



Forest Cover

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About Forest Cover

Welcome to the fortieth issue of Forest Cover, newsletter of the Global Forest Coalition (GFC). GFC is a world-wide coalition of non-governmental organizations (NGOs) and Indigenous Peoples Organizations (IPOs). GFC promotes rights-based, socially just and effective forest policies at the international and national levels, including through building capacity of NGOs and IPOs in all regions to influence global forest policy.

Forest Cover is published four times a year. It features reports on important inter-governmental meetings by different NGOs and IPOs and a calendar of future meetings. The views expressed in this newsletter do not necessarily reflect the views of the Global Forest Coalition, its donors or the editors.

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"Our Trees Are Not for Sale", Durban, 2011



Ex Silvis: A REDD Sunset

Fiu Mataese Elisara, Chairperson, Global Forest Coalition

Was Durban the beginning of the end of REDD?

The 17th Conference of the Parties (COP 17) to the UN Framework Convention on Climate Change (UNFCCC), held in the South African city of Durban at the end of 2011, reportedly made some progress in terms of taking a number of additional decisions on reference levels, monitoring, reporting and verification procedures with respect to Reducing Emissions from Deforestation and forest Degradation and Enhancing Forest Carbon Stocks (REDD+) and sources of finance for REDD+.

However, most of the decisions made in Durban were so vague that they might end up undermining rather than supporting REDD+. For example, the decision that was supposed to give guidance on which information systems countries should use to monitor the implementation of social and environmental safeguards is so vague that it is not even worth mentioning the contents.

Equally worrying is the decision that provides guidance on reference levels for calculating whether certain forest-related emissions reductions are 'additional' to what would have happened in the 'business as usual' situation. This guidance is so flexible that countries can basically present any situation as being 'business as usual' in their forest sector. Thus a country that never suffered significant forest loss because it simply did not have the capacity to 'destroy' its forests can now claim that its 'business as usual' scenario would be to destroy all its remaining forests, implying that their conservation has to be compensated for. It should be noted that as a result some REDD+ forestry sector investments, especially in countries that are to receive millions of dollars from the private sector-oriented World Bank Forest Investment Program (WB FIP), will significantly increase these countries' capacity to destroy their forests. In this sense, every tree left standing could be seen as 'additional'!

As all these 'additional' efforts are supposed to be financially compensated, the Durban decisions on reference levels have severely inflated the financial bill attached to REDD. But COP 17 also failed to take a decision on how REDD, the largest performance-based Payment for Environmental Services (PES) system ever proposed, is to be financed. At the heart of REDD+ is the idea that countries are to be paid for so-called results-based actions to reduce emissions from forest-related activities. But who is supposed to pay?

The vague statement by the Conference of the Parties that REDD+ 'could' be financed through both public and private sources is not dissimilar to saying that Santa Claus 'could' show up at the high-level segment of the Rio+20 Summit! After all, the most significant result of Durban was the decision by most developed countries to postpone any legally binding quantified emissions reduction commitments until at least 2020. And even that deadline is highly uncertain! No legally binding caps implies that there will be no demand for carbon offsets other than through the highly volatile and currently rather depressed voluntary carbon offset markets. This means that the anticipated 'private sector' finance may well fail to materialize. This is compounded by the fact that the EU decided, in 2008, to exclude REDD+ from its emissions trading system until at least 2020.

The logical consequence of this state of affairs is that the main source of finance for REDD+ - until 2020 but probably thereafter as well - will be Official Development Assistance (ODA). In times of severe government budget austerity, this is really bad news for REDD+ promoters.

Donor austerity and reminders of 'sunset clauses' and 'exit strategies' were also prevalent at the recent meetings of the UNREDD Policy Board and the World Bank Forest Carbon Partnership Facility's Participants Committee, which took place in Asuncion, Paraguay, 25-30 March. It was reported that most donor government participants were inclined to gaze at the ceiling rather than engage in discussion about the possibility of mobilizing resources for additional readiness programs under the two initiatives. It was also observed that the future of REDD, in particular UNREDD, was quite uncertain, given that it depends for some 90% of its finance on the plans of two recently elected Norwegian Ministers newly responsible for Norway's generous Forest and Climate Change Initiative. Whilst REDD-fans might count their blessings that Norway seems to have escaped the worst of the economic crisis so far, it is also clear that Norway is becoming tired of being almost the only donor to several REDD programs and initiatives. Funding from EU countries, USA and other major donors is certainly thin on the ground. One of the countries present in Asunción subtly pointed out that some 20 colleagues had recently been





fired due to budget cuts in his ministry and it was not the time to talk about generous additional contributions to REDD.

It was also reported that one of the donors present in Asunción queried the REDD Readiness process, asking "Ready for What?" In other words, what are countries getting ready for, if there is no certainty about future financing for REDD+ now, in the near future, or even after 2020?

Another key concern is the lack of clarity about the relationship between funding programs for REDD+ and those for UNFCCC. A decision on Social and Environmental Principles and Criteria for the UNREDD program was postponed, as countries wanted to avoid a clash with the (unspeakably vague and non-binding) safeguards adopted by the UNFCCC. It was also pointed out that UN-REDD was only a temporary structure, and that countries might soon apply to the Green Climate Fund for REDD funding, meaning that this might develop its own safeguards, or use the weak UNFCCC ones.

Meanwhile, the World Bank's Carbon Fund, which is supposed to start paying for these results-based actions through so-called 'Emissions Reduction Payment Agreements' (ERPAs), was on the receiving end of some severe criticism from some of its country participants due to the commercial nature of these ERPA agreements. In fact, the current draft ERPAs could result in REDD countries absorbing exorbitant financial liabilities if they fail to reduce their forest-related emissions, for example due to forest fires.

A similar critique of market-oriented funding mechanisms was also raised at the recent Dialogue Seminar on Scaling Up Finance for Biodiversity Finance organized by the Convention on Biological Diversity, and at the recent Rio+20 PrepCom held in New York, USA, in March (see reports in this issue of Forest Cover). The ongoing 'collapse' of the carbon market should itself have convinced governments that market-based approaches to forest and biodiversity conservation are not only environmentally and socially unsustainable, but unsustainable from a financial point of view as well.

Yet despite escalating evidence and concern about the uncertainty inherent in REDD+ financing, UNREDD and FCPF continue with their REDD+ Readiness show, as if nothing were amiss. Four new countries, Sri Lanka, Guatemala, Mozambique and the Republic of Congo, recently joined the Readiness circus, each receiving a grant of a couple of million dollars to make sure they are 'ready' for this uncertain REDD future.

For many of us, Durban was indeed the beginning of the end for REDD, which was always something of a shaky house of cards. Let us hope that forest policy makers in REDD-recipient countries will at least try to use their current grants to secure the recognition of Indigenous land rights and other policy reforms that can pave the way for forest policies that are sustainable from all points of view, even in

A new Global Alliance of Indigenous Peoples and Local Communities on Climate Change and Against REDD is Born

Hortencia Hidalgo, Autonomous Aymara Council



Some leaders of the New Global REDD Alliance of IPOs and Local Communities, Durban, 2011

During the UN Framework Convention on Climate Change (UNFCCC) COP-17 in Durban, South Africa, the voice of indigenous peoples and local communities against REDD was raised as the constitution of a Global Alliance was formed; representatives from the different regions of the world called for a moratorium on Reducing Emissions from Deforestation and Forest Degradation (REDD+).

The call for a moratorium is based on the precautionary principle which states that: "When any activity threatens to affect human health or the environment, precautionary measures should be adopted even if some cause-effect relationships are not scientifically established".



The moratorium demanded is based on implementing the precautionary principle in order to ensure our rights, since most of the world's forests remain in indigenous areas and territories.

REDD+ threatens the survival of forest dependent indigenous peoples and local communities and could result in the biggest land grab ever. We, the indigenous peoples, are having our rights violated as a result of REDD+ policy and program implementation, as well as suffering forced displacement, involuntary relocation, loss of land and territory, food sovereignty and food security, loss of traditional knowledge, and the absence of Free, Prior and Informed Consent as enshrined in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

We speak out about the safeguards set out in the Cancún agreements, since they do not establish legally binding obligations nor mechanisms able to guarantee our rights.

REDD+ and the Clean Development Mechanism (CDM) promote privatizing forests, trees and air through forest carbon trade and offsets, and the potential extension of these to include soils, agriculture, and, maybe even the oceans. This could jeopardize our relationship to what is sacred and undermine the rights of Pachamama (Mother Earth). We denounce carbon markets, they will not stop climate change.

Carbon markets and REDD+ turn our territories and forests into carbon wastelands while those most responsible for the current climate crisis refuse to accept binding commitments to reduce their greenhouse gas (GHG) emissions and continue to profit from their use of fossil fuels.

REDD+ promotes industrial tree plantations and could include genetically modified trees. Perverse incentives such as these are already increasing deforestation and the substitution of native forests with monocultures.

The future of humanity is in jeopardy as well as Mother Earth's equilibrium, because fossil fuel usage continues to dominate, even though it is the main cause of today's climate crisis. Every time that a community signs an agreement regarding REDD+ in a developing country, that provides credits for others to pollute; the project developers are being allowed to destroy the environment.

There are problems with the baselines used for calculations of how much deforestation has actually been prevented, and with leakage, permanence, monitoring, reporting and verification. But those in charge, both in the policy arena and in terms of designing specific project methodologies, cannot resolve those problems; REDD+ is undermining the climate change regime and violating the principle of common but differentiated responsibilities established by the UNFCCC.

During COP-17 we made an urgent call to the United Nations, the Human Rights Council, the High Commissioner for Indigenous Issues, the United Nations Permanent Forum on Indigenous Issues, and human rights

organizations, with respect to researching and reporting on violations caused by REDD+, and its policies and projects, as well as preparing reports, issuing recommendations and establishing preventative methods and reparations in order to guarantee the implementations of UNDRIP and other international measures.



Indigenous Peoples, local communities and other activists demonstrate against REDD in Durban.



Fake Forest Day in Durban: A Reality Check on REDD+

Wally Menne, Timberwatch Coalition, South Africa

On the outskirts of the UN Framework Convention on Climate Change (UNFCCC) negotiations at the 17th Conference of the Parties (COP 17) in Durban, and held on the same day as an event called 'Forest Day 5' organized by CIFOR and sponsored by the South African government, a civil society organization event called 'Fake Forest Day' (FFD) took place on Sunday 4 December 2011.

The purpose of FFD was to provide balance to the rather skewed view that equates real forests with industrial tree plantations. This misconception is shared by a number of big international NGOs, as well as by UN institutions such as the World Bank, the Food and Agriculture Organization (FAO), and the UNFCCC, together with the global timber industry.

For many years, corporations that ruthlessly exploit forests and timber plantation industry propagandists have run a misinformation campaign backed up by intense media hype. This has been used to deliberately confuse the public and consumers of timber products into believing that any bunch of planted trees, whether of indigenous or invasive alien species, can be classified as a 'type of forest'.

However, over the past twenty years there has been a steadily increasing awareness of the need to put an end to this confusion, and to halt the use of this patently false definition, especially since it actually creates a perverse incentive for the

ongoing destruction of real forests and their replacement with large plantations of ecologically and socially harmful tree monocultures (more correctly described as 'fake forests').



A typical fake forest - not to be confused with the real thing!



Blessing Karumbidza speaks on the harmful effects of tree plantations

The FFD Presentations

The speakers at FFD provided an overview of the problems associated with monoculture tree plantations, through a comprehensive and informative program.

In the first session, Winnie Overbeek of the World Rainforest Movement (WRM) gave a presentation on the International Plantations Campaign, which opposes the expansion of fake forests onto community land, especially where they replace real forests. Winnie highlighted how the Day against Monoculture Tree Plantations held on 21 September each year has helped to build community resistance to tree plantations.

Other presentations focused on how tree plantations impact our planet. Helena Paul of Eonexus described their negative effects on biodiversity, and Biofuelwatch's Rachel Smolker detailed how demand for plantation-grown biomass fuels would worsen the problem. Tom Goldtooth, from the Indigenous Environmental Network (IEN) spoke about the way in which plantations undermine indigenous knowledge and culture, and Larry Lohmann of The Cornerhouse covered connections between plantations and colonialism.

Blessing Karumbidza from Timberwatch focused on the threats posed by 'false solutions' to climate change involving tree plantations, and Anne Petermann of the Global Justice Ecology Project (GJEP) told how genetically-engineered trees could worsen the existing negative impacts of tree plantations.



On the subject of certification, which is held up by tree plantation supporters as a way of ensuring 'responsible management', Philip Owen of GeaSphere described how the Forest Stewardship Council (FSC) certification scheme had failed in South Africa. A short video emphasising the problem [“Is FSC the Right Choice?”](#) was shown.

Simone Lovera of the Global Forest Coalition spoke on the subject of how falsely defining tree plantations as forests has led to numerous problems in establishing workable forest governance policies.

Examples of the ways in which monoculture tree plantation activities have harmed the environment were described by Carlos Afana of La Via Campesina (LVC) in Mozambique; and Bongani Mthembu of the South Durban Community Environmental Alliance (SDCEA) explained how the industrial processing of timber from plantations in pulp mills impacts on neighboring communities. Zandile Zwane from Swaziland, Diego Rodriguez from Colombia, and Tsietso Chabatsane of Lesotho also outlined the problems people are experiencing with tree plantations in their respective countries.

REDD+ and Fake Forests

During the Fake Forest Day discussions, participants raised concerns about the perverse links between REDD+ and fake forests. REDD+ is being driven by the World Bank, the UNFCCC and other United Nations structures like the UNREDD program. Rather than encouraging community-based forest management (CBFM), REDD+ has been explicitly promoted as a positive response to climate change, with forest peoples often blamed for deforestation.

But in reality, forest communities are threatened by harmful land management practices derived from a corporate mindset. Corporate-driven tree plantation schemes aimed at making profits by exploiting the natural resources of others are being imposed on local communities, even when they are the *de facto* owners of the land.

Control over community resources in developing countries is achieved by establishing privileged relationships with individuals through whom foreign investors are able to establish effective ownership or control of community land and water. An example of this is the World Bank's Ibi Bateke tree plantation project in the DRC.

(See: [Congo businessman blazes carbon-market trail for Africa - AlertNet](#))

As a potential methodology for saving forests, REDD+ is fatally flawed, mainly because nothing is being done to develop and to implement measures to reduce the wasteful consumption of materials derived from forests and from land converted to fake forests.

Conclusions

The industrial tree plantation land-use model survives by externalizing most of its costs to the natural environment and to local communities, and by extension to future generations who will inherit the liability for the damage done by the timber industry.

Allowing this situation to continue will mean lost opportunities due to depleted resources and a degraded environment. Costs deferred to our children and grandchildren will burden them with an ecological debt they are not responsible for, and do not deserve.

A short video overview of the Fake Forest Day presentations can be viewed at http://youtu.be/mfg_4Mru2jA



Those who attended FFD were able to learn how to identify fake forests

Links to individual presentation videos on YouTube are at www.timberwatch.org



Thematic Social Forum on Rio+20

Tatiana Roa Avendaño, Censat Agua Viva, Colombia

The Thematic Social Forum on Rio+20 was celebrated in Porto Alegre, Brazil, 23-28 January. Hundreds of people from a wide variety of organizations participated in the event, focusing especially on the central themes to be discussed in June, at the United Nations Conference on Sustainable Development in Rio de Janeiro. Networks, organizations and social movements analyzed and prepared the road to the 'People's Summit for Social and Environmental Justice in Defense of Common Goods', which will also be held in Rio, 15-23 June.

Without a doubt, the central theme being discussed was the proposal for a 'Green Economy' launched by the United Nations Environment Programme (UNEP) which published a report on this theme in 2011: "Towards a Green Economy - Pathways to Sustainable Development and Poverty Eradication".¹ UNEP also published an earlier document on this issue in 2009, entitled: "Global Green New Deal – A Policy Brief".²

The 'Green Economy' initiative promoted by UNEP, in collaboration with a wide range of partners and international experts, proposes a new framework incorporating the current discussions, negotiations and policy-making processes of virtually all the multilateral agencies. Thus there were many different workshops, working groups and seminars in Porto Alegre, all having the central 'Green Economy' theme, but looking at different aspects of it, and defining the strategies that need to be implemented in the run-up to Rio+20. The alter-globalist movement, which will be centered on the People's Summit, seeks to get to Rio+20 in a scenario of social mobilization.

The People's Summit is being convened by different Brazilian and international social organizations, such as La Via Campesina, Friends of the Earth, World March of Women, Jubilee South, Oilwatch, the Southern Peoples' Ecological Debt Creditors Alliance, and others - networks and organizations that we are part of or that we work with. Many other organizations dealing with other issues have since joined in order to convene a People's Summit based on the following agreed plan. The event will take place in Flamengo (Rio de Janeiro), 50 km away from the official Summit, creating a space for many different people including peasants, youth and quilombolas (afrodescendant communities), where camping will also be possible.

The Summit will revolve around three cornerstones, at the same time trying to avoid the thematic approach, which tends to fragment discussions. These three cornerstones are: (a) structural causes of the crisis, (b) false solutions, and (c) people's alternatives. The summit will provide a scenario for speaking out and mobilizing against the 'Green Economy' proposal.



The agenda for the People's Summit is:

15-16 June: Toxic tours in the city, visits to communities, networks and movements meetings

17 June: March of Communities

18-21 June: People's Assembly

22 June: "With the voices of Peoples" ("Con las voces de los Pueblos", in Spanish), several simultaneous activities including marches, exhibitions and videos.

23 June: Evaluation Day and Press Conference

¹ www.unep.org/greeneconomy/greeneconomyreport/tabid/29846/default.aspx

² www.unep.org/pdf/A_Global_Green_New_Deal_Policy_Brief.pdf



Rio+20 Preparatory Meetings – Road to the Earth Summit or Road to yet-another-Business-Summit?

Isis Alvarez, Global Forest Coalition

The first round of 'Informal-Informal' negotiations on the Zero Draft of the outcome document for the forthcoming Earth Summit took place 19-23 March 2012, in New York, and was followed by the Third Intersessional Meeting of the UN Conference on Sustainable Development (UNCSD or Rio+20), on 26-27 March.

Negotiations initially started out with a Zero Draft of close to 20 pages; as of today it is closer to 200 pages. The 'Green Economy' is one of the main issues being discussed, and the whole third section of the document is devoted to this one theme.

The major groups have been working hard to introduce the issues of most relevance for civil society in all sections, and different thematic areas within the draft. However, negotiations seemed to have taken their own (and predictable) path so far. Take, for example, the proposal to delete the term 'Indigenous Peoples' from the text replacing it simply with the word 'Indigenous', which was, unfortunately, not such a big surprise. Such seemingly tiny shifts can have huge consequences. There is an agreed United Nations Declaration on the Rights of Indigenous *Peoples* (UNDRIPs), but, given the private sector's ongoing thirst for land, this revised term could easily ignore the rights Indigenous Peoples and Local Communities have achieved (not without effort) through UNDRIPs, and provide yet another means of legitimising land grabs. In the end, the text retained its original form, but the fact that there was such an effort to change it is worrying in itself.

Furthermore, the proposal to include the term 'food sovereignty' didn't make much headway. 'Food security' is the preferred term for these negotiations, which could also imply the 'empowerment' of agroindustry and its potential expansion. This would certainly exacerbate already existing pressures on natural resources, this time under the banner of 'sustainable development'.

It did not take long for the real intentions of governments and their 'associates' to emerge, giving a strong indication of just how the final document could be worded. On 24 March, for example, most participants were shocked to witness the fact that the human rights-based language throughout the document was put at risk following a proposal from some of the major powers to put square brackets (indicating a lack of consent) around text on the principles agreed in Johannesburg ten years ago, and to bracket and delete language relevant to helping to generate 'real' sustainable development (which must of course incorporate human rights).

Paul Quintos of IBON Foundation³ gives noteworthy examples of such proposed deletions from the food and water sections. These included:

- "Right to food and proper nutrition"
- "Specific attention must be paid to challenges faced by poor smallholders, women and youth including their participation in decision-making..."
- "Promoting access to land particularly for women, indigenous peoples and other vulnerable groups"
- "Regulating financial and commodity markets to address price volatility"
- "Right to safe and clean drinking water and sanitation"
- *all* references to the right to development.

The Women's Major Group also highlighted the US's intention to delete a proposal to raise the proportion of leadership positions undertaken by women to 40%, and to delete references about sexual and reproductive health and rights from the text.

Moreover, as the ecosystems approach was deleted, leaving nothing more than support for ecosystem service payments in the text, it seems that market-based approaches may well continue to dominate the 'sustainability' agenda. These tend to impact negatively on the most vulnerable people around the world, particularly because they are based on the use of capital assets, such as property rights, favoring wealthy investors and elites. Indigenous peoples and local communities seldom have access to such assets, as was pointed out during the Women's Major Group side event 'Women's Critical Perspectives on the Green Economy'.⁴ This means that they are considerably less likely to benefit from any such mechanisms; and worse, because such mechanisms lead to

³ http://iboninternational.org/page/whats_new/138

⁴ <http://globalforestcoalition.org/2148-un-intersessional-report-how-will-the-green-economy-affect-women>



increased land-grabbing, they are also highly likely to suffer escalating negative impacts. At this point it is hard to believe that further negotiations have any chance of leading to an agreement that is genuinely focused on reducing poverty for many, as opposed to increasing profits for a few.

To sum up, some of the outcomes of the first round of negotiations are:

- Weakened rights-based language throughout the document
- Rejection of a specialized UNEP Agency
- Rejection of a UN High Commissioner for Future Generations
- A large number of market-oriented proposals in the forest text and a deliberate attempt to divide forests from biodiversity, making it clear that many negotiators still fail to recognize the fact that forests are ecosystems.
- A proposal to focus on 'sustained growth' (seemingly disregarding 'sustainable development', and not considering the impacts of climate change on vulnerable areas and peoples).
- A push for a 'Sustainable Energy for All' (SEFA) Initiative (see elsewhere in this publication for more detail about this initiative⁵) and other corporate-driven and unregulated approaches.

The second round of negotiations will be held in New York, 23 April-4 May 2012. This is likely to see a continuation of the battle between developing countries, struggling for their 'right to develop', and developed countries, who want to maintain 'business-as-usual'. Organizations will continue to challenge proposals that threaten to increase inequality worldwide whilst benefitting big transnational corporations and promoting neocolonialism. In this light, it is important to ponder whether we will be better off with a weak agreement in Rio or no agreement at all.

'Negotiation Grabbing'? Business Dominates Sustainable Energy Forum

Rachel Smolker, Biofuelwatch, USA

2012 has been declared 'International Year of Sustainable Energy For All'.⁶ At the recent World Future Energy Summit in Abu Dhabi, UN Secretary General Ban Ki Moon announced the new 'Sustainable Energy For All' (SEFA) initiative, pointing out that one in five people currently lack access to electricity, and that the use of traditional cooking methods, burning wood on open hearths, results in severe health impacts on women and children. These are certainly real problems in need of resolution, but will this 'Sustainable Energy For All' initiative deliver what is needed?

Mandates for renewable energy have largely translated into mandates for bio-energy (renewable energy produced from organic matter) so far. For example, UK policies have resulted in more than 80% of renewable energy coming from the burning of largely imported wood, and vegetable oils. SEFA does not clearly define what it means by 'sustainable energy' – but we can assume they will include biomass, biofuels, large scale hydro, natural gas, and potentially carbon capture and sequestration (CCS) technologies. Brazil's investment in biofuels and large hydro are cited as positive examples, and given a recent announcement made at the World Biofuels Congress, it is clear that biofuels will get a major boost from this initiative. This should raise serious concerns about how this initiative will impact forests, indigenous peoples and our climate. It appears as if the expanding critical literature on these technologies, and civil society opposition to many of them - from indigenous protests over large hydro projects to scientists speaking out about the negative impacts of bioenergy - have not yet filtered up to those promoting this initiative.

Even more worryingly, we should brace ourselves for a distinctly business-led response to the development of sustainable energies, given the players advancing SEFA. The High Level Group appears to have been hand-picked by the Secretary General, without any broad consultation. It is co-chaired by Charles Holliday (Chair of the Bank of America and former director of DuPont) and Kandeh Yumkella, (Chair of UN-Energy⁷ and Director of UNIDO).

⁵ <http://www.biofuelwatch.org.uk/2012/sefa/>

⁶ <http://www.sustainableenergyforall.org/>

⁷ For more information about UN-Energy go to www.un-energy.org/



Participants in the group include Statoil, Siemens, Eskom, and some big finance groups like Riverstone Holdings (which includes John Browne, a former CEO from BP) and Bloomberg New Energy Finance. Mark Moody Stuart, an ex-chairman of Shell represents the UN Global Compact.

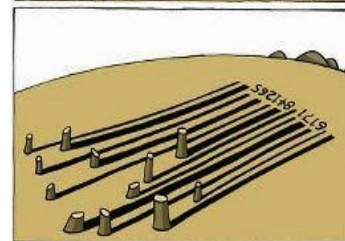
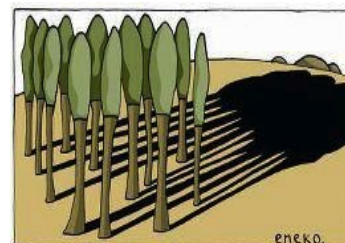
Also involved are consultancies such as Accenture, intergovernmental agencies including UNEP, UNDP, the International Renewable Energy Association (IRENA) and the World Bank, and a very small number of civil society organisations – namely Ted Turner's United Nations Foundation, IUCN and Barefoot College. Practical Action is a sole representative amongst the 'partner' organizations. The only governments represented individually on the High Level Group are those of the US, EU (European Commission), Russia, India and Brazil⁸.

It is deeply troubling to see this sort of insidious 'public-private partnership' developing, lacking transparency or democratic structure and making very little effort to ensure adequate participation and representation. It is being advanced under the auspices of the UN yet remains outside the realm of any UN multilateral agreements or conventions.

SEFA is explicitly referenced for support in the 'zero draft' for the upcoming Rio+20 Conference on Sustainable Development. A 'Framework for Action'⁹ has been circulated by SEFA, and goals outlined: to make access to clean energy an international priority, with commitments from governments and stakeholders; to develop national coordinating committees and public-private partnerships; and to develop new finance, accountability and performance mechanisms in order to ensure access to electricity, and double both the rate of improvement in efficiency and the global share of renewables by 2030.

Of particular concern is the manner in which this initiative appears poised to pit traditional biomass uses against 'modern' uses (i.e. cooking fuels versus commercial and industrial scale wood incinerators). There is repeated reference to 'modern', 'clean' and 'sustainable' energy. While traditional cooking methods, 'three stone fires' are targeted as a significant (and valid) concern, commercial and industrial scale burners, are considered 'modern, clean and sustainable' even though they generally operate at very low efficiencies (25-35%), and spew out enormous quantities of particulates, soot and a variety of toxins (i.e. dioxins, mercury etc) normally associated with fossil fuel combustion.

It is difficult to feel inspired by SEFA. It appears largely to be a means of ensuring that the energy industry's interests are being advanced, with the public sector and governments relegated to a supporting role - facilitating a better business environment for companies investing in whatever technologies they deem appropriate, at whatever scale they choose to define as 'clean', 'modern', or 'sustainable'.



Cartoon by Eneko
<http://blogs.20minutos.es/eneko>

Market-based Mechanisms and Biodiversity Finance

Rashed al Mahmud Titimur, Unnuyan Onneshan, Bangladesh

The Secretariat of the Convention on Biodiversity (CBD) and the Governments of Sweden, Ecuador, Norway, India and Japan organized a Global Dialogue Seminar on Scaling Up Finance for Biodiversity, 6-9 March, in Quito, Ecuador. The seminar, which gathered some 80 people from governments, civil society organizations, social movements, academia, indigenous peoples organizations, business and the UN was, to me, an exposé of the differences that exist between public positions and private interests, and between official narratives based on dogmatic articulations and empirical evidence on the ground. Yet considerable convergence was generated during this meeting, and this convergence will have its first test at the forthcoming meetings of the CBD's Working Group on the Review of Implementation (WGRI), and its Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA), which will meet 30 April-11 May in Montreal.

⁸ For a full list go to <http://www.un.org/wcm/content/site/sustainableenergyforall/home/members>

⁹ <http://www.un.org/wcm/webdav/site/sustainableenergyforall/shared/Documents/SE%20for%20All%20-%20Framework%20for%20Action%20FINAL.pdf>



Market-based mechanisms

The key issue to be considered during the dialogue was whether market-based mechanisms will generate scaled-up finance for conserving biodiversity. Therefore, the seminars had to embark upon at least two distinctive sets of questions: (a) whether price tags can be put on the goods and services provided by biodiversity, since these are the result of complex processes that are interlinked and difficult to demarcate, and (b) whether there are demonstrated cases of financial resources for conserving biodiversity being scaled up.

The seminar listened to numerous presentations including a report from the Government of Norway. In essence this report concludes that market-based instruments for biodiversity are to a large extent experimental and surrounded by question marks and challenges.

Another question that arose at the seminar concerned the legitimacy of using markets to ensure the protection of biodiversity in the first place. Even if trading could reduce costs and increase efficiency, markets can only capture a subset of the values involved. In agreement with a briefing paper prepared by the CBD Alliance¹⁰ and other comments from civil society, there was a general convergence on the view that markets do not provide the best conditions for trading environmental values and goods. Another concern voiced in plenary centered on the contradiction between using prices to reflect biodiversity goods' and services' environmental values, whilst ensuring access for the public (especially indigenous communities and those without resources) to basic amenities and basic livelihood opportunities.

As regards biodiversity offsets, these cannot be compared with carbon offsets as none of the so-called innovative financing schemes for biodiversity comes close to defining a biodiversity 'currency' similar to carbon credits (which confer the right to emit quantifiable 'tons of carbon equivalent').

Civil society representatives highlighted their concerns relating to the financialisation of nature and the risks associated with it. On the whole, there was converging agreement that it is difficult to define biodiversity in monetary terms and there are limitations to the use of markets when it comes to protecting biodiversity. It was also agreed that the state should play the main role in rectifying problems associated with market failures and scaling up finances. If private finance is involved, it should be channeled through the state or its intermediaries.

Regulating the market

Another major issue felt by almost everyone, irrespective of political orientation, was the need to regulate markets and corporations, since these entities are in most cases driven by their goal of maximizing profit. A major issue that came up during discussion was the implementation of the 'polluter pays' principles. There was no convergence on the principle, though it is one of the most fundamental components of any process designed to create financial flows for biodiversity.

Role of the state and the public sector

Another important empirical finding that came to the floor is that in most of the Payments for Environmental Services (PES) systems for biodiversity, the state plays a key role, not only in defining rights and caps, but also as a buyer. According to the Norwegian study, as much as 99% of payments for environmental services worldwide derive from public sources, with the figure standing at 97% for developing countries. It finds that the extensive involvement of public authorities seems to be due to high transaction costs, which the private sector might not be inclined to pay. There was also considerable convergence around the fact that scaling up of resources can be achieved through reforms of tax and subsidy regimes, which could be categorized as follows:

- (a) Fiscal reforms, including reform of perverse subsidies and redirecting harmful subsidies, and reforms of environmental taxes, financial transaction taxes, ecological fiscal transfers (national and international) and the introduction of other innovative public approaches.
- (b) Public funding, generating direct payments for ecosystem services (public PES), and support for legal action as well as strengthening governance and capacity building.
- (c) Official Development Assistance (ODA), providing mainstream and direct funding.

The CBD Alliance and other NGO networks need to embark upon these areas to demonstrate more convincingly their standpoint of scaling up resources through fiscal options, public funding and earmarked ODA.

For more information, see: <http://www.dialogueseminars.net/> and <http://www.cbdalliance.org/innovative-financial-mechanism/author/cbd-alliance>

¹⁰ See <http://www.globalforestcoalition.org>



UNEP and the Rough Road to Rio+20

What was no doubt intended to be a well-orchestrated gathering to provide whole-hearted support for the UN Environment Program's (UNEP) ambition to become a brand new UN Environment Agency and the principle engine behind its 'green economy' proposals, failed to deliver last February. The twelfth Special Session of the UNEP Governing Council/Global Ministerial Environment Forum, which was organized 20-22 February 2012 at UNEP's headquarters in Nairobi, Kenya, could not reach consensus on supporting the proposal to change UNEP into a full-fledged UN Specialized Agency. It also failed to agree on the 'green economy' concept.



In itself, this lack of enthusiasm could not be blamed on UNEP, which had carefully selected the governmental and NGO panelists for its Ministerial Roundtables so as to ensure maximum support for both ideas. For example, keynote speaker Zakri Abdul Hamid from Malaysia, one of the co-chairs of the Millennium Ecosystem Assessment enthusiastically highlighted the fact that approximately 120 countries had endorsed the idea of a UN Environmental Agency. However, he failed to mention that this implies that over 70 countries still have serious doubts about the proposal. During the discussions in the Committee of the Whole of the Governing Council it soon became clear that in reality there

was no consensus at all on this proposal, and this dissent was clearly reflected in the final decision.

Likewise, during the discussions themselves several countries expressed serious doubts about the 'green economy' concept. They insisted that sustainable development should be approached from a holistic perspective, and not just from a financial or economic perspective. Here again, the dissent became crystal clear during the real negotiations that took place in the Committee of the Whole of the Governing Council, where the G77/China opposed a reference to the 'green economy' with the argument that it was a concept that is yet to be defined by the Rio+20 process. In particular, India, China, Russia and the ALBA group of progressive Latin American countries expressed strong doubts about the concept. Unsurprisingly, many of these countries also opposed upgrading UNEP, which has positioned itself as the potential engine behind the 'green economy'.

Judging from the discussions at this, the biggest ministerial gathering before the UN Conference on Sustainable Development itself (also known as 'Rio+20'), it is clear that the road to Rio will continue to be a rough one during the coming months. Rio+20 has 'the institutional framework for sustainable development' as one of its two key themes, but it is becoming increasingly unlikely that consensus will be found on the proposal to change UNEP into a Specialized Agency. This proposal is also questioned by many NGOs that fear a disconnect between the three pillars of sustainable development. UNEP's enthusiasm for the 'green economy' concept demonstrates that UNEP's focus is primarily directed towards the economic and environmental pillars of sustainable development, overlooking the social pillar that is fostered by social movements and NGOs embracing rights-based approaches to environmental challenges.

The other major theme of the Rio+20 conference is the 'green economy', which is proving to be even more contentious than the issue of governance. As analyzed by the Earth Negotiations Bulletin: *"Many interventions at the GC confirmed that suspicions persist, in particular that green economy may impede the national right to follow an independent path of development, and its 'unbalanced message' is more attuned to the requirements of the developed world."* Countries like Bolivia and Venezuela also share the more fundamental concerns expressed by global social movements, indigenous peoples' organizations and social development-oriented NGOs that the green economy would lead to a further commodification and privatization of nature and trigger increased (forest) land-grabbing by corporations, conservation organizations and other powerful economic elites.

It is with great regret that we have to conclude that what could have been a badly needed profound review of the implementation of the commitments made at the Earth Summit held in Rio de Janeiro in 1992, which included the Biodiversity Convention, the Climate Convention and Agenda 21, is at serious risk of descending into a polarized battle over a highly questionable concept that is being pushed fanatically by a UN Programme that, in the end, might have ended up ruining its own chances of an upgrade.

For more information, please visit: <http://www.iisd.ca/unepgc/unepps12/>



RIO+20
United Nations
Conference on
Sustainable
Development



Calendar of Forest-Related Meetings & Events



Photo Simone Lovera, Atlantic Forest, Brazil

April

- 23 Apr - 4 May, Third round of 'informal-informal' negotiations on the zero draft of outcome document, New York, U.S.
- 30 April - 4 May, The sixteenth meeting of the Subsidiary Body on Scientific, Technical and Technological Advice of the Convention on Biodiversity (SBSTTA 16), Montreal, Canada.

May

- 7 - 11 May, Ad Hoc Open-ended Working Group on the Review of Implementation of the Convention on Biodiversity (WGRI), Montreal, Canada.
- 14 - 25 May, 36th session of the Subsidiary Bodies of the UN Framework Convention on Climate Change and related meetings, Bonn, Germany.
- May 7 – 18, 11st session of the UN Permanent Forum on Indigenous Issues, New York, USA

June

- 13-15 June, 3rd Preparatory Committee Meeting UN Conference on Sustainable Development.
- 13-17 June, Major Groups Initiative on Forests and the Green Economy in support of the United Nations Forum on Forests (UNFF), Teresópolis, Brazil.
- 15-23 June, People's Summit (Rio de Janeiro, Brazil).
- 20-22 June, UN Conference on Sustainable Development (Rio+20), Rio de Janeiro, Brazil.

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