



Carbon vs. Food

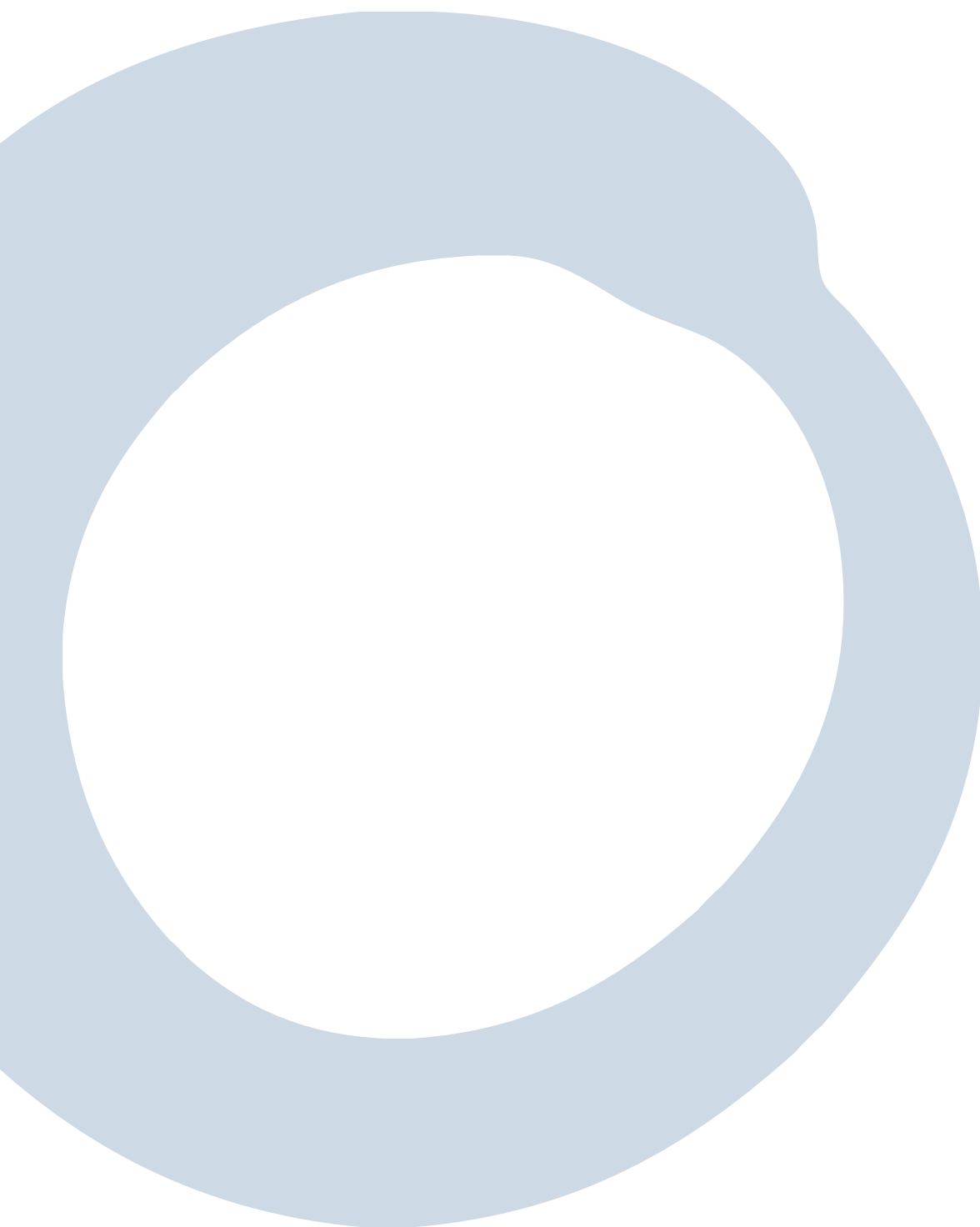
A CASE STUDY OF THE “FAIR FOREST CARBON COMPENSATION” PROJECTS OF FRENCH COMPANY, PUR PROJET, IN THE REGION OF SAN MARTÍN, PERU.

APRIL 2014

Carbon vs. food

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Summary

Pur Projet is a French organisation launched in 2008 by Tristan Lecomte, a key exponent of “responsible entrepreneurship” in France.

The organisation is specialised in forestry projects and offers companies, such as Vinci or GDF Suez, the opportunity to offset their carbon emission by financing Pur Projet activities.

Pur Projet chose San Martín in Peru as the testing ground for its first projects, which aim to generate carbon credits destined, initially, for the voluntary carbon market.

In November 2013, Friends of the Earth France organised a field mission to meet the Pur Projet partners, representatives of the national and regional authorities, and the indigenous communities of Shambuyaco and Yurilamas, as well as those that have settled in the north of the Martín Sagrado conservation concession (Añazco Pueblo and Canaán). The regional government granted the concession to the cocoa cooperative, ACOPAGRO (Cooperativa Agraria Cacaotera Acopagro), but in reality the associated carbon rights have been transferred entirely to Pur Projet. The area is the subject of territorial dispute between the regions of Cajamarca and San Martín and we found that local communities had been neither consulted nor sufficiently informed about the establishment of the conservation concession. Pur Projet emphasises its alternative approach and its willingness to work alongside local communities yet we observed that there was little real understanding of the issues relating to the carbon market and in some instances discrepancies, even incoherence, between Pur project activities and the needs actually expressed by local communities.

Moreover, in a country such as Peru where the nature of land law means that peasant or indigenous communities can be stripped of their land titles to make way for a protected environmental conservation area created within the framework of public policy, “carbon offsetting” projects, such as this one led by Pur Projet, only serve to exacerbate land disputes.

Working methods

This report does not aim to provide an exhaustive presentation of the activities of Pur Projet and its local partner, the Fundación Amazonía Viva. Readers wishing to learn more about their projects can visit the Pur Projet website at <http://www.purprojet.com/en/index>.

The aim of this report is to offer a counterpoint to the communication materials and other audit reports financed by Pur Projet. During our preparations for the field mission, we noticed that most of the visits and audits had been concentrated in villages to the south, those most easily accessible because they lie alongside the river Huayabamba. But these villages are on the outskirts of the conservation concession and will therefore not be directly affected by the entailing land use restrictions. Conversely, the three villages situated within the conservation concession, in the mountainous region to the north, have never been visited by an auditor, despite the fact that they will be the most badly affected by the creation of a conservation concession. We therefore decided to visit these communities. Setting off from Juanjuí, seat of the Fundación Amazonía Viva headquarters, we travelled three days to reach Leymebamba, from where we set off on foot for a six-day walk through the forest, in challenging conditions, to visit the communities of Añazco Pueblo and Canaán.

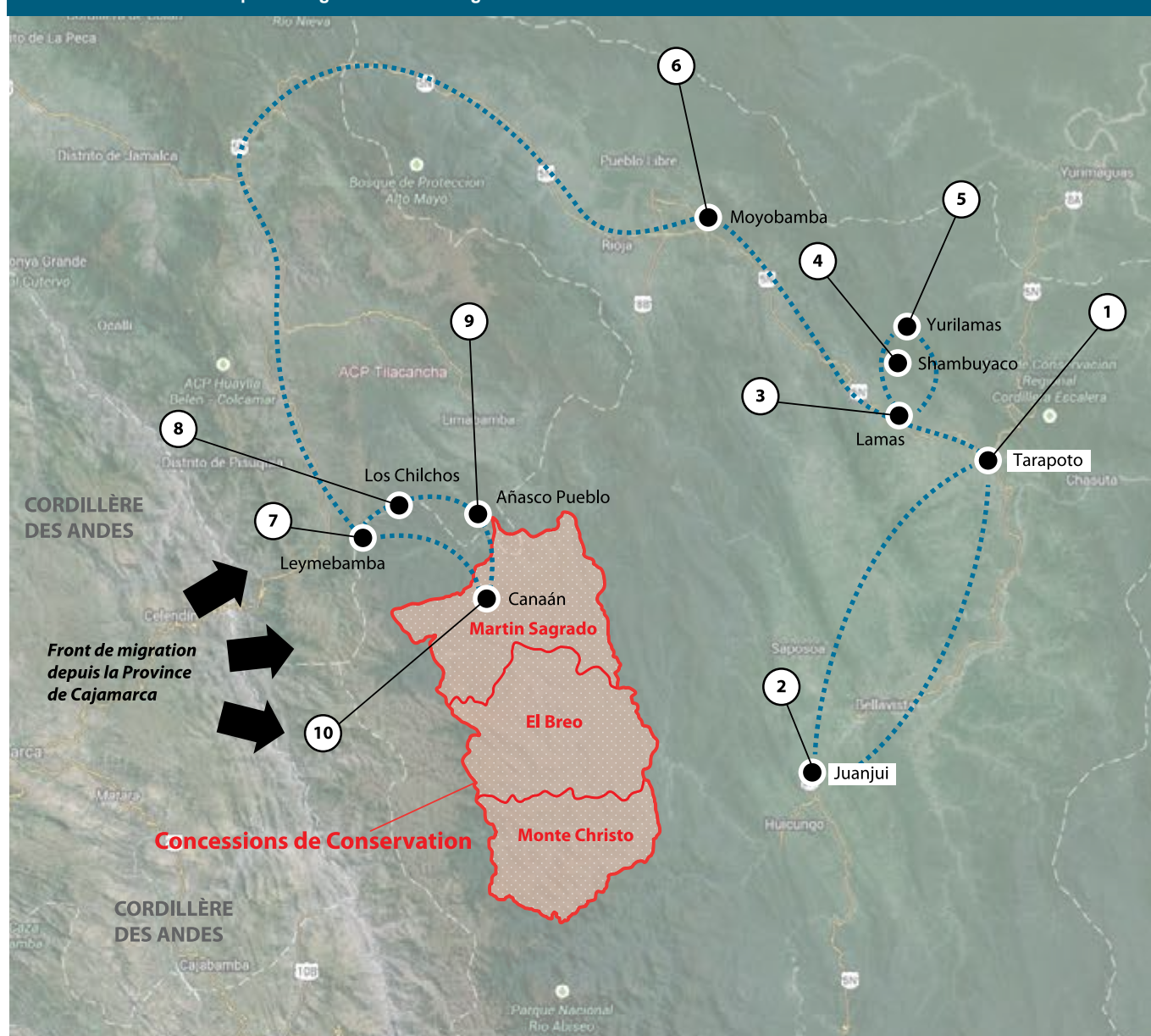
We also visited the communities of Yurilamas and Shambuyaco, both of which were approached by Pur Projet about creating a REDD project. Nothing came of the proposal but we felt it was important to understand why.

We tried to meet with as diverse a range of the people involved as possible in order to better understand the debate surrounding REDD in Peru, including representatives from the Ministry of Agriculture, the Ministry of Environment and the regional government in San Martín, as well as, of course, Pur Projet's local partners (Oro Verde, ACOPAGRO and the Fundación Amazonía Viva).

This report is the result of a twenty-day field mission, which demanded considerable human and financial resources in terms of both preparation and execution, forcing us to make certain choices. It was simply not possible to meet with all those involved, whether from local communities or elsewhere.

A number of exchanges took place with Pur Projet in the run-up to the field mission in order to explain our approach and gather documentation. The final report was sent to Pur Projet and ACOPAGRO prior to publication, and we have published an appendix to the report online with their response (www.amisdelaterre.org/purprojet). Although we strongly disagree with Pur Projet on the principle of carbon offsetting, and found the reality of the situation on the ground did not match the enthusiasm of their communication materials, we nonetheless wish to thank Pur Projet, and the management team of its local partner, the Fundación Amazonía Viva, for the quality of our exchanges and their openness to discussion.

Map showing the different stages of our mission from 17 October to 6 November 2013



- ① Interview with representatives from the Oro Verde Cooperative.
- ② Interview with representatives from the Fundación Amazonía Viva and ACOPAGRO.
- ③ Interview with representatives from CODEPISAM and the native community of Charapillo.
- ④ Interview with the Apu and inhabitants from the community of Shambuyaco.
- ⑤ Public meeting with the community of Yurilamas.
- ⑥ Interview with Señor Ramirez from the Regional Environmental Authority of the Regional Government of San Martín.
- ⑦ Interview with representatives from the community of Leymebamba
- ⑧ Interview with representatives from the community of Los Chilchos and the NGO Ucumari.
- ⑨ Public meeting with the community of Añasco Pueblo.
- ⑩ Public meeting with the community of Canaán.

01

Pur Projet and “fairtrade” carbon

1.1 From Fair Trade to carbon offsetting

Pur Projet is a *Société Anonyme à Responsabilité Limitée* (SARL), a private limited liability corporate identity created in 2008 by Tristan Lecomte. Their turnover is constantly increasing, reaching around 1.36 million euros in 2011⁽¹⁾.

In 2006, Tristan Lecomte left Alter Eco, an organisation specialising in the import and distribution of fairtrade products of which Lecomte was the founder and CEO, to concentrate on the emerging market for carbon offsets via tree-planting initiatives. Since 2006, within the framework of international climate negotiations (United Nations Framework Convention on Climate Change – UNFCCC), discussion has focused on the creation of a new mechanism to reduce the emission of greenhouse gases caused by deforestation and forest degradation (REDD). Initial economic assessments,

such as those carried out by economist Nicholas Stern⁽²⁾, have indicated a potential market of 100 billion UD dollars a year. Such projections have contributed to the creation of an economic bubble. The collapse of the carbon market and the failure of the 15th Conference of the Parties (COP15) of the UNFCCC in Copenhagen in 2009 calmed this enthusiasm but numerous organisations, including Pur Projet, continue to press for forests to be included in the carbon market.

Tristan Lecomte’s ambition with Pur Projet is to develop “a transparent, fair and inclusive carbon market, the benefits of which will be returned as far as possible to local communities by cutting out the middle men. The work I undertook campaigning to promote fair trade, I am ready to do it all again for carbon trading”⁽³⁾ in order to make carbon offsetting “a tool both for the environment and for fair socio-economic development for all.”

1 The annual turnover for 2010 was around 0.98 million euros. The 2012 accounts have yet to be published. As of the 30 June 2013, the cumulative turnover for 18 months was around 2.54 million euros, equivalent to an annual turnover of 1.7 million euros.

2 Stern Report “The Economics of Climate Change” (2010). Available for download here: http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/sternreview_index.htm.

3 Press Release “Pur Projet: in support of fair carbon trading”, 12 September 2011.

What is REDD?

It is estimated that around 12 to 15% of annual anthropogenic CO₂ emissions are related to deforestation and forest degradation. Therefore, the fight against deforestation is a major issue for climate stabilisation. With this in mind, in 2005 a group of countries led by Papua New Guinea brought a proposition to the negotiating table to create a new strategy for reducing emissions from deforestation and forest degradation (REDD). Two years later, the United Nations Framework Convention on Climate Change (UNFCCC) the proposal was upheld at COP13 in Bali (Indonesia). In December 2010, REDD was incorporated into the Cancun Agreements (COP16) despite strong criticism regarding the absence of operational efficiency and flaws in the mechanism⁽⁴⁾.

In actual fact, the idea of developing a strategy to combat deforestation is not a new one and had already been discussed at Kyoto in 1997. At the time, the greatest concern was whether such a strategy would compromise the environmental integrity of the Kyoto Protocol by introducing fictitious forest carbon credits into the markets. Such credits would allow companies to offset CO₂ emissions by financing projects predicted to generate an equivalent reduction but with no means of reliable verification. The risk of the threat to state sovereignty over forests for countries such as Brazil has also been raised.

Currently, these criticisms have not received a satisfactory response and a relative consensus has been reached recognising that the integration of REDD carbon credits into the carbon market is not desirable⁽⁵⁾. Thus, in 2011, the European Union announced that REDD credits would no longer be accepted within the European Union Emission Trading System until at least 2020.

However the strategy's supporters have not abandoned hope of integrating REDD credits into the carbon market and are now proposing a three-phase approach: firstly a period of development for REDD, supported by public funds; secondly, the use of public funds to set the strategy in motion and generate the first carbon credits; lastly, the introduction of the credits into the market if and when certain conditions are met. This approach has the advantage of silencing critics by specifying that the REDD strategy is financed by public funds whilst mobilising those same funds in order to construct a system whose ultimate aim is to generate carbon credits that can be legitimately traded on the carbon market.

But this approach does not address the problems raised in connection with REDD carbon credits: the absence of additionality (the guarantee of a real reduction in emissions in comparison to what would happen in the event of no intervention taking place) and leakage (the shifting of deforestation from one area to another). For example, it is impossible to draw up baseline scenarios for deforestation, the principal driving force behind the REDD programme, that are scientifically rigorous enough to guarantee additionality but no leakage. In the case of the project in the Biocorridor Martín Sagrado, we will be discussing in particular the problem of the inevitable shift in deforestation it will be cause because the project fails to address the root of the problem: the reasons why migrants are leaving their homelands in order to settle in the forests.

The REDD programme is continuing its operations as if their approach had already been accepted: bypassing climate negotiations with parallel processes, mobilising public bodies and funds to create favourable conditions for the integration of REDD into the carbon market and increase the number of pilot projects.

In parallel with climate discussions, several multilateral initiatives have been put in place to prepare

4 See for example: Karsenty (CIRAD, 2009) "What the (carbon) market cannot do...", The Munden Project (2011) "REDD AND FOREST CARBON: Market-Based Critique and Recommendations". Available for download here: <http://www.redd-monitor.org/wordpress/wp-content/uploads/2011/03/Munden-Project-2011-REDD-AND-FOREST-CARBON-A-Critique-by-the-Market.pdf>. Or Osborne (University of Arizona, 2013) "Beyond Safeguards: A Critique of Carbon Markets for REDD+", Available for download here: <http://ppel.arizona.edu/blog/2013/03/18/beyond-safeguards-critique-carbon-markets-redd>.

5 See for example the debates and arguments that led the European Union to adopt a moratorium on the integration of REDD carbon credits into the European Carbon Market (at least until 2020). An analysis of these debates is proposed by Bozmoski & Hepburn (Oxford University, 2009) "The Interminable Politics of Forest Carbon: an EU Outlook". Available for download here: <http://www.law.harvard.edu/programs/about/pifs/symposia/fcfs/2009-fcfs/2009-concept-papers/hepboz.pdf>.

countries for REDD, such as the World Bank's Forest Carbon Partnership Facility (FCPF) and the United Nations REDD global fund, as well as numerous bilateral partnerships, including Norway's donation to the Amazon Fund and support given by development agencies to numerous pilot projects.

In the world of economics and finance, Tristan Lecomte is the perfect ambassador. A graduate of the prestigious European business school, HEC Paris, his reputation confirmed by the success of his first enterprise Alter Eco, he was named a Young Global Leader by the World Economic Forum in Davos to which he regularly contributes, for example in 2013 when he presented his vision for carbon offsetting. In 2010, Tristan Lecomte was featured in Time Magazine's "100 most influential people in the world".

Keen to proclaim its activism, Pur Projet presents

itself as: *"a collective of associated structures allied into the common fight against deforestation and global warming"*⁽⁶⁾ or *"a collective ... which assists companies in incorporating climate issues into their raison d'être and businesses, mainly through the regeneration and preservation of ecosystems (agroforestry, reforestation, forest conservation)"*⁽⁷⁾.

1.2 Biocorridor Martín Sagrado in Peru: a showcase for Pur Projet

Thanks to his time at Alter Eco, Tristan Lecomte has built himself an extensive network of connections in the southern hemisphere countries, especially Peru.

In the region of San Martín, in the foothills of the Andes where the rivers rise that flow into the Amazon basin, Pur Projet is developing various projects with help



The forests of the Biocorridor San Martín provide shelter for an exceptional level of biodiversity: 160 species of mammals, 324 species of birds, 26 species of butterflies, 106 species of reptiles and numerous species of invertebrates have been identified.

⁶ See the Pur Projet presentation on their website: <http://www.purprojet.com/fr/histoire-et-chiffres-cles>.
⁷ Ibid.

from the network of Alter Eco's cooperative partners (ACOPAGRO and Oro Verde). When we talked with those in charge of ACOPAGRO and Oro Verde (see below) we found that they did not have a clear understanding of the REDD mechanism, or of the carbon market generally, and that their involvement in the Biocorridor Martín Sagrado Project was simply at the request of Pur Projet, as is explicitly acknowledged in the Project Design Document⁽⁸⁾ (PDD): *"Its creation and effective implementation are from PUR PROJET and Fundación Amazonía Viva initiatives, in the aim to create a financial mechanism for generating a financial compensation from activities reducing emissions from deforestation (REDD+)."*

The Fundación Amazonía Viva is a structure created by Pur Projet in order to manage local REDD project coordination, as stated in the Project Design Document: *"The Amazonía Viva Foundation is a Peruvian non-profit foundation created at Pur Projet's initiative. It is constituted by the associations and cooperatives involved in reforestation and forest conservation projects in San Martín region: ORO VERDE and ACOPAGRO cooperatives, and 4 local community associations: APAHUI (Asociacion de Productores Agropecuarios de Huicungo), APROBOC (Asociacion de Proteccion de Bosques Comunales Dos de Mayo), APAP (Asociacion de Productores Agroforestales Pucallpillo), APAPMASAR (Asociacion de Productores Agropecuarios y Protectores del Medio Ambiente Santa Rosa)."*⁽⁹⁾

In 2008, Pur Projet and the Fundación Amazonía Viva began by developing reforestation and carbon offsetting projects with cocoa producers from the ACOPAGRO and Oro Verde cooperatives. They set up two community reforestation programmes: Alto Huayabamba and Alto Shamboyacu, named after the rivers that run alongside the villages.

In 2010, with the help of local partners, Pur Projet applied to the regional government of San Martín for three conservation concessions⁽¹⁰⁾ (Martín Sagrado, El Breo and Monte Christo), a total surface area of nearly 300,000 hectares, collectively known as the Biocorridor

Martín Sagrado. This is Pur Projet's flagship project and the organisation's first REDD project. Pur Projet's plan is to showcase this pilot project in order to encourage the development of other projects worldwide.

1.3 Pur Projet's "Fair Carbon": same logic, same problems as "Unfair Carbon"

Well aware of the criticisms levelled at carbon offsetting, Tristan Lecomte has developed a new concept: **"insetting"**, the opposite of **"offsetting"**. He explains the reasoning behind the concept in a video presentation: *"Today, more and more companies are realising that in order to develop their own economic activity, they must regenerate the ecosystems on which that activity depends. They can no longer think solely in terms of short-term profits, first and foremost they must take into account their relationships with all involved parties and with the ecosystem."*⁽¹¹⁾

Pur Projet's website clarifies: *"Where compensation actions of the traditional «offsetting» are held in a separate location and use uncorrelated actors and technical activities, «the Insetting» integrates socio-environmental commitments at the heart of the companies' sectors and occupations."*

For Friends of the Earth France, it is not clear how this differs from classic carbon offsetting. In both cases, companies give the impression that they are doing all they can to reduce their carbon emissions and compensating for any unavoidable pollution by financing a project on the other side of the planet. Rather than investing in their suppliers to try and reduce the impact of the supply chain, these companies salve their conscience by purchasing carbon credits in order to finance projects that will improve their brand image. For example, it is hard to believe that Vittel, one of Pur Projet's corporate partners, whose activity involves using large quantities of plastic, is not capable of making a greater effort to reduce carbon emissions.

Tristan Lecomte is keen to assert and demonstrate the

8 Pur Projet (2012) "Biocorridor Martín Sagrado REDD+ Project". P.6: "The Biocorridor Martín Sagrado project area encompasses 295 654 hectares of Amazonian forest located alongside the Huayabamba river. Its creation and effective implementation are from PUR PROJET and Fundación Amazonía Viva initiatives, in the aim to create a financial mechanism for generating a financial compensation from activities reducing emissions from deforestation (REDD+). Available for download here: https://s3.amazonaws.com/CCBA/Projects/Biocorridor_Martin_Sagrado_REDD%2B_project/PDD+REDD+Biocorridor+Martin+Sagrado+CCBA+-+V4.0+%281%29.pdf."

9 Ibid.

10 According to resolution N°075-2007-INRENA from Peru's National Institute for Natural Resources (INRENA): "a conservation concession grants a particular exclusive right for a specific area, for the purposes of preservation, research, education and sustainable management of natural resources, with a view to maintaining and protecting biological diversity."

11 <http://www.youtube.com/watch?v=fpN3cRktVml#t=2>

idea of 'Purity'. In the "About Us" section of Pur Projet's website, we are told:

"Pur Projet mainly develops «Insetting» activities, aiming to offset socio-environmental impacts of a company, locally and within its subsidiaries, products and services. The Insetting brings socio-environmental innovation and creates shared value for the organizations involved, local people and the planet. Thereby pure intentions of an organization are transformed into Pure Projects."

Vittel is by no means the only company with "pure intentions" hoping to work with Pur Projet. Currently, Pur Projet's key partners are Vittel, Hugo Boss, Nature et Découvertes, L'Occitane, Clarins Group and Leclerc. Other partners include companies like GDF Suez, which offset the CO₂ emissions of its head office by planting more than 10,000 trees with the ACOPAGRO cooperative in Peru or Vinci, which has committed to replanting a tree for each of the group's 180,000 employees.

Meanwhile, two other projects supported by Vinci, the proposed airport at Notre Dame des Landes and the plan for a motorway that will destroy the Khimki forest near Moscow, have both met with strong opposition. Pur Projet has no issue helping this company redeem a greener image for itself by financing plantation projects or fighting deforestation. In a France Inter radio broadcast, Tristan Lecomte not only acknowledged but accepted that companies like Vinci take advantage of the Pur Projet image in order to continue developing environmentally-harmful projects: *"[When Vinci builds a motorway, the company is sometimes obliged to cut through a forest] ... How can they account for their impact on the forests? By becoming involved in a forestry project that will repair what has been damaged. So, when Vinci approaches a government [...] they are able to say: we can draw up the plans, build [the motorway], use it for 40 years but at the same time compensate for our socio-environmental damage [...] and in order to do this they look to us to set up a Pur Projet."*¹²

This is an astonishing proposition as current French legislation and regulations¹³ do not permit compensation for the destruction of protected animal and plant habitats and species through the funding of foreign projects. Nevertheless, we consider it to be indicative of the desire to equate the biodiversity offset mechanisms currently being set up with carbon offset mechanisms. As is the case for carbon offsetting, the proliferation of these voluntary initiatives, and the confusion of the messages they send out, is a strategy devised to try and ease regulatory frameworks.

When we interviewed Pur Projet's Managing Director, Pierric Jammes, we hoped to discuss the scientific impossibility of offsetting a company's carbon emissions by planting trees or fighting deforestation. The response was clear: *"We are aware of these limitations and we understand the criticisms but the carbon market and REDD exist and we believe it is better to direct the money they generate into worthwhile projects."*

When we interviewed Roldán Rojas Paredes, Director of the Fundación Amazonía Viva, we asked him if he was aware that 10,000km away from Peru, Vinci, a company financing his projects, was in the process of building a controversial airport in Notre Dame des Landes. His minimal response left us to understand that the subject has been discussed internally.

On the Pur Projet website we are told:

"Thus, we aim to restore the idea of the early Kyoto Protocol and avoid the financial diversions of the current offsetting market to reintroduce the fundamental concepts of solidarity, transparency and fairness that constitute the «real offsetting». This should benefit both small scale farmers around the world and fair valued partners who support these projects."

Yet by promoting carbon offsetting, in full awareness that the system has little effect on stabilising the climate, Pur Projet is subscribing to the same logic and repeating the same mistakes as other companies.

To claim that these projects benefit local communities is at best short-sighted. According to statistics from

¹² Extract from a France Inter program entitled "Ils changent le Monde" (They are changing the world), broadcast 12 July 2012. See <http://www.franceinter.fr/emission-ils-changent-le-monde-tristan-lecomte>.

¹³ In particular, see the summary of the National Doctrine "Eviter, Réduire, Compenser" (Avoid, Reduce, Compensate) published in 2012 by the Ministry of Ecology, Sustainable Development and Energy. See <http://www.developpement-durable.gouv.fr/Doctrine-eviter-reduire-et,28438.html>.

the French Institute of Research for Development (IRD), 71% of the tropical glaciers in the Andes are in Peru. The glaciers are crucial to the water supply of local communities, particularly in the region of San Martín. But these glaciers are extremely sensitive to climate change and the rate at which they are melting is accelerating.

Ironically, the communities that Pur Projet is claiming to support with its carbon offsetting projects therefore risk being the first to suffer the consequences of climate change.



The Andes act as a natural barrier, which transforms the clouds of steam released by the forest into rain. This rain feeds a number of rivers that flow into the Amazon basin.

02

The region of San Martín: a REDD laboratory in Peru

2.1 REDD in Peru: a fast-track policy controlled by the World Bank

Peru was one of the first southern hemisphere countries to formally declare its interest in the REDD mechanism. In 2008, at COP14 in Poznań (Poland), the country announced its aim to preserve 54 million hectares of forest.

In 2009, at COP15 in Copenhagen, this aim was reinforced by the announcement that Peru aimed to reduce its rate of deforestation to zero by 2021.

In 2008, the government set up platforms for discussion: the REDD Group Peru⁽¹⁴⁾, Regional REDD+ Roundtables and later on the REDD technical working group. The aim was to prepare Peru to receive funding from the FCPF (Forest Carbon Partnership Facility) and from the FIP (Forest Investment Program) both administered by the World Bank. As a result, the process of planning national REDD strategy for Peru is defined by and adheres to the regulations set down by these international entities.

In order to be included in the FCPF, Peru had to draw up a Readiness Preparation Proposal (R-PP), which was provisionally approved in March 2011 (final approval is still pending). The R-PP chose to refer to studies at subnational level in order to establish baseline scenarios. On this basis, San Martín was considered one of the most advanced regions in the development of these baseline scenarios. As a result, San Martín

received aid from a grant to enable the implantation of a REDD programme in Peru, financed by the Moore Foundation and the German-owned development bank, KfW, and supported by Conservation International (GIZ-AIDSEP 2013).



The big-leaf mahogany (*Swietenia macrophylla*) is a species of tree under serious threat from illegal logging.

¹⁴ At the previous meeting WWF Peru called for the formation of a REDD group in order to analyse the baseline scenario for avoided deforestation in the Peruvian Amazon (February, 2008). In March 2008, a second meeting, with the participation of AIDSEP, AIDER, BSD, CEDIA, CIMA, CONAM, DAR, ECOBONA-Intercooperation, FONAM, FONDEBOSQUE, INRENA, IIAP, SPDA, SZF, TNC, WCS et WWF, resulted in the foundation of the REDD Group Peru.

Since 2010 Peru has also been a pilot country participating in the FIP and thus eligible to receive funding of up to 50 million dollars. The government of Peru is therefore hoping to finalise its R-PP as soon as possible and undertake the reforms demanded by the programme backers. These reforms do not aim to tackle the root causes of deforestation, such as logging for timber or the extractive industries, rather they are designed to put pressure on peasant communities who practise slash and burn agriculture. To try and maintain control over the process, in 2010 the Peruvian government created the National Forest Conservation Programme for Mitigation against Climate Change (known as the Forest Programme⁽¹⁵⁾) whose purpose is to coordinate international funds supplied for REDD with the national budget.

Civil society organisations, particularly those representing the indigenous peoples, were sidelined from proceedings and they have long been very critical of REDD. But rather than risk discrediting the whole process, the international backers and the government are now increasing their efforts to take their protests into consideration. With the support of the Coordinator of Indigenous Organizations of the Amazon River Basin (COICA), a Peruvian National Indigenous REDD+ Roundtable was formed in July 2013⁽¹⁶⁾. This Roundtable is now the principal interlocutor for the indigenous peoples of Peru in discussions with national and international institutions. A proposal to create an “Indigenous REDD” Group is currently being discussed, which calls initially for fundamental land reform that would recognise the land titles of local communities and respect the rights of indigenous peoples.

But while these discussions take their course, the state has no real control over REDD pilot projects already up and running in the region of San Martín and other forest areas of Peru. These pioneer projects are accelerating the emergence of the speculative market for forest carbon⁽¹⁷⁾ and certain of the projects’ promoters have even been dubbed “carbon pirates” because of their unscrupulous and aggressive methods⁽¹⁸⁾.

The most infamous case is that of Australian David Nilsson, director of Amazon Holdings Ltd., who signed fraudulent contracts written in English with the Matsés and Yagua communities in the Amazonas region, which obliged them to hand over their forest carbon rights for an indefinite period⁽¹⁹⁾.

2.2 A renewal of REDD conservation policy: a renewal of land disputes

2.2.1 Many communities without land titles

San Martín is an Amazonian region in the north east of Peru covering an area of 5 million hectares with a population of 729,000. The climate is humid tropical but with certain important variations because the region, situated in the foothills of the Andes, is very mountainous.

The population is made up of peasant communities who over the years have come down to settle from the mountains and three indigenous communities: the Kechwam, the Shawi and the Awajun. For the purposes of this report, we will refer to peasant communities simply as communities and will clarify where necessary when referring to indigenous communities.

In 2011 and 2012, the state organised their national territory into large economic and ecological zones⁽²⁰⁾. These zones were defined by studying the potential and limitations of each area, taking into account different physical, biological, social, economic and cultural criteria. Under this new system, 65% of the San Martín region is part of a protected ecological conservation zone. This zone lies alongside many areas that are home to communities whose existence has been acknowledged by the government (as evidenced, for example, by the creation of a school or healthcare facilities) but who have not been issued any recognised deed of ownership. This is just as much the case for the peasant communities that have settled over the years, as it is for indigenous communities. Yet several reports on deforestation, including one published by the World Bank, indicate that in areas where the rights

15 http://bosques.minam.gob.pe/index.php?option=com_content&view=article&id=44&Itemid=1&lang=es

16 <http://www.aidesep.org.pe/se-conformo-la-mesa-nacional-de-redd-indigena-de-peru/>

17 <http://www.larepublica.pe/columnistas/globalizaciones/pueblos-indigenas-vs-piratas-del-carbono-19-06-2013>

18 <http://www.riomasvos.org/novedades/la-relacion-entre-redd-y-los-indigenas-dos-puntos-de-vista>

19 <http://www.revistaideele.com/ideele/content/piratas-del-carbono>

20 Roberto Espinoza Llanos and Conrad Feather (AIDESEP and Forest Peoples Programme, 2011) “The reality of REDD+ in Peru: Between theory and practice”. Available for download here: <http://www.forestpeoples.org/sites/fpp/files/publication/2011/11/reality-redd-peru-between-theory-and-practice-november-2011.pdf>.



An awareness-raising workshop on land rights organised on 21 November 2013 by the CODEPISAM, Coordinator of the Development and Defense of the Indigenous Peoples of San Martín.

of indigenous peoples were recognised, deforestation rates had usually decreased and the forest was better protected⁽²¹⁾. But in Peru the COFOPRI (Organisation for the Formalisation of Informal Property) only grants land titles for the extension of cultivated land... which encourages deforestation.

Land ownership rights are crucial to ensuring that community rights are respected, as Walter Sangama, president of CODEPISAM (Coordinator of the Development and Defense of the Indigenous Peoples of San Martín), pointed out: *“Our struggle is to get our rights recognised in order to reclaim our ancestral land, but the regional government has a different agenda: they are happy to recognise our existence but without giving us any land titles.”* Indeed, the regional government prefers to assign land use rights rather than land titles, based on article 37 of the forest code: *“Where land is principally an area of protected forest, it is prohibited to convert that land for agricultural use. It is prohibited to assign land titles, certificates or proof of ownership to public land that is principally an area of protected forest, with or without plant cover, or any other type of recognition or install a public services infrastructure under the responsibility of the officials involved. This shall not prevent the allocation of real rights under the terms of land use rights contracts, in exceptional cases and subject to rigorous conditions*

for environmental sustainability, in specially designated areas...” For peasant and indigenous communities, the fact that their land is classed as a protected ecological conservation zone is therefore seen as an obstacle to getting their land rights recognised by the government.

In June 2013, Friends of the Earth France helped the CODEPISAM to organise an awareness-raising workshop on REDD that brought together many different communities. At the time of our field mission in November 2013, the CODEPISAM organised a day of discussions during which we were able to talk with numerous local representatives. The creation of the Cordillera Escalera Regional Conservation Area in 2005, an area of land stretching over nearly 150,000 hectares, is at the root of people's concerns: a hundred or so indigenous communities are affected (including those of Kichwa Lamas and Chayahuita, Yurilamas, Chumbaquihui, Pampa Sacha, Chunkchiwi, Chirikyacum, Alto Shambuyacu and Charapillo). But these communities complain that they were not consulted and now their rights have been restricted. The management plan makes no provision for indicators to guarantee the participation of indigenous peoples and in the end an oil concession (Block 103) was granted, covering a large surface area of the land.

21 Second National Communication of Peru to the United Nations Framework Convention on Climate Change (2010) and “The reality of REDD+ in Peru: Between theory and practice” (Espinoza & Feather, 2011).

Oil for a road: the dilemma of the indigenous community of Yurilamas

The oil concession block 103 is situated on top of numerous river basins, which supply water to local populations. It is not currently under exploitation due to a decision by the Constitutional Court of Peru to suspend oil exploration and exploitation pending the formulation of a Management Framework for the conservation area.

This Management Framework could result in the coexistence of oil exploitation and the conservation area. Canadian oil company, Talisman Energy, the largest partner in the concession, and the Peruvian Ministry of Energy and Mines maintain that the preservation of conservation areas is not incompatible with oil exploitation activities.

This oil project is central to discussions. For the Yurilamas community, there is a great temptation to accept oil exploitation because Talisman has promised to build a road to create access to the village, which currently can only be reached by a ten-hour climb up a steep path. However, the Yurilamas community is perfectly aware of the environmental consequences of this kind of exploitation, as their community leader, or Apu, Belquis Sangama, told us: *“People are looking forward to the arrival of the oil company because no one does anything for us. Go and ask someone: Are you happy for the company to come here? – Yes, I’m happy because that way we’ll get better access to our village. I’m sure that when they begin drilling there will be pollution but they show us videos that explain how their techniques are cleaner nowadays. But I know that there will be pollution.”*

Señora Reynalinda from the community of Charapillo stated: *“I am the president of FERISHAM [the Shawi Indigenous Regional Federation of San Martín] and I’m from the community of Charapillo, there are 11 Shawi communities, some hold land titles and some don’t... That we have no land titles is unfair because, as native peoples, we have always taken care of this land, which nourishes us, provides us with game to hunt and medicinal plants with which to treat and heal ourselves. We don’t want this conservation area, we want land titles first, then we will talk about projects.”*

The creation of the Regional Conservation Area is part of a larger conservation strategy.



Interview with Señora Reynalinda from the native community of Charapillo

2.2.2 Conservation areas: a threat to community rights?

Whereas in 2001, the drafting of the National Biodiversity Strategy Action Plan (NBSAP) gave control over pilot programmes to the State, from 2007 onwards the management of protected areas was progressively handed over to regional government through the creation of regional conservation systems. This strategy provides for various different methods of conservation: conservation concessions (CC), regional conservation areas (RCA) and even private conservation areas (PCA). Responsibility for the management of these conservation areas falls to the Regional Environmental Authority (ARA).

These conservation areas (excepting the private areas) belong to the state, in the best-case scenario, communities will be granted land use rights. They do not have many opportunities to participate in decision-making processes concerning the future of their land

– as demonstrated by the dispute between indigenous communities and the regional government of San Martín concerning the Cordillera Escalera RCA (see below).

The emergence of debate on REDD and the inauguration of the National Forest Conservation Program in 2010, have speeded up the process for creating protected areas. This programme has a scheme of “conditional direct transfers” whereby a financial incentive of 10 soles per hectare (2.8 euros) is paid to encourage regional governments to create conservation areas and to communities who hold land titles to create private conservation areas. When we visited the community of Yurilamas, we met Carla Mendoza, an engineer and representative of the Forest Program who explained the system to us: *“For example, we signed a contract with the community of Shirichaza. They drew up an investment plan, which has to be updated every 3 months, and in exchange they received 20,000 soles. This plan allows communities to engage in activities*



Sign indicating that the community of Yurilamas, unlike most other communities, holds land titles.

that work towards preserving the forest such as orchid cultivation or beekeeping.” When we asked her if the community of Yurilamas could finance improvements to their village’s access route, she admitted that this would not be possible because it would mean cutting down trees and risk increasing the rate of deforestation. Yet this is the community’s most pressing need, as the village can currently only be reached by a ten-hour climb up a steep and narrow path with a considerable danger of falling.

The community leader, or Apu, of Yurilamas, Belquis Sangama, understands perfectly well what is at stake: *“They want to take our land so that over there they can use the carbon stores to make deals and say that they have protected 54 million hectares.”*

Private companies do not face the same problems because they negotiate directly with the regional government and their desire to get their hands on forest carbon stores only serves to fulfil government desires to expand the protected areas. However, for the local government officers who manage the conservation areas, the link between REDD and conservation is not always made clear, as Señor Ramirez, an engineer for the San Martín ARA explained to us: *“We discuss the creation of each conservation area with Pur Projet and ACOPAGRO but we don’t talk about REDD. That’s a different subject, I don’t have any directives regarding REDD. I know that there are ongoing discussions but for the moment there is nothing concrete.”*

Private companies have taken advantage of the momentum created by the National Forest Conservation Programme in order to gain control over numerous conservation concessions. Even if officially concessions remain the property of the state, any carbon credits generated therefrom go to the company, as Pierric Jammes, Managing Director of Pur Projet, acknowledged: *“It is true that the government does not receive anything from the sale of credits. I had a meeting at the ministry the other day and they are very supportive of the project. There is no licence fee for the concession either [...] Funds are being set aside all the same (to be released gradually) in the event of an international agreement on REDD and a change in national policy in Peru.”*⁽²²⁾

Señor Ramirez confirmed that the regional government is lacking in resources and information: *“It’s important that we at least know how each REDD case file is prepared and [...] what systems have to be put in place in order to sell carbon credits on a market. It is vital that we have a better understanding of these mechanisms.”* We noted that Señor Ramirez was not informed regarding the sale price for forest carbon credits generated by the granting of conservation concessions.

According to resolution N°075-2007-INRENA from Peru’s National Institute for Natural Resources (INRENA): *“a conservation concession grants a particular exclusive right for a specific area, for the purposes of preservation, research, education and sustainable management of natural resources, with a view to maintaining and protecting biological diversity.”* Several stages are required to create a concession, firstly the applicant must publish a notice in the public journal, El Peruano, as well as in local newspapers for the communities and districts within the area concerned, with a 30-day period for reply, specifying the reasons for their interest in the concession of a zone designated for conservation purposes. This application must be accompanied by a “technical proposal”. If there is another interested party, the concession can be opened to tender. In the case of opposition, those concerned must submit an appeal supported by documents justifying their rights to the land. This legal framework is woefully inadequate for the following reasons:

- The only way people can find out if someone is interested in a forest concession zone within or near their land is the publication of the notice. But many communities living in forest areas do not have easy access to newspapers.
- It is extremely difficult for communities to prepare a “technical counter-proposal” within 30 days.
- There is no clause regulating for consultation with communities prior to an application or a technical proposal being submitted to prove that the local population agree to become part of a conservation area.

22 From an email of 10 February 2014.

Private Conservation Areas (PCA): an opportunity for communities with land titles. The case of the Los Chilchos PCA.

When ownership is clearly established, either in the name of a private owner or of a community, the law permits the creation of a private conservation area (PCA). In this case, the owner commits to implementing measures to preserve biological diversity. There is no statutory financial incentive but the area becomes eligible for various governmental and non-governmental programmes (SERNANP <http://www.sernanp.gob.pe/sernanp/contenido.jsp?ID=11>).

During our field mission, we visited the Los Chilchos PCA, which belongs to the community of Leymebamba and the adjoining communities of Los Chilchos and Añazco Pueblo. This area, which covers 45,000 hectares, was created in 2012 with help from a small local NGO, Ucumari. This NGO was set up with financial aid from several European zoos wishing to fund conservation initiatives on the ground. Indeed, the forests of Los Chilchos are home to one of the only remaining wild populations of yellow-tailed woolly monkeys (*Oreonax flavicauda*). Endemic to the mountainous forests of San Martín, there are less than 250 individuals of the species left and it is considered one of the world's 25 most endangered primates.



To mark the borders of the Los Chilchos Private Conservation Area, signs have been put up near crossing points.

Before beginning the process of creating the area, the land was marked out with the community to establish agricultural zones, areas of human habitation and areas of forest for conservation, as the former president of the NGO Ucumari, Alan Meléndez Pamo, explained: *"The area does not include the villages or land that*

supports economic activity, we didn't declare it as part of the conservation area because people cultivate their chacras⁽²³⁾ there and we don't want any conflict."

Whereas REDD projects are very often financed by the sale of carbon credits, at rates proportional to the surface area of the project and thus to the carbon store, this type of project is qualitative and therefore limits conflict. Even after the demarcation of the land, forest areas are not sold to foreign investors in the form of carbon credits. The Los Chilchos PCA is funded through the sale of organic coffee produced by the local communities, as Jan Vermeer from the NGO Ucumari explained: *"We don't have a lot of money... but we don't need enormous budgets either. If we work with the community, then we are already saving a lot of money. There are no external consultants here who have calculated carbon stores or prepared complex development plans. Here, people are directly involved and they protect the forests of their own free will."*

Nevertheless, despite the creation of this PCA, the community came into conflict with Pur Projet, whose initial application for a conservation concession included the territory of Los Chilchos but the community were able to respond in time (see 3.1).



The valley of Los Chilchos. One of the valleys in the region richest in biodiversity. Its forests are home to a highly endangered endemic species of monkey: the yellow-tailed woolly monkey (*Oreonax flavicauda*).

²³ A "chacra" is literally "a field", a small parcel of land that has been cleared for producing food.

Today, there is renewed interest in conservation policies, stimulated by REDD activities. But rather than encouraging qualitative policies based on the needs of local communities, the REDD mechanism privileges a quantitative approach and a return to the model of “fortress conservation”. The key challenge it to establish who owns the forest because whoever holds the land title will get any potential income generated on the carbon market. Instead of helping to resolve land disputes, REDD tends to intensify conflict by slowing down the process of transferring rights to communities.

2.3 REDD: a mechanism for fighting the causes of deforestation?

2.3.1 Mining and oil concessions which overlap conservation areas

Peruvian forest policy, like that of many other countries with tropical forest, was formulated relatively recently and is shaped by the race for development that began in the post-war era and, even more recently, by the emergence of growing concerns for environmental conservation that began in the 1990s. These conflicting objectives explain the numerous contradictions, or inconsistencies, which are being revealed today in the region of San Martín.

For a long time, the forest was seen as an empty and fertile space, which brought the first wave of colonisers in the 1930s. In order to attract investors, the Amazonian regions were declared “free economic zones”, meaning they were tax-exempt. Many other advantages were granted to encourage industrial activity and agroforestry. This trend was reinforced by the neoliberal movement of the 1970s and 80s, which opened up the forests to the oil industries and led to the construction of an oil infrastructure (roads, base camps, oil pipelines). At the same time, forest areas became lawless places with the development of illegal coca cultivation, especially in the region of San Martín, and an increase in violence.

The signing of the Convention on Biological Diversity at the Rio Earth Summit in 1992 saw the emergence of several new issues, such as biodiversity conservation and the recognition of the rights of indigenous communities but without any radical reassessment

of government policies. For example, the Initiative for the Integration of the Regional Infrastructure of South America (IIRSA), supported by the Corporación Andina de Fomento (CAF) and the Inter-American Development Bank (IDB), continues to encourage investment in the extractive industries and the construction of a powerful agro-industrial complex, the impact of which is catastrophic for the forests.

So on one hand, the government is encouraging the creation of numerous conservation areas but on the other, increasing the transfer of oil and mining rights. In San Martín alone, there are 281 mining rights permits (113 pending and 168 confirmed). The majority of these permits overlap the protected ecological conservation zones which were established by the same authorities and which according to Forestry and Wildlife law should be used for the sole purpose of “*conservation, education, research and specialised tourism*”⁽²⁴⁾.

In addition to these mining permits, there are 5 oil blocks currently in the exploration phase and three ready for contracts to be signed. The most high profile oil concession is block 103, which has been granted to Canadian oil company, Talisman Energy. Overlapping the Cordillera Escalera RCA, the concession was contested by many indigenous communities including those of Yurilamas and Charapillo.

2.3.2 Migration: an indirect consequence of the extractive industries

The forests are under threat from oil and mineral extraction but also from the heavy and continual influx of people fleeing regions that have become uninhabitable because of water pollution, a reduction in land productivity, human rights violations and the enforced sale of land to mining companies.

Indeed, at a national level, Peru is asserting itself more than ever as a “mining country” by increasing the number of controversial policies and projects such as the Congo copper and gold mining project in the region of Cajamarca, which is causing migration towards the bordering regions of Amazonas and San Martín.

The San Martín region is currently experiencing the highest levels of internal immigration in Peru, with the

24 See map of mining concession granted in the San Martín region - INGEMMET – GRSM – 2012.



Most families in San Martín have houses built from wood, with a roof of palm branches.

arrival of inhabitants from the Cajamarca region and the Andean highlands. These people are looking for better living conditions and land to cultivate so they can feed themselves and they have no hesitation in settling in remote locations at the heart of the forest. The communities of Los Chilchos, Añazco Pueblo and Canaán, with whom we met, are made up of people from the districts of Chuquibamba (an area of the Andean highlands in the region of Amazonas), Bolívar and Cajamarca. These villages have expanded with each wave of migration.

Ernesto Briones, president of the community of Los Chilchos, explained: *“People come from Bolívar and also from Cajamarca. We give them a plot to build their*

house and 5 hectares of land in the rural zone for free for them to cultivate [“chacras”]. This is an opportunity they won’t find elsewhere, word gets round and they invite others to come. In Cajamarca, because of all the mines, the chacras are no longer fertile, so how are people to survive? If people have the good fortune to own a little plot of land they sell up and leave to find a better life and in villages like Canaán and Añazco Pueblo, things are easier. That’s why people are migrating.”

Alan Meléndez, former president of the NGO Ucumari explained: *“Those arriving from Cajamarca hope to raise livestock like they did before but the land is different here and the forest is much more fragile. There is a culture gap.”*



To reach the village of Los Chilchos from Leymebamba, you have to walk 10 hours or so through several mountain passes. There is an enormous variation in the ecosystems depending on the altitude. The photos shows a mountainous rainforest ecosystem.

With no clarification of land rights or ownership, land trafficking is rife and its victims are the new arrivals, as one inhabitant of Añazco Pueblo told us: *“The first migrants, the village founders, felt they owned the land and they lied to us. They claimed this land belonged to their fathers or their grandparents. They tricked us by claiming they held land titles. It’s true, at first they gave us land for free but afterwards some demanded 20,000 soles for 20 hectares. It’s extortion, especially as the land belongs to the state.”*

2.3.3 Who is responsible for deforestation?

In 2010, within the framework of climate negotiations, Peru presented its second National Communication on Climate Change, which identified agriculture and livestock farming as the principal causes of deforestation. More precisely, this report targeted local communities and the practice of slash-and-burn agriculture only referring briefly to the growth of agro-industrial enterprise, forestry and mining.

This is a central and recurring problem: how do we

establish who is responsible for deforestation? Is it the migrant who burns an area of the forest to cultivate land in order to feed themselves or the policy makers who initiate controversial projects that force people to leave their native lands?

It is extremely difficult to account for the chain of displacement activity, the extent of which is often minimised by REDD. However, the fight against deforestation in one place by creating, for example, a protected area, does not solve the basic problem because those displaced will simply go elsewhere. The only way to control this “leakage” is by addressing the true causes of deforestation. This is the main reason why it is impossible to guarantee that carbon credits generated by REDD projects will equate to any real reduction in emissions because, more often than not, they only succeed in moving the problem elsewhere.

The REDD projects set up by Pur Projet are no exception. The Project Design Document points to the agricultural practices of local communities as being responsible for 70% of deforestation. The same document recognises that the oil and mining industries,

if unable to gain access to conservation concessions, will look for concessions elsewhere⁽²⁵⁾ and proposes introducing a correction coefficient of 30% to account for this leakage. There is no calculation to justify this coefficient.

For REDD project promoters, it is easier to target local communities than to tackle the extractive industries. In fact, the underlying theory is known as “compensation for opportunity costs”: it costs less to ask a peasant

to change his agricultural practices that to try and compensate for the loss of income to a government that agrees to abandon the exploitation of its mineral and oil reserves. The great difficulty that the government of Ecuador is experiencing trying to convince the international community to compensate them if they cease exploitation of the oil reserves that lie beneath the Yasuni National Park is a case in point.



The community of Canaán is made up of migrants from the region of Cajamarca. Cattle breeding is the principal source of income for the community.

25 Pur Projet (2012) “Biocorredor Martin Sagrado REDD+ Project”, p.75. Available for download here: [https://s3.amazonaws.com/CCBA/Projects/Biocorridor_Martin_Sagrado_REDD %2B_project/PDD+REDD+Biocorredor+Martin+Sagrado+CCBA+-+V4.0+%281%29](https://s3.amazonaws.com/CCBA/Projects/Biocorridor_Martin_Sagrado_REDD%2B_project/PDD+REDD+Biocorredor+Martin+Sagrado+CCBA+-+V4.0+%281%29).

03

REDD Projects according to Pur Projet: are these projects really any different?

Pur Projet likes to claim that it *“has developed strong socio-environmental value and above the observed average quality carbon projects.”*⁽²⁶⁾ Moreover, Pur Projet stresses that an added benefit of their projects is the inclusion of communities located within concession areas. Even if it is true that over the course of our interviews and field mission, we saw a genuine willingness to “do things right”, the fact remains that the projects developed by Pur Projet pose the same fundamental problems as other carbon compensation projects and, more specifically, they have not been guided by any proper consultation.

3.1 Building ambiguous partnerships with cocoa producers’ associations in order to secure the transfer of carbon rights

Pur Projet’s strategy for obtaining the transfer of carbon rights relies on their familiarity with the cocoa producers of San Martín. These are producers who worked with Alter Eco to export fairtrade coffee and chocolate.

Pur Projet created a local association, the Fundación Amazonía Viva, based in Juanjuí (San Martín region), which is responsible for implementing activities on the ground and maintaining good relations with the producers’ associations. The associations sign contracts with the regional government to obtain conservation concessions, subsequently handing over the entirety

of the associated carbon rights to Pur Projet through further cooperation contracts (see section 3.5).

This was how the ACOPAGRO cooperative (cocoa producers) gained the Martín Sagrado conservation concession, the APAHUI association (Asociación de Productores Agropecuarios de Huicungo) gained the Monte Cristo concession and the APROBOC association (Asociación de Protección de bosques Comunales Dos de Mayo) gained the El Breo concession. Controlled by a single titleholder, together the concessions cover a total surface area of 300,000 hectares known as the “Biocorridor San Martín”.



Interview with the Fundación Amazonía Viva. Roldán Rojas Paredes, director of the foundation gives a presentation about its activities.

²⁶ See the Pur Projet website: <http://www.purprojet.com/fr/co-benefices>.



On the outskirts of the villages (image shown of Shambuyaco), farmers grow cocoa, bananas and vegetables on small parcels of land ("chakra").

There are several reasons why this strategy is problematic. Firstly, it assumes that the cocoa producers' cooperatives are representative of the communities as a whole, an extremely dubious assumption. But, as admits Alexander Beccera, REDD reforestation project manager for ACOPAGRO, the members of this cooperative only represent a small minority of those working in the cocoa industry: *"ACOPAGRO works in 4 provinces: Mariscal Cáceres, Huallaga, Picota and Bellavista, which equates to about half of the San Martín region."* Moreover, this cooperative's activities are concentrated in the valleys near Juanjuí, whereas the Martín Sagrada concession covers a large mountainous area. Certain villages located in this concession (Canaán and La Morada) or on its outskirts (Añazco Pueblo and Los Chilchos) are several days journey from the ACOPAGRO headquarters in Juanjuí (San Martín). In these villages, most of the farmers produce coffee rather than cocoa and no one is a member of ACOPAGRO, whose approach has been criticised by Jan de Vermeer from the NGO Ucumari (Los Chilchos): *"Why do ACOPAGRO want to create a conservation area in the mountains when their activities impact on the forests in the valleys where there is a great deal of deforestation? Why doesn't ACOPAGRO set up its projects over there? On the contrary, ACOPAGRO*

doesn't like hearing talk of conservation on the lands it uses for cultivation because it needs to keep producing more cocoa. All of which leads me to believe that its true motivation is not the protection of the forests."

In order to implement activities aimed at reducing deforestation, the Fundación Amazonía Viva has drawn up new contracts with the producers' associations that have been created in the villages for the purposes of the project. Amazonía Viva considers the creation of these associations to be a model of participative democracy as one of their project leaders, Neis Batra Ramirez, explained to us: *"Each community holds an assembly which resolves to create an association whose council will then choose a community manager. This community manager builds a team including an administrative manager and various officers responsible for development, conservation or even environmental education. It is the community manager who acts as interlocutor with Amazonía Viva and who receives the transfer of funds."* When we talked to representatives from Amazonía Viva, we discussed the risk of weakening traditional community structures by creating these producers' associations and of generating tensions by giving new powers to new people. Roldán Rojas Paredes, director of the Fundación Amazonía Viva, responded: *"We have unlimited patience when it*

comes to explaining that the association must remain democratic and open to the community, and must try to profit the greatest number of producers possible, because we have enough reforestation funds for the whole community, so it's better if everyone is part of the association."

When we asked why traditional community associations could not be called on, he replied that they did not have the capacity to manage funds: *"In order to allocate funds and prove that they have been properly spent, we*



The Huayabamba valley and its surrounding villages. The villages of Canaán and Añazco Pueblo are situated in the mountains.

need an association with a public register. It is a way of bringing democracy to the economy." We understand the usefulness of creating such an association to implement a project but we believe it is preferable that consultation with, and the agreement of, communities be articulated firstly through the democratic structures that already exist.

In the course of our field mission, we were not able to visit all the communities but chose to concentrate our attentions on the villages situated at the heart of the Martín Sagrado conservation concession (Canaán and Añazco Pueblo), which logic dictates will be more greatly affected than the riverside communities to the east of the concession. The testimonies we gathered in Canaán show that the system put in place by the Fundación Amazonía Viva is far from democratic. As soon as we arrived in Canaán, the inhabitants spontaneously organised a village meeting with around 40 participants, a clear sign that people understand the importance of being within the Martín Sagrado concession. David Añazco, who was present for the negotiations with Acopagro and who is the current president of the newly-created producers' association supported by the Fundación Amazonía Viva (Canaán Association of Agro-ecological Producers), spoke and was forced to justify himself. The inhabitants complained to him that this association has a register, very similar to the community's official register, which is at the root of a great deal of incomprehension, as one of the members of the meeting explained: *"The people never decided anything, there is no decision noted on the official register. We were only told after the concession had been granted"* and someone else added: *"They never had a meeting with everyone. Sometimes there were meetings, but not many people knew about them. It's wrong to claim that we all agree... We do not all agree."*

Fundación Amazonía Viva activities in the villages of the Huayabamba Valley

The activities of the Fundación Amazonía Viva are concentrated to the east of the Biocorridor Martín Sagrado, near to Juanjuí, in the villages of Dos de Mayo, Santa Rosa, Pucapillo and Huicingo⁽²⁷⁾. It has supported numerous initiatives such as beekeeping, fish farming, cocoa processing, tree nurseries, the purchase of solar energy materials, boats and radio equipment. Due to time constraints, we were not able to visit these projects but we feel it is important to mention them. Without wanting to take anything away from these initiatives, it is also important to understand that these villages are not directly affected by the creation of the conservation concession because they are situated on its outskirts, in the buffer zone. No land use restrictions are expected to apply here unlike in villages in the central zone such as Canaán.

27 Pur Projet has created a 3D video, which gives a better idea of the area: <http://www.youtube.com/watch?v=3nTu2KnmWmw>.



“Canaán, land of hope” is written in paint on the gateway at the entrance to the village.

3.2 Concessions created without proper consultation with communities

We have tried to understand the conditions in which the Martín Sagrado conservation concession was granted in order to verify whether the communities concerned were engaged in free, prior and informed consultation.

When we spoke with ACOPAGRO and the Fundación Amazonía Viva, we were assured that the communities had been consulted and that people had agreed to the creation of the conservation concession. But in the case of the villages we visited inside the concession, the documents we were shown reveal that these consultation meetings took place outside the villages (in Chuquibamba and in the community of Leymebamba) with some people present but not necessarily those representing the community. Moreover, the information provided was fragmentary (in particular, no information was given regarding the restrictions entailed by the

creation of a conservation concession, nor regarding the financial means for managing the area). This procedure falls far short of the international requirements for free, prior and informed consultation with communities⁽²⁸⁾.

The first meetings organised in the villages of the conservation concession took place between November and December 2012 yet the technical proposal to create a concession was approved on 27 March 2012 and the resolution to transfer rights was passed on 19 April 2012.

When we interviewed the representative from the regional government of San Martín, we asked what methods had been used to consult the local population, as there are no clear guidelines provided for in national law. Miguel Alva Reategui, Director of the Executive Committee for the Administration and Conservation of Natural Resources (DEACRN, one of the offices of the ARA), explained to us: “*Before granting a conservation*

²⁸ See, for example, the recommendations of the Forest Peoples Programme on “Free, Prior and Informed Consent”: <http://www.forestpeoples.org/guiding-principles/free-prior-and-informed-consent-fpic>.

concession, we engage in preconsultation. The preconsultation takes 30 days and a notice is published in the official newspaper. We visit the communities and we organise a public participation meeting.”

Not only is this period too short to allow communities the time to understand what is at stake but, what is worse, many were left with the feeling that it was a done deal and that they had little choice but to negotiate with ACOPAGRO and the regional government. An inhabitant from the village of Añazco Pueblo told us: *“We learnt about this project for a conservation concession in the public journal, almost by mistake because this information is not easily accessible. It was the inhabitants of Leymebamba who told us because they found out that their land was included in ACOPAGRO’s concession.”*

Marco Salas from the NGO Ucumari did indeed discover the overlap in the nick of time: *“ACOPAGRO wanted to establish a concession area with no regard for the territorial borders of the community of Leymebamba. The limits of the concession were completely arbitrary. Luckily, some acquaintances of mine let me know about the project and I realised straight away that it included just over 11,000 hectares of Leymebamba land.”* Ucumari immediately appealed to the regional government and ACOPAGRO and succeeded in having the villages of Los Chilchos and Añazco Pueblo, which belong to Leymebamba, removed from the conservation concession but Canaán and La Morada remained inside the area because the regional government of San Martín considers these villages to come under its jurisdiction. Marco Salas added: *“There are still certain areas of overlap, especially with the lands used by the inhabitants of Añazco Pueblo. Their houses fall outside the area, but not their fields.”* The inhabitants of Añazco Pueblo are very wary of the Fundación Amazonía Viva and ACOPAGRO: *“They told us that Añazco Pueblo was free [outside the concession] yet we still have land*

inside their concession. They are not welcome here because quite honestly they have come to mislead and cheat us.”

Jan Vermeer, a member of the NGO Ucumari, summed up his feelings: *“This concession was drawn up from behind a desk, without talking to people and without visiting the area. At the very least they could go and ask the people if they want this concession before defining its borders. If they had done that the communities of Los Chilchos and Añazco Pueblo would have told them that it was not possible because their land belongs to Leymebamba and all these problems would have been avoided. Now, people here are very wary of them and that’s a shame... they’re going about things the wrong way: they make a plan and afterwards they ask if people agree, and that is just not going to work.”*

The inhabitants of Canaán also feel they have been cheated and that no proper consultation took place other than with a couple of controversial figures. When we met with the inhabitants, we read out to them a presentation document available for download on Pur Projet’s website which explains: *“Three communities situated to the north of the project zone (La Morada, Canaán and Añazco Pueblo) are actively involved in the project (Martín Sagrado concession). They are located in the eastern Andes, on the slopes of the mountains overlooking the Huabayacu river, far from other villages. A road construction proposal was posing a serious threat to the local forests, and the 225 families living in these communities decided to join forces with the Fundación Amazonía Viva in order to preserve the natural resources and biodiversity from which they benefit. A team visited the area in November 2011 to get to know the inhabitants of the villages and draw up a work plan⁽²⁹⁾.”* The inhabitants’ surprise was palpable, and they immediately and unanimously denied this description of events.

29 <http://www.purprojet.com/images/u/MARTIN%20SAGRADO%20rapport%20Juin%202012%20V0.1.pdf>, p.15.

Timeline for the creation of the Martín Sagrado concession

2010 - ACOPAGRO files an initial application with the regional government of San Martín to create a conservation concession of 117,830 hectares.

1 Sept 2011 - The first coordination meeting takes place in Chuquibamba with ACOPAGRO, two representatives from the regional government and the mayor of Chuquibamba.

18 Sept 2011 - A second meeting takes place in Chuquibamba but this time representatives from Canaán, Añazco Pueblo (no names are specified) and La Morada (Profirio Marin Rojas) are invited. Those present agree to ACOPAGRO creating a conservation concession and ask for meetings to be held in the villages. No information is provided on land rights restrictions that will apply as a result of the concession. ACOPAGRO hands out t-shirts and solar lamps to participants.

22 Nov 2011 - A meeting is held at the seat of the regional government of San Martín in Moyobamba. There to represent the communities of Canaán and Añazco Pueblo are David Añazco Bardales, Elizabeth Cruz Martin and Fabian Añazco and for the community of Leymebamba, Roberto Rios Ccama. The representative from Leymebamba explains that there is a problem of overlap: 11,200 hectares of the conservation concession lie on land owned by the community.

16 & 18 Dec 2011 - Meetings take place in Leymebamba to discuss the specific problem of overlap.

2 Feb 2012 - The regional government asks ACOPAGRO to amend its application in order to avoid the overlap.

8 Feb 2012 - ACOPAGRO agrees to alter the borders of the concession area and removes 11,200 hectares.

27 Mar 2012 - The regional government accepts ACOPAGRO's technical proposal

19 Apr 2012 - The regional government grants the conservation concession to ACOPAGRO, which will cover a surface area of 108,818 hectares. But the surface area should have been 106,630 hectares (the initial 117,830 hectares requested minus 11,200 hectares belonging to the community of Leymebamba). So there are still 2,188 disputed hectares.

Oct & Nov 2012 - The Fundación Amazonía Viva appoints a company, CREAR, to carry out awareness-raising workshops in the villages but no workshops take place in the communities of Canaán and La Morada.

22 Nov 2012 - CREAR conducts a socio-demographic study of the populations of Canaán, Luz del Oriente and Añazco Pueblo.

16 Nov – 20 Dec 2012 - ACOPAGRO organises several meetings in the villages, including Luz del Oriente, Canaán, Añazco Pueblo and La Morada, to discuss the management plan for the conservation concession.

Feb 2013 - CREAR organises several workshops in the villages to raise awareness about the carbon market. No workshops take place in Canaán, Luz del Oriente, Añazco Pueblo or La Morada.

24 Feb – 1 Mar 2013 - The Fundación Amazonía Viva visits the communities of La Morada, Canaán, Añazco Pueblo and Triangulo de la Esperanza. During the visit to Canaán, the agroecological producers' association of Canaán is formally set up. This association is presided over by David Añazco Bardales and 5 other people. Minutes are taken during the meeting. Very few members of the community appear to have been invited. In Añazco Pueblo, the NGO Ucumari is not invited even though it supports the community's management of its Private Conservation Area. In La Morada, the meeting is cancelled due to lack of attendance.

In order to reassure its clients, Pur Projet asked the company SCS Global Services to audit the project in order to receive validation⁽³⁰⁾ from the Climate, Community and Biodiversity (CCB) Standards. But the CCB Standards offer no real guarantee and numerous controversial projects have received validation. We also noted that rather than visit communities located inside the concession (Canaán, Añazco Pueblo and La Morada) the auditors went to those situated on the outskirts to the south. Christie Pollet-Young, who supervised the audit, explained why: *“An audit is carried out according to the methodology of risk management. Because we are not able to visit all the communities or take measurements of all the trees within the project area, we use a sample and we only audit those communities most at risk from the project and its activities.”* But if this were the case, why did they only visit communities living on the very edge of the conservation concession who are unlikely to be greatly affected by the land use restrictions, and not those communities living inside the concession? We believe it comes down to a question of access, which is much more complicated for the villages in the north of the concession that can only be reached by several days walk in difficult conditions. The other villages, situated to the south on the edge of the concession, can be reached by a boat ride up a magnificent valley (perhaps a more tempting proposition for the auditors who only spend a couple of days in the area...)

3.3 A project that aggravates conflicts over land and creates land insecurity

The villages of Añazco Pueblo, Canaán and La Morada have not long been in existence (30–40 years). They were established by and grew with the successive waves of immigrants arriving from the regions of Cajamarca and Amazonas (in particular the provinces of Chuquibamba and Jaén). The lack of clear land tenure seriously undermined the strength of the community.

What is more, the conservation concession project has aggravated the acute tensions already existing over land. The villages of Añazco Pueblo, Canaán and La Morada are, in fact, on the border between two regions, San Martín and Amazonas. Although it is the region of San Martín that granted the concession to

ACOPAGRO, the communities feel that they belong to the region of Amazonas, which funds their schools and other services. Access to Canaán, via the community of Luz Oriente, is now highly restricted and according to the villagers of Canaán, the *ronda campesina* (a sort of peasant militia) in Luz Oriente blocks people coming from San Martín. The number of people travelling out to participate in discussions with the Fundación Amazonía Viva must have been very limited and one person who tried had problems with the *ronda campesina* who apparently was forced to hop up and down singing “Que vive Amazonas!” (the region).

Obviously it’s impossible to know exactly what happened, it seems unlikely that representatives from ACOPAGRO would have behaved in such a manner, but this kind of testimony illustrates the tensions created by the conservation concession.

Moreover, having read the minutes of various meetings and having talked with communities, it is obvious no clear information was given regarding the land use restrictions necessarily entailed by the creation of a conservation concession. However, land use restrictions are central to the mechanism that allows Pur Projet to generate carbon credits. According to Pur Projet’s PDD, the agriculture practices of the communities are a principal cause of deforestation, if those practices change, Pur Projet will be able to claim they have generated carbon credits.

Neither Pur Projet, nor the Fundación Amazonía Viva wants to acknowledge that the rights of communities will be limited even though no plan for land use micro-zoning was approved prior to the concession being granted. Such a plan would at least have allowed communities to secure farmland whereas they will now be obliged to negotiate for land with the concession holder and the regional government. When we asked Miguel Alva Reategui why no micro-zoning had been carried out before the concession was granted, he responded: *“The documentation is not clear regarding what has to be done and when. I am being asked to move forward with the process of granting concession areas even though I can see perfectly well that there are many unresolved problems on the ground.”*

The director of the Fundación Amazonía Viva sought to

30 See the report “REDD Plus or REDD ‘Light’? Biodiversity, communities and forest carbon certification” published by the Swedish Society for Nature Conservation in 2013.

reassure us when we asked him whether he believed the inhabitants of Canaan were aware that their use of the land would be restricted: *“People know there is a conservation area which is, as the name suggests, for the purposes of conservation, not for land trafficking, or for forestry and that the Fundación Amazonía Viva and ACOPAGRO must develop alternative activities.”*

However, on the ground, the impression received by the inhabitants is very different and nobody in Canaan wants to reduce agriculture. On the contrary, the community aims to continue to welcome new inhabitants in order to gain administrative autonomy, as one inhabitant of Canaan told us: *“In 30 years time, Canaan will have tripled in size because it’s a very sought-after area with exceptional land.”*

Jan Vermeer from the NGO Ucumari, who is very familiar with the community of Canaan, explained: *“In 2011 and 2012, invitations were sent out encouraging new families to come and settle: 50 or so families took up the invitation and received a parcel of land and a field to clear. I don’t see how a REDD project can work in these conditions.”*

We asked David Añazco if these invitations had really been sent out and why. He replied: *“It’s true that we did send them out at the beginning but it was in order to have a population large enough to receive basic public services: education and health. But now our objectives have changed.”*

3.4 The possibility of tough sanctions

During our interviews we noticed that whether it be Pur Projet, ACOPAGRO or the Fundación Amazonía Viva, each presented the project to us by pointing out the benefits (beekeeping, botanical gardens, ecotourism) without ever mentioning the real implications and possible sanctions involved.

So we asked the Fundación Amazonía Viva and ACOPAGRO if they believed there was a risk of tougher sanctions being imposed on the communities because of the conservation concession. According to Alexander Becerra of ACOPAGRO, the situation is the same, with or without the concession: *“If you look at the government’s regional zoning plan, the entire area is*

already reserved for conservation, including community land.” A fact confirmed by Tiso Ruiz Rodriguez of the Fundación Amazonía Viva: *“If you look at the map, there shouldn’t be any communities here. Those in the north east sector [Canaán, La Morada and Añazco Pueblo] have come from Cajamarca or de Bagua looking for land. But this land is intended for conservation.”*

But once an area is classed as a conservation or protected zone, any activities within the area become subject to article 310 of the Penal Code which deals with forestry offences: *“It is punishable by a minimum of three and a maximum of six years imprisonment, and with a 40 to 80 day community service sentence, to destroy, burn, damage or cut, all or part of the forests or tree formations, whether natural or planted, without permit, licence, authorisation or concession granted by the competent authority.”* Alexander Becerra from ACOPAGRO added: *“The law is clear and if we were to respect it to the letter, we would have to denounce all these people but in practice it’s not possible because they have been living there for years.”*

According to the Fundación Amazonía Viva and ACOPAGRO, no evictions are expected but the communities will have to enter into discussions with the concession holder: *“If there is a community inside the concession area, the regulations state that the concession holder must hold discussions with that community in order to define the scope of their activities so they can be granted rights of use but only in the zone where they work.”* The manner in which discussion should take place between the concession holder and the community is poorly defined by the law. But article 37 of the Forestry law clearly stipulates that no land titles can be issued: *“It is prohibited to assign land titles, certificates or proof of ownership to public land that is principally an area of protected forest ... This shall not prevent the allocation of real rights under the terms of land use rights contracts, in exceptional cases and subject to rigorous conditions for environmental sustainability, in specially designated areas.”*

In a letter addressed to Friends of the Earth France prior to the publication of this report, Pur Projet claimed that no restrictive measures were envisaged: *“Far from wanting to restrict the rights of communities (under*

no circumstances!) or seeking to repress them, the project helps them to find their own solutions to their problems [...] We are well-aware that this non-restrictive approach to autodetermination is probably less efficient – in the short-term – at controlling deforestation; this is a disadvantage the project accepts in order to generate carbon credits [...] This point of view is shared by the government who, far from wishing to ‘punish’ the communities concerned, let’s be serious, are currently looking for outcomes that will benefit everyone and they see such participative projects as a means of resolving conflict.”⁽³¹⁾

Yet both the concession contract between ACOPAGRO and the regional government and the Project Design Document put together by Pur Projet have made explicit provision for repressive measures.

See, for example, some of the terms of the concession contract⁽³²⁾ :

Clause 6.1.d: *Demand the support of the administrative authorities, the assistance of the National Police of Peru, the Public Ministry and the Armed Forces to detect and punish any illicit activity; including land trafficking and migrant occupation of sites belonging to the concession.*

Clause 8.1: *All parties are aware that growing populations may appear within the area and it is possible that some of them will seek short-term revenue. In the event that the population should act in a manner contrary to the objectives of the concession, the concession holder is obliged to immediately inform the ARA officer who will enforce the contingency measures identified in the Management Plan for such cases.*

Clause 8.3: *In the event that native, peasant or surrounding local communities engage in action that alters or affects the normal activities of the concession, the concession holder must immediately inform the competent authority and may also denounce any illegal occupation by migrants.*

The village of Canaán had not been given access to this document and during our visit we left them a copy. We saw their fear when we read these clauses aloud because nobody holds land titles and therefore anyone can be evicted at any moment.

In the Project Design Document put together by Pur Projet, the measures for “Control and Surveillance” are identified as the principal means (along with measures for “Sensibilization and Communication”) of reducing deforestation⁽³³⁾. These measures include the construction and maintenance of “control points” and “patrolling/forest guarding” in order to limit further forest encroachment, illegal logging and uncontrolled migration: “The project proposes to reinforce relationships between the team from the Fundación Amazonía Viva, the police and the military in order to create a group capable of preventing further forest encroachment, illegal logging, landclearing by fire and poaching [...] The project will provide financial support to local personnel to set up a rapid response unit capable of taking action in the case of illegal activity, in cooperation with the local government, the police and the military.” In the project budget, more than 7 million euros have been designated for the employment of twenty or so guards and 150,000 euros are intended for the cost of “bringing legal proceedings against migrant incursions into the concession area.”⁽³⁴⁾

Admittedly, whether the concession area existed or not, Forestry law already qualifies the communities’ presence as illegal because they are located, according to the regional zoning plan, in a conservation zone. But the position of these communities is not unusual because the zoning is very basic and within the region there is tacit acceptance of the status quo, pending local clarification on issues of land ownership. In contrast, the formal recognition of a new land title, the conservation concession belonging to ACOPAGRO, has blocked not only all hope of communities ever seeing their own land rights recognised but above all it has exposed them to repressive measures that could see them facing eviction or imprisonment.

3.5 A lack of transparency regarding profits

The Biocorridor San Martín is potentially a very lucrative project and will generate an estimated 8.8 million tonnes of carbon credit over 40 years.

The selling price is around 7 to 10 euros per tonne of carbon dioxide according to Pur Projet, equivalent to a total turnover of between 61.6 and 88 million euros.⁽³⁵⁾

31 Letter of 24 March 2014. The whole letter is available for download with the electronic version of this report at www.amisdelaterre.org/purprojet.

32 Contrato de concesion con fines de conservación, n° 22 – SAM / C-CON-RDE-001-12.

33 Pur Projet (2012) “Biocorredor Martín Sagrado REDD+ Project”. p.107. Available for download here: https://s3.amazonaws.com/CCBA/Projects/Biocorridor_Martin_Sagrado_REDD%2B_project/PDD+REDD+Biocorredor+Martin+Sagrado+CCBA+-+V4.0+%281%29.pdf.

34 Ibid., p. 111.

35 From an email of 10 February 2014

We have already outlined Pur Projet's strategy, which involves relying on producers' association and cooperatives in order to secure the transfer of carbon rights.

For example, the contract signed between ACOPAGRO and Pur Projet stipulates in article 5, entitled Exclusive Transfer of Rights relating to Environmental Services and Carbon: *"The ACOPAGRO cooperative promises the exclusive transfer of all carbon credits generated by the activities in the entire of the Martín Sagrado concession to Pur Projet, for the duration of the contract [...] this being a period of 80 years."*⁽³⁶⁾

This clause raises two major problems. On the one hand, at no point is there a definition of what the rights relating to environmental services and carbon might entail. Carbon is an element that can be found everywhere, in wood or in food, and the implications of an exclusive transfer of carbon rights could have serious consequences. On the other hand, the duration specified is unacceptable for a contract of this type: how is it possible to predict the state of the world in 80 years? Climate changes will certainly lead to population displacement, areas that were previously cultivated will no longer be suitable and others will become so: but this contract "freezes" the land for 80 years.

Another article (2.g) explains that: *"70% of the net sum of carbon credit sales will be used to fund project activities"*. For Pierric Jammes, Managing Director of Pur Projet, this means that: *"a minimum of 70% of the budget is returned to the communities."*⁽³⁷⁾ When we asked Pur Projet for further details, their Managing Director suggested we take another look at the project budget: the total budget required is estimated to be around 42 million euros over a period of 40 years and the budget currently available stands at around 1.2 million euros (as of the end of 2013).⁽³⁸⁾ But in terms of budget provisions, we believe only reforestation activities (4% of the budget) and the development of renewable energy sources (>0.5%) could be considered as beneficial to communities. All other expenses –96% of the budget – have been allocated for management and certification costs, a figure which Pierric Jammes justifies thus: *"Initial certification costs are high due to the need for satellite images, baseline scenarios*

etc. but these costs will gradually become diluted and over time, as the project advances, so the proportion of the budget allocated to such costs will diminish in relation to other activities; the same is true for setting up the Pur Projet organisation, which also represented a large percentage of the budget for the initial project launch." Nevertheless, the global project budget makes it impossible to determine exactly what proportion of funds will be returned directly to communities (for example, by specifying the amount allocated to pay the salaries of *Fundación Amazonía Viva* staff or for the purchase of equipment for the communities). This ambiguity is compounded by the lack of any clear definition of "net sum", in particular a list of the exact costs that are deducted from the sale of carbon credits in order to calculate what amount should be returned to communities. One of the major problems with REDD projects is that transaction costs (technical support, consultant hire, carbon measurement, accreditation fees) can be very high.⁽³⁹⁾

Moreover, during our interviews with the communities we remarked that no information had been given regarding funding sources or how the benefits from carbon credits would be shared. One inhabitant from the community of Añazco Pueblo told us: *"They told us they wanted to support us. They said they didn't want to exclude us and that they wanted to offer us support. We asked them: What is in it for you? They told us that they just wanted to help. And when we asked them where the funding was coming from, we never got a clear answer. We think they had too much money, and that's why they wanted to help us."*

We also asked Miguel Alva Reategui from the regional government in San Martín if the regional government understood where funding was coming from and if a tax had been levied but he said that no information had been received on that subject. We posed the same question to Pierric Jammes, who confirmed: *"The regional government does not receive anything"* but funds are being set aside *"in the event of a future international REDD agreement being reached and the Peruvian government subsequently deciding to sell or tax REDD credits."*

36 "Contrato entre la cooperativa Acopagro y the pure project" (3 July 2012). Whole document available for download with the electronic version of this report here: www.amisdelaterre.org/ibidpurprojet.

37 From an email of 10 February 2014.

38 Ibid.

39 See, for example, the report published by FERN and Amis de la Terre France "Le carbone discrédité" (Carbon discredited) in 2013. Available for download here: http://www.amisdelaterre.org/IMG/pdf/nhambita_fr_internet.pdf

The abandoned REDD project in Yurilamas and Shambayaco

During our visit to Yurilamas, the community told us that Tristan Lecomte, representative for Pur Projet, came to see them in 2010 to propose a REDD project. One community inhabitant, Señor Moraima, related: *“Tristan Lecomte came to make us prick up our ears, by explaining that there was lots of oxygen and carbon here. He offered to sell our oxygen and carbon for us, for which he proposed to pay us 1 sol [0.28 euros] per hectare if would commit to a 40-year agreement.”*

The community leader, or Apu, for the community of Yurilamas, Belquis Sangama added: *“We didn’t really understand all his business talk. What is more, the contract he wanted us to sign was written in a foreign language. It was all too complicated. When he first came he talked about a 2-year contract, then 5 years, then finally 40 years.”* Moreover, the villagers were worried that their access to the forest would be restricted as one inhabitant told us: *“They explained that it would be forbidden to clear the forest and that we had to*



Interview with Tercero Salas, the Apu (community leader) of the community of Shambuyaco.



The community of Yurilamas is made up of a hundred or so families who live in a forest area covering more than 35,000 hectares. The only access route is via a forest path. It is roughly a ten-hour walk from Yurilamas to Shambuyaco.

stop using wood for cooking but use gas instead. But we don't use gas here, we prefer to cut down a tree and dry out the wood for fuel." The aim was to protect the entire of the area, as the Apu explained: "They wanted to take all our forest, that's 33,000 hectares, but the people were against it because agriculture is our livelihood. In the end, things started to get heated and some people even threatened that the next time he came here, they were going to tie him to the Tangarana [a plant covered in ants that sting causing fever] and he never returned so we didn't sign anything."

The native community of Alto Shambuyaco, starting point for the only route up to the native community of Yurilamas, also received a proposal for a REDD project and a contract to preserve the community's 2,348 hectares of forest. After the community of Yurilamas refused his proposal, Tristan Lecomte did not return to the community of Shambuyaco for discussion but nobody knows if a contract was actually signed or not. A document was definitely presented to the community but no copy was left behind. The Apu of Alto Shambuyaco told us: *"The document was all in a foreign language, we didn't understand anything about what was going to happen, but I knew he wanted it for 40 years. For us it was absurd, because 40 years is far too long, you can sign a contract for 5 years, 2 years, but 40 years..."*

As for the regional government, they had no idea about these direct visits to the communities, as Señor Ramirez of the ARA told us: *"We don't know what was presented and discussed with the communities, it is important that the government knows what is going on as well... We need to be sure that clear information is provided."*

Although Pur Projet didn't set up a REDD project with the community of Shambuyaco, the organisation is nevertheless managing a reforestation project that is also generating carbon credits. The aim is to plant 2 million trees and in order to do that Pur Projet is supported by another cocoa cooperative, Oro Verde, which offers individual contracts to plant trees. For each tree, the contract provides an allowance of 1 sol (0.27 euros), which is very little when you consider that the contract also states that all related carbon credits will be transferred to the Oro Verde cooperative and that any sales of wood must take place exclusively via the Oro Verde cooperative.⁽⁴⁰⁾ What is more, in the end, the villagers only received 80 cents of a sol (0.22 euros) per tree. We asked Hildebrando Cardenas, a manager for Oro Verde, to explain: *"Those 20 cents are for transport and administrative costs. It's true, this was not mentioned in the contracts but we only realised afterwards."* We asked Hildebrando Cardenas what he understood of the carbon market and if he knew that Pur Projet resold the carbon credits in France; he admitted that it was all a mystery to him.

40 Contract available in appendix

Conclusions and recommendations

Planting a tree is not a game, as Tristan Lecomte, founder of Pur Projet, likes to point out, but an act of appropriating or claiming land. As in many southern hemisphere countries, the forests of Peru are at the root of many conflicts, the consequences of a complicated history. In the region of San Martín in particular, most communities have no clearly recognised form of land ownership and are therefore being confronted by a new form of land monopoly in the pursuit of carbon compensation.

The emergence of international debate on climate change has led to a reduction in global greenhouse emissions, according to the principle instituted by the United Nations of “common but differentiated responsibilities”. But the logic of the REDD mechanism is exactly the opposite: if a company pollutes, it can compensate for its emissions by buying carbon credits, through organisations such as Pur Projet, by planting trees, or financing a conservation programme in a southern hemisphere country. Not only is this mechanism ineffective in terms of combatting climate change, it is also socially unjust because it transfers responsibility for the environment from the richest to the poorest members of society.

Clearly, the risk run by REDD is a return to the model of “fortress conservation” that dates back to the 1970s and 80s, in which local populations were singled out as being the principal “agents of deforestation” – an expression that we find again today in REDD project documents. We are well aware that responsibility for the problems we have identified does not lie solely with Pur Projet. In the region of San Martín, it is impossible to make a serious attempt to reduce deforestation without reconsidering policies that support government extractive industries and cause the displacement of thousands. Who is responsible for deforestation? The migrant peasant who clears a parcel of land in order to be able to feed himself, or the company that forced him to leave his homelands in order to open a mine?

For the attention of Pur Projet:

- Recognise that the system of forest carbon compensation has an extremely dubious scientific basis and is used principally by corporate polluters to maintain a “green” image while engaging in activities that increase climate change.
- Propose that partner companies identify and undertake wide-reaching actions that will reduce their greenhouse gas emissions at source and, should they wish to, that they provide further funding within the framework of corporate sponsorship schemes to international solidarity projects not associated with carbon compensation.
- Amend the Project Design Document (PDD) and recognise that the principal agents of deforestation are the mining companies and other extractive industries. Thus the onus to reduce deforestation should be on them, and not on the communities whose choices are limited by poverty and the insufficient or lack of recognition of their rights.
- Rigorously implement the principle of free, prior and informed consent with communities, in particular by explaining the disadvantages (land use restrictions) that are entailed by projects.
- Pay the villagers of the community of Shambuyaco 1 sol (0.27 euros) for every tree planted as agreed in the contract, not 80 cents (0.22 euros), which amounts to a difference of 100,000 euros for 2 millions trees.
- Appoint an outside mediator to explain what is at stake to communities living inside conservation concessions and agree, where necessary and with the approval of the regional government, to make changes to the areas of land included.

For the attention of the national and regional authorities of Peru:

- Halt the policy of developing the extractive industries that cause environmental damage and population displacements towards forest areas. In particular, abandon the Congo copper and gold mining project in the region of Cajamarca, which risks significantly increasing the pressure on the forests of San Martín.
- Revise the procedure for creating a conservation concession in order to regulate for proper consultation with the communities concerned.
- Speed up the clarification of land ownership, in particular by recognising the rights of indigenous communities.
- Recognise the right of recently formed communities (internal migrants) to cultivate land in order to feed themselves and work together with those communities to find solutions for stabilising their villages by investing, for example, in agroecological programmes.
- Finance policies for conservation and community support through environmental taxes on corporate polluters in Peru.

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Their comments are available for download here :

www.amisdelaterre.org/purprojet

Friends of the Earth France is a non-profit environmental and human rights network, independent from any religious and economical power that campaigns for the protection of human rights and the environment. Created in 1970, it helped to found the ecological movement in France, as well as the first worldwide ecological network: Friends of the Earth International, with member groups in 77 countries, and 2 million members.

Friends of the Earth France is a network which brings together around 30 independent local groups which take action according to their local priorities, and organise national and international campaigns on the basis of a common commitment to social and environmental justice.



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