer benefits for the households affected by the project, or even the failure of the project as happened with Envirotrade in Mozambique. However, there is also a risk to this scheme related to the exchange rate between the US Dollar and the Metical (local currency). The higher the value of the Dollar versus the Metical, greater revenues in local currency and more resources for social projects will be available. However, the opposite represents a risk. Therefore, beyond the dependence on the price of carbon, the success of these programs also depends on the volatility of the exchange rate. In other words, the subsistence of the producers involved will depend on dynamics of the international and currency markets, and will be subject to the risks that such a scheme involves.

Therefore, the way in which REDD+ was conceived displays not just social risks, like the intensification of rural poverty, but also promotes a scheme that continues debilitating the environment inasmuch as it permits polluters to carry on polluting. Differently put, the market logic within which REDD+ operates makes its economic component be dominant over environmental and social objectives.

c) Need to build climate justice

The implementation of REDD+ in Mozambique, in particular the case of Nhambita, reveals how climate injustice materializes. Historically, Mozambique is among the countries with the smallest environmental footprints in the world. However, the country has become the host of multiple carbon capture projects, with high social costs, to allow major emitters like China and the USA, as well as transnational corporations, to continue producing and industrializing. Further to operating in sectors such as mineral extraction (coal, ores, gas), plantations (eucalyptus, pine, rubber) and large-scale industrial agriculture, negatively affecting thousands of peasants, these companies also benefit from carbon markets. This strategy serves to clean up the image of these companies that self-classify as 'carbon neutral'.

Projects to provide solutions to the climate crisis from above may seem attractive to the peasantry owing to their promises of money and better living conditions. However, this model has not been sustainable, as shown by the experience of Nhambita. Beyond the adverse effects of these policies, Mozambique has been impacted by extreme weather events with devastating effects. This means that countries that contributed the least to the environmental crisis are the ones that suffer the most from its impacts, as well as being the ones that host the 'false solutions' to climate change.

It is in this context that one must stress the need to deepen the notion and concept of climate justice, with a view to the adoption of policies and solutions for the environmental crisis that are economically sustainable and socially just, and that take into account the historical environmental footprint and the different priorities of countries with different levels of industrialization and economic development. In other words, the conception and design of policies of mitigation and adaptation to climate change must not be oblivious to the guiding principles of climate justice.

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Photos: Elton Júlio/Puzzle Pictures

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(2) Sofala Community Carbon Project (formerly the N'hambita Community Carbon Project)

(3) Interview, former Envirotrade local technician.

(4) Para além do gás e carvão: créditos de carbono na corrida extractivista aos recursos naturais em Moçambique

(5) Interview 1, former producer.

(6) Interview 2, former Envirotrade technician and producer.

(7) Mozambique : Carbon Trading and REDD+: farmers 'grow' carbon for the benefit of polluters

(8) Some peasants interviewed associated the fact that Nhambita and neighboring communities suffered less than others from the effects of Tropical Cyclone IDAI, which devastated Sofala province in March 2019, with the existence of many trees in the region.

(9) FERN, <u>Carbon Discredited. Why the EU should steer clear of forest carbon offsets</u>

(10) It is a fact that neither this project nor Envirotrade appear in virtual portals where carbon credits are sold.

(11) <u>Recent academic review describes REDD readiness in Indonesia as a "failure"</u>

(12) IHS Markit Global Carbon Index

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