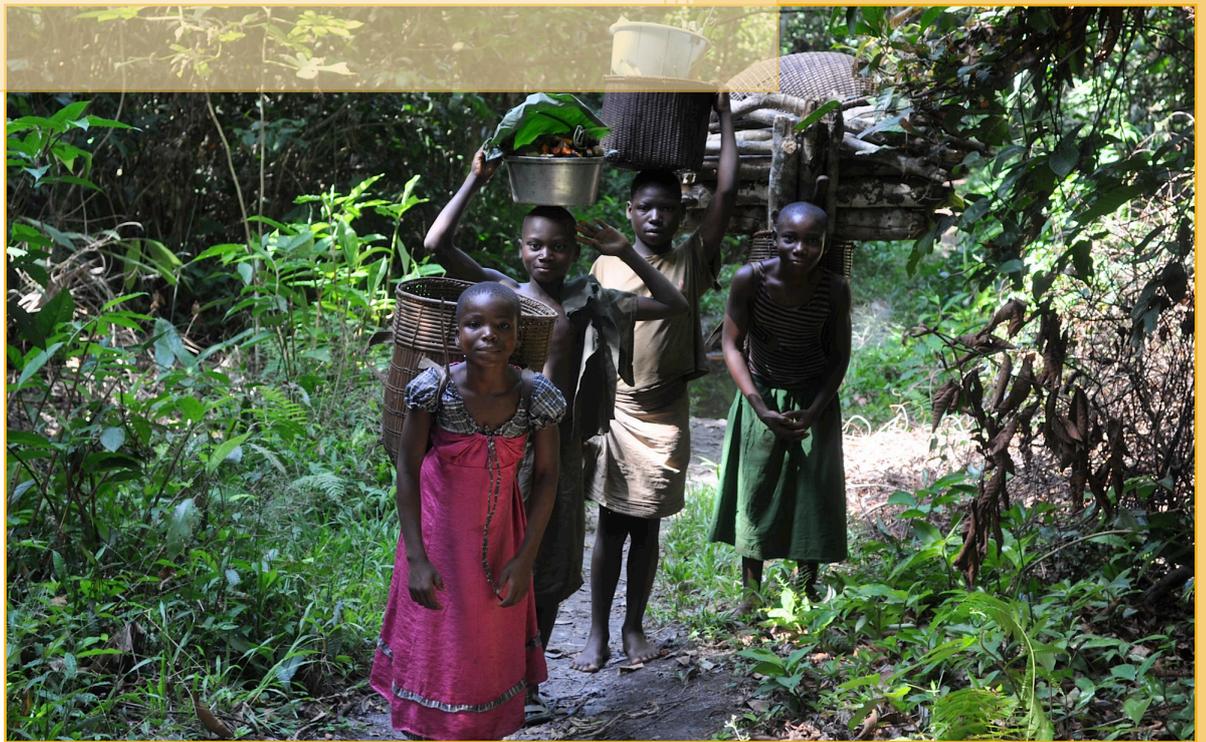


November 2011

Forest Peoples Programme Climate and Forests Bulletin



Forest
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1. Global Climate Talks: Business as Usual or Progress on Social and Rights Issues?

- *Low likelihood that Durban will deliver a binding and comprehensive agreement on GHG reductions*
- *No agreement on long-term climate financing while Green Climate Fund talks proceed with difficulty*
- *Limited progress on a Safeguards Information System in REDD+*
- *UNFCCC considers non-carbon values of REDD+*
- *Indigenous Peoples adopt "Oaxaca Action Plan" on climate*

Governments gathering in Durban in late November for COP17 of the United Nations Framework Convention on Climate Change (UNFCCC) face a daunting task. They will have to make progress on crafting an agreement on greenhouse gas emissions reductions within an effective, monitorable and binding legal framework, while securing the necessary financial resources needed to support developing countries on their path towards low carbon development. The survival of the Kyoto protocol is at stake. Some countries will not support the second commitment period: the United States is advocating for a "pledge and review" system, while other countries propose a broader instrument that would engage both developed and developing countries.

So far, only a very small percentage of the US\$30 billion fast-track financing (announced in Copenhagen two years ago) has been allocated to developing countries, while no clear commitment has emerged regarding the annual US\$100 billion envisaged until 2020. Outcomes of the latest UNFCCC pre-COP session held in Panama in early October suggest that there is only a slim chance of reaching a consensus on emissions reduction and long-term financing, however, some progress on REDD+ was registered.

The Subsidiary Body for Scientific and Technological Advice (SBSTA) work-plan to develop guidance on a Safeguards Information System in REDD+ is underway. An expert workshop held in Panama soon after the UNFCCC pre-COP discussed the characteristics of the system. Participants, however, fell short of defining to what extent Indigenous Peoples' rights will be recognized and respected in such a system and how much data on progress in respecting safeguards in REDD+ would be included.

The dedicated contact group of the Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA) that met in Panama converged on a call for a specific decision on REDD+ financing in Durban. However, it is unlikely that any clear indication will emerge regarding the prevalence of public versus private financing for REDD+, and governments would therefore be left free to pursue various options or combinations. But, Parties did agree that when assessing the results upon which to base payments for REDD+, that values other than carbon will have to be taken into account, including livelihoods, biodiversity and poverty alleviation. If confirmed in Durban, this would represent a significant shift from the almost exclusive focus on carbon that has characterised the debate so far, possibly opening the door further for consideration of the social, environmental and rights-related aspects of REDD+.

There was also substantial convergence on including a REDD+ window within the Green Climate Fund. Nevertheless, the road towards the establishment of the Fund not to speak about the establishment of a REDD+ window is also an uphill one. At the last meeting of the Transitional Committee held in Cape Town in mid-October, the US and Saudi Arabia opposed the draft final document containing recommendations for the Fund's design that has been sent to the COP for their consideration. During the Cape Town meeting it also became clear that a decision on the definition of safeguards will be postponed and delegated to the Fund's Board. No agreement was met on the a REDD+ window.

In the meantime, Indigenous Peoples from all over the world met in Mexico and launched the "Oaxaca Action Plan" to inform their advocacy and outreach activities in Durban and beyond. Key demands relate to: the recognition of Indigenous Peoples' rights in all climate related activities; the role of traditional knowledge and livelihoods; and the need to secure direct access to funding and decision-making processes at all levels.

Forest Peoples Programme will be in Durban at COP17 to support Indigenous Peoples' delegations and to hold a Side-Event on REDD Safeguards and Indigenous Peoples Perspectives together with Rainforest Foundation Norway.

Further Information

Forest Peoples Programme (FPP) and Rainforest Foundation Norway (RFN) Side Event at COP17, Durban - Safeguards in REDD and the Green Climate Fund - 9 December 2011, 13.15 - 14.45, Room 2, Durban Exhibition Centre (DEC): How to achieve rights-based forest management? FPP, RFN and partners present new evidence on how rights-based management contributes to reducing deforestation in developing

countries. Implications for the negotiations on safeguards in REDD and the Green Climate Fund is discussed by government and NGO representatives.

Further Reading

Materials on the SBSTA workshop on a System of Information on Safeguards, including the Co-Chairs' Report: http://unfccc.int/methods_science/redd/items/6149.php

FPP and JOAS Submission to SBSTA on a System of Information on Safeguards: <http://www.forestpeoples.org/topics/un-framework-convention-climate-change-unfccc/publication/2011/submission-sbsta-regarding-sys>

Report on the AWG-LCA contact group on REDD+ financing: Update No. 16 at <http://www.twinside.org.sg/title2/climate/panama01.htm>

Indigenous Peoples' *Oaxaca Action Plan*: <http://www.forestpeoples.org/topics/redd-and-related-initiatives/news/2011/10/oaxaca-action-plan-indigenous-peoples-cancun-durban>

Forest Peoples Programme Fact Sheet on Green Climate Fund: <http://www.forestpeoples.org/topics/un-framework-convention-climate-change-unfccc/publication/2011/green-climate-fund-and-transit>



Many of the world's intact remaining rainforests are located on the traditional lands of indigenous peoples - as here in Mbya-Guarani territory" (Paraguay) (Photo: Tom Griffiths)

2. REDD+ Financing – Some Contradictory and Some Emerging Assumptions

As covered in the *Global Climate Talks* article above, it seems that State Parties to the UN Climate Convention, meeting in Durban 28 November to 9 December 2011, are unlikely to reach a decision on the use of public and private finance for REDD+ and that this will seemingly be left to the discretion of governments¹.

However, while that may be the official 'non-position' that is strengthened at Durban, there are four key factors regarding REDD+ financing that need to be borne in mind. These were discussed extensively and very usefully at the recent Rights and Resources Initiative (RRI) 11th

Dialogue on Forests, Governance and Climate Change² held in London on 12 October 2011. To differing degrees, these four issues are influencing the emerging REDD+ negotiations and preparations at international, national and project level. The four issues can be summarised as follows:

1. Securing the rights of forest peoples is absolutely central to the sustainability of REDD+. In terms of legality, rights need to be respected in all forest policies in order to meet a country's legal obligations. Securing forest peoples' rights is also essential for the effectiveness of REDD+ as it is proven to be the best way to protect natural forests. Carbon project proponents require clarity on rights issues, in particular property rights and Free, Prior and Informed Consent (FPIC) in order to process investments and reduce risk.
2. When assessing the results upon which to base payments for REDD+, values other than carbon will have to be taken into account, including livelihoods, biodiversity, and poverty alleviation.
3. The prospect of a global carbon market is rapidly receding for a variety of reasons.³

¹ Report on the AWG-LCA contact group on REDD+ financing: See update 16 at - <http://www.twinside.org.sg/title2/climate/panama01.htm>

² Report on the RRI 11th Dialogue: <http://www.iisd.ca/yimb/http://www.iisd.ca/yimb/rri/dfgcc11/html/yimbvol173num5e.html>

³ *Designed to fail? The concepts, practices and controversies behind carbon trading*, FERN: <http://www.fern.org/designedtofail>

REDD AND FOREST CARBON: Market-Based Critique and Recommendations, The Munden Project: <http://www.mundenproject.com/forestcarbon-report2.pdf>

CIFOR Blog: "3 sticking points to tackle on REDD+ in Durban, says facilitator" http://blog.cifor.org/4861/3-sticking-points-to-tackle-on-redd-in-durban-says-facilitator/?utm_medium=twitter&utm_source=twitterfeed

4. Despite (3.) above and even though REDD+ preparations are largely financed through public money, some major players still expect that REDD+ itself will be overwhelmingly financed through offsets, via carbon trading.

If the first two points are confirmed in Durban, they would represent a significant and very positive shift which may have profound implications for how REDD+ needs to be financed.

Broadening the basis on which payments for REDD+ would be assessed

If the results upon which to base payments for REDD+ are broadened from the earlier focus in REDD+ on carbon that has characterized the debate so far, then this could open crucial space for further intergovernmental consideration of social, environmental and rights-related aspects of REDD+.

Securing the rights of forest peoples as central to REDD+

With mounting scientific evidence⁴ that forest peoples are the best placed to protect their forests, UNFCCC COP17 offers possibilities for further recognition of the positive role of indigenous peoples and forest dependent communities and the need to fully uphold their rights in line with international human rights law⁵.

Recognising that forest peoples are the people best placed to protect their forests, also involves recognising that the drivers of deforestation are not the poor but are industrial logging, plantations and other practices driven by large-scale economic actors. In much of the public rationale given for REDD+ (and in many countries R-PP's) the issue is still framed as how to control poor peoples' behaviour, how to police and/ or compensate them to ensure they don't use forest lands, rather than how to support them to further develop livelihoods that sustain the forests, and to defend their forests.

For example, Cameroon's R-PIN (submitted to the World Bank's Forest Carbon Partnership Facility in 2008) states that slash and burn agriculture "is certainly responsible for the greatest loss of forest cover", yet the only reference supporting this claim is to a World Bank (2000) report that suggests that the main drivers of deforestation are the industrial logging and large-scale plantations that create a

degraded landscape in which small scale agriculture and fuel wood demands become unsustainable.⁶

The evidence shows that people with strong relationships to land, particularly indigenous peoples, best protect the ecosystems in which they live and depend on, and that securing and protecting their rights is fundamental to sustainable management and development. The question then becomes how best to protect forests through securing forest peoples' rights? One answer to this emerged from the recent land tenure conference in Douala where the focus was on the need to ensure that state legal systems recognise and secure indigenous peoples' and local community's customary rights rather than subordinate or otherwise compromise them⁷. More specifically in relation to REDD+ finance, clear recommendations emerged from the 11th RRI Dialogue, held in London in October, that Governments such as that of the UK would do best to direct the REDD+ funding they have already earmarked towards a targeted land tenure fund to help forest peoples to map, demarcate and secure legal recognition of their forest lands. Which brings us back to the last two issues above.

Will REDD+ be financed through trading offsets on the carbon market?

As question marks loom over the viability of a global forest carbon market, governments, companies, UN agencies and the World Bank continue to push for this finance approach for REDD+.

Much of the drive for the development of REDD+ frameworks, programmes and projects has come from institutional and government players who see forest and climate programmes and projects as ultimately being financed through the selling of carbon offsets (generated by the supposed protection of forests in developing countries) to industries and governments who have obligations to reduce the carbon they are emitting which they are unwilling or unable to meet.⁸

Carbon-trading is not only ineffective in terms of tackling climate change, it is also an approach which the general public is unlikely to accept. People in Europe and America have watched as their Governments have poured public money into the major financial institutions. These institutions were on the brink of collapse because they were trading in bundles of debt where no one could distinguish between debt that might be repayable and debt that could never be repaid.

4 Peer-reviewed CIFOR and World Bank studies find that community-managed forests are better for conservation than strict protected areas, FPP: <http://www.forestpeoples.org/topics/environmental-governance/news/2011/10/peer-reviewed-cifor-and-world-bank-studies-find-community-managed-forests-better-for-conservation>
5 *Smoke and Mirrors*, FPP & FERN: <http://www.forestpeoples.org/topics/forest-carbon-partnership-facility-fcpf/news/2011/03/press-release-world-bank-s-forest-climat>

6 *REDD and Rights in Cameroon*, FPP: <http://www.forestpeoples.org/topics/forest-carbon-partnership-facility/publication/2011/redd-and-rights-cameroon-review-treatment>

7 Douala ACRN regional workshop: <http://www.forestpeoples.org/topics/rights-land-natural-resources/news/2011/10/douala-acrn-regional-workshop-strengthens-common-v>

8 *Trading carbon: how it works and why it is controversial*, FERN: <http://www.fern.org/tradingcarbon>

To pour public money into setting up the infrastructure to enable financial institutions to trade in a similar commodity, carbon permits and credits, would seem very unwise to say the least. This is because the very existence of this commodity entirely depends on being able to make a convincing distinction between REDD+ schemes in terms of the degree to which forest loss is projected to be lesser than expected due to that scheme's activities.

The focus on market financing of carbon-trading is also founded upon questionable assumptions about the global cost of forest protection that deems that vast amounts of money are needed for effective schemes, rather than strategically using funds to tackle deforestation drivers and secure forest peoples' rights to their traditional forest lands.

The way REDD+ forest payments are constructed using historical baselines for deforestation may also create serious contradictions. In some cases this focus on deforestation rates (in contrast to a focus on protecting forests through securing forest peoples' rights) risks driving deforestation rather than curbing it. As Global Witness points out:

“In 2011 Norway had to revise the baseline for its US\$250 million REDD+ bilateral deal with Guyana, set only two years previously, by nearly 40%. This was due to difficulties in obtaining accurate data on annual deforestation rates in the country. 34 Original estimates of 0.1 to 0.4% were proven to be over-inflated after a specially commissioned report put annual deforestation between 1990-2009 at just 0.02%. The original baseline would have allowed Guyana to increase its annual deforestation rate nearly twenty-fold and still remain within the agreed limits for payment.” (2011: 14)⁹

This means that with REDD+ payments, the worse you can portray yourself as being, the more payments you can get, and if you have been and intend to continue being a good custodian of your forest then you may get nothing or very little. The incentives in the system have perverse effects.

In booming economic times, schemes that appear to build on such a boom may be very acceptable, but in a time when the global economy is coming off the rails will public funding to secure a global market in such a 'non-commodity' (the absence of deforestation) be acceptable? Is the public in the Global North now much more likely to support approaches which seek to secure livelihoods for everyone – including forest peoples - rather than support approaches based on developing a system in which speculators chase profits based on a highly unstable commodity? Such questions may have a fast growing impact on how REDD+

is funded, in Durban and beyond.

Meanwhile, what forest people in Cameroon ask is: why don't you address the cause of these emissions - your industries in the Global North – and support us to protect our forests in the Global South? Such peoples point out that their way of life has not caused damage to the forest but has protected it, and that they will welcome ways of financing REDD+ that supports them to continue these activities but will not support forms of financing that promote the destruction of their forest and that perpetuate their marginalisation.¹⁰



Indigenous peoples point out that their traditional low intensity and multiple use approaches to forest management are proven to maintain healthy forest ecosystems (as pictured in here in Guyana)
(Photo: Tom Griffiths)

⁹ *Forest Carbon, Cash and Crime*, Global Witness (2011): <http://www.globalwitness.org/library/forest-carbon-cash-and-crime>

¹⁰ The indigenous peoples of Cameroon, FPP: <http://www.forestpeoples.org/topics/redd-and-related-initiatives/news/2011/10/indigenous-peoples-cameroon-ngoyla-mintom-national>

3. Lessons from the field: REDD+ and the rights of indigenous peoples and forest dependent communities

In October 2011, Forest Peoples Programme (FPP) conducted a survey of our local partners asking them to pinpoint key experiences and emerging lessons learned in relation to REDD+ and rights issues over the last three years. Partners who contributed include the Centre for Environment and Development (CED) and Association Okani (Cameroon), CEDEN (DRC), Foundation for the Promotion of Traditional Knowledge (Panama), Amerindian Peoples Association (Guyana), Association of Village Leaders in Suriname, Association of Saamaka Authorities (Suriname), AIDSESEP (Peru), Federation for the Self-Determination of Indigenous Peoples (Paraguay) and Scale-up, Pusaka and FPP field staff (Indonesia). Observations and lessons are also drawn from workshops with local partners, field studies and issues stemming from indigenous peoples' representatives in dialogues with national and international REDD+ policy-makers. Key observations and lessons are summarised below:

KEY MESSAGES

FPP's review of REDD+ and rights in eight countries finds that REDD+ policies and pilot projects have so far not been effective in addressing rights and equity issues. Key messages for policy makers at the national and international levels, including at the UNFCCC are that:

- Governments and donors need to prioritise support for reforms of legal frameworks, tenure and forest governance to ensure alignment with international obligations
- National REDD planning needs to include participatory reviews of international obligations and facilitate agreements on required reforms
- Priority actions are needed to ensure recognition of land and territorial rights of indigenous peoples, including support for community mapping and demarcation activities
- Tighter regulation and closer oversight of local projects to control 'carbon piracy' are required
- More robust mechanisms for Free, Prior and Informed Consent (FPIC) and effective prior consultation are needed
- Capacity-building is needed at all levels, including

on FPIC, good governance and related safeguards

- Urgent measures are needed to implement safeguards at the national and local levels
- Safeguard monitoring must include assessment of governance, rights and livelihood issues
- More robust actions are needed to identify and tackle deforestation drivers
- National and local debates are needed on climate finance mechanisms
- More attention needs to be paid to the development of rights-based mechanisms for the sharing of local benefits
- Specific safeguards are required to protect rights to livelihoods, subsistence, traditional practices and community development
- Greater recognition of traditional forest management and direct support for community-based initiatives are needed

For further detailed information and country case studies please see:

"Lessons from the field: REDD+ and the rights of indigenous peoples and forest dependent communities" at: <http://www.forestpeoples.org/topics/redd-and-related-initiatives/publication/2011/new-briefing-lessons-field-redd-and-rights-indi>

FPP's *Rights, Forests and Climate* Briefing Series: <http://www.forestpeoples.org/tags/rights-forests-and-climate-briefing-series-0>

This series includes a set of seven briefings on REDD+ and indigenous peoples' rights in Indonesia: <http://www.forestpeoples.org/region/asia-pacific/indonesia>



Soya expansion in Paraguay is a major driver of deforestation, environmental degradation and expropriation of indigenous peoples' lands and territories (Photo: Tom Griffiths)

4. Some key issues of relevance to UNFCCC COP17

The articles and related information in this special edition e-bulletin contain a number of findings and pinpoint issues that are pertinent to the discussions and negotiations that will take place in Durban in relation to REDD+. Some key elements that require due consideration by Parties and policy-makers, include, *inter alia*, the need to:

- a. Ensure that any system of information on safeguards for REDD+ includes indicators to assess progress in enabling governance and land tenure reforms in line with international obligations; including indicators to evaluate the effectiveness of measures to respect the rights of indigenous peoples and local communities (e.g. FPIC, land rights, traditional practices etc).
- b. Provide support to community and government initiatives to build capacity and knowledge on rights, safeguards and international obligations linked to REDD+ and other climate policies and measures.
- c. Tie funding and results-based payments to a genuine phased approach to REDD+ that requires prior effective implementation of social and environmental safeguards as part of readiness activities and implementation of the Cancun Agreements, including fulfilment of clear prerequisites for the full recognition and respect of indigenous peoples' rights.
- d. Establish modalities under the Green Climate Fund to enable indigenous peoples and forest communities to have direct access to finance for their own forest and climate change mitigation and adaptation initiatives (in line with the 2011 Oaxaca Action Plan)



Industrial logging (both illegal and 'legal') continues to cause forest destruction and damage in many countries, yet logging remains a key element in many REDD plans (Photo: FPP)



Oil and gas extraction and mining are other key drivers of deforestation in many tropical countries like Guyana (pictured) (Photo: Tom Griffiths)