



Chatham House meeting on illegal logging 18 January 2008

The Bali discussions on avoided deforestation – all good news for forests and forest peoples?

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The campaigning NGO for greater environmental and social justice, with a focus on forests and forest peoples rights in the policies and practices of the EU



The Good News

- Fate of Forests back on the agenda after almost a decade of neglect in which millions of hectares of intact forests and forests peoples' livelihoods have been destroyed or degraded;
- Wide acknowledgement of the need to consider governance, land rights and customary use after a series of protests, actions and interventions by Climate Justice Now! coalition of NGOs and indigenous peoples highlighting that avoiding deforestation will take more than money, capacity building for inventories and carbon counting



Why it's not all good news (1):

- In stark contrast to these positive declarations and civil society interventions:

Two key messages kept emanating from proposals being presented at conference side events:

- Putting a monetary value on carbon in standing forests and providing money on that basis as alternative to profit from forest conversion will drastically reduce deforestation
- Only carbon trading can leverage the volume of funding needed

Both assumptions do deserve to be challenged!





Only carbon trading can raise the funds necessary to avoid deforestation?

“the total financial resources needed to cut the rate of deforestation in half correspond roughly to the loss of revenue that governments currently incur due to illegal logging.”

International Institute of Applied Systems Analysis side event
'The Political Economy of Avoided Deforestation'

Estimates on funding needed to half deforestation vary from 5bn / annum (Stern report) – to 50bn / annum (World Bank)



Why it's not all good news (2):

World Bank Forest Carbon Partnership Facility launched

- without consultation with indigenous peoples
- without clarity on the nature of the financial instruments to be piloted although press releases and interviews as well as (draft) Charter language suggest the focus to be on carbon credit trading:

"The facility's ultimate goal is to jump-start a forest carbon market that tips the economic balance in favor of conserving forests"

Benoit Bosquet [FCPF press release www.carbonfinance.org]





Why it's not all good news (2):

World Bank Forest Carbon Partnership Facility launched

....

- without thorough assessment of either
 - the experience of other World Bank carbon offset fund contributions to poverty alleviation or sustainable development

“Carbon trading ‘dispossesses ordinary people in the South of their lands and futures without resulting in appreciable progress toward [...] avoiding deforestation” *Larry Lohmann at ‘Carbon Trading’ book launch, November 2006*

- the lessons that ought to be learned from over two decades of [mostly failed] initiatives to halt deforestation and reduce forest degradation



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- without thorough assessment of the lessons that ought to be learned from over two decades of [mostly failed] initiatives to halt deforestation and reduce forest degradation and other World Bank carbon fund impacts on poverty alleviation

“Learning by Doing” or more “Doing without Learning”?





Unanswered questions (1)

- Are the lessons of past failed global forest initiatives (like TFAP) informing current REDD policies?
- How will forest peoples be fully involved in the design and implementation of REDD funds and policies?
- What new models for effective participation are proposed? (beyond “multi-stakeholder” committees...)
- How can forest peoples be properly informed about both the risks and potential opportunities of REDD policies prior to entering into any agreements?



Unanswered questions (2)

- What mechanisms can be put in place for FPIC and good faith negotiation?
- What mechanisms for redress and grievance will be established?
- How will REDD schemes ensure respect for the rights of forest peoples, including their customary rights?
- How will social risks be eliminated or at least minimised?
- How will ethical and scientific problems with the international carbon trade be addressed?
- Who will really benefit from REDD funds?



Unanswered questions (3)

- How can REDD avoid subsidising large-scale high-tech logging in the name of reduced forest degradation? = BAU
- What will happen to local communities who have already forgone livelihood activities in return for promised compensation, when national REDD targets and agreed payments cannot be met?



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