

#### Title

A pioneering project in Paraguay aims to show that REDD (Reducing Emissions from Deforestation and Forest Degradation in Developing Countries) can deliver significant and lasting benefits to forest communities and biodiversity, while meeting corporate social responsibility commitments, and contributing to climate change mitigation by sequestering carbon.

The work has been independently validated and verified under procedures laid down by the Climate, Community and Biodiversity Alliance (CCBA), being awarded the Gold level. The proponent of the project is Swire Pacific Offshore (SPO), a leading provider of services to the offshore oil and gas industry. As part of its commitment to become carbon neutral, SPO is seeking to offset its unavoidable emissions, estimated at 800,000 tonnes of carbon dioxide over 20 years. SPO has contracted Guyra Paraguay (BirdLife in Paraguay) and the World Land Trust (WLT) to develop the project.

WLT brings expertise in developing voluntary offset projects with benefits for biodiversity and communities, and Guyra Paraguay will contribute its experience of managing conservation projects on the ground in Paraguay. The project will focus first on San Rafael, one of the largest patches of Atlantic Forest remaining in Paraguay, covering around 69,304 ha. San Rafael was the first Important Bird Area to be identified in Paraguay. The 405 bird species recorded so far include 70 Atlantic Forest endemics, and 16 Near Threatened and 12 globally threatened species, including the Endangered Black-fronted Piping-Guan *Pipile jacutinga* and Marsh Seedeater *Sporophila palustris*.

The partners will work with the people of the La Amistad small-holder settlement, which lies within the forest, but occupies land removed from the area reserved for conservation management. The community has reduced the forest cover of their lands by over 50%, mostly for subsistence agriculture, supplemented by commercial crops of cotton, sesame and soya bean. Prices received for the cash-crops are low because of the long distance and poor access to markets.

The community is disadvantaged in many ways, with unequal access to clean piped water and electricity. Local education is only to primary level, and there is no clinic. However, the settlement has a well-organised village council, and community solidarity is good. The project will pay community members to retain and improve the quality of forest on their land, in preference to clearing it for agriculture. Payment levels are set to compete with cotton as an alternative land-use. 75% of the payment will be made to individual land occupiers, and 25% to actions benefiting the community as a whole. Payments will also be made for reforestation, so that community members without natural forest on their land will also benefit.

“The scheme gives an additional long-term revenue stream to individual community members, so acting directly on the ability of individual households to meet basic needs”, said Guyra Paraguay’s CEO, Alberto Yanosky. The relative advantages are expected to be highest for the poorest households. The scheme will be voluntary, with individual community members contributing parts of their parcels of land to a community forest reserve, intended to be permanent, but allowing continued sustainable use by community members.

Retaining rather than clearing the forest will reduce the amount of land available for cultivation. The community will be given training enabling them to improve productivity and profitably from smaller areas of land. They will also be offered training in sustainable community forest management planning, management and operations. The project will also work with the Mbyá Guarani, the indigenous people of the San Rafael area (which they traditionally know as Tekoha Guasu), helping them secure broader recognition of their interests and rights in their traditional territories.

Continuous consultation will be maintained with both the La Amistad community and the Mbyá Guarani throughout project implementation. There is potential for significant expansion of the project area if the consent of the Mbyá Guarani can be obtained, following the more extensive prior consultation their representatives have requested.

“Guyra Paraguay developed its capacity to measure carbon, work on climate change issues and collaborate with the La Amistad and other communities in San Rafael with the support of Nature Canada and the Canadian

International Development Agency (CIDA), through various projects spanning a decade of Paraguay-Canada collaboration. We are developing the first operational 'payment for environmental services' scheme for Paraguay, and one of the first in the world, offering additional income-generating opportunities for disadvantaged rural communities", said Alberto Yanovsky,

"It will make a significant contribution to biodiversity conservation in an areas of recognised global importance, and through the establishment of a trust fund, will offer a means of securing long-term financing to ensure the permanence of these benefits." Yanosky added: "In short, the project demonstrates the potential of 'avoided deforestation' to combine a wide spread of interests -corporate responsibility, climate change, biodiversity conservation, betterment of economic conditions for small landholders, promotion of indigenous rights- to the common good. It offers a huge opportunity for expansion, and a pilot to the world to "learn by doing" on all the aspects associated with this type of project, especially the economic, social and environmental benefits for countries facing the huge challenge of developing, but finding that forests and agriculture appear not to be



compatible."

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