

Institute of Green Economy

C-312, Defence Colony
New Delhi 110024, India
Telephone: +91-11-46103509
Email: contact@igrec.in
Website: www.igrec.in

REDD: Stepping Aside Permanence and Impermanence

by

Dr. Promode Kant¹

Abstract

The possibilities of a well conserved forest losing its carbon stock due to natural or anthropogenic reasons has always placed a question mark at the reliability of REDD as a mitigation measure. But Margaret Skutsch and co-authors have argued that unlike in CDM forestry projects where carbon credits become due when the carbon sequestered is greater than that under the BAU scenario and the credits issued reflect the increase above baseline, under REDD carbon credits are earned from reducing the rate of forest loss and degradation over the baseline. Thus, before the grant of credits if there is an increased loss, it would be reflected in the rate of degradation itself leading to less or no credits, and if it is subsequent to the grant of credit the loss would be captured in the next assessment leading to reduced emission credits at that stage. They argue that this carbon saved is permanent just as fossil fuel not consumed due to CDM energy saving project is a permanent. But it holds good only as long as the emissions remain below the baseline. Skutsch and co-authors claim there could be no rational reason why the REDD efforts should cause such an increase above the baseline. But “cause” would have little relevance under REDD and even if the increase in emissions above the baseline is caused by natural reasons, or other reasons totally unconnected with REDD policies or actions, the effect on the carbon credits from REDD would be the same. Second, in developing countries with history of deforestation, Governmental policies to reduce destruction of forests, particularly under coercive implementation, often invites serious backlash by communities living within and close to the forests. Perhaps there is a need to step aside the issue of theoretical permanence and impermanence and opt for reasonable permanence which for REDD should mean a combination of ensuring permanence as far as possible and plugging the possibilities of impermanence through insurance.

Key words: REDD, Carbon credits, Reasonable Permanence.

Citation: Kant, P. 2010. REDD: Stepping Aside Permanence And Impermanence. IGREC Working Paper IGREC-09: 2010, Institute of Green Economy, New Delhi

¹ Director, Institute of Green Economy, C-312, Defence Colony, New Delhi, India-110024, Ph: +911146103509, email: director@igrec.in

From its very beginning in 2005 when the REDD, or RED as it was then, first made its way in international climate negotiations it has been considered, at best, an impermanent, and by implication, an imperfect route to mitigation of climate change. Mitigation achieved by reducing deforestation over a period of time would come to naught if a few years down the line somebody decides to destroy the gains of previous years by putting the forests under axe. Or, worse, fire. Integrity of the carbon credits issued would thus be called to question. Even if it occurred in only a few cases the markets would discount the credits and when the prices go low below a critical point the whole REDD edifice would itself collapse.

A notable recent writing has challenged this assumption. In a brief letter published in *Science* (Vol 327, Feb 2010) Margaret Skutsch and Ben De Jong have argued that REDD will reduce the rate of emission of CO₂ from forests in a way exactly similar to the rate at which the emissions from the use of fossil fuels are reduced in CDM energy saving projects because reduced emissions from deforestation and forest degradation, like fossil fuel reductions, would be calculated on the basis of lowered emissions compared to business as usual, not on the basis of stock remaining. That is, just as in the case of CDM fossil fuel savings projects the carbon credits are not issued on the basis of the fossil fuel remaining but on the basis of lesser units of fossil fuel consumed for the same activity, in REDD also the credits are to be generated not on the basis of the forests that remain but on the basis of carbon that is not emitted from the forests of a country through REDD efforts.

In another detailed paper on the same subject “Understanding Permanence in REDD” Margaret Skutsch and Eveline Trine have argued that it is incorrect to attribute the same sense of impermanence to REDD as is done in the case of CDM forestry projects. In the CDM forestry projects carbon credits become due when the sequestration within the project area is greater than under the business as usual scenario and the credits issued equal the increase in carbon stock in the project scenario compared to the baseline. It is very much possible that the increase could evaporate by legal or illegal harvesting, fires, pests or the whole range of factors of decay that all life forms are subject to and, therefore, it becomes necessary to address this impermanence by temporary credits in the case of CDM forestry projects.

Under REDD the carbon credits are earned from reducing the rate of forest loss and degradation over the baseline. Before the grant of credits if there is an increased loss, it would be reflected in the rate of degradation itself leading to less or no credits, and if it is subsequent to the grant of credit the loss would be captured in the next assessment leading to reduced emission credits at that stage. To make this point clear let us take the hypothetical case of a country which is losing 1 million tons of carbon annually from its forests in the baseline before it signs up for REDD+ and aims at reducing its emissions to 0.75 Mt in three years, 0.5 Mt in five years, 0.25 Mt in ten years and a complete stoppage at the end of twenty years. It achieves its aim of reducing emissions to 0.75 million tons in the first three years but then its emission starts growing and in the fourth and fifth years instead of its targeted 0.5 million ton it begins emitting 1 million ton

again. In this case it would earn less credit in the fourth and fifth years of credit assuming annual assessments and grant of credits. The total carbon not emitted by this country would be 0.25 million ton in the first three years and none in the fourth and fifth years totalling to 0.75 million ton of saved carbon emissions over 5 years. Skutsch and Trine argue that this carbon saved is permanent just as fossil fuel not consumed due to CDM energy saving project is a permanent saving.

And, indeed, it is. Unfortunately, there is a catch. It holds good only as long as the emissions remain below the baseline. In the example above if the emissions in the fourth and fifth years increase to 2 million tons each year then the total emission reductions in the first three years would be less than the emission increase in the subsequent two years and the state of impermanence would be obvious. Skutsch and Trine are aware of this possibility but they term it implausible stating that there could be no rational reason why the REDD efforts should cause such an increase above the baseline. But they appear to have gone astray here. First, the “cause” would have little relevance under REDD and even if the increase in emissions above the baseline is caused by natural reasons, or other reasons totally unconnected with REDD policies or actions, the effect on the carbon credits from REDD would be the same. Second, those who have had experience in forestry administration in developing countries with history of deforestation and forest degradation would readily agree that Governmental policies to reduce destruction of forests, particularly under coercive implementation, often invites serious backlash by communities living within and close to the forests. Even more dangerous could be the exploitation of the situation through deliberately false and mischievous interpretation of REDD policies by armed insurgent groups, not uncommon across the developing world, to bolster support for themselves leading to even larger deforestation than the baseline.

One can, however, only agree with Skutsch and Trine when they differentiate between ensuring permanence and insuring it. Ensuring permanence implies physically ensuring that the carbon not emitted due to REDD activities stays that way. And insuring permanence is like all insurances – compensate when a loss does occur. And permanence under REDD should mean a combination of ensuring and insuring. Ensure permanence as far as possible and plug the possibilities of impermanence through insurance.

The dictionary meaning of permanence is something which is indestructible, the nature of which cannot be changed. If this is applied on a forest then obviously forests are not permanent. In fact no biological entity can be considered permanent because anything live today has to die some day and the process of death is both preceded and succeeded by decay. Forests, therefore, fail this definition of permanence altogether.

However, permanence also has a practical dimension. A building is termed permanent if it is likely to last a human life time. Seen in this sense permanence takes a different hue. In the present case the period involved is not a human life time but what is relevant to the climate change issue. The mitigation efforts are being undertaken in the hope that just as we have caused

increase in greenhouse gases resulting in rise in global temperature, we can also revert the trend by taking appropriate mitigation measures and that it would be possible to do so in the coming few decades. If it is still all right to possess such hopes then perhaps we would not be too wrong to adopt a more flexible definition of permanence.

May be we should step aside permanence and impermanence. Reasonably permanent would do.

Reference and further readings:-

Skutsch, M and B. D. Jong. 2010. The Permanence Debate, Science, Vol. 327

Skutsch, M and E.Trines. 2010. Understanding Permanence in REDD. K: TGAL Policy Paper no. 6, Community Carbon Forestry