Berkeley Public Policy
The Goldman School
Berkeley Carbon Trading Project

Berkeley Study Finds Widespread Over-crediting and Weak Safeguards in Avoid Deforestation Carbon Crediting Programs

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Report website

Summary:
Berkeley, CA - A comprehensive study of Reducing Emissions from Deforestation and Forest Degradation (REDD+) carbon crediting programs reveals critical shortcomings. The study finds highly inflated carbon credits and failed safeguards for vulnerable forest communities. These findings call for a reevaluation of the role that avoided deforestation carbon credits play in corporate carbon neutrality claims, climate change mitigation strategies, and funding for forest protection.

Significance:
Projects focusing on reducing deforestation account for a quarter of carbon credits on the voluntary carbon market. Corporations worldwide are purchasing these carbon credits to offset their emissions and claim carbon neutrality. Many see the crediting program as a critical source of financing for reducing deforestation globally. But if the projects are ineffective and credits inflated, the program can weaken climate mitigation efforts and biodiversity protection by taking the place of more effective measures and justifying and masking ongoing emissions, with the world's poorest communities bearing the largest risk when projects go awry.

Key Findings:
- **False Carbon Credits:** REDD+ carbon credits represent a small fraction of their claimed climate benefit. Estimates of emissions reductions were exaggerated across all four major quantification factors we reviewed.
- **Impact on Vulnerable Communities:** Some REDD+ projects have led to the displacement or dispossession of vulnerable communities, despite safeguards meant to prevent harm.
- **Conflicts of Interest:** Auditors hired by the project developers regularly fail to enforce program rules, appropriateness of carbon crediting assumptions, and safeguard protections.

About the Report:
A team of 14 forest modelers and natural and political ecologists performed an in-depth interdisciplinary assessment of REDD+ crediting programs: *Quality Assessment of REDD+ Carbon Credit Projects.* The report's findings question the effectiveness of these projects in reducing deforestation, generating high-quality carbon credits, and protecting vulnerable forest communities. The report extensively examines five quality factors—baselines, leakage, forest carbon accounting, durability, and safeguards—and, in light of the enormous shortcomings uncovered, calls for alternative approaches to funding forest protection.

Conclusion:

REDD+ is ill-suited for carbon crediting. The voluntary carbon market works by creating a financial incentive for private actors to find the lowest-cost carbon emissions reductions and removals. But all market participants benefit financially from excess crediting. With high levels of uncertainty in carbon calculations, wildly exaggerated carbon credit calculations come from the compounding of many decisions and assumptions which all lean toward excess credits. Project risks fall disproportionately on forest communities while safeguards do little to offer protection.

The report recommends a systemic shift in approach to align REDD+ with the original goals of reducing deforestation, curbing greenhouse gas emissions, and providing genuine benefits to communities and the environment.

Sample quotes:

"Our research shows that the project type with the most credits on the voluntary carbon market, avoided deforestation, generates highly inflated credits that put forest communities at risk. An entirely different approach is needed to reduce deforestation and cut emissions."

Barbara Haya, PhD, Director, Berkeley Carbon Trading Project, Goldman School of Public Policy, University of California, Berkeley

"Our team of researchers was surprised by the extent of over-crediting and poor safeguard implementation."

Barbara Bomfim, PhD, Postdoctoral Researcher, Lawrence Berkeley National Laboratory & Berkeley Carbon Trading Project

"One key reason for pervasive poor quality with avoided deforestation carbon crediting is perverse incentives. All participants in the carbon market benefit from more credits. Significant uncertainty and complexity in carbon calculations creates an opening for many decisions, all leaning towards excess credits, to compound into overwhelming levels of over-crediting."

Barbara Haya, PhD, Director, Berkeley Carbon Trading Project, Goldman School of Public Policy, University of California, Berkeley

"Our research shows that systemic changes are urgently needed to ensure forest communities' rights are respected by REDD+ carbon credit projects, including their right to self-determination."

Kelsey Alford-Jones, PhD Candidate, Energy & Resources Group, University of California, Berkeley

"We were taken aback by the very low estimates of natural disturbance risk used by projects, which were less than one tenth the risk we see in remote sensing imagery.

Jennifer Holm, PhD, Research Scientist, Lawrence Berkeley National Laboratory

"Many dedicated people have placed their hopes in sales of offsets generated by REDD+ projects as a source of local benefits and development aid. Our findings illustrate why such hopes are misplaced."

Kathleen McAfee, PhD, Emer. Professor, San Francisco State University

To schedule an interview with report authors, please contact:

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