

# Waiting for an Unlikely REDD

## Digressions from Anthony Hall's most recent book\*

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**Debate**

*Apresentamos a seguir um debate sobre o recente livro do Professor Anthony Hall (Forests and climate change. The social dimensions of REDD in Latin America. Cheltenham, UK, Edward Elgar Publishing Limited, 2012. 213p. ISBN 9781849802826), que trata de pagamentos por serviços ambientais, tema do dossiê apresentado neste número 7 de SeD. Foi convidada para analisar esta obra a pesquisadora Catherine Aubertin, do Institut de Recherche pour le Développement - IRD, da França. Em seguida, O Professor Hall foi convidado a responder aos comentários dela. Esperamos, com isso, contribuir para enriquecer o debate, em alto nível, das ideias que difundimos.*

*Os Editores*

Anthony Hall is professor of social policy at the London School of Economics. He specializes in social and environmental issues in the Brazilian Amazon. This book aspires to become a reference for the study of topics related to the financial incentive mechanism for reducing greenhouse gas emissions from deforestation and tropical forest degradation, known by the acronym REDD, in Latin America. The text is written for a broad audience and is carefully edited, containing a list of acronyms, an index and a substantial, 31-page bibliography.

Professor Hall adopts a social and cultural perspective of REDD. His arguments intend to counterbalance the economic and naturalist approaches, which he considers to lack the required complexity.

\*A. Hall, *Sustaining Amazonia: Grassroots Action for Productive Conservation*, Manchester: Manchester University Press, 1997.

The book is divided, in a pedagogical manner, into 8 chapters. The first three constitute a reminder of the general context of REDD (i) the role of forests in climate change and related policies (creating protected areas, combating deforestation, certification etc.); (ii) the emergence of the concept of REDD and the various funds associated with climate negotiations (after the failure of the Clean Development Mechanism - CDM as applied to forest conservation); and (iii) the theoretical basis of REDD, using the market metaphor and briefly addressing the field of environmental economics (p. 54); The author presents guidelines – “Ready for REDD” - containing the standards and measurement criteria required by donor funds and their various reinterpretations, by country and by scale (national, regional, and local projects). These first three chapters are not merely descriptive, though. They present a critical analysis of the situation and introduce examples that illustrate the challenges in implementing uniform policies of “Ready for REDD”, anticipating the content of the following chapters.

Chapters 4 and 5 discuss the implementation of these policies in Costa Rica, Mexico and Brazil, and in countries that are preparing to engage in REDD: Ecuador, Bolivia, Panama, Peru, Paraguay, Colombia, and Guyana.

The last chapters support the notion that a diversity of situations must be considered, expanding the criticisms made in the previous chapters: the dangers of the commodification of nature, the need to review governance arrangements, the diversity of institutional contexts (p. 153) etc. Hall insists on the need to involve communities that live in the forests. The eighth and final chapter explores how the implementation of REDD can lead to strategies for social development, linking REDD to Bertha Becker’s slogan (curiously non quoted by Professor Hall) – “produce to conserve”.

The major interests of the book are two-fold. First, to present a history of REDD in both the theoretical and institutional contexts that led to its creation and applications; second, to provide an overview of REDD in Latin American countries, using numerous examples.

As an attentive reader, I would like to open the discussion with four main questions emerging from the text, albeit those questions were not directly addressed by Professor Hall in his book.

### **What is the efficiency of a market model for the conservation of tropical forests?**

It has been found that in most Latin American countries the fight against deforestation by the State, after the disastrous 1990s and a peak in the early 2000s, had already begun to show good results long before REDD. Moreover, the overall outlook may not be as dramatic as the alarmist media suggest. Forests in Latin America cover a large part of the territory. Brazil protects 54% of its tropical forests, Colombia 70%, Ecuador 80%, Venezuela 72%; Peru comes at the bottom of the list with 35%. We must recall that the Aichi targets have increased the percentage of protected areas to 17%.



Today, most countries in Latin America are developing programs and pilot projects under the label of REDD+. The exceptions are Venezuela, Uruguay, Belize and French Guiana. The latter, however, participates in a conservation project involving countries of the Guiana Highlands. As widespread public policy corresponds to a decline in deforestation, the success of command and control policies should have led the author to question the enthusiasm surrounding a market mechanism such as REDD. Among other assumptions, one can put forth that REDD has been a source of windfall for many States and producers that are already engaged in the control of deforestation and in the process of technological revolution.

Hall's enthusiasm is somewhat surprising due to the diversity of institutional structures, geographical locations and social tensions in the countries engaged in REDD. He shows that the underlying market approach to REDD means that, regardless of the country, the conditions of land tenure, the causes of deforestation, the forest policies, the technical capability, the level of political mobilization and decentralization should support the implementation of the tool, which does not care about the heterogeneity of stakeholders: large and small scale farms, indigenous communities, frontier farmers, or farmers living near cities etc.

Above all, the very requirements of REDD call into question whether there exist enough technical capabilities allowing countries to implement them. Only China, Mexico and India can monitor their forest inventories in the long term as per the criteria for monitoring and evaluation requirements (measurement, reporting and verification - MRV). The requirements demand additionality - there must be proof that the REDD project does not provide benefits that could have been acquired without its adoption); checks for leakage - proving that the deforestation in one place is not been transferred to another); permanence - continuous performance etc. (p. 62). Countries have limited capacity for control, but the main obstacle resides in the lack of the scientific knowledge that allows robust relationships between the functioning of ecosystems, the definition and measurement of environmental services, changes in practices, payments, and the impacts on conservation ... Hall would have been welcome to discuss the statement that REDD is an intellectual speculation derived from the neoclassical economic theory that predates scientific knowledge.

The reader will have trouble finding REDD projects in the strict sense in Hall's book. The projects presented are either preparations for REDD in the multilateral negotiations of the Climate Convention (essentially those funded for training purposes and for the creation of structures) or projects called *PES-like*, i.e., that mimic the rhetoric of payments for ecosystem services without obeying its framework. These initiatives *PES-like* come from outside the Convention, which may come from the central State, decentralized institutions, universities, communities and private initiative through multiple combinations. Payments for avoided emissions or carbon sequestration are rarely linked to project results and are closer to investment costs, social transfers or greenwashing operations. We are witnessing an integration of the REDD and PES discourses in existing forest programs and even in sustainable development programs.

Nonetheless, Hall, includes all projects under the REDD label, not dealing with subtle distinctions between theory and practice, between REDD and PES, between “Ready for REDD” projects and programs that claim to exchange carbon credits. He passes quickly over the discussion of market opportunities opened by international negotiations and eases into the stimulating issue of describing local forestry policies very much distanced from the initial framework. If we can congratulate him on his pragmatism, we can also regret that he sustains a degree of confusion and does not further analyze the reasons why there are reinterpretations of the REDD concept when moving from an international to a local scale.

### **What are the links between producing an environmental service and meeting the needs of forest dwellers?**

The fact that indigenous lands occupy one-fifth of the Amazon forest, and that this type of occupation is the most effective means for conservation is evidence, sometimes obscured, that distinguishes Latin America from the reality of other regions. 43% of Latin American forests are state-owned. 149 million hectares of Amazonian lands were transferred to indigenous and forest communities between 1985 and 2002 in Bolivia, Colombia, Brazil and Peru (p. 138). The rights of indigenous and local communities were recognized with the signing of major international treaties, whether Article 169 of the International Labor Organization or the Convention on Biological Diversity. The organization of indigenous movements is strong and has international support. In Latin America, it is not possible to think of a REDD project without taking into account indigenous peoples, who hold much of the best preserved land and who play a key role in the management of natural resources. We can thus understand the concern for establishing safeguards to ensure that REDD projects serve local peoples. Can we promote both the well-being of local populations and try to reduce CO<sub>2</sub> emissions?

Many stakeholders in fact, propose safeguards: World Bank, UN-REDD, CIFOR, CCBA, CARE International, and NGOs that defend both environmental and indigenous rights. They rendered meaningless the first RED model, which would have offset GHG emissions from developed countries according to a strict accounting in CO<sub>2</sub>eq. Respecting the rights of forest peoples brings to the forefront the question of land tenure and the rights of indigenous peoples (which explains some tensions, such as the one displayed by Brazil at the last conference on biodiversity, in Hyderabad). The multiplication of these safeguards and the intrusion on the right of peoples in the debate transform REDD projects into local development projects with high priority given to social issues. Do we then still need a reference for REDD when Hall presents a guide for social impact assessment (SIA) for forestry projects that follow the CCB standard (Climate Community and Biodiversity Alliance)? Do we not simply return to development projects previously promoted by community-based NGOs? The strategy of continuously adding more social safeguards for REDD, to the point of a radical distortion from the initial purpose, carries with it a strong critique of the mechanism. Why then propose to improve the conditions for REDD’s implementation rather than explicitly reject the concept?



The author shows perfectly, with reference to the work of Elinor Ostrom, how market incentives undermine pre-existing social norms that conspired towards the conservation and collective management of natural resources for the common good, and not for private profit. He shows that the principles of REDD+, with their safeguards, reconcile forest conservation with productive activities, while fighting poverty and making communities stronger, are not new. They result from many experiences of community-based management of natural resources: extractive reserves and sustainable development reserves established in Brazil, collective fisheries, and several other examples of types of governance of the commons studied by Ostrom where the management of shared resources implies conservation. Thus, to support these experiences it was not necessary to include payments for ecosystem services or a series of conditionalities.

It may seem quite ironic that after all the effort to implement these community systems based on the collective good, one imposes a market tool that uses individual, monetary incentives (p. 154). Many studies have shown, nevertheless, that the decisions of smallholders do not depend on the pursuit of maximum profit, but on the security of land tenure, subject to the availability of family labor, according to the norms of consumption, social control and representations between nature and culture. Surveys of smallholders demonstrate their need for technical assistance, for market guarantees for their production, or for basic infrastructure, and not for the requirement of a system of payments contingent upon the adoption of good practices.

### **What are the actual transactions?**

The reader may be struck by the small amount of funds mobilized through multilateral negotiations: only 10% of the announced funding has been approved, and much less has been paid out (p. 41). Of the approved US\$ 275 million from the World Bank and the UN-REDD, as of late 2012 only US\$ 59 million were paid out for all selected REDD countries. Brazil has spent almost as much on its own to reduce deforestation in the Amazon, with US\$ 52 million in the *Fundo Amazônia* (updated until September 2012 by BNDES). The author insists on the particular situation of Brazil, which, unlike the vast majority of Latin American countries, has not joined the Partnership Fund for Forest Carbon (FCPC). It does not receive financial or technical assistance from the World Bank or the United Nations. Also, project initiatives are not centralized by the federal government, but driven by the federated States and by private initiatives.

The situation is scarcely better in the voluntary market. 2010 marked the closure of the carbon credit exchange of Chicago. The Governors' Task Force on Climate and Forests (GCF) is slow to organize transactions between its member states. The reader will be unsatisfied with the text boxes in chapters 5 and 6 which describe REDD projects. The examples are not convincing and form a slightly wearisome list. Countries are treated in a heterogeneous fashion, according to available information, but, above all, the description of the projects does not go beyond information which could have been found in press releases. It is easy to deduce that intermediaries, brokers, international experts, NGOs that divulge good practices

and law firms that draft regulations are the primary beneficiaries of REDD. They feed on transaction costs.

Who gets what and based on what quantities of avoided CO<sub>2</sub>? The book does not tell us very much about this. It gives little information concerning private transactions. The amounts recorded in the text are speculations based on tons of carbon avoided in the future compared to an improbable baseline, then multiplied by a forecasted price. The few figures that refer to fixed payments, such as the monthly \$R100 (*Reais*) in the Brazilian Government's *bolsa verde* (*green grant*), or calculations of opportunity costs (rice harvest by means of slash-and-burn practices by smallholders who live far from roads), have a very low market value. These amounts appear to be insufficient to lift forest peoples out of poverty.

### What is the outlook?

Having made the option to build and end his argument with a plea for forest peoples, Professor Hall did not return to the assumptions that led to the invention of the REDD mechanism and does not question the concept of REDD itself. There is no discussion about a new form of green imperialism. There is barely any mention of the resistance of some groups to the commodification of the environment or any critique of the lifestyles of developed nations. Yet Hall does show that the diffusion of REDD has been accompanied by the standardization of forest representations and policies. Worldwide, REDD imposes the image of the forest as a carbon provider and promotes universal management techniques. The international institutions and developed countries (according to Annex 1 of the Climate Convention) provide technical and financial assistance that redefine official development aid by increasing conditionality and by imposing standards, measurements, satellite control systems and guides defining good practices.

Finally, the type of social development supported by Professor Hall seems to be cut off from a broader movement that questions our standards of consumption, because he remains focused at the local level. When he speaks of carbon benefits, he mentions mainly the financial returns for local people. He could have placed the issue in a more comprehensive context of a low-carbon economy, reflecting on international commitments, on negotiations and on the social choice for a low-carbon economy in which the forest would make its contribution. Hall's final remarks appear strictly sectorial (focused on local scale) with a curious shift to the science of complexity (p. 174), separating forests from other ecosystems (for example, deforestation in the Brazilian Cerrado or the Argentine Pampas) and from the management of the planet. They lack a reappraisal of the macro-policy approach adopted in the early chapters.

The reader will find in this book a good tool that provides details about many issues related to REDD. Since the book was written, the hopes placed in international financing related to the second phase of the Kyoto Protocol or in the generosity of private sponsors, in a voluntary market in which the supply of carbon credits would exceed demand, have dwindled. On the ground, NGOs and States that disseminated the concept are returning to their work for local development.

The overall enthusiasm surrounding REDD still remains to be understood, because it has proven to be ill-suited to the diversity of local realities and thus subject to distortions in its application. Without a doubt, the question of responsibility will be directed to academics and scientists who have done so much to legitimize the concept.

## NOTA

<sup>1</sup> Translated from French by Catherine A. Gucciardi Garcez





# Response to Catherine Aubertin's Comments

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I thank Professor Aubertin for her detailed review of my book, and the journal editors for allowing me the opportunity to respond. Her comments are well taken and I confess to sharing many of her reservations surrounding the relevance, feasibility and effectiveness of applying REDD policies to successfully addressing problems of tropical deforestation. However, as something of an optimist by inclination and acknowledging its many teething problems, I see REDD as a novel approach to forest conservation and livelihood strengthening that builds upon a long history of 'productive conservation' (Hall, 1997).

REDD is by no means a panacea, nor is it being portrayed as such, but it does, I and many others believe, have the potential to complement more traditional command-and-control measures by offering economic and other incentives to encourage more environmentally friendly behaviour by forest users. True, as Professor Aubertin notes, REDD+ projects that fulfil all the official technical criteria are a rarity (if not an impossibility) and 'PES-like' schemes are the norm. But the reality is that linking conservation goals to specific calculations of carbon sequestration and other environmental services is a highly imprecise exercise at the best of times. Flexibility and the adaptation of projects and programmes to diverse local realities must be the norm in practice.

Of necessity, REDD must be reinterpreted at the local level, as project design is adjusted to suit varying situation. Social safeguards must be included in order to help avoid any undesirable consequences for local populations. The fact that taking such precautions is a necessary part of the process does not negate the validity of the original concept. If REDD were to be rejected because of such concerns we would be 'throwing out the baby' with the proverbial bathwater. Overall, REDD offers a both a framework and a forum through which forest-based stakeholders such as small farmers and indigenous groups, as well as larger commercial producers, may participate in national debates over their roles, rights and responsibilities.

Alleged 'commodification' of nature linked to concerns over 'green imperialism' as a consequences of initiatives such as REDD will always be present and should be taken seriously. However, the careful design and introduction of PES/REDD programmes, with appropriate built-in safeguards, could offer a partial way forward in the struggle against deforestation while supporting forest peoples. Any attempt to impose a standardised, blueprint-type REDD model would, I agree, be a recipe for disaster. Yet the hope is that a combination of enlightened planning by a range of institutions together with grassroots pressure to ensure transparency and accountability will help ensure that the (perhaps overly optimistic) hopes of academics and scientists will come to fruition in the not-too-distant future.

Anthony Hall

