



The Forests Dialogue

ENGAGE! EXPLORE! CHANGE!

Scoping Dialogue on Ecosystem Restoration

NEW HAVEN, CT, USA

31 January and 1 February 2023

Co-Chairs' Summary Report

Dialogue Co-Chairs: Lyndall Bull, Kerry Cesareo, Sarah Price

1. ABOUT THE INITIATIVE

Responding to calls to scale-up Ecosystem Restoration in degraded landscapes in line with the United Nations Decade on Ecosystem Restoration (UNDER), The Forests Dialogue (TFD) Ecosystem Restoration Initiative seeks to understand the opportunities for the forest sector to contribute and drive restoration efforts worldwide. Ecosystem restoration is the process of assisting the recovery of an ecosystem that has been degraded, damaged, or destroyed. Restoration is regarded as a crucial approach to mitigate climate change, achieve multiple Sustainable Development Goals (SDGs), and provide environmental, social, and economic benefits.¹

As the first phase of the initiative, TFD convened a Scoping Dialogue January 31-February 1 2023, to explore a range of stakeholder perspectives and understand potential paths forward for the initiative. The dialogue focused on the role of the forest sector in ecosystem restoration, in particular the private forest sector, in collaboration with other stakeholders and in the context of actors' roles, rights, and contributions to ecosystem restoration. The two-day dialogue engaged 28 forest sector leaders representing stakeholder groups including private forest sector, NGO, academia, investment, and intergovernmental organizations. The dialogue was organized around the following objectives:

- ➔ **Build a collective understanding** of stakeholder perspectives and concerns, knowledge and research gaps, and priorities related to the forest sector's roles in ecosystem restoration.
- ➔ **Identify areas of agreement, disagreement, and fracture lines.**

¹ Gann, G. D. et al. International principles and standards for the practice of ecological restoration. Second edition. Restor Ecol 27, (2019).

TFD STEERING COMMITTEE 2023

Ana Bastos

Urbem – Brazil

Kerry Cesareo

WWF – United States

Marcus Colchester

Forest Peoples Programme – United Kingdom

Minnie Degawan

Re:wild – Philippines

Gary Dunning

The Forests Dialogue (TFD) – United States

Ara Erickson

Weyerhaeuser – United States

José Carlos Fonseca

Indústria Brasileira de Árvores (Ibá) – Brazil

David Ganz

RECOFTC – Thailand

Angela Graham-Brown

World Business Council for Sustainable Development – Switzerland

Paula Guimarães

The Navigator Company – Portugal

Paul Hartman

The World Bank – United States

Victor Lopez

Ford Foundation – Mexico

Antti Marjokorpi

Stora Enso – Finland

Ivone Namikawa, TFD Co-Leader

Klabin – Brazil

Cécile Ndjebet

African Women's Network for Community Management of Forests (REFACOF) – Cameroon

Milagre Nuvunga, TFD Co-Leader

MICAIA Foundation – Mozambique

Sami Oksa

UPM – Finland

Sarah Price

Sappi – Belgium/Switzerland

Fernanda Rodrigues

Brazilian Forest Dialogue (Diálogo Florestal) – Brazil

Francisco Rodríguez

CMPC – Chile

Carolina Toapanta

BOMACO Foundation – Ecuador

Marthe Tollenaar

SAIL Ventures – Netherlands

Mark Wishnie

BTG Pactual – United States

- ➔ **Contribute to removing barriers and scaling up ecosystem restoration collaboration globally.**
- ➔ **Scope opportunities for dialogue to drive change and foster learnings** in specific locations through field dialogues and at global and regional levels.

All materials related to this dialogue can be found digitally at:

<https://theforestsdialogue.org/dialogue/restoration-scoping-dialogue>



Opening remarks of the dialogue.

The Scoping Dialogue was informed by a Restoration Roundtable convened in collaboration with the Advisory Committee on Sustainable Forest-based Industries of the Food and Agriculture Organization of the United Nations (FAO-UN) as a side-session of the 26th session of the FAO Committee on Forestry in Fall 2022.

Twenty participants, including representatives of forest industry associations and forest product companies, participated in these roundtables. They sought to explore how forest based industries can scale up ecosystem restoration efforts, enhance overall impact, and share best practices. They also examined strategic benefits they can derive individually and collectively from ecosystem restoration. Participants identified the following six priority strategies to better understand and increase the forest-based industries' contribution to restoration efforts:

1. **Build unity within the forest sector** through a shared ecosystem restoration vision, simple key messages, and identifying champions to motivate and share learnings.
2. **Develop good metrics** to facilitate goal setting and measurement of outcomes from restoration.
3. **Collaborate with other stakeholder groups** in restoration activities to build understanding and to enhance impact.
4. **Understand how degraded land and forest sector capacity aligns.**
5. **Establish new business cases for ecosystem restoration** based on research and practice.
6. **Identify and build understanding about business and financial models** that enhance shared value and deliver multiple outcomes.

Details on the Restoration Roundtable with Forest-Based Industries can be found digitally at:

<https://theforestsdialogue.org/dialogue/restoration-roundtable-forest-based-industry>

2. BACKGROUND ON ECOSYSTEM RESTORATION

There is widespread recognition that restoration is a critical pathway to enhance ecosystem functionalities, along with conserving natural ecosystems. Natural ecosystems are now altered to the extent that their functionalities are significantly compromised triggering multiple existential threats. These threats include biodiversity loss, climate change, and the loss of livelihood for billions of people (Scholes et al., 2018). In response, restoration is a cross-cutting strategy in a broad range of global and regional efforts, evidenced in policy frameworks including the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Convention to Combat Desertification (UNCCD), the Convention on Biological Diversity (CBD), the Aichi targets, and the recently negotiated Kunming-Montreal Global Biodiversity Framework.

The need to scale-up restoration that contributes to natural carbon storage is particularly highlighted not only for the opportunity it presents to tackle climate change but also for the potential financing available to make it possible at scale. Yet, decades of lessons in the forest sector caution against prioritizing carbon over other ecosystem services and human needs. Further, the call for ecosystem restoration extends beyond forests, with other ecosystems such as grasslands and wetlands also in need of restoration.

Scaling-up ecosystem restoration efforts will require broad collaboration across stakeholder groups, governments, and rights-holders. Many highlight the private sector's role in scaling up restoration for

the potential to bridge a funding and resource gap. According to the State of Finance for Nature report (UNEP, 2021), USD 8.1 trillion is needed by 2050 to restore degraded ecosystems and halt biodiversity loss. This requires tripling the current level of annual available finance by 2030 and quadrupling thereafter until 2050. Given the limited availability of public finance, channeling private sector investments toward ecosystem restoration is an absolute necessity. National, international, and intergovernmental policy frameworks therefore increasingly encourage and incentivize private sector participation in ecosystem restoration. Many forestry companies and smallholders engage in restorative actions including reforestation, wetland restoration, grassland restoration, and watershed restoration. While the private forest sector has resources, experience, and expertise to provide, there are calls to scale up their engagement in restoration activities.



Dialogue co-chair Lyndall Bull introduces participants to the dialogue's first session on perspective on the forest sector and ecosystem restoration.

3. CO-CHAIR SYNTHESIS

3.1 Dialogue overview

Dialogue participants expressed and responded to the urgent calls to conserve natural ecosystems and restore degraded ecosystems. The forest sector has significant roles to play in restoration efforts and has a range of human, technical and resource capacities that have the potential to make meaningful contributions to ecosystem restoration. The opportunity to deploy forest sector expertise is even more essential as many actors outside the forest sector are increasingly looking to significant, scaled forest



Dialogue co-chair Sarah Price (center) speaks at the dialogue.

restoration to deliver carbon removals necessary to prevent dangerous and irreversible climate change impacts. However, there is a need for increased coordination and target setting to increase the forest sector's impact in scaling up ecosystem restoration.

The dialogue participants determined that the scope of TFD's initiative should focus on the role of the private forest sector in the context

of broad stakeholder roles, responsibilities, and contributions to ecosystem restoration efforts. Dialogue participants agreed to focus on ecosystem restoration, which for simplicity we refer to in the co-chair summary as "restoration". For the purposes of this dialogue, it was important to establish a shared understanding of what defines the *Private Forest Sector*. We established the following working definition: Actors with commercial interests in forest land and forest products. Participants suggested that in the dialogue we should consider private forest sector actors from a range of sizes, including forest-based industries, individuals and family forests, small and medium forest-based enterprises, as well as community forest-based enterprises. Further, we should consider those with direct forest management possibilities, such as smallholders and rights holders, as well as forest investors, collectives, and associations.

Even with the narrowing of focus of the dialogue on the role of the private forest sector in restoration, the nature of challenges in scaling restoration is very wide ranging, depending on one's point of entry to the discussion, making the articulation of discrete fracture lines challenging. For example, the challenges faced by the private forest sector differ depending on whether restoration was focused on ecological restoration or commercial reforestation. The challenges also differ within land under a private forest sector actor's control or not, and whether an actor was also engaged in deforestation/conversion activities or not. The context will inform these parameters but for the sake of a global scoping dialogue, it was important to map commentary against these different frames of reference.

We used the following three frames to understand private sector roles which were useful entry points to explore key challenges and identify areas of agreement and disagreement:

1. **Spectrum of restoration activities:** the various types of activities that are understood or considered restoration strategies, from natural forest regrowth to commercial reforestation.
2. **Restoration spheres of engagement:** Considering the opportunities to promote or scale up restoration within the scope of private sector actors' control or influence, from a specific landholding, landscape-scale, to global influence.
3. **Incentives and disincentives** that exist and that are needed to motivate actors to engage in positive restoration actions while ensuring that restoration does not distract from a priority focus on protecting and conserving natural ecosystems and avoiding deforestation, degradation or conversion.

3.2 Areas of agreement

Participants identified multiple opportunities and needs to enhance and mobilize the private forest sector to engage in ecosystem restoration. For forest-based companies in particular, the opportunity to scale-up is most present beyond the company boundaries across value chains and in landscapes. Scaling-up requires a stronger bridge between the reality of private sector engagement at local levels and the global discourse and agenda, where support could be leveraged to unlock barriers. Furthermore, this approach requires that we not perceive restoration only as a defined project, but that we embed it into business models and establish diversified flows of benefits (products and services) to enable productive systems that are sustaining.

Capturing the full impact of ecosystem restoration for society means that the definition of restoration shouldn't be simplified and imposed from the top-down. There is a broad continuum of interventions and a broad spectrum of delivery of potential benefits.

Dialogue participants reflected on the tendency to try and define and fit things in boxes, and called for the dialogue to instead recognize the need for restoration to be local, culturally-specific, and self-determined.

In the global discourse on ecosystem restoration, we should resist the desire to impose simple definitions, common frameworks and western dominating world views. Rather, we should embrace the complexity of restoration for its richness and potential to bring solutions to multiple social and environmental challenges. Restoration should rather be shaped by the needs, perspectives and knowledge of stakeholders within the landscape. This means that what successful restoration looks like will be different in different



Dialogue co-chair Kerry Cesareo leads a break-out group discussion.

places. Emerging nature targets (TNFD; SBTN) need to reconcile this as well as the human dimension of restoration and the various trade-offs. Participants emphasized the importance of bridging local-level learnings to regional and global levels and encouraged TFD to advance the initiative to the field dialogue phase to contribute to these efforts.

The dialogue emphasized the need for a human centric approach to restoration. Restoration should focus on people not only nature in isolation, and not look backwards to some past state, but look to the future. When talking about ecosystem restoration it is important to discuss what, where, when, by whom and for who. Restoration needs to build resilience in landscapes and society.

3.3 Key fractures lines



Restoration Scoping Dialogue participants in plenary discussion.

The dialogue participants identified the following ‘fracture lines’ which dialogue could help to address. The term fracture line is used to describe an area of disagreement or uncertainty that may run through multiple differences in perspectives or power imbalances.

➔ **The role and contribution of economically driven reforestation and related restoration activities in meeting restoration goal and expectations**

A key area where opinions diverge is if ecosystem restoration should only be considered for the objective of conservation or if it can include working forests or commercial plantations. Some participants expressed concerns that commercial reforestation with lower environmental and social benefits would be considered

restored forests, or forests at all. They flagged that many do not consider production plantations as forests, including some national governments, and thus they are not part of the restoration conversation in those arenas. Other participants shared examples of restoration for multiple economic, social and ecological benefits. These included examples of community forests and promoting tree growth in agricultural or grazing lands (agroforestry and silvopastoralism). Some participants identified an opportunity to finance restoration by targeting degraded land to produce timber and non-timber forest products. Importantly, the implications of what counts or does not count as restoration depends on who is doing the counting and why. Some participants were concerned about risks of double counting (i.e. within carbon accounting frameworks) and greenwashing. While the answer to whether commercial plantations can be considered restoration will often depend on the local context and needs, overall there is a need for more clarity on how the forest sector can participate in ecosystem restoration in productive lands.

➔ **The challenges and opportunities of climate/carbon focused financing**

Climate financing through the voluntary carbon market and other investments in carbon removal projects are a large driver of interest in restoration, particularly forest restoration. This financing potentially provides a key opportunity to address the finance gap for ecosystem restoration. Yet, participants expressed concern that social aspects, ecosystem services, and other environmental values will be ignored or minimized without proper safeguards or explicit integration into the carbon markets. Some participants were particularly concerned over the potential for new forms of social exclusions in these new markets. They highlighted that land and resource tenure (i.e. who owns the asset), will shape who is able to benefit from restoration incentives.

➔ **The pitfalls of incentivizing restoration at the expense of conservation / halting deforestation and conversion**

Participants expressed a potential tension between incentivizing restoration over conservation, for example when climate investment targets removals over conserving existing forests. While it is important to mobilize efforts for restoration, it is essential to ensure that existing forests are conserved, production forestry practices are sustainable, and efforts are made to halt deforestation and conversion. Participants raised concerns related to leakage, the idea that reforestation of one area will lead to increased degradation or deforestation in another area.

➔ **Tension around top-down vs. bottom-up approaches to scaling restoration**

While setting restoration targets bridges global, regional, and local objectives, participants flagged concerns with top-down restoration approaches. They highlighted that the way lands are identified and considered degraded and available to restoration at global levels can reflect an inequitable and colonial approach. For example, the land areas focused on as in need of restoration in the global restoration discourse are often limited to the Global South. They urged for restoration actions to be bottom up and locally determined, based on local motivations to restore and to use land to solve societal issues. Participants highlighted the importance of rooting restoration actions in land and

resource security, and local governance and benefit sharing mechanisms. Participants wondered how to reconcile this with the need to scale-up to meet restoration targets.

➔ **Meeting restoration targets while also meeting the needs of people**

Participants raised concern over tradeoffs and contradictions when optimizing restoration activities for various benefits or values over others. Some participants emphasized that restoration should not happen if it does not deliver on or compromises social benefits. They advise for caution when putting social, economic and ecological interests in boxes: If we are only restoring for climate mitigation impact, we risk ignoring local people and their needs. They highlighted that this would be unjust and that local people are central to the success of sustainable land management in the long-term.

➔ **Credible verification of performance**

Participants expressed concerns around false claims or greenwashing and highlighted the need for guides and regulations around what companies can claim about their restoration actions and impact. There is currently a lack of consistency on what is measured and which standards are used. They highlighted the need for a methodology to set baselines and monitor and evaluate outcomes, but raised the question of who is responsible for monitoring.



Stakeholders engaged in a breakout group discussion.

4. DISCUSSION SUMMARY

4.1 Expectation and motivations of private forest sector to engage in restoration

Participants shared their understanding of the expectations of the forest private sector to engage in restoration efforts, and participants from the forest private sector shared their own expectations around their role. Participants discussed that the private forest sector has a lot to offer, including knowledge about restoration and local realities on the ground, technology, expertise, and historical data. Further, participants highlighted the ability for the private forest sector to create an enabling environment for restoration and to engage with stakeholders at landscape levels.

There is also an assumption by some that the private sector, in particular forest-based companies, will pay for restoration to fill the financial gap left by civil society, public funding, and philanthropy. This may be the case when restoration occurs on company managed land or restoration goals and impacts closely align with those of the company. But as we look to scale up opportunities, further consideration needs to go towards establishing incentives, business models, landscape governance, and collaboration models. Without these, the private sector will not have the enabling environment to scale efforts further.

Participants highlighted the role of ecosystem restoration in sustainable and nature-positive business practices and contributing to a restorative or circular economy. For example, a private sector participant shared an example of protecting and restoring riparian areas, which secures water resources for all



Plenary discussion on asking what do we mean by the forest private sector?

stakeholders and adds value for their business. For some, ecosystem restoration is part of efforts to make their landholdings and value chain more resilient and mitigate the risk of fires and other climate change impacts. Participants linked the motivation of the private sector to engage in restoration to risk mitigation, ESG responsibilities, Corporate Social Responsibility (CSR), remedy for past harms, and market drivers. The private sector can gain reputational benefits and social licensing to operate through sharing infrastructure and experience in restoration.

For some private sector actors, restoration opens opportunities for land and resource rights, blended financing (i.e. carbon credits) and sustainable markets (non-timber products, certified timber, and recreation) that otherwise wouldn't be accessible. Securing or gaining land and resource rights can be

a key motivation to engage in restoration, at times higher than financial incentives.

Ecosystem restoration can be one strategy to lower carbon emissions, aligning with national policies and global pledges. Other private sector actors engage in restoration to promote agroforestry, locally controlled forestry, and biodiversity corridors. For others, engaging in restoration is linked to an emotional attachment to land, so that people who work in the forest feel a sense of pride in their work. Some are also motivated by preserving integrity or improving the landscape for future generations.



Dialogue participant, Ivone Namikawa, sharing their perspective on ecosystem restoration.

4.2 The role of the private forest sector to scale up restoration

The second day of dialogue focused on exploring the ways to scale up ecosystem restoration current challenges and solutions to overcome barriers. We used three frames to understand forest private sector roles which were useful entry points to explore key challenges and identify areas of agreement and disagreement.

1. **Restoration activities:** the various types of activities that are understood or considered restoration strategies.
2. **Restoration spheres of engagement:** Considering the opportunities to promote or scale up restoration within the scopes private sector actors' control or influence, from a specific landholding, landscape-scale, to global influence.
3. **Incentives and disincentives** that exist and that are needed to motivate actors to engage in positive restoration actions.



















4.2.1 Restoration activities

Practitioners and researchers have created different continuums and matrices to help understand the various activities that contribute to restoration and the differences in costs and benefits. In particular, the group referenced the WRI continuum, in Figure 1, and a framework by Conservation International which builds on this continuum, in Figure 3. These continuums help illustrate that restoration takes many forms and reflect the targeted values and motivations for engaging in restoration. Participants emphasized that the purpose of these frameworks should not be to promote a dichotomy between active and passive restoration.

Passive restoration also requires active management and decisions. Participants reflected that restoration management is always site-specific so there is no use debating which restoration activities may be better in a broad context. Yet, others highlighted the wide range of activities that restoration includes can lead to misunderstandings and difficulty communicating with funders.

Dialogue participants reflected that different restoration activities deliver varying economic, environmental, and social benefits and costs. Environmental benefits include climate, biodiversity, watershed, soil, air quality,

and all ecosystem services. Social and cultural benefits and considerations include gender impacts, food and water security, health, recreation, spiritual benefits, housing, and employment. Economic aspects include commercial, food, water, forest products, non-timber forest products, energy, value chain development, income generation, reputational, and payments for ecosystem services. Participants noted the important influence of land and resource tenure in restraining restorative actions when tenure is unsecure and in motivating actors to engage in restoration when secure.

	Type	Cost	Biodiversity Benefits	Economic Potential
Natural regeneration	Natural forest regrowth			
	Assisted natural regeneration			
Active restoration	Ecological restoration			
	Small farmer reforestation, e.g. agroforestry, woodlots			
	Commercial, large-scale reforestation			
	Commercial reforestation with safeguards, e.g. certification			

Source: Adapted from Chazdon, R. et al. 2017.
20.02.01



Figure 1: How do Different Restoration Techniques Bring Value to People and Planet?²

Participants reflected that small farmer restoration, agroforestry, and food security are often missing from discussions. Additionally, it is necessary to acknowledge the local context and rights of indigenous people in the landscapes under discussion.

Participants shared experiences in designing and implementing restoration for multiple benefits, especially highlighting the role of land use planning, technologies, and learning exchange. They highlighted considerations related to spatial and temporal variations. For example, multiple benefits can be accomplished through a mosaic approach across a landscape in which multiple lands are linked together to accomplish multiple benefits. In another approach, species change through time as values or



Dialogue participant, Carolina Toapanta, sharing their perspective on restoration activities.

² Robin Chazdon, Bruno Calixto, Mariana Oliveira, Jared Messinger, Júlio de Araújo-Alves, Miguel Calmon and Will Anderson, WRI (2022), The Benefits and Power of Assisted Natural Regeneration, <https://www.wri.org/insights/what-assisted-natural-regeneration-benefits-definition>

objectives change and ecological conditions allow. Participants highlighted that restoration capacity building and training are more effective when they consider how these benefits and costs play out. Further, identifying areas for restoration must consider conflicting values and priorities. Participants expressed challenges with changing land use and land management priorities, particularly as governments set restoration targets, but then their priorities and policies change.













		Direct cost and intensity of intervention	Similarity between biodiversity at target state and native forest	Agricultural or forestry production value
Natural regeneration interventions	Spontaneous natural regeneration	\$		
	Assisted natural regeneration	\$ \$		
	Farmer managed natural regeneration	\$ \$		
Other types of restoration interventions	Mixed species planting with native tree species	\$ \$ \$		
	Agroforestry systems	\$ \$ \$		
	Monoculture or plantations using few species	\$ \$ \$		

Figure 2: The cost, biodiversity, and production potential of methods using natural regeneration and other methods.³

4.2.2 Restoration Spheres of engagement

The “Spheres of control and spheres of influence” illustration produced by the Science Based Targets Network, SBTN, (Figure 3) provided a constructive backdrop to map out the opportunities and challenges for the private forest sector to scale up restoration at local, regional and global levels. At the core of the illustration – within direct operations – is where most private forest sector actors are already active in land management and restoration activities. With direct control comes responsibility and it is perhaps the most obvious place where the sector has focused efforts to achieve desired outcomes. However, when we look to scaling up restoration and impact there are limitations if private forest sector keeps focus only within this core ring.

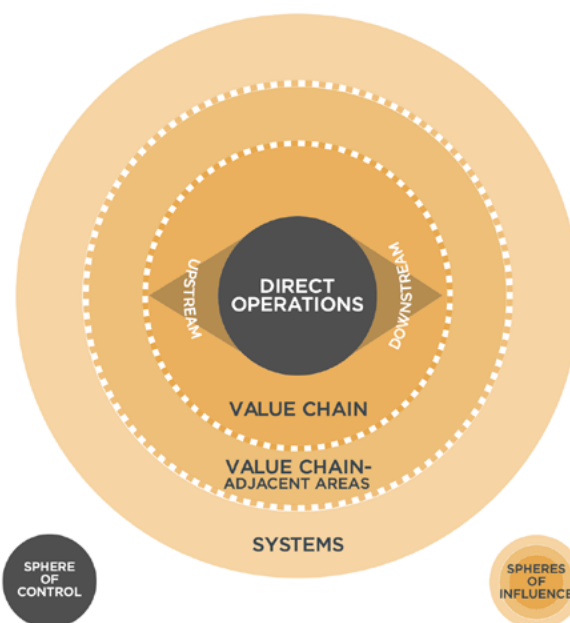


Figure 3: Spheres of Control and Spheres of Influence Illustration by Science Based Targets Network (SBTN)

³ Wilson SJ, Smith R, Chazdon R, Durst P, Metzel R, Sprenkle-Hyppolite S, Begeladze S, Hillman I. 2022. Assisted Natural Regeneration: A Guide for Restoring Tropical Forests. Conservation International.

Dialogue participants agreed that scaling up requires a progression to the next rings of the illustration. Here, by working to support specific suppliers and supply chain partners or working collaboratively across broader landscapes (how the group interpreted “value chain adjacent areas”) on restoration, there is less ability to control but an important opportunity to influence and potentially increase scale.



Dialogue co-chair Lyndall Bull leading a breakout group discussion.

Other reflections highlighted that through the products that the private forest sector produces, there is a flow of renewable material and products. This creates yet another dimension of how the sector contributes and influences restoration across the spheres and ultimately society. Finally, with the outermost ring, participants described the various systems or enabling environment that’s required to support all the various stakeholders to work together at these different levels. For instance, funding mechanisms that can hedge the risk of large-scale land management, conducive policies, committed and aligned stakeholders at the local level including government and related authorities.

Scaling restoration will require enabling the private forest sector together with all other stakeholders to extend their scope beyond the core of direct operations, into these more complex areas where there are multiple actors with influence and control. Dialogue participants shared examples of where landscape restoration collaboration is being undertaken and various ideas on some of the critical challenges and needs emerging. In scaling ecosystem restoration to the landscape level, some of the critical issues identified included:

- ➔ The importance of strong government role in convening actors to collaborate
- ➔ Coordinating stakeholders and stakeholder engagement in a holistic way to especially avoid burden on local communities

- ➔ Mobilization of finances
- ➔ Effective blended finance models that can support through various stages and risk profiles of a long-term project
- ➔ Long-term accountability

Dialogue participants also shared ideas about how the private forest sector could have more influence and engagement at the system level. There was a sentiment that the actions and aspirations of the sector are out of scope of the global restoration discourse and our influence is minimal. Strengthening that gap could stimulate the expansion of the contribution of the sector from the core focus towards the periphery.



Dialogue participant, Gamma Galudra, shares their perspective in plenary discussions.



Dialogue participant, Juliette Biao sharing their perspective on ecosystem restoration.

4.2.3 Incentives and disincentives

Incentives and disincentives, also referred to as so-called “carrots and sticks”, means rewards and punishments to achieve something. Carrots in this context could be investments, fiscal aspects, permits, assessments, markets, capacity building and training, jobs, scope 3 emissions⁴ reductions, improved reputation, land and resource rights, livelihoods, and benefits. Sticks could be related to government, regulations, rules, laws, responsibility, liability, cultural fragmentation of land, public disgrace, taxes, and fiscal issues. Sticks could also be the loss of access to incentives such as access to markets and finance and loss of productive land and water.

Some forest sector companies are motivated to participate in restoration as a part of doing business, to take care of and restore land as nature capital and engage in circular economies. For example, some companies are responding to the risks of plantations getting burned. Yet another motivation is as part of accountability for past actions including those that degraded or deforested land areas. Another motivation is the public license to operate and brand reputation.

⁴ Scope 3 emissions are all indirect emissions (other than those generated from purchased energy: Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Many concerns expressed could be categorized as the implication of carrots without sticks. Participants identified the need for “sticks” to address concerns that with incentives there will be free riders trying to take advantage of new opportunities and incentives created for restoration. Having carrots without sticks can lead to insufficient control, causing deforestation to continue, thus generating no positive impact. Yet, incentives are needed to encourage and bring in relevant actors, especially considering the cost of restoration and how long it can take to get revenues. Participants acknowledged that there will be companies who don’t care about restoration and keep business as usual. There need to be ways to exclude bad actors, such as regulations and decrease of freedom in decision making. Some participants expressed concerns with this general approach as it tries to come up with solutions to patch the challenges of capitalism instead of thinking outside the box to build new systems.

Participants highlighted the strong role of governments to incentivize and regulate restoration, yet the regulation mechanism differs from country to country. There are many areas with weak enforcement capacity and rule of law, where companies may be more powerful than the governments where they operate, creating a power dynamic between corporations and governments. Participants expressed the need to clarify expectations and responsibilities, especially in areas with governance challenges.



Dialogue co-chair Sarah Price leading a breakout group discussion on private sector spheres of engagement in restoration.

5. OPPORTUNITIES AND NEEDS FOR DIALOGUE

Throughout the dialogue, participants identified the following opportunities for dialogue to advance understanding of ecosystem restoration best practices and catalyze successful restoration collaborations.

- ➔ **There was strong interest in field dialogues to bridge understanding between global goals, national commitments, and restoration actions on the ground.** The concept of restoration readiness could provide a framework to understand on the ground capacities to meet national and global targets. Further, these field dialogues can bring in important perspectives on the ground such as those of women, marginalized communities, and indigenous peoples.
- ➔ **Participants expressed the opportunity for landscape-level dialogues to map out restoration needs and stakeholders, define priorities, and co-create solutions.** In these dialogues, participants could assess the interactions between companies and build understanding with stakeholders

regarding perceptions, expectations, and responsibilities for restoration. Dialogue in various landscapes would enable an exchange of perspectives from one landscape to another and conclude reflecting on learnings across landscapes and at global and regional levels.

- ➔ **Through field dialogues participants would like to explore restoration dynamics including fire management, biodiversity outcomes, former plantation rehabilitation, recovery from wildfire, insect attacks and natural disasters.** They would like to learn from indigenous restoration practices and from restoration examples beyond forest restoration including grasslands and water bodies. They would like for various dialogues to explore differences in governance, strengths and gaps. They hope dialogues can provide an opportunity to explore how things can be done differently, to involve not only the forest system but the wider ecosystem.
- ➔ **Participants identified the opportunity for dialogue to advance thinking and develop a cohesive strategy for how the forest sector can collectively influence global and national level restoration discussions, policies and investments.** Presenting global learnings at international forums such as the yearly session of UNFF was identified as one such avenue the dialogue process could feed into.
- ➔ **When thinking about the scope of private sector engagement in restoration, participants note the opportunity for dialogue to build understanding, share learnings, and influence change at the systems level,** for example around global goals, national policies, and demand for sustainable forest products. Additionally, dialogues can help raise awareness of the activities of the private forest sector beyond forest product production, including restoration and conservation actions.
- ➔ **Suggested field dialogue locations** include Australia, Brazil, Chile, Costa Rica, Ecuador, Germany, Indonesia, Kenya, Mexico, South Africa, and Spain.



Dialogue participants engaged in a group discussion on restoration challenges and opportunities.

Participant list

The following individuals participated in the Restoration Dialogue.

NAME	ORGANIZATION
Maurem Alves	CMPC Brazil
Mark Ashton	Yale University
Juliette Biao	UN Forum on Forests Secretariat
Lyndall Bull	FAO
Stephanie Burrell	World Economic Forum
Kerry Cesareo	WWF
Brandi Colander	Enviva
Marcus Colchester	Forest Peoples Programme
Gamma Galudra	RECOFTC Indonesia
Eva Garen	Yale – Environmental Leadership and Training Initiative (ELTI)
Peter Gondo	UN Forum on Forests Secretariat
Claudio Guevara	Oregon State University
Antti Marjokorpi	Stora Enso
Sunny Markey	Oregon State University
Ruth Metzel	Conservation International
Florencia Montagnini	Yale University
Ivone Namikawa	Klabin
Cécile Ndjebet	REFACOF - African Women's Network for Community Management of Forests
Sarah Price	Sappi
Andika Putraditama	Lestari Capital
Fernanda Rodrigues	Diálogo Florestal
Francisco Rodriguez	CMPC Celulosa
Madeline Shelton	Australian National University
Carolina Toapanta	BOMACO Foundation
Marthe Tollenaar	SAIL Ventures
Laura Toro	Yale Applied Science Synthesis Program
Lorenz von Wisenberg	International Family Forestry Alliance

Convenors/support

NAME	ORGANIZATION
Gary Dunning	The Forests Dialogue
Liz Felker	The Forests Dialogue
Gino Rivera	The Forests Dialogue

AGENDA

Tuesday 31 January (all times US EST)

- 08:30 Breakfast and Registration
- 09:00 **Opening Plenary**
- ➔ Welcome and Introductions
 - ➔ Restoration Roundtable Overview
 - ➔ Background Paper Presentation and Questions
- 10:10 Coffee Break
- 10:30 **SESSION I: Perspectives on the forest sector and ecosystem restoration**
- ➔ Sharing Stakeholder Perspectives
 - ➔ Breakout Discussion: The role of various stakeholders in restoration, barriers, challenges, and existing gaps.
- 12:00 Lunch
- 13:00 **Session I: Breakout Discussion** – Report back and plenary reflections
- 14:00 **SESSION II: Focus on the forest private sector and ecosystem restoration**
- ➔ Breakout Discussion: Forest private sector roles and experiences in restoration efforts, barriers, challenges and existing gaps
- 15:20 Coffee Break
- 15:40 **Session II: Breakout Discussion** – Report back and plenary reflections
- 16:30 **Day 1 Reflections**
- 17:00 Adjourn
- 19:00 Participant Dinner

Wednesday 1 February

- 08:30 Breakfast
- 09:00 **Co-chair Day 1 Summary + Plenary discussion**
- 10:10 Coffee Break
- 10:30 **SESSION III: What are the key fracture lines limiting scaling up restoration and preventing success?**
- ➔ Breakout discussion: Restoration Continuum, Spheres of Engagement, Incentives and Disincentives
- 12:00 Lunch
- 13:00 **Session III breakout discussion** - Report back and plenary reflections
- 14:00 Coffee
- 14:20 **SESSION IV: Path forward and next steps**
- 15:40 Closing
- 16:00 Adjourn