

Session 4 – The Role of SFM in REDD+ Implementation: Enabling Environments, Opportunities and Synergies

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(FAO, Mr. Eduardo Mansur) I think we are achieving now in the last session of our two days of work. It has been very interesting, at least for me, and I have learned a lot. We have a panel formed by one representative of each of our sessions. Although they represent their sessions, they are sitting here on their personal capacities. We had a very good number of questions brought to us by the audience. These questions were mostly delivered in written form. About 40 written questions came from the floor. We tried to condense these questions by merging them into seven major questions dedicated to the panel we have here.

1. Influence of REDD+ on forest management

(FAO, Mr. Eduardo Mansur) I will come with the questions. Let me start putting this question to two of the panelists at once. I would like them to answer the same question one after the other. The question goes to Mr. Kasaro from Zambia and to Dr. Ir. Jagau from Indonesia. The question is, “Has REDD+ influenced or changed the way you are managing forests in your country? If so, how?”

(Republic of Zambia, Mr. Deuteronomy Kasaro) In terms of influence, since we have not implemented REDD+ in full, I would say the influence, has been in enhancing consensus in understanding how to deal with drivers of deforestation and forest management. The other component is that it has influenced the policy process that we are going through. Now we are looking at things in a broader way. In the past, if it is a forest project, funders would refuse to fund an activity related to forestry; for example, drilling a borehole. They would say that it is not a forest project. Now, I think they know the integration is important.

(Palangka Raya University, Dr. Ir. Jagau) REDD+ has influenced how our country is managing our forests in Indonesia. In our national strategies, we have a vision of sustainable management of forests natural resources and peatland as our national asset for the welfare of the people of Indonesia. REDD+ has changed our way to see the forests and to manage our forests. For example, in our National Forest Plan 2011 and 2013, the issue of REDD+ has been addressed in that document. The implementation of the national

REDD+ strategy is that we have developed many forest management units in all provinces in Indonesia. At the community level, REDD+ also changed our way of managing our forests, for example, how our community had been trained to prepare the forest management plan at the community level.

(Indian Institute of Science, Prof. N. H. Ravindranath) In the case of India, though we do not have a REDD+ project like Indonesia and other countries, the forest policies that exist are adequate to really enable implementation of REDD+ projects. It is another case where policies exist. You may have to slightly tailor them for REDD+.

(Forestry Agency, Mr. Masahiko Hori) I just wanted to make some small comments to Mr. Kasaro, because my small projects are having some small support to some number of countries, including yours. I was working with Mr. *Chansendaoka*. In this process, we are trying to support the process of forestry, and forest instrument. One of the main subjects is to have the participation of main stakeholders. We have been trying that, but we are not very successful with that yet. What you said is, because of REDD+, you started doing it. I always wondered why REDD+ can do it, and why you could not do it before.

(Republic of Zambia, Mr. Deuteronomy Kasaro) I am giving an experience in Zambia. Before connecting REDD+, I was involved with the promotion of joint forest management, for example. It was basically an integrated approach. In that program, we were dealing with not only forest issues, but even agriculture and other things, dealing with management plans, and how the people can work together to deal with issues. The donor community was refusing to fund things that were not directly related to forests, because they were saying, "This is a forest project, and we cannot deal with things to do with maybe social infrastructure or maybe water that people have as a problem." I think now with REDD+, everyone is trying to understand that forests are not alone. They are with people as well as other things. That is why I said it is helping. It may not only be like for forestry department, but for the other stakeholders as well, to appreciate that forest is not in isolation.

(FAO, Mr. Eduardo Mansur) REDD+ brought for different stakeholders and the participation has been put very clear with the two cases plus the contribution from India that we got from here.

2. Coordination among the interests of forest dependent communities and other stakeholders

(FAO, Mr. Eduardo Mansur) I would like to put the next question to Dr. Robledo. How can forest dependent communities and other stakeholders' needs and interests (governments, private sector, other citizens, etc.) the most accommodating to avoid conflicts or disagreements on how to sustainably manage forests? What is REDD+ bringing to them?

(Ecoexistence - Robledo Abad Althaus, Dr. Carmenza Robledo)

I think there are three elements that I would like to highlight. The first is the need to get an understanding about social trade-offs. Not all social actors are going to win out of the process. There are going to be

winners and some losers. Let us look at social trade-offs in detail and prepare strategies for dealing with. The second element is the need to create a space for dialog among the stakeholders. Dialog is not only to talk to each other and get to like each other. Dialog is part of the process of preparing management options and taking decisions together. To my knowledge, this is one of the areas where we have made the biggest mistake of not spending enough resources in a proper dialogue. Conflicts arise if people are not included. If the planning process is not inclusive, you will not be able to implement. The element is the need, from the beginning, to clarify roles and responsibilities among stakeholders. Who is responsible for what in this process? Who is liable for what? It is not only about benefits. It is also about responsibilities and liabilities and stakeholders shall be aware of it

With regard to what REDD+ has brought to people at the field: Since REDD+ is at different stages of planning and implementation it is difficult to make a generalization. However, REDD+ has been important for forest-dependent people because it has increased the level of awareness about why forests are important for several development goals, and for players within and outside the forest. The process has given many communities the opportunity to raise their voice about their rights and about their concerns. Even if some cases the process has challenged positions at the national level becoming uncomfortable for some governments it has allowed to put on the table many relevant issues for achieving a sustainable management of the forest.

(Republic of Zambia, Mr. Deuteronomy Kasaro) With the stakeholders in the Zambian context, I think whatever we are doing under the process of the REDD+ Readiness process is all focusing only on the communities. I know initially it was quite hard, but now, we are able to work together with civil societies to strategize together on how we move forward as a country. I think that is one good thing that has come out of the process that we are going through. As it was mentioned earlier, for trade-offs, differences might be there, but I think there should be a point where you can openly talk about things. You may differ, but in the end, you agree.

(Forestry Agency, Mr. Masahiko Hori) I have been involved in some kind of participatory process in the JICA project also. My impression is, of course, there is no single answer to this level. As my friend from Zambia said, there must be a lot of disagreement and conflict, but this is the only way for us to come to some kind of compromise and some kind of agreement with the other people to make things go smoothly. It is probably a very time consuming process, but the only thing we can say is that this is necessary. We have to go through that.

(IUFRO-GFEP, Dr. Ian Thompson) I would just like to comment on Dr. Robledo's reply to the question, which I liked very much. We need to be very honest about the situation and the fact that there often, if not always, will be some losers in some of the arrangements that we are talking about. It is not only REDD+, but it is life. We get caught up very much in this 'win-win' term, which I dislike very much, because I do not believe it is true in many cases. Then we pile on top of it and say, 'win-win-win', which I dislike even more. We have to face the reality that sometimes there are people who will not come out of this well. We need to be prepared for that, and make accommodations to adequately try to resolve the conflicts before they get out

of hand.

(FAO, Mr. Eduardo Mansur) I think it is a good cover that it is more of a conflict management issue, and I think everyone recognizes that forest-dependent communities cannot be the ones that lose. That is their livelihood. Trade-offs have to take into account poverty issues that have to be addressed and the forest-dependence issues that have to be addressed.

(UNU, Dr. Richard Rastall) I agreed with everything Dr. Robledo said. I thought it is a very good response, and also followed up by the gentleman there. When we are talking about forest-dependent communities, I think we need to go beyond inclusion and participation. We actually need to say 'consent'. I think that is really essential for forest-dependent communities in order to avoid conflict and disagreement. I just wanted to be particular on that point.

In addition, in terms of what REDD+ is bringing to them, if we can do it in a certain way following the spirit of the Cancun safeguards, then there is really a bundle of rights that could go with it. Dr. Robledo did mention rights, but the property rights to carbon, there is potentially land tenure rights, or at least respectable *** ([PM-2] 00:21:22) rights that can be negotiated and can benefit the local communities.

(FAO, Mr. Eduardo Mansur) Thank you very much for bringing your perspective that free, prior, and informed consent is necessary, but not sufficient condition and that benefits have to be preserved.

(FFPRI, Dr. Yasumasa Hirata) When we think of this very issue or very topic, one thing that comes to my mind from my experience is that this question is quite short. However, I would say that it is all different country to country. I think that there are a lot of differences in terms of passion towards forests depending on the country. Therefore, I think that it is quite difficult to understand this issue with one single question like this. I am sure that the people here have visited various countries in the past. When it comes to the countries other than you have visited, I think that there are different approaches towards forestry. Therefore, I think that it is always better to think of this matter in a more local context.

(FAO, Mr. Eduardo Mansur) Thank you for bringing us the perspective of diversity and complexity involved in this issue.

(Ecoexistence - Robledo Abad Althaus, Dr. Carmenza Robledo) have two remarks. First, consent is important, but it is really not enough. You need to have people participating in the decision and owning the decision. That has to be beyond consent. Second, we need to recognize that win-win situations are rare. Most often we face trade-offs, some of them painful for a specific social group. We have communities with many children that are going into the forest because they need new paddy lands. We are not even talking about food security. We are talking about food for survival. We are talking about illegal loggers in the forests who have nothing else, and are asked to stop this activity. Trade-offs are also in the painful part of stopping deforestation. Let us face these trade-offs with the local actors including them in the process and to facilitating as far as possible the introduction of measures to reduce negative impacts. Please stop being naïve

and hoping that we will be able to act in the benefit of all stakeholders and all forest dependent communities and start a more differentiated discussion with a heterogeneous „local communities”

(WWF, Ms. Mikako Awano) I just recalled one remark from JICA people who have experience in the developing countries. The question is to what extent we should address local community stakeholders. Demarcation of the stakeholders is the real problem or real challenge for JICA people working on the ground.

First of all, the definition of stakeholder is really hard. Secondly, the notion of the interests is totally different, but quite often, we do not discuss that we have a different notion on the sustainable forest management itself. For instance, in the private sector, particularly, Japanese companies, they do not want to have any dispute or conflict with local people. The problem for them is who are real stakeholders? It is quite hard to limit the line. The first barrier or first challenge for the private sector to be engaged with the REDD+ process is to what extent they should address. That is, I think, something we should more think about, if we really like to have successful REDD+ project cases.

(FAO, Mr. Eduardo Mansur) It is indeed a new degree of complexities. It is not only how to define stakeholders, but who represents the stakeholder group. The representation has to be fair. We are talking here about forest-dependent communities who have difficulties in organizing themselves to be voiced in a democratically fair way. A community organization is pretty basic if we want to have fair communication as a stakeholder group.

3. Priority for development of national forest information/monitoring system

(FAO, Mr. Eduardo Mansur) I will move on to the third question, which I would like to address to Dr. Hirata. “What efforts and actions should be prioritized (not just money) to fill in the gap between countries in the development of national forest information/monitoring systems?”

(FFPRI, Dr. Yasumasa Hirata) In order to answer this question, I would like to first touch upon national forest monitoring systems. In developing countries in relation to REDD+, they are developing various systems to monitor and manage the forests. This involves various donors. In some cases, one donor provides the system and also the other donor is involved in a different aspect. Sometimes they are trying to increase the consistency or sometimes they are trying to scale up the current one. Not only in the REDD+ context, but also from an SFM point of view, countries need to play responsible role in establishing credible monitoring system and providing information in a credible manner. This is related to the leakage and double counting issues. In order to avoid those potential issues, the central government should play its role.

In the face of readiness, national governments have prepared some information, so we definitely need to respect already available information. If there is anything lacking, of course, we need to fill that gap. That seems to be the mainstream approach. When we move on to phase 2, what we need to consider is, within this REDD+ context, how accurately can we measure carbon? Is it very viable? Can it be validated? Is this system reliable enough? In some countries in the 1990's they gathered certain information and values. They have measured value to monitor the forests. However, these two values cannot be directly compared,

because the measurement methodology is different. In that case, we cannot really use it at reference level. Within the framework of the modern technology, first they need to set up the most appropriate one and correct what they had built up in the past. Oftentimes it is pointed out by the field people that sometimes advanced country will introduce a very complicated system that is quite difficult for them to use. They wish for a system that is as simple as possible. The local government or agency sometimes needs to customize the system that is introduced by the advanced countries.

The question ask about a 'gap between countries', and I am unsure as to whether I under understand what it is trying to say. However, when we monitor the forest, we need to see if it is a tropical, dry, or sub-tropical forest. We need to define the monitoring system depending on the type of the forest. In like wise, the ownership of the forest is also important to be considered. In order to fill in the gap, what is the best method? The answer is to get lessons from the past and get best practices from the other countries. Necessary grouping should be done by, not only the type of forest, but also the type of the ownership. Also, the next point is related to the landscape management. We also need to look at the peripheral areas. For example, is palm oil popular or is rubber production popular? We need to have a more comprehensive overview to make the grouping. I believe each country is at a different starting line, but what I just mentioned is going to be needed.

(FAO, Mr. Eduardo Mansur) It was a very comprehensive answer. In fact, when we discussed this question we thought that this question of the gap between the countries should not be addressed. It would be a complexity, but I am glad that you answered this.

Are there any questions from our panel or from the floor?

(FAO, Dr. Maria Jose Sanz-Sanchez) I think there are two types of things: the national forest monitoring system, which is gathering information. I fully agree with the assessment of Dr. Hirata. There has to be a buildup on existing systems with the aim of improving, not too complex to start with, and with the full ownership of the country. There are other exercises which are using information to help countries or other stakeholders understand what may happen in the future; to produce some sort of scenarios.

I think that sometimes people confuse these two exercises. The pure monitoring and collection of information, which has to fulfill different functions, and the carbon function is one that is very relevant to REDD+, but if we want to have a sustainable monitoring system, we have to look for this system to fulfill other purposes. Otherwise, we will not have enough integration in the institutions, because it will be only one single interest around the monitoring system.

The other thing is that we talk about components. Those components sometimes are relevant for all land uses. When you develop a land monitoring system, it is relevant for forests, but it can be easily used for other land uses. I think we have to think in these ways. We have to be careful not to confuse the monitoring system that we want to build with the exercises that we will do using the information that the monitoring system can provide to us. This is more to try to imagine what scenarios we may face to help us define the actions that Ms. Lee was talking about earlier in the session, what will need to be done.

My last comment is that we do not need to rely only on those tools. We also need to rely on simple reasoning sometimes to understand what may need to be done.

(Indian Institute of Science, Prof. N. H. Ravindranath) When we talk about information and monitoring system, I see three major types of systems. One is the national forest inventory, which very few countries have. The second is remote sensing for monitoring. The third is ground studies. If we take remote sensing, it will be very hard to start up such a complex system for all countries. For example, Brazil and India have their own remote sensing capabilities that were built for other national purposes. India and Brazil have built their programs for other reasons than REDD+, but it can be used for REDD+ as well.

The issue here is that remote sensing capability is not required in all countries. Few countries can help neighboring countries. For example, India is helping many neighboring countries with respect to remote sensing data. Our national forest inventory requires a lot of resources. For large countries, it may be very difficult. Probably, Canada can do it, but not other large countries. The only thing that is very important at the country level is ground studies of biomass, carbon stocks, and the socioeconomic aspects. That is something I think we should really focus on in all the countries, and especially in the smaller countries.

(FAO, Mr. Eduardo Mansur) I think the points raised by Dr. Hirata are very interesting about the need for coordination, especially amongst the donors. Accuracy is everything when you want to reduce uncertainties, not only for the policymaking, or for decision-making, but for the market. If there is uncertainty, it would be very difficult to promote financial mechanisms. Financial mechanisms are ready to deal with risks; but with uncertainties, normally, they are very reluctant. Accuracy is the basis for reducing the uncertainty. About simplicity, people have to understand what we are talking about at different levels in different groups. We also have to learn from the lessons to address the gaps.

4. Challenges for making national forest monitoring systems sustainable and cost efficient

(FAO, Mr. Eduardo Mansur) We move on to the fourth question which is addressed to Dr. Thompson. “What are the challenges for making national forest monitoring systems sustainable and cost efficient? Should forest monitoring address or be designed for multiple objectives?”

(IUFRO-GFEP, Dr. Ian Thompson) I think that the challenges tend to be fairly obvious. Your national forest monitoring system has to answer key questions that have to be related to the objectives, so your monitoring system needs to be quite clear and quite focused. As for challenges, you know that there are multiple processes that are probably asking the same question. You want to make sure that, if this is to be cost-effective, that you only answer the question once.

If you need a number for FAO, you need a number for somebody who is monitoring your REDD+, and you need a number for your forest inventory, let us make sure that the number is always the same. The challenge then is to make sure that you have an indicator that works for everybody. Another part of the challenge is that technology is constantly changing, and a new technology gives us a new answer. You would like that the new answer is comparable to the old answer. Whenever we start to implement new technologies and the next generation satellites, radar satellites and so on are going to give us better answers and much better

images, therefore, much more refined answers. We want to make sure that these answers are comparable to what answers were with the last generation satellites.

I will continue to argue that accuracy and precision are important, because, if I am a donor country, and I am going to pay you \$100 for a ton of carbon, then I want to make sure it is a ton of carbon and not half a ton of carbon. I think it is particularly important that accuracy and precision are built into a national forest monitoring strategy. Otherwise, if your error term is twice as big as your average, I am not very certain as a donor country that I am actually getting a ton of carbon for my \$100. I will continue to argue that it is an important aspect, and getting into the ballpark is, to me, irrelevant because the ballpark can be really big.

Obviously, should the monitoring address multiple objectives? I think it has been already answered already from the floor. Obviously, it should be. I think we might want to ask the question how it can be, which means we need to be very careful when we are designing our monitoring programs that we look at all of the reporting that we have to do and do a crosswalk among those programs to make sure that we only answer the question once, rather than end up answering the same question several times.

(FAO, Mr. Eduardo Mansur) Are there any comments from the floor?

(CIFOR, Dr. Louis V. Verchot) Just to pick up on this accuracy and precision, I agree it is very important. Just as an example, I think that the roundtable on sustainable palm oil right now is debating the emissions factor that they want to use for palm oil. They are actually seriously considering using double the current IPCC emissions factor, because they would prefer to overestimate rather than underestimate. I understand that that helps them create the incentives for a sustainable management, but it also creates the appearance of excessive emissions reduction when they actually reduce the deforestation. I think we do need to be careful about this accuracy and precision, not just to put numbers in there to create incentives, but also that we are accurately estimating what we are achieving as we move forward with the program.

(FAO, Dr. Mari Jose Sanz-Sanchez) I think that Dr. Verchot and Dr. Thomson touched my heart with this accuracy and precision thing. I agree that we have to be, as far as possible, accurate, and if feasible, even precise. Sometimes, we can be precise and not accurate. We have to keep this in mind. We also have to keep in mind the objective of doing these measurements. Sometimes, the objective is to change. We need some incentives to change. I have been myself a reviewer of greenhouse gas inventories for some years already. What I have been seeing is that what matters in estimating these greenhouse gas emissions is the consistency. You have to be consistent, because you need to make sure that you will follow sort of a trend, and at one point in time, even reach an inflection point that may not be predictable.

I believe that we have to focus on consistency, on reducing uncertainties, but I will not really invest that much in trying to be too precise or too accurate or precise and accurate at the same time, because we may reduce the resources that are needed to take action. I would caution about these accuracy and precision. I will say that we have to be balanced. If we go back to developed countries, and you go and see the quality of the data. The quality is okay. Let us say it like that. That is not preventing them to change, which is what we are looking for. Let us be careful that these perform basement payments do not drive this whole process by themselves and lead us to an endpoint that will be completely non-sustainable.

(Forestry Agency, Mr. Satoshi Akahori) This might be of a different perspective, but for REDD+ and LULUCF, whenever I talk to the industry that create a lot of emissions, they oftentimes say that the forestry is less precise, and it is kind of difficult to understand. It is true that it is going to be quite difficult to compare that with a certain industry. However, what I oftentimes tell them is that it might be true. However, I think that there could be a level that people can achieve that is acceptable. For example, accounting and monitoring is taken by each and every country. Therefore, there is always a technology to do so. I oftentimes explain it that way.

(WWF, Ms. Mikako Awano) I want to add to Mr. Akahori's comment. Whenever I talk to the Japanese private sector, what I tell them is that, when it comes to Japanese companies, what they do is they create the CSR report and then rather than writing there that we contribute to this in such reduction in emission. I think that it is much more precise to base it on this kind of monitoring, because even if the company says that we contribute this in such way, but then it is not verified. From certain allometric, they would say it must be contributed. However, I would say that the REDD+ scheme is much more legitimate.

(CIFOR, Dr. Louis V. Verchot) On Dr. Sanz-Sanchez's comment, I agree that we do not need to be overly accurate or precise, but we actually need to know what our accuracy and to the best of our ability, what our precision is. It is really more an argument of quantifying our uncertainty or trying to quantify the bias that we have. Bias is always much more difficult than precision to quantify.

(FAO, Mr. Eduardo Mansur) I agree. I learned from my time in the school many years ago in the discipline of economics that risk is measured by a percentage. Then, once you give to the economist the percentage of the risk, then he or she knows how to deal with the investment. I think for carbon, it should be the same. If we manage to control the error to a certain level, we could move ahead. I think our accuracy has to be about how big our error is. That should suffice for us to move ahead. I think both of you are correct.

(Floor1) When it comes to the REDD+ credit that could increase in the future, in the past, there was a credit from the forest and the credit from the emissions. We tend to think of the conversion, and then we try to seek how we could equivalently set that. Therefore, we kind of seek the accuracy level, like the emissions sector is doing. However, if we are able to create something new, then we do not really need to keep in mind of the accuracy part of it. Is that not possible?

(LRQA, Dr. Dave Mateo) I would just like to add something about what the beautiful Japanese lady has said about the private sectors have started to actually see how tasteful the flavor of REDD+ is, as Ms. Lee has mentioned a while ago. In LRQA as a verification body, one of my jobs is offer assurance on CSR reports. I have seen changes now from companies. Before, they used to report that they have tree planting activities, for example, and that they manage this forest. Recently, they have been writing or reporting about REDD+ activities by their own companies. It is changing a lot. I see trends that companies do not just say that they have forests or they do tree planting, but they also do REDD+.

However, I think CSR reports tackles more about the pluses of REDD+. Companies tend to communicate more about how they have gone through the process of, for example, stakeholder engagement in communicating this, if I may say, claims that they are carbon neutral or they have offset some of their emissions through REDD+. That makes everything quite challenging also for assurance bodies like us, because now they are not only claiming that they are carbon neutral, which is based on credits or numbers, but now, they are claiming that they are helping local communities, which is more challenging to be assured by verification bodies like us.

5. REDD+ and conditions for successful contribution to forests and society

(FAO, Mr. Eduardo Mansur) I will go now for a question that will add a bit of complexity in our discussion. It is addressed to Dr. Verchot. It is a kind of an umbrella question. “What are the enabling conditions for making REDD+ a successful contribution to the evolving challenges that forests and society are facing? Could SFM contribute to create these enabling conditions? Is carbon finance the magic bullet?”

(CIFOR, Dr. Louis V. Verchot) I can tell you what has made for successful outcomes up until now. It really depends upon the institutional setting. The institutional setting creates the possibility for successful outcomes, and then the stakeholder process insures it. Clearly, the countries that have been successful so far in moving forward with REDD+ are those who were already engaged in changing their forest policy and addressing some of the problems in the forest sector.

Those countries that were successful also tended to have, either some sort of serious pressure on their forests, or legislative buy-in into their process. Once that enabling condition was set, it really required a participatory process with local ownership and then coalitions for change to bring that to phase 2 in the REDD+ process. I see SFM as the outcome of the process, not necessary what creates the enabling condition. It is what creates the objective to go about creating the institutional framework that allows us to happen. I see SFM as the result of policy processes that generate local buy-in and promote transformational change from within, not from without, and that the institutional setting actually creates the opportunities there.

Is carbon finance a magic bullet? I do not think so. It has not been yet, and it has been a real struggle. Looking that the carbon credit market, I think, Ms. Swickard can probably tell us even better than I can, just how much of a magic bullet carbon finance has not been. However, it creates opportunities, and that is what we really are trying to do here is create opportunities for countries to do things for a whole host of reasons, including climate change. Countries that want to use this as a mechanism to transform how their forests are managed in their countries, and what the services and products the forest provides to its population, is what we are trying to open up here with this REDD+ mechanism.

(FAO, Mr. Eduardo Mansur) Are there any comments or questions? Is there anyone that disagrees with Dr. Verchot?

(Ecoexistence - Robledo Abad Althaus, Dr. Carmenza Robledo) I don't fully agree. Sometimes, when I participate in discussions about a financing mechanism for REDD+, I have the feeling that we lose the sense

of reality. Let us put some numbers on the table. The Eliasch report states that to halve deforestation by 2030, we need at least \$17 billion to \$30 billion per year. Other researchers have said that \$10 to \$12 billion per year are needed to pay opportunity cost alone – and Ms. Lee was right, opportunity cost is nothing about transaction cost; it is nothing about implementation cost; it is nothing about monitoring cost, but only the “lost win”.

Another element for getting a sense of reality is to check what has happened with the funds currently financing REDD+? If you put all these funds together \$4.3 billion USD have been pledged (this figure is far higher than the real expenditures) in our seven years of marriage since the Bali Road Map. It is not what has been paid. The answer is very often, “Let us invite the private sector. The private sector! They have a lot of money. They make a lot of investments.” Yes, they have a lot of money. They make a lot of investments, and they have a rationale that is not always shared by international key players including the NGO community.

That creates a schizophrenic situation. On one side we discuss about very high levels of accuracy for measuring changes in implemented activities and on the other side we do not have a fraction of the money needed for a meaningful implementation. This check of reality: what are we talking about? Are we creating a system that will not be sustainable simply because we do not have money to finance it? Are we asking developing countries to create a monitoring system that is useless for more developmental issues? At the end of the day, in 10 years nobody is going to pay for this carbon, because there is no one at the other end of the chain.

(FAO, Mr. Eduardo Mansur) Carbon finance is not the magic bullet. We cannot think that this is going to make people richer. It can contribute. It can motivate. It can add to the set that you can get from the land use if it is used sustainably. That is good, but to think that this is a solution for economic problems or financial problems of the landowner, that will be problematic.

I just would like to make a small comment on the first part of Dr. Verchot’s answer regarding SFM as a consequence of REDD+, if REDD+ results then SFM will result by default. When we organized this international seminar, one of the colleagues involved in the organization said that there is a problem with the title. The seminar is called REDD+ Implementation and Sustainable Forest Management. In understanding as a seasoned forester, is that REDD+ is part of SFM. It is inside. It depends on how you understand SFM, or in which scale you are talking about sustainable forest management. Then you can position itself on this perspective.

6. Proliferation of REDD+ projects

(FAO, Mr. Eduardo Mansur) We move on to the sixth question, which is addressed to Ms. Swickard. “Is the proliferation of REDD+ projects a challenge or an opportunity for full REDD+ implementation at a national level?”

(VCS, Ms. Naomi Swickard) At the risk of being overly political, I am going to say both. It is absolutely both a challenge and an opportunity. We have seen projects bring a lot of value in terms of testing methods

for accounting, testing how we can actually mitigate on the ground, and being able to feed some of those lessons up. To the point about finance, I think, at this point, given the uncertainty we really have to be looking at all the potential sources of increasing the field of finance that is possible. Positive or negative as it may be, the private sector has often been more comfortable with project level activities. There is a lot of benefit there. However, there are challenges as well. I think Ms. Lee talked about some of those earlier today in terms of how you ensure that those projects can become integrated into what is happening at a national level.

We absolutely agree that national implementation is a goal, but we also see that the UNFCCC itself has also recognized that it may be necessary to start at a sub-national level as an interim measure. For many countries that we are working with, many countries that many of you are working with, they have realized that the complexity of doing this at a national scale is very high and that getting buy-in is very difficult from all the different sectors and agencies. In many cases, it makes sense to be starting at somewhat a lower scale, because that is a sub-national jurisdiction, for example. There is a lot of benefit in trying to attack this problem from every level and from every opportunity that we can at this point in time.

(IUFRO-GFEP, Dr. Ian Thompson) I would just add that I think the proliferation of projects is a huge challenge. One of the roles of recipient governments is to get this under control. Maybe they need an office of REDD+ where all projects, regardless of how they come to the country, have to go through that office. I was in Singapore not too long ago and was at a very small seminar where people were talking about this. There were many, many consultants who came and talked about all these REDD+ projects that they were putting into places like Indonesia, Vietnam, and Cambodia, and so on, that I know, that the governments were not even aware that these things were going on. Similarly, there are companies paying to plant forests in Ghana of that I know the government is not aware. Unless there is some kind of control over these things, then proliferation becomes a huge challenge.

(VCS, Ms. Naomi Swickard) Let me say that I absolutely agree with that. That is a major reason why we entered this space of jurisdictional accounting; trying to say how can we help and ensure that the project development, particularly, project development under the VCS is not causing problems for countries? You see the interest from a lot of those that are working on with us in trying to set out something that helps lower-level activities move forward. I mentioned that we are working with Peru. The Peruvian national government is working on setting out a set of guidance for how sub-national activities can move forward. That includes guidance for their jurisdictions, too, that we are working with, as well as for projects. Those project activities are working with the governments to help ensure that reference levels that are set can then be applied down to the project level so that you are starting to increase this consistency and provide a very clear pathway for any of those project activities to be integrated into the higher scales.

We share the concern. The point is that, if there is benefit in these project activities, which I would argue there is a lot of benefit in having activities at multiple scales, then how do we actually set those systems that can ensure that they are integrated well and that they are not causing issues for higher levels. A lot of that may be setting up agencies that require approval for those project activities to move forward.

(IGES, Dr. Henry Scheyvens) This is a very interesting discussion. I agree with both of the panelists on this. With projects, I always go back to the decision in 2007 at the 13th COP at Bali, the decision on REDD+ where the conference of the party said, “Okay, let countries prepare for REDD+ and let us see some demonstration activities.” That was the language that was used, ‘demonstration activity’. From the UNFCCC perspective, projects should be demonstration activities. If they are targeting the voluntary market, that is fine. There was some guidance for demonstration activities that came out with this decision back in 2007. They said, “Yes, you should be implementing strategies to reduce your emissions, and it should be performance-based,” all of these kinds of things. The issue with projects is, if you look at some of the PDD’s and so forth, you see a tremendous amount of knowledge that is being generated, a tremendous opportunity for capacity building and for learning, and that is not being taken advantage of by the governments themselves. The problem is not one of proliferation and lack of regulation; it is the fact that the governments are not using them as demonstration activities to extract lessons on how you can tackle drivers and to build their own capacity. That is what I see as the problem.

(Forestry Agency, Mr. Satoshi Akahori) Since this is in Japan, we are the ones who do the projects in countries like Indonesia and Cambodia. Other than the projects that Japan is doing, many other countries are also doing projects. We wish we could understand and harmonize projects from different countries, but we do not have a chance to know or learn what other countries are doing. I would like hear your thoughts about that. Maybe the people from Indonesia, I am sure that you have a lot of projects, and what do you think about that? How are you going to manage the opportunities to learn? Also, we are wondering if there is any hint for us to do the projects.

(VCS, Ms. Naomi Swickard) I think this is a really interesting question. I will be interested to hear what my colleague from Indonesia has to say. I presented several scenarios that are possible under the VCS Jurisdictional Framework, which either allow for or do not allow for project activities. What we are finding is most of the countries that we are working with really want these project activities, and see value for their own processes in terms of helping to address and be able to integrate, in a very site specific manner, and with local communities, in terms of how they can mitigate climate change, whether that is addressing deforestation or enhancement activities. In terms of this question, is it a problem or is it a challenge?

I think we do have to continue to look back to what the countries actually want and what they want to incentivize. That is where we are working. If a country does not want to allow project activities, then by all means, that makes perfect sense as well. There are different ways to structure a program based on what the jurisdiction the country is looking to get out of, or what they want to incentivize within their country. I presented a bit on Chile. In that case, most of the land is actually held by the private sector. For them, it makes the most sense to really incentivize project activities. That is certainly not the same in a country like Bolivia or Vietnam. I think it also very much depends on the country context.

(FAO, Mr. Eduardo Mansur) Let me share with you a story. I had the chance to work in an international organization where we had to handout our own pension fund. We had a small group that met with the company that was handling the pension fund. They came to us a few years ago and said, “Look, we have new

opportunities in the market that are very interesting. We are intending,” it was a forest institution, “and we intend to invest on these new REDD+ projects.” We all stood up and said, “No! Please!”

We all recognize also, when the first project got VCS accredited in Kenya, everybody celebrated. They said, “We have won that! We have kicked all boxes!” If maybe that company would come today to us and say, “We are going to invest in the projects in Acre, we would probably say, “Well, Acre has a system that is getting accredited, maybe.”

It is evolving, but I think it is both. It is a challenge. It is an opportunity. We as foresters know what happened, for instance, with teak plantations. How many of us got this announcement that, if you invest in a teak project, you will get 35% per year? It has created an enormous damage on the teak industry. The risk is there. We have to recognize it. Institutions that accredit it and put the house in order are necessary.

7. What has changed in your way of thinking about REDD+ as a result of this seminar?

(FAO, Mr. Eduardo Mansur) I think we covered six questions. The final question, that I quite like, is not to any panelist. It is to all of us, and the question is, it is open to all. I would like to start with comments from the audience. “What has changed in your way of thinking about REDD+ as a result of this seminar?”

(FFPRI, Dr. Takeshi Toma) During this seminar, I thought about how REDD+ is just a tool for sustainable forest management.

(LRQA, Dr. Dave Mateo) After this very insightful and informative two-day seminar, from the verification body side, I think there are risks and uncertainties involved. Maybe I would put this in my report to the management that there is a market here. It is all about, at the end of the day, how organizations like ours could best handle our risks in offering, for example, assurance or verification. I am speaking at the project level implementation of REDD+. Again, uncertainties are really getting less and less with all the monitoring and technologies that we have developed so far. There is a market.

(FAO, Mr. Eduardo Mansur) It is very motivating for people like us who work on payment for ecosystem service. We always talk about market-like mechanism, and then, we have someone representing the private sector that says that there is a market means that we are reaching there.

(Forestry Agency, Mr. Satoshi Akahori) I was in charge of landscape approach, and I learned a lot about it. In different countries, JICA is involved in projects, and we are doing the improvement of livelihoods, such as livestock or the improvement of agriculture. The livelihood may improve, but it does not necessarily stop the deforestation in some projects. Therefore, I think it is quite challenging. Today in discussions, Dr. Verchot talked about governance and zonings. Governance and zonings are indispensable, and we hear that voice in the field as well. That was very informative.

(WWF, Ms. Mikako Awano) The biggest thing I became aware of is the importance of engaging the agricultural sector. As Dr. Verchot mentioned, very few people who are really working on REDD+ within

the agricultural sector, but at the same time with very limited knowledge of REDD+. For instance, soy producers in Brazil talk about REDD+, but from my side it is really a naïve discussion. The next step is how to really enlarge the stakeholders in a sense; not only improve them in Japan, but also over the world. I re-realized the importance of that one thing.

(PNG Forest Authority Mr. Gewa Gamoga) This question number seven is a very, very good question and very challenging. While looking at the challenges of SFM in most developing countries, and the many issues arising from REDD+, I see that REDD+ is a way of enhancing SFM in countries that are facing very big challenges in managing their forests.

(Mr. Kazuyuki Morita) There were a lot of methodologies and a lot of frameworks, and I heard a lot of comments. Therefore, it was very much of a learning experience for me. One important thing that I have gotten out of this conference is the ‘participatory approach’. When it comes to participation, I think that one of the important factors is the quality of the information of those participants. If the information is not good enough, even if we include these people as participants, it is not going to work.

(Floor2) To date, I think that we actually focused on carbon and how we would be able to involve the private sector having carbon as an incentive. What I have learned is that there is a new landscape approach. If we look at it from that perspective, I think that the interest could be looked at from a different perspective, such as landscape management. The private sector would be able to be drawn to a more different interest such as landscape management.

(FAO, Dr. Patrick Durst) I also like this question very much. For me, one of the things that I took away that changed my way of thinking a bit was that I have encountered over the years quite a few REDD+ experts, and I had the perception that the majority were quite fanatical cheerleaders for REDD+. I learned here that many of the REDD+ experts also are asking themselves and collectively asking very difficult questions to each other; expressing frustrations and doubts; the same as I hear from the lay people when I work in the region. It is refreshing to me to know that the experts are also asking some of these challenging and difficult questions on how to move forward.

(FFPRI, Dr. Yasumasa Hirata) I think that it is about time that we need to discuss on the ‘V’ part of MRV. In Salt Lake, there is IUFRO, which is an international organization. This is the forestry carbon MRV of REDD+ that we have incorporated there. In most cases, it is monitoring or the ‘R’ part of MRV. Dr. Robledo and Dr. Sanz-Sanchez have mentioned in the presentation that the system has to be practical and implementable. If we look at it from that perspective, what verifications are required, and what would be the precision needed or accuracy needed in terms of verifications? I think that we are in the point to move into the ‘V’ part of MRV.

(IUFRO-GFEP, Dr. Ian Thompson) This is the fourth or fifth of these things that I have been to, not just here in Japan, but elsewhere. It is complex and it is difficult, but I am always impressed by how positive

people are in general. You come to these things and you see countries like Zambia, Indonesia, Nigeria, and Papua New Guinea; countries that are working with us and trying to move forward with it, and while it is difficult for them, there is a lot of goodwill and a lot of positive to be taken from things like this. My last closing remark is that I am quite impressed with how positive this is and that I hope we will be moving forward.

(VCS, Ms. Naomi Swickward) I just wanted to say that, while I have certainly been in this space less time than some of the esteemed panelists, I think it is the first time that at least a good significant chunk of a REDD+ related event was focused on the actual activity needed to reduce emissions or increase sequestration. That was incredibly refreshing to me.

(FAO, Mr. Eduardo Mansur) For me, the big message is that we do need to go for zero global forest loss. It is a condition that we need in this planet to stop any loss of forests and continue growing forests. Forests are a worthy, worthy system of land use. I think this seminar reinforced this perspective.