

## Group 4

Question: What are the challenges of NZ realizing the full ecosystem services contribution of [planted] forests (including to its Paris commitments)?

Priorities:

Discussion led to sketching out a picture of an overarching process.

- Pilot-level initiatives bringing together stakeholders, with the aim of working through the 5 key issues below, focusing on the delivery of ecosystem services. Initially these could be relatively small, but ultimately they need to feed into a national-level effort.
  - Government needs to be a key, but largely silent, partner. Facilitator? Enabler? Recognize that actors at different levels will take the reins if Gov't is not pro-active.
  - Ecosystem services could become a key plank in maintaining the "clean, green" image of "New Zealand, Inc."
1. Developing a cost framework for ecosystem services to weigh the positive and negative outcomes, and trade-offs
    - a. Framework for evaluating tradeoffs could (and should) occur in a participatory process -- perhaps as a "game"? See #4.
    - b. Will be difficult to navigate the risk of maintaining the social license and assess its implications under different scenarios -- but this must be kept in mind along the way.
  2. Who is going to pay?
    - a. 1BT has its own budget, probably not enough.
    - b. Industry may be willing to contribute, at a pilot level to start, as a way to gain understanding and build trust.
  3. Measuring and monitoring (data)
    - a. Tools - from FSC? Review process to assess what has already been done, bring together at the current state of the art.
    - b. FORCES tool (FSC) for assessing and certifying ecosystem services. Currently only applies to natural forest.
    - c. Key to demonstrating value of forests for obtaining resource consent in NZ.
  4. Awareness and education (of the public, landowners, and managers)
    - a. Participation - in the context of tools or with their assistance. Participatory scenario evaluation (in the form of a "game") has some history in various contexts around the world.
    - b. Chile - industry has been working with stakeholders in monthly roundtables with tools, monitoring, and conversation about ecosystem services. Community drives priorities. Has led to external investment from other countries interested in cultivating this model. NGO participation has been essential for establishing legitimacy. Has used FSC tools (See #3)
    - c. Budget for comms activities will need to be significant -- not a simple social media approach, will need to be in depth.

5. Cultural values -- historic bias favors farming
  - a. Primary industries have common problem of maintaining their social license and attracting new people to industry. Some are already responding and making commitments wrt ecosystem services (e.g. carbon). Biz partnerships could be a way of sharing best practices, encouraging ambition.
  - b. Overall package of activities, executed as a coherent process, should provide necessary channels for bringing cultural values in and wrestling with them.

General comments:

- All are do-able -- but at what scale? Sometimes large scale (e.g. national ETS policy) is difficult to change and tweak -- often builds from smaller successful examples that are lower cost.
- Some lessons learned internationally, but need to be adapted carefully to NZ context
- Establishment of stakeholder groups, at a pilot level, in various places to test and refine this model. Working with government (and facilitated by CRIs?). Industry may be willing to contribute to this effort (#2).
- No real standardized international protocol for assessing and monitoring ecosystem services
- WBCSD Guide for natural capital - still at a theoretical level, but working toward a standardized framework to implement on the ground. A process description. Applies to all forestry sector.
- Need to identify champions who can be trusted messengers with key stakeholders - especially with farmers.
- Forest sector should recognize the need to bring agriculture to the table, otherwise they will continue to fly under the radar. May be facilitated by communications. Should be pursued as a partnership. Ecosystem services approach could leverage natural forest component of 1BT with natural forests integrating services into agriculture areas. Business case might not be as strong, but might be seen as less of a threat.
- Advantages to leveraging different services that benefit different scales. Ex. Water is always local; carbon is always global.
- Brazil: example of empowering groups on the ground, working in coalition, toward better fire management, requesting government to pass supportive policies.
- Land and Water Forum was an attempt in NZ to bring interests together, but was disbanded because group could not reach consensus on issues. Lessons learned?
- Take note of issues that are in the public eye -- use these issues as an opportunity to open and expand the conversation.
- Role of investors: if move continues toward divestment/decarbonization, then finance will dry up for bad actors. It will be in industry's interest to be as transparent as possible in order to continue to attract finance.