

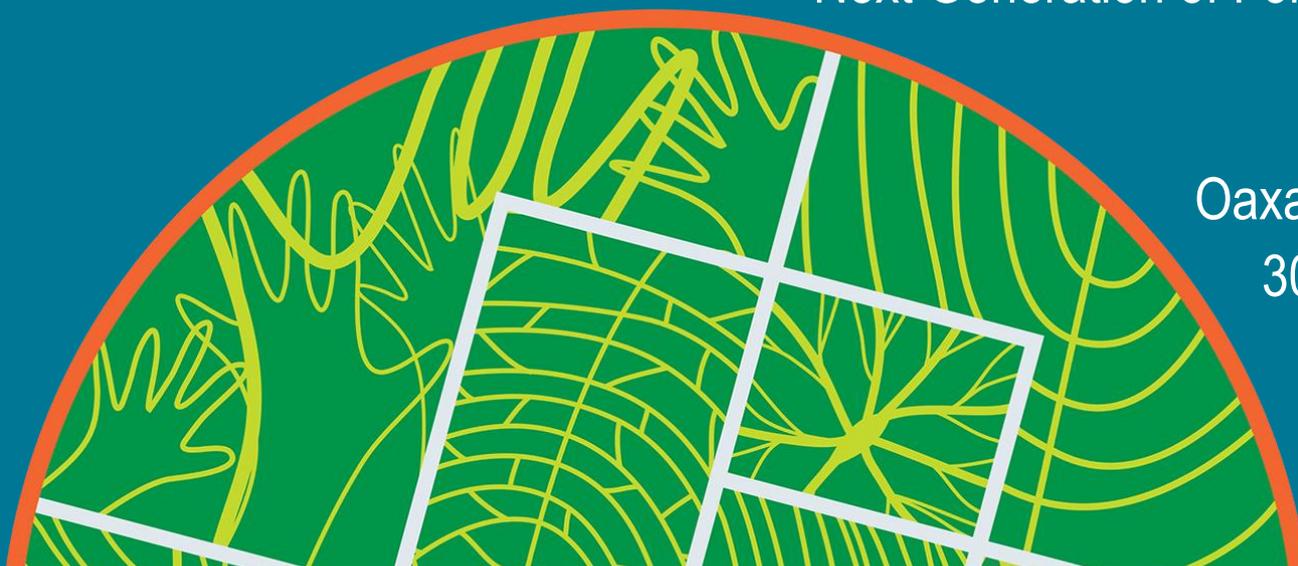


# Forest-Climate Initiatives

Implications for forest agencies

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Next Generation of Forest Agency  
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# Presentation Outline

May 30, 2013

1. Forests , climate change, international responses
2. Current status of forest carbon initiatives
3. What's next for REDD+
4. Restoration lessons
5. Implications for forest agencies



# Forests, Climate Change and International Responses

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- Deforestation and forest degradation identified as a major source of emissions (12-18% of GHG)
- Compensating avoided deforestation identified as quick and cost-efficient way to reduce global emissions at scale

2006 Stern Review finds that *“the opportunity cost of forest protection in 8 countries responsible for 70 per cent of emissions from land use could be around \$5 billion annually.”* (p 537)

2008 Eliasch Review *“estimates that the finance required to halve emissions from the forest sector to 2030 could be around \$17-33 billion per year if included in global carbon trading.”* (p 42)

REDD as an objective and REDD as a program

Norway led the way for REDD with commitments to multi-lateral funds, Amazon Fund and Indonesia

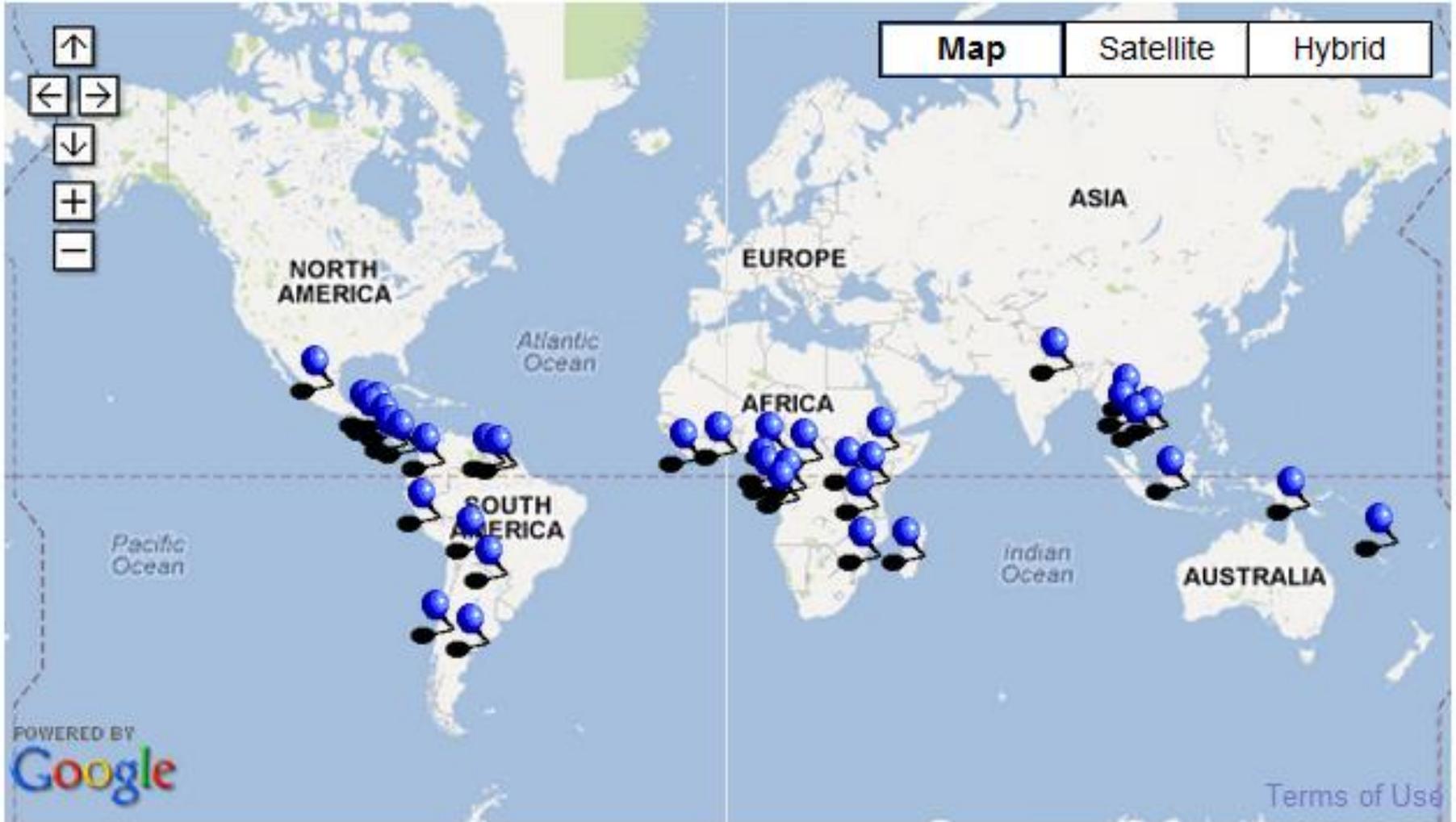
FCPF and UNREDD began operations ~2007

\$100 billion for climate change in Copenhagen  
REDD+ held up as an example in negotiations

Total commitments for quick-start REDD: \$4-5 billion

# FCPF Countries

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# REDD in the Room

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Country	Funder	UNREDD	FCPF	FIP	Voluntary	Bi-Lateral
Brazil						
Cameroon						
Canada						
China						
DRC						
Indonesia						
Nepal						
Mexico						
Peru						
USA						

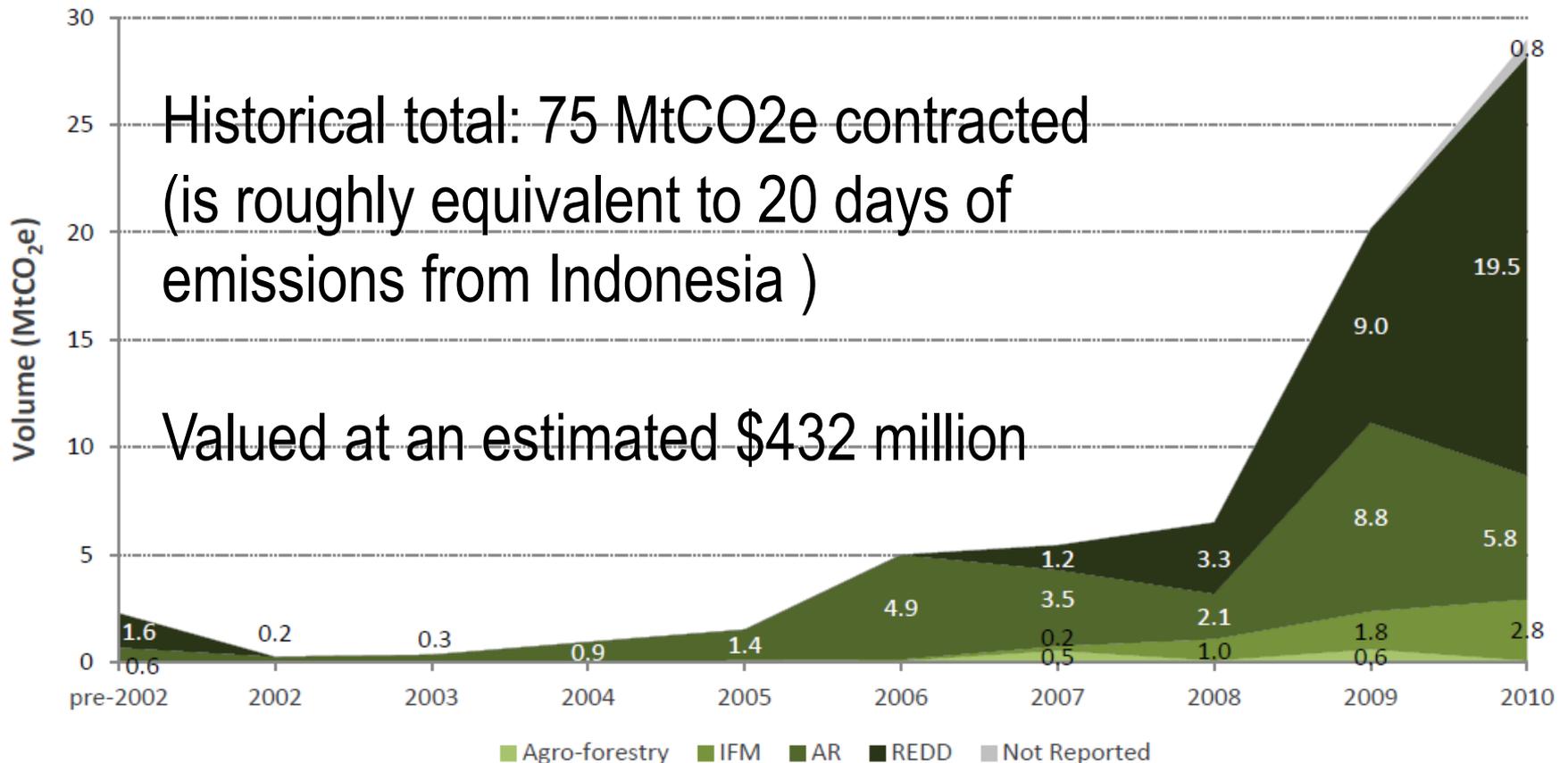


# REDD in the Room

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Country	Funder	UNREDD	FCPF	FIP	Voluntary	Bi-Lateral
Brazil				X	X	X
Cameroon		X	X		X	
Canada	X		x	x		
China					X	
DRC		X	X	X	X	
Indonesia		X	X		X	X
Nepal				X	X	X
Mexico		X	X	X	X	
Peru			X	X	X	
USA	X		x	x		

Figure 1: Historical Volumes by Project Activity Type (Primary Market Only)



Note: This graph shows volumes contracted by each project type in the primary market. Data labels are omitted in years where volume <0.1 MtCO<sub>2</sub>e.  
Source: Ecosystem Marketplace



## Lessons so far

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Climate change is not relenting and emissions continue to rise.

No global cap results in little trade; market not emerging at speed or scale envisioned to have global impact

Munden Project asserts *“that the current mechanism for engaging private capital under REDD – the so-called “market” approach – is highly likely to fail. Forest carbon trading is unworkable as currently constructed.”* (p 25)



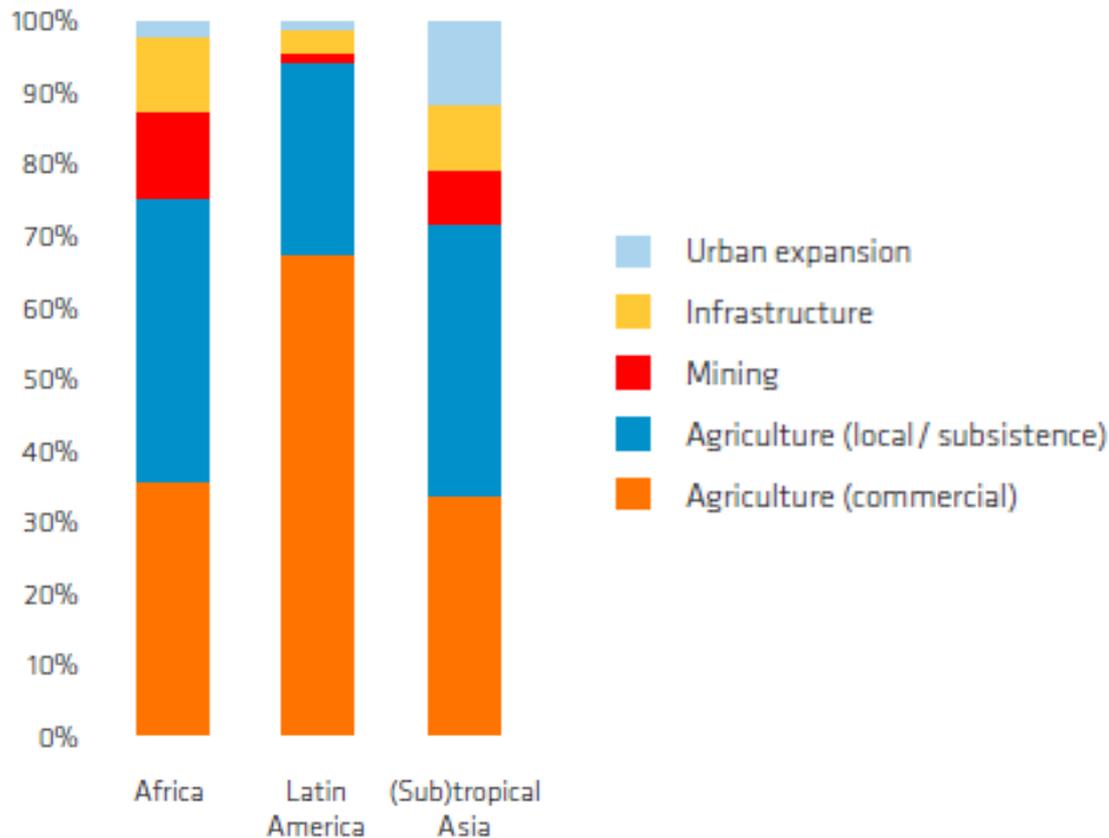
The State of Forest Carbon Report notes that *“In circumstances where tenure or land rights remain unclear, project developers are likely to run into serious or insurmountable challenges to sustainably securing and marketing carbon offsets.”* (p 50)

But to date: very little action on tenure reform  
(Bollin, Lawrence and Leggett, 2013)

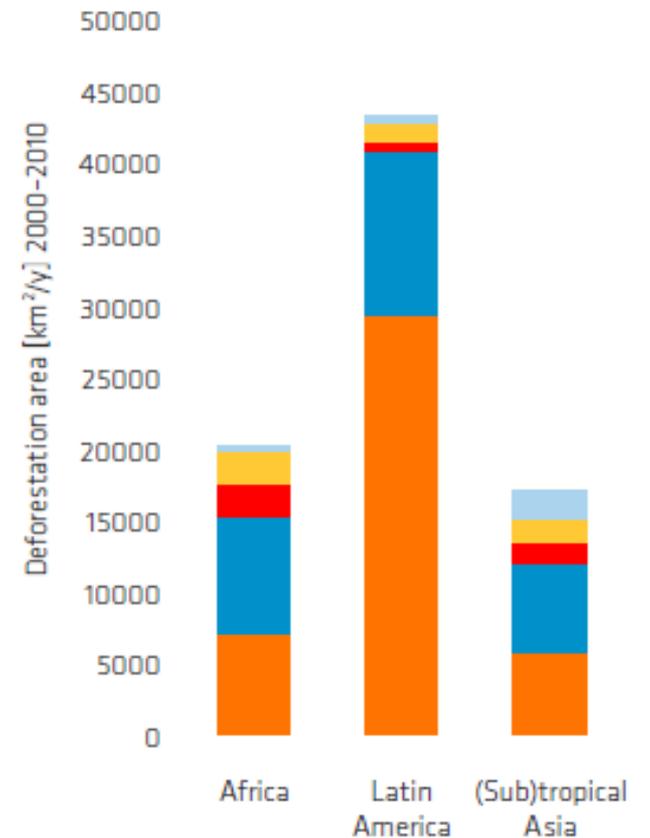
Fragile/weak states can't be expected to deliver  
(Karsenty and Ongolo, 2011)

Infrastructure investment orders of magnitude greater than forest investments (\$25 trillion projected in developing world in next 20 years)

a) Proportion of deforestation drivers



b) Area proportion of deforestation drivers



## **Option I – Passive Approach**

Wait until the agreement is negotiated and signed in 2010 while:

11,2 billion tons of emissions are caused by deforestation  
(UNFCCC)

91 million hectares of forest land are converted to other uses  
(FAO 2010)

Land grabs/acquisitions: 203 million hectares between 2001  
and 2011 (Land Coalition, 2012)

**Option II – Confront the drivers of deforestation with  
innovative approaches**

## What do we know about conditions that promote protection and restoration?

Political will and governance (Gregerson et al, 2011)

Local tenure and management increasingly shown to promote better outcomes (Nelson and Chomitz, 2011; Chhatre and Agrawal, 2009; Porter-Bolland et al, 2011)

**1990-2010: 78 countries have increased or maintained net forest area (62% emerging or developing countries)**

*Case studies of China, India, Vietnam, Chile, S. Korea*

- Had concerted gov't programs to regrow forest area – **w/o carbon finance**
- Large-scale public sector reforestation interventions
- Focus on **institutions** and implemented **policies**, not economic and demographic drivers



## Implications for forest agencies (1)

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**Climate change is already happening:** Biological changes will change the types of forests, the types of products, the markets, the income possibility for local people. We do not have the science to confidently predict what will happen.

*Implications for forest agencies:* *Our communities and leaders need to be prepared, our institutions must be allow flexibility in choice over management objectives and we all need to encourage institutional and market innovations. Having authority closer to the ground (subsidiarity) will be critical to resilience and progress.*



## Implications for forest agencies (2)

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**The international carbon market is not delivering at scale:** Some countries, e.g. Brazil, and China, are likely to develop their own systems, but no international system of payments for decades. ODA likely to wane with economic crisis. Countries are largely on their own to manage the effects of climate change.

*Implications for forest agencies: Forest agencies will need to promote more traditional forest use (timber, NTFPs, etc) to generate jobs and revenues for the government. The “conservation” economy will not be significant. In the vast majority of cases, trees will NOT be worth more alive than dead.*

**The international forest and climate initiatives (REDD) will be reformed or overtaken** –the FCPF and UNREDD have over-committed and cannot manage the expectations from the 46 countries. REDD is shifting to supporting other, more practical work that diminishes deforestation (e.g. getting deforestation and abuse out of supply chains, promoting legality, tenure reform and governance etc). They will also begin to recognize that the most important threats remain agribusiness (e.g. oil palm), extractives and infrastructure, and begin to address them.

*Implications for forest agencies: Will need to think out of the REDD box, identify new allies and partners to address deforestation, attract funding for reform and finance adaptation*



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THANK YOU