

# Forests: You cannot save them, if you cannot sell them?

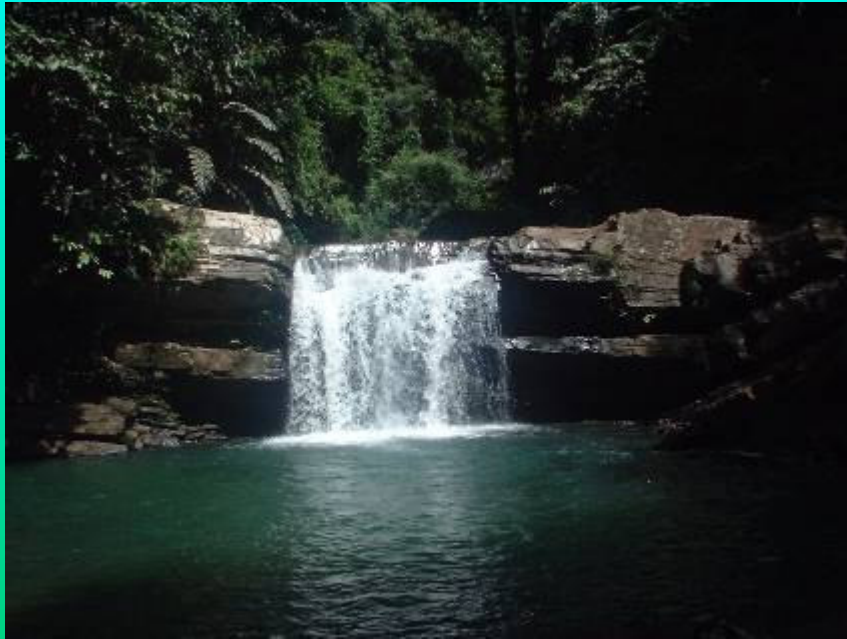


# **REDD: A neoliberal market-based approach to forest conservation:**

- **Give forest environmental values marketable asset prices and let markets do their work**
- **“Compensate” countries and/or land owners for “the environmental service” of not deforesting**



# **“Markets in environmental services like carbon markets will be effective and equitable”:**



- *If all forest values are properly accounted for*
- *If the benefits are equitably distributed to the proper “owners”*
- *If the market is properly regulated*
- *If those regulations are effectively enforced*
- *If there is an equal level playing field so that all players can participate equitably*



**So what do we do on planet earth?**



# **“Paying” countries for the “environmental service” of reducing deforestation**

- **Idea developed by Prime Minister of PNG who wanted to be compensated for complying with conditions of a World Bank Loan to the PNG forestry sector.**
- **Those conditions related to good governance: addressing illegal logging and corruption.....**
- **They found an unlikely ally in Costa Rica, which still tries to sell its PES scheme at the international carbon market as this expensive scheme is chronically underfunded.**
- **And other forest countries that were interested in the billions**
- **World Bank, FAO, UNEP and IUCN experts promised them**
- **These agencies themselves can make millions as brokers and “advisors”(consultants) in the carbon market**

# ¿Property/sovereignty = a right to destroy?



- Indigenous Peoples suffer disproportionately from both deforestation and climate change, and they own much less forest land than men as they often do not have former land title



# **FSC Certified Sustainable Forest Management**





**Proper carbon accounting only includes “human-induced change” (human efforts), but letting forests grow back naturally might be preferable. Indigenous Peoples depend on natural forests for their livelihood**





# **Payments for Environmental services or regulations?**

- **The Costa Rican PES scheme: a result of government intervention, donor aid and other governmental support, and the fact that deforestation is illegal.**
- **The efficiency of PES as a conservation instrument can be disputed: Command and control measures like deforestation moratoria have proven to be more successful (83% reduction in Paraguay between May 2004 and May 2005).**
- **Do we need to pay people to comply with the law?**
- **Voluntary payments for environmental services/carbon offsets are no “markets” but corporate philanthropy/greenwash.**

# Paraguayan PES Experiment



- The Law on the Valuation and Retribution of Environmental Services, adopted in September 2006. Artificial Regulation adopted in 2007, real regulation being elaborated at the moment
- The Secretariat for the Environment has to annually value all Paraguayan environmental services
- Promotes biodiversity offsets for, amongst others, soy expansion. Forest conversion was already illegal since 2004 in Eastern Paraguay
- All credits can be freely traded in international carbon market: strong Paraguayan interest to promote “flexibility”

# Main problems with the Paraguayan PES Law 3001/06

- The law stipulates that all owners of land and its natural components that generate environmental services will have a right to corresponding compensation for the provided services.
- There has been no calculation of the total budget this would require (compensation for soy: 1500 USD X 700.000 hectares = approx. 1.05 billion USD per year for Eastern Paraguay alone)
- Most of the funding will come from biodiversity offsets: This provides a major incentive for the (governmental and non-governmental) conservation sector to allow and even promote destructive projects. Including CO2 emissions...
- THE PAY THE POLLUTER PRINCIPLE....



# Additional problems

- Paraguay has the most inequitable distribution of land on earth: The overwhelming majority of funds will go to large landholders.
- The law will frustrate land reform programs and ongoing land rights claims of Indigenous Peoples as it will increase the value of land.
- Specifically, it will stimulate the establishment of false private reserves that are set up to criminalize land occupations.
- The system will most likely be subject to serious governance problems: It is likely that politically influential groups will have far better access to the funds than politically marginal groups like Indigenous Peoples and small farmers: Bad governance and market-based conservation mechanisms are a risky combination



# Impacts of biodiversity offsets on Mbya Guarani communities in San Rafael

## Impacts of soy:

- Freshwater resources are dangerously contaminated due to the surrounding soy plantations
- Due to increased land pressure there are regular invasions: The forest of the Arroyo Claro community was cut by invading farmers

## Impacts of private reserves:

- 90% of Indigenous lands have been privatized
- Hunting areas have been severely restricted, leading to overexploitation and malnutrition
- Current land rights claims are being frustrated by the perspective of PES for private reserve owners
- The property of these private reserves is disputed by the Mbya, who consider the entire area as their “tekoha”, which they have always managed sustainably.



# Could Indigenous communities benefit from PES?



Mbya Guarani might be able to claim PES themselves, but:

- Language barrier and lack of legal and marketing skills
- The requirement to obtain an Environmental Impact Assessment will also inhibit the participation of poor landholders in the system
- Bad governance and PES is a fatal combination
- Changing the currently mainly non-monetary economy into a monetary one will devastate cultural values and traditions
- Money will not buy them uncontaminated water - the distances to paid services are too large
- Women are likely to suffer most, as they are underpaid in formal labour and responsible for providing clean water and other non-monetary services for the family



# Indigenous environmental refugees (climate change, soy expansion): Mbya Guarani people on the streets of Asunción



# The Convenient Lie: “Carbon Markets will Benefit Indigenous Peoples”

- Most carbon credits will come from reducing deforestation: Indigenous Peoples do not destroy forests, so they cannot reduce their deforestation (Same is true for women)
- Indigenous Peoples seldom manage large projects (no economies of scale)
- Indigenous Peoples often lack marketing skills, language skills
- They will need conservation organizations as “brokers”
- Funding is unstable, unreliable, dependent on goodwill conservation organizations and corporations



**Meanwhile, long time ago, in 1992,  
we agreed that....**

- **ALL governments would reduce their emissions AND conserve forests (*FCCC Article 4.1 (d)*)**
- **Developed countries would contribute new and additional financial resources (0.1% GNP) to reward developing countries for the incremental costs of providing global environmental benefits. (Agenda 21)**
- **...maybe it is time to implement this agreement instead of paying the polluters that do not respect it?**

**CUT EMISSIONS AT SOURCE!!!**



**Respect and protect Indigenous rights through the effective implementation of the UN Declaration on the Rights of Indigenous Peoples and provide direct political and other support to Indigenous Peoples' initiatives to protect and restore their own territories, taking into account the role of Indigenous women**



[www.globalforestcoalition.org](http://www.globalforestcoalition.org)

