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The Honorable Jerry Brown  
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29 April 2013

Dear Governor Brown:

As a longtime environmental researcher, I am writing to offer some timely cautions against the state of California's becoming involved in REDD and REDD+ offsets.

REDD is complex and very poorly understood, even – or should I say especially? – by specialists, proponents and practitioners. So let me break the issues down as simply as possible, drawing on my and colleagues' 30 years' experience and research on forest issues, public policy, cap and trade, carbon accounting, and offsets.

**(1) REDD is bad for the climate.** It punches holes in the cap (the only vaguely operative part of a cap-and-trade system, climatically speaking) by replacing emissions targets with fanciful new commodities whose climate impact, when not strongly negative in itself, will necessarily always be less positive than the emissions reductions with which, through various feats of counterfactual hocus-pocus, they are made “exchangeable”.<sup>i</sup> One of the reasons that REDD does damage to the climate even before it punches holes in caps is that it undermines existing systems of forest protection in the regions where it would be rolled out most extensively, in indigenous territories in Latin America, Africa and Asia.<sup>ii</sup> ***Bottom line:*** To continue to contemplate incorporating REDD or REDD+ offsets, in any form, in California's carbon trading system is a reputational disaster in the making for California policymakers. The toxic legacy of REDD would engrave the name “Jerry Brown” permanently in the “enemies of the environment” roster.

(2) To incorporate REDD or REDD+ into California's trading system is to take a step deeper into a **policy quagmire** at precisely the time when the state – mindful of the lessons of the European carbon trading experience – should be working flat out to extricate itself. REDD would make a bad job (cap and trade) doubly worse – first, by increasing the system's dependence on offsets and second, by increasing the role of biotic offsets in particular – at a time when wise policymakers should be working, first, to ensure that there are no biotic offsets contaminating the system,<sup>iii</sup> second, to eliminate all offsets from the system (since they invalidate the cap), and third, to drop the entire counterproductive regulatory approach of cap and trade, through which the state creates new rent-seeking mechanisms which slow action on climate change.<sup>iv</sup> It was partly because the EU Emissions Trading Scheme – now acknowledged on all sides to be a train wreck<sup>v</sup> – was allowed by ill-informed policymakers to acquire such institutional momentum in its early years that it became so difficult to abolish later, making its inevitable demise all the more painful for politicians who have invested in it. California is lucky in that it can learn from this experience and avoid waiting too long. Above all, the state needs to avoid building further institutions that lock in the rent-seeking and land-grabbing associated with carbon markets.<sup>vi</sup> Even the EU, for all the expensive mistakes it has made, has had the good sense to shun forestry offsets. ***Bottom line:*** California still has the chance to get out of cap and trade while the getting is good, avoiding the decade and a half of costly blunders that has rendered climate policy such a shambles in Europe and the rest of the world. Steering clear of REDD and REDD+ is a logical first step in the process of moving toward a straightforward policy of phasing out the use of fossil fuels in the state.

(3) REDD and REDD+ are **racist by their very structure**. They involve stealing from one group of underprivileged in one part of the world in order to be able to screw communities of color in another part of the world (excuse the technical language) – all in the service of extending the fossil fuel economy and blocking constructive climate action.<sup>vii</sup> In the case of California, this is most obvious in the developing agreements with the political elites of Acre and Chiapas, which would deprive rural residents in other countries of livelihood and rights while damaging the health of fenceline communities in California by licensing further pollution. ***Bottom line:*** To press ahead with REDD would be to court political scandal that would taint California environmental policy in general, and the name “Jerry Brown” in particular, long after the person himself left office.

I hope that California will be able to benefit from the research of the last 15 years on this subject and avoid involvement in REDD and REDD+.

Sincerely,



Larry Lohmann

cc:

California Communities against Toxics

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*Los Angeles Times*

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- i See, e.g., Larry Lohmann, "Performative Equations and Neoliberal Commodification: The Case of Climate", in Robert Fletcher, Wolfram Dressler, and Bram Buscher (eds.), *Nature™ Inc: The New Frontiers of Environmental Conservation*, Tucson, University of Arizona, 2013; "Marketing and Making Carbon Dumps: Commodification, Calculation and Counterfactuals in Climate Change Mitigation", *Science as Culture*, Vol. 14, No. 3 (2005), pp. 203-235; Lou Munden, *REDD and Forest Carbon: Market-Based Critique and Recommendations*, The Munden Group, New York, 2011; Chris Lang, "Disney's Commitment to Mickey Mouse REDD: Conservation International's Trick Baseline for the Alto Mayo Project in Peru", *REDD-Monitor*, 26 April 2013, redd-monitor.org; Lohmann, "The Endless Algebra of Climate Markets," in Patrick Bond (ed.), *Durban's Climate Gamble: Trading Carbon, Betting the Earth*, Durban, South Africa, Unisa Press (2011), pp. 179-207; "Toward a Different Debate in Environmental Accounting: The Cases of Carbon and Cost-Benefit", *Accounting, Organisations and Society*, Vol. 34, Issues 3-4, 2009, pp. 499-534; "Regulation as Corruption in Carbon Offset Markets," in Steffen Bohm and Siddhartha Dabha (eds.), *Upsetting the Offset: The Political Economy of Carbon Trading*, Mayfly Books, London (2010), pp. 175-191.
- ii See, e.g., Tracey Osborne, "Fixing Carbon, Losing Ground: Payments for Environmental Services and Land Insecurity in Mexico", *Human Geography*, Vol. 6, No. 1, 2013, pp. 119-33; No REDD Network, *No REDD Papers*, Vol. 1, Carbon Trade Watch and Indigenous Environmental Network, Portland, 2011; James Fairhead, Melissa Leach and Ian Scoones, "Green Grabbing: A New Appropriation of Nature?", *Journal of Peasant Studies*, Vol. 39, No. 2, 2012, pp. 237-61; Kathleen McAfee and E.N. Shapiro, "Payments for Ecosystem Services in Mexico: Nature, neoliberalism, social movements, and the state. *Annals of the Association of American Geographers*, Vol. 100, No 3, pp. 579-599; "Letter from Brazil Opposing REDD in California's Global Warming Solutions Act", *REDD-Monitor*, 29 April 2013; "Federation of Small Farmers in Peru attacks REDD: 'No REDD Projects! No Carbon Trading!'", *REDD-Monitor*, 26 April 2013; Kjell Kuhne, "REDD Resistance around the World", *REDD-Monitor*, 14 March 2013; Chris Lang, "Local Communities in Chiapas Oppose REDD: 'Why do the Wealthy Want to Impose their Will by Force?'" *REDD-Monitor*, 9 October 2012; etc.
- iii This is a pressing priority due to the nonequivalence in climatic terms between biotic carbon and fossil carbon. See, e.g., Helmut Haberl, "The Global Socioeconomic Energetic Metabolism as a Sustainability Problem", *Energy*, Vol. 1, No. 1, 2006; Jeffrey S. Dukes, "Burning Buried Sunshine: Human Consumption of Ancient Solar Energy", *Climatic Change*, Vol. 61, Nos. 1-2, 2003.
- iv See, e.g., Larry Lohmann, "Uncertainty Markets and Carbon Markets: Variations on Polanyian Themes", *New Political Economy*, Vol. 15, No. 2, 2010, pp. 225-254; "Neoliberalism and the Calculable World: The Rise of Carbon Trading", in Kean Birch, Vlad Mykhnenko and Katherine Trebeck (eds.), *The Rise and Fall of Neoliberalism: The Collapse of an Economic Order?*, London, Zed Books, 2010.
- v See coverage in Bloomberg, Reuters Point Carbon, Financial Times, and Environmental Finance for the last two years during which the EU ETS has been a "dead man walking", and especially for the last few months; e.g., Joshua Chaffin and Pilita Clark, "Europe's Carbon Market Left in Disarray"; "EU Carbon Vote Dooms Plan for Market Fix", *Financial Times*, 16 April 2013; Izabella Kaminska, "EU Carbon Allowances as the New Bitcoin", *FT Alphaville*, 16 April 2013; Ewa Krukowska, "EU Carbon Permits 'Worthless' Without Change of Rules, UBS Says", Bloomberg, 21 January 2013; Thomas K. Grose, "The European Union's Eight-Year-Old Emissions Trading System (ETS), the World's Largest Cap-and-Trade Carbon Market, is Broken", *National Geographic News*, 18 April 2013; "CDM Projects Face Rising Risk of Default", Caixin, 28 February 2013; "Failure to Fix EU Scheme may Hit other CO2 Markets: S. Korea", *Point Carbon*, 11 April 2013; etc.
- vi One illustration of the hazards involved is the momentum that resulted in the creation of a REDD Offsets Working Group whose terms of reference carefully exclude the no-REDD option from consideration, together with its being stacked with what everyone in the business knows to be a self-interested "REDD mafia" (with a few politically-naive academics or ex-foundation personnel sprinkled on top). Whatever one's point of view on REDD, this move yields a pretty high reading on the political foolishness meter.
- vii Via Campesina, Oilwatch, Rural Women's Assembly of Southern Africa et al., "Africans Unite against New Form of Colonialism: No REDD Network Born", World Social Forum press release, Tunis, 29 March 2013; "Amador Hernandez, Chiapas: Starved of Medical Services for REDD", [http://www.youtube.com/watch?feature=player\\_embedded&v=v6DAb6Y0Ji0](http://www.youtube.com/watch?feature=player_embedded&v=v6DAb6Y0Ji0); "Cap and Trade will Fail:

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An Interview with Alegria de la Cruz of the Center on Race, Poverty and the Environment”,  
[jeffconant.wordpress.com/page/2](http://jeffconant.wordpress.com/page/2); etc.