



THE AMAZON RAINFOREST-SIZED LOOPHOLE IN NET ZERO



**HOW NET ZERO PLEDGES CAN LEAD TO FALSE SOLUTIONS
FOR AMAZON RAINFOREST AND CLIMATE PROTECTION**



AMAZON WATCH

Trading forest protection for continued greenhouse gas emissions presents a false and dangerous “solution” to the climate crisis. Instead, emissions must be drastically reduced, forests must be protected for their own sake, Indigenous forest stewardship must be recognized and respected, and the root causes of deforestation—namely commodity extraction and production in forests—must be halted.

Following the 2015 Paris Agreement, the Intergovernmental Panel on Climate Change (IPCC), the United Nations scientific institution that provides updates on climate science, released a report on how to curb global warming. Its findings showed that to keep rising temperatures to below 2° Celsius, with a target of 1.5°C, GHG emissions must be halved by 2030 and reach net zero by 2050. The “net” in net zero indicates greenhouse gas emissions (GHG) that emissions reductions or removals must balance out emissions production to meet the 1.5°C target.

Subsequent IPCC reports and corroborating scientific research¹ unequivocally show that in order to keep global average temperature rise below 1.5°C—and thus have a shot at avoiding the worst impacts of climate change—requires deep and immediate cuts in the burning of fossil fuels, the complete phaseout of fossil fuel use before mid century, and drastic reductions of emissions from industries, like agribusiness, whose current business models rely on deforestation.

In practice, however, many companies and financial institutions, and even some governments, are attempting to appear as if they are reducing emissions without actually doing so. Instead, they want to perpetuate business-as-usual while “compensating” for it with schemes such as forest offsets.

After 25 years working alongside Amazonian Indigenous communities, Amazon Watch knows that pay-to-pollute schemes like this are false solutions to the climate crisis, do not address the root causes of forest loss, and risk severe harms to Indigenous communities. This is because:

- **Nature-based offsets cannot “compensate” for large-scale emissions production.** Forests (and other ecosystems) are temporary carbon sinks that, as part of their natural cycles, can re-release carbon into the atmosphere over the course of decades, or even days such as in the case of fires. Fossil fuel reservoirs, however, are large and exceedingly long-lasting carbon sinks, if left undisturbed.² While standing forests certainly need protection and restoration, offsets incorrectly treat forests as a perpetual source of carbon storage, while ignoring scientific consensus on rainforest life cycles. Simply put, forest carbon offsets allow certain, permanent harm (the emission of more GHGs from industrial sources) in “exchange” for hoped-for uncertain, temporary carbon sequestration with no guarantee that the carbon sequestration and storage benefits are real, additional, quantifiable, permanent, verifiable, or enforceable
- **Offsets perpetuate environmental injustice.** GHG-emitting industries are disproportionately located in poor communities and Black, Indigenous, and people of color (BIPOC) communities. Allowing companies to “offset” continued pollution instead of real emissions reductions at the source forces those communities to continue bearing their toxic emissions.
- **Forest offsets can result in violations of the rights of Indigenous and tribal peoples.** Satisfying corporate desire to “compensate” for business-as-usual emissions would require access to huge expanses of land and forest, much of which is occupied by Indigenous peoples and local communities. Yet most governments do not sufficiently recognize Indigenous land rights,³ allowing some forest offsets schemes to deny communities access to ancestral lands.
- **The primary driver of rainforest loss is large-scale commodity production.** Researchers estimate that the cattle ranching industry is responsible for 80% of Amazon deforestation.⁴ The agribusiness industry accounts for about three-quarters of global deforestation.⁵ Mining, fossil fuel extraction, and infrastructure development are also contributors to Amazon deforestation,⁶ yet the urgent need to contain these destructive drivers is being largely overlooked in favor of offset schemes.

The following Amazonian case studies from Ecuador, Peru, Colombia, and Brazil illustrate how offsets exacerbate, rather than mitigate, climate impacts, and drive rights abuses in Indigenous communities.

Indigenous Land Grabbing in Ecuador

The recent experience of the Sápara people in Ecuador shows how programs like REDD+ can have perverse incentives that result in land grabs, violence, and rights violations. The Sápara number roughly 700 people, and hold collective legal land title to more than 364,000 hectares (900,000 acres) of roadless rainforest in Ecuador’s remote Amazon. They were recognized by UNESCO in 2001 as Intangible Cultural Heritage of Humanity for their unique language and cultural vulnerability. The Sápara have successfully protected their forests and culture from oil extraction and illegal logging for decades.

But in May 2021, a small non-Sápara community filed a claim before the country’s Undersecretariat of Rural Lands and Ancestral Territories to 250,000 hectares of officially recognized Sápara territory.⁷ The non-Sápara community was interested in funding the Sápara federation (NASE) receives from Ecuador’s Socio Bosque (“forest partner”) program. The agency granted the claim, in violation of multiple constitutional provisions that stipulate that Indigenous territories are imprescriptible, inalienable, unseizable, and indivisible, as well as the right to Free, Prior, and Informed consultation and Consent. In this process, the Ecuadorian government never consulted either the legitimate Sápara representatives, or the Sápara grassroots communities, effectively usurping the legally recognized representatives of Sápara nationality.⁸ According to a NASE statement, “We are experiencing the consequences of external interference that seeks to monetize the protection and preservation of nature, and is generating serious internal conflicts.”⁹

Government programs that offer payments for forest conservation like REDD+ and Socio Bosque ignore the greatest threat to the forest: government sponsored extractive projects. Many areas covered by these “conservation” programs are also included in oil and mining concession areas. The government has also used these programs to push communities into the hands of industry by withholding funds, or by creating divisions and conflicts that are then exploited by companies. None of this helps forests, and in fact does the opposite, by threatening Indigenous land defenders – who have the most successful track record in keeping forests standing.¹⁰

Conflicts between Indigenous communities and REDD+ projects in Peru

The Autonomous Territorial Government of the Wampís Nation has denounced the Peruvian Government’s intention to convert the ecosystemic and spiritual heart of its Amazonian ancestral territory into a state-run Conservation Area. The Wampís assert that there is no need for a state-run program in their territory, since their autonomous government has already restricted outsiders’ access to an area known as the Kampamkias Hills, which is considered an ICCA – an area conserved by Indigenous peoples and local communities by the ICCA Consortium – and is registered in the world database of protected areas.¹¹

In fact, the Wampís fear that the state’s attempt to categorize such an important part of their territory is being carried out with the objective of obtaining REDD+ financing for a forest that they have always preserved. The communities’ concerns are based on a series of land grabbing cases carried out by the Peruvian government itself. The most notorious case is the conflict between the Kichwa people and the government over the creation of the Cordillera Azul National Park.¹² The park was created in 2001 without the consent of the communities of the Kichwa people and other Indigenous peoples whose territories it overlaps. Between 2008 and 2019, the park sold 25 million tons of carbon credits to aviation and oil companies, while the Kichwa people say they have received no benefits from these sales, nor provided their consent for these transactions.¹³

Overcounting forest carbon credits in Colombia

The carbon-avoidance REDD+ project in the Matavén Indigenous reservation¹⁴ in the Colombian Amazon is the largest of its kind in Colombia. However, a recent investigation found that many of the carbon credits being sold on the international market do not correspond to the true amount of emissions avoided by protecting this area from deforestation. In fact, researchers argue that the project intermediaries overestimated the increase in deforestation that would have occurred if this offset project had never been implemented — despite the fact that the project used the widely-used Verified Carbon Standard (VCS). Colombian government statistics themselves demonstrate a serious issue: according to the Colombian Ministry of Environment and Sustainable Development's funding application to the Green Climate Fund, preservation of Matavén should result in five times fewer credits than the VCS project claims.¹⁵

REDD+ promise in Brazil fails to materialize and drives community divisions

The Suruí Forest Carbon Project (PCFS) was the first REDD+ project proposed in Indigenous lands in Brazil, implemented from 2009 on the Sete de Setembro Indigenous territory, located between the states of Rondônia and Mato Grosso.¹⁶ Although there are economic, environmental, and social indicators that show some preservation and development of land within the scope of the project,¹⁷ which became famous with the sale of carbon credits to large companies such as Natura,¹⁸ the project's suspension in 2018 highlights the limits and difficulties of governance of these initiatives.

According to the project's creators, the suspension was due to successive incursions by illegal mining and illegal logging in the vicinity of the Indigenous land, making it impossible for the initiative to continue.¹⁹ However, starting in 2015 several Suruí leaders denounced the initiative to the public authorities.²⁰ The bureaucratic and financial obstacles, the lack of transparency in the management of payments, the creation of expectations of improvement in the living conditions of the Suruí (which ultimately did not materialize), and the outside control of the Indigenous subsistence agriculture activities within project areas led to a deep divisions between the Suruí. The project caused a rupture between those who supported the project and those who opposed the model – a rupture that remains even with the suspension of the initiative.²¹

As the general chief of the Suruí people, Henrique Labaday, said in a 2014 interview about the project, “The carbon project for our land is to take the life of the Suruí people, it will take our life away from happiness, from the right to live in over our land(...) We want the project to be shut down.”²²

The way forward means making zero emissions central to “net zero”

So what should be done to mitigate the climate crisis, protect forests, and support Indigenous peoples?

Companies, financial institutions, and governments must keep their climate plans simple and transparent, with separate targets for:

- **Rapid reductions in emissions from the burning of fossil fuels and other industrial activities;**
- **Rapid elimination of commodity production that drives deforestation; and**
- **Increased commitments and contributions to rights-based nature protection and restoration.**

Failure to rigorously adopt truly effective emissions reductions that do not rely on highly dubious and socio-environmentally detrimental pay-to-pollute and compensation schemes will ultimately fail to meet the Paris Accord's essential Net Zero goals and set us on a course towards runaway climate chaos.

ENDNOTES

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AMAZON WATCH

MAIN OFFICE
520 3rd Street, Suite 108
Oakland, CA 94607
T: +1.510.281.9020
F: +1.510.281.9021

WASHINGTON, DC
1101 15th St NW, 11th Floor,
Washington, DC 20005
+1.202.423.4828

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