



# Rio Conventions Pavilion Bulletin

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## RIO CONVENTIONS PAVILION HIGHLIGHTS: TUESDAY, 16 OCTOBER 2012

The Rio Conventions Pavilion convened on Tuesday for REDD+ Day. The event included the launch of the “Little Forest Finance Book” and the UN-REDD “Policy Brief on Multiple Benefits.” Panel sessions also convened, including a high-level panel on REDD+, biodiversity and ecosystem services for a green economy, and two others, one on key findings of the new Global Forest Expert Panel (GFEP) assessment and one on REDD+ and biodiversity safeguards - best practices in governance and safeguarding biodiversity.



Andrew Mitchell, Founder and Director, GCP

## LAUNCH OF THE LITTLE FOREST FINANCE BOOK

Tim Christophersen, UNEP, announced the launch of the “Little Forest Finance Book” and introduced the panel. He noted the book highlights the different options to scale up forest financing, saying financing is critical to achieving the Aichi Biodiversity Targets and calling for mobilizing the private sector to channel sustained alternative investments in forests.

Henriette Killi Westrin, State Secretary, Ministry of Environment, Norway, hoped the book will stimulate discussions and catalyze finance, in part through verified emissions reductions through the UN Framework Convention on Climate Change’s (UNFCCC) REDD+ mechanism, to



Tim Christophersen, UNEP

protect forests from conversion to other land types. She said increased financing for verified emissions reductions through the REDD+ programme under the UNFCCC will support forests.

Nick Oakes, Global Canopy Programme (GCP), stressed the importance of finance for forests noting tropical forests account for 50% of global terrestrial biodiversity loss. He emphasized access to capital plays a crucial role in “forest friendly development,” including activities that maintain, reduce loss and increase forest cover.

Oakes noted barriers to forest finance, include *inter alia*: collateral requirements; risk-return expectations; accountability in decision making; and revenue generation. Oakes described how the 14 catalysts identified in the book address these barriers to scaling up forest financing.



Henriette Killi Westrin, State Secretary, Ministry of Environment, Norway

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L-R: Tim Christophersen, UNEP; Henriette Killi Westrin, State Secretary, Ministry of Environment, Norway; Nick Oakes, GCP; Carlos Manuel Rodríguez, Vice President, Conservation International; and Andrew Mitchell, Founder and Director, GCP.

Carlos Manuel Rodríguez, Vice President, Conservation International, highlighted that Costa Rica went from 21% to 54% forest cover while tripling income *per capita* and experiencing population growth. He said this was achieved by addressing the catalyzers for forest finance, including introducing forest incentives and subsidies.

Rodríguez emphasized the importance of valuing the ecosystem services provided by forests to justify financing for forest conservation. He noted the complicated discussions at CBD COP 11 about who will pay for implementation, calling for creating national mechanisms following the Costa Rican model.

Andrew Mitchell, Founder and Director, GCP, called for making forests worth more alive than dead, reversing current market failures that treat natural capital costs as externalities. He said the book outlines rules for successful policies and catalysts as incentives to get finance flowing.

Mitchell noted this would reduce the discrepancies between the US\$ 160 trillion global equity and bond markets and the non-existent global ecosystem market. He stressed advanced market mechanisms, with governments contributing pledges to a global fund, could serve as lever and provide missing price signals to investors by providing price floors.

During discussions, Oakes emphasized the catalysts can cope with transboundary impacts of forest degradation and landscape level projects, noting the role of bilateral projects. Mitchell said the design of REDD+ projects are becoming clearer, while highlighting that the methodologies are still complex.



Carlos Manuel Rodríguez, Vice President, Conservation International

## HIGH-LEVEL PANEL ON REDD+, BIODIVERSITY AND ECOSYSTEM SERVICES FOR A GREEN ECONOMY

Moderator Ibrahim Thiaw, Director, Division of Environmental Policy Implementation, UNEP, introduced the panel, underscoring the role of forests in the green economy, including providing ecosystem services and low carbon livelihoods. He noted that in 2006 forests contributed US\$ 468 billion to the global economy, in addition to ecosystem services not accounted for using traditional economic measures.

Henriette Killi Westrin, State Secretary, Ministry of Environment, Norway, highlighted that REDD+ is the most cost effective climate change mitigation measure, with positive impacts on biodiversity and ecosystem services. She recalled “The Economics of Ecosystems and Biodiversity” study estimated that the value of global biodiversity and ecosystem services from tropical forests ranges from US\$ 2-5 trillion per year. Westrin expressed hope that developing countries will be given clear and reliable incentives to explore REDD+, which she said will only reach its full potential when it is part of a sustainable development and green economy strategy.

Heru Prasetyo, Deputy Chairman, President’s Delivery Unit for Development Monitoring and Oversight, Indonesia, called for avoiding myopic approaches to carbon, biodiversity and ecosystem services, and taking holistic approaches to reforming how land and resources are used. He expressed concern with the commodification of carbon, resulting in large-scale biofuel projects that are actually destroying forests.

Prasetyo said the value of saving the forests is equally competitive with converting forests to palm oil plantations, when natural resources are valued properly. He underscored if indigenous peoples and safeguards are not properly considered, that REDD+ “is a pathway to hell,” noting that local communities have to be considered as partners in REDD+.

CBD Executive Secretary Bráulio Ferreira de Souza Dias stressed the Aichi Biodiversity Targets will not be achieved by regulatory and command and control approaches alone, without alternative incentive measures. He suggested that REDD+ provides a needed enabling environment providing potential win-win solutions, if implemented right.

Emphasizing the importance of biodiversity safeguards, Dias called for respecting the rights of local communities, “the main custodians of biodiversity.” He recommended exploring synergies between the Rio Conventions, noting ecosystem restoration as one common element.



During discussions, Westrin underscored that the implementation of goals under the CBD and REDD+ should be complementary, and noted different REDD+ safeguards are right for different situations.

Prasetyo said emissions reductions have to be the first goal of REDD+ and described REDD+ safeguard “experiments” to support the large-scale deployment of Indonesia’s REDD+ strategy. From the floor, Pavan Sukdev, GIST Advisory, noted the use of the T-21 model in Indonesia to map scenarios such as REDD+ or development of palm oil plantations.

## LAUNCH OF THE UN-REDD POLICY BRIEF ON MULTIPLE BENEFITS

Moderator Tim Christophersen, UNEP, introduced the panel. Valarie Kapos, UNEP-World Conservation Monitoring Center (WCMC), presented the UN-REDD study “REDD+ Beyond Carbon: Supporting Decisions On Safeguards and Multiple Benefits,” addressing REDD+ complexity concerns by providing analytical approaches for evidence-based REDD+ multiple-benefit decisions.

Kapos noted that: mapping ecosystems to identify priority areas informs decisions on biodiversity; finding cost effective solutions allows policy makers to explore different options for REDD+ actions; establishing economic values of multiple benefits, in both non-monetary and monetary terms, enables comprehensive cost-benefit analyses; and applying scenario modeling makes assessments of REDD+ projects’ future impacts possible.

Veerle Vanderveerd, UNDP, emphasized REDD+ requires learning by doing. She stressed the importance of property rights, underscoring that many people lack legal recourse related to the land and natural resources that underpin their livelihoods. She highlighted UNDP actions to build capacity to implement REDD+ safeguards, noting the obstacles that safeguards sometimes present for those developing projects.

On lessons learned, Vanderveerd said the social aspects of sustainable development must be addressed first, developing understanding of what forest conservation means for livelihoods. She emphasized social inclusion of local communities as essential to a system of performance-based payments under REDD+.



Valarie Kapos, UNEP-WCMC

Christophersen stressed that analytical tools assist countries undertaking complex national transformations. He noted that carbon and biodiversity mapping can be used to model land use to identify optimal scenarios. He underscored that REDD+ success is about sustainable land use and cannot be achieved through trade offs.

Christophersen emphasized it is possible to enhance food productivity, to conserve biodiversity and reduce negative environmental and social externalities, but that it takes know-how and planning. He called for countries to adopt far-reaching visions for development and suggested REDD+ is but one vehicle to bring together different sustainable development goals.

In discussions, Vanderveerd agreed that financial support from the international community is needed for capacity building. Kapos added that community monitoring enhances local recognition of REDD+ benefits. Christophersen reported improved coordination with local government agencies when approaching local communities.

## KEY FINDINGS OF THE NEW GFEP ASSESSMENT: BIODIVERSITY, FOREST MANAGEMENT AND REDD+

Alexander Buck, International Union of Forest Research Organizations, introduced the panel. Christoph Wildburger, GFEP, presented the assessment report “Understanding the Relationship Between Biodiversity, Carbon, Forests and



L-R: Tim Christophersen, UNEP; Valarie Kapos, UNEP-WCMC; and Veerle Vanderveerd, UNDP.

People: the Key to Achieving REDD+ Objectives,” to be launched along with a summary for policy makers at UNFCCC COP 18 in Doha, Qatar. He discussed key findings, including that biodiversity is important to the ecosystem service provision and resilience of forests.

Wildburger stressed that the complexity of forest systems warrants applying the precautionary principle. He recommended regionally tailored strategies, emphasizing that REDD+ actions have variable impacts, including: on carbon and biodiversity; across different forest types and landscape conditions; and across spatial and time dimensions. He underscored that for REDD+ to be effective, local communities need to be engaged early on, and tenure and property rights need to be clear.

Valerie Kapos, UNEP-WCMC, said a number of different management actions have a role in REDD+ including: protection measures; agricultural practices; impacts of extractive use; restoration and reforestation; and landscape scale planning. She said the study found impacts of management actions are highly variable depending on location, scale of implementation, initial conditions and historical impacts, forest types and the wider landscape context.

Kapos underscored that the greatest and most immediate benefits are those that effectively reduce deforestation and forest degradation, while impacts of actions like restoring forests are seen much more slowly. She said understanding the impacts on carbon and biodiversity are essential for applying safeguards and effective REDD+ actions.

Bhaskar Vira, University of Cambridge, UK, discussed the social and economic context included in the GFEP assessment. He noted the challenge of assessing existing knowledge on the social and economic outcomes of REDD+ projects, since these are relatively new, hence he said the study reviewed existing forest interventions more broadly, drawing lessons for REDD+.

Vira identified four key messages including that: synergies are possible but should not be taken for granted; it is possible to look beyond safeguards towards integration of social objectives; it is important to remember what has been done before in the forest sector; and despite best efforts trade-offs will remain between carbon, biodiversity and social and economic costs.

In discussions, Vira stressed that social objectives are not easily quantified nor can they be compensated in monetary terms. He also emphasized synergies between sustainable land use and REDD+ activities. Responding to a participant, Christine Schmidt, University of Freiburg, Germany, spoke from the floor, cautioning against generalizations and calling for national specific policy option assessments taking into account specific forest types and biodiversity conditions.

One participant questioned the term “sustainable agricultural intensification,” noting that at times sustainability and intensification are not compatible. Kapos agreed there are limits, but noted that sustainable agricultural intensification is a management action in use and was therefore included in the study. Wildburger emphasized the importance of assessments such as the one being launched, due to the complexity of REDD+.

## REDD+ AND BIODIVERSITY SAFEGUARDS: BEST PRACTICES IN GOVERNANCE AND SAFEGUARDING BIODIVERSITY - TOWARDS COMMON GUIDANCE BY UNFCCC AND CBD

Patrick Sieber, HELVETAS Swiss Intercooperation, highlighted the policy brief “Best Practices in Governance and Biodiversity Safeguards for REDD+,” an outcome of a joint Swiss-Philippine initiative. Tim Christophersen, UNEP, welcomed the policy brief, noting the importance of joint implementation and cooperation.

Norma Molinyawe, Department of Environment and Natural Resources, the Philippines, emphasized the policy briefs’ key messages will help ensure REDD+ supports the goals of inclusive economic growth. She stressed improving the lives of forest-living peoples and conserving natural resources are essential to REDD+.

Lawrence Ang, Ateneo School of Government, the Philippines, highlighted lessons learned from phase two of the study, emphasizing *inter alia*: REDD+ implementation succeeds when it adds value to overall national forest management strategies and local development goals; effective participation entails ownership of forest governance structures; REDD+ should demonstrate that it facilitates sustainability by providing multiple benefits; and REDD+ payment schemes should form part of an innovative sustainable financing strategy linked to broader performance parameters.

Ang also presented best practice examples from a number of countries, including Costa Rica, Indonesia, Nepal, Kenya and the Philippines, where these lessons are already being implemented. He recommended, *inter alia*, explicitly developing common standards and guidance, and ensuring a transparent, effective and participatory process.

Christopher Duerr, Federal Office for the Environment, Switzerland, emphasized developing countries need more effective, rather than increased, management structures, noting that exploring synergies between UNFCCC and CBD can avoid duplication. He stressed successful safeguards require joint efforts between developed and developing countries and South-South exchanges.

Niranjali Amerasinghe, Center for International Environmental Law, US, underscored that the complexities of REDD+ require attention to impacts on biodiversity and indigenous peoples, and to the issues of governance, trade, agriculture and land use. Amerasinghe emphasized that for REDD+ to be effective, it has to be nationally relevant and systemic issues must be addressed. She suggested participatory monitoring can bring in a wealth of knowledge from local communities whose effective participation is critical to the success of REDD+.

Kelly Hertenweg, Federal Public Service Environment, Belgium, noted the need for coordination within and among government ministries to ensure that benefits of REDD+ beyond carbon are realized. On synergies, she noted that not many negotiators work in both the UNFCCC and CBD processes and stressed that those working on both sides of the REDD+ issues must cooperate.

Bruno Oberle, State Secretary, Federal Office for the Environment, Switzerland, closed the session emphasizing that safeguards are not an obstacle, but rather a reflection that the world is complicated. He said without safeguards reluctance from donors and local communities will “bring the REDD+ train to a stop.”