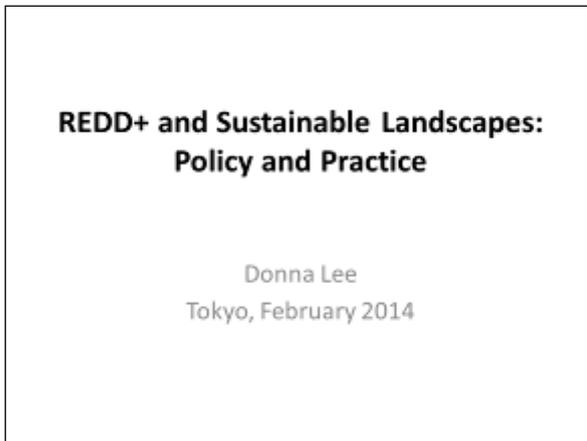
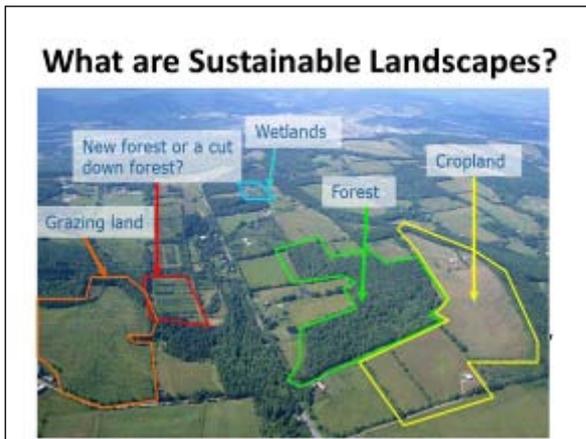


REDD+ and Sustainable Landscapes: Policy and Practice
Ms. Donna Lee (Climate Change Consultant)



This is a quick overview of what I hope to cover. First of all, just a couple quick definitions: what is sustainable landscape and integrated landscape management; a little bit of the policy context; some challenges at the national and international levels, and financial challenges; how does REDD+ fit into sustainable landscapes; and then hopefully for World Bank, cover a little bit about a new initiative of the BioCarbon Fund¹ called the Initiative for Sustainable Forest Landscapes.

¹ <https://wbcarbonfinance.org/Router.cfm?Page=BioCF&ItemID=9708&FID=9708b>



First of all, what are sustainable landscapes? There are people in this room that have been working on this much longer than myself. For me, it was kind of a new term over the last couple years as the climate community, which I am a part of, started to talk about sustainable landscapes. Yesterday, as I listened to a number of speakers talk about sustainable forest management, I realized I could just use their slides and put landscapes in there where it said had forests, because it is quite similar. There really is no internationally agreed definition of sustainable landscapes, but we can take some clues about what this could mean through definitions of sustainability. Similar to sustainable forest management, it is about meeting needs of the present without compromising needs in the future.

What, in fact, is a landscape? Like Mr. Akahori said, it is not sort of a beautiful picture. It is really about an area of land that covers types of ecosystems that are necessary for different types of needs. A landscape is not a single use area but it is an area that comprises grazing lands, forest lands, wetlands, croplands. A landscape has multiple uses for multiple interests. That is what we are talking about here. We are talking about how to manage these broad landscapes that have multiple uses and multiple communities with different interests, all living together on this landscape and how to make it sustainable.

What is "Integrated Landscape Management"?

No internationally agreed definition

- Agreed **multiple objectives** about land uses and its benefits
- **Cooperative management** across sectors and at multiple levels.
- A multi-stakeholder, **participatory process**

One way that we think about achieving sustainable landscapes is through what is called Integrated Landscape Management. Again, here there is no internationally agreed definition. I did a quick study, and I looked at a number of academic research papers that have been written about Integrated Landscape Management. They all had many different definitions, but I found three points that were common in all of these different groups and organizations that try to define what Integrated Landscape Management is.

First of all, there are agreed multiple objectives about land uses and its benefits. In order to come to these agreed objectives require people coming together to have a participatory process that thinks about the trade-offs of the different uses of lands and comes to some agreement on what the objectives are. It requires cooperative management across sectors. As we saw, there is land that is used for agriculture; it competes with forest lands, which compete for land for grazing, land for urban settlements, infrastructure, and mining. That requires a certain amount of cooperative management across sectors, but also at multiple levels. We have talked about these connections, and institutions that help build those connections, from national governments all the way down to local communities. These are the three qualities of Integrated Landscape Management.

Policy Context: Flavor of the Day?

- Recognition of need for integrated approaches
- Increasing interest by donor community
- Increased attention by private sector
- Traction within climate community

What strikes me as interesting is that, within the climate and REDD+ community, we have had what I would call the flavor of the day. I do not know if you have this in Japan, but in America you go to an ice-cream shop, and one day it is chocolate and that is the special flavor, the next day it is vanilla, and the next day it might be strawberry. This is the same with REDD+. For the last seven years, I feel like there have been seven different flavors. The first flavor might have been about opportunity costs. We looked at cost curves and cost abatement curves. We calculated the opportunity costs and said in 10 years we have to come up to \$30 billion a year in order to pay for standing forests.

The next flavor, I think might have been about drivers of deforestation. “We have been focused too much on opportunity costs. We have to look at drivers.” We had lots of money going to

people who do modeling exercises to look at drivers and their effect on the forests.

We go through these flavors, and I feel like now the flavor is sustainable landscapes. You hear about this a lot at the World Bank, amongst donors; everyone is talking about sustainable landscapes. I think it is because of this recognition that single sectoral policies just have not worked to protect their forests. We need these integrated approaches. We need to figure out how we can interact with ministries of agriculture in order to save our forests, because if we just talk to the environment and forestry ministries, we are not going to get very far.

There is a lot of interest in this by the donor community. I think one paper I read counted 25 new initiatives on sustainable landscapes. There is an increased attention by the private sector, and this is interesting. I have had the opportunity to work with some companies like Unilever and Nestlé and the Consumer Goods Forum², which is an industry trade group, who really are trying to figure out how to buy sustainably produced goods, not because of corporate social responsibility, but because they really feel like their future is in being able to get an affordable, predictable supply of palm oil to make dish soap, for example, is at risk. They see that available land and natural resources are declining.

Finally, there is traction within the climate community. Satoshi will remember that we have spent many hours arguing with Bolivia in negotiations. There are always one or two countries that make you stay up until three a.m. when you are in these climate negotiations. Bolivia is one of them. Bolivia has been saying for years, “We cannot look at forests just as sticks of carbon. Adaptation matters. There are all these other values in the forests.” I can tell you, honestly, seven years ago it was just very irritating. It was almost annoying, because we could not come to these agreements, but I think I am realizing that they had something important to say.



When we talk about landscape approaches, I think one thing that is different than the way that we have approached forest conservation in the past is that a landscape approach is process oriented. You are managing all these different interests on a single piece of land. One of the most important

² <http://www.theconsumergoodsforum.com/>

things to do in the beginning is to create a process; a process of agreeing to these shared objectives and figuring out how to manage the trade-offs. This process is actually really difficult within government.

Yesterday, I think it was Professor Inoue who provided us with “dramas”. I thought that I would give you my own drama. This is a US government drama just to explain and give you a flavor of how government works, and how difficult it is to create these multi-sectoral processes in government. This is not a true story. I am making this up. Let us say I work at the State Department, which I did for 17 years. I have a really good idea. This great idea is that the US government should have money to pay countries that reduce their emissions by protecting forests. It is a great idea, I thought of it. I am at the State Department, and I am this little green puzzle piece. I think, “How am I going to do this? How am I going to get the US government to pay countries to protect their forests?”

I realized that the one agency/ministry/department that has money to give to other countries is USAID³. I think, “Okay the first thing I need to do is go over to the yellow puzzle piece, which is USAID, and convince them that this is a great idea.” However, the last thing that USAID wants is a State Department official to come and tell them how to spend their money. That is my first problem. The second problem is that they have never paid for emissions reductions. They say, “This is a new program. I am not sure it is a good program, because, every year, I get from Congress my money, and Congress is not convinced that we should be paying other countries to reduce emissions.” Now I have to go to the blue puzzle piece and convince Congress that this is a good idea that they should give money to USAID to start this new program that USAID is very skeptical about.

I have three puzzle pieces now that I need to put together. Suddenly, I get a phone call from the Environmental Protection Agency⁴. The Environmental Protection Agency is responsible for managing greenhouse gas emissions and how we count them. They say, “Oh, if you are thinking of a program to pay countries, you are going to have to have methodologies for how you do that; how you set reference levels, how you measure performance. That is our responsibility as Environmental Protection Agency. We are not sure we are ready to do that, because we do not even really do that in the United States.” Now I have got a fourth puzzle piece that I need to worry about.

Then suddenly I get another phone call from the US Forest Service⁵. They are saying, “Why are you thinking about paying other countries to protect their forests when we are not even doing it here at home?” Now I have got a fifth puzzle piece to deal with. Furthermore, the Department of Agriculture⁶ comes to me and says, “In order to protect forests, you are going to have to help improve agriculture in other countries. By doing that you are making competition with US farmers. If you help Brazilian soy farmers to intensify their yields, they are going to compete with our farmers here in the United States. We do not like that.” Now I have got another one.

³ U.S. Agency for International Development: <http://www.usaid.gov>

⁴ <http://www.epa.gov/>

⁵ <http://www.fs.fed.us/>

⁶ <http://www.usda.gov/>

Trying to put these pieces together in the government is extremely difficult. This is usually what it ends up looking like. I am always amazed at what we are asking developing countries to do when we talk about tackling drivers, creating these processes, taking a landscape approach; it is actually extremely difficult and extraordinary that we have these expectations.

Those were some of sort of the national context for how difficult these landscape approaches are. I am sure in developing countries that they have similar stories to tell about how they have to manage internal processes to come up with these integrated policies.



In the international policy world, which I am most familiar with, because that is the life I have led for many years, there is fragmentation. We have, for example, the Convention on Biological Diversity, the Convention to Combat Desertification⁷, the World Food Summit, the UNFCCC; all these different fora in which we negotiate agreements. All of these affect land in some way, but they are all separate, and they are all fragmented. We have commitments to biological diversity, to desertification, to agriculture and food, and to climate change. In some ways, this makes sense. It would be very difficult to have a convention on landscape approaches. If you think about it, every one of these conventions, you have over 190 countries trying to come to an agreement on a specific issue, like biological diversity. That is 193 puzzle pieces that you are trying to put together to come up with a climate change agreement. This is very difficult.

If you try to do something that crosses across these different types of issues, say you want to do something that affects agriculture, mining, climate change, desertification, and biodiversity, suddenly your puzzle is 1000 pieces. It is very difficult to come to an agreement. It kind of makes sense, but it does lead to this fragmentation, which further exacerbates the difficulty of taking landscape approaches. Even within the Climate Convention, we have mitigation, adaptation, REDD+, the Green Climate Fund⁸, new market mechanisms, and all of these are quite separate agreements within the Climate

⁷ <http://www.unccd.int/>

⁸ <http://gcfund.net/>

Change Convention. We do not help the issue out within the international sphere.

Financing challenges

- National level financing tools fragmented
- International funding streams (e.g. aid) segmented; focused on projects and deliverables, not process
- Private sector flows focused on supply chains, not landscape level interventions

What about financing challenges? Again, we have problems at the national level. National financing instruments are very fragmented. We have agricultural subsidies, we have budget line items, we have fiscal tools, we have policies and measures; these are all fragmented, and oftentimes there is not a cooperative integrated approach to how these can help us manage land in an integrated way.

It is the same at the international level. Donor governments typically have commitments to food security. They have commitments to climate change. They have commitments to poverty reduction. Again, these are very fragmented funding streams.

Furthermore, private sector flows are focused on supply chains. When I have been working with some of these private companies, all they think about is buying soy and then looking down that supply chain all the way down to the farm level. They are not interested in the landscape. They are just interested in the farm that is producing the product that they need to buy.

Climate policy & finance

Climate finance fragmented

- Adaptation vs. Mitigation (REDD+, NAMAs)
- GEF, Green Climate Fund, New Market Mechanisms

Has the ship sailed on expanding REDD+ to AFOLU?

- Is fuller accounting more complex or does it simplify?
- Encourages coordination and allows a government to make appropriate trade-offs vs. decisions in silos
- Promote equitable benefit sharing that helps alter land-use conversion practices

There is this problem in climate policy right now. It is that REDD+ is about forests. It is about counting the carbon in forests. There was an effort, and there are still some people who want to

see whether or not it is possible, that we expand REDD+ to AFOLU so that countries have the option of not just counting carbon in the forests, but also outside. Is this a benefit? Is this a good thing, or is this a bad thing? Does fuller accounting of carbon make a country's situation more complex or does it simplify it? In some cases, probably obligating a country to count the carbon in agricultural croplands is too much. In other cases, it could actually be helpful.

Looking at carbon from a landscape encourages coordination and could allow a government to make appropriate trade-offs rather than decisions in silos. It also helps with definitional issues. As we know, a lot of countries have difficulty defining what a forest is. Oftentimes they are thinking, "How can I do so to maximize the benefits in REDD+?" rather than thinking about how to define a forest in ways that make sense for their landscape management. If we were able to look at carbon more broadly, it could also promote equitable benefit sharing that could help alter land-use conversion practices.

REDD+ and Sustainable Landscapes

Options for integration

- Best at the national level (policy landscape at international level too challenging)
- Coordination of national and international incentives
- Benefit-sharing and REDD+ (e.g. linked vs. delinked, e.g. GRIF and Amazon Fund)

What are some options for thinking about REDD+ within sustainable landscapes? The best thing is to think that REDD+ is a part of the solution. Too often we thought that REDD+ is the silver bullet; REDD+ is going to solve all our problems about conserving forests, but, in fact, it is only a part of the solution. Somehow, we have to integrate REDD+ within these broader national policies and incentives. To me, the best way to do this is at the national level. At the international level, it really is very complex. It would be very difficult to create this kind of landscape level agreements at the international level.

At the national level the best place to start is to think about how I coordinate both national and international incentives that exist. Another way to do this is for REDD+ to be a little bit flexible about benefit sharing. For example, the Amazon Fund, while it receives financial payments for reducing emissions, the way that it then spends those funds are more at the landscape level. They use those funds to improve agricultural productivity, to improve conservation; they have more flexibility on how those funds are used.

The BioCarbon Fund

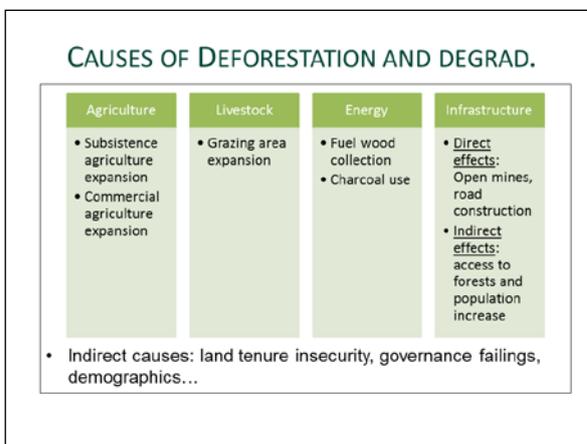
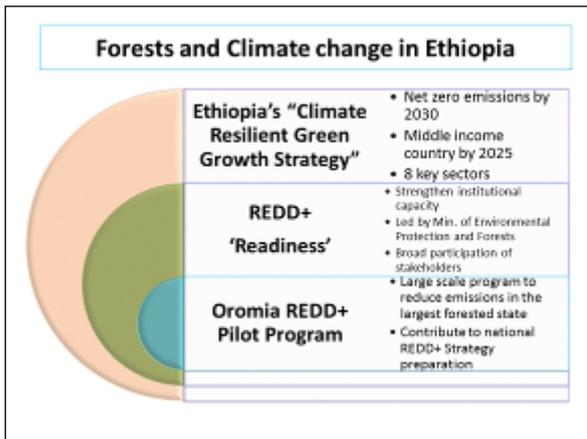
- Initiative for Sustainable Forest Landscapes (US \$280 Million)
- Supports 4-6 jurisdictions (~\$30-50M)
- Largely results-based finance
- Focus on agriculture as driver
- Recognizes the role of the private sector
- Builds on BioCF experience (Tranche 1 and 2)

BioCF: Landscape level interventions

- Goal: Promote and reward reduced GHG emissions from the land sector
- Landscape approach, i.e. competing interests from different sectors
- Carbon accounting – test broader land sector accounting

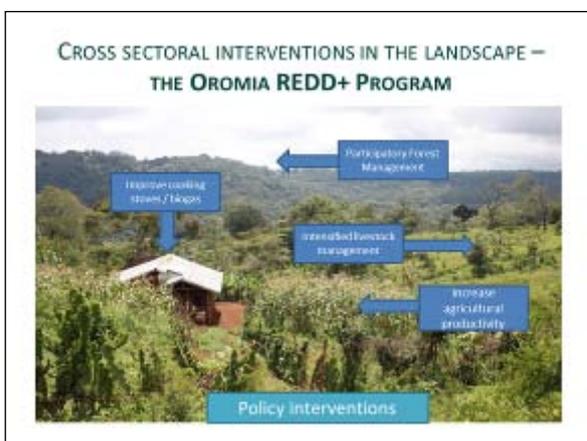
The BioCarbon Fund is a new initiative at the World Bank. It recently had three donors that provided \$280 million. The BioCarbon Fund is going to try to do exactly this: to try to find solutions at the landscape level. It hopes to support four to six jurisdictions. It will be results-based finance for emissions reductions. It will focus on agriculture as a driver, and it will try very hard to engage the private sector, recognizing that the private sector provides some of the largest investment flows that drive deforestation.

The goal of the new BioCarbon Fund is to promote and reward reduced greenhouse gas emissions from the land sector. It is not just looking at forest, but has the flexibility to also look at emission reductions in other types of lands; non-forested lands, like croplands and grasslands as well as biomass energy, and etcetera. It is taking a landscape approach. The carbon accounting could test broader land sector accounting.



The first pilot in the BioCarbon Fund is going to be Ethiopia.

The causes of the deforestation and degradation in Ethiopia are from agriculture; livestock, grazing area expansion; it is energy, fuel wood collection; and they also have a number of direct and indirect effects related to population rises, mines, road construction, and etcetera.



The program for Ethiopia looks something like this. They are going to have multiple policy

interventions, coordinated by one unit under the Ethiopian Ministry of Environment⁹ that will, at the same time, do participatory forest management, improved livestock management, agriculture productivity, cooking stoves, and etcetera. It is an effort to look at a range of different interventions in different sectors and try to coordinate them.

⁹ <http://www.epa.gov.et/>