

The Economics of Climate Change Mitigation in Indigenous Territories

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Introduction

The emergence of Climate Change as a global problem and the role played by forests (or deforestation) in its cooling (or in accelerating the process) place indigenous populations at the crossroads of all paths in a globalized world that barely takes them into account. The fact that they occupy vast territories in the Amazon, sometimes as landowners, sometimes as tenants, and that they hold forest conservation in their DNA makes them indispensable allies in the quest for climate change mitigation.

Indigenous populations of Amazonia own 210 million hectares (or some 519 million acres) of land and have proven to be highly skilled in the field of forest conservation: the deforestation rate is 0.2%, i.e., even less than that of protected areas (1.4%) and obviously significantly lower than all the Amazon. There is no doubt therefore that they are the guarantors of the non-emission of 51 GT of CO₂, which they achieve under particularly difficult conditions considering the continuous threats to their territories.

However, under the rules of the game as set forth by the governments under the United Nations Framework Convention on Climate Change, specifically when the REDD-plus mechanism was being shaped, the governments of the Amazon region – to a large extent fostered by both bilateral and multilateral agencies called “donors” – have limited their focus only to those players in a position to reduce deforestation and then mitigate emissions and have not taken on board those which, having historically protected and taken care of their forests, have nothing to offer today in terms of reduction or mitigation (Funk *et al*, 2019). Hence, many of these Peoples, territories and communities have been *de facto* excluded.

[A paper prepared by Forest Trends](#) over the past years tackles this central issue. The paper concludes that the REDD + mechanism is unfair (and to a certain extent even wicked, as it punishes those who did their homework well and rewards those who didn't) and that in the long run it will entail a high social, economic and cultural cost, while not achieving its central goal, which is to mitigate climate change.

The study also contends that the “head-in-the-sand policy” of both governments and climate funds is not fortuitous. Behind the scenes there are strong economic drivers and a refusal to acknowledge the environmental services provided by these almost pristine forests. Indeed, if properly valued and compensated, they would force industrialized countries and those with high emission rates of greenhouse gases to transfer huge amounts of money to those responsible for such positive externalities.

The famous *free ride* expression properly renders the rationale behind such a lack of acknowledgement: why should one pay indigenous people or authorities of a territory for a service that they will continue providing anyway? Why pay for something they have been doing since ancient times and for free?

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This *free ride* situation, as shown by the paper, is true both nationally and internationally. And this is made possible because, unlike other externalities which are nowadays being compensated (e.g., a watershed area where both parties – users downstream and communities upstream – are directly related) in the case of carbon emission/sequestration, there is no such direct and traceable link, as the atmosphere is a common space as referred to by Hardin as the “Tragedy of the commons”.

The paper thus contends that, once the environmental service provided by the Amazonian forests in mitigating climate change has been acknowledged (in terms of both stock and flow), the only problem that remains is that of financially quantifying and valuing it in terms of market prices. Once completed, one may argue *who* should compensate for it and *how* these benefits should be distributed among the indigenous populations and territories responsible for providing these services and how this should be related to the territorial governance needs of these populations to guarantee territorial integrity, to face the threats and guarantee a proper forest conservation. And particularly how to relate these benefits to Life Plans, an essential tool that indigenous communities employ to guarantee their autonomy, without losing sight of the intercultural and safeguard context that must prevail in these relationships.

Moreover, based on an analysis prepared by the University of Leeds which shows that Amazonian primary forests indeed sequester huge quantities of carbon (Philips and Brienen, 2017) and that such carbon sequestration effect is not being computed in the country carbon emission/sequestration balance (Funk *et al*, 2019), the paper argues that this changes significantly the NDC estimates of the Amazonian countries as it allows to check with further detail who emits and who mitigates in each country.

The study carried out in this paper has obvious political dimensions and it is likely to be questioned and resisted by those presently enjoying the *free ride* and only contributing in dribs and drabs to climate funds, the amounts of which bear no relationship whatsoever with the environmental services provided. Actually they also benefit from a certain degree of complicity from national governments inasmuch as Climate Funds have been used so far to fund their own agencies and activities in the field of climate change (with the euphemism “enabling conditions”), barely leaching and with strings attached to those who really provide the service: the territories, the communities and their organizations.

The paper focuses on Territories with Minimal or No Deforestation (TwmND) which, as we will see, make up the majority of indigenous territories or land in the Amazon Basin. But this is also true for most protected areas which also provide the same environmental services without being compensated for them and to a lesser extent to other social players who own forests in Amazonia, the largest forest reserve on the planet.

The paper is based on an analysis of the situation in the five Amazonian countries having the largest indigenous territories in the Amazon Biome: Bolivia, Brazil, Colombia, Ecuador and Peru.

Bibliography cited

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