



THE FORESTS DIALOGUE

TFD STEERING COMMITTEE 2008

Mubariq Ahmad
WWF - Indonesia

George Asher
Lake Taupo Forest Trust -
New Zealand

Mohamed Bakarr
World Agroforestry Centre

Marcus Colchester
Forest Peoples Programme

Gerhard Dieterle
The World Bank

Peter Gardiner
Mondi

William Ginn
The Nature Conservancy

James Griffiths, TFD Co-Leader
World Business Council for
Sustainable Development

Peter Kanowski
Australian National University

Matti Karjula
Stora Enso

Mikhail Karpachevskiy
Biodiversity Conservation Center -
Russia

Lars Laestadius
World Resources Institute

Stewart Maginnis, TFD Co-Leader
World Conservation Union (IUCN)

James Mayers
International Institute for
Environment and Development
(IIED)

Cassie Phillips
Weyerhaeuser Company

Carlos Roxo
Aracruz Celulose

Antti Sahi
Confederation of European Private
Forest Owners

Liz Sandler
American Forest Foundation

Roberto Smeraldi
Amigos da Terra - Amazonia
Brasileira

Ken Strassner
Kimberly-Clark

William Street, Jr.
International Association of
Machinists

Justin Ward
Conservation International

Emmanuel Ze Meka
International Tropical Timber
Organization

Gary Dunning
Executive Director
The Forests Dialogue

Scoping Dialogue on Forests and Climate

9 December 2007 - Bali, Indonesia

Co-Chairs Summary Report

Stewart Maginnis and James Griffiths

On 9 December 2007, TFD convened an initial scoping dialogue under the theme of forests and climate in Bali, Indonesia coinciding with the 13th Conference of the Parties of the United Nations' Framework Convention on Climate Change. The objective of the dialogue was to develop key issues from which to base a future outcome-oriented, dialogue-based initiative that would strive to make a real impact on future climate arrangements. The dialogue brought together 30 leading actors working in this area representing government, forest products companies, environmental NGOs, investment firms, customers, intergovernmental organizations, labor and researchers. It was hosted at the Samdhana Center in Prana Dewi. More information about TFD and its other initiatives can be found at www.theforestsdialogue.org.

Forests and Climate Fracture Lines

The participants considered the potential "fracture lines" or tension between stakeholders that might well arise from current and proposed mechanisms designed to incorporate forests within international and voluntary climate mitigation and adaptation strategies. The principal outcome of the Dialogue was agreement that TFD provide a platform for the broad forests community (including those working with agroforestry) through which it collectively and pro-actively develops a road map for the comprehensive treatment of forests and tree resources within international climate policy negotiations, over the next two years.

The participants expressed strong concern that the broad forests community has basically been excluded from the process of framing forest-based solutions within the inter-governmental climate discussion to date. As a result, the centrality of fundamental lessons, learned over 30 years, concerning sustainable and equitable forest management has not been reflected in forest-based climate strategies.

These forest-based climate strategies include:

- ➔ How "working" forests, protected areas and on-farm tree resources interact across a landscape to deliver sustainable development outcomes;
- ➔ The critical importance of negotiating, recognizing and respecting local stakeholder access, use and tenure rights and;
- ➔ The imperative of ensuring equitable participation in forest management decision-making at local and national levels.

Furthermore, transmission paths that connect the global climate policy framework to the principal forest sector actors at the national, sub-national and local levels have consistently been unclear and inefficient. As a result the forests community's extensive experience working at multiple scales in planning and implementing forest-based solutions to global challenges has not been effectively leveraged by climate change negotiators or communicated within intergovernmental processes, including CoP 13.

REDD Challenges

Given this background, participants raised unease that proposed forest-based mechanisms designed to mitigate global warming, and in particular REDD (Reduced Emissions from Deforestation and Forest Degradation), could inadvertently undermine the progress made in recent years towards a people-centered, multiple-use forest conservation and management paradigm. For example, there was general agreement that in some locations REDD initiatives could lead to local people being re-framed as the villains of forest degradation and deforestation and, by extension, result in measures that would severely limit their forest-based, livelihood options. Equally, REDD and carbon sequestration through afforestation and reforestation could further marginalize those forest-dependent peoples who already have insecure or contested legal rights to land and resources or whose tenurial arrangements are principally defined by customary law. Such exclusionary outcomes are likely to generate significant conflict, which would in turn undermine investor confidence in forest-based carbon offsets with unwelcome ramifications for the forest industry and wood and paper markets more generally.

Establishing a market-based incentive to conserve forests primarily for carbon emissions avoidance clearly has potential but, if poorly conceived, also risks diminishing at least some of the social, economic and, to a lesser extent, environmental benefits that sustainably and equitably managed forests can supply. The group noted similar risks from other climate change-related pressures on forests such as increasing demand for "agro-fuels". It was highlighted that as the value of standing forests, or forest land, increased, powerful actors had tended to capture those values to the detriment of the less powerful forest-dependent poor.

Carbon, Agro-fuels and SFM

Some stakeholders highlighted concerns that unless new markets for forest carbon and agro-fuels are regulated according to the established norms of sustainable forest management, there is a significant risk that they could undermine the ability of the forest industry to meet societal demands for wood and paper products over the long term. Pending questions related to the scale of carbon and agro-fuel schemes (in terms of both time and space) will shed light on their overall consistency with the norms and practice of sustainable forest management.

The "Dialogue" explored options for a more integrated approach to forest-related climate solutions that incorporate the various facets of mitigation (emissions avoidance, carbon sequestration, energy substitution from biomass and agrofuels, provision of low energy or carbon neutral construction materials) as well as adaptation to climate change. Instead of reacting to a narrow emissions avoidance agenda, the forests community should more proactively propose and advocate for options that stress the holistic management of forests' economic, social and environment values (e.g. carbon, food, fuel, fiber, wood, and others).

An Integrated Approach

An integrated approach offers several significant opportunities related to the climate challenge:

1. Forests can serve as an immediate bridging mechanism in global emissions reduction efforts until the energy and transportation sectors are able to assume more stringent reductions targets and transition to a low carbon economic model (it was noted that the average life of an electricity generating plant was 30 – 40 years which significantly curtails immediate low carbon options in that sector).



Frances Seymour and
Toby Janson-Smith



2. Forestry (including agroforestry) is one of the few sectors that offers the simultaneous and complementary pursuit of mitigation with adaptation strategies – i.e. sustainable and equitable management arrangements can enhance forest and agricultural ecosystem resilience to climate change and help avoid additional loss of standing forest and soil carbon stocks. SFM can be a cost effective vehicle to promote new and additional carbon sequestration through reforestation and forest restoration while maintaining and enhancing the multiple values of existing forests.
3. Forest-based schemes – such as REDD – have the potential to be more easily integrated with other development efforts compared to mitigation efforts in, for example, the energy sector. However the importance of ensuring consistency of climate-related forest policies with those in the agricultural, energy and infrastructure sectors is still not well recognized by most climate change negotiators.

Principles for Finance Mechanisms

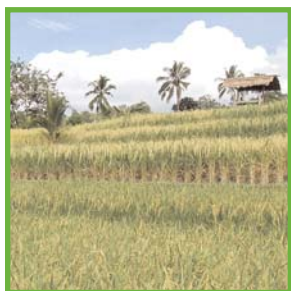
Recognizing that the inclusion of forests in the current climate agenda offers a valuable opportunity to design and test innovative finance mechanisms that ensure the equitable and transparent distribution of costs and benefits with respect to forest management and conservation, the participants identified a number of principals.

Financing mechanisms ought to:

- ➔ Effectively engage and benefit marginalized forest users, including smallholders at the forest–farm boundary;
- ➔ Encourage long-term, flexible purchasing agreements to provide stability for both producers and buyers of emission reductions;
- ➔ Encourage the traceability of emissions reductions (and both their positive and negative impacts) from forests to mitigate the disconnect between the seller and buyer;
- ➔ Use the voluntary market as a testing ground to explore different delivery arrangements for reduction of emissions.



Yam Malla and Fitriana Ardiansyah



Next Steps for TFD

Based on this scoping dialogue and through the active participation of the forests community, TFD will argue for an integrated inclusion in the climate solution of forest ecosystems and the products and services they provide. Paramount to this approach will be the effective engagement of forest peoples in developing and implementing equitable schemes for climate change mitigation and adaptation.

To address these concerns and opportunities, The Forests Dialogue will convene a proactive and collaborative approach for the broad forests community to engage with, and help shape, international climate policy and individual stakeholder action.



Brice Lalonde and Nigel Sizer

As a first step, TFD will commission an analysis of the outcomes of the UNFCCC conference in Bali, including the positions of key countries, persisting fracture lines related to forests and the potential links between forest-based climate solutions and the climate-linked development processes like the World Bank's Global Forests Partnership Facility. TFD intends to support a dialogue process that will coincide with the UNFCCC negotiating timetable out to COP15 in Copenhagen, Denmark in December 2009. The purpose of these meetings will be to articulate and build consensus around the holistic treatment of forests in climate discussions and stakeholder actions.

Conclusion

The central message coming from the leaders participating in this scoping dialogue was very clear: for forests to be considered a vital and viable part of the “climate solution” within the context of SFM, the broad forest community needs to speak with a more unified voice on complex issues such as sustainable forest management, community participation, mitigation, financing, bio-energy, REDD and adaptation. As a successful forest-focused, international multi-stakeholder platform, TFD is in a unique position to provide the structure, process and leadership to help bring the stakeholders together to develop this message. However, it is also clear that without significant individual commitment and dedication of stakeholders at the highest levels to seek collaboration and change, the inclusion of forests in the climate solution will be spotty, unbalanced and exclude those with the least means.

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Dialogue Participants

Patrick Anderson	Samdhana Institute
Fitrian Ardiansyah	WWF Indonesia
Ernesta Ballard	Weyerhaeuser
Jürgen Blaser	Intercooperation
Barbara Bramble	National Wildlife Federation
Marisa Camargo	InduFor
Marcus Colchester	Forest Peoples Programme
Luiz Cornacchioni	Suzano
Gerhard Dieterle	World Bank
Gary Dunning	TFD
Johannes Ebeling	Ecosecurities
Chip Fay	ICRAF
James Griffiths	WBCSD
Toby Janson-Smith	Conservation International
Wulf Killmann	FAO
Werner Kornexl	World Bank
Brice Lalonde	Climate Ambassador for France
James Leslie	Yale University
Stewart Maginnis	IUCN
Yam Malla	RECOFTC
Marco Mensink	CEPI
Reid Miner	NCASI
Teresa Presas	ICFPA
Tom Rosser	FPAC
Frances Seymour	CIFOR
NigelSizer	Rare
Fred Stolle	WRI
David Struhs	International Paper
Jouko Virta	April
Rulita Wijayaningdyah	Kahutindo