

REDD+, SFM, development, markets and forests.

**Workshop on governance, decentralization and REDD+
in Latin America and the Caribbean
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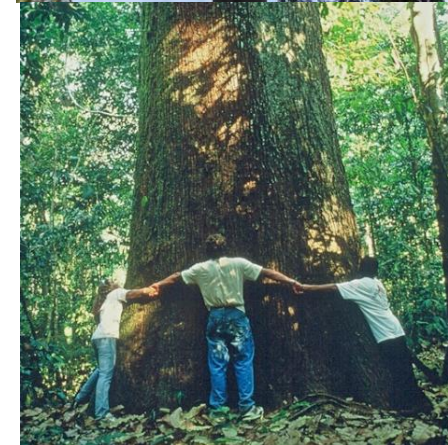
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This presentation

- Introduction
- REDD+, SFM and land rent
- REDD+ and development
- REDD+ and carbon markets
- SFM and REDD+

Introduction

- Much written on causes of deforestation and forest degradation
- Money appears to be key to change
- Distance to market used as proxy to determine land value



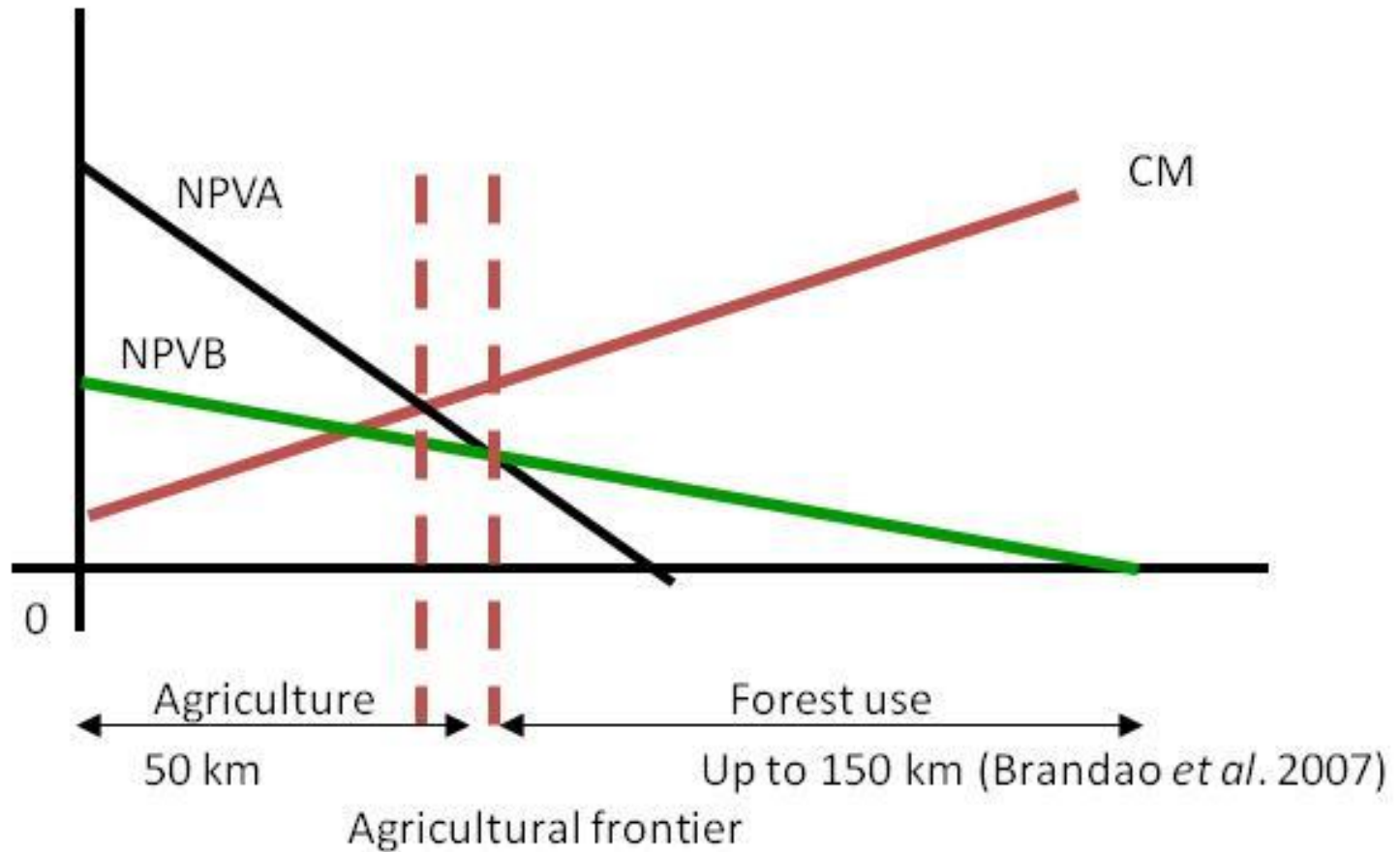
Introduction

- What role does SFM have?
- Does SFM contribute to REDD, rural development and conservation?
- What lessons from past SFM experiences are important for REDD+?



REDD+, SFM and land rent

Land rent
Normal situation

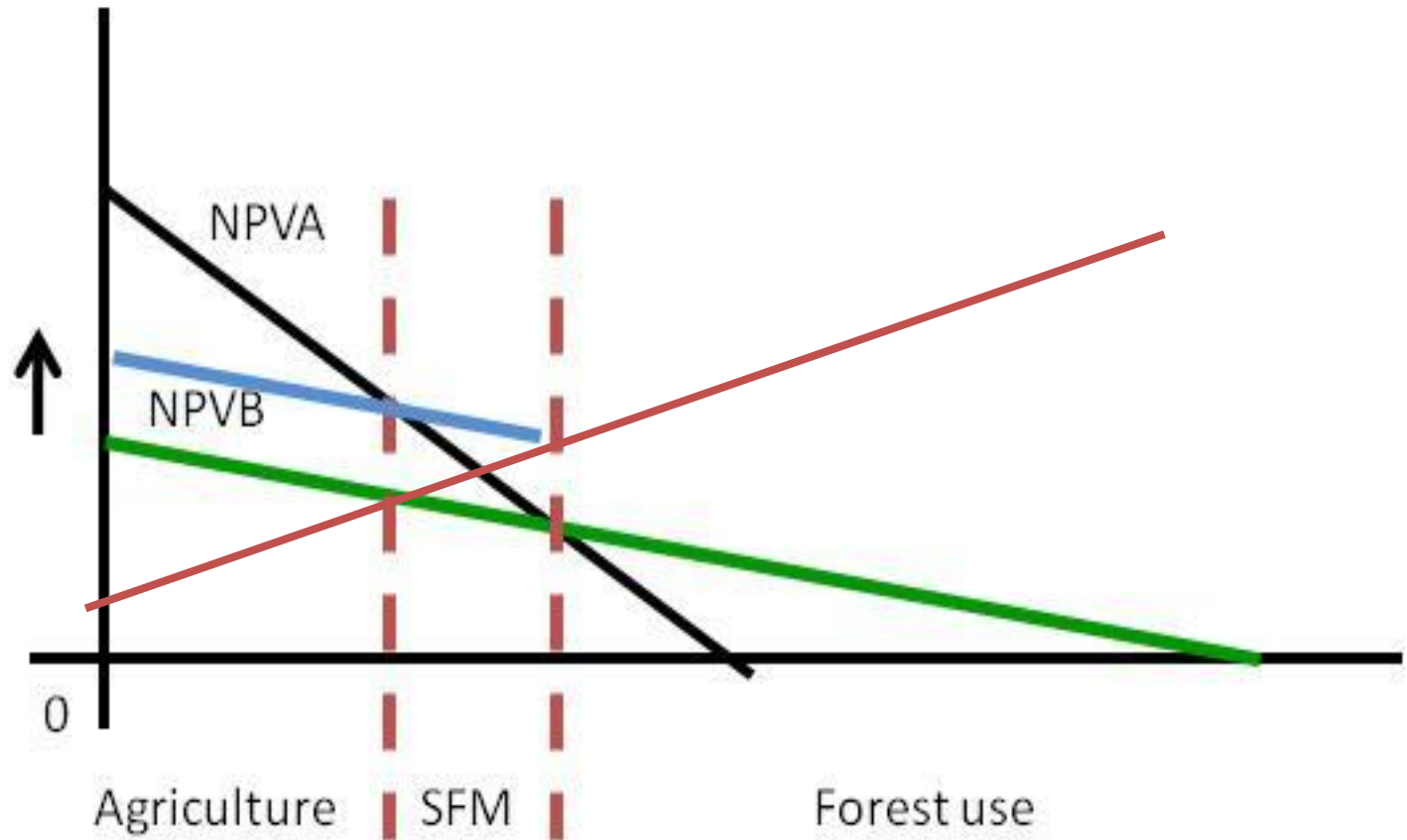


NPVA = net present value of agriculture;
NPVB = net present value of forest use,
CM = transaction costs for sustainable land use;c

REDD+, SFM and land rent

Land rent

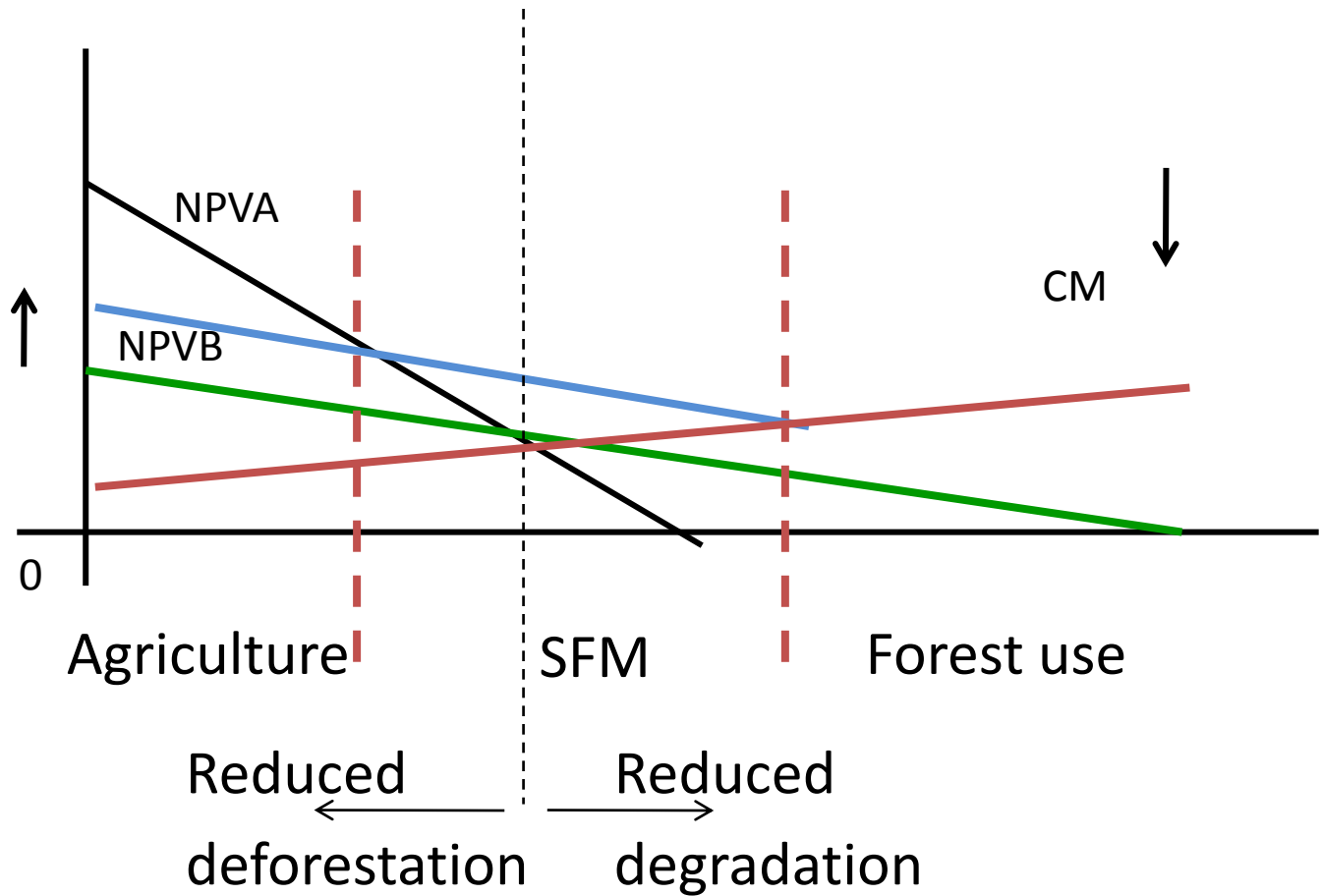
increased price
for forest products
from well-managed
forests;



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CM = transaction costs for sustainable land use;
SFM = sustainable forest management.

REDD+, SFM and land rent

Land rent
combination of
increased price and
reduced transaction
costs

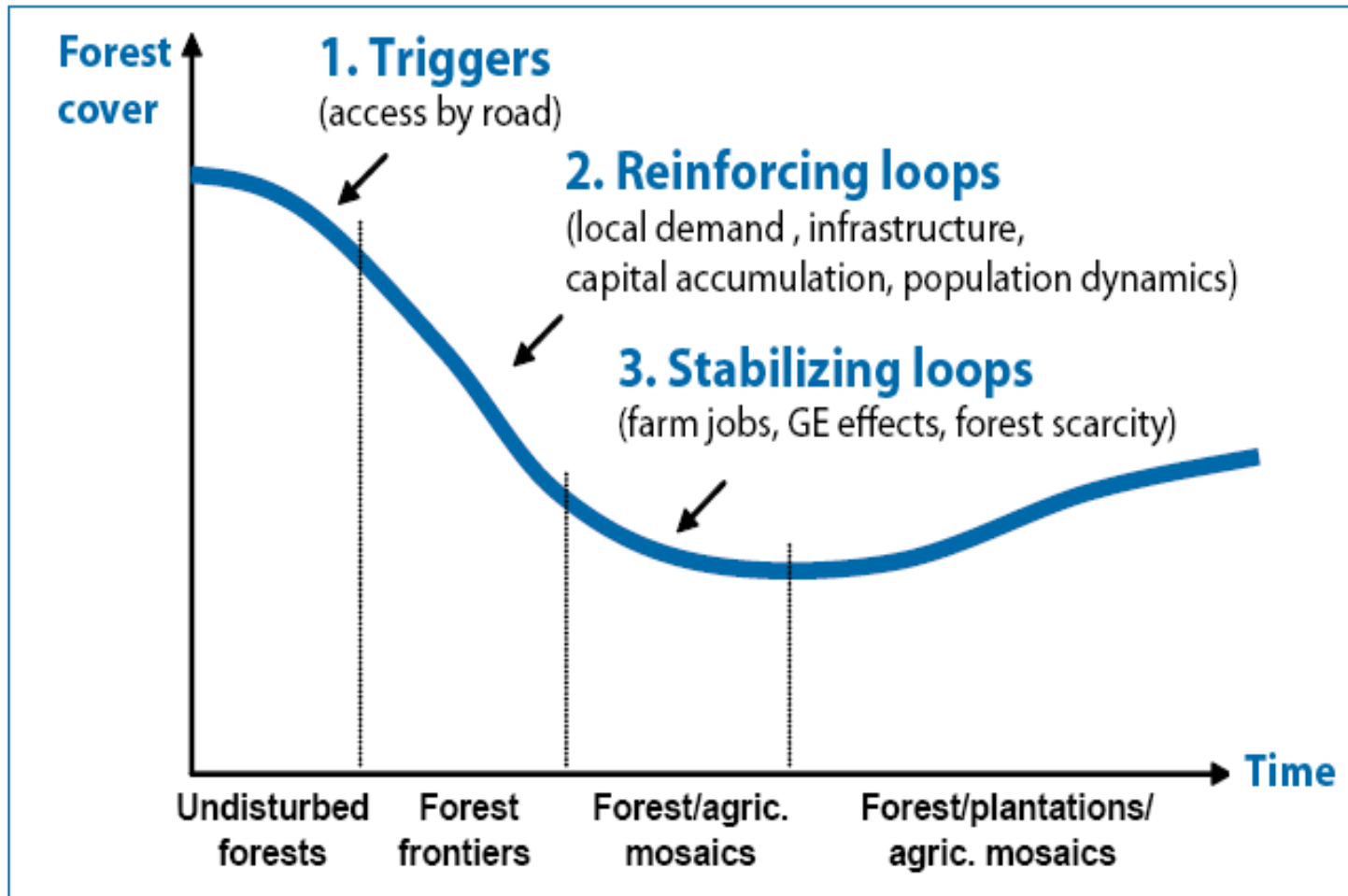


NPVA = net present value of agriculture;
NPVB = net present value of forest use,
CM = transaction costs for sustainable land use;
SFM = sustainable forest management.

REDD+, SFM and land rent

- Markets & policies may influence land rent
- Policies addressing underlying causes of deforestation and degradation **before** compensatory payments
- May differ according to “development” characteristics of each country
 - forest transition curve

REDD+ and development

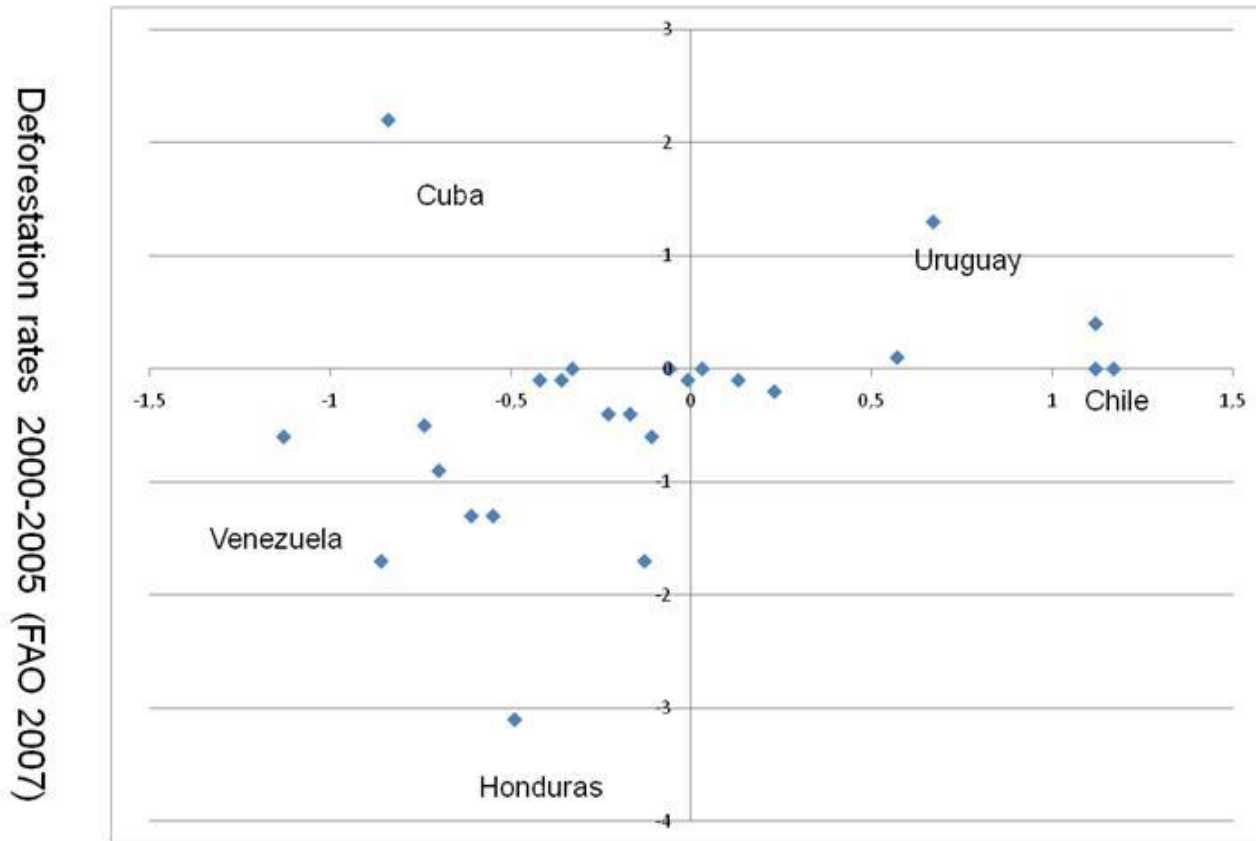


The forest transition curve (Kanninen *et al.* 2007, adapted from Angelsen 2007).

REDD+ and development

- Ignores local perceptions on benefits and costs, expectations and risk behavior, mistrust, conservation preference, institutional frameworks
- Is there a better indicator for “development” along the x-axis?

Governance vs. deforestation



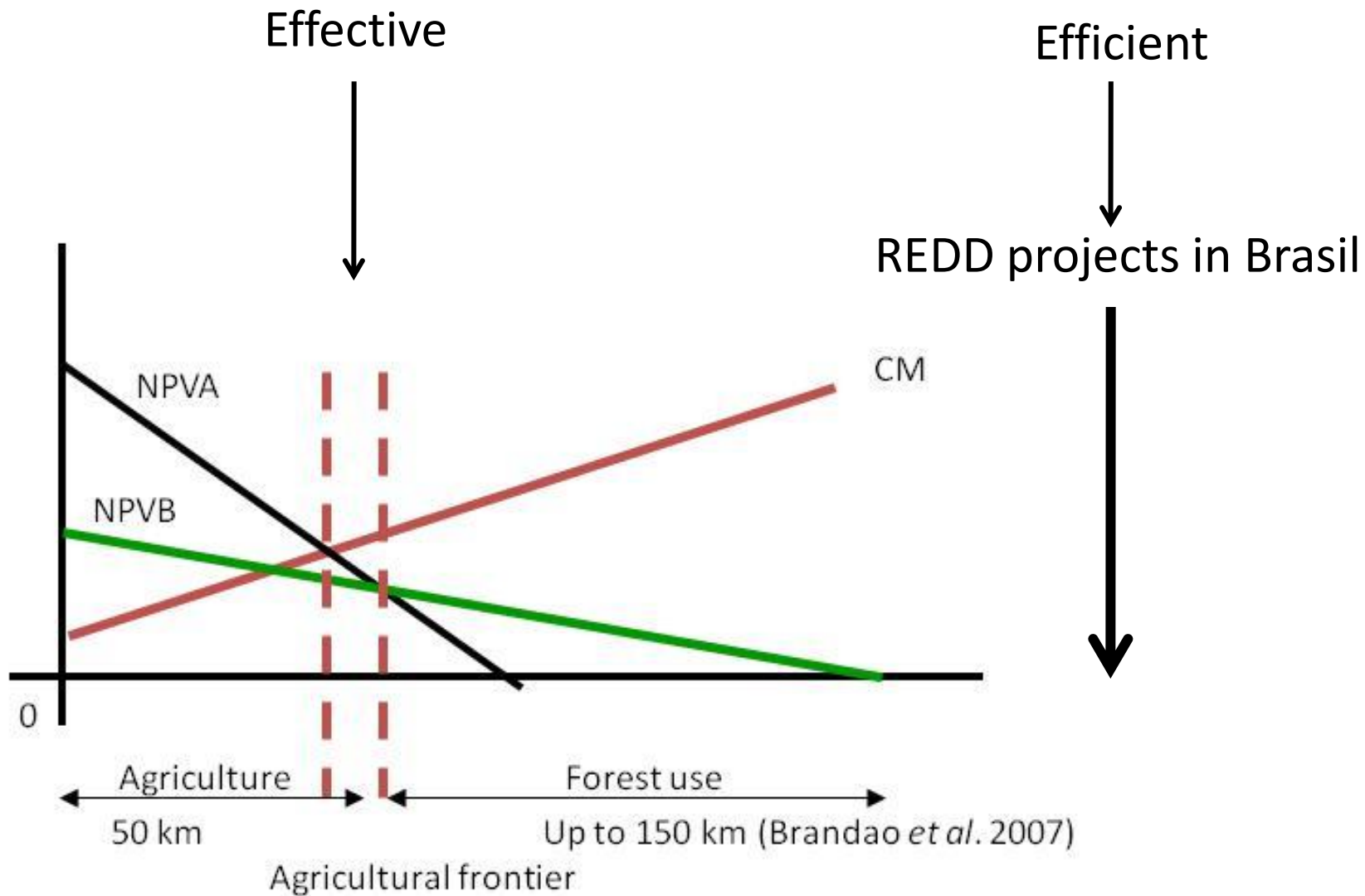
Governance important factor to be considered as part of “development” conditions in forest transition curve?

REDD+ and development

- Other factors that may determine deforestation rates:
 - off-farm employment
 - measures to reflect the level of agricultural prices,
 - road density and the level of local wagesMacro-economic factors
- Need more local scale and local perceptions on development and conservation;
- It is not just income that moves curve upward:
How much of “reforestation” in Costa Rica can be explained by increased income?

REDD+ and carbon markets

- Carbon markets may raise land rent
- However, transition costs may be high for individual (small) producers, raising the CM curve for them
- How may markets contribute to improving enabling conditions (lowering CM curve)?
- Will markets address the most problematic areas (center of graph)?



REDD+ and carbon markets

- Carbon markets (regulatory and voluntary) are not enough
- Also international funding (enabling conditions, FCPF, UN-REDD, Norway and Guyana for example)
- And bilateral transactions (small and medium forest users and owners, Plan Vivo for example)

SFM and REDD+

- RIL techniques reduce loss of biomass, and up to 30% less loss of carbon
- Increased processing efficiency further reduces carbon losses
- SFM reduces unauthorized use of forests
- SFM and user rights may reduce deforestation
- SFM may contribute to local livelihoods
- But enabling conditions need to be in place for widespread implementation



SFM and REDD+

Reducing transaction costs	Increasing forest use value
Community forest management	PES
Stakeholder platforms with political relevance	Higher prices for certified timber
Simplified rules	Government responsible purchasing policies
Secure land and forest use tenure	Reduced agricultural sector subsidies
Assistance in monitoring and control	
Business administration and commercialisation	

- SFM appears to do well on REDD+ performance, and depending on the site conditions, may contribute to rural development as well as to biodiversity conservation.

Main lesson learned

- Trees do not grow on money alone
- REDD+ will need to address the enabling conditions for any chance of successful implementation: not by markets alone
- REDD+ will need to reconcile local knowledge, needs and expectations with national and international frameworks

Many Thanks

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