Outsourcing Hot Air

The push for sub-national REDD offsets in California’s carbon market from Mexico and beyond
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A tree in La Cojolita Communal Reserve, located in the Lacandona Rainforest, State of Chiapas, Mexico.
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Detail of a Ceiba tree in Lacanja Chansayab, a community located in the limits of Montes Azules Biosphere Reserve, in the Lacandona Rainforest, State of Chiapas, Mexico.
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What is REDD?
REDD is an acronym for Reduced Emissions from Deforestation and forest Degradation in Developing Countries. The concept is simple: Developed countries provide incentives that help developing countries who need help protecting their forests, thereby reducing the carbon emissions caused by forest destruction.

A good REDD deal would help conserve forests nationwide, while protecting biodiversity and benefiting indigenous peoples and local communities in a manner that fully respects their rights and needs. A bad deal would allow corporations to continue destroying forests while claiming to protect them, and risks worsening the situation for forest communities.

Significant funding must be made available to ensure that REDD is designed and implemented in a proper manner that delivers real reductions, protects biodiversity, and respects human rights. Greenpeace is campaigning for solutions that would do just that, and opposes false solutions that would undermine these efforts.
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The current preoccupation on sub-national REDD+ offset schemes risks wasting finite resources on a policy mechanism that will not deliver real benefits for the climate, forests or people – and could even make matters worse.
Introduction
Good intention & misdirection

Deforestation doesn’t just threaten our climate. It threatens the ecological systems essential for life on Earth, as well as the livelihoods of the 1.6 billion people who rely directly on forests to provide them with their food and livelihood. Forests shelter over half the planet’s land-based plant and animal species, and regulate water flow and rainfall (even over intercontinental distances). Furthermore, forests play a vital role in stabilizing the Earth’s atmosphere and climate by capturing and storing large amounts of carbon and allowing humans (and other species) to better adapt to the impacts of climate change.

Reducing Emissions from Deforestation and Forest Degradation (or REDD) was proposed as an incentive for developing countries to reduce their national deforestation emissions in order to address a vital source of global emissions driving climate change. The success of REDD+ depends on its ability to deliver real, additional and permanent reductions in deforestation and forest degradation in a manner that protects biodiversity and fully respects the rights of indigenous peoples and local communities. Greenpeace supports community-based management of forests and the active participation of indigenous peoples and local communities in the design and implementation of all forest protection strategies, including REDD+. Local participation and empowerment depends upon strong commitment and governance frameworks at both regional and national levels; and participatory land-use planning processes are needed which link on-the-ground implementation to national-level success.

The Governors’ Climate and Forests Task Force (GCF), initiated by former California Governor Arnold Schwarzenegger, is a collection of states and provinces from Mexico, Brazil, Indonesia, Nigeria, Peru and the US that promote sub-national approaches to REDD+. GCF member states have the opportunity and responsibility to address the major industrial drivers of forest destruction, and the GCF is well positioned to play an important role in convening and advising sub-national governments essential to the effort to halt deforestation. To date, however, the GCF has been more focused on creating sub-national REDD+ offsets for large industrial polluters in California than on promoting and adopting effective, people-centered forest protection policies among its members. This current preoccupation on sub-national REDD+ offset schemes risks wasting finite resources on a policy mechanism that will not deliver real benefits for the climate, forests or people – and could even make matters worse.

This report begins by examining the misdirected sub-national REDD+ offset approach promoted by the GCF. There then follows a preliminary examination of the State of Chiapas’ REDD+ program and an analysis of the problems of carbon forestry projects in the region. Finally, recommendations are provided as to how a redirected GCF could shift from an obstacle to an ally in the battle to combat climate change and protect forests and forest people’s rights.
The push for sub-national REDD offsets in California’s carbon market from Mexico and beyond.
The GCF’s promotion of sub-national REDD+ offsets into California and other carbon markets risks making the climate crisis even worse by allowing industries to continue to pollute while not providing real emission reductions in exchange.\(^{11}\) Studies have shown that advancing sub-national forest carbon offset projects in the absence of reliable governance structures, participatory planning and implementation and enforcement mechanisms can undermine forest protection efforts as well as the rights of indigenous peoples and local communities.\(^{12}\)

Although large-scale deforestation can be measured reasonably accurately by satellite and ground-based efforts, monitoring emissions from forests cannot currently be done with a high degree of certainty, and is far and away more difficult (and less certain) than monitoring end-of-pipe fossil fuel emissions.\(^{13}\)

While any approach to REDD+ will have to address leakage (where deforestation in one area is merely displaced to another location), non-additionality (where funding is provided to protect forests that would have been protected anyway) and impermanence (where existing forest is destroyed at a later time), sub-national and project-based approaches to REDD+ make these problems insurmountable.\(^{14}\) Evidence from other project-based sub-national approaches (see also page 11) have shown that the alleged “solutions” to these issues to date have done very little to actually resolve these fundamental and inherent problems.\(^{15}\)

Furthermore, natural forest disturbances (for example, fires, droughts, and so on) can overwhelm human-induced emission reduction actions, particularly at a sub-national or project level. This uncertainty makes carbon offsets from forestry projects inherently unsuitable to offset end-of-pipe emissions, which remain in the atmosphere for centuries or even millennia independent of whether the forest used to offset them is still standing.\(^{16}\) For instance, while the Amazon rainforest has historically acted as a carbon sink (capturing about 0.4bn tons of carbon (Gt C) a year), recent droughts have caused large numbers of trees to die and decompose, leading scientists to predict that the Amazon will turn into an emissions source of roughly 1.4 Gt C over several years – a total almost twice as much as Brazil’s entire GHG emissions for 2005.\(^{17}\)
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Chevron: Real pollution, questionable offsets

Chevron is the largest corporation in California and one of the ten largest corporations in the world. Its Richmond refinery, one of the oldest in the US, is one of California’s biggest carbon emitters and a major source of hazardous pollutants. In the last five years alone the refinery has been cited more than 90 times for air regulation violations, with the number of incidents increasing in both 2010 and 2011. Rather than reducing pollution in the communities in which it operates, Chevron spent almost $4m US dollars lobbying to pass Proposition 26 in California (to prevent polluters from having to pay for the environmental and health impacts they cause), while providing $3m to The Nature Conservancy for the Guaraquecaba Climate Action (REDD+ offset) project in Brazil. Including sub-national forest carbon offsets in California’s Emissions Trading Scheme allows companies like Chevron to continue polluting the environment in California while greenwashing their image by establishing dubious offset projects elsewhere.
The GCF and California: Undermining progress on REDD+ globally and in Mexico

California’s cap-and-trade program threatens to undermine progress that has been made on REDD+ in international and bilateral fora, as well as by national governments such as Mexico’s.

Efforts taken at the UNFCCC have promoted a phased approach to REDD+, whereby land tenure, governance and safeguards for biodiversity and the rights of indigenous peoples and local communities are developed, while the capacity to deliver national-level reductions in deforestation and forest degradation is advanced. Sub-national “avoided deforestation” projects have been overwhelmingly rejected by the 194 countries that are parties to the UNFCCC, including the national governments of all the GCF members. The UNFCCC Cancún Agreement on REDD+ promotes the use of national reference levels while relegating the use of sub-national reference levels to “interim measures”26, if at all. UNFCCC decisions further require that all “results-based” REDD+ activities have national monitoring for deforestation and forest degradation (to address the problems of leakage, etc.).27

Policies promoted by the GCF (and some California groups28) are inconsistent with these decisions. For example, proposals under consideration29 would not require national monitoring or subject sub-national offsets to an “interim” period per UNFCCC decisions. The vital readiness and preparation phases necessary to ensure (among other things) that REDD+ actions respect human rights and do not violate them are notably absent from California’s legislation.

At the UNFCCC Cancún Negotiations in December 2010, President Felipe Calderon committed the Mexican government to achieving zero deforestation nationwide by 2020.30 This move was widely applauded by civil society, including Greenpeace.31 While progress in pursuit of this objective has to date not been at a sufficient pace, what is more alarming are the efforts of those who would undermine this important goal through the promotion of sub-national REDD+ offsets. Including such projects in the Californian carbon market would incentivize the government to skip those phases and steps required by REDD+ and necessary to achieve its goal of zero deforestation by 2020.

Nested approach: Constructive ambiguity clouds this project-based approach to REDD+

Historic proponents of project-based avoided-deforestation offsets have sought to reconcile their interests with recent conflicting UN decisions by promoting the “nested approach”. In the UNFCCC, the nested approach has been pushed to allow undefined “sub-national” projects to gain credit under national monitoring efforts, while in California it has been pushed to allow CDM-like (Clean Development Mechanism) “projects” to gain credit under provincial-level monitoring efforts.

Proponents of nested approaches argue that projects and their reference levels could nest under an overarching reference level (through some type of undefined reconciliation process), but are rarely explicit on what happens to sub-national offset projects in relation to national level emissions. Under some proposals, sub-national projects might not receive credits if national emissions rise (or do not fall by a pre-determined amount), but under most proposals the projects would continue to receive credits regardless (thereby increasing, rather than reducing, global emissions).

The aggregation of projects that have failed individually to deliver real climate benefits does not make for sound public policy. Rather, the need to reconcile sub-national implementation with national-level reductions will only succeed through programs that clarify and respect land tenure rights, enable the full and effective participation of civil society in national plans and strategies, and provide for transparent and equitable benefit sharing mechanisms.
Noel Kempff Mercado Climate Action Project, Bolivia

This $10m US dollar project of The Nature Conservancy in cooperation with American Electric Power, BP- Amoco, and Pacificorp was hailed as a success, but fell short of delivering upon promised benefits and emissions reductions. A Greenpeace investigation revealed the project’s emissions reduction estimates had plummeted by nearly 90% over the first eight years; leakage projections were as high as 44%; there were problematic additionality claims (due to existing policies and laws); and questionable benefits for the local community members.

Mount Elgon, Uganda

The Dutch FACE Foundation’s carbon forestry project in connection with GreenSeat (a company that asks airline passengers to offset their emissions) has come under scrutiny due to questions surrounding the legitimacy of its emission reduction estimates; leakage projections were as high as 44%; there were problematic additionality claims (due to existing policies and laws); and questionable benefits for the local community members.

Guaraqueçaba Climate Action Project, Brazil

This $18m US dollar project of The Nature Conservancy in connection with General Motors, Chevron and American Electric Power appears to fall short of its environmental and social claims, as independent investigations have pointed to discontent among local community members who claim they were never properly consulted, the failure of the project to deliver on its promises of employment, and severe new restrictions placed on their land use. Ten years later a farmer from an affected community said that it would have been better had they never heard of the project.

N’hambita, Mozambique

Envirotrade, in connection with the EU, established a forest carbon project that attempted to sell offsets upfront for 99 years, often for trees that had yet to be planted. Questions about the company’s carbon measurements, along with research from the Overseas Development Institute (ODI) and Winrock International, a US-based non-profit organization working on development issues, led the EU and others to recently suspend their financing for the project.
image: The use of natural resources in the Maya community of Betania follows a long-term forest management plan. The people of the community extract trees and timber in small proportions to minimize their impact.

Mexico is still developing a national reference level. The draft National REDD+ Strategy in Mexico shows how REDD+ achievement is dependent upon sustainable rural development that addresses, in an integrated manner, the many drivers of deforestation and forest degradation at the landscape level. Allowing REDD+ projects from Chiapas into California’s carbon market could deflate the momentum to address the drivers of deforestation across sectors and states in order to achieve the goal of nationwide zero deforestation. Given the new administrations at the state and federal level in Mexico, the GCF and California should support a coordinated strategy for REDD+ at the national level while stimulating efforts at the sub-national level that clarify land tenure, improve governance, and promote fully participatory and transparent multi-stakeholder land use planning processes.

The sub-national offset approach advocated by the GCF is not only inconsistent with REDD+ actions being taken at the international and national levels, but antagonistic to them. Research from Stanford University and elsewhere shows that sub-national offset projects can do more harm than good by creating a disincentive to national level success and real sustainable development. For example, sub-national offsets for sale in the Clean Development Mechanism (CDM) appear to have delayed national action in countries such as China on hydrofluorocarbons (HFCs), among other things. Indeed, earlier this year, China, with support from India and Brazil, opposed a global effort to phase-out HFCs – despite such actions being cost-effective and voluntarily taken by industries in other countries – with one environmental advocate stating: “They are fat and happy and don’t want change.” The push for sub-national REDD+ offsets threatens to do the same for Mexico’s national ambitions on REDD+.

The history of market offset projects indicates that the creation of interest groups in support of sub-national REDD+ offsets will hinder, not advance, nationwide and global forest protection efforts. As Chiapas, California and other GCF members have proclaimed themselves environmental leaders, it is of utmost importance that they redirect their efforts to more productive actions that will protect forests, climate, and people. Suggestions for accomplishing this are presented at the end of this report.
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Why using offsets leads to more pollution in California and questionable social and environmental results in Mexico:

1. More pollution due to the nature of offsets:
   - By definition, offsets allow companies to keep polluting in California rather than reduce their emissions at the source.

2. Questionable emissions reductions due to technical problems:
   - Additionality (see page 19)
   - Permanence (see page 19)
   - Leakage (see page 20)
   - Measurement, Reporting and Verification (MRV) (see page 20)
   - Transparency (see page 22)

3. Social problems in Chiapas:
   - History of conflict (see timeline on pages 18 to 22)
   - Land rights issues (see page 20)

Option 1: Without offsets
- Clean technology
- Real emissions reductions

Option 2: With offsets
- Polluting technology
- Problematic forest projects
- Questionable emissions reductions and potential social and environmental problems
The Pre-Hispanic City and National Park of Palenque, State of Chiapas, in Mexico is a Maya sanctuary. In 1987, the Palenque Ruins were declared a World Heritage Site by the UN Educational, Scientific and Cultural Organization (UNESCO).
Chiapas as a Case Study for REDD+: What is known so far

The rich cultural history of Chiapas and the Lacandona Rainforest Region dates back to Mayan times, when the area served as an administrative and religious hub for the Empire. As indicated by the timeline (see pages 18 to 22), however, the tremendous cultural contributions from the area have been marred by a history of conflict. This history – including the lack of clear land tenure rights that exists to this day – profoundly impacts efforts to implement REDD+ in the region.

History of forest carbon projects in Chiapas

The current push for REDD+ in Chiapas belies the area’s longer history in market-based environmental projects, including forest carbon offset projects. The history of such projects in Chiapas dates back to the 1990s, and has included activities by the regional government, non-governmental organizations, and multinational companies. Close examination of these and other projects is necessary in order to assess concerns raised in relation to the current push for REDD+ projects. Independent studies of these projects reveal that they are experiencing many of the problems that have been found with sub-national offset projects elsewhere.

Forest carbon projects in Chiapas have not clearly demonstrated an ability to deliver equitable social benefits that improve the livelihoods of indigenous peoples and local communities as well as environmental benefits, such as real, additional and permanent emission reductions. Projects have suffered from poor design that has led to conflicts and excluded resource users – especially women – who lack formal property rights. Those problems are amplified by often incompetent organizations carrying out implementation activities without granting affected communities their independence.
Echoing broader research on the issue,56 studies into the Fondo Bioclimatico and Scolel Te projects in Chiapas have shown how market dynamics have changed the nature of projects in ways that are not beneficial for the forests or the indigenous peoples and local communities who depend on them. Projects which initially had a development-oriented focus became consumed by a much narrower carbon-only focus once they started engaging with the carbon market.57 Specifically, projects have taken decision-making powers away from local communities and at times replaced their traditional, diverse, and subsistence farming methods with “carbon farming” processes,58 leaving them more vulnerable to external market forces. For instance, Scolel Te’s focus on afforestation and reforestation activities led some local community members to change their land use patterns from 5 to 7-year shifting cultivation cycles (which provided them security and subsistence) to four 25-year rotations of commercial tree plantations (which were speculative and at the mercy of market forces).59 In addition to potentially worsening people’s social circumstances, one analysis showed that the carbon benefits in forest carbon project areas may be negative when compared to fallow areas in traditional community managed forests.60

Adding to the direct impacts, it appears that attempts by the government of Chiapas to establish a REDD+ pilot project have, in some instances, led to an intensification of local conflicts over land. The establishment of “environmental police” – meant to enforce conservation efforts in the project area61 – appears to have created fears within bordering communities that they will be driven off their land because they lack official land titles.62 Although the government claims that the communities wishing to stay will be allowed to do so, the Governor of Chiapas, Juan Sabines, stated that: “Of 179 ‘irregular’ settlements within the jungle’s protected area, most have been removed and only 11 remain.”63

The information presented here was compiled from various sources, however detailed information on projects is at times lacking or incomplete.

### Existing forest carbon projects in Chiapas

**Scolel’Te**
- Established: 1997
- Location: Northern and Central Chiapas
- Implementation: AMBIO, CONAFOR, SEMARNAT

**Biosphere Reserve Selva El Ocote Pilot Project**
- Established: 2009
- Location: Ocote Jungle
- Implementation: USAID, AMBIO, CONANP

**La Sepultura Project**
- Established: 2008
- Location: Sierra Madre
- Implementation: Conservation International, Starbucks, ProNatura-Sur

**Pact for the Respect and Conservation of Mother Earth**
- Established: 2011
- Location: Lacandona
- Implementation: Government of Chiapas

**Mainstreaming the conservation of ecosystem services (ES) and biodiversity at the microwatershed scale in Chiapas, Mexico**
- Established: 2010
- Location: Sierra Madre
- Implementation: Conservation International, GEF, AMBIO, CONANP, ProNatura-Sur

**REDD+ Pilot Project in Ocosingo**
- Established: 2011
- Location: Ocosingo
- Implementation: Ecologic, Reforestamos Mexico, Na Bolom
Image: Although the Lacandona Rainforest has significant carbon stocks and potential,\(^1\) the future of this area is subject to drastic change rendering any offset purchase a high risk venture. (See timeline, pages 18-22)

**Carbon density and conflict: The overlaps**

Protected areas in Chiapas’ carbon-richest region

Based on:
1. IHNE, Government of Chiapas in ‘Mediación en los conflictos agrarios en la Selva Lacandona (región La Cojolita, Chiapas), 2006’
2. Programa de Manejo de la Reserva Montes Azules, Instituto Nacional de Ecología, 2000

Based on:
Although this REDD+ program, implemented since January 2011, is still in its early stages, some preliminary analysis is warranted given the push to include projects from Chiapas in the California carbon market. Given its history of land disputes and conflict, REDD+ in Chiapas faces substantial implementation issues due to the continuing difficulties in carrying out full and effective consultations with indigenous peoples, as well as the alleged failure to clarify land ownership in many regions. As outlined below, there remains a lack of clarity regarding the program’s duration, specific objectives, project phases and activities, assigned budget, reference levels, exact implementation zone, and monitoring efforts. Note that these are not arguments against financing Chiapas’ REDD+ program per se, rather arguments against allowing projects whose reduction claims are difficult or impossible to substantiate to offset real industrial emissions that are impacting the atmosphere and local communities.

The State of Chiapas’ REDD+ program: A preliminary examination

The Chiapas REDD+ program has sought to conserve the natural reserves within the Lacandona Rainforest, including the communities of Naha, Metzabok, Lacanja Chansayab, Nueva Palestina, Frontera Corozal and Ojo de Agua Chankin. The Pact for the Respect and Conservation for Mother Earth, signed by the Chiapas government and the communities within the Lacandona Community Zone, establishes the parties’ commitment to the REDD+ program. The 1678 comuneros (legal landowners) receive a monthly incentive of 2,000 Mexican pesos (approximately $150 US dollars) in exchange for conserving the forests on their lands. To date, this REDD+ program has not been used to offset fossil fuel emissions elsewhere, but the government in cooperation with Conservation International is starting to evaluate the region’s carbon potential.

History of conflict in Chiapas Timeline from 300AD to 2012

- 300 AD: First Mayan settlements in the Lacandona Rainforest
- 800 AD: Fall of the Mayan Empire
- 900 AD: Lacandona Rainforest becomes an administrative and religious center of the Mayan Empire
- 1000 to 1100: Constant struggle among competing groups who remained in the Lacandona Rainforest after the fall of the Mayan Empire
- 1200 AD: End of the historical period in the region
Additionality
Every REDD+ program must put in place strong and reliable measures to ensure that funding is used to protect additional forests that would not have been protected under existing laws or initiatives. It is not clear to what extent – if at all – the Chiapas REDD+ program is providing genuinely additional emission reductions relative to what would have happened in the absence of the program. Although there is no official information or map showing the exact area or polygon for the REDD+ program, the government has stated that the program will seek to protect and conserve “more than 614,000 ha of rainforest”, which is roughly the size of the Lacandona Community Reserve (614,321 hectares). Furthermore, a robust reference level must be established in order to determine whether a program is additional. Chiapas has not yet specified an official reference level for its REDD+ program and faces significant problems in doing so (see the MRV section, page 20).

Permanence
One of the fundamental issues for any forestry project is permanence, given that forests can be destroyed at a later time. In addition to the unpredictable nature of deforestation throughout the history of Chiapas, its REDD+ program raises substantial permanence concerns as it lacks a continuous source of funding as well as any defined duration. Greenpeace’s conversations with authorities and former authorities from the Lacandona communities revealed that the agreement with the government is made on a yearly basis. Neither the Pact nor other public documents define how long the program is intended to last over the long term, or the conditions under which the program would end. The program was originally financed in 2011 by a vehicle tenure tax collected in Chiapas, which has since expired and there is uncertainty regarding the availability of funds needed to keep the program operational in the long term. The program has been allowed to receive funding from the State of Chiapas’ Environmental Fund since January 2012 to ensure its continuation in the short term, and the Chiapas government has committed to match each Mexican peso invested into the program by the Federal Government or other national and international institution.
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The absence of a transparent land use planning process and monitoring program for Chiapas’ REDD+ program makes it difficult to know how much leakage has occurred (if any). There are farms and livestock immediately along the edges of reserve land visited by Greenpeace, but the duration of their existence, as well as their relationship to the reserve and REDD+ program, is unclear.

Measurement, Reporting and Verification (MRV)

A Measurement, Reporting and Verification system (MRV) is a basic requirement for REDD+ programs in order to assess their performance. While Chiapas has recently taken steps to determine its historic deforestation and degradation rates, a report from July 2012 notes uncertainty levels for deforestation rates as high as 44% (and ranging from 30% to 40% for degradation). Due to Chiapas’ complex topography, the mosaic pattern of land use and the lack of technical capacity to carry out forest carbon stock assessments, the state has so far not been able to implement an operational deforestation and forest carbon enhancement monitoring system. MRV under the Chiapas program is further complicated by the lack of clear delineation of borders and boundaries of the reserve areas. While the REDD+ program is said to apply to the 614,000 hectares of rainforest, the Ministry of Environment and Natural History has yet to publish an official detailed map of the area. In addition, there appears to be no clear delineation of the 70 hectares plots held by each comunero (member of a legally recognized agrarian community), which could be divided into one, two, or three different plots within the community lands. Uncertainty around real land use practices over the last 35 years adds further complications.

Leakage

REDD+ must prevent leakage, wherein claimed reductions in deforestation in one area have merely shifted the deforestation to another area. The lack of a transparent land use planning process and monitoring program for Chiapas’ REDD+ program makes it difficult to know how much leakage has occurred (if any). There are farms and livestock immediately along the edges of reserve land visited by Greenpeace, but the duration of their existence, as well as their relationship to the reserve and REDD+ program, is unclear.

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Potential social problems

The current legal owners of the Lacandona Community Zone are the 1,678 comuneros who have signed the REDD+ agreement with the state of Chiapas, which entitles each comunero to 70 hectares of land. While the population in the Lacandona Community Zone is estimated at 16,466, the 1,678 comuneros are the only ones who receive the monthly compensation of $2,000 Mexican pesos (approximately $150 US dollars) for protecting the region’s forests. Although no precise estimates are available, Greenpeace interviews with local community members indicate that a significant number of individuals and family members responsible for ensuring the protection of the forest are not being compensated, causing some conflict within the area between comuneros and non-comuneros.

Even among comuneros, the program has caused some disagreements due to the equal compensation provided to each comunero regardless of their past treatment of the land. Although the payment scheme was intended to avoid conflict, it has created a sense of unfairness among some comuneros, since those who had previously severely degraded their lands with agriculture and livestock farming activities now benefit from both those activities as well as from the REDD+ compensation. At the same time, comuneros who took greater care of their forests are prohibited from developing them in a similar manner. In short, the amount and proportion of forests held by each comunero differs while the compensation for each remains the same.

Furthermore, the REDD+ program has caused some conflict within the comuneros families. While the typical comunero family contains 5 to 7 individuals, the Lacandona Community Internal Regulations only allows comuneros to grant 20 hectares of land (from the total of 70) to no more than two descendants (10 hectares each).
Although family members often collectively work the land, only two recipients are recognized as new legal land owners and entitled to benefit from the program.\textsuperscript{120} During field research, Greenpeace learned that complaints surrounding this have led some comuneros to request that this limitation be addressed when the annual agreement for 2013 is being renewed.\textsuperscript{121}

Early observations on the Chiapas REDD+ program

In recent years, the government of Chiapas has been at the forefront of environmental issues, as demonstrated through its Climate Change Adaptation and Mitigation Law, its Climate Change Action Program, and more recently the implementation of the REDD+ program with the Lacandona Community after signing the Pact for the Respect and Conservation of Mother Earth.\textsuperscript{122} Unfortunately however, as shown in this report, sub-national REDD+ offset projects such as those currently pursued by the State of Chiapas are fundamentally flawed.\textsuperscript{123} The Federal Institute for the Access to Public Information has identified Chiapas as one of the five states in Mexico that fail to fulfil the minimum standards of transparency and accountability stated in Article 6 of the Mexican Constitution.\textsuperscript{124} Chiapas does not have specialized, impartial and autonomous institutions to guarantee people access to information.\textsuperscript{125} To date, the Chiapas government has not provided an adequate and transparent administration of public funds and other sources of revenue. This not only creates problems and risks for those wishing to invest in projects in Chiapas, but the failure to address these issues could hamper the national effort to develop and implement a successful REDD+ scheme. Article 37, XVIII of the "Law that Guarantees the Transparency and Right of Public Information for the State of Chiapas" states that a "description of the programs, projects, actions and assigned resources to each of them from the assigned budget must be made public permanently through their website or by available electronic media".\textsuperscript{126} Nonetheless, at the time of writing, the Chiapas government has not published this information on its website and has only partially responded to Greenpeace’s requests for information.

Looking back at the history of Chiapas it would have been impossible to predict several decades ago whether an area that was forested then would still be a forest today. It is not clear that predictions could be made today with significantly greater certainty. Using Chiapas’ rainforests to offset real industrial emissions elsewhere would seem an irresponsible bet on a future impossible to predict since no guarantee can be made that the forest will remain standing as long as the emissions they are intended to offset stay in the atmosphere.
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The sign reads: “You are in Zapatista rebel territory. Here the people command and the government obeys. Arms trafficking, drugs planting and consumption, alcoholic beverages and their sale, and illegal trafficking of wood are strictly prohibited. No to the destruction of nature. Good Government Council Northern Zone.”
Image: A view of the Poop Chan Ecotourism Center in Nueva Palestina community, located in the Lacandona Rainforest, State of Chiapas, Mexico.
The way forward

Greenpeace and others are campaigning for zero deforestation globally by 2020 and in priority areas such as the Amazon, Indonesia, and the Congo by 2015. At the UNFCCC Conference in Cancún in December 2010, 195 countries agreed to the concept of zero deforestation via a commitment to “slow, halt and reverse forest cover and carbon loss”.

The Mexican and State of Chiapas governments have both committed to achieving zero deforestation by 2020. The EU has committed to the goal of zero forest cover loss by 2030 at the latest. The Consumer Goods Forum, an organization of 400 global consumer goods manufacturers and retailers including Wal-Mart, Unilever, Coca-Cola, and Nestle, has committed to zero net deforestation by 2020.

Greenpeace supports states, including Chiapas, taking action to stop deforestation and protect forests peoples’ rights. However, we do not support the GCF’s current fixation with creating a new set of offsets for California’s industrial polluters. Such offsets would at best result in no net reductions in carbon emissions and at worst result in real damage to forests, climate, and people. Rather than pursue such policies, GCF members should join the effort to halt deforestation globally by 2020 in a manner that protects biodiversity and fully respects the rights of indigenous peoples and local communities.

We therefore recommend that the GCF take the following actions:

• Adopt zero deforestation policies and a “common approach” that safeguards biodiversity and the rights of indigenous peoples and local communities for all forest-related activities, including REDD.
• Initiate participatory multi-scale conservation and land use planning processes that meet the needs and respect the rights of forest-dependent indigenous peoples and local communities, including their free prior and informed consent (FPIC); as well as forest uses that protect biodiversity, carbon, and other ecosystem values.
• Identify and end perverse government subsidies that support deforestation or forest degradation, and redirect those subsidies to forest protection.
• Clarify land tenure and make maps identifying land rights (including all land use concessions) freely and publicly available.
• Create independent real-time national deforestation monitoring systems that are freely and publicly available.
• Collectively demand that the large industrial drivers of deforestation that impact many states make their supply chains fully transparent and free of deforestation and forest degradation.
• Institute transparent and equitable benefit sharing mechanisms.
• Support a global forest fund designed to provide multiple benefits in terms of carbon, biodiversity, and the rights of indigenous peoples and local communities.
Appendix

Proven solutions in practice

Corporate solutions:
Zero deforestation and soya in Brazil
The Greenpeace exposé Eating up the Amazon – which linked Amazon deforestation to soya expansion (for example, for chicken feed) – pressured companies such as McDonalds to adopt zero deforestation policies. McDonalds worked to obtain support from other food companies and supermarkets and, in turn, the world’s largest multinational soya companies and exporters agreed to a two-year moratorium on purchasing soya from newly-deforested areas. The zero deforestation moratorium has been extended ever since, and recent studies indicate that soy cultivation has directly driven only a small fraction of deforestation since the moratorium was enacted. The moratorium has shown how agricultural production and forest protection need not conflict, since Brazil’s soybean exports have increased while deforestation has decreased.

Community-based forest management solutions:
Zona Maya in Mexico
Mexico offers some of the most successful examples of community-based forest management in the world. Studies have demonstrated that these community-owned and managed forest regions have often provided superior results to formally designated protected areas. The Zona Maya (Mayan Zone) tropical forest, in the state of Quintana Roo and the Central Yucatan Peninsula Region, contains iconic species such as jaguars, spider monkeys, howling monkeys, and ocelots. The indigenous peoples and local communities collectively developed a plan to manage and protect their own forests (Plan Piloto Forestal) without any formal legal protected area status. Although the economy of Zona Maya is more dependent on its forests than other nearby areas, the community-based forest management plan has allowed communities to continue some small-scale traditional shifting cultivation and timber extraction practices while restraining large industrial-scale land use conversion. The empowerment of these communities resulted in a reduction in deforestation and benefits for the indigenous peoples and local communities.

Sustainable smallholder solutions:
Oil palm in Indonesia
Industrial-scale oil palm plantations have expanded rapidly over the past two decades in Indonesia, clearing large swathes of natural forest and critical peatland areas. Promises of economic development and jobs to local communities have not come true for many. An innovative, independent smallholder approach has delivered social and economic benefits and helped protect the remaining forest. The Dosan community has committed to protecting its forests and moving to improved environmental management practices that include zero burning, no herbicide use and improved water management (to maintain the peatland water system). Clarifying the rights of such communities and helping them create sustainable development programs that improve livelihoods while protecting forests is essential for the long-term success of REDD.
Outsourcing Hot Air

The push for sub-national REDD offsets in California's carbon market from Mexico and beyond.


4. Forests store nearly 300bn tonnes of carbon in their living parts – roughly 40 times the annual GHG emissions from fossil fuels.

5. The push for sub-national REDD offsets in California’s carbon market from Mexico and beyond

6. Submission from the governments of Papua New Guinea and Costa Rica on Reducing emissions from deforestation in developing countries: approaches to stimulate action to the UNFCCC COP 11 in Montreal (Dec 2005).


10. See generally The Munden Project (2011). REDD and Forest Carbon: Market-Based Critique and Recommendations

11. Does REDD+ Threaten to Recentralize Forest Governance? Science (April 16, 2010);
University of Copenhagen (2009). Why REDD will be neither fast, nor easy; The example of Ghana. Development Briefs Policy No. 8;
13 At this time, the science of measuring carbon stocks and fluxes from land-based emissions is far from exact and the use of default values in offset project calculations is widespread. One recent study found that assessing forest carbon stocks in a developing country resulted in uncertainty in excess of 40%, while another showed that even in the EU the average uncertainty range when measuring land-use change emissions was 30-40%.


14 Any approach to REDD+ will have to deal with the significant problems of leakage, permanence (and liability), and baseline-setting. However, these issues are especially problematic with market-offset mechanisms, which would allow energy and industrial emissions to increase if “equivalent” reductions in forest emissions are made.

15 See for example Greenpeace International (2009b) op cit.


28 See e.g. The REDD Offset Working Group, at http://stateaidred.org/ (accessed 14 August 2012), whose NGO members consist exclusively of those who support sub-national REDD offsets.


33 Greenpeace International (2009b) op cit, p. 7.


35 ibid, p. 31-32.


38 Schapiro M (2009) op cit.


44 CONAFOR (2011a), Estrategia Nacional de REDD+ (ENAREDD+), Primer Borrador, p. 49.

45 CONAFOR (2011a) op cit, pp. 21-23.


49 The Action Program for Climate Change in Chiapas (PACCCO) currently states that the development of the Chiapas MRV system will be aligned to the State REDD+ Strategy (to be issued by 2013), which will also be aligned to the National REDD+ Strategy (to be finished by 2014). However, interviews conducted by Greenpeace with various stakeholders engaged in Chiapas and California indicate strong intent to proceed with national and project-based REDD without waiting for national action; GCF (2012a). GCF Knowledge Database, “Chiapas” http://www.greenclimateknowledge.org/StateOverview/Chiapas (accessed 7 August 2012); CONAFOR (2012), SEMARNAT, Programa de trabajo hacia la ENAREDD+ http://www.conafor.gob.mx/portal/index.php/proceso-nacional-redd/asestrategia nacional-redd (accessed 7 August 2012); Secretaria de Medio Ambiente e Historia Natural (2011). Programa de Acción ante el Cambio Climático del Estado de Chiapas. http://www.cambioclimaticochiapas.org/portal/descargas/pacch/paccoch.pdf (accessed 14 August 2012).


54 Hall A (2012). Forests and Climate Change - The Social Dimensions of REDD in Latin America, p. 79. In addition to that Hall notes communities have often responded to these issues with non-compliance, which has mostly gone unpunished in Mexico.

55 Ibid.

56 Ibid.


63 Ibid.


70 GCF (2012c) op cit.


73 Hall A (2012) op cit, p. 79.


81 This figure itself, however, has not been made clear as a more recent government press release states that “the comuneros are committed to not change the land use in more than 484,000 hectares in this natural reserve”. See: Boletín: 9429: Chiapas se prepara para incursionar en mercados de carbono, with acciones tempranas de REDD+, Instituto de Comunicación Social del Estado de Chiapas, 19 August 2012. http://www.chiapas.gob.mx/prensa/boletin/chiapas-se-prepara-para-incursionar-en-mercados-de-carbono-con-acciones-tempranas-de-redd- (accessed 30 August 2012).

82 Greenpeace interviews in March and June 2012. Please contact authors for further information.

83 SEMA-HN (2012a) op cit; SEMA-HN (2012b) Convenio de Apoyo Económico (accessed 9 August 2012) http://sistemas.tochiapas.gob.mx/Informes/solicitudes/archivos/00005047_31072012_RESC.PDF (accessed 9 August 2012). This is supported by findings of the Center for Clean Air Policy which noted that in 2011 the timeframe of the government’s early actions for REDD+ was just one year, see Center for Clean Air Policy (2011) op cit, p. 24.
The area visited is the La Cojolita Communal Reserve. Please contact authors for more details.


85 The government’s Pact for the Respect and Conservation of Mother Earth was paid out of a 20m Mexican pesos State fund in 2011. However, a budget of 20m pesos is insufficient to cover the program for more than roughly six months: 1,678 recipients (comuneros) x 2,000 pesos per month x 6 months = 20,136,000 pesos. See also SEMAHN (2012a) op cit.

86 Boletín 3634: Conservación de la Selva: Chiapas da el primer paso en el país para el pago por conservación, Instituto de Comunicación Social del Estado de Chiapas, 22 December 2010, http://www.cosoco.chiapas.gob.mx/documento.php?id=20101223012351 (accessed 9 August 2012); Boletín 7894, op cit. Note that this Fund is not intended to solely finance the REDD+ Program but rather a wide variety of actions, programs and projects related to climate change mitigation, adaptation and vulnerability, ranging from energy efficiency to programs for the production of biofuels.


90 De Vos J. (2004a) op cit: 338.


93 The area visited is the La Cojolita Communal Reserve. Please contact authors for more details.

94 Contact authors for more details.

95 EPRI (2012) op cit.

96 EPRI (2012) op cit.


98 Article 36, I of the Internal Regulations of the Lacandona Community establishes that “...the comuneros have the right to choose the location of their possession in up to three different places,” cited in Tejeda C & Marquez C (2006). Apropiación territorial y aprovechamiento de recursos forestales en la comunidad Frontera Corozal, Selva Lacandona, Chiapas, México. Revista de Geografía Agrícola Jul-Dic No. 37, pp 84-85.

99 According to interviews conducted by Greenpeace, although there have been attempts to clarify land tenure and land use in the area, opposition by comuneros and community members who benefit from this lack of transparency has in part prevented these issues from being resolved. Please contact the authors for more details.


101 Ibid.


103 Marion M (1993) op cit.


105 The Lacandona Community decided internally that from the total land they were given 70 hectares would be distributed to each comunero. In addition to this, communal lands continue to exist where all community members are allowed to make use of wood and non-wood forest products. For more information see Tejeda C & Marquez C (2006) op cit, pp. 79-95.

106 According to the last population census for 2010, the number of inhabitants in the six communities are: Frontera Corozal 5,184, Nueva Palestina 10,588, Lacanja Chansayab 379, Nahil 198, Puerto Bello Metzabok 96 and Qp de Aguas Chankin 21. Instituto Nacional de Estadística y Geografía, Censo de Población y Vivienda (2010).


108 Please contact the authors for more details.

109 Information obtained through interviews with authorities and inhabitants of the communities. For more information please contact the authors.


The invasions of communal lands combined with the reform laws that allowed the sale of certain lands, increased the private ownership of ancestral lands and dispossession of indigenous communities; Ramos R (2001). El movimiento zapatista y la redefinición de la política agraria en Chiapas (The Zapatista Movement and the Redefinition of Agrarian Policy in Chiapas). Revista Mexicana de Sociología, Vol. 63, No. 4: 197-220.


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115 Ibid.
120 Tejeda C & Marquez C (2006) op cit.
121 Please contact the authors for more details.
122 Boletín 7959 op cit.
131 See Greenpeace International (2012) op cit. The monitoring, reporting, and verification of REDD should be consolidated to include rights and biodiversity as well as carbon, and information should be made freely available to the public. Independent, transparent, and accessible accountability mechanisms are needed to ensure grievances are addressed.
132 National monitoring is minimally required for all results-based actions related to REDD UNFCCC Decision 1/CP.15, The Cancun Agreement on Long-term Cooperative Action, FCCC/CP/2010/7/Add.1 (Cancun, Mexico December 2010); UNFCCC Decision 4/CP.15 on SBSTA (Copenhagen, Denmark December 2009).
Greenpeace is an independent global campaigning organisation that acts to change attitudes and behaviour, to protect and conserve the environment and to promote peace.