## Some reflections on the UK's hopes for REDD in Copenhagen

The UK government's latest vision for a new global deal on climate change, set out in Secretary of State Ed Miliband's "The Road to Copenhagen," includes an overview of the UK's priorities for a REDD agreement. A significant portion of the five pages in the report dedicated to forests focuses on cash – estimating costs and proposing approaches to "financing forestry" that rest squarely on the eventual inclusion of REDD in carbon markets. With outstanding technical and governance challenges looming, the proposed 'road map to an ambitious international agreement' fails to present a convincing path to achieve lasting forest protection.

### REDD through SFM

In no small part, this is because of the UK's seemingly unswerving faith in the promise of industrial logging for both development and climate change mitigation, despite ample evidence to the contrary. The UK says: "Sustainable forest management can help to reduce poverty by providing additional sustainable ways for local communities to earn a living."

The truth of such a statement depends entirely on what is meant by "sustainable forest management." Today, SFM is nearly synonymous with large-scale timber extraction or industrial logging. There are virtually no examples in the world of where industrial logging in the tropics has contributed to sustainable development and improved the lives and livelihoods of forest-dependent communities [See, for example, Global Witness' "Vested Interests"]. Instead, there is ample evidence of how so-called SFM in the tropics destroys forests, provides few and poorly-paid jobs, threatens biodiversity and ecosystem health, and impoverishes rural communities which depend on thriving forest ecosystems for their survival.

In addition to these immediate social and ecological impacts, "SFM" contributes to climate change through emissions and increases the vulnerability of forests. Studies conducted in the rainforests of South America and Southeast Asia have revealed that even "selective" logging through "sustainable" forest production cycles seriously degrades the forest, leading to a permanent loss of 40-60% of the forests' carbon stores, fragmenting the forest and upping the chances that the degraded forest will eventually be completely deforested. In one study in the Brazilian Amazon only 30% of the forest recovered from logging.[1]

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1 See, for example, Asner, G.P., Knapp, D.E., Broadbent, E.N., Oliveira, P.J.C., Keller, M. and Silva, J.N.S. (2005) "Selective Logging in the Brazilian Amazon", SCIENCE 310: 480-482; and Abe, H., Sam, N., Niangu, M., Vatnabar, P. & Kiyono, Y. (1999) Effect of logging on forest structure at the Mongi-Busiga forest research plots, Finsschafen, Papua New Guinea. Proceedings of the PNGFRI-JICA International Forestry Seminar, 4-7 October, 1999. PNGFRI Bulletin No. 18. Papua New Guinea Forest Research Institute.

**Focus on finance**

The UK says that it would like the overarching goal of halving tropical deforestation by 2020 to be reflected in the Copenhagen agreement. Having an overall ambition is laudable – although the most recent science suggests that it may not be ambitious enough to keep global temperatures from rising more than 2 degrees. [According to the recently published NGO "Copenhagen Climate Treaty", "for the annual [emissions] reduction rates between 2010 and 2050 to be achievable . . . deforestation emissions would need to be reduced globally by at least 75% or more by 2020."]

However, the UK report jumps immediately from the topic of a global target to a discussion of how to raise "financing for forestry". There seems to be a "missing middle", in which the actions to be financed are identified or at least criteria for their identification are laid out. Without knowing what will be paid for, how can one discuss raising funds or calculate how much is genuinely needed?

Furthermore, the document focuses on financing for "forestry" not "forests". The distinction is more than a semantic one. The term "forestry" puts the emphasis on the activity of forest 'management', which includes harvesting of timber, rather than on the standing forest itself and any activities related to its protection. Coupled with the UK's references to "sustainable forest management", this emphasis on "forestry" suggests that the UK is focused more on making incremental changes in the tropical timber industry than it is on transformative changes in the way in which forest values are perceived and rewarded.

**Faith in markets**

The UK believes that "In the medium to long-term…including forestry in the carbon market is the best solution to generating significant sources of finance."

While it is encouraging that the UK recognises that it would neither be feasible nor wise to bring forests into the carbon market in the short-term, the endorsement of future forest carbon sales raises several questions. **Whether or not carbon markets are the best solution to raising money is one thing; whether markets are the best solution to combating climate change is quite another.**

Furthermore, the UK recognizes that the success of a market-based approach will depend on robust monitoring, control and governance arrangements. However, there is little or no evidence that such governance and monitoring arrangements have ever been successfully implemented in the tropical forest countries concerned.

Among the conditions that the UK lists as necessary for bringing forests in to the carbon market are: 1) capacity to monitor, report and verify changes in deforestation; 2) sufficient demand for the carbon emissions that are saved and 3) a price floor or regulation to ensure that the price of a tonne of forest carbon doesn't fall significantly below the cost of other abatement measures.

Acknowledging that there are key prerequisites for REDD is important in and of itself. But what is essential is to see those prerequisites translate into clear standards and eligibility criteria for countries wishing to access REDD-related payments.

There is no question that countries will need to be able to demonstrate changes in forest cover and deforestation/degradation rates to know whether measures are succeeding or failing to halt forest loss – although there are debates about just what countries need to be measuring (carbon, or much more than carbon) and with what degree of accuracy. However, there is a fundamental conflict between the desire to induce a rapid transition toward low-carbon economies around the world (and particularly in industrialised countries) and the notion that there needs to be sufficient demand for avoided forest carbon emissions in the market because the "demand" for those avoided emissions will come from actors who are failing to reduce their own (often fossil-fuel based) emissions and who are therefore in need of credits to "offset" their continued, excess emissions. Implicitly, by stating that measures need to be taken to ensure that the price of forest carbon isn't cheaper than other abatement measures, the UK recognises the risk that bringing forest credits into the carbon market will undermine investment in other emissions-reduction activities or measures in industrialised countries – a risk that remains quite substantial so long as REDD offsets are under consideration.

The UK acknowledges that there remain significant technical challenges in measuring avoided deforestation and ensuring real reductions, and importantly calls for a simpler approach. Indeed, avoiding an overly complex, highly technologically-dependent system will increase the chances that it can be effectively implemented in the tropical forest countries concerned and decrease the scope for "gaming the system."

However, the document advocates an approach to calculating emissions that is dependent on setting baselines. One doesn't calculate emissions from baselines. One can observe a *change* in emissions by comparing emissions at one moment against a reference level, but this does not get around the questions of how to measure emissions with a sufficient degree of accuracy, how to ensure that those reductions are permanent or how to ensure that all emissions are being captured. The document makes passing mention of these challenges (e.g. accuracy, permanence, comprehensiveness and leakage), but does not indicate how they will be overcome.

Furthermore, in some countries with low historic rates of deforestation, it may not make sense to devise baselines from national and average global historic levels. Doing so may not only be highly speculative but could actually end up rewarding countries for increased rates of deforestation (on the premise that these rates, although higher than the present, are lower than they "would have otherwise been" had historical global trends been followed in that country).

**Putting a price-tag on REDD**

The UK says: “The [Eliasch] review estimates that, with global carbon trading, the finance needed to halve emissions from deforestation could be around $17-33 billion a year.”

Why should the amount of money needed to halve emissions from deforestation vary with (or depend on) the source of those funds? Shouldn’t what is actually needed be dependent on how much it will cost to undertake necessary activities (policies, measures, etc), and not on where the money to cover those costs will be raised?

The UK says that effectively tackling deforestation will require: addressing opportunity costs, including alternative income for those earning their living from activities causing forest destruction; building capacity to protect and monitor forests; ensuring clarity of land tenure; upholding laws against illegal logging; and increasing the demand for sustainable timber. Surely the financing needed for REDD should depend on how much it will cost to do these (and other) things effectively, not on how much one can raise in the market for each unit of carbon saved?

**Demand-side measures**

Furthermore, while it is promising that the report raises the question of demand for timber, the UK has got the emphasis wrong. The priority should be decreasing the demand for timber and agricultural products sourced from degraded or converted forest land – not increasing the demand for “sustainable” timber. Limiting the demand for products that contribute to forest destruction will, by extension, increase the demand for sustainable products/substitutes – barring a reduction in per capita consumption itself, which is necessary in the long-term if the planet is to accommodate a growing population.

The UK highlights its work within the EU to tackle international drivers of deforestation through the Forest Law and Enforcement, Governance and Trade (FLEGT) programme, emphasizing that REDD should build upon those efforts.

More needs to be said, however, about how to ensure that providing carbon payments for “sustainable forest management” does not undercut efforts to get companies to reduce the impact of logging because doing so is required by law and policy in the country of operation, and necessary in order to access timber markets. Providing logging companies with a carbon subsidy to ostensibly reduce the rate at which they harvest timber in the tropics to “sustainable” levels not only pays companies for taking actions that FLEGT and other programmes were trying to induce through law reform and enforcement and trade agreements, but could actually contribute to an expansion of logging activities by making it economically viable (with carbon subsidies) to log in areas that were otherwise not commercially attractive.

**Communities – an afterthought?**

While there is something to be said for making trees worth more standing than as timber (to which the UK might add "making forests worth more intact than as converted agricultural land"), trees are already worth more standing than as timber to the communities who live in and depend on forests for multiple benefits and uses. Thus ensuring continued community stewardship of forests should be a central component of any REDD strategy.

The UK has got it right that clarity of forest land ownership is a necessary prerequisite for effective REDD, but should go one step further in its analysis to recognize that not only must land ownership be clear, but community control of forest lands and the use of forest resources on and in them must be secure – and indeed that this security of collective land rights is one of the surest guarantees that forests will be maintained into the future.

Finally, the UK states that a Copenhagen agreement should "take account of the concerns of indigenous peoples and local communities."

While the acknowledgment of communities is certainly positive, it is not simply their "concerns" which must be taken into account, but crucially their rights.

The UK's Road to Copenhagen lays out some important markers about the obstacles that remain to getting REDD right. Now the challenge will be to chart a course that addresses those obstacles head on and does not simply circumvent them on a fast track to the carbon market.