Nature-based Solutions: Corporate polluters keep fuelling climate chaos with greenwashing and junk offsets

Ending fossil fuel burning is urgently needed to limit climate chaos, yet oil and gas corporations have been ramping up production and taken home bumper profits in 2022. They are not interested in keeping fossil fuels in the ground. Instead, corporate polluters not only from the oil and gas sector but also mining, aviation and IT companies and other high-emission industries try to greenwash their activities saying they offset their emissions with investments in 'nature-based solutions'. On the ground, this means land grabbing, violence and corporate control over vast areas of land in the global South. Carbon emissions, meanwhile, continue.

In March 2023, the Intergovernmental Panel on Climate Change (IPCC) released its 'synthesis report for policy makers' on the panel's sixth assessment on the science of climate chaos. These reports are heavily negotiated documents that leave out as much as they say. The latest report, however, is remarkably blunt that "deep, rapid, and sustained" cuts to greenhouse gas emissions are needed during this decade to keep a chance of limiting uncontrollable climate chaos. Already in February, U.N. Secretary-General António Guterres told the UN Human Rights Council that "fossil fuel producers and their financiers must understand one simple truth: Pursuing mega-profits when so many people are losing their lives and rights, now and in the future, is totally unacceptable." (1)

Those very fossil fuel producers, however, have been ramping up production and have taken home bumper profits in 2022. Shell, for example, reported the highest profits in 115 years. (2) Keeping oil and gas flowing is inevitably causing damage, not just to the climate but also to human and nonhuman life at the sites of extraction and along the entire supply chains. Corporations and trade associations like the American Petroleum Institute are fully aware of this. This is why they are spending billions of dollars on adverts with images of forests and a 'green, clean future' in which gas and oil companies are represented as the solutions to climate change. (3) These adverts divert attention away from the fact that releasing fossil carbon, which was buried in underground coal, oil and gas deposits for millions of years, into the atmosphere is the main cause of climate change. They often suggest that corporate emissions can be compensated with parking more carbon in forests, mangroves, trees or soils. Offsetting their emissions in this way, the companies claim, makes their products 'carbon neutral' or having a 'net-zero' emission balance. Fossil fuel burning, meanwhile, continues, and the concentration of fossil carbon in the atmosphere keeps rising, fuelling climate chaos.

A look at corporate 'net-zero' emission pledges across the oil and gas, mining, aviation and IT sectors shows that their promises to 'decarbonize' heavily rely on carbon offsetting. None of the corporations in these sectors has promised to stop fossil carbon extraction or use. This inevitably means more climate chaos. Companies hide this truth behind the false promise that there are 'nature-based solutions' (carbon offsetting schemes, in other words) that will make fossil fuel burning possible without damage to the climate.

## **Nature-based dispossessions**

The concept of 'nature-based solutions' was introduced into the environmental vocabulary by conservation NGOs and the International Union for the Conservation of Nature (IUCN) in 2016. Its main goal was to secure funding for the protected areas managed by these conservation NGOs. The idea: corporate polluters pay conservationist NGOs to store extra carbon in forests and the companies get carbon credits in return. (4) Their 'fortress conservation' approach has caused countless conflicts and violence against Indigenous Peoples and traditional communities whose territories are turned into protected areas for storing carbon in a 'nature-based' way. (5)

Restrictions on peasant practises and Indigenous Peoples' use of these forests are justified by conservationist NGOs and the buyers of carbon credits with the claim that 'it is important for the climate to protect the carbon stored in the forest'. Explicitly or implicitly, the use of forest commons, shifting cultivation practices and the use of controlled fires to prepare the land, are falsely blamed as drivers of deforestation while the large-scale corporate driven deforestation continues undisturbed. (6)

Companies across the oil and gas, mining, IT and aviation sectors as well as other high-emission industries, are strong supporters of the fake 'nature-based solutions' concept. More than that, they have been buying carbon credits from forest and soil carbon conservation projects that have put heavy restrictions on how peasants in Brazil and Indonesia, herders in northern Kenya and Indigenous Peoples in Peru can or cannot use their ancestral lands. (7) Many of these projects have also been shown to be selling 'junk carbon credits'. (8) In those cases, it is very unlikely that the credits actually represent an additional tonne of carbon stored in trees, or an additional tonne of carbon that was not released into the atmosphere.

Shell for example, has been buying carbon credits from forest carbon projects in Indonesia and Peru. (9) The company's nature-based dispossession to claim compensation of its fossil fuel emissions alone would require planting trees or changing community use of forests on at least 8.1 million hectares of land per year.

Global agribusiness and pulp and paper corporations also increasingly greenwash their violent industrial plantation model as a 'nature-based solution' to the climate crisis. Brazilian pulp and paper giant Suzano, for example, is looking into generating carbon credits from a massive expansion of tree plantations in the Brazilian state of Mato Grosso do Sul, where the company is building the world's largest single eucalyptus pulp production mill. (10) Suzano has recently submitted documentation to earn carbon credits from its eucalyptus plantations and conservation areas within the plantations under the much-criticised Verra Verified Carbon Standard (VCS) system. (11)

In the mining sector, Rio Tinto was one of the first global mining corporations to resort to biodiversity offsetting to justify destruction of forests in Madagascar. At the Fort Dauphin mine, one of Rio Tinto's Madagascar subsidiaries, QMM, extracts the mineral titanium oxide (also called ilmenite) that is used to make white paint and other products. (12) In 2022, the company with a landholding of 4 million hectares worldwide announced that it was exploring the possibility to earn additional money from selling carbon credits from planting trees on the land it has previously destroyed through its mining operations. (13)

In 2015, the Anglo-Australian mining giant BHP was in the news for its responsibility over a dam rupture behind Brazil's worst environmental disaster which killed 19 and obliterated villages as a flood of mining waste swept into the Doce river and Atlantic Ocean over 650km (400 miles) away. (14) The following year, and in the context of BHP busy denying responsibility for the dam rupture in Brazil, the company announced a partnership with the World Bank's International Finance

Corporation (IFC) and the conservationist NGO Conservation International to invest in forest conservation and get carbon credits in return for the investment. (15). In 2018, BHP also supported a REDD project (Reducing Emissions from Deforestation and forest Degradation) managed by the same NGO Conservation International and Peru's National Service for Natural Protected Areas Protected by the State (SERNANP). The Alto Mayo project covers an area of 182,000 hectares in the San Martín region of northern Peru and affects more than 5,000 people. In January 2023, the British newspaper The Guardian reported how families had been made homeless when their houses in the National Park were burned and that families were told this was now a carbon forest. (16) Since June 2008 the project has produced more than 7.4 million carbon credits that have been bought by companies including Microsoft, United Airlines, Disney, BHP and Gucci.

The leading corporate polluters in the aviation industry, too, greenwash continued growth in flights with compensation through nature-based 'solutions'. Major international airlines have been among the carbon credit buyers from each of the forest offset projects that have been in the news for either causing conflicts and restricting traditional use of the land or for selling junk carbon credits. (17) Air travel is a very exclusive form of transport. Approximately 80 per cent of the world population does not or cannot afford to fly. In 2018, only 2 to 4 per cent of the global population flew internationally and only 1 per cent of the world population – the frequent fliers - emit 50 per cent of carbon dioxide from commercial aviation (18).

In the IT sector, corporations from Amazon to Microsoft and Netflix resort to buying carbon credits and promoting 'nature-based solutions' to greenwash their massive and growing carbon footprint. Netflix and Facebook parent company Meta, for example, bought carbon credits from a soil carbon conservation project in northern Kenya. In its 'Blood Carbon' report Survival International shows that the project sold millions of junk credit. The project also "relies on breaking down the Indigenous people's long-standing traditional grazing systems, and replacing them with a centrally controlled system more akin to commercial ranching". (19)

These are just some of the examples of how the world's largest polluters use carbon offsetting and nature-based dispossessions to hide their responsibility for the climate chaos as a result of their past and ongoing fossil fuel burning. Meanwhile, the economic, environmental and social costs mount and human suffering from ever more frequent and extreme droughts, heatwaves, storms and flooding is growing unbearably. Those hardest hit are communities on the frontlines of struggles for land and marginalized groups in societies.

In this context, social movements and civil society networks keep repeating that carbon offsetting is a dangerous distraction that slows down the building of momentum for the rapid and unavoidable end to fossil fuel burning. In 2021, for example, more than 360 groups said No to 'nature-based solutions' (20) and in March 2023, over 80 groups demanded that the European Union reject carbon offsets following a series of scandals showing that millions of carbon credits issued by the largest voluntary carbon offset standard, Verra's Verified Carbon Standard, were 'junk' credits. (21)

Where 'nature-based solutions' offsets hit the ground, communities resist the restrictions they impose on their ways of life and livelihoods. This resistance at the land grabbing end of the carbon offset equation brings to light a main injustice behind carbon offsetting: communities in the global South are forced to change their way of life so corporations can continue to profit from fossil fuel extraction and the capitalist growth model that is fuelling the climate crisis.

Jutta Kill, jutta@wrm.org.uy Member of the International Secretariat of the WRM

- (1) <u>UN Secretary-General António Guterres' remarks to the Human Rights Council</u>, in Geneva on 27 February 2023.
- AR6 Synthesis Report: Climate Change 2023.
- (2) Calls for bigger windfall tax after Shell makes 'obscene' \$40bn profit.
- (3) Desmog. Big oil's trade group allies outspent clean energy groups by a whopping 27 times.
- (4) Friends of the Earth International. 2021. Nature-based solutions: a wolf in sheep's clothing.
- (5) See the collection of WRM publications on the violence of the 'fortress conservation' approach here.
- (6) See among others, World Rainforest Movement (2022). <u>15 years of REDD. A mechanism rotten</u> at the core.
- (7) <u>Milieudefensie How Shell is using nature-based solutions to continue its fossil-fuel agenda</u>. 2022. <u>Survival International. Blood Carbon</u>. 2023. World Rainforest Movement. <u>Neo-colonialism in the Amazon</u>. 2022. <u>Kichwa communities' statement. These are not just concerns, they are violations of our rights</u>. 2022
- (8) B. Crezee & T. Gijzel. Showcase project by the world's biggest carbon trader actually resulted in more carbon emissions. 2023. Source Material. World's biggest companies, from Netflix to Ben & Jerry's, are pouring billions into an offsetting industry whose climate claims appear increasingly at odds with reality. 2023. Die Zeit. CO2 Certificates: Phantom Offsets and Carbon Deceit. 2023.

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- (9) Milieudefensie. <u>How Shell is is using nature-based solutions to continue its fossil-fuel agenda</u>. 2022.
- (10) Paper 360°. Suzano sets the standard for sustainable pulping. 2022.
- (11) Suzano carbon credit project.
- (12) ReCommon. Your Mine. A mine owned by multinational destroys a forest, a village is pushed into hunger, a community that won't stop resisting.
- (13) Rio Tinto. Exploring nature-based solutions to climate change. Investing in conservation will accelerate decarbonisation. September 2022.
- (14) The Guardian. London court reopens \$7bn Brazil dam collapse lawsuit against BHP. July 2021.
- (15) ReCommon. Mad Carbon Laundering. 2017. BHP explains its forest carbon investment.
- (16) Guardian article 'Nowhere else to go. January 2023.
- (17) Unearthed. Top airlines' promises to offset flights rely on 'phantom credits'.
- (18) Stay Grounded. The injustice of flying.
- (19) Survival International. Blood Carbon. 2023.
- (20) Collection of materials linked to statement NO to Nature Based "Solutions"!
- (21) Open Letter. <u>80 NGOs demand that the EU rejects carbon offsets.</u> Offsets have no place in the policy toolbox.