

# Enclosure of Forests and Peoples: REDD and the Inter-Oceanic Highway in Peru

by Joanna Cabello  
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The dominant voices within the UN climate negotiations, together with corporate lobbies, mainstream NGOs and multilateral financial institutions, are pushing for another false solution to climate change. Arguing that a standing tree must have more (monetary) value than a cut one, they privatise the carbon absorbed in the forests in order to make it tradable. This mechanism called REDD is full of incentives that benefit polluting industries by allowing them to continue business as usual, generate more profits and, by presenting themselves as "green", legitimise their activities. By extending markets and profits, REDD endangers indigenous territories, cultures and environments. One example of this perverse mechanism is the highway that divides the Amazon in half and now "offsets" its deforestation impacts while benefiting logging companies.

In the middle of the Amazon where Brazil, Peru and Bolivia meet is one of the most biologically rich regions in the world and where many Indigenous Peoples communities and some of the last surviving Peoples live in "voluntary isolation". This region called MAP (Madre de Dios in Peru, Acre in Brazil, and Pando in Bolivia) is a crucial stretch of the Inter-Oceanic South highway, a project which is part of the IIRSA or Regional Infrastructure Integration of South America.<sup>1</sup> The highway, promoted largely to meet the demand for Brazilian soy for biofuels and grains on Asian markets, connects Brazil with the Pacific Ocean ports in Peru, thus uniting the continent from east to west.

The more than 300 mega-projects that comprise IIRSA are based on the assumption that increased trade liberalisation and regional integration on global markets will drive more "development". However, mega-dams, ports, roads and waterways have serious social and environmental impacts. The Inter-Oceanic Southern highway also threatens to undermine an area that provides refuge to a number of indigenous groups living in voluntary isolation.<sup>2</sup>

These indigenous groups avoid contact with others for fear of the devastating consequences suffered in the past. In Peru, the rubber boom (end of 1800s-1915) and the on-going exploration and exploitation of hydrocarbons have resulted in terrible losses, persecutions and the introduction of diseases, forcing them to live in "isolation". Between 1990 and 2002, five Territorial Reserves were created in Peru for the peoples in "voluntary isolation" however; all of them are currently invaded by illegal loggers and/or with extractive industries concessions.<sup>3</sup> The highway itself, according to the Regional Advisory Foundation on Human Rights, affects the Territorial Reserve for the Yora, Amahuaca and Yine peoples in "voluntary isolation" in Madre de Dios.<sup>4</sup>

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## REDD+ enters the picture

Parallel to this, the pollution and deforestation caused (and to be caused) by the construction, asphaltting, maintenance and use of the highway are being justified with the implementation of REDD+ projects. Currently there are two projects on the Peruvian side that purport to be "avoiding" the deforestation that the highway would generate if these were not implemented.

Despite opposition from grassroots movements and some governments, REDD+ is already happening simultaneously on different levels: pilot projects, national and sub-national programmes, and bilateral and multilateral agreements.<sup>5</sup> The projects are being implemented under schemes such as the World Bank's Forest Carbon Partnership Facility (FCPF) and the UN-REDD programme, and the generated credits are already being sold on voluntary carbon markets.

In addition, the REDD+ is more than just avoided deforestation and forest degradation, it also includes the possibility of offsetting emissions through "sustainable forest management", "conservation" and "increasing forest carbon stocks". It sounds good at first glance, this is opening the door to logging operations in primary forests, displacement of local populations for "conservation", increase of tree plantations.<sup>6</sup> REDD+ is another extension of green capitalism, subjecting the forests and its inhabitants to new ways of expropriation and enclosure at the hands of polluting companies and

market speculators.

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Last May, AIDESEP, the biggest Indigenous Peoples'™ Organisation in Peru, publicised their rejection to the REDD programme as a market mechanism, affirming that "There is an intense international pressure to surround and engage Indigenous Peoples in this REDD business". Meanwhile for the last 10 years there is no pass for giving titles to any Indigenous community in the Amazon; the state that privatises everything is now quickly and easily delivering thousands of hectares to forest concessions, plantations, and now even worse with the "environmentalist excuse" of REDD.<sup>7</sup>

#### Opening the way to deforestation: the Peruvian case

The Ministry of Environment in Peru plans to implement REDD+ on 54 million hectares of the Peruvian Amazon, which would open the doors of more than half of forested territory to the carbon markets.<sup>9</sup> This represents a double threat to Indigenous Peoples and the territories. The Inter-Oceanic South Highway for example is not only causing substantial social and environmental impacts, but also serves to "justify" the implementation of REDD+ projects that accentuate these problems. This seriously increases the vulnerability of the forest inhabitants, especially those who are in "voluntary isolation".

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Along with 37 other Southern countries, Peru participates in the World Bank's FCPF, which aims to lay the foundations for the forest carbon market and supports the preparedness of the countries that apply the necessary reforms to implement REDD+. In June of this year, Peru presented the REDD Preparation Phase document to the World Bank.<sup>10</sup> There have been serious concerns about both the process of formulating the document as well as the document itself. Concerns include problems with the assessment of deforestation and forest degradation scenarios it causes, the rights of Indigenous Peoples and local communities, the participation of rights holders, governance and monitoring.<sup>11</sup> Daysi Zapata, Vice President of AIDESEP, declared that "AIDESEP has not participated in the preparation process for REDD+. In April the Ministry of Environment sent a letter informing us about the process. It would have been better to invite us to help with the writing of the document. Especially since the Ministry began the REDD+ process in 2008."<sup>12</sup>

The situation for communities living in "voluntary isolation" is already dramatic given the ongoing invasion of their lands. They depend mainly on hunting and fishing for food, and are seriously threatened by the increase of external contact. The capacity to sustain these areas is being threatened once again with the implementation of REDD+ projects which allow polluting companies, the main drivers of deforestation and forest degradation, to continue and increase business-as-usual.

#### To enclose, measure and sell

In this context, the "Madre de Dios Amazon REDD Project", developed by the NGO Greenoos, aims to "respond to the implementation of the Inter-Oceanic highway with a protected area that starts at less than 50 kilometres of the road". The project developers argue that the area is being threatened because "the new road will bring settlers who subsist on farming and ranching economies that create deforestation". They estimate that within ten years the project will generate 11 million tons in carbon credits.<sup>13</sup>

The 96,906 hectares of the project established under the rubric of "sustainable forest management" are inside the forest concessions of Maderera R o Acre SAC and Maderera R o Yaverija SAC. These concessions are limited to the north by the Ecological Station and Indigenous lands Cabecera de R o Acre (Brazil), and are limited to the west by the Territorial Reserve for peoples in "voluntary isolation" of Madre de Dios (Peru), inhabited by Yora and Amahuaca peoples.<sup>14</sup>

Both concessions have been certified since 2007 by the FSC (Forest Stewardship Council) for whom according to Greenoos, "one of the main reasons for obtaining the certificate was the generation of carbon credits."<sup>15</sup> This project was also approved and validated by other international standards. However, there are serious contradictions on the alleged "sustainability" of these certifications. An international campaign denounces that "by creating a mass market for

wood from primary forests, the FSC has become the leading cause of ancient forest loss and its deterioration."<sup>16</sup> Also, the timber industry has strong interests to include "sustainable logging" in the activities eligible to earn REDD+ credits. The NGO Global Witness alleged that a major cause of forest degradation and a precursor to deforestation is industrial logging, even when it follows "best practices" to reduce its impact. In the Brazilian Amazon for example, 32 per cent of "selectively" logged forests were completely destroyed over a period of four years.<sup>17</sup>

This year, 40 tonnes of carbon from nearly 100,000 hectares of forests was sold on the voluntary market of the Chicago Climate Exchange for a total of US\$280,000.<sup>18</sup> Greenoxx, with extensive experience in the development and sale of carbon credits, obtained US\$7 per tonne of carbon from the 2006-2009 certificates.<sup>19</sup>

Another timber company bought the credits; China Flooring Holding Inc., China's largest supplier of wood flooring. Besides being a large wood consumer, in 2008 this company received US\$100 million from Morgan Stanley and the International Finance Corp, a group of the World Bank, for the development of large-scale monoculture plantations in the province of Jiangxi.<sup>20</sup> With the credits bought at the CCX, China Flooring Holding Inc. will be able to greenwash its activities and/or profit by reselling the credits onto the financial carbon markets.

At the global level, the International Tropical Timber Organization (ITTO) "an intergovernmental body that includes 60 countries of producers and consumers of wood in tropical forests and the European Union, is a key actor in the push to approve REDD+. The ITTO has launched a thematic program on REDD and environmental services with an initial funding of US\$3.5 million from Norway.<sup>21</sup> In addition, the 45th session of the ITTO Council held in November 2009, recommended that efforts relating REDD+ should focus on promoting "sustainable forest management".<sup>22</sup> In this regard, this sector's lobbying seeks above all to include forest extraction inside REDD under the guise of "sustainable management" in order to benefit from carbon markets while maintaining business-as-usual.

Similarly, another project called "Los Amigos" is following the same steps towards REDD+. Also coming from a forest concession, it is signed by the Amazon Conservation Association (ACA) and the Asociación para la Conservación de la Cuenca Amazónica (ACCA) aims to "secure its conservation in the long-term, its sustainable use and management".<sup>23</sup> This project comprises 140,000 hectares adjacent to a Territorial Reserve of Indigenous Peoples in "voluntary isolation", the Amarakaeri Communal Reserve, and to the buffer zone of the Manu National Park.<sup>24</sup>

Although it has not yet sold credits, Winrock International measured the biomass and carbon stocks of this concession in 2006 and concluded it contained 79.4 million tonnes of CO<sub>2</sub>.<sup>25</sup> In 2008, ACCA started to elaborate the documents for the Climate, Community and Biodiversity Alliance (CCBA) and the Voluntary Carbon Standard (VSC) international certifications.<sup>26</sup>

## REDD, a double threat

Not only the climate loses when mechanisms which expand the structural problems are imposed but also pressure on and dispossession of indigenous and forest-dependent communities territories is impossible to measure. The emissions rate from deforestation and selective logging of forests has increased this year in Peru due to the asphaltting of the Inter-Oceanic highway.<sup>27</sup> From 2003-2009, the designated areas for hydrocarbon exploration and exploitation in Peru increased from 15 per cent to more than 70 per cent of the Amazon territory, where "40 hydrocarbon blocks are overlapping to hundreds of indigenous communities and four are directly threatening the groups living in "voluntary isolation".<sup>28</sup>

Therefore, REDD+ is a threat to local communities and ecosystems, benefiting the polluters and main drivers of deforestation. Not only is the implementation of mega-projects, such as those under IIRSA, rapidly increasing in vulnerable areas, but REDD+ also legitimises and expands a socially and ecologically unsustainable system.

The attempt to offset pollution with deforestation in the name of "preserving" the forests is an example of absurd greenwash being implemented by climate criminals who delay a real transformation of our unsustainable system. In order to confront the real causes that have led us into this mess, the climate debate has to be re-politicised and leave aside this managerial and apolitical vision that only offers ways to expand markets. Indigenous Peoples, peasants, social movements, youth associations, grassroots organisations, among many others, are forming a common front in the struggle to stop this new enclosure of the environment. The debate and actions cannot be focused on how to measure and sell carbon. The debate and most importantly, the actions, have to open the way for different ways to change our current economic and political system and thus, stop new and old forms of dispossession.

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IIRSA includes all South American countries with investments in highways, trains, waterways, energy generation and its distribution lines. Its Technical Coordination Committee is formed by representatives of three regional financial organisms: the Interamerican Development Bank, the Andean Development Corporation and the Financial Fund for the Cuenca de la Plata Development.

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At the UN climate negotiations in 2009 no binding agreement was reached. The Copenhagen (non)Accord, formulated behind closed doors and with opposition from some member states, promotes REDD+ as a false solution to climate change.

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