

Blood Carbon: how carbon offset schemes are devastating Indigenous peoples and their forests in Cambodia

We are stuck like chickens in a cage.

Bunong woman, Keo Seima Wildlife Sanctuary, Cambodia



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(References included as footnotes and hyperlinks)

Cambodia carbon offset project briefings

Overview:

In 2023, Survival International conducted field and desk-based investigations into several carbon offset projects in northern and eastern Cambodia. This report consists of three briefings resulting from investigations into the offset projects being run or developed in the Keo Seima Wildlife Sanctuary, the Preah Roka Wildlife Sanctuary/ "Northern Plains Landscape" and the Prey Lang Wildlife Sanctuary. This is a short general introduction to the projects and Survival's findings.

Cambodia has undergone successive waves of threats both to its Indigenous peoples and the territories in which they live. International conservation groups have intensified their efforts supposedly to "protect" the biodiversity found in those places, though typically this is at the expense of the local Indigenous inhabitants and has failed to prevent the rampant destruction of Cambodia's forests. The installation of carbon offsetting schemes is the latest manifestation of the latter. Broadly, the sale of carbon credits from Protected Areas (PAs), both existing and yet to be created, is seen as a way of funding conservation programmes for the foreseeable future. This approach has been encouraged and supported by international donor agencies, especially the US Agency for International Development (USAID), which has funded feasibility studies and early-stage development of nature-based offset projects in the country. The Cambodian government, through the Ministry of the Environment, has announced its intention to install offset projects over the entirety of the country's Protected Areas network (as of 2022, about one-third of the area of PAs were also offset projects).

Many of these areas overlap with Indigenous lands. The Cambodian government's policy towards Indigenous people is broadly integrationist; information about their presence and status is not systematically collected or made available. Indigenous rights, such as set out in ILO Convention 169 and the UN Declaration on the Rights of Indigenous People, have been incorporated into some sectoral laws, such as for forestry, land and nature protection. However, Indigenous people are often stigmatised, and face serious challenges in their ability to exercise their rights, including obtaining land titles, or peaceful assembly.

The creation of Protected Areas in itself has posed a serious threat to Indigenous people, as their traditional ways of live (especially rotational farming, but also hunting and fishing) have been criminalised, supposedly to protect wildlife. The establishment of carbon offsetting projects in these Protected Areas only serves to worsen the loss of resources and pressure on Indigenous people. Building on the existing conservation restrictions, they typically rely on a programme of strict control over land and natural resources such as forests for several decades. The use of, for example, fire to manage land traditionally is seen as being in direct conflict with the objective of maximising carbon storage, and hence the production of carbon credits and generation of income for conservation activities.

Carbon offset projects thus require imposition of strict restrictions and provide the resources for these to be continued far into the future. They create strong incentives for interest groups –

such as conservation NGOs, government agencies, and carbon project developers, which may actually have very different underlying objectives - to form alliances in their criminalisation and sanctioning of Indigenous people and other local communities. The venal nature of this carbon trading alignment between conservationists and government agencies is betrayed by the fact that, in reality, the latter are well known to be largely responsible for and complicit in the very environmental destruction which the offset projects purport to aim to halt. Such common cause is likely to strengthen further if the value of biodiversity itself is monetised in the form of biodiversity credits, the development of markets and mechanisms for which is already well under way globally. The finances of the projects are extremely opaque: in the case of Keo Seima (supposedly a model for other projects), all proceeds of carbon credit sales go through a special company, owned by conservation organisation Wildlife Conservation Society (WCS), registered in the US tax haven of Delaware, and for which no accounts or financial beneficiaries are available.

Typically, the more recent wave of Protected Areas projects, and the carbon credit-generating schemes based on them, claim to be "community based" or at least to offer benefits to local people. In reality, the benefits are small (especially compared the overall amounts of money known to have been generated through credit sales) and arguably less than the cost of lost access to land and forests which they invariably entail. The designation of land under Indigenous Community Land Titles (ICLTs, often wrongly referred to as ICTs) has largely stalled. Instead, communities are being pressured instead to establish Community Protected Areas, which are not land titles and therefore offer far less security (and can still involve the imposition of externally determined prohibitions and sanctions). Meanwhile, local and Indigenous Peoples' own monitoring and protection of forests (especially against illegal loggers) has been actively suppressed by the Ministry of Environment, seemingly in efforts to conceal the connivance of corrupt officials with those involved in destroying forests.

Several common themes emerged from our investigations into the three Protected Areas/offset schemes:

- All three areas, as with much of Cambodia, are undergoing rapid change, not the least in terms of high levels of deforestation and environmental degradation. This is being facilitated by forestry officials conniving with illegal loggers and land clearers and by government initiatives, such as land allocations for development and other land-use policies.
- Each of the projects are based on an existing Protected Area, all of which are supported by an international conservation organisation. This raises questions about the "additionality" of the projects. All are facing serious incursions and loss of forest, raising doubts about each project's carbon accounting methods and the permanence of any claimed emissions avoidance. There are similarly questions over the baselines used by the projects (where these are known), as well as "leakage" of carbon emissions. Taken together, there are thus major questions hanging over the validity of the credits being sold.
- All three areas have Indigenous inhabitants though, as with others throughout Cambodia, many were displaced or relocated during the Khmer Rouge period and may no longer reside in their original ancestral areas.

- Efforts to obtain free prior and informed consent from communities before the start of projects were, at best, extremely limited. Informants from most communities say that they were not consulted or given the chance to consent to or reject the projects. The vast majority told Survival that they still do not really understand what the project involves.
- The projects heavily promote their support for local communities, but in reality the benefits to communities are very limited. The benefit-sharing arrangements are opaque (as indeed are all the projects' finances), though some written descriptions of payments (and financial sanctions for not following the projects' requirements) appear to exist. Very few Indigenous Community Land Titles have been put in place, and communities are typically dissatisfied with the alternative designation of Community Protected Areas (which are themselves a less beneficial designation than the Community Forests which in some cases they have replaced).
- Communities typically welcome the albeit small amount of finance or other benefits they do receive, usually seen as coming from the conservation organisation partner in the project, but do not seem to fully realise that the dis-benefits they also suffer such as restrictions on access to land are also directly connected to the project.
- In all cases, communities were doubtful about the likely effectiveness of the project in protecting their lands, because of the continued role of corrupt government agents (including park rangers) in protecting illegal loggers and other damagers of the environment.

Acronyms used in the briefings:

AGM Accountability and Grievance Mechanism

CBET Community-Based Ecotourism

CCBS Climate Community and Biodiversity Standard

CELC Community Legal Education Centre

CF Community Forest

CI Conservation International

CPA Community Protected Area

CPRWS Chhaeb-Preah Roka Wildlife Sanctuary

ELG Economic Land Concession

EPL Eastern Plains Landscape

FPIC Free, Prior and Informed Consent

GFW Global Forest Watch

GPLP Greening Prey Lang programme

ICT/ICLT Indigenous Communal Land Titles

JCM Joint Crediting Mechanism (of the Japanese government)

KSCP Keo Seima Conservation Programme

KPWS Kulen Promtep Wildlife Sanctuary

KSWS Keo Seima Wildlife Sanctuary

MoE Ministry of the Environment

NPL Northern Plains Landscape

PA Protected Area

PDD Project Design Document

PLCN Prey Lang Community Network

PLEL Prey Lang Extended Landscape

PLWS Prey Lang Wildlife Sanctuary

PLWS-STRP Prey Lang Wildlife Sanctuary - Stung Treng REDD+ project

PPWS Phnom Prich Wildlife Sanctuary

PRWS Preah Roka Wildlife Sanctuary

QCI Quantum Commodity Intelligence

REDD+ Reducing Emissions from Deforestation and Forest Degradation

SCC Seima Carbon Company

SCS Scientific Certification Systems Inc

SLC Social Land Concessions

SPF Seima Protection Forest (which pre-dated the KSWS)

USAID US Agency for International Development

VCU Verified Carbon Unit

VCS Verified Carbon Standard

WSSP Wildlife Sanctuary Support Project

WCS Wildlife Conservation Society

WWC Wildlife Works Carbon

WWF Worldwide Fund for Nature

WS Wildlife Sanctuary

Keo Seima Wildlife Sanctuary (Wildlife Conservation Society)

Background

This briefing is one of a set of three (the others concern Prey Lang Wildlife Sanctuary and Preah Roka Wildlife Sanctuary/"Northern Plains landscape"). They are the result of desk research carried out in July-September 2023, and April-May 2024, and field investigations in October 2023. The latter included discussions with scores of informants, mostly members of Indigenous and other local communities, although also people involved with the respective projects. The names of all informants are withheld for their safety and security.

1. Brief history of Keo Seima Wildlife Sanctuary as a Protected Area/carbon project

The area now designated as Keo Seima Wildlife Sanctuary (KSWS), is mostly in Mondulkiri province. It is home to the Indigenous Bunong people who are traditionally rotational farmers. Although restrictions imposed in the name of conservation mean that it is harder and harder for them to practice their sustainable form of swidden agriculture, they maintain a close spiritual connection to their forest and to the animals that live in it. They continue to depend on the forest and their small farms for food, medicines and for materials to construct their houses.

The wildlife sanctuary was <u>previously named</u> Seima Biodiversity Conservation Area from 2002 to 2009, and Seima Protection Forest from 2009 to 2016¹. WCS, which claims to have been working in the area even prior to 2002, <u>gushes</u> about Keo Seima:

"Nestled deep in the heart of Cambodia lies Keo Seima Wildlife Sanctuary, a remarkable testament to the resilience of nature and the power of community-led conservation. Here, amidst lush forests and rolling hills, our efforts to protect some of the world's most rare and endangered species have earned us a reputation as a leading example of innovative conservation practices in Cambodia."

The Park covers 292,690 hectares and is managed by the Ministry of Environment with support from WCS and other partners. WCS <u>says</u> it is "a crucial habitat for over 950 recorded species, including rare and endangered ones". WCS goes on to claim that:

"our impact has been significant and wide-ranging. We've supported the first legal protection of the site, spearheaded Cambodia's first data-driven zonation process, and developed one of Cambodia's largest REDD+ projects. We have sold the equivalent of 20 million tonnes of carbon, resulting in over \$3,000,000 to support protected area management and community development." ²

Note that of the total area of KSWS, only 166,983 hectares is in the REDD+ project for carbon accounting purposes – so about 57% of the reserve – and all of that is in the "Core Protection Area" (see map below – the land tenure situation is shown in the following map). This was probably done to avoid most of the areas at the time already under pressure, as well as those already deforested. As will be shown below, though, this has not stopped deforestation advancing even into the "Core Protection Zone". The overall project zone consists of the project area, the leakage belt which includes adjacent areas of forest into which the project might displace deforestation activities, and the leakage management area where "selected livelihood improvement activities" take place³ (see maps below).

¹ The latter designation often appears in the older WCS carbon offset documentation.

² Unless some of the credits have been sold "off the books" – perhaps as advanced sales – the claim of "20 million tonnes of carbon" is slightly exaggerated – see below.

³ Zoning of PAs into these different areas is required under Cambodia's Protected Areas Law (2008)

Figure 1. Map showing extent of REDD+ project (dark green) in relation to the KSWS (light green), and location of communities⁴.

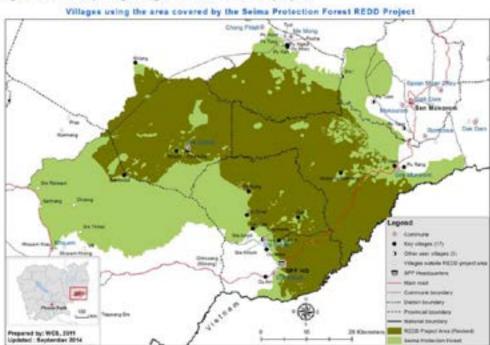
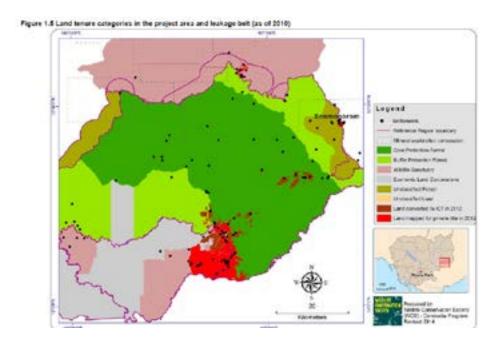


Figure 1.3 Participating villages in the SPF REDD project





⁴ Source: REDD+ Project Design Document submitted to Verra, final draft,
December 2014. https://registry.verra.org/mymodule/ProjectDoc/Project_ViewFile.
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2. International partners/donors

Support for KSWS and the REDD+ project from the US government's Agency for International Development (USAID) reportedly started in 2012, under the "Supporting Forests and Biodiversity" programme in Cambodia⁵, which finished in 2018. (This programme also supported Conservation International's work in Prey Lang). Very little documentation for this project is still publicly available, though this does include a USAID Inspector General's report of 2016 which was broadly critical of the project's approach and outcomes to that point. Other early donors to the development of the REDD+ project included the Asian Development Bank, JICA, and the MacArthur Foundation.⁶

From January 2018 to August 2021, the park (including specifically development of the REDD+ project) was supported through the USAID Keo Seima Conservation Programme (KSCP). The publicly available documentation on this is also very limited. This project was part of what USAID/WCS/WWF consider to be a "landscape approach" in what they define as the "Eastern Plains Landscape".

A final joint <u>evaluation</u> of the two projects in the "Eastern Plains Landscape" (conducted by consultancy Social Impact Inc), published in January 2021 found that the Keo Seima Conservation Programme had achieved only 5 of the 16 "Life-of Project Performance Indicators" – though it was reported that the project claimed to "expect to be able to achieve all, or nearly all, of their targets by the end of the Activities" (i.e, within about five months).

The Wildlife Works Carbon affiliate, Everland, has recently been doing PR and marketing for Keo Seima.

3. Status as a carbon project

The project (Verra #1650) is intended to last 60 years, and officially started on January 1st 2010, though it was only validated for Verra (by SCS Inc) in December 2014. The first verification, covering the project's claim for credits from 2010-2015, was completed in May 2017 (also by SCS Inc). Unusually, this recorded that the project incurred net CO2 emissions over the first three years of its existence, and hence credits were only issued from 2013 onwards. Since 2015, the verification of so-called emissions reductions has been conducted biannually. There have now been four "vintages" issued, most recently 2020-2021. Consistent with Verra's rules, the verification for the fourth of these was switched to a new company, Aster Global. The project has also been validated under the Climate Community and Biodiversity Standard (CCBS), "Biodiversity Gold Level".

The estimated annual emission reductions are around 1.4 million tCo2e per year. However, also somewhat unusually, the amount of credits actually issued has fluctuated greatly, as Figure 3 shows. This indicates that there are some serious problems with either emissions from the project (i.e more deforestation happening) or leakage, or both⁸ – though it also suggests a level of transparency that these are actually being monitored and recorded.

As of September 2023, the project had sold 18,874,424 credits, which is every one of the credits generated from the start of 2013 to the end of 2021. As ever, the selling price of credits is not known. One report in July 2023 (when credits prices were already generally heavily depressed compared to 12-18 months previously) heard of KSWS credits selling for \$5.50 each for the 2018

⁵ USAID Cooperative Agreement No. AID-442-A-13-00002

⁶ See Project Design Document, PDD piii,

⁷ The other was a USAID grant to WWF covering the more southerly Srepok and Phnom Prich Wildlife Sanctuaries, which ended in March 2021.

⁸ Only scrutiny of all the monitoring and verification reports will clarify this.

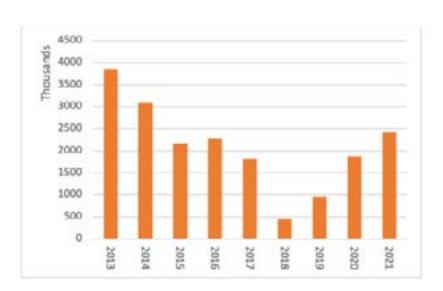


Figure 3. Keo Seima credit issuances by year, 2013-20219

"vintage" of credits (so around the middle of age-range of credits, 2013-2021). The price is reported to have dropped to around \$2.35/tonne in September 2023¹⁰, but later vintages such as 2019 were reported to be around \$4.50 in early 2024. It seems unlikely that the average price of the credits from 2016-2021 would be much less than around \$4-\$5, so the project may have already grossed up to \$80-90 million in sales.

There is evidence that, even deducting all the certification and marketing fees, only a small percentage is going to the actual protection of the reserve, and much less, to communities. The Project Design Document (PDD) and other Verra-related docs provide no information at all on the distribution of revenues between the government and WCS as the co-owners of the project. The project's finances are, in fact, a completely black hole. According to a June 2023 report in the Khmer Times "According to the ministry's data, the sale of carbon credits in the global voluntary carbon market secured \$11.6 million between 2016 and 2020 from Keo Seima Wildlife SancStuary (KSWS), Tatai Wildlife Sanctuary and Southern Cardamom National Park." The Verra records for KSWS and Southern Cardamoms alone show that, between them, 10.3 million credits (700k from KSWS) were sold during those years, conceivably at around \$5 each on average.

The PDD (p38) referred to the creation of a "permanence fund" "to ensure a proportion of early revenues is set aside to finance long-term recurrent management costs". No further details of this are given anywhere in the project documentation and no other information about it has been found. Possibly serving the purpose of such a fund, monies from the sale of KSWS's credits all apparently go through the "Seima Carbon Company". The existence of this company is not referred to in any of the Keo Seima documentation¹¹. This company was registered in the tax haven of Delaware in 2015. Its registration is filed behind the name of "CORPORATION SERVICE COMPANY" and no information at all is available about beneficial owners, officers or activities.

However, the Seima Carbon Company (SCC) appears in the recent IR990 Federal tax returns of WCS as a company over which the organisation is the Direct Controlling Entity. The first year funds were recorded for the SCC in WCS's accounts was 2016, when nearly \$2.5 million was recorded as the company's

⁹ All data derived from the Verra VCU registry.

¹⁰ QCI https://bit.ly/3sUvRJv 18th September 2023

¹¹ It seems that future financial flows from the Northern Plains project will also go through the Seima Carbon Company

assets¹². The tax returns show that no further income was then recorded for a couple of years, but by 2020 the company's assets had grown to nearly \$22 million. In 2021, income into the SCC was nearly \$11.5 million, and its total assets stood at more than \$30 million.

The Delaware State corporations' database shows that the company is in "good standing" but has never filed any accounts or paid any taxes.

As stated in the PDD (p199), the project's original financial projections (from 2014) showed a net revenue (i.e profit) of \$31 million to the end of 2019, with less than \$9m to be spent on actual "core management activities" over the first ten years of the project. For the period 2020-2029, the PDD projected expenditure on core management activities of about \$13 million, but net revenues of over \$56 million.

Credits from the project have evidently been bought by the <u>Walt Disney Company</u> (reportedly, <u>\$2.6m-worth</u>), <u>Delta Airlines</u>, and luxury goods company <u>Kering</u>, though none of these actually appear on the Verra VCUs register. Those that do appear on the register include a few fairly high profile companies, including Hewlett Packard (189k, the most recent in 2021), Boeing (76k), and Black Rock (25k, most recently in 2021). Most recent purchases are being done in very large blocks and anonymously – so probably by brokers, traders and speculators rather than actual "end users". The Uber-like ride hailing company Grab has <u>a deal with WCS</u> whereby customers can make their journey "carbon neutral" by automatically buying credits derived from Keo Seima.

4. The project and Indigenous peoples

The Bunong's lives are deeply dependent on and intertwined with the forest, and the imposition of the Protected Area and REDD+ project is having a devastating impact on their ability to live their lives and feed their families. Survival researchers were repeatedly told by Bunong people that they were harassed by Ministry of Environment rangers if caught practicing rotational farming or collecting medicines and other items in the forest. The Ministry of Environment rangers demand high "fines" from anyone deemed to be infringing their rules, with threats of imprisonment if they cannot pay. At the same time, logging by companies and wealthy individuals, who can afford to pay for the rangers to look away, is ignored.

A Bunong activist, explained, "We are the people who protect the forest. The ones destroying the forest are the companies who do large scale forest clearing, but that goes unseen. Instead, they (conservationists) focus on the small-scale clearing done by us Indigenous people and they view us as forest destroyers. There are some projects now, like REDD+ which I can say are destroying us Indigenous people."

Women in one village told Survival researchers, "For generations we were able to support ourselves and the needs of our children, but look at us now, we are sitting here in fear [of the rangers]. We are stuck like chickens in a cage."

WCS's project website claims that "conservation of Keo Seima Wildlife Sanctuary is a collaborative and equitable effort that empowers the more than 18,000 people living in or adjacent to the sanctuary". The REDD+ area is almost entirely inhabited by Indigenous Bunong people, alongside "a few Stieng (Indigenous) households", and a smaller numbers of Raong and Kraol Indigenous people. There are also a handful of Khmer settlements, reportedly mostly immigrants to the area since 1998. WCS acknowledges that "Mondulkiri [province] is the ancestral home of the Bunong ethnic group, for whom the forest forms a deep and indivisible part of their culture, community, and identity." Adding, "Predominantly animist, the Bunong rely on the forest for food, fuel, building materials, and spiritual sites. Most Bunong regularly use medicinal plants collected from the forest". Yet, it makes no mention of the difficulties they now

¹² The WCS 2016 IR 990 records that the SCC had \$120,203 in income, and \$2,475,834 in total assets. This seems inconsistent with the fact that the previous year's IR 990 had recorded no income and no assets for the SCC, so it is not clear where the difference between the 2016 income of \$120,203 and the total asset value could have come from. The 2020 return also shows no income but a significant increase in the previously recorded asset value.

face when trying to access the forest products they depend on. The PDD includes a map showing each settlement and its ethnicity in the project area.

4.1 Consultation and Free, Prior and Informed Consent (FPIC):

The PDD (p29) states that Phnom Penh-based Community Legal Education Centre (CLEC) "assisted extensively" with the process of gaining FPIC from local communities. The document also refers to a series of stages undertaken in village-level consultations, including awareness-raising during 2010-11, "reviewing agreements" also in 2011, obtaining independent legal counsel, and then later signing agreements. Details of these purported processes for each of the communities are shown in Annex 1. Inspection of the dates given shows that, apart from the actual signing of agreements, which were all done on the same day in 2013, for most communities all stages, from being made aware to having some kind of legal advice, was entirely completed within a few weeks. It would typically be understood that such consultation and consent processes would have to be extended over at least several months in order to allow communities to discuss issues amongst themselves, seek advice, and consult with other communities.

Multiple community informants told Survival that they had not really understood what was being put to them, and they were peremptorily asked to approve a consent document. Some said they had not been consulted at all. One informant confirmed that their community was asked in 2014 to give consent and, as most of them were non-literate, 132 people put their thumb prints on what they understood to be the consent document. Another informant stated that a total of 170 members of two other communities gave their "consent" in the form of thumb-prints on a document. However, they did not understand the process, especially that they would be permanently prevented from extending their farms. Strongly suggesting that they had not been properly informed, this informant (and other community members present) said that they would not have consented to the project had they known what would happen.

One community member in an official representative position confirmed to Survival that they had never been asked to give consent originally to the creation of the reserve and its borders. Another confirmed this, and said that not only were they never asked about the borders, but that it's still not clear to many people where the borders are. The same informant said that the level of patrolling, harassment and intimidation increased in 2016-2017 (when the project actively started), and resulted in breakdown of community relationships.

A Bunong informant told Survival that:

"We're upset at Community Legal Education Centre that was getting money from the REDD+ project to register land and pushed us to accept small amount of land quickly and then move on. None of them talk to us properly and explain, they always push."

The same informant said:

"I spoke to some WCS people, and said you have to be strong and show your strength on Indigenous rights. But they are very weak, they work on par with the Ministry of Environment (MoE), say they can't push back on the MoE because they're scared of losing their relationship with them. I'm very disappointed with the way WCS works. They think more about the animals than they do about the people. If WCS keeps following the way they're doing and blindly following the Ministry of Environment, then they are responsible for Indigenous abuses."

4.2 Supposed benefits for local communities

Much of the project's narrative about community "benefits" relates to the establishment of either "Indigenous Community Land Titles'" (ICLTs)¹³ or "Community Protected Areas" (CPAs). These are two very

Note that, in much quoted project documentation, the "L" for "Land" in Indigenous Community Land Title is omitted, and hence the acronym becomes merely ICT. The full and correct acronym ICLT is used otherwise in this briefing.

different land designations, with important consequences for Indigenous people. The designation of ICLTs was provided for in the 2001 Land Law, and would allow for full and permanent ownership rights. As of 2024, due to political obstruction and "complicated, lengthy, and costly procedures, bound by technical regulations", only around 10% of eligible communities had received titles¹⁴. Many, such as the Bunong impacted by Keo Seima and other carbon projects, have been waiting more than a decade for their titles.

Community Protected Areas, by contrast, offer communities only very partial land tenure security, being valid for only fifteen years, renewable at the discretion of the government. Moreover, the laws concerning the management of those areas are reported to often be too complex for the communities themselves to understand, whilst the process of granting permits for economic activities within CPAs is complex and unclear¹⁵ – leaving communities vulnerable to abuse of their rights, extortion and denial of their livelihoods and lands.

4.2.1 Land tenure, community Protected Areas, community forests and "sustainable livelihood"

Indigenous Community Land Titles:

WCS <u>claims</u> to have secured "Indigenous Community Land Titles (ICTs) that grant legal land tenure rights for the Bunong people". However, it is not clear how many ICLTs were actually designated. In the 2021 evaluation, the establishment of them is conflated with Community Protected Areas (CPAs – see below); together, 15 of the intended 16 were reportedly designated under the project. The 2021 <u>evaluation report</u> of KSCP does indicate that there has been some progress in relation to securing Indigenous Communal Land Titles, claiming that Indigenous informants were "enthused" about obtaining them. A WCS <u>website</u> claims that:

"WCS supported the village of Andoung Kraloeng to obtain the first Indigenous community land title (ICT) awarded in Mondulkiri, at that time only the third ICT in the country. Since then, a total of seven ICTs have been issued in KSWS, with more under process. These legal titles allow Indigenous communities to defend their land from illegal land grabs, as well as allowing long-term planning and security."

The 2021 evaluation said an Indigenous informant in the Boursa commune "thought that the establishment of ICTs might permit Bunong to operate ecotourism enterprises and improve their household incomes." Probably the same Bunong informant said that "they support ICTs because they are permitted to practice shifting agriculture" (suggesting that they're <u>not</u> allowed to practice shifting agriculture elsewhere, which informants confirmed is in fact the case.) As well as Boursa, the community of Koh Nhaek is also specifically mentioned as being where an ICLT has been established.

WCS <u>claimed</u> in a webinar in October 2022 that seven ICLT's had been obtained under the project¹⁶: In the same webinar, a Bunong representative, Ms Kroeung Navy, was presented, explaining the purported importance of the project's work to secure Indigenous lands. She is the 'REDD+ village focal point for Srae Lvi village' in KSWS (which features on Figure 4 below). A June 2023 <u>report</u> from WCS shows the current land tenure situation, including the claimed "Communal Land Titles".¹⁷

Indicating the overall lack of outcomes on tenure, p6 of the 2021 evaluation report noted that:

¹⁴ Koem Chhuonvuoch, 2022. Indigenous Communal Land Titling in Cambodia, Heinrich Boell Stiftung. https://bit.ly/3TDXql8

¹⁵ Client Earth, 2022. Community Protected Areas in Cambodia; Analysis of Legal Framework, Practice and Recommendations https://bit.ly/3TEUS6h

¹⁶ The same presentation said only three CPAs had been recognized by the government, so these figures are inconsistent with those given in the project evaluation.

¹⁷ Source:, p22

"The Activities have generated localized benefits for Bunong beneficiaries, but these will need to be scaled up to have significant landscape-level impacts, and further analysis should be conducted to assess the overall livelihood impacts of the interventions".

The evaluation noted Indigenous informants "also expressed dismay at how casually provincial authorities tend to ignore the rights that the establishment of an ICT legally convey to the Bunong. One, for example, said, "The authority from the district level up to the provincial level do not really intervene in cases where the Khmer [encroach on our land]."

One informant said that WCS had originally helped start the process of obtaining an ICLT in 2014, but it had still not been granted. They claimed they had been raising this with WCS for the last three years. WCS, they said, had been promising it would happen "next month", but it had still not materialised. They expressed fear that the land claimed for the ICLT would be fragmented and lost by the time the title was granted. Other informants reported that WCS dissuaded them from claiming ICLTs, and instead pressured them to establish a much weaker 'Community Protected Area' instead, which gives them only temporary and partial land tenure rights.

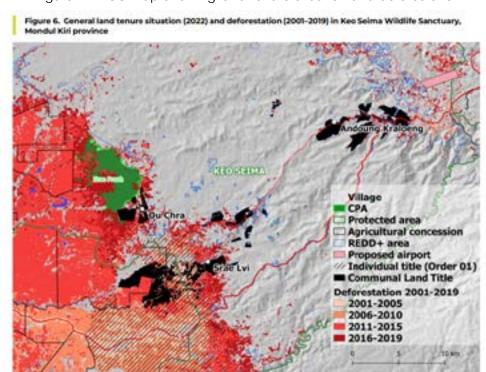


Figure 4. WCS map showing land tenure situation and deforestation

Community Protected Areas (CPAs): WCS also uses the establishment of CPAs as the basis for claims that the project is "community-based". However, it seems that at least some and possibly all of these designated areas were already designated as Community Forests (CFs). Moreover, the 2021 evaluation explains:

"it appears that the change from CFs to CPAs has legally deprived the Bunong from directly benefiting financially from regenerating, growing, and selling legally a principal forest asset—high-quality timber, while the government is unable to control the illegal cutting and selling of existing high-quality timber".

In other words, WCS has probably made the situation worse by removing any interest the community

might have had in protecting the timber, whilst the government is probably and corruptly more interested in felling it¹⁸. Multiple informants confirmed this assessment to Survival in October 2023. One said:

"It's ridiculous the way the REDD project works to only give us a tiny land...and then allows a huge area of land for land [development] concessions and companies...That's why people in Keo Seima are starting to lose hope that they can protect their land."

One told Survival that only three households from the community are allowed to cut a maximum of five cubic metres of timber each in the CPA for domestic use each year. But there are more than 200 households. The Ministry and WCS oversee which households receive the timber allocation.

As shown in the Figure 4 above, the extent of ICLTs is very small compared to the overall Core Protection area, though data on actual areas under each designation has not been published. The PDD notes, "Core Protection Zones" "have essentially zero human use" – meaning that, in theory, communities are limited to carrying out livelihood activities only in the ICLTs and CPAs. WCS itself has recently acknowledged that the zonation in Keo Seima "was driven by nature conservation concerns, resulting in much larger areas classified as core zones (28%) and placing many more limitations on access for forest dependent smallholders". The "conservation zone" in KSWS accounts for 36%, whereas the "sustainable use" zone is 25% and "community zone" a mere 11%.¹⁹

4.2.2 Distribution of benefits

The project does not have a clear statement of how its benefits are distributed and, as noted above, the financial structure means that this has been concealed behind a Delaware-based company. WCS nevertheless makes much of how the project is benefiting communities, for example claiming on its website that "Our innovative benefit-sharing mechanism, Cash Communities, has delivered \$1,000,000 to date, empowering local communities with the resources to invest in their long-term development goals". Mongabay has reported on some specifics:

"The Keo Seima REDD+ project offers a financial incentive to communities that help preserve the forest, with five villages across Sre Preah commune set to receive \$135,887 from the project in 2023 alone. Documents seen by Mongabay show that, over the course of the year, the village of Gati is set to receive \$45,325, while Pu Cha is expecting \$32,511 and Pu Kung stands to gain \$24,199. Both Sre Preah and O'Chra villages are on course to receive \$16,926 each as a result of their participation in the REDD+ project."

In the Oct 2022 webinar noted above, the Bunong representative says that "the community has been managing the cash transferred to them in their own hand" and that "an account is opened with a bank to ensure the fund is securely protected". She claims that the use of the funds is determined in monthly community meetings, and that they have so far received two payments. These have been used to build a community meeting centre, a culvert in the village and four pumped wells. The funds are also used to support patrols. Another Indigenous person, Mr Leus Thuok a CPA committee member for Pu Char village, said that their resources are now more secure, they have a zoning plan etc where they can harvest resources. This person said that the "vast majority of the population understands that the CPA is important", and that the small minority who don't support the CPA are only interested in protecting their illegal businesses. Contrary to the \$1m dollar claim made on WCS's website, their rep on this video says only half that has been distributed (to 20 communities).

One Indigenous informant told Survival that they understood \$800,000 would be distributed between all the villages in the reserve, but that they'd never been told how it will be distributed. One village divided

¹⁸ Suggesting that this change was not programmed and/or was done in an underhand way, the evaluation note that the project's "Documentary data do not fully explain the reasons for the conversion of CFs to CPAs". Note that, under the respective laws, CPAs do not confer any land title, and remain the property of the State.

¹⁹ See https://www.mrlg.org/wp-content/uploads/2023/06/Case-Study-June2023 Web.pdf p18.

into four hamlets had recently received \$16,000 from the project. A total \$21,700 had been paid in two previous years, but there had been no payments at all during the Covid pandemic. The money goes to a village committee which decides how to spend it – mostly on "[community] patrols, building toilets, community wells, learning materials for kids, food for kids, morning rice porridge at the school".

Another informant told us that their Indigenous community had recently received \$36,000 for wells, a community hall and solar panels. In another community, one member stated that there had been no real problem in obtaining money for the community development projects they had requested.

All of the information suggests that the total amount of money going to communities is a very small fraction of what has likely been earned in total from the sale of nearly 19 million credits, as noted above. The one million dollars claimed by WCS on its website is only one-thirtieth of what had already been accumulated by the project by 2021.

An informant complained that the monthly pay of \$15 for community patrol members was too little, but that WCS had told them that they were "lucky to get that". Spending plans for activities such as schooling or patrols have to be approved by WCS. Money was deducted from a village's payment if they had exceeded the clearing of a set quota of land for farming.

An informant told Survival that the project has a "complicated technical document with all the details about the points system, for example, if we do this we lose points, etc, but we don't have it, they just showed it to us". The person asked "how are they supposed to know what they can and can't do!?" They said that they had signed an agreement with the project at the beginning, but this did not include the points system, which came later. Another said that the points/deductions system also applies in the ICLTs, even though these are not included in the carbon accounting area.

Another informant expressed gratitude for the things that the project had provided for, but also frustration that they were also fined by the Ministry's patrols for even minor misdemeanours, whilst organised criminals were illegally removing truckloads of timber with impunity.

An Indigenous informant told Survival:

"We as Bunong have always lived here, fought back against the French and the Vietnamese. We've live here with autonomy away from the Khmer, but we're now losing all aspects of our land and culture, even our name and language are starting to be changed... We're sick of it all – Community Protected Area, Indigenous Community Land Title, we didn't even have the word community before – none of them meets our demands! I can't even go and see where my mother is buried in Keo Seima [park]."

"At first I thought REDD+ was good, but now I think who benefits from this? The salaries that go to the people at WCS, the people who do the patrols, but what about the other people and the loss of all that land?"

5. Supposed environmental benefits

As noted above, the project has generated nearly 19 million credits. By 2018, the old USAID-financed Supporting Forests and Biodiversity project was already claiming a 149% success rate in achieving its target for emissions reductions. However, as shown below, it was precisely in the prior six years that deforestation had first started to make major inroads into the Core Protection Area and the REDD+ project.

WCS have <u>claimed</u> that "more than 25,000 hectares" of deforestation has been avoided due to REDD+ project. However, the 2021 <u>evaluation report</u> noted that the information the evaluators was given by "key informants" did not seem to correlate with the actual results at the "outcome or objective level". Related to conservation outcomes, "key ungulate species in... KSCP target areas have continued to decline" and "deforestation continues" within the sanctuary. The report also noted that "The main challenge ... [for Keo Seima]...is the presence and influence of financially and politically powerful individuals in the il-

legal collection and transborder commerce of forest products (e.g., timber, wildlife) with highly profitable markets in Vietnam."

Overall, the evaluation was quite scathing of the USAID/WCS/WWF "landscape approach" on multiple levels (lack of good data and baselines, lack of inclusion of stakeholders, failure to deal with powerful elites etc etc). Indicating that too little had been done in terms of tenure, it recommended that "The landscape approach requires progress toward undisputed ownership of land and natural resources". Overall, the evaluation was somewhat doubtful about the outcomes of the project, noting that "although the Activities have made some important advances, they are unlikely to achieve all of what they planned to achieve".

Serious questions started being asked publicly about the project already in 2018, when three people involved in the project – a military police officer, a ministry ranger and a local WCS staffer – were shot dead, reportedly by a chief of the Border Police, Phal Penh, who confessed to the shooting. He claimed that the victims tried to solicit bribes to keep quiet about illegal logging they had witnessed. WCS (along with its partner, the Cambodian government) have tended to play down the impact of illegal logging, saying in the offset project document (PDD) as submitted to Verra that "The illegal selective harvesting of rare luxury grade tree species is a serious law enforcement issue at the site, as elsewhere in Cambodia, but has negligible long-term effect on carbon stocks."

Analysis of the area using the Global Forest Watch (GFW) website suggests that the project has done little to halt the tide of deforestation spreading from the already heavily deforested part of KSWS to the south west, and progressively from Senmonorom in the north-east, as the time sequence in Figure 5 shows. It's not possible to use GFW to do a proper numerical assessment of the deforestation changes inside the project area, as the GIS shape file provided (obtained from Verra's database) is faulty – the boundary, for example, shows multiple breaks and errors where boundary lines have been duplicated or looped, hence there is no definable area within the boundary. The area of deforestation in the southwest seems to largely correlate with areas that were mapped and attributed by the government with private land titles in 2012.

As with Prey Lang, local people repeatedly point to collusion between the government - especially the Ministry of the Environment (MoE) – and corporations as being the main cause of forest loss. One Indigenous informant said:

"We are most angry at the people who cut the forest and the people who have power who don't even do anything about it. They don't worry about us, we're the ones who depend on the forest. They sleep well, they say they support the Indigenous Community Land Title (ICLT), but the government officials don't care at all. The foreigners who create REDD+ say 'we're not protecting the forest for us, it's for you'. They work with the government officials, they say 'it's ok, it's ok', but then the forest is all gone."

Another informant said that, previously, the Ministry's patrols had focused more on those involved in organised

illegal logging, but that now most of the best timber had gone, they mostly focused on preventing people from farming. Survival heard repeatedly that anyone who could afford a \$300 bribe was allowed to cut timber. Another informant said that the project failed to understand that what is perceived as local people cutting the forest is, in fact, merely re-cutting land that had been rotationally farmed by previous generations.

2008 2010 (project start) 2012 2014

2016 2018 2012 2012

2014

2016 2018 2020 2022

Figure 5. Deforestation close to KSWS, 2008-21022.

REDD+ project boundary shown in black. Forest in green, deforestation in pink, non-forest or already deforested land in white

6. Likely key issues of credibility as a carbon project

6.1. Additionality

As with all other existing Protected Areas (PA) converted to offset projects, the KSWS REDD+ suffers from an additionality problem, because it was already a designated Protected Area before the project started. This might be mitigated somewhat with this project, as it is likely that actual conservation was limited and ineffective before the REDD+ project started (even if deforestation has continued under the project anyway). WCS has <u>claimed</u> that the PA from the time of its establishment until 2009 "had not resulted in significant impacts".

6.2. Over-crediting, inflated baseline

The project has continued to generate carbon credits despite evident continued deforestation because - as with many REDD+ projects – it started with a "baseline" projection of deforestation that was much higher than what would likely have happened in reality. The volume of carbon credits issuable to any REDD+ offset project is broadly determined by the amount of carbon which the area concerned actually emits, deducted from what is claimed would have happened in the absence of the project (the "baseline"). Hence, the higher the baseline, the more credits can be created. In the case of KSWS REDD+, an inflated baseline was achieved by comparing the project site with an area of particularly high deforestation, and then projecting that onto the project to create a future scenario also with very high deforestation. The "reference area" used for the Keo Seima REDD+ project was several nearby logging concessions, as the map below shows.

PROJECT DESCRIPTION
VCS Version 3, CCB Standards Second Edition

Figure 4.3a Forest cover benchmark map (forest cover at start of 2010)

| Continue Logging | Continu

Figure 6. The KSWS REDD+ project "reference" area – logging concessions, not Protected Areas.

The claim to carbon credits is thus based on the story that the area would have undergone the same fate as these logging concessions, where deforestation is indeed very high. Parts of what is now the KSWS Core Protection Area had in fact been allocated to the notorious Malaysian logging company, Samling in 1994 and logged during 1997-1999. But the logging concession was then suspended "as part of a national moratorium that will not now be lifted", and there has been a conservation designation over the site since 2002²⁰. In other words, the area seems to have been under legal protection for at least 8-11 years before the REDD+ project started, and it is unclear what justification there is for comparing deforestation there with continuing ongoing concessions. A more suitable "reference" area might have been a different Protected Area similar to Keo Seima, rather than a logging concession.

In August 2023, the carbon credit ratings agency BeZero cut the rating of the KSWS REDD+ project to from "A" to "BBB", meaning that it assessed it as having only a moderate likelihood of achieving 1 tonne of CO₂e avoidance for every carbon credit sold. This downgrade, said BeZero, "reflects the project's limited risk of over-crediting, and the project's success in the face of mostly ineffective policy conditions. Low deforestation rates relative to the wider region suggested strong additionality despite the historical involvement of an NGO."

Given the now widely documented problems in the project area, even this rating seems generous. Using a similar assessment methodology as BeZero, another ratings agency, Calyx Global, rates Keo Seima as an "E", the lowest possible rating²¹ - thus attributing to it a near-zero chance of generating credits genuinely reflecting emissions reduction of a ton of carbon.

6.3. Leakage

Looking at the regional patterns of deforestation (see Figure 5 above) it seems highly likely that there is a high level of carbon "leakage" – i.e, any deforestation that is not happening inside the REDD+ project

²⁰ See PDD, p2

²¹ See Carbon Market Watch report, Assessing and comparing carbon credit rating agencies, p61 https://bit.ly/4505rlf

area due to the project is simply happening elsewhere, including probably in the parts of KSWS not included in the REDD+ project area. If properly assessed, this could potentially eliminate any credits which the project could claim after taking account of the other problems noted above.

6.4. Permanence

All offset projects dependent on retaining or storing additional carbon in living ecosystems such as forests face a problem in ensuring "permanence" because, where the fossil fuel emissions which they supposedly compensate for are, in effect, permanently added to the atmosphere, carbon stored in trees can quickly and easily be released again (such as when the tree dies or is cut down or burned). Again, the continuing spread of deforestation into the KSWS project area, and the consistent failure to tackle illegal logging and other forms of incursion, suggest that, whatever forest might be marginally conserved for a few years could be very vulnerable in the future.

6.5 Double-counting

Cambodia is one of the few countries that has submitted a claim under the UNFCCC REDD+ system to have already generated "REDD+ results" at the national level. These amount to 84 million tonnes of "sovereign" forest carbon, which it claims were "saved" between 2015 and 2018. The annual amounts are currently shown on the UN's REDD+ Results hub. In theory, these claimed units could be used for trading purposes, such as under Article 6 of the Paris Agreement (South Korea is known to have an interest in doing such deals with Cambodia). Claims for recent years will no doubt be made in due course.

Of course, these national claims include any areas which are also covered by specific projects, such as Keo Seima, which already sold its own credits from the 2015-2018 period – about 6.7 million of them. Hence, the trading of any of Cambodia's sovereign "REDD+ results units" would involve double-counting of the units which have already been sold at the project level (from KSWS as well as other projects) – unless these project-level credits are deducted from a national offsets registry, which currently does not exist in Cambodia.

7. Conclusion

In conclusion, it seems highly unlikely that the Keo Seima Wildlife Sanctuary is preventing emissions of anything like the carbon it claims to be, and it is impossible to say with any certainty that it is retaining any more carbon than it would be if the Protected Area did not exist. One thing is clear though, the project was implemented without the Free Prior and Informed Consent of the Bunong Indigenous landowners. The Bunong, and other local communities who rely on the forest and have protected it for generations, have had their rights to their land undermined and continue to be targeted and treated as scapegoats while the real forest destroyers cut down the forest with impunity.

Preah Roka Wildlife Sanctuary/"Northern Plains landscape" (Wildlife Conservation Society, Everland/Wildlife Works Carbon)

Background

This briefing is one of a set of three (the others concern the Prey Lang and Keo Seima Wildlife Sanctuaries). They result from desk research carried out in July-September 2023, and April-May 2024, and field investigations in October 2023. The latter included discussions with scores of informants, mostly members of Indigenous and other local communities, although also people involved with the respective projects. The names of informants are withheld for their safety.

1. Overview of Preah Roka Wildlife Sanctuary and the 'Northern Plains landscape'

The "Northern Plains Landscape" seems to be a concept devised by WCS, and it has no official designation or known boundaries¹. It notionally covers a broad central swathe of the northern quarter of the country. The area is home to the Indigenous Kuy people. They cultivate small farms in the forest where they grow rice and other crops. They rely on the forest for collecting forest products such as honey and medicines; for tapping their resin trees, and to conduct rituals. Resin trees are of great important to the Kuy and are passed down through the generations. The resin is used as a natural antibiotic and lantern fuel, but they are also targeted by loggers. The Kuy report that the Ministry of Environment rangers accept bribes so that private companies can come into the Preah Roka Wildlife Sanctuary to cut down their resin trees. Many villages no longer have any resin trees.

Kuy villagers set up the Prey Preah Roka Community Network (PPRCN) to protect the forest and patrol against loggers. However, as with the Prey Lang Community Network, instead of working with the community to defend their forest from destruction, WCS chose to work with the Ministry of Environment and has stood by as the Kuy forest defenders have been criminalised and banned from patrolling and protecting their ancestral homes. They report that since the ban in 2020 logging has dramatically increased. Adding, "Maybe in another three years it will all be gone."²

Much of the available information on this group of carbon projects comes from documentation relating to the 2018-(August) 2023 USAID-funded "Greening Prey Lang" (GPLP) programme³. This project covers an area not just of the "Northern Plains Landscape" (NPL), but a much bigger area which USAID defines as the "Prey Lang Extended Landscape" (PLEL). This covers 3.5 million hectares of northern Cambodia – about a fifth of the entire country - and includes no less than 20 Protected Areas (PAs), including those in the Northern Plains landscape, and Prey Lang⁴ - see Figure 1 below.

A lot of the information about the various PAs and the two carbon projects in the "Prey Lang Extended Landscape" is conflated in the Greening Prey Lang' (GPLP) programme reports. Hence, what's included below mostly addresses the originally three (now two) Northern Plains Protected Area (PA) together, and to some extent Prey Lang as well. Information about each individual PA within this group is only given later if additional to what's said about the GPLP overall.

¹ In a 2020 USAID-funded REDD+ feasibility study, the 'project' would primarily be in Preah Vihear Province, though the Kulen Promtep WS also crosses into Oddar Meanchey and Siem Reap Provinces.

² Flynn, G et al, 2023. Communities track a path of destruction through a Cambodian wildlife sanctuary. Mongabay. https://bit.ly/4deR6r1

³ The GPLP also has its own PR website, https://usaidgreeningpreylang.exposure.co/

⁴ The GPLP also includes specific support to development of a carbon project in Phnom Thnout Wildlife Sanctuary, to the south of Kulen Promtep WS, with local NGO OFO, and the project developer, the Australian firm GreenCollar.

2. History of the Protected Areas and carbon project

Both the <u>Preah Roka Wildlife Sanctuary</u> (PRWS, 90,300 hectares) and <u>Chhaeb Wildlife Sanctuary</u> (190,000 hectares) were established in 2016. All three are IUCN category IV, meaning it is protected but sustainable use of natural resources is allowed. Preah Roka was formerly the Preah Roka Protected Forest. In 2023, Chhaeb and Preah Roka were combined into the 'Chhaeb-Preah Roka Wildlife Sanctuary (CPR-WS), and slightly expanded.

WCS claims to have been working in the various Protected Areas in this "landscape" since 2000. As of May 2024, there is no actual Project Design Document available for the NPL or any specific areas within it, and the project has not been registered with Verra or any other certification system.

Figure 1. The "Extended Prey Lang Landscape", also showing location of "biodiversity corridors" (brown) and "community protected areas" (CPAs, yellow)⁵

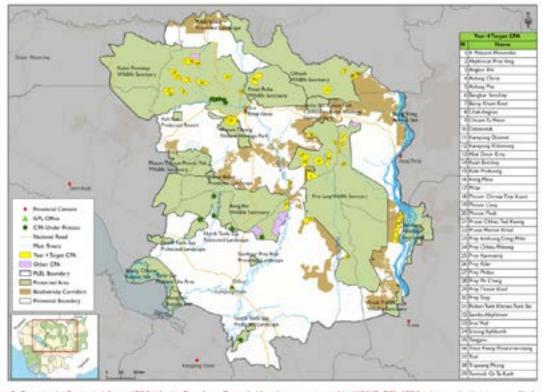


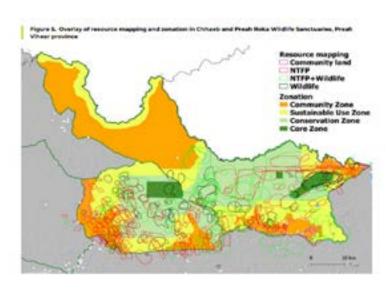
Figure 3: Community Protected Areas (CPAs) in the Prey Lang Estended Landscape supported by USAID GPL (CPAs that are in the process of being recognized by MoE are noted as "in the process")

A map from WCS in Figure 2 below shows how the NPL area has been divided into different conservation zones, as well as local resource use.

Figure 2 WCS Map of zoning within the Chhaeb and Prea Roka Wildlife Sanctuaries ⁶

⁵ Source: p25, https://pdf.usaid.gov/pdf docs/PA0211X3.pdf

⁶ See https://www.mrlg.org/wp-content/uploads/2023/06/Case-Study-June2023 Web.pdf, p10



In the key document, the 2020 <u>USAID-funded feasibility study</u>, WCS lists no fewer than five previous efforts since 2010 aimed at turning one or more of the province's PAs into carbon projects. WCS claims that, along with the Ministry of Environment (MoE), it has already conducted deliberate emissions-reductions activities since 2017 or even earlier, presumably with a mind to a very long back-dating of any eventual carbon project's start date. WCS identifies the main drivers of deforestation in the region as local communities, land allocations by ministries other than the Ministry of the Environment, immigration, and the debt burden incurred by farmers as they've engaged in recently available micro-finance schemes.

Northern Plains Landscape
Proposed REDD+ Project Zone - 438,000 hectares

NPL REDO+ Project Zone | Provincia Boundaries
National Project Avairable | Press Vinear Province

Figure 3: Proposed REDD+ project zone

This "landscape"-level carbon offset project would cover 438,000 hectares of most of four (now three) Protected Areas, as shown in Figure 3 above. (The Phnom Tbaeng National Heritage Park is not covered specifically in this briefing). The western third of Kulen Promtep has been excluded presumably because, as will be shown below, it has already been almost completely deforested. WCS foresees that "the proposed design as a grouped project under the VCS allows expansion to additional protected areas" – in particular the Phnom Thnout-Phnom Pok Wildlife Sanctuary in Siem Reap Province. For the

latter, the feasibility study urged to start some new activities immediately in order to "cause additionality and establish a project start date".

According to the 2020 feasibility study, WCS's broad aim appears to be to generate around 25 million credits over a 30-year period. The 2020 feasibility study primarily sought to guide a project to be certified under the Verra scheme, but also assessed the possibility of registering under other schemes. It noted that:

"At present value, for the most likely scenario, the sale of credited emissions reductions represents more than US \$143 million in conservation finance over 30 years, with approximately US \$8.6 million over the first five years."

Based on a number of assumptions about finances of the project (most of them highly theoretical), and about which method they used for calculating emissions reductions, the feasibility study foresaw an overall profit from the project after eight years of operation of between \$11 million and \$18 million. This would be net of expenses, including a projected \$1.7 million on "Community and Governance Interventions" and \$2.3 million on "Law Enforcement Patrols". A broadly similar financial model to Keo Seima (see page 10) seems to be foreseen, with a long back-dated start date (in order to generate an initial surge of funding for claimed *past* achievements, and hence zero actual expenditure), followed by some years of relatively minimal (~25%) investment back into the project area. The majority of the proceeds would be invested in some kind of fund to generate long-term income. As with the Keo Seima project, there has been no formal statement of how any funds would be distributed, such as with the Cambodian government. The Keo Seima funding mechanism allows for unspecified (and entirely opaque) take-off of "profits" for general organisational or other purposes.

The feasibility study foresaw a 1.5-2-year development period before the projects could be submitted for certification and validation. The <u>Fourth Annual Report</u> of the GPLP, from September 2022, states that "The draft Project Document for the Northern Plains Landscape (NPL) REDD+ Project and first Monitoring Implementation Report (MIR) (2018 – 2020) were both submitted by TerraCarbon in February 2022."The GPLP Year 5 workplan (covering Sept 2022-July 2023) stated that:

"The Project Design Document (PDD) and Monitoring and Implementation Report (MIR) for the first monitoring period (2018 – 2020) will be submitted to the validation/verification body (VVB) AENOR International S.A.U. to meet the requirements of the Verified Carbon Standard (VCS) and the Climate, Community, Biodiversity (CCB) standard and the validation is likely to be scheduled for November/December 2022."

However, the fourth annual report also then goes on to note that "additional time was needed" because of a decision to follow Verra REDD+ methodology VM0007 instead of the originally intended VM0015. The report notes that "WCS has selected AENOR International S.A.U. as the validation/verification body".

The fifth and final GPLP workplan also stated that "During FY23, ongoing implementation of the NPL REDD+ project will include finalization of the identification of 'target' villages." The Sept 2022 Annual report of the GPLP (p14) notes that 180 villages had been found to be located within NPL boundary as it would likely exist for the purposes of a carbon project. Of these, 59 villages were found to "have some form of agricultural interest within the focal area". In 44 of these, more than 20% of households were found to be engaged in agriculture, and hence these are now defined as the "target" villages⁷ (the rest are all termed "user villages"). The report goes on to state that:

"Follow up phone interviews have been conducted at the commune and community level to clarify the level of use of the resources in the protected areas of the project. This data allowed the team to

⁷ There seem to have been questions about how the 'consultation meetings' were conducted, and some of the information appears to have been gathered only through telephone calls (to whom, it is not clear).

complete mapping and a final determination of the project's target and user groups. Extensive report collation was conducted with village visits to sign and seek approval of meeting minutes by chairpersons of meetings. Planning is currently underway for the final intensive field-based consultation and consent process to occur from November 2022 through January 2023."

Also included in the report is that:

"Another significant step [during 2012-22] was the finalization and signing of the NPL REDD+ project marketing agreement between Ministry of Environment (MoE), Everland LLC, and the Seima Carbon Company (the project's authorized agent) allowing Everland to initiate marketing and pre-sale of project credits."

Everland is the marketing offshoot of Wildlife Works Carbon. There is no evidence yet they've actually done any marketing of credits from this project. However, concerning "pre-sales" (which, of course, would completely pre-empt the entire validation/verification process through Verra) the report notes that \$1.2m has evidently already been paid to WCS by Everland for pre-sale credits.

3. International partners/donors

USAID (through its technical implementation contractor, TetraTech) has been directly involved in financing the early-stage development of the "Northern Plains Landscape REDD+" project, as described in voluminous documentation, such as the "Greening Prey Lang" programme Year 4 workplan. The "Greening Prey Lang" project (GPLP) was funded by USAID and coordinated by the US company Tetra Tech, but includes funding for both WCS (the "Northern Plains" group of PAs) and CI (Prey Lang), as well as offset project development companies. GPLP started as a \$8.5m programme but, through successive contract amendments, ended up being \$23.8m. Of the known sub-contracts, \$6.9m went to WCS, \$5.6m to CI and \$255,000 to TerraCarbon, an Illinois-based company which describes itself as a "leading advisory firm that helps develop carbon offset projects to fund nature-based climate solutions".

4. The project and Indigenous inhabitants

There are reportedly 41 communities inside Preah Roka, including Kuy Indigenous People, who depend on farming and collection of resin, nuts and other "non-timber forest products". Generally, as the map in Figure 4 below shows, the highest numbers of Indigenous people are found in precisely the provinces where the new carbon projects are being developed. The Cambodian government's policy towards Indigenous people is broadly integrationist, and that, as claimed by the <u>Cambodia Indigenous Peoples</u> Organisation, the data it uses on Indigenous demography is "inconsistent and flawed".

Indigenous informants in the project area told Survival that they had been struggling to protect the area since the mid-1990s, when a logging company was forced to leave. A Chinese company attempting to clear 40,00 hectares of forest for sugar cultivation was blockaded and eventually repulsed. As in other parts of Cambodia (see Prey Lang and Keo Seima briefings [pages3 6 and 10]) a community network had been established. But also as elsewhere, informants said the situation deteriorated when Ministry of Environment patrols arrived, and the community monitors were prevented from operating. Community's use of the forest is now restricted only to collecting non-timber forest products.

Informants told Survival that villagers were threatened with arrest if they did not give MoE patrols some of their collected produce, such as honey. Any wild game found was confiscated, along with any equipment, and there had been multiple arrests recently. An Indigenous informant told Survival:

"We need the forest for our food, the forest is our market, if we can't go to the forest we'll starve. MoE [rangers] sometimes stop us collecting herbs, they do everything they can to stop us and make our lives

difficult. I can't list everything they do to us."

Informants stated that they do not know where the boundaries of the Protected Areas are.

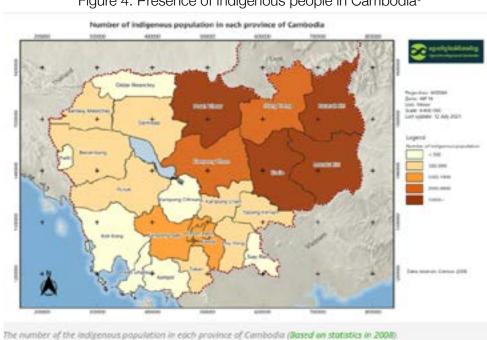


Figure 4. Presence of Indigenous people in Cambodia⁸

4.1 Consultation and Free, Prior and Informed Consent (FPIC)

The GPLP produced what it called a <u>"Stakeholder Engagement Strategy"</u> in 2019. This actually mostly consisted of a report on a *stakeholder mapping* exercise, and some very general prescriptions. For example, under the programme objective of "Improving the enabling environment for conserving biodiversity and natural resources and realizing rights", there would be "*targeted campaigns or support to youth, indigenous communities or women.*" "*Disadvantaged groups*" such as "women, youth and indigenous people" would be supported to "engage effectively in USAID GPL's stakeholder strategy". Information would be shared "in a way that enriches understanding and enables access (e.g., using Khmer and indigenous languages, using effective visuals such as maps, photos, or videos, holding participatory meetings rather than written documentation, and using Facebook, among other means)".

As noted above, FPIC exercises were supposed to have been carried out in 2021, but were postponed to 2022 (and possibly again to 2023). The most recent (Sept 2022) <u>annual report</u> of the GPLP stated that the project had "Conducted 161 stakeholder consultation meetings with 49 villages for the Northern Plains Landscape REDD+ Project." - these presumably being mostly the so-called "target villages". (During the same period, the project produced "72 promotional videos").

The GPLP Year 5 workplan said that the period August 2022-July 2023 would see the "completion of the FPIC process in all target villages to the predetermined threshold level of community participation; and community consultations with elected community representatives on the consent agreement and signing of the agreement by both community representatives and MoE". This GPLP workplan also stated that an Accountability and Grievance Mechanism would be "presented to the communities", sometime in the

⁸ Source: https://bit.ly/4blfh0A

2022-23 year.

Informants told Survival that government officials started promoting REDD+ in 2012. WCS arrived in 2022, and carried out "trainings" but participation in these was very restricted and controlled by the authorities. Some villages had agreed to establish a Community Protected Area (CPA), but others decided not to, despite being put under pressure to do so. Villagers did not understand the carbon project. They were promised money, but weren't told how much, or when, or how. With one exception, informants said they had never been asked for consent to the project. An informant related how it was very difficult to raise any issues in the meetings the village had had with WCS. Others reported that they felt that WCS deliberately excluded members of the PRRCN from meetings about the project.

4.2 Supposed benefits for local communities

According to the Year 4 workplan for the GPLP, "community benefit" is supposedly one of the three key objectives of the programme:

"USAID GPL is increasing sustainable and equitable economic opportunities, community livelihoods, and natural capital reinvestment by establishing methods for stimulating the expansion of inclusive, conservation-friendly, climate-resilient, and low emission economic opportunities ...and broadening opportunities for increased sustainable economic models."

This would be achieved through three main themes, specifically:

- community-based ecotourism
- "wildlife-friendly agriculture"
- REDD+ project development

However, other than what is roughly modelled in the GPL Feasibility Study, no specific information has been given about what exact "community benefits" are foreseen (other than supposedly having their biodiversity protected), how these would be determined, distributed or managed. The outline figures given in the Feasibility Study's financial modelling suggest that community benefits will be smaller than law enforcement, and an order of magnitude lower than WCS's foreseen "overall net cash flow". There are multiple references in the project documents (such as the Year 5 workplan) to an "Ibis Rice" project, which seems to predate the GPLP and was also USAID-funded. This appears to be one of the main mechanisms for generating community benefit.

An IBIS Rice Conservation Company has been set up to market the products. However, farmers in the scheme are not allowed to receive its supposedly "premium prices" for rice unless they conduct no wildlife hunting or logging, no land expansion for growing rice without permission, and no application of any synthetic fertilizer or pesticide. The GPLP 4th Annual report noted that "there has been an increase in non-compliance by IBIS Rice farmers due to increased land clearance".

Informants said that there is one eco-tourism project (featuring critically endangered vultures) which pays benefits to a local community, but this was already established long before the REDD+ project.

Since 2021, around 50 small grants of between \$5,000 and \$10,000 were distributed to local community based organisations across the "Prey Lang Extended Landscape" for projects of up to 18 months long¹⁰. The names and location of these are all shown on the map in Figure 5 below. The vast majority of these

⁹ See USAID/Tetra Tech GPL Four-year work plan, p9

¹⁰ Ibid.

are Community Protected Area (CPA) associations or Community-Based Ecotourism outfits (CBETs) indicating the priorities of the project. The GPLP} 4th Annual report notes that:

"To support long term private sector investment in local communities, USAID GPL is supporting the adoption of Protected Area Monitoring Platform (PAMP) systems such as SMART Mobile and satellite deforestation alerts by community members to meet private sector M[onitoring] R[eporting] V[erification] requirements."

One informant said that WCS had made an agreement with their (target) village for payment of "something like \$9000 per year" for patrolling their Community Protected Area" – but the village did not have a copy of the agreement, and the money had never arrived. The same informant said they were not aware that money from the REDD+ project was also going to the MoE.

It is notable that nowhere mentioned in the GPLP documentation is the possibility of establishing community land titles (such as Indigenous Community Land Titles – ICLTs - used in Keo Seima), as allowed for under Articles 23-28 of the 2001 Land Law¹¹, nor of the fact that Article 28 of this law prohibits any "authority outside the community" from "acquiring any rights to immovable properties belonging to an Indigenous community". Informants reported WCS pushed them to set up CPAs, even if they didn't want to. There was no mention of any support from the project for actual land titling using ICLTs.

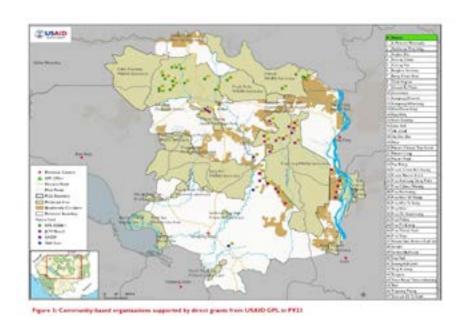


Figure 5. Map of reported distribution of small community grants under GPLP in 2023¹²

The 2020 Feasibility study (p7) claimed that, if successful, the benefits from the NPL REDD+ project would include:

"Formalization of land use and rights. As a result of zoning measures, land use tenure, and land rights are formalized among communities."

In practice, under the GPLP project paving the way for NPL, the only work on tenure was the establishment of Community Protected Areas (purportedly benefiting 97 villages).

¹¹ OpenDevelopment Cambodia, 2023. Ethnic minorities and indigenous people. https://bit.ly/4blfh0A

¹² A list of all the local groups is available here, pp 23-32.

5. Supposed environmental benefits

The GPL project is basically a conservation project, so it centres on putative biodiversity (and climate) benefits, as described in detail in the project documentation.

One of the key problems in the area as a whole seems to be the issuing of Economic Land Concessions or Social Land Concessions by the Cambodian government. This is consistently listed as a risk in the USAID project documentation, and prompted a fall-out with the government as noted in our <u>briefing on Prey Lang</u> [see page 36].

Corruption of ministry patrols and officials means there is a continuous flow of wood out of the forest. As Survival was told elsewhere in Cambodia, informants said that communities felt they might as well sell their resin trees and other timber, as the Ministry would corruptly allow illegal loggers to take it anyway. Dislike and distrust of the MoE was very widespread. One informant told Survival:

"As soon as the MoE takes over the forest then near the main MoE station will be totally cleared of trees. Wherever the MoE are – the trees will be gone. Those without powerful connections will be the ones who suffer from this."

Another said:

"Since the MoE took over we've not seen anything useful being done to save the forest. When the MoE come down they follow what WCS says, but then do what they want to when WCS has gone."

As elsewhere in Cambodia, informants told Survival that they were very doubtful that deforestation could be stopped, because of the corruption of the MoE. (One specifically stated that a \$50 bribe secured "a day and a night" of illegal logging). An informant said:

"There is no way the Redd project can succeed – before you could walk in the forest and it was dark and there were a lot of animals, now it's unrecognisable, the canopy and big trees have gone. WCS haven't supported us at all in all the recent problems, WCS and the Redd project are ineffective".

Another informant said:

"In the past we supported WCS – the real problem is the MoE, they get money from WCS, REDD and extracting it from the people and loggers – that's what really hurts us. It's too late for WCS to change their ways – they have already destroyed the forest, it's better if WCS get out. I regret all the money that is wasted by all the donors – so much of it has gone to the corrupt MoE, so much has been wasted and the result is nothing."

The evidence suggests they are right. As shown below in Figures 6 and 7, Global Forest Watch data shows that deforestation in an around the Northern Plains group of Protected Areas accelerated greatly since 2016. Deforestation in the last six years (i.e, since the reserves were established) has been roughly five times what was in the previous fifteen years. The change in Kulen Promtep has been even more dramatic; between 2001 and 2022, around 116,000 hectares of the reserve was deforested, or 47% of the area formerly covered with trees.

Figure 6. Deforestation in Preah Roka and Chaeb Wildlife Sanctuaries, 2001-2015 and 2016-202213

¹³ Source, Global Forest Watch https://bit.ly/3V574hN

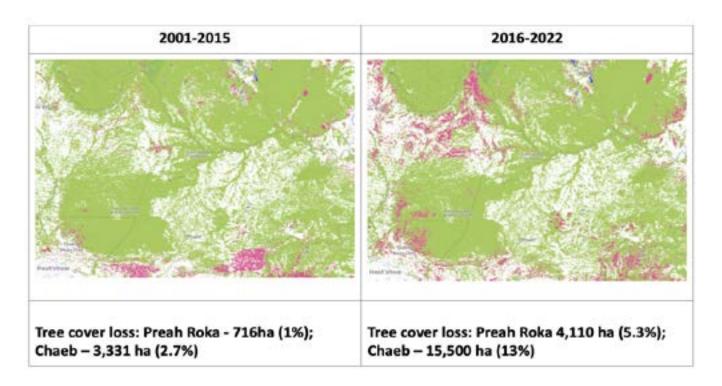
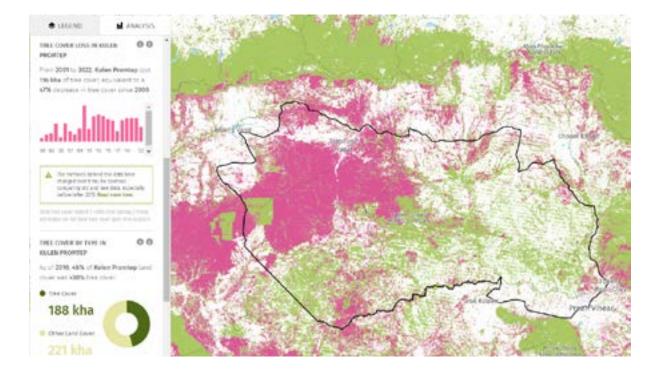


Figure 7. Deforestation in Kulen Promtep Wildlife Sanctuary, 2011-202214



¹⁴ Source: Global Forest Watch https://bit.ly/3wuFYqR

6. Likely key issues of credibility as an offset project

6.1. Additionality

As with all existing Protected Areas, those within the NPL are likely to be questioned in terms of additionality. The USAID feasibility study notes that:

"Conservation initiatives...led by Ministry of Environment (MoE) with the support of WCS, US-AID Greening Prey Lang (GPL), and other non-governmental organizations (NGOs) are laudable. Some measures provided by these initiatives have successfully mitigated the losses of natural habitats and provided for improvements in livelihoods." (emphasis added).

So if these former programmes have been successfully mitigated habitat loss, what is the actual purpose and essential requirement for carbon funding? The feasibility study shows that WCS know they have a problem with this. There is a convoluted argument given that the fact they got a grant from the Cargill Foundation in 2016 specifically to prevent emissions in the region shows that carbon financing is essential, though of course it can also be used to argue exactly the opposite! The feasibility study foresees that the "additionality" of the project would be use of carbon finance for "enhanced law enforcement" and "alternative livelihoods incentives", including wildlife monitoring. However, as the Kuy make clear, which is backed up by the evidence of deforestation, the MoE "law enforcers" are turning a blind eye to rampant logging, as long as those responsible can pay.

6.2. Baselines

Following from the above, and as with all such offset projects, the strong incentive will be for the project proponents to construct an inflated "baseline" to project higher rates of deforestation in the future than would be likely in reality. From the feasibility study, this is already foreseen by WCS. The rough scenario of the baseline emissions from the project area (roughly corresponding to rates of deforestation) shows them increasing by a factor of nearly 30 between 2017 and 2023. It is extremely difficult to see how such an assumption could be justified. With the project start date set at 2020, it would thus benefit from an already hugely inflated baseline, thus ensuring a larger amount of credits could be generated (even if actual deforestation then increased substantially).

6.3. Leakage

It is equally clear that the project proponents know they potentially have a big problem with leakage – i.e, whatever they might succeed in doing in the PAs might just shift carbon emissions elsewhere. The limited attempt to deal with this in the feasibility study is essentially that there are "laws" in existence. However, given the government's failure to implement these laws, this is not convincing.

6.4. Verra's REDD+ Methodologies

As there is no even preliminary "concept" documentation for the project, it's not clear how far WCS has actually advanced with developing a certifiable scheme. However, it is likely that any work done prior to 2023 was carried out in accordance with one of the existing Verra REDD+ methodologies. However, all these methodologies are now being retired, to be replaced with a new unified one.

One major change in this is that the baseline scenario will no longer be set by the project itself, but will be determined by an independent analyst, and will assess "jurisdictional" (i.e province- or nation-wide) deforestation trends. This potentially removes one of the big opportunities for gaming the system and generating bogus credits, and might even render the whole scheme inviable.

6. Conclusion

The deforestation statistics in the Northern Plains area are shocking, and there is no sign that the Ministry of Environment rangers are capable of stopping the rampant logging, or even that they are trying to. This renders the entire carbon offset project a farce. In its partnership with the Ministry of Environment, with its rangers in the pay of the loggers, WCS has allowed the Indigenous people who were actively protecting and patrolling their forest to be excluded and persecuted. By working with the MoE, rather than with the best guardians of the forest, WCS has demonstrated that as long as the money from the carbon credits rolls in, it is content to stand by while the Kuy's forest is sold to the highest bidder.

Prey Lang Wildlife Sanctuary (PLWS) (Conservation International)

Background

This briefing is one of a set of three (the others concern the Keo Seima Wldilife Sanctuary and the Preah Roka Wildlife Sanctuary/"Northern Plains landscape"). They result from desk research carried out in July-September 2023, and April-May 2024, and field investigations in October 2023. The latter included discussions with scores of informants, mostly members of Indigenous and other local communities, although also people involved with the respective projects. The names of informants are withheld for their safety.

1. Brief history as a protected area/carbon project

Prey Lang is said to be mainland Southeast Asia's largest remaining lowland evergreen forest, spanning the four provinces of Kratie, Preah Vihear, Steung Treng and Kampong Thom. It is home to the Indigenous Kuy people. In the past they practiced rotational farming but expulsion from their lands during the time of the Khmer Rouge and pressure from the authorities mean that it's rarely practiced now. However, the forest remains of vital importance to them. They still farm small plots and rely on the forest for collecting forest products such as honey and medicines, for tapping their resin trees, and to conduct rituals. Resin trees are particularly important to the Kuy and are passed down through the generations. The resin is used as a natural antibiotic and lantern fuel but they are also targeted by loggers and many have already been cut down. Kuy informants report losing more resin trees since the Prey Lang became a Protected Area.

The Kuy–led Prey Lang Community Network (PLCN) is a network of Indigenous people who began patrolling their forest to protect it against illegal logging in 2004. Rather than working together with the Indigenous landowners and their existing anti-logging protection force, the Wildlife Sanctuary was established in opposition to the PLCN. The PLCN patrols were banned from entering the forest in 2019 and although they are now allowed to operate again, they are heavily restricted, making them much less effective.

PLWS was established in 2016, and is an IUCN category IV Protected Area (PA), and covers 431,600 hectares. Project documentation (see below 4.2.1) states that, as is legally required for all PAs, the zoning of the reserve into the four different categories has not yet happened due to lack of money, and this would be done using the proceeds of carbon credits.

PLWS has been used as a pilot project to test the use of project-level REDD+ in the Japan Crediting Mechanism (JCM), a carbon offsetting system administered by the Japanese Ministry of Foreign Affairs whereby Japan finances emission reduction projects in exchange for carbon credits. The project's complete name as registered in the JCM is the 'Prey Lang Wildlife Sanctuary - Stung Treng REDD+ project' (PLWS-STRP) (See Figure 1 below).

This PLWS pilot was funded by Mitsui & Co., Ltd. and implemented by Conservation International (CI) and the Ministry of Environment. The project' first phase only covers part of the PLWS (86,738 hectares, all within Stung Treng province, specifically Siem Bouk and Thala Barivat districts), as the map below shows. This area mostly avoids those that are under the most pressure (see section 5 below). The project was developed under a methodology which CI and Mitsui jointly created themselves.

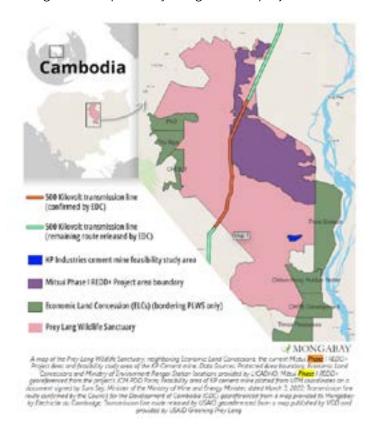


Figure 1: Map of Prey Lang REDD+ project area1

2. International partners/donors

Alongside general support, through CI, of the usual Protected Area activities, USAID has funded the early (Phases I-II) stage development of the JCM carbon project, under the Greening Prey Lang programme (GPLP), 2018-2021. This <u>included</u> the "development and implementation of the monitoring, reporting, and verification (MRV) system necessary to access climate and biodiversity financing."

The Phnom Penh Post <u>reported</u> in June 2021 that the US Embassy had announced that the USAID GPLP would no longer support government agencies in Prey Lang, but instead fund "other stakeholders", reportedly over "concerns about persistently high deforestation rates in protected areas". The government had failed to stop well-documented illegal logging – and had reportedly imposed restrictions on and prevented community-based groups such as Prey Lang Community Network - a network of Indigenous people who, along with NGOs patrolled the area to detect illegalities – from carrying out their work.

This announcement apparently followed from <u>accusations</u> earlier in 2021 by the Prey Lang Community Network (PLCN) that "USAID's work is ineffective and not sustainable," and publication of satellite images showing ongoing industrial-scale illegal logging in the reserve. Local monitors had been arrested by government rangers, prompting an international NGO <u>protest letter</u>. The letter details various government-granted Economic Land Concessions accused of being the source of the illegalities. USAID noted that "Since 2016, despite USAID's support for increased ranger patrols, training of law enforcement and development of a national protected area management system, the Prey Lang sanctuary has lost ap-

¹ Flynn, G et al. 2022 Opaque infrastructure project 'a death sentence' for Cambodia's Prey Lang Wildlife Sanctuary. Mongabay. https://bit.ly/3BdxxSB

proximately 38,000ha of forest, or nearly nine per cent of its forest cover."

Mitsui corporation is one of Japan's largest carbon emitters, responsible in 2020 (according to its own data) for around 36 million tonnes of CO2eq– which was due to increase by another 10Mt in 2021 as the company opened another fossil-fuel power plant². The company's emission are more than twice the entire national emissions of Cambodia, and about the same as the whole of Sweden. The company has not disclosed how much funding it has provided to the Prey Lang project.

3. Status as a carbon project

From the information available it <u>appears</u> that the project's 'Phase 1' (~2018-2021) aimed to pilot the REDD+ project in a limited portion of the reserve (see map above), and prepare all the offset project documents for the JCM scheme. The Phase II work (2021-2026) would expand it to the rest of the reserve and move to validation and issuing of credits. In March 2023, it was <u>reported</u> that Phase I was yet to be completed. Nevertheless, the project was formally <u>registered</u> by the JCM Japan-Cambodia Committee on June 9th 2023 (its first ever REDD+ project). The JCM <u>project pages</u> provide quite a bit of information about the project.

The project's formal start date was January 2018. Its "expected operational lifetime" is an exceptionally short 12 years – raising questions about the permanence of any supposed emissions reductions. It is not clear from the documentation why such a short period was chosen – possibly because it was already realised that it stood little chance of protecting much forest for any longer!

The project was <u>validated</u> for the JCM by Aster Global in February 2023. An average of 346,00 credits per year will be issued, for a total of 4.16 million by 2029. The project used the Cambodian national baseline ("forest reference emissions level") as submitted to the UNFCCC in 2016. It is not possible to determine from the JCM registry system whether any credits from the project have yet been sold.

4. The project and Indigenous People and local communities

The JCM <u>"Safeguard Activity Plan"</u> indicates that around 140,000 people live in and around the area, though it is not clear how many of these are Indigenous. The main Indigenous inhabitants are Kuy people. The JCM Safeguards document says that Kuy are "the majority population of three communities in the project area (Ou Lang, Siem Bok, Tonsaong) as well as 16 households in a 4th community (Spong)".

A Kuy elder informant told Survival:

"The forest is so important for the Kuy people because we depend on the forest for living. In the past there were a lot of wild animals, fishes, etc. During my parents' and grandparents' time, life was much better. We were living in solidarity, we didn't have houses like this. We used to live in camps and then moved when we rotate our farms. It was very easy to live, where there was water, there was fish. We shared what the hunting provided us.

Today we do rice farming, casava, and take care of cows. If the government doesn't allow us to do that, then the Kuy people will die. Children don't know about rotational farming, don't know anything about Kuy people. It's a bad thing. They cannot even speak Kuy language. The young generations get a general education in the school and then go outside to get money, so they

² See for example https://bit.ly/3w9MuTG

³ Approved by the JCM in April 2023.

don't know anything about traditional Kuy."

The informant recorded that, during the time of the Khmer Rouge, the Kuy were moved out of the forest that is now the Prey Lang reserve and relocated along the Mekong river. This allowed loggers to move in, which has continued to the present day.

4.1 Consultation and Free, Prior and Informed Consent (FPIC)

It is clear from the project documentation that it did not obtain the FPIC of affected communities at any time - indeed only started "presenting the project" to them after it had already started. The GPLP Sept 2022 Annual report notes that "Stakeholder consultations for FPIC as well as solicitation of comments on the project were conducted with 19 villages in Kampong Thom, Kratie, Preah Vihear, and Stung Treng."

However, the Project Design Document (PDD) seems to contradict this. It is worth quoting at length what the document (p26) says about this:

"CI received a grant from USAID's Supporting Forests and Biodiversity Project from 2015 to 2016 and worked with 9 villages (Spong, Toal, Kaes, Doung, Kang Kngaok, Kampong Pang, Tonsaong, Siem Bouk, Ou Lang) in Stung Treng portion of PLWS supporting the conduction of community patrols for protection of resin trees and developing livelihood. During that period, CI team built relationships with these communities and their local authorities. They were regularly consulted about their concerns during this period.

[...]

The REDD+ project was presented to government and community representatives from the four provinces covering PLWS (Kratie, Kampong Thom, Preah Vihear, and Stung Treng) in February 2019. No specific comments were made during this workshop. In May 2019, representatives from project communities in Stung Treng were brought to the REDD+ project in Keo Seima Wildlife Sanctuary in Mondulkiri Province. The goal was to give the communities a better understanding of REDD+ and the impact that REDD+ can have in the community.

From 12th October to 7th November 2021 consultations were held to solicit public comment on the project in the nine villages (Dung, Kesh, Toal, Siembok, Kang Cham, Kang Kagnouk, Alung Phe, Phave, and Spong)⁴ impacted and engaged by the project primarily. The objective of the consultation meetings was to update the communities on the project progress, explain the upcoming validation and verification process, explain the Grievance Redress Mechanism, and gather feedback and comments from the community members and other stakeholders.

Locked boxes were placed in every village to provide a place to deposit comments and grievances. The boxes were checked at the end of the public input period (6th November 2021)"

This is the end of the section on FPIC in the Project Document – noticeably lacking of mention of <u>consent</u>. Whilst there is then a list of "comments" received, nowhere does it state that any consent was granted. Neither is there any mention of any agreements, formal or informal, reached with communities.

That the "consultation" was not conducted until well after the project had started (if it ever happened at all) is confirmed by the USAID-funded Greening Prey Lang project documentation, as the project was supposed to have funded FPIC processes. The GPLP Year 4 workplan included that:

"During [20]21 USAID GPL identified the ... stakeholder villages. During [20]22 the USAID GPL team will lead the community consultations across these villages which will include the FPIC

⁴ Note that none of these are majority Kuy villages, and only Spong has any Kuy inhabitants, as a minority.

processes which is required to implement the JCM REDD+ project, develop the PDD, and develop the Safeguard Implementation Plan."

The following year's workplan (Year 5) then noted that the FPIC exercises would continue "throughout 2023" – i.e, after the project had already been submitted to, and approved by, the JCM.

The only mentions of FPIC in the JCM Safeguards document are to the effect that the concept of FPIC is not enshrined in Cambodian law (even though the country is signatory to UNDRIP) and that "this specific procedure may not be applied to indigenous peoples when relevant". The Safeguards document states that "Starting in 2020, there will be annual village meetings where project results will be presented, community members will present their questions and concerns, and priorities for support will be identified and used to inform the distribution and use of funds" – again, nothing about consent.

Numerous local informants Survival spoke with in September 2023 had been involved in "consultation" meetings or training sessions organised by CI in 2021 or 2022. None of them recalled ever being asked whether they agreed to the project. An informant who had formerly worked as a community ranger told Survival that there were some benefits from the project for the people and the forest but that most of the people don't understand the project and had never heard about it. Training sessions run by Conservation International had only involved very few people (including rangers), who hadn't then passed information on to the wider community. One informant, who had been involved in a meeting with CI, told Survival:

"The meetings with CI, I reject them, because commune authorities are there, so if I raise my opinion they don't value it... The authorities are involved with loggers".

This was confirmed by another informant, who also said that villagers were deterred from speaking out in such meetings because of the presence of government officials and the police. Several informants emphasised that they had not really been asked any questions at the meetings with CI, and there had been no real discussion.

4.2. Supposed benefits for local communities

4.2.1 Land tenure, Community Protected Areas, community forests and "sustainable livelihoods"

The Project Design Document explains that:

"The potential community zone needs to be defined because land titles will be provided to the local communities according to the Protected Area Law and Land Law. The potential core area, conservation zones and community protected areas (CPA) are qualified as REDD+ project areas based on the 2018 national forest cover map and satellite imagery as well as biodiversity monitoring data. To define the community areas, the team used village locations set by the Ministry of Land Management Urban Planning and Construction (MLMUPC), agricultural land identified by 2018 land cover maps, roads, rivers and community protected area boundaries set by MoE. The draft project area was submitted to the government for their input and approval."

In other words, assuming Prey Lang follows more or less the same pattern as the more established Keo Seima, [see page 10] the carbon project will pay for the work which will set up the Community Protected Areas (CPAs) (and possibly Indigenous Community Land Titles (ICLTs or ICTs), though these are not explicitly referred to) that will then become the only lands which the Indigenous people will be able to use [For more information on this see the report on Keo Seima Wildlife Sanctuary – see page 10] . It is possible that all the entire REDD+ area will become the Core area, off limits to communities. Informants confirmed to Survival that the project has been converting existing community forests into CPAs. The community forests already allowed only for minimal livelihoods activity, essentially just collecting non-timber forest products (NTFPs), and fishing. Felling of trees is not permitted, even for domestic use

such as house or furniture construction, and hence communities are often held to be responsible for illegal logging.

The JCM Safeguards doc says that the project will "explore the use of legal firms (e.g. Licado) who specialize in human rights in Cambodia to provide legal education and outreach to the communities" in terms of securing their rights. An informant told Survival in September 2023 that, whilst there were plans for registering lands for titling, none had yet been submitted.

In addition to the titling, there are several other things the project claims it is going to do set out in the JCM Safeguards document. The project documents state that critical to achieving the goal of conserving Prey Lang is "to support the development of sustainable livelihoods, ensuring that the communities are more resilient to shocks, but also to reduce the pressures from unstainable practices"⁵. The PDD (p10) states that the project will benefit communities through:

- Participatory community land-use planning and management;
- Support farmers to improve yield of rice and to certify rice as wildlife friendly and organic in the existing rice fields without expansion of the rice fields (emphasis added);
- Development of additional sustainable livelihoods

Local informants told Survival that, for former generations, rotational farming had not caused problems because the short periods of cultivation (typical only 2-3 years) allowed the forest to recover.

4.2.2 Distribution of benefits

There is nothing in the JCM Project Document or the Aster validation document about distribution of benefits, and this is evidently not required under the JCM system. The Safeguards document says that "The project management unit will develop a benefit sharing plan that clarifies how revenues from payments received for emissions reductions generated by the project will be used to provide benefits to beneficiaries, through engagement and collaboration with communities, government, and other NGO stakeholders."

Some informants had heard about the possibility of receiving money from the carbon project, but did not believe they would ever receive any (none had to date). Many knew nothing about it. Several local informants recounted that during the first village meetings with CI, they had been told that money from carbon would come, but they would have to stop cutting the forest and change their jobs. One informant told Survival that rangers had told his community about "alternative livelihoods" and there had been some discussions about this, but that nothing had actually been delivered.

4. 3. Local communities prevented from protecting their own forest

A January <u>2022 report</u> from Amnesty International (AI) accused the Cambodian authorities of thwarting the Kuy people in their efforts to protect the reserves. The report notes:

"forest has special significance for Kuy people who have a long history of forest-based livelihoods in the area and from whose language the name Prey Lang – meaning 'our forest'– is derived. Prey Lang is a critical part of Kuy identity, culture and spirituality, in addition to acting as a vital resource for Kuy livelihoods".

The Al report documented endemic corruption of Environment Ministry staff associated with the reserve. The same Amnesty report also details the "repression in the name of conservation" going on in the reserve", noting:

"environmental authorities have ramped up their repression of independent environmental activists and forest defenders, including Indigenous Peoples. This repression has markedly

⁵ See https://www.jcm.go.jp/opt/kh-jp/sgip/92/JCM KH005 SGIP.pdf

worsened in the past two years, with authorities increasingly resorting to conservation-based arguments to justify their harassment and marginalisation of independent environmental activists."

This period exactly coincides with the implementation of the USAID Greening Prey Lang programme. Informants in the area confirmed to Survival that the ministry and police are complicit in illegal logging, and prevent or thwart local community monitors' attempts to bring the loggers to justice.

A Kuy elder informant told Survival in September 2023:

"If the government would allow communities to protect Pray Lang the forest would be better than now with the rangers. Now rangers are rich and the forest is gone. We don't see any good conservation in Prey Lang, we only see the loss of the forest. Even the road is broken by the trucks. Rangers take money, there is so much corruption, and let the trees to be cut down".

Another informant who worked as a community monitor with the Prey Lang Community Network said:

"During 2017-2018, there were a lot of loggers, but now when we go in we don't meet them anymore. And this is because the rangers allow us to patrol, but they inform the loggers we are coming. The loggers pay the rangers. We find evidence of logging happening there but no loggers. In the last years, when we were not allowed to go, the forest lost a lot, big and small trees were cut. Now you can only see forest in the border of the road, but behind is all empty".

Several informants told Survival that CI does not work with the PLCN, only with the ministry and the local authorities. Some informants noted how they had been excluded from the project for providing information or raising questions about illegal logging by companies. Several also asserted that rangers were paid bribes by illegal loggers.

One informant noted:

"CI is just coming to work with the rangers. They only care about the funding and how to spend it, and follows what Ministry of Environment tells them. They don't care about the forest".

4. 4 Displacement – forced or economic?

The JCM project Safeguards document contains the following important statement:

"Restricted access/economic displacement

The planned demarcation of the PLWS protected area boundary and completion of protected area zoning could result in reduced access to resources by established communities and migrants to the region that engage in resource extraction from within the boundaries of protected area. Loss of access to resources may result in economic displacement, potentially resulting in harm to livelihoods and/or population displacement. A loss of access to resources may also have disproportionate impacts on women and indigenous peoples, thus potentially increasing inequality."

The project's "approach" to dealing with such problems is extremely vague and highly contradictory. In its entirety, this states:

- "Approach to restricting access/economic displacement will ensure transparency, voluntary participation/agreement, and accountability.
- Any activity design will follow mitigation hierarchy To anticipate and avoid, or, when avoidance is not possible, minimize adverse social and economic impacts from land or resource acquisition or restrictions on land or resource use.
- Any agreement involving costs/benefits (e.g. conservation agreements) will be reached through good-faith negotiation that follows international good practice standards (CI Conserva-

tion Stewards Program).

• Fair and just benefits will be designed to compensate for restricted access and should enhance or at least restore the livelihoods of any and all economically displaced persons and to improve the standards of living of the displaced poor and other displaced groups and to support efforts to progressively realize the rights to adequate housing and adequate standards of living for displaced populations."

Of course "participation" is not voluntary if the area as a whole is being put under "Core Protection" prescriptions. Informants told Survival that local people found by ranger patrols cutting timber for their houses or clearing fallow gardens inside the reserve were charged with heavy fines of up to \$1,000 (whereas illegal loggers pay a monthly fee to the rangers to ensure they look the other way. If, on occasion, action was taken against the loggers, they only had their timber confiscated and were then released.) Some villages in the reserve have been required to sign contracts committing not to expand agriculture. Villagers reported instances where Conservation International has taken people to court for breaking these contracts. An informant in Au Lang village told Survival that CI wanted the village to sign a contract, but the village refused:

"They didn't want to sign because when the rangers are there, they (villagers) can't do anything. They can't do anything if rangers come, they can't farm, the rangers will arrest them if they do farming like their grandparents. When they go to the forest to collect timber to build the houses, they will be arrested too and also for clearing (for farming).

They told all of this to CI. CI didn't reply. They don't have copy of the doc they didn't want to sign. CI said they will regret not signing because they won't get any benefits of the project."

Another informant said:

"Every time I'm alone in the forest I'm afraid. Because if you go to the forest to collect NTFP, the rangers will stop you and ask you money."

Another informant told Survival that even traditional Kuy ceremonies and rituals (invoking the village and forest spirits) have been banned inside the reserve.

4.5 'Accountability and Grievance Mechanism'

An "Accountability and Grievance Mechanism" (AGM) exists, though was evidently introduced much the same way as the overall project; by being presented to communities through so-called consultation meetings, though there is no evidence that the communities actively participate in its design or operation. The nature of the AGM already seems to have been pre-determined (though only loosely described in project documentation) and the GPL Year 5 plan notes that "The communities will be given an overview of the AGM to understand how it functions, posters will be left behind describing the process and methods for filing a grievance (phone, email, text, Facebook message, or submit a note to the community grievance box)"⁷.

The "community grievance boxes" seem generally to be known as "community transparency boxes", a similar system operated by the government in villages. Some informants, including those working with the PLCN, had not even heard of the "transparency boxes". Others said they were aware of their existence, but had not used them and doubted that anyone else had done. Some informants had witnessed the boxes being opened, and there was nothing in them. Some informants said villagers were

⁶ Having acknowledged that economic displacement is likely, the document also then goes on to say that **forced** displacement is not consistent with Cl's policies.

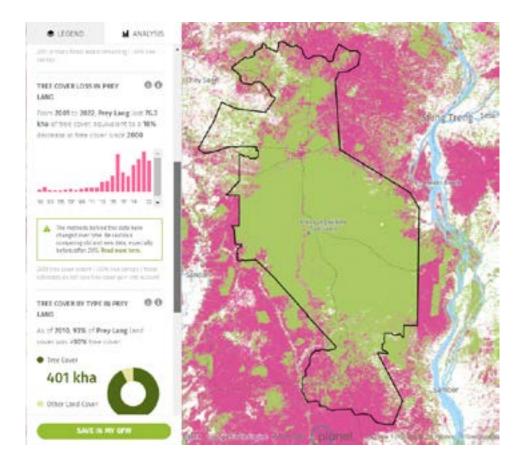
⁷ The JCM Safeguards document specifies that "The project will develop Facebook page where project grievances can be made. Additionally, CI will manage an anonymous grievance box placed in every community, in which people can file grievances that will be seen by CI staff only"

likely afraid of retaliations from using the transparency boxes⁸, whilst others said they didn't believe any change would result from using them. There appears to be no publicly available central account or record of how many complaints have been received, or their subject, nor how they were resolved.

5. Supposed environmental benefits

The JCM documents state that "The ultimate goal of this project is to secure the conservation of PLWS". There are many reasons to believe that this is not likely to be successful.

According to an article on Mongabay, 2021 was the worst year on record for deforestation in Prey Lang. Apart from the widespread illegal logging occurring with the connivance of the authorities, the area is also increasingly threated by infrastructure developments and extraction. In November 2021, the Cambodian government approved the development of a 299 kilometer-long 500-kilovolt power line, about 50km of which passes through the Sanctuary. This followed the allocation of a mining concession within the reserve, and the allocation of various Economic Land Concessions on its borders, as well continued illegal logging in other parts of the reserve. There are clearly very big problems in the reserve, as an analysis using the Global Forest Watch portal shows (see below –forest in green and deforestation in pink, project border in black). 18% of the reserve's tree cover was lost between 2001 and 2022. As the graph on the left shows, apart from 2016, the biggest increase in deforestation has coincided exactly with the implementation of the carbon project.



⁸ It is possible that previous bad experiences with the government's "transparency box" scheme deters potentially users of the CI complaints' scheme. One informant described being "interrogated" by officials after making a complaint in one of the government boxes.

⁹ See https://www.jcm.go.jp/opt/kh-jp/sgip/92/JCM KH005 SGIP.pdf

Most informants expressed broad support for efforts to protect the forest, but almost all were very doubtful that the carbon project or the reserve would succeed in doing so. A local informant told Survival that saving the carbon stored in the trees of Prey Lang would not be possible, because:

"Even the money the rich countries provide cannot stop the loggers. Rangers allow loggers to cut trees for money".

Another informant said:

"The biggest threat to the forest is illegal activities and economic land concessions". We must stop illegal logging inside the forest. Regular patrols could be a solution. Making a wildlife sanctuary in Prey Lang is not a good solution to protect the forest, because CI is only working with the rangers".

Another said:

"There is only one way to have money, it's to cut trees, we don't have other job to do. We cut small amounts of wood, but companies will cut a lot of wood. Our villagers will go to cut trees to support their living, have some food, schools, just every now and then. We don't cut trees every day. If we stop the timber traders, we stop cutting the trees, without buyers there would be no logging, there are a lot of timber traders coming."

A further informant explained that prohibiting local people from entering the forest was actually worse, because they could not detect illegal logging and report it:

"For me it's not safe for the forest. They don't want villagers to enter the forest, but they let companies to go in. If the villagers are inside, they can observe and tell".

Another informant explained that the project's failure to deal with the illegal logging companies resulted in loss of credibility and support for the project, and will lead to its failure:

"When we conduct meetings with the villagers to tell them to stop cutting trees, the villagers don't say anything. They think CI is trying to protect the forest for the companies, so they tell them [the villagers] to stop, but they don't tell the company to stop. When the villagers are among themselves, they say the forest will be gone because of the companies. They will cut all the trees."

This informant explained that, because they could not see the companies being stopped, they felt they may as well cut some trees themselves and sell them to the companies, because the companies would cut them anyway.

Another said:

"CI didn't mention the companies at all in the 2021 meetings. I never heard them talking about this, maybe they are afraid or the government is putting pressure on them".

6. Conclusion

The deforestation statistics in Prey Lang are stark. Neither the Wildlife Sanctuary status nor the carbon project are stopping the rampant logging. By partnering with the Ministry of Environment, with its rangers in the pay of the loggers, Conservation International has allowed the Indigenous people who were actively protecting the forest to be sidelined and persecuted and has stood by while flagrant corruption destroyed the forest the Kuy rely on to survive.

Deforestation rates in Cambodia are among the highest in the world. Yet ironically, the country is leading the carbon offsetting gold rush in Asia.

41% of Cambodia's is under a Protected Area of some kind. Conservation NGOs, governments and big corporations are making millions from carbon offsets while failing to tackle the root causes of deforestation. Meanwhile Indigenous and local people's lands are stolen from them – and the polluters get to greenwash their pollution.

This report shows three carbon offset projects which are shining examples of how NOT to protect the forest.

Survival is campaigning against false solutions to the climate crisis that violate the rights of Indigenous peoples. We are lobbying the conservation organisations implementing these projects, the companies buying their credits and, most vitally, the accrediting bodies which approve and legitimise them.

Join us now to #DecolonizeConservation and champion a new approach where Indigenous peoples and their rights are at the centre.

#DecolonizeConservation www.svlint.org/conservation



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