

SOMMO

The image features a large, vibrant red banner at the top containing the word "SOMMO" in white, bold, sans-serif capital letters. Each letter is filled with a circular inset image of a lush green forest and a winding river. Below the banner is a large, high-resolution aerial photograph of a dense tropical forest, likely a rainforest, with a wide, muddy-brown river or stream flowing through it. The forest is a deep, varied green, and the water reflects the sky and the surrounding trees.

Combatting Carbon Industry Capture

**A Review of Brazil's Carbon Offset Industry,
Human Rights Issues and Legal Actions**

Briefing | July 2024

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Brazil is facing a pressing political momentum as the country prepares to host the first UN climate conference in the Amazon region in Belém, Pará, in 2025. Over the last decade, one of the key policies promoted within the UN climate negotiations and at the national level is the use of offsets.

Forest-based offset projects claim to preserve forests that would otherwise be deforested, generating carbon credits that can be sold to entities seeking to offset their excess emissions.

These offset projects are mostly under the Reducing Emissions from Deforestation and forest Degradation (REDD+) scheme, which was developed to account for forest-related emissions for generating carbon credits.

Being the world's biggest tropical forest and halting high levels of deforestation, the Legal Amazon¹ region plays a crucial role in Brazil's carbon market landscape. It contains more than 90% of all REDD+ projects in Brazil's voluntary market pipeline. The urgency to **prevent further deforestation is, therefore, the main argument used for the expansion of forest-based offset projects in this region.**

Regarding carbon offsets, there are two types of markets:

1. **The regulated market**, where carbon offsets are traded under government-mandated regulatory frameworks and the voluntary market, where private actors voluntarily sell and buy offset credits to claim 'net zero' emissions. REDD+ projects have been mostly established under this type of voluntary market. As preparation for COP 30, Brazil's Regulated Carbon Market Bill (PL 182/2024) is currently under discussion at the Senate level. It establishes the Brazilian Carbon Exchange System, which targets emissions reduction from industry sectors by creating carbon property rights within Brazil's legal framework.
2. **Jurisdictional REDD+ programs (JREDD)** are usually under regulated frameworks that consider jurisdictions at the national or subnational level, as shown in Map 1. Instead of having multiple individual projects, this proposal assumes that projects carried out at this scale have stronger legal certainty and better safeguards. However, many reports have already evidenced the opposite.

Currently, all forest-based offset projects registered in Brazil operate within the voluntary carbon market, totalling 107 projects. Among the projects in the Legal Amazon, 20 have reported human rights complaints related to Free, Prior, and Informed Consent (FPIC) processes (See Tables 1 and 2). In addition to FPIC rights violations, over the last years, investigations by journalists and Civil Society Organisations (CSOs) have reported on scandals related to specific projects, such as public land grabbing, slave labour conditions among workers and logging and cattle ranching in protected areas. This situation calls for immediate action to prevent further harm.

As further explained below, in response to this worrying reality related to human rights violations, the Brazilian Public Defender's Office and Public Prosecutors Office have initiated legal proceedings against abusive projects. These cases have the potential to set key legal precedents in favour of the communities affected. They refer to the threat posed by the expansion of carbon offset projects in

¹ The Legal Amazon is a territorial and administrative region that covers the states of Rondônia, Acre, Amazonas, Roraima, Pará, Amapá, Tocantins, Mato Grosso and Maranhão.



Map 1. The Legal Amazon region. All of the 9 states in the Legal Amazon region have Jurisdictional REDD+ Programs.

Indigenous, quilombolas², and ribeirinhos³ territories, incentivizing what has been termed as “**carbon land grabbing**”.

The objective of this briefing is to explore Brazil’s carbon offsets landscape, highlighting the harmful consequences of being a hub for new REDD+ projects in the Legal Amazon, despite governmental promotion. This involves delving deeper into alleged flawed projects, showcasing human rights violations, governmental efforts to create a regulated market, and legal responses under Brazil’s justice system. Furthermore, this briefing aims to assess the following:

- **How is this industry operating so far in the Legal Amazon? Who are the leading players involved in flawed projects?**
- **What is the role of the justice system in litigating against these projects?**

Brazil’s regulated carbon offsets market

In recent years, the regulation of a carbon offsets market and Jurisdictional REDD+ programs have become key topics in the Brazilian political agenda. Brazil’s Lower House approved its carbon market regulation bill in December 2023 and is currently under discussion at the Senate level.

² Quilombola communities are groups formed by descendants of African people who escaped slavery and resisted the colonial regime.

³ Ribeirinho communities in Brazil are traditional riverside settlements characterized by their close cultural and economic ties to river systems.



The Amazonia Brazil. Photo by Cícero Pedrosa.

Based on Brazil's climate commitments outlined in its Nationally Determined Contributions (NDC) targets, which all countries need to present to the UN, this regulation creates the Brazilian Carbon Exchange System as one of the mechanisms to help reduce emissions from the productive sector. In this sense, the State creates the property rights (the asset) of carbon within its legal framework.

According to the Climate & Development initiative scenarios, 16% of Brazil's current emissions are subject to pricing under the Brazilian Carbon Exchange System. For now, the bill has been approved excluding the agriculture and livestock sectors, which are responsible for Brazil's highest percentage of deforestation and land tenure, amounting to 27% of carbon emissions.

However, it is crucial to halt the perception of this regulation as a viable form of protection and climate mitigation, as it is not. This regulatory approach should not be seen as a model to follow because it prioritizes commercial interests over genuine environmental protection. It fails to address the root causes of deforestation and can lead to further human rights violations and land conflicts, particularly affecting Indigenous, quilombolas, and traditional communities. In this sense, to whose benefit is this regulation being discussed? And how is the climate really going to benefit from this?

The JREDD wave - Jurisdictional REDD+ System

The idea of "jurisdictional REDD" was to change the establishment of individual projects, which each must account for and monitor their activities and impacts for selling carbon credits, to "jurisdictions" that would put together all the projects under one accounting and monitoring mechanism. In the case of REDD+, a jurisdiction serves as the territorial basis for setting deforestation reduction targets and baselines as well as implementing offset projects. These jurisdictions are typically considered at the national or subnational level, as shown in Map 1.

In this sense, instead of having multiple private projects, this proposal assumes that projects carried out at these scales have stronger legal certainty and better safeguards.

Jurisdictional REDD programs in Brazil have been funded by resources from the Global North, particularly through Germany, Norway, and the United Kingdom. The State of Acre, as the first and most studied example, participated in the REDD Early Movers (REM) Program, which was created to support and reward early adopters of REDD policies, with resources from the German government, the KfW Bankengruppe, and the German development agency, GIZ.

In Latin America, the LEAF Coalition⁴ (Lowering Emissions by Accelerating Forest Finance) has been an active public-private player in financing Jurisdictional programs, approving proposals in [Brazil](#), [Costa Rica](#), [Guyana](#), [Ecuador](#), and [Mexico](#). In Brazil, eight out of the nine states in the Legal Amazon have sealed deals with the coalition: Acre, Amapá, Amazonas, Pará, Maranhão, Mato Grosso, Roraima, and Tocantins.

Corporations provide most of LEAF's Coalition funds. These companies—a group that includes Nestlé, BlackRock, Delta Airlines, Walmart, Unilever, Amazon, and more—will receive offset credits produced by LEAF projects. But despite the apparent generosity of their financial commitments, many of these companies rank among the world's most notorious polluters, and several are implicated in the destruction of the Amazon rainforest and violation of Indigenous Peoples rights.⁵

In this sense, building an institutional framework for REDD+ seems to be a strategy to “establish a green economy that allows companies to maintain and expand their profits from the extraction of oil and other fossil fuels while also opening new ‘green’ markets to grow their businesses” (WRM, 2023). In fact, the expansion of this type of offset doesn't help to stop deforestation and poses serious threats to the autonomy of Indigenous, quilombolas and traditional communities in their territories.

⁴ Founded in 2021, LEAF claims to be the “largest public-private initiative ever undertaken to safeguard tropical forests”. This effort is backed by USD 1 billion in funding from private sector companies and the governments of Germany, Norway, and the United States.

⁵ There are many allegations reported on the links of these companies' businesses to deforestation and, therefore, to the violation of local communities' rights. See, for example, the [deforestation cases related to Nestlé's palm oil suppliers](#) or the [allegations of deforestation and rights violations attached to Unilever's supply chains](#). BlackRock, moreover, is the [world's largest investor](#) in companies linked to allegations of deforestation. Likewise, companies like [Amazon](#) and [Delta Airlines](#) have failed to reduce their pollution in a significant manner.



Portel, Brazil. Ed – World Rainforest Movement (WRM) www.wrm.org.uy

REDD+ projects in the Legal Amazon – the impact on Indigenous, quilombolas and traditional communities' rights

A 2023 mapping by Universidade Federal Rural do Rio de Janeiro (UFRRJ) and the Rosa Luxemburg Foundation identified that all the projects with reported conflicts are registered with Verra's Verified Carbon Standard (VCS) label. Of these, 17 are also enrolled in Climate, Community & Biodiversity (CCB) certification. For projects to get certified under Verra, they have to be validated and verified by auditors, which are supposed to guarantee that projects fulfil the requirements. US-headquartered Verra is the largest registry for REDD+ projects worldwide. The registry and its certification system have been plagued with scandals in the last few years.

The state of Pará, the second largest in Brazil and the leading region in deforestation, stands out for having the highest number of conflicts, with 7 of the reported cases occurring there. Key perpetrators include logging, ranching, mining, and agribusiness industries, focusing primarily on soybean and corn cultivation. These activities also operate across ancestral Indigenous, quilombolas and traditional lands where communities advocate for territorial rights.

Investigations by journalists, CSOs and academics have exposed a range of problems around REDD+ projects. While each territory where a conflict is reported has its unique dynamics, categorizing these conflicts with examples (non-exhaustive) can be useful to better understand the impacts of REDD+ on the lives of Indigenous, quilombolas, and traditional communities.

❑ Human Rights Violations in REDD+ Projects

The Maisa REDD+ project, established in Pará, was reported to be linked to a case of slave labour, as investigated by media outlet [Repórter Brasil](#). In June 2023, [Brazilian authorities rescued 16 workers under slave labour conditions for cattle ranching from a farm belonging to this project](#)⁶.

❑ FPIC Right Violation

One example of conflicts regarding Jurisdictional REDD+ occurred in June 2024, [when the Amazonas state government approved carbon offset projects in 21 Conservation Units](#) – public forest lands – which overlap with four Indigenous lands. The call for proposals [hired developers allegedly involved in violating Indigenous Peoples rights in other projects](#) and was made without prior consultation with local populations or informing the National Foundation of Indigenous Peoples (FUNAI) and the Ministry of Indigenous Peoples (MPI).

❑ Poor community consultation practices

Another prevalent issue [was reported](#) by traditional communities in Portel, Pará, concerning three distinct projects: REDD RMDLT Portel-Pará, Pacajai REDD+ Project, and Rio Anapu-Pacajá REDD. According to a report by [media outlet G1 \(2023\)](#), some communities were not consulted and were not aware of what was happening.

❑ Community division and loss of autonomy

Research by [The Intercept \(2023\)](#) highlights division within communities due to pressure from offset project proponents the communities and developers or consequences during the implementation of the project. There has been a [growing body of evidence](#) about the negative impacts of offset projects on community governance. Robust consultation and FPIC processes with independent oversight are often lacking.

❑ Logging and cattle ranching

Media outlet Mongabay published an [extensive investigation](#) revealing suspected illegal logging and cattle ranching in protected areas linked to three projects: Unitor REDD+, Fortaleza Ituxi REDD and Evergreen REDD, located in the south of Amazonas. In June 2024, [Brazil's Federal Police conducted Operation "Greenwashing"](#), uncovering that the proponents of these projects had established operations in land-grabbed areas. The operation also revealed allegations of issuing fake documents to launder timber harvested from illegally deforested areas.

The following tables illustrate the complex network of players involved in REDD+ with alleged conflicts and violations until June 2024. Projects highlighted in Table 1. are those subject to legal actions, while those in Table 2. involve alleged conflicts and human rights abuses.

⁶ According to [Reporter Brasil \(2024\)](#), the inspection report made by Brazilian authorities indicates that workers lived in precarious housing condition with elevated temperature and without water in the bathroom.

Table 1. Projects subject to legal actions

Project Name	Main actors involved	Status	Allegations of harm
REDD+ RMDLT Portel (Pará)	<p>Proponent ☒ RMDLT Property Group LTD (Canada)</p> <p>Developer ☒ ALCOTT Group (Switzerland) Certifier ☒ Verra</p> <p>Auditors ☒ 4K Earth Science Private Limited (India) ☒ EPIC Sustainability Services Private Limited (India) ☒ DNV (Norway) Buyers: <i>Airlines</i> ☒ Air France (France) ☒ Delta Airlines (USA) <i>Energy</i> ☒ Repsol (Spain) <i>Retail</i> ☒ Aldi (Germany) <i>Sports</i> ☒ Liverpool Football Club (UK)</p> <p><i>Garment</i> ☒ Kering (France) <i>Pharmaceutical</i> ☒ Takeda Pharmaceutical Company (Japan)</p>	<p>RegisterVCS and CCB standard ID Verra 977</p> <p>Credits sold More than 7 million carbon credits</p>	<p>According to the <u>Public Defender Office of Pará</u>, this project sold carbon credits on traditional communities' land and violated the right to Free, Prior and Informed Consent under the ILO Convention 169. According to the <u>World Rainforest Movement (WRM)</u>, part of the land of this project is public land and includes areas where settlement projects are being implemented.</p>
Pacajáí REDD+ (Pará)	<p>Proponent ☒ Avoided Deforestation Project (Manaus) Limited - ADPML (UK)⁷</p> <p>Developers ☒ Floyd Promoção e Representação Ltda (Brazil) ☒ Ecosystem Services (USA) Auditors ☒ DNV (Norway) Certifier ☒ Verra</p> <p>Main Buyers <i>Energy</i></p> <p>☒ Entega Plus (Germany) ☒ Osaka Gas (Japan) ☒ Green Star Energy (Shell Energy - UK) <i>Financial sector</i> ☒ BNP Paribas (France) <i>Pharmaceuticals</i></p> <p>☒ Takeda Pharmaceutical Company (Japan) <i>Aerospace</i> ☒ Boeing (USA)</p> <p><i>Environmental Services</i> ☒ Ambipar Group (Brazil)</p>	<p>Registered VCS and CCB standard ID Verra 981</p> <p>Credits sold More than 10 million carbon credits</p>	<p>According to the <u>Public Defender Office of Pará</u>, this project sold carbon credits on traditional communities' land and violated the right to Free, Prior and Informed Consent under the ILO Convention 169.</p> <p>According to the <u>World Rainforest Movement (WRM)</u>, part of the land of this project is public land and includes areas where settlement projects are being implemented.</p>

⁷ This company is administrated by OAK TRUST (GUERNSEY) LIMITED, based in Brazil and the UK.

Project Name	Main actors involved	Status	Allegations of harm
Rio Anapu-Pacajá REDD+ (Pará)	Proponent ☒ Brazil AgFor LLC Developers ☒ Amigos dos Ribeirinhos (Brazil) Assessoria Ambiental and BLB Florestal Representação no Brasil Ltda (Brazil) Certifier ☒ Verra Developers ☒ Amigos dos Ribeirinhos Assessoria Ambiental (Brazil) ☒ ALCOTT Group (Switzerland) Auditors ☒ 4K Earth Sciences Private Limited (India) ☒ KBS Certification Services Limited (India) ☒ DNV (Norway) Main buyers <i>Pharmaceutical</i> ☒ Bayer (Germany) <i>Energy</i> ☒ Ecopetrol (Colombia) <i>Retail</i> ☒ McKinsey & Co. (USA)	Registered VCS and CCB standard ID Verra 2252 Credits sold More than 6 million carbon credits	According to the Public Defender Office of Pará , this project sold carbon credits on traditional communities' land and violated the right to Free, Prior and Informed Consent under the ILO Convention 169. According to the World Rainforest Movement (WRM) , part of the land of this project is public land and includes areas where settlement projects are being implemented.
Ribeirinho REDD+ (Pará)	Proponents ☒ Amigos dos Ribeirinhos (Brazil) Rural Workers Union of Portel; 1252 families Certifier ☒ Verra Auditor ☒ 4K Earth Sciences Private Limited (India).	Under development VCS and CCB standard ID Verra 2620	According to the Public Defender Office of Pará , this project violated the right to Free, Prior and Informed Consent under the ILO Convention 169. According to the World Rainforest Movement (WRM) , part of the land of this project is public land and includes areas where settlement projects are being implemented.
Ecomapuá Amazon REDD+ (Pará)	Proponents ☒ Ecomapuá Conservação (Brazil) ☒ Sustainable Carbon (Brazil) Certifier ☒ Verra Auditor ☒ Rheinland (China) Ltd. Main buyers <i>Airlines</i> ☒ Air France <i>Financial Services</i> ☒ Santander (Spain) ☒ Ageas Portugal ☒ BTG Pactual (Brazil) ☒ Inter-American Development Bank ☒ Deloitte (UK) <i>Energy</i> ☒ Cepsa (Spain) ☒ Naturgy (Spain) <i>Food industry</i> ☒ Barilla (Italy) ☒ Ambev (Brazil) <i>Media</i> ☒ Estadão (Brazil)	Registered VCS standard Verra ID 1094	In 2019, two ribeirinho communities' organizations filed a civil lawsuit arguing the existence of "land grabbing" of carbon credits originating from within or around their collective territory. According to Agencia Pública , the registrations of the five properties that the proponent claims to own are currently canceled. The 2022 decision declares the jurisdiction of the Federal Court to process and judge the present lawsuit due to the Inter-American Development Bank, an international organization, being one of the defendants. The matter is not yet settled, and the Federal Court claimed to have divergent opinions, as in this sentence from May 2024 the judge understood it to be a purely patrimonial debate rather than the protection of collective interest. This judgment is still pending, subject to appeal.

Project Name	Main actors involved	Status	Allegations of harm
Jari/Pará REDD+ (Pará)	<p>Proponents ☒ Biofíllica Investimentos Ambientais S.A. (Brazil) ☒ Jari Florestal S.A. and Jari Celulose S.A. (Brazil) Certifier ☒ Verra Auditors ☒ RINA S.p.A (Italy) ☒ Earthood Services Private Limited (India) Main buyers <i>Financial Services</i> ☒ Banco BTG Pactual (Brazil) <i>Telecommunications</i> ☒ Telefônica Brasil <i>Automotive</i> ☒ BMW (Germany) <i>Environmental Services</i> ☒ Zukunftswerk eG (Germany)</p>	<p>Suspended– Under quality control review</p> <p>VCS and CCB standard</p> <p>Verra ID 1811</p> <p>Carbon credits sold 900 thousand carbon credits</p>	<p>In 2021 and 2023, the Pará State Attorney General’s Office (PGE-PA) and the Pará Public Prosecutor’s Office (MPPA) filed Public Civil Actions – ACPs questioning the authenticity of the property titles for part of Jari Celulose’s land, proponent at Jari Pará REDD+.</p> <p>Regarding the 2021 lawsuit, the Court <u>accepted</u> the appeal from MPPA and ordered the blocking 126 thousand ha from Jari Pará. The 2023 lawsuit <u>decision affirms</u> that the lands in dispute belongs to the state.</p>
Marajó REDD+ (Pará)	<p>Proponent ☒ Pará Redd Projects Limited (United Arab Emirates) ☒ Redda+ Projetos Ambientais (Brazil) Certifier ☒ Verra Auditor ☒ Ruby Canyon Engineering (USA)</p>	<p>Under validation</p> <p>VCS and CCB standard</p>	<p>In March 2023, a <u>Collective Civil Action made by one ribeirinho association</u> requested the contract to be declared null and void. According to <u>Sumaúma and O Joio e O Trigo</u>, there are allegations of land grabbing and “abusive contracts” concerning public lands linked to the project with other communities. In July 2023, <u>an agreement was reached</u> between the companies and one association that resulted in the contract being nullified. In March 2024, <u>the Public Prosecutor started another lawsuit (ACP)</u> asking for the cancellation of contracts with the other two remaining associations, and also for the defendant to pay the State 4 million for property damage. This <u>action was dismissed</u> because the judge of the case interpreted that the associations, should be the plaintiffs.</p>

Table 2. Projects with alleged conflicts and human rights abuses

Project Name	Main actors involved	Status	Allegations of harm
Maísa REDD+ (Pará)	<p>Proponents ☒ Maísa-Moju Agroindustrial (Brazil) ☒ Sipasa – Seringa Industrial do Pará (Brazil) ☒ Biofílica Ambipar (Brazil) Certifier ☒ Verra Auditor ☒ Rainforest Alliance, Inc. (USA) ☒ Imafloa (Brazil) ☒ S&A Carbon (USA) Main buyers <i>Technology</i> ☒ Uber (USA) <i>Garment</i> ☒ Nike (USA) ☒ Giorgio Armani (Italy) <i>Food Industry</i> ☒ iFood (Brazil) <i>Automotive</i> ☒ Audi (Germany)</p>	<p>Inactive (cancelled in 2023) VCS and CCB standard Verra ID 1329 Credits sold More than 360 thousand carbon credits</p>	<p>REDD-Monitor, an online reporting platform, and Repórter Brasil repored on <u>slave labour conditions</u> identified at a farm linked to the Maisa Project The Brazilian authorities rescued 16 workers. Reports indicate the project is no longer selling credits.</p>
Jari Amapá REDD+ (Amapá)	<p>Proponents ☒ Biofílica Investimentos Ambientais S.A. (Brazil) ☒ Jari Florestal S.A. and Jari Celulose S.A. (Brazil) ☒ Fundação Jari (Brazil) ☒ Imazon and Arvorar/IPÊ (Brazil)</p> <p>Certifier ☒ Verra</p> <p>Auditors ☒ Earthood Services Private Limited (India) ☒ RINA (Italy) ☒ DNV (Norway)</p> <p>Main buyers <i>Paper industry</i> ☒ Suzano Papel e Celulose S.A (Brazil) <i>Mining</i> ☒ Samarco (Brazil) ☒ Braskem (Brazil) <i>Telecommunications</i> ☒ TIM Celular S.A <i>Financial Services</i> ☒ Cielo S.A. (Brazil) ☒ Bradesco (Brazil) <i>Food Industry</i> ☒ Seara Brasil ☒ AB Ibev (Belgiun) <i>Media</i> ☒ Globo (Brazil) ☒ CNN (USA) <i>Airlines</i> ☒ Delta Airlines (USA) <i>Manufacturing</i> ☒ 3M (USA) <i>Environmental Services</i> ☒ Forest Carbon Group (United Kingdom) ☒ Zukunftswerk eG (Germany) <i>Pharmaceuticals</i> ☒ Janssen Pharmaceutica (Belgium) ☒ Bayer (Germany)</p>	<p>Registered VCS and CCB standard Verra ID 1115</p>	<p>World Rainforest Movement reported allegations of illegal logging and the <u>illegal timber trade</u> linked to this project. <u>Companies involved denied</u> irregularities. The project has, according to an investigation by <u>The Context</u>, also faced land disputes.</p>

Project Name	Main actors involved	Status	Allegations of harm
Boa Fé REDD (Rondônia)	Proponents ☒ NRD Desenvolvimento de Recursos Naturais (Brazil) ☒ Ecológica Assessoria LTDA (Brazil) Developer ☒ Sustainable Carbon Projetos Ambientais LTDA Auditor ☒ RINA S.p.A (Italy)	Registration and verification approval requested VCS standard Verra ID 2482	According to a report from Sumaúma news agency, 81% of the project area is within protected public lands, and hence, should have the authorization of the State.
Sumaúma REDD+ (Amazonas)	Proponents ☒ Terra Vista Gestora de Recursos (Brazil) ☒ Ituxí Administração e Participação (Brazil) Auditor ☒ EcoLance Private Limited	Under validation VCS and CCB standard Verra ID 3816	According to a report from Sumaúma news agency, the project overlaps with a traditional community land.
The Juma Sustainable Development Reserve Project (Amazonas)	Proponent ☒ Fundação Amazonas Sustentável – FAS (Brasil)	Registration requested VCS and CCB standard Verra ID 1596	As indicated in a technical note prepared by the Public Prosecutor's Office of Pará (MPPA) and the Federal Public Ministry (MPF) , the project has been linked to potential processes of displacement and changes in the ways of life of the traditional communities living in the Sustainable Development Reserve (RDS).
Sustainable Forestry Management Plan (Pará)	Proponent ☒ Global Serviços de Engenharia (Brasil)	Under development VCS standard Verra ID 1561	According to a report from the Sumaúma news agency, the project overlaps with the Indigenous and Ribeirinho territories.
Envira REDD (Acre)	Proponents ☒ CarbonCo LLC (USA) ☒ JR Agropecuária e ☒ Empreendimentos EIRELI (Brazil) ☒ Freitas ☒ International Group (Brazil) Auditors ☒ Aster Global Environmental Solutions Inc. (USA) ☒ Rainforest Alliance, Inc. (USA) ☒ SCS Global Services (USA) ☒ AENOR International S.A.U. (Spain) Main buyers <i>Technology</i> ☒ Uber (USA) ☒ Airlines ☒ Delta (USA) <i>Financial Services</i> ☒ Bradesco (Brazil) ☒ American Express (USA) ☒ C6 Bank (Brazil) ☒ Standard Chartered Bank (UK) <i>Telecommunications</i> ☒ TIM (Brazil) <i>Automotive</i> ☒ Porsche Brazil <i>Food Industry</i> ☒ Minerva SA (Brazil) <i>Energy</i> ☒ Petrobras (Brazil) ☒ TotalEnergies (France)	Registered VCS and CCB standard Verra ID 1382	According to World Rainforest Movement , families affected by the project were unaware that it had already been registered and was selling carbon credits. There are also complaints that promises of benefits for the communities have not been kept.

Project Name	Main actors involved	Status	Allegations of harm
REDD+ Unitor (Amazonas)	<p>Proponent</p> <ul style="list-style-type: none"> ☒ Green Forest Carbon ☒ Stoppe Ltda (Brazil) <p>Developer</p> <ul style="list-style-type: none"> ☒ Carbonext (Brazil) <p>Auditors</p> <ul style="list-style-type: none"> ☒ Earthood (India) ☒ Icontec (Colombia) ☒ Rina (Italy) ☒ Aenor (Spain) <p>Main buyers</p> <p><i>Energy</i></p> <ul style="list-style-type: none"> ☒ Ecopetrol (Colombia) <p><i>Mining</i></p> <ul style="list-style-type: none"> ☒ Sigma Lithium (Canada) <p><i>Auditing services</i></p> <ul style="list-style-type: none"> ☒ PwC International (UK) <p><i>Food industry</i></p> <ul style="list-style-type: none"> ☒ Nestlé (Swiss) 	<p>Registered</p> <p>VCS standard</p> <p>Verra ID 2508</p>	<p>In June 2024, Brazil's Federal Police conducted <u>Operation "Greenwashing"</u>, uncovering that the project was established in land-grabbed areas and was linked to laundering timber harvested from illegally deforested areas.</p>
Fortaleza Ituxi REDD (Amazonas)	<p>Proponent</p> <ul style="list-style-type: none"> ☒ Grupo Ituxi (Brazil) <p>Developer</p> <ul style="list-style-type: none"> ☒ Carbonext (Brazil) <p>Auditors ☒</p> <ul style="list-style-type: none"> S&A Carbon, LLC (USA) ☒ Rainforest Alliance, Inc (USA) <p>Buyers <i>Airlines</i> ☒ Gol (Brazil)</p> <p><i>Financial Services</i> ☒ Itaú (Brazil)</p> <p><i>Food industry</i> ☒ iFood (Brazil)</p> <p><i>Garment</i> ☒ Hering (Brazil)</p> <p><i>Technology</i></p> <ul style="list-style-type: none"> ☒ Toshiba (Japan) <p><i>Fintech</i></p> <ul style="list-style-type: none"> ☒ Moss (Brazil) <p><i>Environmental Services</i></p> <ul style="list-style-type: none"> ☒ Zukunftswerk eG (Germany) 	<p>Registered – On Hold VCS and CCB standard</p> <p>Verra ID 1654</p>	<p>In June 2024, Brazil's Federal Police conducted <u>Operation "Greenwashing"</u>, uncovering that the project was established in land-grabbed areas and was linked to laundering timber harvested from illegally deforested areas.</p>
REDD+Resex RioPreto-Jacundá (Rondônia)	<p>Proponent ☒ Biofíllica Ambipar (Brazil)</p> <p>☒ Association of Residents of the Rio Preto-Jacundá Extractive Reserve and Ribeirinhos of the Rio Machado (Brazil)</p> <p>Auditors ☒ Rainforest Alliance, Inc. (USA) ☒ Earthood Services Private Limited (USA) ☒ RINA S.p.A (Italy)</p> <p>Buyers</p> <p><i>Energy</i></p> <ul style="list-style-type: none"> ☒ EDP Brasil <p><i>Media</i></p> <ul style="list-style-type: none"> ☒ Globo (Brazil) <p><i>Food Industry</i></p> <ul style="list-style-type: none"> ☒ Danone (Brazil) <p><i>Paper Industry</i></p> <ul style="list-style-type: none"> ☒ Suzano (Brazil) <p><i>Environmental Services</i></p> <ul style="list-style-type: none"> ☒ Zukunftswerk eG (Germany) 	<p>Registered VCS and CCB standard</p> <p>Verra ID 1503</p>	<p>According to a report from <u>Sumaúma</u> news agency, the project overlaps with a traditional community land.</p>

Project Name	Main actors involved	Status	Allegations of harm
Projeto Purus (Acre)	<p>Proponent ☒ CarbonCo LLC (USA) ☒ Moura e Rosa Empreendimentos Imobiliários LTDA (Brazil) Developer ☒ Freitas InternationalGroup LLC (Brazil) Auditors ☒ SCS Global Services (USA) ☒ Aster Global Environmental Solutions Inc. (USA) Buyers <i>Consulting services</i> ☒ Boston Consulting Group (USA) <i>Commercial interiors industry</i></p> <p>☒ Interface Inc. (USA) <i>Automotive</i> ☒ Bentley (UK)</p>	<p>Registered VCS and CCB standard Verra ID 963</p>	<p>According to a report from DHESCA-Brazil, there are complaints regarding the lack of understanding about the project by local communities, increased internal conflicts, and changes in the communities' "ways of life".</p>
Projeto Russas (Acre)	<p>Proponent ☒ CarbonCo LLC (USA) Developer ☒ Freitas InternationalGroup LLC (Brazil), Investimentos e Assessoria LTDA (Brazil) Auditors ☒ Aster Global Environmental Solutions Inc. (USA) ☒ Rainforest Alliance (USA) Buyers</p> <p><i>Professional services</i> ☒ PwC Brasil <i>Automotive</i> ☒ Bentley (UK) <i>Environmental Services</i> ☒ CarboNeutral SA (Australia)</p>	<p>Registered VCS and CCB standard Verra ID 1112</p>	<p>According to a report from DHESCA-Brazil, there are complaints about the lack of information provided to the communities about the project and restrictions on land use, as well as threats of eviction in case of non-compliance.</p>
Projeto Valparaiso (Acre)	<p>Proponent ☒ CarbonCo LLC (USA) Developer ☒ Freitas International Group LLC (Brazil) Manoel Batista Lopes (Brazil) Auditors ☒ Aster Global ☒ Environmental Solutions Inc. (USA) ☒ Rainforest Alliance (USA) Main buyers <i>Environmental Services</i> ☒ Ostrom Climate (Canada) ☒ Ecologi Action (UK) <i>Auditing Services</i> ☒ PwC Brasil</p>	<p>Registered VCS and CCB standard Verra ID 1113</p>	<p>According to a report from DHESCA-Brazil, there are complaints about the lack of information provided to the communities about the project and restrictions on land use, as well as threats of eviction in case of non-compliance.</p>



Portel, Brazil. Ed – World Rainforest Movement (WRM) www.wrm.org.uy

The role of the Brazilian justice system: the impact of Public Civil Actions as a tool for REDD+ projects accountability

As explained, human rights violations surrounding REDD+ in the Legal Amazon primarily revolve around land tenure issues, the FPIC process and the violation of traditional community rights through “carbon land grabbing” dynamics. Brazil’s progressive legal framework covers diverse litigation possibilities against corporations regarding human rights violations and matters of public interest. Also, its Federal Constitution of 1988 explicitly prohibits the possession and acquisition of private property rights over public lands solely through the actions of private individuals. Under the Brazilian legal system, these state-owned lands are designated as collective lands for traditional communities. Therefore, it’s the duty of the State to protect them.

Although this regulatory framework can be considered exemplary and advanced, there are various reports showing that REDD+ projects are continually violating these rights. Considering the proliferation of allegations related to REDD projects in Indigenous communities and on public lands, the Public Defenders and Public Prosecutors Office have taken the lead in filing legal actions that could lead to significant precedents in the national jurisdiction. This is especially true in relation to allegedly illegal REDD+ projects, where four Civil Legal Actions have been initiated by the Public Defender’s Office of Pará against proponents, developers, and certifiers of different projects in the city of Portel, claiming grabbing of public lands.

Following these debates, both the Federal Public Ministry (MPF) and the Public Prosecutor’s Office of the State of Pará (MPPA) emphasized in a technical note released in July 2023 that carbon offset projects may impact the communities’ autonomy in managing their territories. The note states that this impact becomes evident through the “deterritorialization processes and substantive changes in the ways of life of traditional communities”. Among the array of recommendations, they emphasize that REDD+ projects should not involve land grabbing or human rights violations.

Facing the repeated reports of carbon project developers harassing traditional communities to sign offset project contracts in their territories, the governmental body responsible for protecting Indigenous rights in Brazil (the Indigenous Peoples National Foundation – FUNAI) has advised Indigenous organizations and leaders not to engage in negotiations and agreements involving the commercialization of carbon credits on Indigenous lands, suggesting that contracts should not be signed until criteria and guidelines for the inclusion of Indigenous lands in the voluntary carbon market are defined.

In this scenario, as referred to above, the actions initiated before the Brazilian justice system suggest that the Brazilian state is also increasingly taking on the responsibility to protect communities and their territories in conflicts arising from carbon projects to the Courts. This is especially true for Indigenous, quilombolas and traditional communities’ territories since the Constitution understands that they are public lands. The following bullet points summarize legal actions taken against REDD+ projects in different jurisdictions by public authorities and impacted communities until June 2024:

1. Jari Pará REDD+ (Almeirim, Pará)

In 2021 and 2023, the Pará State Attorney General’s Office (PGE-PA) and the Pará Public Prosecutor’s Office (MPPA) filed Public Civil Actions – ACPs questioning the authenticity of the property titles for part of Jari Celulose’s land, proponent at Jari Pará REDD+. The complaint alleges irregularities in the documents presented by the company to prove ownership of the land. The PGE’s work resulted in the return of the 386,000 ha to the state. Regarding the 2021 lawsuit, the Court accepted the appeal from MPPA and ordered the blocking 126 thousand ha from Jari Celulose. The 2023 lawsuit decision affirms that the lands in dispute belongs to the state. Both lawsuits mention “carbon land grabbing” dynamics on public lands regarding the defendant.

Biofilica and Jari Celulose deny executing the project on public lands, claiming ownership of the lands.

2. REDD RMDLT Portel-Pará, Pacajai REDD+ Project, Rio Anapu-Pacajá REDD and Ribeirinho REDD+ (Portel, Pará):

In July 2023, the Public Defender’s Office of Pará filed four Public Civil Actions – ACPs (Project 981, Project 997, Project 2252 and Project 2620) against the proponents of each REDD+ project and the municipality of Portel, requesting its suspension (see Table 1 above). According to the ACPs, Verra officially certified the areas targeted by carbon credit projects as 100% privately owned despite encompassing public forests entitled to traditional communities. In addition,

the rights of traditional communities that occupy these areas have been violated, including the right to Free, Prior, and Informed Consent, as provided for in ILO's Convention 169, leading to socio-environmental, biodiversity and traditional knowledge risks. The municipality of Portel says it revoked the decrees mentioned by the Public Defender's Office in two actions. A US businessman linked to companies involved in the process has claimed to have acted responsibly and not to have been aware of the legality issues, according to media reporting. The legality of the properties is under discussion.

3. Marajó REDD+ (Portel, Pará)

In March 2023, a Collective Civil Action was filed by the Association of Rural Workers of Camuta Pucuruí (ATARCP) against REDDA + Environmental Projects Sociedade Unipessoal LTDA. The dispute arises from disagreements about the partnership contract for developing the referred project. The lawsuit highlights allegations related to the lack of prior consultation, the alleged inclusion of abusive clauses and misleading information. In July 2023, an agreement was reached between the companies and one association that resulted in the contract being nullified.

However, in March 2024, the Public Prosecutor started another lawsuit (ACP) asking for the cancellation of contracts with the other two remaining associations and for the defendant to pay the State 4 million for property damage. This action was dismissed as the court ruled that only the communities, not the public prosecutor, could take legal action regarding private lands. This decision underscores the importance of those directly affected taking action, even though national law assigns the prosecutor to defend these communities. The prosecutor's actions are driven by the issue of publicly-owned land involving rights violations of communities, as granted in Article 129 of the Constitution.

REDDA+ claims to have the consent of public agencies and operates in the state in a regular and legal manner.

4. Ecomapuá Amazon REDD+ (Marajó Island, Pará)

In 2019, two *ribeirinho* communities' organizations - Mapuá and Terra Grande-Pracuúba Extractive Reserve Associations- filed a civil lawsuit arguing the existence of "land grabbing" of carbon credits originating from within or around their collective territory. They claim that the companies involved, namely the proponents, developers, buyers and investors, including the Interamerican Development Bank, are improperly appropriating these credits, gaining economic advantage from the environmental preservation efforts of the traditional extractive population residing there. The plaintiffs allege that the defendant companies in the civil lawsuit illegally marketed carbon credits in public domain areas where real rights of use are granted to the traditional extractive population inhabiting them. According to Agência Pública, the registrations of the five properties that the proponent claims to own are currently cancelled. Ecomapuá Conservação and Sustainable Carbon claim that the decrees establishing the extractive reserves had lost their validity, and therefore, Ecomapuá Conservação remained the owner of the farms.

The 2022 decision declares the jurisdiction of the Federal Court to process and judge the present lawsuit due to the Inter-American Development Bank, an international organization, being one of the defendants. The matter is not yet settled, and the Federal Court claimed to have divergent opinions, as in this sentence from May 2024, the judge understood it to be a purely patrimonial debate rather than the protection of collective interest. This judgment is still pending, subject to appeal.

The perils of becoming a hub for carbon offsets

The carbon offsets industry sees an opportunity for the expansion of REDD+ projects and other types of offsets under jurisdictional regulations driven by government promotion. The Legal Amazon region, characterized by high levels of deforestation and extensive public forest areas with weak land regularization, has become a strategic target for developing these projects. Facing COP 30 in Belém, the situation is exacerbated by a political climate favourable to the lobbying efforts of offset developers and polluting industries in the Regulated Carbon Market Bill (PL 182/2024). These factors pose significant threats to Indigenous Peoples, quilombolas, and other traditional communities. In fact, Brazil ranks fourth on the list of countries that are most dangerous to human rights and environmental defenders.

Players in the offsets industry often refer to Brazil as the “green hidden gem”, with estimates suggesting it has the capacity to meet 48.7% of the global demand for land-based carbon offsets. In this sense, big polluters seek carbon credits to continue their extractive practices and profit from burning fossil fuels. But who would bear the costs of supplying carbon credits to satisfy such “global” demand? SOMO argues that the logic that underpins REDD is flawed.

According to the claimants in the cases highlighted in this article, REDD+ projects are spaces where multiple human rights violations occur, posing significant threats to the rights of Indigenous Peoples, quilombolas, and traditional communities. Despite these challenges, the resilience of the affected communities is commendable. Confronting repeated human rights abuses of Indigenous Peoples in offsets projects, the Special Rapporteur on the rights of Indigenous Peoples, Francisco Calí Tzay, recommended a moratorium of carbon markets during the 23rd session of the UN Permanent Forum on Indigenous Issues in New York. This should be an alert call for the drafting of carbon market regulations processes that many countries, including Brazil, are embarked on.

Brazilian justice system initiatives against REDD+ projects become significant as they demonstrate the State’s responsibility under the voluntary carbon market and the vital role of state mechanisms in safeguarding affected communities. These proactive legal actions should serve as a model for other States facing similar problems within voluntary market carbon offset players. In this sense, the implications of these actions extend beyond the immediate cases, given the involvement of prominent actors, Brazil’s pivotal role in the sector, and the limited number of judicial cases on this issue to date.

These actions can potentially set legal precedents in favour of communities and inspire other countries to explore legal avenues to challenge human rights abuses and land grabbing in their jurisdictions. On the other hand, considering the agency of Indigenous Peoples, quilombolas, and traditional communities, there is also the possibility for their organizations to initiate such actions, asserting that litigation can serve as a powerful tool for social change. Moreover, emphasizing the role of the communities themselves in challenging corporate actors before the Courts and leveraging the advisory opinion that the Inter-American Court of Human Rights will issue on legal obligations under human rights in relation to climate change⁸ can further strengthen the framework of rights.

Understanding the underlying problems of carbon offsets and the vested interests of corporations and the offset industry itself is essential, as is identifying the role of transnational players within the industry. International support from CSOs is essential for these cases to establish legal precedents for climate litigation in the Global South, where the impacts are directly felt and where affected communities reside.

⁸ On January 9, 2023, Chile and Colombia submitted a joint advisory opinion request to the Inter-American Court of Human Rights, seeking clarification on state obligations in addressing the climate emergency under international human rights law. The request highlighted the human rights impact of the climate crisis, particularly the vulnerability of communities and ecosystems.

Colophon

Combatting Carbon Industry Capture

A Review of Brazil's Carbon Offset Industry,
Human Rights Issues and Legal Actions

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SOMO investigates multinationals. Independent, factual, critical and with a clear goal: a fair and sustainable world, in which public interests outweigh corporate interests. We conduct action-oriented research to expose the impact and unprecedented power of multinationals and show the underlying structures that enable them. Cooperating with hundreds of organisations around the world, we ensure that our information arrives where it has the most impact: from communities and courtrooms to civil society organisations, media and politicians.

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