

Climate talks, REDD and palm oil: flights from reality

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Abstract

The conference in Durban South Africa showed that the UN climate talks remain hopelessly stalled. To circumvent this impasse, advocates of greenhouse gas controls seek to curb forest loss. As part of this effort, some activists focus on emissions from palm oil plantations; others push broader plans to conserve all tropical forests. Yet emissions from palm oil production are too small a part of the global total to make much difference. And both 'leakage' and governance problems will greatly hobble programs to preserve tropical forests. Frustrated, the World Bank and others are trying to use market power to induce palm oil plantations to adopt more 'sustainable' practices. But limits on their market power imply that such efforts are more likely to segment the world palm oil market than to cause large changes in production practices.

Key words

climate change, UN climate talks, Durban Platform, palm oil, REDD, tropical deforestation, greenhouse gas emissions, leakage, RSPO.

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1. Organized hypocrisy at Durban

The UN climate talks in Durban South Africa were said to be a success. If so, it is an odd



Table 1

Source: MPOC & APOC, "Palm Oil Development and Performance in Malaysia" (February, 2010)

other oil seeds.⁸ This high productivity implies



These programs are already likely to increase pressures worldwide to expand crop cover.

Our prospective analysis of the impacts of the biofuels boom on commodity markets focused on the 2006-2015 time period, during which existing investments and new mandates in the US and EU are expected to substantially increase the share of agricultural products (e.g., corn in the US, oilseeds in the EU, and sugar in Brazil) utilized by the biofuels sector. In the US, this share could more than double from 2006 levels, while the share of oilseeds going to biodiesel in the EU could triple... When it comes to assessing the impacts of these mandates on other economies, the combined policies have a much greater impact than just the US or just the EU policies alone, with crop cover rising sharply in Latin America, Africa and Oceania as a result of the biofuel mandates.¹¹

Movement of Landless Peasants block reform.¹⁵ In Indonesia, which is currently making just such an effort, clarifying tenure and law will require reconciling clashing property rights systems, deciding the claims of rival ministries, and resolving disputes between local and regional governments and Jakarta—disputes that stretch back, literally, to colonial times.

Some factors, it is true, could constrain the extent of leakage. Currently, tropical forest loss is largely centered in a few countries. In the recent past, Indonesia, Brazil, and Malaysia have accounted for over 60 percent of global tropical forest loss.¹² The degree to which curtailing forest loss in these hotspots would shift action to other countries remains unclear. The investment environment elsewhere may be too poor to support forest loss.

Second, weak governance will complicate efforts to implement REDD, but it is hard to cure. The details differ from country to country, but land tenure problems, for instance, are pervasive. In Brazil, for example, fear of expropriation discourages owners from renting their land; with fewer options to rent, landless peasants may be more tempted to clear forests.¹³ In Indonesia, steering growth in oil palm production toward land that is already at least partly deforested might lower pressure to clear virgin forest, but much of the most suitable land is encumbered by contested property rights. Further, in much of the world, definitions of land tenure rights clash with one another, creating risks of protracted conflict.¹⁴ Resolving such disputes takes both time and money, adding to the appeal of clearing virgin forest.

Governments could, in principle, clarify tenure and law; yet, doing so would create losers as well as winners. In Brazil, the lead



