Dangerous for Communities and the Climate: Nature-Based "Solutions" in Gabon

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A Mechanism Rotten at the Core

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At the UN climate conference in 2021, the government of Gabon presented itself as champion in the fight against climate breakdown. Would fossil fuel extraction in Gabon come to an end? No. The rhetoric amounted to greenwash. At its core are a deal signed in 2019 with the fossil fuel producer Norway and the Grande Mayumba project. Communities fear the carbon offset project will bring more hardship for families who have seen artisanal fishing along the coast heavily restricted while reeling from uncompensated destruction of their crops by elephants pushed into closer contact by industrial logging and oil palm plantations.

In the months leading up to the November 2021 UN climate summit in Glasgow, Scotland, UK media reports highlighted the importance of forests, and forests in Gabon in particular, for the climate. (1) They support the claim that to help protect the climate, countries like Gabon must be paid to maintain their forests, and the carbon stored in them. (2) The UK-based NGO Chatham House even ran an hour-long podcast (3) where Gabon's minister of forests, oceans and climate change, Lee White, laid out this argument.

The sudden UK media interest in forests in Gabon has a lot to do with carbon emissions. Industrialized country governments, companies and big conservation NGOs claim that forests can compensate for the (climate) damage caused when underground carbon stores are destroyed to extract coal, oil and gas. How? By protecting forests that were allegedly at risk of being destroyed. Preventing this allegedly planned destruction keeps carbon in the forest – and out of the atmosphere (see article in this publication All Carbon the Same? Fossil Carbon, Violence and Power). This line of argument is popular with corporations because it allows them to continue profiting from fossil fuels as long as they pay some project that claims to protect forests at risk, plant extra trees or restore damaged peat lands. This dangerous idea that destruction of underground carbon stores can be compensated by claiming above-ground carbon stored in forests has been promoted under the name of REDD - or more recently, 'Nature-Based Solutions' (see the article <u>REDD</u>: <u>Not Just a Failure</u> on this same publication for detail). (4)

Two examples from Gabon demonstrate why Nature-Based 'Solutions' will lead to more climate chaos because they don't help end the extraction of coal, oil and gas. Like REDD over the past 15 years, those so-called solutions will also expose communities to more conflict and violence and do nothing to reduce emissions from industrial logging or agribusiness.

The Norway-Gabon Agreement: payment for reduced deforestation while deforestation rises

In a deal signed in September 2019, the government of Norway commits to pay USD 150 million to the government of Gabon if the latter can show that it has reduced deforestation below an agreed level. (5) The argument is that avoiding deforestation means that a certain amount of carbon dioxide is not released into the atmosphere because trees that were allegedly about to be cut will remain standing - and avoiding these emissions helps reduce emissions in the atmosphere.

The benefits of such a deal for the government of Norway are obvious: for a small payment (small in comparison to the profits made from destroying underground carbon stores off the Norwegian coast), the government of Norway can present itself to the world as a champion in the fight against climate change. Meanwhile, the same Norwegian government that is urging people in Gabon to protect their above-ground forest carbon stores, because they are important for climate protection, continues to destroy its underground carbon stores to extract oil and gas, and profit even more from the sale of these fossil fuels. (6)

The deal was also welcomed by Gabon's minister of forests, oceans and climate change. (7) The major oil producing nation could use the deal to divert attention away from the climate damage caused by drilling for oil and gas offshore and, instead, claim leadership on Nature-Based Solutions and protection of carbon stored in forests in Gabon instead. The deal even allowed the government of Norway to pay out the first USD 17 million in June 2021 (8), even though deforestation in Gabon – a country where 60% of roads are logging roads and 44% of its forests are handed over to companies as timber concessions (9) - has been rising.

It's worth noting that such perversities are not an exception when it comes to payments for allegedly reduced forest emissions (REDD). (10) Regularly, countries and corporations most responsible for causing climate breakdown are paying others who claim to have reduced emissions from deforestation even though deforestation in a country or inside a REDD project is rising; (11) or payments are made for claims that deforestation of forests at risk of destruction has been avoided even though there is no plausible indication that the risk of deforestation existed. The consequence: the companies and countries most responsible for climate breakdown can claim that their trade agreements, products and services, are somehow "carbon neutral" and produce "<u>net-zero</u>" emissions – and continue profiting from the fossil fuel burning and deforestation that is still associated with them.

For Lee White, the USD 150 million deal with Norway is just the beginning. In the October 2021 Chatham House podcast, White tells listeners that "every year, Gabon absorbs about 100 million tonnes of carbon dioxide, net. So, we're offsetting all of our emissions. We're not aiming for carbon neutrality, we are carbon neutral. We are even much better than that. We're absorbing about a quarter to a third of the UK's annual emissions into our rainforests." (12)

It isn't far from this line of argument to the claim by industrialized countries and corporations that they do not need to stop burning coal, oil and gas at home to claim 'carbon neutrality'; instead, they can just pay, say Gabon, to protect the carbon stored in their forests. That, the argument goes, is just as good as halting the destruction of the remaining underground carbon stores; no need for industrialized countries and corporations to stop burning them as fossil fuels.

Obviously, <u>offsetting</u> isn't just as good as putting an end to destroying underground carbon deposits. In fact, offsetting means communities whose land is destroyed by coal mines and oil fields will continue to be exposed to violence and toxic pollution that are inextricably linked with fossil fuel extraction. Offsetting also means that the communities whose neighbourhood is impacted by refineries continue to be exposed to devastating health impacts. And offsetting means more land at the offsetting end of the equation is being controlled to serve the interests of corporations – as carbon stores, in this case – while peasant families and forest peoples are told to stop cultivating food in the forest.

The Grande Mayumba project: A threat to community livelihoods disguised as a 'Nature-Based Solution'

In September 2021, the government of Gabon presented a proposal that will enable companies to profit from <u>carbon offset</u> projects based on the same argument as the deal between the governments of Norway and Gabon: if the project demonstrates that forests were allegedly at risk of being destroyed, and that these forests are protected by the project, it can sell the carbon saved through this forest protection to companies that want to continue burning fossil fuel and at the same time claim that the climate damage from this fossil fuel burning has been compensated. (13) One such project already exists in Gabon's southwestern province of Nyanga: the Grande Mayumba project.

The Grande Mayumba project dates back to 2011, when the government of Gabon and a company then called SFM Africa Ltd. (14) set up the Grande Mayumba Development Company (GMDC) as a public-private partnership. The government of Gabon owns 34 per cent of the company, while 66 per cent are in the hands of SFM Africa Ltd., today known as African Conservation Development Group (ACDG). (15)

Image

Communities in Nyanga province, Gabon, call for the suspension of the Grande Mayumba NBS project. November 2021.

Like other companies set up by South African businessman Alan Bernstein, SFM Africa Ltd. and African Conservation Development Group are registered in countries often referred to as fiscal havens. These are countries which are popular with tax dodgers, among others because companies registered there pay very low taxes and have to reveal very little information about their businesses and owners. In 1999, Bernstein registered his company SFM International Ltd. in Bermuda. The African Conservation Development Group, which he set up later, is registered in Mauritius. According to the investigative webportal Ojo Público, SFM International Ltd. was part of a web of companies involved in selling carbon credits and tax avoidance in connection with a reforestation project in Ucayali province in Peru. (16) In 2011, SFM International Ltd. declared bankruptcy.

Key documents about the project are kept secret

Very little substantive documentation is publically available about the Grande Mayumba Development Company or the Grande Mayumba project. In fact, the only substantive public document is a contract signed on 20 October 2011 between the Grande Mayumba Development Company and its whollyowned logging subsidiary Nyanga Forestry Operations. That contract refers to another contract which was signed on 20 April 2011 and which created the Grande Mayumba Development Company. However, this contract about the Grande Mayumba Development Company does not seem to have been made public.

Community members and representatives of civil society organisations who came together in the town of Mayumba in September and November 2021, were alarmed about the secrecy surrounding the Grande Mayumba project. A 5 March 2021 press release by the African Conservation Development Group (ACDG) claims that "the project has been carefully designed through an extensive consultation process over a number of years". (17) By contrast, community members present at the meetings said they were not aware of any consultation, and certainly none that had presented the project in its full dimension. They said they had never seen a detailed map of the concession area, were unaware who is behind ACDG or that the Grande Mayumba Development Company is a private-public partnership with the state of Gabon as shareholder. They were also unaware that Nyanga Forestry Operations (NFO), the company they knew only as an unreliable logging company, is in fact a subsidiary of the Grande Mayumba Development Company. Like any other logging company, NFO has a legal obligation to negotiate and pay a financial contribution to communities affected by its operations. Article 251 of the Forest Code of Gabon requires that a logging company agree such a contribution as part of the negotiation of cahiers de charge (18) with communities affected by its operations. NFO has yet to honour this legal obligation. Meanwhile, community representatives wondered how much money NFO has already paid over the past ten years to the Grande Mayumba Development Company for the timber it has extracted from the logging concession on their ancestral land (remember that NFO is a subsidiary of the Grande Mayumba Development Company). (19)

Luxury Lodges

In a 2019 interview, Alan Bernstein mentions plans for a luxury lodge complex in Loango National Park, to the North of the Grande Mayumba project concessions. (20) In its 12 January 2021 press release, the ACDG states that in Loango National Park a "lodge is being developed by The African

Conservation Development Group (ACDG) under concession from the National Agency of National Parks (Agence Nationale des Parcs Nationaux, ANPN)." (21) A report on the tourism industry in Gabon also notes that "in February 2013 the ANPN signed a conservation tourism concession agreement in the form of a PPP [private-public partnership] with Sustainable Forestry Management (SFM) Safari Gabon, a subsidiary of Mauritius-based landscape conservation and development firm SFM Africa. The agreement will see the creation of a circuit of luxury, sustainable safari lodges, starting with two lodges in Loanga and Pongara national parks that will aim to attract 2000 visitors a year." (22)

Loango and Pongara National Parks are located well outside the vast Grande Mayumba project concession area. A 2 March 2021 article linking the lodge construction to the Gabonese government's investment fund FGIS and its subsidiary Luxury Green Resorts does not mention ACDG or the Grande Mayumba project. (23) But the comment from Alan Bernstein in the 2019 interview mentions lodges in Loango National Park. How exactly the construction of the luxury lodge at Loango Park is linked to the Grande Mayumba project, and whether SFM Safari Gabon is part of the Grande Mayumba Development Company or is carrying out business activities in Gabon as a separate entity owned by Alan Bernstein, remains unclear.

Big announcements, no money?

The now defunct SFM Africa website described the Grande Mayumba Development Company as a partnership "to consolidate and develop a forest land area of 631,100 ha and a marine area of 260,900 ha on the basis of an ecologically sound and economically optimal long-term land management plan (Grande Mayumba Sustainable Development Plan)."

Representatives from communities inside the Grande Mayumba concession area and civil society organisations who came together in September and November 2021, were surprised to find out that **the Grande Mayumba project apparently consists of six separate, large concession contracts covering an area equivalent to 3 percent of Gabon's land mass**. They were unaware that the land within this large concession area would be dedicated to "five primary business components – forestry, agribusiness, fisheries, ecotourism and infrastructure development" (24) and that a substantial portion of the logging concession would be turned into a 'conservation forest', possibly a new <u>Protected Area</u>.

In media reports, interviews and blog posts, Alan Bernstein mentions many business activities in connection with his companies and the Grande Mayumba project. This, too, was news to community representatives. The activities mentioned by Bernstein range from a sugar cane plantation project he expects to produce 250,000 tonnes of sugar per year, a new (25) wood processing mill at Mangali (a village near the Mayumba town), a chain of luxury ecotourism lodges, construction of port facilities at Mayumba lagoon, and the setting up of an oyster farm to support artisanal fishing.

The logging carried out by Nyanga Forestry Operations apart, community members have not been informed about any of the planned activities; they do not know when they will start or how they will affect their lives and livelihoods. People are particularly concerned about the fisheries and conservation activities mentioned in the sparse information that exists about the Grande Mayumba project.

The livelihoods of artisanal fisherfolk in Mayumba are already being put in jeopardy in recent months by the extension of the Mayumba National Park, a marine protected area. They now have to fish 10 km away from the shore. This makes their fishing impossible – and dangerous because most

artisanal fishermen go out in small boats, many without outboard motor. Meanwhile, commercial fishing fleets that have recently been granted a government license can be seen from ashore, operating day and night, seemingly undisturbed. The restrictions imposed by the Marine Park administration on artisanal fishing affect food sovereignty in the town of Mayumba and beyond. "You can't even buy any fish anymore here in Mayumba," people remarked, explaining that Mayumba had always been the place to go to for anyone who was looking for fresh fish in southern Gabon.

Whether Bernstein's plans will ever materialize, is hard to say. He has been speaking about most of these activities in the present tense for a decade. Yet, only the luxury lodge construction in Loango National Park and the logging by NFO are already underway, with some preliminary activities said to be taking place at the location of the sugar cane plantation site.

One reason for the slow start of most activities seems to be that African Conservation Development Group, and SFM Africa / SFM Gabon before it, have yet to find the money to put their grand plans into practise. In a July 2021 article, their "director of debt capital" explains that the company hopes to raise up to USD300 million from selling bonds (private investors lend money to the company and receive regular interest payments while the company is using their capital). (26) A portion of these bonds would be linked to carbon credits that the company hopes to generate from the Grande Mayumba project. Some 10 years ago, SFM Africa co-founder Kevin Leo-Smith already wrote that the company was about to launch a 'green bond' to kick-start the Grande Mayumba project. It remains to be seen whether their fundraising plans will materialise this time.

Implausible deforestation story calls emission reduction claim into question

In their story of what would have happened to the forests without the Grande Mayumba project, ACDG writes on its website that 52 per cent (225 million tonnes CO2) of the carbon stored in the forest would be lost over the next 25 years. With their Grande Mayumba project, they claim that instead of 52 per cent, only 5 percent of the carbon in the forest inside their concession will be released into the atmosphere over 25 years. The difference between the 52 per cent of forest carbon they say would have been destroyed without the Grande Mayumba project and the 5 per cent with their project is the amount of carbon the project claims to save: emissions worth around 200 million tonnes CO2. (27) That means 200 million carbon credits the company hopes to sell to companies or countries like Norway that want to continue to profit from fossil fuel burning **and** claim to not harm the climate.

The numbers in the paragraph raise many questions to which the ACDG website fails to provide answers. Fact is that for ten of the 25 years taken as reference in the calculations, the Grande Mayumba Development Company subsidiary NFO has been logging inside the Grande Mayumba project concession. And the calculations on the ACDG website put deforestation inside the Grande Mayumba concession at 2,000% above the average annual deforestation of about 0.1 per cent in Gabon. No further information is provided as to why this should be a plausible assumption.

It is also implausible that the forests which the Grande Mayumba project intends to set aside as "conservation forest" would have been logged. (28) A report on the expansion of <u>Protected Areas</u> in Gabon shows that a large portion of these forests is growing in terrain unsuitable for logging: "SFM recognises that much of the proposed area is prohibitively steep for logging, particularly along the border with Congo and the mountain ridges to the east." (29) The report suggests that this portion of the concession could be a candidate for a future Protected Area expansion.

Assuming that 52 per cent of the carbon is stored in the forests in these mountain ridges and border

areas with the Republic of Congo seems highly implausible, if not ludicrous. The climate will be worse off if carbon credits generated by the Grande Mayumba project ever come to market.

There are also worlds between the realities peasant communities and artisanal fisherfolk are facing in the Mayumba region today and the project which Alan Bernstein describes as being "in the vanguard of placing a value on ecosystem services" and "working to uplift communities." (30) The communities' experience with conservation is far from uplifting. It is one of conflict and uncompensated destruction of their crops by elephants pushed into closer contact with communities because oil palm plantations and commercial logging operations encroach on the forest. Communities are particularly concerned about the proposed "conservation forest". They fear that they will be prohibited from using the forest they have protected for generations once it is declared a Protected Area.

The concern is unsurprising considering that the country's Minister Lee White claims that "artificially, much of rural Gabon is empty. So, we were able to create these National Parks with almost nobody in them." (31) Lee White is wrong on both counts. Even though communities were forced under French colonial rule to abandon their villages and move to the roadsides, to make collecting taxes easier, they have maintained the ties to their ancestral land and villages continue to exist in places that have been declared National Parks. This would also be the case in the forest that the Grande Mayumba project has identified as "conservation forest".

On 5 November 2021, communities of the department of Basse-Banio and the municipality of Mayumba which would be impacted by the Grande Mayumba project, released a declaration titled "NO to the Grande Mayumba project". The communities work for the survival of their neighborhoods and villages and fight against social, environmental and climatic inequalities, called for the suspension of the Grande Mayumba project. (32)

Muyissi Environnement (Gabon) and WRM

 See, for example, Sky News, 13 October 2021. <u>Gabon: 'Very difficult' to protect Great Congo</u> <u>Basin unless country rewarded for conservation efforts, minister warns;</u> Financial Times, 20 July 2021. <u>Africa's green superpower: why Gabon wants markets to help tackle climate change</u>.
See footnote (1)

(3) Chatham House Podcast (2021): Episode 7. Climate Change in Africa with Minister Lee White.

(4) WRM, <u>REDD: A Collection of Conflicts, Contradictions and Lies</u>.

(5) Gabon signs US\$150 million REDD deal with Norway. Shhh... Don't mention corruption.

(6) For more information, see <u>"Payment for non-performance": Norway pays Gabon US\$17 million</u> for increasing deforestation.

(7) <u>"Payment for non-performance": Norway pays Gabon US\$17 million for increasing deforestation</u>.

(8) NICFI, Gabon receives first payment for reducing CO2 emissions under historic CAFI agreement

(9) Olivier Hymas (2015). <u>L'Okoumé, fils du manioc: Post?logging in remote rural forest areas of</u> <u>Gabon and its long?term impacts on development and the environment</u>.

(10) Ben Elgin (2020). <u>These Trees Are Not What They Seem. How the Nature Conservancy, the</u> <u>world's biggest environmental group, became a dealer of meaningless carbon offsets</u>. Bloomberg Green.

(11) The <u>website REDD-Monitor</u> lists many examples.

(12) lbd (3), minute 39ff.

- (13) Journal Officiel de la Republique Gabonaise. 16 September 2021. Dossier 777.
- (14) SFM Africa management team
- (15) <u>AIHITDATA, Grande Mayumba</u>.

(16) Ojo Público, 05 November 2017. <u>Carbon Credits: The multimillion dollar offshore scheme in the</u> <u>Peruvian Amazon</u>.

(17) Grande Mayumba Development Company Signe un Accord de Convention Portuaire Avec l'OPRAG.

(18) Cahiers de charge can be seen as a recognition of communities' customary rights to land by states in the region that have maintained the colonial claim that all land belongs to the state. Cahiers de charge are agreements that list financial obligations of the company towards a community whose customary land falls inside the company consession.

(19) Article 6 of the 20 October 2011 contract obliges NFO to pay, among others, a fee of FCFA 5,000 per cubic meter Okomué wood of the quality equal to or higher than CS and FCFA 5,000 per cubic meter cut for other species, where the wood is equal to or higher than B quality.

(20) Gorillas, Forest Elephants Lure SFM Investment in Gabon's Forest.

(21) Afrinca Conservation Development Group. Construction of ACDG's First Lodge in Gabon Under Way.

(22) Oxford Business Group. A more sustainable approach: Development and promotion with an eye on the longer term.

(23) Le Fonds gabonais d'investissements stratégiques veut valoriser le potentiel de l'écotourisme.

(24) SFM Africa, Gabon.

(25) The now defunct SFM Africa website already stated, in the present tense, that "trees harvested in the GMDC concession area are processed locally in the GMDC sawmill." No such mill existed at the time of writing.

(26) Financial Times, 20 July 2021. <u>Africa's green superpower: why Gabon wants markets to help</u> tackle climate change.

(27) Afrinca Conservation Development Group

(28) "The Grande Mayumba Sustainable Development Plan, developed in partnership with the Gabonese Republic, designates 29% of Grande Mayumba for reduced impact logging in existing forestry areas and 13% for mixed agriculture on largely degraded grasslands, while 30% of Grande Mayumba's forestry concessions will be withdrawn from commercial forestry and proclaimed as a conservation area, due to its high biodiversity value. This means over 220,000 ha of the 730,000 ha land area will be permanently set aside for conservation, including representative forest and savannah ecosystems, as well as marine and freshwater environments." Alan Bernstein (2021). The convening power of natural capital. https://forestlab.partners/perspective/perspective-01/natural-capital-investment-provides-a-new-development-model-for-africa

(29) CAFI. <u>Accélérateur de réformes en Afrique centrale. Version 2019?18?12</u> Expansion des aires protégées et optimisation de l'utilisation des terres aux fins de production de cultures vivrières au Gabon.

(30) Putting a price on our natural environment could give Africa the edge.

(31) See (3)

(32) NO to the Great Mayumba project. Declaration November 2021.

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