

The carbon offset market: Leveraging forest carbon's value in the Brazilian Amazon

April 6 2019

As companies seek and are required to reduce their greenhouse gas emissions, the world's carbon markets are expanding. A government-run program in the Amazon rainforest in northwestern Brazil transforms forest carbon value into public wealth by focusing on labor rather than land rights. In the Brazilian state of Acre, some of the revenue from carbon credits is distributed to rural laborers and family farmers without land rights. A Dartmouth study just published examines Acre's forest carbon program, and the benefits and risks associated with this approach, including the potential impact on labor, state power and efforts to prevent deforestation. The study's findings are published in the *Journal of Peasant Studies*.

"In resource rich areas in the rainforest, powerful actors have often profited at the expense of indigenous peoples and other local communities, who are often displaced from their land. Efforts to value [forest](#) carbon threaten to do the same. Through Acre's carbon value program, in contrast, the state government attempts to create an inclusive, green economy in a way that also expands its social welfare initiatives. There are also risks to this approach" says study author, Maron Greenleaf, a lecturer and research associate in the department of anthropology at Dartmouth College.

In many other forest carbon credit programs, land has to be privately owned. In contrast, "through Acre's system, poorer people are not excluded from forest carbon's value because of their lack of formal land rights. Rather, many benefit from it," explained Greenleaf. "This is an

example of how we're seeing environmental policy being harnessed to create new kinds of economies."

Acre's 2010 System of Incentives for Environmental Services (SISA) focuses on [environmental services](#), including carbon sequestration, to protect the approximately 86 percent of the state (total of 164,000 sq km) that is forested. SISA's carbon program is an example of [Reducing Emissions from Deforestation and Forest Degradation \(REDD+\)](#), which prioritizes sustainable forestry management and conservation practices to combat climate change.

With Acre's 2017 agreements with Britain and Germany, and others, demand for Acre's forest carbon value appears to be relatively strong. One such agreement is Acre's 2010 Memorandum of Understanding with California. This month, the [California Air Resources Board](#), which regulates the carbon market within the state, will determine whether or not to adopt the "Tropical Forest Standard." Considered to be a model of tropical forest protection, Acre is the most likely jurisdiction to be approved under the Standard, which would allow for its [carbon credits](#) to be purchased by California-based companies. This would be the first time that REDD+ credits are accepted into a cap and trade market.

Greenleaf's insights on Acre's carbon offset program are based on her fieldwork conducted in 2012 and 2013-14. As part of her research, she interviewed "rural producers," who practice small-scale farming for subsistence and markets, and engage in local wage labor and/or cattle ranching. These include "posseiros," who have land claims based on informal possession.

In the study, Greenleaf discusses the complexity of the land tenure process in Acre. There may be land conflicts and land usage, which may be dictated by culturally specific arrangements, including overlapping individual and/or collective claims—nuances that are not reflected on

maps. She explains how if REDD+ was not administered by the Acreano Government, many rural laborers and family farmers might not be able to participate in this program; obtaining formal title from the government can be challenging or next to impossible, requiring resources and documentation that many lack.

Shifting allocation of carbon value to "green labor" provides an alternative that bypasses some of the challenges associated with the recognition of land rights, but does not eliminate them, as seeking land title is not only a path for upward mobility for the poor but also integral to identity and status. Even if rural laborers lack sufficient evidence to demonstrate formal land claims, Greenleaf explains how the small economic benefit that they may receive from the state could help make their land claims "less easily dismissed" in the future. At the same time, she points out that this model reinforces Acre's state power and enables the government to make decisions over the land "as forest carbon's presumptive owner." The question looms as to whether Acre's progressive, [carbon](#) value program will continue on its path of inclusive forest protection, particularly in the wake of the 2018 Brazilian elections, and whether other entities will look to adopt this model.

Provided by Dartmouth College

Citation: The carbon offset market: Leveraging forest carbon's value in the Brazilian Amazon (2019, April 6) retrieved 19 July 2024 from <https://phys.org/news/2019-04-carbon-offset-leveraging-forest-brazilian.html>

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