The Surui Project: Building Indigenous Peoples’ Capacity for Informed Engagement with REDD Finance

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Introduction

The Paiter indigenous people, known as the Surui of Rondônia, a tribe that currently has approximately 1,300 members, made contact with Brazilians of European descent for the first time only 40 years ago. The four clans of the Surui tribe live within a territory of 248,147 hectares in the Amazon rainforest that straddles the border between the states of Rondônia and Mato Grosso in western Brazil. In the 1980s, the federal government intensified incentives for the exploitation of what was still a fairly unexplored region through a massive colonization project partially financed by a US $1.55 billion loan from the World Bank, the Northwest Brazil Integrated Development Program, or Polonoroeste, building the interstate highway BR-364 linking the capital cities of Cuiaba to Porto Velho and subsidizing economic development throughout the region (Borges, 1991). The result was an onslaught of timber and agricultural operations in the region which led to drastic deforestation; about 27,000 square kilometers, or 11% of the forests in the state of Rondônia alone were destroyed. While the Surui territory was demarcated in 1983, resulting in its conservation, the frontier of anthropic pressure now reaches its very border in alarming proportions.

Although protected by Brazilian law, in practice, these forests are under continued threat. Settled lands surrounding the boundary have been almost entirely deforested already, and lack of alternative income creates continuing pressure on the existing forests. The Surui have to date been successful at holding the line against deforestation pressures, with only 7,000 has cleared (Cardozo, 2008). However, the Surui are likely reaching a tipping point as illegal logging
Surui villages in the Indigenous Land Sete de Setembro
has decimated much of their forest. Continued population growth (estimated at 4% per annum) and increasing need for income as younger Surui become more deeply enmeshed in dominant Western culture could represent a bleak future. With most of the surrounding forest already converted to agriculture or grazing lands, the Surui are under increasing pressure to open up their lands to similar activities – often through partnership or sharecropping arrangements that provide capital for forest conversion.

Forest carbon finance that recognizes the value of standing forest could tip the balance to maintaining this and other large tracts of indigenous forests in ways that favor biodiversity and cultural survival. However, as with any new mechanism or any engagement with markets by indigenous peoples, these sorts of REDD mechanisms are not without risk. Strong tenure rights, improved governance, informed decision-making, as well as the indigenous people leading the process, are essential, if these mechanisms are to strengthen, rather than further undermine, indigenous rights and their future as peoples.

The risk of other alternatives, however, is surely at least as great in the case of the Surui – loss of forests and territorial control driven by markets in products like beef, timber, and soy. Throughout the Brazilian Amazon’s arc of deforestation, indigenous peoples are facing critical and probably irreversible decisions. The Surui have chosen to work with a group of institutional partners to explore the potential for REDD finance to contribute to protecting their forests, with important lessons for other groups across the Amazon.

**Partnership for REDD**

With the support of Associação de Defesa Etnoambiental Kanindé, Aquaverde and United States Agency for International Development (USAID), the Surui initiated a reforestation project in the Sete de Setembro indigenous territory, with the objective of recuperating 7% of the deforested area that was identified by Metareilá and Kanindé. In late 2007, Almir Surui, the internationally-recognized leader of the Surui, approached Forest Trends’ Communities and Markets Program to seek support to increase the area of the reforestation. Forest Trends offered to assist the Surui in exploring the possibility of funding their reforestation efforts through carbon finance and began a feasibility assessment working with the Associação Metareilá do Povo Paiter-Surui (Metareilá Association), an organization representing the Paiter-Surui. While the initial focus was on generating credits through carbon sequestration from reforestation of the Surui territory using native-species reforestation, the feasibility assessment concluded that a REDD project was likely to prove a much more powerful tool for protecting the territory and its forests.
At that point, the Surui project was selected to receive intense technical project development support by Forest Trends’ Katoomba Incubator Initiative (Katoomba Incubator) which provides comprehensive technical and financial support to bring promising projects with a strong community and biodiversity focus to market, while informing policy and building local capacity. The Incubator focuses primarily on communities and small to medium landowners, a sector that plays a critical role in providing ecosystem services but faces particular barriers and challenges to finance. By supporting these projects with technical and business know-how at an early stage, the Incubator enables communities and others to engage in an informed and equitable manner with market mechanisms, reducing risks and enhancing benefits for all participants.

In order to construct the REDD approach for the Surui project, the Metareilá Association and Forest Trends identified a series of partner organizations to assist in specific components of the project design. These organizations were selected based on their core expertise, proven reputation, as well as by their close association with either the Metareilá Association or Forest Trends, namely the Associação de Defesa Etnoambiental Kanindé, Equipe de Conservação da Amazônia (ACT Brasil), the Instituto de Conservação e Desenvolvimento Sustentável do Amazonas (Idesam), and, more recently, the Fundo Brasileiro da Biodiversidade (Funbio). This careful selection of project partners, in addition to bringing high-quality expertise to the design and implementation of the project, was among the key recommendations in a legal analysis to implement the project, where the Metareilá Association is the project proponent, and the other organizations described, including Forest Trends, are project partners.

A Memorandum of Understanding was created and signed by these organizations, explicitly describing their responsibilities and expectations with the Surui REDD project, representing an essential requirement for project design as well as for eventual certification under the Climate, Community and Biodiversity Standards. The Memorandum which describes the technical cooperation between the parties, also clearly states that all the rights to certified emission reductions (CERs), or verified emissions reductions (VERs), as well as any economic benefit from the payments for environmental services of the Surui people belong exclusively to the Surui people themselves. Moreover, the Memorandum states that any decision about the transfer or sale of the right to carbon credits will be formalized by a separate and specific contract, based on the traditional decision-making process of the Surui, including the participation and consensus of their representative clans, proposed and negotiated by the Metareilá Association, which is the legitimate project proponent and that operates in compliance with all appropriate legislation.
Reducing Risks: Framework for Project Development and Effective Indigenous Engagement in REDD

While the threats of deforestation are clear, present, and widely recognized throughout the Amazon, the REDD finance frameworks to address them are still taking shape, presenting both the Surui and any potential investors with an array of risks that make long-term commitments challenging.

Internationally there is a global consensus about the need for action to reduce forest loss, the need for significant financial flows, and the central role of national government-led approaches to setting baselines and monitoring emissions reductions. However, how finance will be distributed and flow to the communities and landowners on the ground is still to be determined.

Likewise, while there is frequent mention of the need to mobilize significant private finance, there is far less clarity on how the conditions and mechanisms to make this occur will be framed, and whether this is expected to occur through government securities, project-level direct investment or other vehicles. From an investor perspective, there are market, regulatory, and delivery risks associated with carbon markets, which are more pronounced for REDD (a new asset class not recognized to date under climate change agreements) and for an indigenous project in an area undergoing rapid cultural and economic change.

The Surui likewise face risks – with more significant consequences – in staking the future of their forests and local economies on REDD commitments in a climate of uncertainty. How does REDD compare to their other options? How does it align or conflict with their development aspirations as a people? What are equitable and sustainable terms in market and policy context where the only certainty is extremely dramatic change over the next few years?

This cumulus of risks for all parties tends to urge caution, and yet the imminent threats of deforestation require bold action and significant finance in the short term. This requires of the Surui that they build capacity to take informed decisions rapidly, and investing in a process for reducing the risks of potential transactions for all parties. For the Surui, only by fully understanding their rights, options, and the potential value of the resources under their control, can they effectively engage in and shape REDD finance. Many issues need to be worked through at a high level, in the UNFCCC negotiations, in Brazilian and other national policies, but these decisions – and certainly those of the Surui about their forests and their future – are best informed by looking at the specifics of local contexts.

The Surui have been working with the partners described above to build capacity, tools, and information to make informed decisions about whether and how to participate in REDD
mechanisms, be these market transactions or government programs. To this end, the Surui are engaged in a process built around five key activities, which are likely to be relevant to many indigenous communities considering REDD at the current juncture:

- Determining indigenous community rights and obligations with regards to land, forests, and carbon;
- Community consultation, participation and free, prior and informed consent;
- Strengthening the capacity of the Surui to reduce deforestation and make a long-term REDD commitment;
- Assessing the volume, cost, and value of emissions reductions;
- Structuring a deal and securing finance.

**Determining Indigenous Community Rights and Obligations with Regards to Land, Forests and Carbon**

Two interrelated issues of resource rights are central to REDD: tenure rights to land and forests, and the right to sign agreements governing carbon sequestration and storage.

Forest Trends commissioned landmark analyses at the request of the Surui to assess the questions relating to indigenous peoples rights to enter into agreements concerning emission reductions or removals taking place on their lands. After reviewing the Brazilian Constitution, laws, and regulations, and examining the legal treatment of other natural resources on Surui lands, lawyers at Trench, Rossi and Watanabe, an associated firm of Baker & McKenzie, concluded that the Surui have the right to engage in reforestation and REDD on their lands and the right to enjoy any economic benefits generated from such activities, including from the sale of credits for GHG emissions reductions and additional GHG sequestration.

A second key issue that projects and legal regimes need to address is the question of ownership rights over the lands in the project area. As many have pointed out, without clear tenure rights and demarcation, attributing emissions reductions to a landowner will be difficult, as will making necessary investments in forest management and conservation. In the worst case scenarios, the lure of forest carbon finance may drive disputes over forests and lands formerly seen as having little value. Based on the official demarcation of their territory, concluded on October 17, 1983 and signed by then-President João Figueiredo (Decree nº 88867), the Paiter-Surui have clearly been granted legal rights over their 248,147 has indigenous territory, named **TI Sete de Setembro**, ensuring the legal basis for entering into legal agreements governing their forests.
Community Consultation, Participation and Prior Informed Consent

Since the beginning of the Surui carbon project there has been a concerted effort by the organizations involved to communicate all aspects of the project to the Surui, via their representative organization, the Metareilá Association, as new information and recommendations emerge. In turn, the Metareilá Association has worked within the social and political organization structure of the Surui people to discuss project development issues and priorities with the local communities, working with all four clans that represent the Paiter-Surui, namely Gameb, Gamir, Kaban, and Makor. As a result, the Surui embraced the carbon project, believing that it can provide continuation for their reforestation efforts and because of its consistency with the priorities established by their leadership, representing a real potential to support the implementation of their 50-year Development Plan (Associação Metareilá et al., 2008). Therefore the initiative to start the project was their autonomous decision, and culminated in the signing of a cooperation agreement document in June of 2009 by all four clans through their respective associations. The agreement establishes that the clans will be working together to implement the carbon project, in alignment with their 50-year Plan, and that all economic benefits will be shared in a just and equitable way among the Surui communities (Associação Metareilá et al., 2009).

This process of internal discussion and reflection by the Surui leading to their decision to implement the project was a rich experience of community consultation and participation that lasted close to two years. There were several internal meetings of the Surui leadership without the
participation of project partners, technical meetings with project partners, as well as community assemblies. In addition, an extensive process of 10 village-level information sessions covering 14 villages, led by ACT-Brasil and local Surui promoters also provided the opportunity in detail to discuss the nature of REDD and climate change mitigation finance, and the types of commitments they would be likely to entail. This process has been documented through an extensive archive of video footage as well as a detailed summary report prepared by ACT-Brasil (Ávila, 2009).

The signing of the cooperation agreement between the clans was a milestone in an extensive and carefully constructed, highly participative consultation process that embodied the principle of free, prior and informed consent, an important standard for respecting indigenous rights established in the United Nations Declaration on the Rights of Indigenous Peoples, acknowledged in the ILO 169 Convention, as well as a recommended best practice by the international indigenous rights community.

Strengthening the Capacity of the Surui to Reduce Deforestation and Make a Long-term REDD Commitment

The formal cooperation agreement of June 2009 signed by all four clans of the Surui to participate in the REDD project overcame initial hesitancy on the part of some clans and community members who had most directly benefited by illegal logging activities. However, it was further strengthened in a meeting of clan leaders formally stopping illegal logging activities – a moratorium and process of social control which has now held for six months – largely in anticipation of REDD finance providing alternative sources of income. Notably, the stakes are high for the Surui REDD project, as it is expected to replace the informal and unsustainable economy that the Surui were forced to adopt over the years, such as allowing illegal logging in their territory, a practice that was initially incentivized by Funai itself with the signing of contracts with logging companies in 1987 under the Presidency of Romero Jucá Filho (Borges, 1991).

Aware that illegal logging is causing the degradation of their forest resources and the resulting poverty that follows as experienced by other indigenous groups in the country, coupled with the consistent lack of services by governmental agencies, the Surui envisioned and wrote a 50-year comprehensive ethno-development program, led by Almir Narayamoga Surui among other leaders in partnership with Kanindé (Associação Metareilá et al., 2008). This long-term development vision seeks to gradually improve the quality of life for the Surui people through a series of activities based on socio-environmental sustainability principles. It values and recuperates traditional knowledge and resource use, and fosters development of economic alternatives to promote conservation, food security, health, education, and cultural
revitalization. Therefore, the REDD project has been conceptualized within this framework of ethno-development, becoming a key activity to provide bridge financing for the development of additional income-generating activities, diversifying income streams based on more traditional forest commodities linked to established long-term markets. In addition, REDD financing will fund territorial surveillance, refinement, and monitoring of technical activities and strengthen the institutional capacity of the Metareilá Association and the other associations representing all four clans. It is clear that reducing the deforestation and degradation of the Surui territory is in a direct relationship with improving the communities’ way of life and their ability to control their borders.

Based on this development vision and framework, the Surui REDD project has been designed through a collaborative partnership between the Metareilá Association, which is the project proponent, with a selective group of project partners, each with complementary and specific responsibilities, as follows:

→ **Associação Metareilá do Povo Indígena Surui** – The Metareilá Association is the official project proponent for the Surui REDD project. It is entitled to represent the Surui people in the design and implementation of project activities, including all external institutional relations. It provides the interface between the communities and project partners, co-designing and implementing specific project activities, such as ethno-zoning and reforestation with Kanindé, leading the socio-economic survey of the Surui communities, co-developing the overall project budget and the Surui Trust Fund with Funbio, and assisting ACT-Brasil, Idesam and Forest Trends with key information for inclusion in land-use mapping, carbon methodology, development of Project Idea Note (PIN) and Project Design Document (PDD), and other required information for project validation and verification purposes.

→ **Associação de Defesa Etnoambiental Kanindé (Kanindé)** – A partner of the Surui for 12 years, Kanindé along with ACT-Brasil, is leading the ethno-biological zoning, designing the reforestation plan and monitoring its technical implementation. Kanindé has also been instrumental in assisting the Metareilá Association in the identification of key project activities and associated budget, and supporting the Surui in the definition and construction of the Trust Fund with Funbio.

→ **Equipe de Conservação da Amazônia (ACT-Brasil)** – ACT-Brasil is assisting the Surui in the participatory planning process, as well as leading the mapping and land-use change modeling in collaboration with Idesam and Forest Trends. It also led the documentation
of the project’s free, prior and informed consent process and provides anthropological expertise for the elaboration of the PDD. ACT-Brasil has been a long-standing partner supporting both local development and political engagement of the Surui. In that way, the organization has also provided legal assistance to Metareilá in the elaboration of the Memorandum of Understanding between the project proponent and its partners.

➡️ Forest Trends – Working closely with Metareilá, Forest Trends has led the overall project coordination, leveraging, to date, the bulk of investments for the Surui REDD project development. It commissioned two land-mark legal studies, based on reforestation and REDD, respectively, from the law firm Baker & McKenzie that concluded that the Surui have carbon ownership rights in their territory, a pre-condition for contract negotiations. Forest Trends is also identifying potential buyers for Surui carbon credits and recommending best contract arrangements for the Surui within a market approach, focusing on the voluntary carbon market. In addition, Forest Trends also works to create the local capacity within the Surui communities to understand the theme of payments for environmental services, particularly forest carbon.

➡️ Instituto de Conservação e Desenvolvimento Sustentável do Amazonas (IDESAM) – Idesam is developing the project baseline calculations and carbon stock estimates. This Brazilian organization was the key technical partner in developing the Juma project, the first REDD forestry project to achieve “Gold” certification status under the Climate, Community and Biodiversity (CCB Standards). Idesam is leading the writing of the Surui REDD Project Design Document.

➡️ Fundo Brasileiro da Biodiversidade (Funbio) – Funbio is a Brazilian non-governmental organization specialized in structuring and managing environmental trust funds. Funbio is working closely with the Metareilá Association to develop accurate budgets and financial projections to inform a financeable framework for the project, essentially identify overall transaction costs and break-even point. As importantly, Funbio is leading, in consultation with the Surui through Metareilá, the design and implementation of a transparent accounting system for the overall financial management and use of REDD proceeds, establishing a Surui Trust Fund.

Assessing the Volume and Value of Emissions Reductions

Regardless of how REDD finance is allocated – through markets or funds, through public incentives programs or markets, based on stocks or flows – indigenous peoples like the Surui can be empowered by information regarding the size and value of the assets they control. By understanding their contributions to fighting climate change and the costs of achieving this goal they are better positioned to negotiate and execute REDD finance.
**Volume:** To assess the volume of the carbon asset, Forest Trends, ACT-Brasil, Metareilá, and Kanindé have worked closely with Idesam to develop baseline models and carbon stock estimates that provide conservative, quantitative ex-ante estimates of emissions reductions potential. An initial iteration has been based on the region-wide SimAmazonia simulation model (Soares Filho *et al.*, 2006), providing useful indicative information. However, many of the drivers of deforestation in the Surui context are not readily captured by this region-wide model. Specific local factors – processes of social, cultural, and economic change within the Surui population – are determining factors that will shape how forests are maintained – or felled – in future. A model is currently under development by Idesam to describe these dynamics and provide conservative estimates of forest loss.

Conservative calculations based on these initial analyses indicate that the project should deliver at minimum 300,000 tCO₂ in reductions by 2012, rising to over 2 million tCO₂ cumulative by 2020.

Ultimately these methodologies and baselines will need to be either recognized (as ‘nested’ project activities) or replaced by benchmarks or reference levels at state or federal levels. It is becoming increasingly clear in Brazil and internationally that any site-specific action will need to be trued up with national or subnational accounts (Nepstad *et al.*, 2009). While these higher-level accounting systems are put in place, this project-level accounting, focused on the Voluntary Carbon Standard, provides conservative estimates to inform investment decisions for voluntary buyers and can provide useful input into these higher jurisdictional policies and accounting frameworks. Most critically they can form the basis for early finance to flow, through voluntary or pre-compliance investment, and address the deforestation threats that the Surui are facing today.

**Value:** Setting a price for these emissions reductions (or setting a value for the positive incentives the Surui should receive to contain deforestation, if non-market funding approaches are adopted) depends on a combination of implementation costs and opportunity costs for the Surui. Guided by the framework laid out in their 50-year Development Plan (Associação Metareila *et al.*, 2008), the Surui have identified priority short-term and long-term actions to reduce deforestation risks, requiring approximately $3 million over the course of the next 3 years, with additional long-term finance through the capitalization of an endowment fund or ongoing sale of emission reductions.

These represent the implementation costs of the project, including a significant share of finance that will be invested in long-term livelihood activities based on improvements in
agriculture and non-timber forest products. The long-term productivity and profitability gains, coupled with flows from carbon finance, need to be greater than perceived opportunity costs. Initial data on alternative land uses and the level of finance that the Surui have identified as needed to provide alternatives to deforestation indicate that the Surui project could be carried out within the current range of voluntary carbon market prices (Hamilton et al., 2009 & Hamilton et al., 2010).

However, this is not solely an economic calculation, since carbon finance for the Surui is also a mechanism for ensuring the survival of their society, culture, and forest – not simply a comparison of the relative economic returns from alternative land-use options.

Structuring a Deal and Securing Finance

The Surui Carbon project has been prepared to secure finance in the voluntary carbon market, since there is for the time being no compliance market that would recognize REDD emissions reductions generated by the Surui. However, the project ultimately aims to provide compliance-grade reductions as these mechanisms and markets mature.

The project is currently being discussed with a series of potential investors. Contacts and advice are being provided by the Katoomba Incubator and other partners, but the key decisions regarding commitments and terms rest with the Surui as the owners of the forests, as secured by their constitutional rights of permanent possession over their territory and exclusive usufruct and economic benefits thereof.

A key challenge is striking a balance between the immediate opportunity to reduce deforestation and the longer-maturing processes of regulatory certainty in Brazil and around the world. Different approaches and structures are being explored to allow for flexibility and equitable outcomes, to reflect uncertainty about future prices and value of these emissions reductions. Terms must simultaneously account for risks to investors – for example that project-based carbon transactions are not recognized by markets or regulators – while also allowing the Surui to ensure as large a share of future forest carbon value as possible.

While the focus has been on preparing the project for a voluntary market buyer, the nascent state of REDD policy and emissions markets means that public or government-mediated finance may play a predominant interim or long-term role. Brazil’s Amazon Fund was created as a mechanism to channel international financial contributions in support of the country’s voluntary commitment to reduce deforestation and could also potentially be an important source of non-market finance for projects like the Paiter-Suruí, as could emerging state-level initiatives (BNDES,
The Surui are also engaging with state and federal processes to explore possibilities of securing comparable levels of finance to meet their goals as a people through non-market mechanisms.

**Some Key Challenges & Opportunities**

**Rewarding Stocks and Flows**

Indigenous communities own and manage 21.7% of the Brazilian Amazon’s forests (Filho et al., 2009), and according to the Amazon Environmental Research Institute (Ipam), roughly 27% of the Brazilian Amazon’s forest carbon stocks are found on indigenous lands, approximately 13 billion tons of carbon. However, indigenous communities have traditionally been responsible for a relatively small proportion of Amazon deforestation and greenhouse gas emissions. In general, this history of good stewardship works against indigenous communities, if positive incentives for REDD are based on methodological approaches that use historical trends to establish a baseline. To the extent that they have not generated emissions in the past, it can be argued that there is little potential to reduce emissions in future.

The moral and equity implications of this are troubling, a concern expressed by the Coordinating Body of Amazon Indigenous Organizations:

> We are concerned that the post-2012 REDD regime may be used to compensate those that have always cleared our forests: large producers of soy, cattle, and biofuels. We demand that REDD and other mechanisms for compensation for the reduction of carbon emissions prioritize rewarding and distributing benefits to the Peoples who conserve the forest and have resisted economic pressure to deforest (Coica 2009).

Though problematic, this focus on reducing future potential emissions is central to the overarching climate change objective – only by truly shifting the world’s development trajectory onto a path that emits fewer greenhouse gases can we reduce the risks of catastrophic climate change. The emerging consensus around REDD+ which encompasses incentives for both emissions reductions and maintenance of existing forest stocks, provides a helpful broadening of the frame, but how incentives will ultimately be allocated, especially within countries, is still very much to be determined.

In the case of the Surui, there are real, demonstrable risks of deforestation and future emissions – because they are so clearly located on the jagged edge of the agricultural and ranching
frontier. These emissions reductions should be incentivized. At the same time, many indigenous communities with less accessible territories have less potential for an avoided deforestation project. Compliance market mechanisms will almost surely focus on emissions reductions, and it will require sound policy, public finance, and redistribution mechanisms to recognize and reward maintenance of forests with less immediate or evident deforestation threats.

**Lowering Transaction Costs**

Abatement costs from REDD are frequently described as low (Stern, 2007; Eliasch, 2008; McKinsey & Company, 2009) but actually securing those reductions may have higher-than-expected costs. Some of these may be attributed to project-level approaches that involve complex and expensive baseline modeling work, carbon stock assessments and development of validated Project Design Documents. These costs are likely to fall as standardized methodologies become prevalent and a growing number of service providers enhance supply and competition for this technical work. Even with costs that can rise to $300,000 - $500,000 or more per project, they are probably not prohibitive for medium-scale projects in a liquid market with greater regulatory certainty.

On the other hand, these technical design costs, repeated over many projects, are inefficient, time-consuming and still plagued by uncertainty. The adoption of standardized benchmarks or national or state-wide reference scenarios would be one of the most promising avenues, especially coupled with high-resolution remote-sensing based monitoring.

However, many costs are likely to be unavoidable under any approach to the extent that establishing and enforcing long-term agreements for forest conservation with collective landowners require a process of preparation, planning, and prior informed consent, structuring of strategies and financing that is transparent, effective and sustainable, and legal agreements to be established and enforced. In this sense, indigenous communities’ eventual engagement with carbon markets is no different than more established markets for agricultural or forestry projects – making a long-term endeavor work, ensuring equitable terms and achieving sustainability requires a great deal of effort and dedication and probably ongoing, leveraged investments in capacity building.

**Recognizing Rights - and Watching the Accounts**

Legal opinion clearly supports the rights of the Surui and other indigenous communities to the carbon and associated economic benefits from their forests. Achieving government recognition of this is important. However, how these emissions reductions are eventually tallied
will be critical, given that eventual climate change agreements, both under the UNFCCC and other bilateral or subnational instruments (e.g., proposed Waxman-Markey Bill in the United States, California ARB 32), place strong emphasis on national and subnational accounting frameworks as a condition for REDD finance. Project-level baselines and accounting frameworks can provide a useful interim mechanism to estimate and demonstrate emissions reductions potential, but ultimately how state or national schemes account for and allocate these emissions reductions will be critical. This has both the potential for positive outcomes – simplifying procedures and rewarding stock maintenance for areas that would otherwise be excluded – or negative results, if these mechanisms do not adequately reflect the risks and costs of avoiding deforestation by indigenous communities. Beyond rights, increasingly informed participation by indigenous organizations in defining these frameworks will be key to fairness and effectiveness.

References:

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