REDD-Monitor's round-up: Watching REDD unravel

After almost five month's of dithering, Indonesia's two-year forest moratorium <u>started this month</u>. President Susilo Bambang Yudhoyono faced a choice between two options: one version of the moratorium would have prevented new concession in all forests and peatlands; another version applied only to primary forests and peatlands. Yudhoyono chose the second.

The fact that the moratorium was <u>welcomed</u> by Asia Pulp and Paper, a company with one of Indonesia's worst records for forest destruction, indicates just how little companies will have to change from business as usual as a result of the moratorium.

There was the possibility that existing concessions (of which there are a very large number in Indonesia – many of which overlap and many of which are illegal) could be, at least, reviewed. It seems extremely unlikely that this will now happen. An <u>indicative map</u> is part of the presidential instruction that brings the moratorium into force (or farce as one <u>commentator</u> puts it). The indicative map shows the area of primary forest and peatlands that is to be protected for the two-year period of the moratorium. Huge white areas are carved out of green area representing primary forest, particularly in Papua – these represent existing concessions. Two national parks in Sumatra are completely omitted from the map.

The already weak moratorium is filled with loopholes. Existing concessions are specifically excluded from the moratorium, as are concessions that have already "received approval in principle" from the Minister of Forestry and the extension of existing permits. "National development" projects are excluded – the presidential decree includes a list: geothermal, oil and gas, electricity, land for rice and sugar cane.

The moratorium is part of Norway's US\$1 billion dollar REDD deal with Indonesia. Norway has also promised US\$250 million to Guyana and US\$1 billion to Brazil.

In March 2011, members of civil society and members of parliament in Guyana wrote to Norway's Minister of the Environment and International Development, Erik Solheim. The letter listed "eight key problems with the operation of the Memorandum of Understanding between the governments of Guyana and Norway". Part of the problem is that deforestation is increasing in Guyana and the first project in President Bharat Jagdeo's Low Carbon Development Strategy is a controversial hydropower dam in the middle of the rainforest. Construction of the access road has started, but is way behind schedule and the project is plagued with allegations of corruption and mishandling of funds.

The letter generated a large amount of discussion inside and outside Guyana. Almost two months after receiving the letter, <u>Solheim replied</u>, but wrote that, "It will not be possible to go into the details of your letter here". Now Solheim has received another letter, <u>requesting that he provides a detailed reply</u> to the eight problems.

In Brazil, things are looking even worse. The rate of deforestation, which had fallen in recent years,

shot back up this year. In March and April, nearly 593 square kilometres of forest were cleared – an increase of 470 per cent compared to the same two months last year.

One possible reason for the dramatic increase is that the increase in deforestation is the fact that the government has been discussing <u>dramatically weakening</u> the country's forest code. Ranchers are clearing forest anticipating that the weakened forest code will be passed and that an amnesty will be granted for previous illegal logging. On 24 May 2011, Brazil's House of Congress approved the amended forest code. It now goes to the Senate and, if approved there, requires the approval of Brazil's president Dilma Rousseff.

The debate surrounding Brazil's Forest Code (see article in this issue) reveals one of the perverse incentives of REDD. Governments with good laws in place, with good governance and with decreasing rates of deforestation stand to gain little from REDD. But with deforestation soaring, Brazil might just do very well out of REDD.

Meanwhile Brazil continues to push ahead with the Belo Monte hydropower dam, that has been opposed for 20 years by the indigenous peoples living in the Xingú watershed. Brazil is also pushing to include "forests in exhaustion" in the clean development mechanism – a proposal that amounts to no more than a subsidy for industrial tree plantations.

Two great videos came out recently in Europe, highlighting different problems with the way REDD is currently developing. The first, produced by a Dutch TV programme, Keuringsdienst van Waarde, looked into carbon offsets and found that they could buy an area of Brazil's rainforest for as little as <u>one cent per square metre</u>. The programme is fascinating, in turns shocking and funny, and raises a series of problems with the idea of carbon offsets.

For the second video, journalists from the London-based magazine Don't Panic went undercover to see just how far Conservation International would go to help greenwash polluting corporations. Their first problem was that CI already works with a list of Corporate Partners that looks like a who's who of planetary destruction, including ArcelorMittal, BHP Billiton, Cargill, Chevron, Goldman Sachs, Kimberly-Clark, McDonald's, Monsanto, Rio Tinto, Shell and Wilmar International.

Don't Panic's journalists pretended to be representatives of Lockheed Martin, the world's biggest arms manufacturer. Conservation International's representative didn't see any problems and suggested a "carbon offset strategy" and that "Lockheed Martin" could "offset" its polluting and deadly operations by buying a forest in Madagascar, Asia or Africa. Don't Panic wanted to find out whether Conservation International is "any more than a green PR company?" The answer, clearly, is no.

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