



## Time to act on forestry and climate change

This statement is a summary of Forest Day 4 (FD4) held in parallel to COP16 at the Cancún Center on Sunday 5 December 2010. It highlights issues, quotes and outcomes of the day, and provides some key messages to the UNFCCC on how to move forward in the negotiations.

### Time to act on forestry and climate change

FD4 was co-hosted by the Center for International Forestry Research (CIFOR), the Mexican National Forestry Commission (CONAFOR), and members of the Collaborative Partnership on Forests (CPF). It brought together more than 1,500 of the world’s leaders and experts, practitioners and policy makers, advocates and investors, indigenous people and, community representatives, and the media to discuss and debate how to accelerate the integration of forests into climate mitigation and adaptation from local to global levels. His Excellency President Felipe Calderón Hinojosa, in his opening speech at FD4, told the plenary “... it’s time for all of us to push, and push hard for the full incorporation of REDD+ into a long-term international climate change agreement.” In a passionate plea, the Mexican president also stressed, “Either we change our way of life now, or climate change will change it for us.”

Keynote speeches by Daniel Nepstad, Director of the International Program at the Amazon Environmental Research Institute and Mirna Cunningham Kain, Chair of the Center for Autonomy and Development of Indigenous Peoples, emphasized the critical needs for both sound forestry and climate change science, and pro-active engagement with indigenous people and forest-dependent communities as the *de facto* and *de jure* custodians of land and forest resources to secure equitable outcomes. UN Under Secretary-General for Economic and Social Affairs Sha Zukang provided an important forward-looking perspective, drawing participants’ attention to the multiple benefits of forests and the International Year of Forests in 2011.

At subsequent subplenary sessions and learning events, FD4 participants shared experiences on a number of existing and promising approaches for integrating forests into strategies to address climate change: aligning REDD+ with national development objectives, ecosystem-based approaches to adaptation, restoring degraded lands, empowering community management of forests, addressing agricultural drivers of deforestation, measuring reduced emissions, and increasing mitigation through forest management in developed countries, and mobilizing additional finance.

## **Harnessing REDD+ to sustainably manage forests and reduce poverty**

The potential of REDD+ to generate additional benefits – including poverty reduction, biodiversity conservation, and synergies with adaptation to climate change – is now widely recognized. Sir Nicholas Stern reaffirmed that “Climate change and poverty reduction are the defining challenges of this century.... The story of how we use REDD+ financing to mitigate climate change must also be a development story.” FD4 participants also recognized that such benefits will not be captured automatically. The design and implementation of REDD+ policies, strategies and projects to ensure effectiveness and efficiency, and to safeguard vulnerable ecosystems and the rights and livelihoods of indigenous people and forest-dependent communities, remained the subject of healthy debate throughout FD4. The day also saw the emergence of a robust consensus that the risks of no action on protecting the world’s forests are far greater than the risks of moving ahead with less-than-perfect agreements.

## **REDD+ provides a key and cost-effective opportunity to mitigate climate change**

FD4 participants reaffirmed that through REDD+ we may significantly reduce, remove and avoid global emissions at reasonable cost, as long as we take due account of the rights and livelihoods of indigenous people and local communities, biodiversity and ecosystem services, whilst assisting developing forest countries adapt to climate change. Despite some setbacks at the Bonn and Tianjin intersessionals, the current draft REDD+ negotiating text (FCCC/AWGLCA/2010/CRP.2, 4 December 2010) is close to agreement. Half of those polled saw the lack of a global climate agreement as the most significant barrier to scaling up REDD+, along with lack of clarity on carbon rights, weak national monitoring, reporting and verification (MRV) systems, and limited funding.

## **The rights of indigenous people and forest-dependent communities need to be protected**

FD4 participants noted that communities and indigenous people depending on and living in or near forests often believe that REDD+ may result in the usurpation of their rights by outsiders, or in increased hardship due to new limitations on forest use. Throughout the Meso-American region, indigenous people, forestry *ejidos* and community concessions manage significant forest areas based on local knowledge, practices and value systems, which have contributed significantly to forest conservation whilst maintaining their livelihoods. In Mexico, 70 percent of the country’s forests are in communally managed community lands. A long history of support has focused on strengthening local governance institutions in communal territories (*ejidos* and *comunidades*) that have enabled communities to take over forest operations and begin building enterprises. The experiences of these communities have allowed some notable examples to begin experimenting with carbon trading. FD4 participants noted that these communities would be more willing to engage with REDD+ initiatives if they were to participate in all aspects of REDD+ design and implementation, if they are granted rights to the carbon in their forests, if they play a central role in the design of local rules, and if REDD+ does not permit more powerful competitors to threaten local interests.

## **Additional financing is needed to implement REDD+ at scale**

The REDD+ financing pledges made to date fall short of estimated funding requirements made by the Stern and Eliasch reviews and the Informal Working Group on Interim Finance. FD4 participants reaffirmed the need for an agreement on a robust and predictable system for mobilizing financial resources from various sources, primarily developed countries. This will be needed to stimulate and pay for early REDD+ action at scale, technology transfers, capacity building and the development of national and sub-national MRV systems, among others. FD4 participants recognized that opportunities exist to catalyze additional public and private finance and investment to support actions addressing the drivers of deforestation.

## **Biodiversity conservation is a prerequisite for the success of REDD+**

FD4 participants noted that the conservation and sustainable use of biodiversity are not merely co-benefits for REDD but also prerequisites for its success. Biodiversity underpins forest resilience, health and productivity, and thus the permanence of forest carbon stocks. Countries such as Ecuador and Mexico harness their rich biodiversity to enhance and stabilize carbon sequestration in forests and other ecosystems, and as vital “green infrastructure” for adaptation. Participants recognized the need to harness such synergies at all levels. The new 2011–2020 Strategic Plan of the Convention on Biological Diversity (CBD), adopted in Nagoya, Japan, could support the aims of the UNFCCC. The Strategic Plan aims to bring 17 percent of land areas under protected area management, to halve the rate of deforestation, to bring all forests under sustainable management, and to restore 15 percent of degraded ecosystems. FD4 recognized that this will provide additional opportunities to secure biodiversity co-benefits, for example through the five-point REDD+ Partnership Work Program 2011–2012. More than 90 percent of FD4 participants polled said that biodiversity safeguards are either “very important” or “essential” for the success of REDD+, and more than 95 percent said that it is important to monitor co-benefits.

## **REDD+ and agricultural drivers of deforestation**

FD4 participants acknowledged that agricultural intensification does not necessarily reduce deforestation. Empirical studies suggest that where demand for agricultural products is elastic or where economies are “open”, deforestation increases as returns to land increase. In contrast, where demand is inelastic or where economies are “closed” intensification can reduce deforestation. FD4 participants proposed several options to increase intensification whilst reducing net annual rates of deforestation including: increasing production efficiencies; promoting multifunctional landscapes; directing REDD+ financing to increase efficiencies in agronomic practices; and shifting extensive production systems to low carbon landscapes.

## **Promoting synergies between climate change mitigation and adaptation across landscapes**

More than 1 billion hectares of forest lands and secondary forests worldwide have been degraded. Integrated landscape management and forest restoration offer the potential to foster synergies between adaptation and mitigation by increasing carbon stocks while at the same time enhancing ecosystem resilience and reducing social and economic vulnerabilities of forest-dependent people. FD4 participants also recognized that integrating mitigation and adaptation at

the landscape scale would maximize local co-benefits and contribute to increased capacity to cope with the risks associated with climate change. FD4 participants noted that more research is needed to explore linkages between adaptation and mitigation in forests at different scales.

Two specific challenges – agreement on monitoring, reporting and verification (MRV) systems, and continued improvements in forest governance – were also discussed at FD4. Many difficult questions remain in these areas (for example, reaching a balanced decision on mitigation that will satisfy all Parties from developed and developing countries; how to achieve the progressive shift to low carbon development whilst sustaining economic growth).

### **Strengthen linkages between national and subnational MRV systems for REDD+**

Significant progress in monitoring changes in forest area from deforestation and afforestation means that effective MRV for REDD+ is possible, but challenges remain for monitoring forest degradation and peatland emissions. Carbon monitoring based on national forest inventories presents several cost advantages but such inventories are not always available. FD4 participants reaffirmed the need for significant additional capacity building and technology transfer, including the application of novel technologies. Examples include Google's Earth Engine (demonstrated by Rebecca Moore, Head of Google's Global Outreach Program prior to the Closing Plenary of FD4), Open Data Kit and androids for forest biomass measurements with communities. FD4 participants agreed that more experience is also needed on establishing regional REDD+ baselines and jurisdictional accounting and crediting systems aligned to national MRV systems.

### **Improve accounting rules for forest management in developed countries**

Negotiations underway in UNFCCC to change the greenhouse gas accounting rules under the Kyoto Protocol could have significant implications for the management of temperate and boreal forests, which make up nearly half of the world's forests. Forest Day 4 participants agreed that improved rules are needed. They also felt that more comprehensive accounting on forests would be beneficial both for the climate and for forests. Participants acknowledged that this is a complex and controversial issue, but success in reaching agreement on new rules would help smooth the way for agreement on new emission reduction commitments by developing countries for the second commitment period of the Kyoto Protocol. New rules on forest management could also facilitate development of rules for potential REDD+ reporting.

### **The success of REDD+ strategies and projects will depend on whether they influence governance reforms or are shaped by existing governance failures**

FD4 participants recognized that the ability of developing countries to enhance the role of their forest resources in mitigating climate change is closely linked with their commitment to governance reform. Good performance and effective carbon emissions reductions at national level requires the removal of perverse policy and incentive frameworks, alignment of policies across sectors, capacity and independence of forest agencies, balanced distribution of power across scales and groups and their engagement in decisions and benefits. FD4 participants acknowledged there are huge challenges to reform the embedded structures of past poor governance. Addressing them will negatively affect powerful groups and will shift relationships,

powers and benefits. REDD+ could influence these processes in many ways. The legality and legitimacy of REDD+ are likely to depend on a balance between central oversight and decentralized decision making, clear tenure and transparent and equitable benefit-sharing arrangements.

### **Reinforcing the UNFCCC momentum on forestry and climate change**

Forest Day 1 was held at COP13 in Bali when an historic breakthrough on REDD was achieved. Despite the disappointments in Copenhagen, considerable progress was made in 2010 at the International Conference on Major Forest Basins in Paris, and the Oslo Climate and Forest Conference. The establishment of the REDD+ Partnership and the UN Secretary-General's High-Level Advisory Group on Climate Change Financing were followed by new funding pledges including "fast-track" financing. The presentations and discussions during FD4 highlighted a number of negotiating areas that are closer to agreement than others, and complementary efforts that are needed to ensure their success. The former include REDD+, securing co-benefits, protecting rights to forests and carbon, fast-track financing and achieving synergies between adaptation and mitigation. Antonio La Viña, negotiator from the Philippines, characterized the REDD+ text currently under negotiation as "not just good, but very good". All these negotiating areas provide critical opportunities at COP16 to translate decision texts into official agreements and financing by early 2011 to obviate the risks of further delays in mobilizing resources to address climate change in developing countries.

A key challenge of COP16 in Cancún is how existing mitigation and financing pledges made through the Copenhagen Accord can now be transformed into official commitments under the UNFCCC. This may require abandoning the "nothing is agreed until everything is agreed" global climate change architecture approach to ensure that a balanced cluster of decisions can be made in negotiating areas that remain close to agreement. This will ensure that commitments can be translated into actions in 2011.