Observations on a private REDD project in the state of Acre, Brasil

Study conducted by the Centro de Memória das Lutas e Movimentos Sociais da Amazônia



World Rainforest Movement

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An "exemplary" REDD policy

In 2007, the state of Acre, located in the southwest of the Brazilian Amazon region, established the guidelines of its Policy for the Valuation of Environmental Assets, aimed at "providing incentives for sustainable production chains" and guaranteeing the preservation of the rainforest and its resources. Three years later, State Law No. 2.308 of 2010 created the Environmental Services Incentives System (SISA).² The system is described in official documents as "a set of principles, guidelines, institutions and instruments" that seek to "promote the maintenance and expansion of the supply" of the following "ecosystem services and products": I) sequestration, preservation, maintenance and increase of carbon stocks and reduction of carbon flows; II) conservation of the natural beauty of the landscape; III) conservation of socio-biodiversity; IV) conservation of water resources and services; V) climate regulation; VI) enhancement of the cultural value and traditional knowledge of ecosystems; and VII) conservation and improvement of the land³. The law foresees the creation of specific programmes for each of these "environmental services", to be established through specific legislation for each of them.⁴ The law establishing SISA, however, included the creation of the Programme of incentives for forest carbon-related environmental services (ISA Carbon Programme), with the justification that this issue had already been the subject of "intensive debate" by society in Acre, in addition to the fact that there were already well-established national and international carbon markets associated with REDD (Reducing Emissions from Deforestation and Forest Degradation) programmes.⁵

The ISA Carbon Programme created by the government of Acre is considered the most advanced jurisdiction-wide REDD mechanism in the world.⁶ It is described as an ambitious

1 Centro de Memória das Lutas e Movimentos Sociais da Amazônia: <u>http://lutasemovimentosamazonia.wordpress.com</u> Document published in "Leyes, políticas y economía verde al servicio del despojo de los pueblos" (Laws, policies and green economy at the expense of communities dispossession) special compendium of the "Biodiversidad sustento y culturas" (Biodiversity livelihoods and cultures) magazine carried out jointly by Alianza Biodiversidad, World Rainforest Movement (WRM) and Friends of the Earth Latin America and the Caribbean (ATALC) in December 2013. This research was made possible with support from Siemenpuu Foundation – Finland. 2 The other programmes encompassed by the Policy for the Valuation of Environmental Assets are "regularization of environmental liabilities", "certification of sustainable properties", "public, private and community forest management", "reforestation" and "restoration of degraded areas" (WWF, 2013).

3 http://www.ac.gov.br/wps/wcm/connect/fc02fb0047d011498a7bdb9c939a56dd/publicação_lei_2308_ling_PT.pdf?MOD=AJPERES

⁴ Articles 29 to 34, Law No. 2.308/2010.

⁵ Before proposing the creation of an Environmental Services Incentives System, the government of Acre formulated a programme aimed specifically at the carbon market, called the Payment for Environmental Services-Carbon (PES-Carbon) Project. In its comments on the proposed project, the NGO Forest Trends recommended that the government consider "a broad approach to PES, including hydrological and biodiversity services and instruments, rather than a strict reliance on often volatile carbon markets."

http://www.katoombagroup.org/rapidresponse/Comments%20Forest%20Trends%20Katoomba%20RRT%20-%20Acre%20PSA%20Program.pdf

⁶ In Brazil, a national REDD strategy is still being defined. However, in addition to Acre, other states such as Amazonas and Mato Grosso have begun designing their own REDD programmes. Some organizations promoting the development of REDD programmes believe that the experience of Acre could serve as an example for programmes emerging in other parts of the world (WWF, 2013).

programme because it encompasses the entire state.⁷ Since it establishes a framework for the state as a whole,⁸ ISA Carbon supposedly avoids the potential problems that can arise when REDD pilot projects are implemented without standard baselines or the necessary institutions. This approach was reportedly adopted by the government due to concerns over "the risks that REDD mechanisms, as originally conceived, could pose to vulnerable sectors of the population in Acre," in recognition of the need to "take the initiative of regulating these activities which are beginning to be implemented in many parts of the world without the due definition of responsibilities."⁹

Not every aspect of the ISA Carbon Programme was predefined. Instead, it is being developed through a series of sub-programmes and projects described in Article 16 of Law No. 2.308/2010 as "SISA planning instruments". The sub-programmes, which are to be created and regulated by the executive branch of the state government, may be thematic (targeted to specific beneficiaries, including, for example, indigenous communities or "extractivist" communities such as rubber tappers), geographic (targeting specific areas of the state), or a combination of the two. Projects, in the meantime, will have a local scope within the sub-programmes, and may be implemented with the direct involvement of government agencies or under the management of private agents (in the latter case, they are categorized as "special projects").¹⁰

In accordance with the law, these private projects must comply with the requirements of the entities established to oversee participation, management, control and registration (defined in Article 6 of Law No. 2.308/2010).¹¹ This process includes the pre-registration of the project with the Climate Change and Environmental Services Regulatory Institute (IMC); the application of the IMC protocol on public consultation and free, prior and informed consent; and an independent validation process (through voluntary socio-environmental certification systems recognized by SISA) as well as validation by the State Committee for Validation and Monitoring

8 WWF, 2013. "ENVIRONMENTAL SERVICE INCENTIVES SYSTEM IN THE STATE OF ACRE, BRAZIL. Lessons for policies, programmes and strategies for jurisdiction-wide REDD+"

http://assets.wwf.org.uk/downloads/sisa report english.pdf

⁷ Because it encompasses the entire state, the ISA Carbon Programme will supposedly not face the same problems as programmes with an "excessive focus on individual projects". According to researchers at IPAM, one of the organizations that supported the creation of SISA, "most REDD+ programmes are still a collection of REDD+ projects implemented in isolation from state and federal government policies and institutions." Although they believe that these projects "are important sources of innovation and the distribution of benefits on the ground, since they do not depend on government bureaucracy to function," they think that "the reduction of emissions throughout an entire jurisdiction is difficult to achieve if it depends exclusively on individual projects." As a result, "Acre should be recognized for its decision to develop a jurisdiction-wide REDD+ programme instead of promoting the creation of isolated forest carbon projects." <u>http://www.ipam.org.br/download/livro/Rumo-ao-REDD-Jurisdicional-Pesquisa-Analises-e-Recomendacoes-ao-Programa-de-Incentivos-aos-Servicos-Ambientais-do-Acre-ISA-Carbono-/665</u>

^{9 &}quot;Sistema Estadual de Incentivos a los Servicios Ambientales de Acre, Brasil: Un abordaje jurisdiccional subnacional de repartición de beneficios".

http://web.catie.ac.cr/iufrolat/Trabajos/TC%20Amaral_Eufran/TC%202/TC%20Amaral_Eufran%202%20Sistema_E stadual.docx

¹⁰ In accordance with Article 3, paragraph XIV of Law No. 308/2010, special projects are those "designed by private entities and aimed at the implementation of actions not included in the sub-programmes". They are undertaken by private agents known as "proponents" who must take into account "the rights of ownership over the environmental assets existing in the area, such as the carbon stored in forests", as well as the "rights over the sale of these environmental assets/services" (IMC, CARE, 2013).

¹¹ These are the Climate Change and Environmental Services Regulatory Institute (IMC), whose original name (Regulation, Control and Registration Institute) was changed by Complementary Law No. 222 of 2011; the State Committee for Validation and Monitoring (CEVA); the Scientific Committee; and the Environmental Services Development Company. CEVA is an entity created in the framework of SISA to "guarantee civil society participation and monitoring of the implementation of the system's activities." IMC is responsible for, among other things, the establishment of additional rules of SISA, the adoption and approval of project methodologies, as well as its preregistration and registration. To be considered an effective beneficiary of SISA, the "environmental services provider" must be integrated with one of its programs, which occurs through the adoption of pre-registration and registration of projects or plans of action. See Art. 4, 5 and 17 of Law No. 2308/2010.

(CEVA).¹²

The first private REDD project to be implemented in the state of Acre, the Purus Project, is still at the registration stage. It was officially filed with the IMC in June 2012 (at the same ceremony in which the government launched the first greenhouse gas inventory in the state of Acre, on the eve of the Rio+20 Conference)¹³ and assessed by CEVA in August of the same year.¹⁴ In early 2013, the Purus Project received double validation from the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standards (CCB Standards)¹⁵ international certification systems, the two main schemes used as "indicators of social and environmental sustainability" on the voluntary carbon market. Finally, the project was included on Code REDD's list of projects, considered the best available REDD projects on the market due to the high level of standards they have met.¹⁶

A forest conservation project

In its Project Design Document,¹⁷ the Purus Project is presented as a REDD initiative aimed at mitigating deforestation pressures on 34,702 hectares of forested land in the municipality of Manoel Urbano, located roughly 200 km from the city of Rio Branco, the capital of Acre. The project's proponents are the companies Moura & Rosa Empreendimentos Imobiliários LTDA, CarbonCo¹⁸ and Carbon Securities.¹⁹ Moura & Rosa is the company that officially owns the lands where the project is being implemented (two neighbouring parcels of land, divided by the Purus River, known as "Seringal [rubber tree forest] Porto Central" and "Seringal Itatinga") and is primarily responsible for the management of the project and the implementation of the activities planned. The other two organizations, based in the United States, are responsible for initial financing, obtaining certification, and other tasks, such as translation (most of the documents related to the Purus Project were originally written in English).

The project activities reportedly began in 2011, with meetings between its proponents and representatives of the IMC and other public institutions in Acre. That same year, studies were

http://www.climate-standards.org/category/projects

^{12 (}IMC, CARE, IMAFLORA, 2013). Regular reviews are also provided at least every five years. The project can lost accreditation at any time by BMI, if problems reported via the Ombudsman or by other forms are discovered. 13 The project was presented to the public at this event, in which participants included representatives of government institutions and civil society organizations like WWF and IPAM. www.agencia.ac.gov.br/index.php/noticias/meio-ambiente/19792-acre-lanca-o-primeiro-inventario-de-carbono.html

¹⁴ On this occasion, CEVA conducted an "exercise to develop recommendations for the Purus Project based on SISA socio-environmental safeguard indicators." See the minutes of the 5th special meeting of the CEVA, August 30, 2012. http://imc.ac.gov.br/wps/wcm/connect/d82dc28040d2269eadfdff9f690f3b4c/30.08.2012+-

 $[\]frac{+Ata+da+5\%C2\%AA+reuni\%C3\%A30+da+CEVA+extraordin\%C3\%A1ria+2012.pdf?MOD=AJPERES}{15\ http://www.climate-standards.org/2012/10/20/the-purus-project-a-tropical-forest-conservation-project-in-acrebrazil/ and https://vcsprojectdatabase2.apx.com/myModule/Interactive.asp?Tab=Projects&a=2&i=963&lat=-8\%2E994141&lon=-69\%2E451007&bp=1$

¹⁶ It should be noted that one of the members of the Code REDD steering committee is part of the team that is structuring SISA in Acre. Beto Borges, who is also the director of the Communities and Markets Programme at the NGO Forest Trends, participates in the Indigenous Working Group established by CEVA (Resolution No. 01 of 2012) to "establish dialogue between SISA, indigenous communities and civil society on actions and programmes for the implementation of SISA and to be the indigenous voice within SISA." <u>www.coderedd.org/redd-project/carbonco-purus-project-acre-brazil/#.UIYYXFCsg7A</u>

¹⁷ All of the information on the Purus Project in this study, unless otherwise stated, is based on documents from this site (the Project Design Document and Project Implementation Report).

¹⁸ CarbonCo (<u>http://carboncollc.com</u>) is a subsidiary of Carbonfund.org (http://carbonfund.org), a non-profit organization that created the first "carbon free" label in the United States and is dedicated to "reducing the threat of climate change by promoting cost-effective carbon reductions and supporting renewable energy, energy efficiency and reforestation projects."

¹⁹ The doing-business-as name of Freitas International Group, LLC (http://carbonsecurities.org)

conducted to estimate the forest carbon stocks in the project area, with technical support from TerraCarbon. 20

According to the Project Design Document, the "overarching objective" of the Purus Project is to "generate sustainable economic opportunities for the local communities" and to "implement social projects", while mitigating deforestation and preserving biodiversity in the project area. The creation of alternative income opportunities is considered necessary to reduce the "pressure" exerted on the forest by the families living there. This so-called pressure on the forest – resulting from subsistence agriculture and small-scale livestock grazing, viewed by the project area (roughly 100 people) are classified as "deforestation agents". It should be stressed that the construction of this narrative of culpability is essential to grant legitimacy to a conservation project whose creation could only be justified by the existence of an actual threat to the forest.



View of Rio Purus, Acre - Purus Project area.

In a hypothetical future scenario for the area in question, the project proponents allege that, if the project is not implemented, Moura & Rousa could convert a part of the forest to cattle pastures (with the predicted clear-cutting of 20% of the area to accommodate 10,000 to 12,000 head of cattle) in addition to logging activity, in "full compliance" with Brazilian legislation. This scenario, they say, would lead to the "systematic removal of all local residents," who would join the ranks of "the marginalized urban population, without qualification, education, nor employment." Without the project, the local community would not have "secure and legal title to land" and the families could "legally be removed" from the property owned by Moura & Rosa. This is how the proponents of the Purus Project seek to demonstrate that the local residents living in the project area would be the main beneficiaries of its implementation: they would no longer face the risk of being evicted from the land, they would have access to sustainable production

²⁰ http://www.terracarbon.com

techniques, they would receive a small supplement to their household income²¹ and they would benefit from various "social projects". Among these social projects, the document highlights the building of a primary school (with five separate rooms, one for each grade, as well as a library and cafeteria), and a health centre that will provide preventive and curative medicine, as well as dental care. The project also includes the provision of agricultural extension training and the building of new houses (for the families who join the project).

According to the designers of the Purus Project, the communities living within its area of impact had the opportunity to discuss the project in detail throughout 2011 and 2012. They demonstrated interest in the possibility of an alternative source of income, but also expressed concerns over the monitoring and control of their activities. Given the fact that the local families are viewed by the project as agents of deforestation, as mentioned above, their apprehension certainly appears to be justified, particularly since one of the responsibilities of Moura & Rosa is the monitoring of the project area (through both aerial and land patrolling). A company representative will be posted in the area with the task of immediately reporting any indication of deforestation, fire, encroachment by outsiders, and illegal logging or poaching.²² The project document also stipulates that infractions are to be reported to the Military Police in Manoel Urbano and that the appropriate legal steps are to be taken to initiate the due process of criminal law against the "violators".

Threats to the land rights of the community affected by the project

In the documents related to the Purus Project, there is no detailed description of the history of the occupation of the land where the project is being implemented. This serves to hide the fact that the families affected by the initiative have lived in the area for more than 70, 60 or 40 years (having settled in the area at different points in time). It is mentioned, however, that the local community includes "generations of children, parents and grandparents". But there is no mention of the important fact that the ancestors of the members of this community (and even some of the oldest members of the community today) were rubber tappers, whose arrival in the region is tied to the migration flows that significantly shaped the social history of the Brazilian Amazon.²³ Nor is there any recognition of the fact that when the rubber industry entered into crisis, the rubber tappers who continued to live on the Itatinga and Porto Central plantations, following a widespread pattern seen throughout the Amazon region, began to seek out their own means of livelihood, through activities like hunting, fishing and harvesting other rainforest products, like nuts. They also began to practice subsistence farming and small-scale livestock raising, selling any surplus production, which tended to be limited.

This "agro-extractivist" population in the Amazon region has always been in a vulnerable situation with regard to their rights over their territories. When the agricultural frontier began to advance towards the region, particularly from the 1970s onwards, it sparked an intensification of land conflicts in this region of Brazil. "The land, which seemed vast, abundant,

²¹ According to the Project Design Document, at the end of the fifth year, the community will start to receive from Moura & Rosa a small share of the payments for ecosystem services, as a result of their assistance in achieving the social and environmental goals of the Purus Project. The proportion of revenues to be given to the families will be tied to the preservation of forests within the area of land that Moura & Rosa recognizes as belonging to each of them (see the observations on land titling, below).

²² The project does not define illegal poaching and logging, leaving room to interpret that hunting or logging without the authorization of the landowners is considered an infraction that should be reported as a crime.

²³ During the time when rubber tapping was the most important economic activity in this region of the country, work on the rubber plantations, largely carried out by men from the Northeast region of Brazil, was characterized by a brutal regime of exploitation. As described by Eduardo Galeano, "Not only fevers awaited them in the jungle, but a work regime very similar to slavery. The pay was in kind – dried meat, manioc flour, lumps of unrefined sugar, *aguardiente* – until the rubber worker paid off his debts, a miracle that rarely occurred. (...) The illiterate Northeasterners were at the mercy of the administrators' conjuring tricks with the ledgers" (Galeano, 2004, p. 119).

endless, suddenly took on another social face, (...) another historic dimension" – it became necessary to have a piece of paper, a document, a title, a deed, some form of proof, in order for possession to be ownership²⁴. In those years, thousands of rubber tappers were forced out of the tropical forests of Acre, in order to convert the forests into large landholdings for cattle ranching. In reaction to this violent process of expropriation, the rubber tappers organized and waged an important struggle for agrarian reform in the Amazon. More than 20 years after the murder of Chico Mendes, a world-renowned leader of this movement, the Purus Project portrays itself as the "materialization of his dream", a demonstration that this struggle was not waged in vain. However, everything seems to indicate that for the communities living on the former Itatinga and Porto Central rubber plantations, the project represents just the opposite: the continuation of the same old process of expropriation and expulsion, resulting from the advance of capital on the Amazon region, which Chico Mendes opposed throughout his entire life. The main difference is that, in the past, it was clear to everyone that the big cattle ranches established in Acre were a threat to the forests. Today, with REDD projects, it is the agro-extractivist workers who are considered "environmental criminals", while foreign investments (tied to polluting companies) are cast in the role of "saving the Amazon" in search of "a better world".

Therefore, the so called "green economy" -umbrella concept used to define these "green" projects- continue creating, for the occupants of the region, the same problems that the expansion of the agricultural frontier has been causing for decades, and pose the same risk of exacerbating land conflicts. In the case of the Purus Project, despite the apparent willingness of those who claim to be the owners of the land to "allow" the current occupants to continue living in the area, the restrictions that they attempted to impose on the traditional practices of the land and the owners of Moura & Rousa. The local community members do not accept the proposals put forward by the project proponents because they consider them to represent harmful interference with their way of life, which they want to preserve. And even the alleged guarantee of "land titling" stuck into the project is problematic.

Since the majority of the families have lived in this area for more than 20 years, they would have the right, under Brazilian legislation, to be made owners of the land through usucaption (the acquisition of the title or right to property by the uninterrupted possession of it for a certain term prescribed by law). The Project Design Document recognizes this possibility but argues that, in order to gain ownership of the land, the occupants would need to have their right to it declared in court by a judge. The project proponents cannot claim to be unaware of the fact that this community faces obstacles in accessing the justice system in search of the recognition of their rights. It is an unequal competition, given the economic capacity of the parties involved. An observation made by Ianni (1981, p. 191) seems to apply, to some degree, in this case: "Apparently the federal and state legislation on access to land ownership, the regularization of ownership of occupied lands and the redistribution of land is geared to protecting the occupant, whether longstanding or recent. In practice, however, this legislation is manipulated by lawyers, judges or officials in favour of agribusiness companies. The occupant is often illiterate, isolated in the forest, far from urban centres. (...) Large landholders can use a lawyer or a technician to deal with the paperwork and officials in order to gain legal ownership of the land. (...) Landholders exert constant pressure in various ways on the occupants. The antagonism between them unfolds on various levels, and through different forms of mediation, but generally it is the occupant who is in a disadvantaged position. (...) For the occupants, it is difficult to find a lawyer to defend them in court, because in addition to their meagre resources, the power of corruption held by opposing groups with an interest in the land almost always prevails in the end, and the occupants, at best, receive derisory compensation."

Nevertheless, in order to resolve an ongoing conflict with the local community, Moura & Rosa will recognize for each family, whether they voluntarily join the Purus Project or not, the right to an area of 100 hectares (in the case of those who have put over 100 hectares "under productive use", they "will receive the full area that has been deforested"). Considering that the community is not only interested in the deforested areas, because they also use the forest, and that they have traditionally occupied areas larger than the 100 hectares stipulated, the proposal does not serve their interests and does not represent the fulfilment of their rights.²⁵

The presentation of the Purus Project to the community affected

In our initial contact with the families living on the former Itatinga and Porto Central rubber plantations, during a field visit in August 2013, we came up against a certain degree of mistrust, based on their suspicion that our team of researchers was gathering information in order to pass it on to the Purus Project proponents. Once we had allayed these fears, the first people who agreed to speak with us clearly expressed their disagreement with the approach adopted by the representatives of Moura & Rosa in their relations with the community. We heard numerous stories that demonstrated a lack of respect for their rights and the attempt to overcome their resistance to the project with promises for which no guarantees were duly provided.

In 2011, some of the families signed a "Memorandum of Understanding" that was meant to be used as proof of their willingness to join the project. This document, however, was "not a culturally appropriate method for community engagement," according to the Climate, Community & Biodiversity Alliance (CCBA) project validation audit team, because of the difficulties that members of the community would face in interpreting its text.²⁶ The tenor of the memorandum and the way in which it was presented to the local community demonstrate the bad faith of those who drafted it. The testimony of one of the people who signed it makes this clear: "I asked if the document was detrimental to me. He [the representative of Moura & Rosa] said that it wasn't, that I could sign it. It was just insurance for us, that we were going to benefit."²¹ The memorandum, however, is aimed at the recognition of the company as the owner of the lands in the project area, and could be used as evidence against the occupants if they were to legally seek ownership through usucaption at some point. After the negative evaluation of the memorandum by the audit team, Moura & Rosa hired a consultant to visit the community affected, allowing the community members to verbally express their desire to join the project. With the adoption of this measure the project was judged eligible for "gold level" validation in accordance with the CCBA's standards.

The Project Design Document for the Purus Project states that as of April 2012, the majority of community members had expressed their support for the initiative. When we visited the community in August 2013, therefore, it surprised us to discover that not only were the majority of occupants opposed to its creation, but they also believed that the project would not be implemented if it did not have their consent. They could not even imagine that the credits generated from the carbon stored in their forests were already being sold in the United States.²⁸

²⁵ It is important to stress that, as Ianni (1981, p. 132) points out, "the size of the area of land occupied in the Amazon is a secondary matter. A small landholding in this region is not the same thing as a small landholding in other parts of the country."

^{26 &}quot;It is not appropriate to ask people to sign a document that they cannot read." *Final CCBA Project Validation Report*, January 2013, p. 64, conducted by SCS Global Services (<u>http://www.scsglobalservices.com</u>). 27 Field trip, August 2013.

²⁸ In April 2013, CA Technologies, a U.S.-based IT company, announced that in partnership with Carbonfund.org, it had selected the Purus Project as one of two projects chosen to offset the carbon emissions associated with CA World 2013, a conference to be hosted by the company in a Las Vegas casino and resort. In a press release, the project is described as providing "sustainable economic opportunities and improved water and soil quality for the local population." This is clearly false propaganda aimed at U.S. consumers. <u>http://www.ca.com/us/news/Press-</u>

Based on our visit to the families affected, it became clear that they were not provided with sufficient and adequate information about the Purus Project, its impacts, and its medium- and long-term consequences as a result of their initial resistance to the project, the potential restrictions on land use had still not been put into effect.

During almost three years of the project implementation, not a single meeting had been held with the entire community in attendance. The proposals were presented to each family individually, and as a result, each had different information to relate. Even the occupant who is considered to be the main supporter of the project (if not the only one) did not appear to have full knowledge of its objectives and significance. His agreement is based on vague hopes of an improvement in his living conditions. Clearly, the fact that he is the most recent occupant of the area and has no family ties with the other community members places him in a position of relative isolation, which would be compensated by the support of those who present themselves as the owners of the land. It appeared to us that the relationship he has established with the representatives of Moura & Rosa has even further distanced him from the rest of the families and creates the potential for conflict within the community.

Monitoring of the Purus Project by local authorities and institutions

As mentioned earlier, the main social benefits for the community generated by the project would be the building of a school and a health centre that would also offer dental care. However, most of the costs of keeping these promises would fall on the public authorities, who would be responsible for paying the salaries of the teachers and doctors working in these facilities. The local authorities in the municipality of Manoel Urbano have at no time expressed their willingness to assume these obligations, nor are they in a financial position to do so.²⁹ As of August 2013 – when we conducted our field visit in order to prepare this report – the current administration of the town hall and members of the municipal council had no knowledge of the main details of the Purus Project. This is due, in large part, to the fact that the project document was originally written in English, and not adequately translated into Portuguese, which has made its dissemination among the local authorities difficult.

The interviews conducted during our field visit, combined with comments made by Brian McFarland, the project developer for the Carbonfund.org Foundation – "The state of Acre helped us immensely when it came to discussing forest carbon inventories, giving guidance on how to structure the project baseline and grievance mechanisms, among a lot of other issues. Add to that the fact that they're working with VCS and other states that could facilitate the market and purchase these credits – and it demonstrates how dedicated they are"³⁰ – lead us to conclude that the project proponents have established a much closer relationship with the state government than with the local municipal government. As previously mentioned, the Purus Project was preregistered by the IMC, in June 2012, at an official event covered by the press.³¹ It has already gone through the process of independent validation (by the CCBS and VCS) and assessment by the CEVA during a meeting to determine "the fulfilment of socio-environmental standards in the

Releases/na/2013/CA-Technologies-Commits-to-Carbon-Neutral-CA-World-2013.aspx

²⁹ The community already has a school, which was built by the community members themselves. There is only one teacher, paid by the municipality, to teach children of different ages. The teacher is also responsible for cleaning and preparing snacks. There is neither a health centre nor doctors. In August 2013, there was just one health professional in the municipal seat. This is an ongoing problem in towns and cities in the interior of northern Brazil. It is clear that the benefits promised by the project are nothing more than propaganda aimed at the international public, who are unaware of the local reality.

^{30 &}lt;u>http://www.ecosystemmarketplace.com/pages/dynamic/article.page.php?page_id=9564§ion=news_articles_&eod=1</u>

³¹ See note 12.

first environmental services project in Acre in the framework of SISA".³² Whatever the conclusions of this analysis were (we did not have access to them), one thing that is certain is that this information was not passed on to the community. The meeting was attended by the coordinator of CEVA and a representative of the Amazon Working Group (GTA), an organization that forms part of the REDD Observatory, a mechanism created to monitor the implementation of REDD initiatives in Brazil.³³

Thus, even if the project has not reached the final SISA registration stage, this does not mean that it has not been endorsed by these agencies of the system to proceed with its implementation. The former chair of the IMC, who occupied the position until August 2013, went so far as to express public support for the Purus Project, declaring that it would be proof that "it is possible to promote the growth of the forest, while ensuring the rights of traditional inhabitants."³⁴ These institutions have also had the opportunity to make observations "in situ" in the project area. According to the Project Implementation Report, an IMC representative has participated in these site visits. In the meantime, our interviews with the families living on the Itatinga and Porto Central plantations revealed that they were not even aware of the existence of the IMC or the SISA Ombudsman's Office, the agency to which they are supposed to direct any complaints about the project.³⁵



First hearing on Purus Project at Manoel Urbano, August 2013. Those community representatives who oppose the project are raising their hands.

 $\frac{http://portalimprensa.uol.com.br/noticias/prnewswire/34445/pela+primeira+vez+proyecto+redd++no+estado+do+acre+brasil+recebera+dupla+validacao+vcs+ccbs}{}$

³² See note 13.

³³ Created with support from the Ford Foundation and Avina, the REDD Observatory (<u>www.observatoriodoredd.org.br</u>) is comprised of organizations including WWF, TNC, IMAZON, IPAM, IMAFLORA, IDESAM and Forest Trends, among others. It is described as an instrument for social participation and control, created to "monitor REDD policies in Brazil." Nevertheless, its website offers very little information on the Purus Project, the first private REDD project in Acre, the state with the most advanced jurisdiction-wide REDD mechanism in the world, in which a number of these organizations are actively involved. It would appear, therefore, that the observatory is not adequately fulfilling its objective.

³⁵ This office is still not fully functioning, as it was the last SISA entity to be created.

Between August and September 2013, the community organized two meetings, which were attended by representatives of almost all of the families in the project area. The first meeting was held in Manoel Urbano, in the Municipal Chamber, with the participation of the mayor of the municipality and the president of the Rural Workers Union (STR). The second was held in Rio Branco, at the headaquarters of the Federation of Rural Workers (FETACRE), and was attended by an IMC representative and the SISA ombudsman. Although this meeting was abruptly interrupted, due to the news of the death of a community member, it can still be assumed that the SISA institutions had the opportunity to hear directly from the people affected by the project that they have no interest in its implementation. If the goal of the government of Acre, when creating SISA and the ISA Carbon Programme, was to take responsibility for ensuring that the risks associated with REDD projects would be avoided in Acre,³⁶ then that goal has yet to be reached. It remains to be seen what measures will be adopted now that the community's position has been made public. Will the Purus Project be registered under SISA, or will changes be demanded, despite the validation the project has already received?

Who will be responsible for dealing with the problems?

Organizations that promote REDD projects frequently repeat the claim that these projects offer new opportunities for actions to combat deforestation while helping to ensure the rights of traditional communities over their territories, as long as the projects are correctly implemented and adequately monitored. This last proviso is not a minor detail, as it can end up being used as a "way out", a means of protecting the proponents of this mechanism from any blame or responsibility for the negative impacts of REDD projects.

A series of international, national and state-level initiatives (which inevitably stress the "magic words" of civil society participation, monitoring and control) have emerged for the definition of criteria, principles and parameters that will supposedly contribute to the establishment of adequate regulatory frameworks and the identification of the highest quality projects. By praising the virtues of civil society – with neoliberal-inspired disdain for the "inefficiency" of the state – these strategies, instead of strengthening public control over projects that impact on the basic rights of the population, actually contribute to its weakening.

The issue of territorial rights in the Amazon is not merely a problem of "land titling" that can be dealt with by well-designed projects. The struggle for land demands structural reforms and can often turn violent.³⁷

In areas where projects attempt to interfere with the way of life of local communities, what is needed is a greater presence of public institutions, to guarantee their rights and the provision of basic services like health and education. Despite the most convincing efforts of the complex alliances built by NGOs, governments and corporations³⁸ to create the impression of the

^{36 &}quot;Sistema Estadual de Incentivos aos Serviços Ambientais do Acre, Brasil: Uma abordagem jurisdicional subnacional de repartição de benefícios".

http://web.catie.ac.cr/iufrolat/Trabajos/TC%20Amaral_Eufran/TC%202/TC%20Amaral_Eufran%202%20Sistema_E_stadual.docx

³⁷ The potential for conflict is present in other regions of the state of Acre where new private REDD projects are being developed, such as a project being created in the Cruzeiro do Sul region, on the former Russas and Valparaíso rubber plantations, designed by the same project proponents as the Purus Project (CarbonCo and Carbon Securities). There is a well-documented history of tensions and rights violations in this region. For more information, see the following studies by Gerson Albuquerque: "Cultura, trabalho e lutas sociais entre trabalhadores agroextrativistas do rio Valparaíso na Amazônia acreana". *Nera*, 7(5), Aug.-Dec. 2004; "Trabalho compulsório, poder e transgressão no rio Valparaíso – Alto Juruá – Amazônia brasileira. 1980-90". *Estudos Amazônicos*, V(1), 2010, p. 193-221; "Natureza, cultura, poder e violência no vale do Juruá – Acre". *Proyecto História*, São Paulo, 23, Nov. 2001.

³⁸ The Climate, Community & Biodiversity Alliance (CCBA), a partnership led by NGOs such as CARE, TNC, the Wildlife Conservation Society and the Rainforest Alliance, for example, receives donations from corporations like

existence of external control over these projects implemented within the borders of the Amazon, they are no substitute for the capacity of public institutions responsible for preventing the violation of rights and the exacerbation of land conflicts (the justice system, institutions responsible for agrarian reform, etc.).

The experience of the Purus Project demonstrates this. Although various control mechanisms have been created within the framework of SISA, the most basic measures have not been adopted: the community was not informed of its rights and did not receive appropriate legal assistance. Based on this and other examples, it is clear that REDD projects deepen existing problems in the region and create new difficulties in the struggle of traditional communities to remain in their territories. And this situation is even further aggravated by the current context of political retrogression in the struggles for agrarian reform and the demarcation of indigenous lands in Brazil.

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BP, Hyundai and Intel, among others. The CCBA and CARE are the international secretariat of the REDD Social and Environmental Standards Initiative, in which a representative of the government of Acre also participates. In addition, CARE, in partnership with the IMC and IMAFLORA, developed the SISA Safeguards Monitoring Manual, officially launched in August 2013 (<u>http://imaflora.blogspot.com.br/2013/08/entidades-lancam-manual-de.html</u>).