

FOREST NEWS

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Financing the future -- What roles for carbon and communities?



(Photo: ©RECOFTC)

Contributed by Marija Spirovska-Kono, FAO Consultant

Carbon financing offers promising new avenues for simultaneously addressing climate change and chronic forest management challenges. In order for carbon financing to deliver long-term, sustainable methods for reducing rural poverty and improving the health of the world's forests, it has to demonstrate the multiple benefits forest ecosystems provide to today's society.

With the approach of the 15th Conference of the Parties of the United Nation's Framework Convention on Climate Change, scheduled for December 2009 in Copenhagen, Denmark, fundamental issues such as equity, transparency

and ownership are increasingly capturing public attention. Understanding and addressing the needs of over 450 million forest-dependent people across the Asia-Pacific region may be of vital importance for reaching a new global climate change agreement and designing functional carbon payment schemes.

At the *First Regional Forum for People and Forests*, held 18-20 August 2009, in Hanoi, Vietnam, key country decision-makers and over 80 participants from 12 Asia-Pacific nations met to consider the important links between carbon financing and local people.

Forum highlights

The forum was organized jointly by The Center for People and Forests (RECOFTC) and the Food and Agriculture Organization of the United Nations (FAO), with support from the Forest Sector Support Partnership of Vietnam (FSSP) and the Department of Forestry of the Vietnam Ministry for Agriculture and Rural Development (MARD).

The overall objective of the forum was to develop a collective outlook on the importance of engaging local communities in carbon financing. Benefits, risks and options for fully integrating local people in the carbon sequestration equation were addressed through plenary presentations, guided discussions and group work.

Key forum topics included:

- Concepts of payments for environmental services (PES) and forest carbon financing;
- Lessons learned from more than 30 years of community forestry and comparable devolved forest management models;
- Current and potential concerns of buyers and sellers of carbon credits;
- Current and potential effects of (PES), the Clean Development Mechanism (CDM), voluntary carbon financing arrangements and Reducing Emissions from Deforestation and Forest Degradation (REDD) pilot projects;
- Recent developments under UN-REDD;
- Issues to be addressed to turn the potential opportunities of forest carbon financing into tangible benefits on the ground that not only help battle climate change globally, but also contribute to poverty reduction locally.

Carbon farming in the field

The second day of the workshop provided a unique opportunity to visit Vietnam's only afforestation/reforestation (A/R) site registered under the Clean Development Mechanism

(CDM). The fact that to date there are only 6 registered A/R sites worldwide, has triggered vigorous discussions about the complexity of involving forestry in the compliance markets. It was therefore beneficial for the participants to learn more about the process of developing and registering CDM projects, the role of various stakeholders, and to see the plots allocated for plantation establishment. Participants discussed the project with farmers, project developers and project implementers, and addressed issues related to opportunity costs, motivation and expectations. The summary of the field visit findings underlined some critical issues such as the high transaction costs, unclear land ownership and land use patterns and uncertainties regarding the economic return and benefit sharing. Despite all uncertainties, the local farmers seemed to have little doubt about their main motives "*Trees are good for preventing floods and maintaining our lifestyle; if we can also receive this carbon money after five years all the better.*"

Reaching consensus

The field trip findings and the plenary presentations set the stage for open and frank discussions which helped to identify the main factors hindering the involvement of local forest communities in the expanding carbon markets. Some of the key constraints pinpointed included:

- lack of clear and secure land and resource tenure;
- unclear carbon ownership rights;
- high transaction costs for accessing carbon markets;
- complex framework of regulated carbon markets; and
- lack of information regarding how to access voluntary carbon markets.

Emerging from the discussions, a consensus was reached about the need for commitment at all levels to include the rights of local people in climate change negotiations and in developing carbon financing mechanisms. Although uncertainties related to REDD and other carbon financing mechanisms dominated the discussions, the participants were able to draw from some positive experiences with community forestry, payments for environmental services and voluntary markets, and to identify important enabling conditions.



Acacia mangium (Photo: © RECOFTC)

Cao Phong reforestation project plans to establish 308.5 ha of tree plantations on currently degraded grass and shrub land in Hoa Binh province in northwest Vietnam. The project was formulated with support from JICA, and is implemented by the Vietnam Forestry University and the Department of Forestry under the Ministry of Agriculture and Rural Development. Honda Vietnam Co. Ltd is providing financial support for project activities. *Acacia mangium* and *Acacia auriculiformis* were selected for establishing the plantations for wood production with a rotation period of 15 years.



Cao Phong reforestation project (Photo: © RECOFTC)



First Regional Forum for People and Forests

Carbon Financing and Community Forestry



Call for Action

First Regional Forum for People and Forests

Carbon Financing and Community Forestry

2009 is a crucial year for global efforts to address climate change, with the hope that an ambitious and effective mitigation and adaptation agreement will be forged in Copenhagen this December.¹

Deforestation and forest degradation contribute some 20 percent of global greenhouse gas emissions. Forest-related mitigation measures are now recognized to be amongst the most practical and cost-effective interventions to slow global warming – as well as providing a host of other environmental products and services.

However, rural poverty, weak law enforcement, and escalating demand for food and fuel continue to drive forest destruction at an alarming rate – in the Asia-Pacific region alone, some 3.7 million hectares of natural forest are lost every year. This also threatens millions of already vulnerable rural livelihoods, often undermining traditional rights to vital forest resources.

Carbon financing may provide promising new opportunities for maintaining and even improving the health of the world's forests and, if designed well, to reduce rural poverty. But if schemes such as 'REDD' fail to deliver tangible benefits to Asia-Pacific's 450 million forest-dependent people, then the social and economic impacts could be severe. Ultimately, this increases the risk that forest-related mitigation efforts will fail.

¹ The 15th Conference of the Parties of the United Nation's Framework Convention on Climate Change will convene in Copenhagen, Denmark, 17-18 December 2009.

Key country decision-makers and over 80 participants from 12 Asia-Pacific nations considered these issues at the **First Regional Forum for People and Forests: Carbon Financing and Community Forestry** held in Hanoi, Vietnam, from 18 to 20 August 2009.

Key Forum Conclusions

As forests in the Asia-Pacific region can potentially absorb a large proportion of global carbon dioxide emissions, the need for healthy and sustainable forest ecosystems cannot be understated nor undersold. But we must go beyond carbon to promote and 'sell' biodiversity, watershed conservation, and sustainable forest management as an essential holistic package.

Local people **hold the key** to healthy forests in this region. They have the closest direct stake in forest resources and will affect the outcome of any forest management strategy, including those aimed at climate change mitigation. For carbon financing to succeed, it must learn from three decades of community forestry experience and actively engage and benefit local people.

Lessons from payment for environmental service (PES) schemes reveal that carbon financing presents both risks and opportunities for local people, and also constraints to their effective participation. Maximizing the opportunities and addressing the risks and constraints requires early and active community involvement, especially in negotiating roles, responsibilities and benefits.

Benefits from carbon financing must be additional and expand, not replace, local people's existing rights and benefits. Strong grassroots institutions and clear, secure, and fair rights to forests are critical prerequisites. Meaningful local participation, shared decision making, and high levels of transparency and accountability must be regarded as the 'minimum standard.'

Intermediary organizations that will build capacity and help broker carbon financing agreements have key roles to play in securing equity and local participation, and will require support in carrying out these important functions.

However, until carbon ownership, benefit-sharing arrangements, financing methods and legal issues are clarified, carbon markets will remain a risky area of investment for both the private sector and local people.

In considering the implications of carbon financing for local people, Forum participants called for:

National Governments to:

- Ensure community interests are represented during multi-stakeholder discussions involving civil society, NGOs, UNFCCC delegates, and other key stakeholders.
- Make the national position on forests and carbon financing clear and transparent, including engaging media to raise public understanding and stimulate debate.
- Use regional mechanisms to develop consensus among countries (e.g. ASEAN, SAARC) before the AWG-LCA meets in Bangkok.²
- Accelerate the process of clarifying fair and secure rights for local people to benefit from forests.
- Increase community, government, and intermediary capacity to design and implement REDD mechanisms.
- Establish cost-effective, transparent, equitable, and 'community friendly' carbon payment systems.

²The UNFCCC Bangkok Climate Change Talks take place from 28 September to 9 October 2009 and includes the seventh session of the Ad-Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA)

International Organizations to:

- Target key information – including the outcomes of this Forum – to media and national decision makers, including UNFCCC delegates.
- Provide a bridge between civil society groups in developing countries and UNFCCC delegates from developed countries, making them aware of the implications of carbon financing for local people in Asia-Pacific.
- Seek to influence country positions, both developing and developed, to ensure that community interests are fully considered and addressed.
- Generate objective knowledge to inform policy making and implementation, and build capacity to research, analyze, disseminate, and use knowledge effectively at country level.
- Strengthen South-South cooperation for capacity building and information sharing on matters of forests and climate change.
- Encourage both developed and developing country governments to fulfill their commitments and obligations to support REDD-readiness in developing countries.

Civil Society to:

- Facilitate national and subnational civil society consultations, working closely with national governments to prepare for the COP-15 negotiations and beyond.
- Mobilize key groups with special interests and skills – including religious organizations and academia – as strategic partners to influence the debate.
- Review the negotiating text for future climate change arrangements, providing timely and constructive feedback promoting community interests.

Private Sector to:

- Maximize transparency in forestry and carbon-financing arrangements to build trust among stakeholders.
- Adopt clearly defined social responsibility roles, particularly promoting the concept of more socially responsible carbon trading.

The First Regional Forum for People and Forests brought together key people from government, civil society, the private sector, and international organizations to discuss options for strengthening the forest carbon-community connection in the Asia-Pacific region. The forum reached consensus on the importance of engaging communities in any sustainable carbon financing initiatives, and explored ways to achieve this.

Key Questions Included:

- What benefits could communities gain from carbon-financing schemes?
- What are the potential pitfalls and risks?
- How can carbon markets strengthen sustainable forest management regimes in ways that meet rural communities' needs and fairly reward their contributions?

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How do we measure forest degradation?

Contributed by Victoria Heymell, Forestry Department, FAO HQs

The challenge

Rates of deforestation and forest loss are regularly measured. Forest degradation – defined by international forest-related organizations as “the reduction of the capacity of a forest to provide goods and services” – is similarly important, but much more difficult to measure.

Beyond this core definition, perceptions regarding forest degradation are many and varied, depending on the driver of degradation and the main point of interest (e.g., biodiversity conservation, carbon sequestration, wood production, soil conservation, recreation).

In the absence of agreed definitions and assessment methods, few countries are currently able to report on the area of degraded forests or the degree of forest degradation.

The study

Under the umbrella of the Global Forest Resources Assessment 2010 (FRA 2010), and together with members of the Collaborative Partnership on Forests (CPF) and other partners, FAO has initiated a special study to identify the elements of forest degradation and the best practices for assessing them.

The primary objective of the work is to help strengthen the capacity of countries to assess, monitor and report on forest degradation.

Expected outcomes and benefits of the initiative include:

- better understanding of the concept and components of forest degradation;
- an analysis of definitions of forest degradation and associated terms;
- guidelines and effective, cost-efficient tools and techniques to help assess and monitor forest degradation; and

- enhanced ability to meet current and future reporting requirements on forest degradation.

The study has undertaken a survey of existing country practices to see what is being measured, as well as an analytical study on definitions which provides a framework for the process. A series of case studies describing proven or promising methodologies and tools for assessing different aspects of forest degradation has also been undertaken.

Technical meeting

A technical meeting held 8-10 September 2009 in Rome, provided a forum where the analysis of definitions and case studies on forest degradation were presented, reviewed and discussed. The meeting provided an opportunity for participants to discuss technical aspects of methodologies for assessing and monitoring forest degradation.

The main conclusions were as follows:

- There was endorsement of the generic definition of “forest degradation” as a reduction in the capacity of a forest to provide goods and services.
- It was proposed that the many different aspects of forest degradation should be communicated better to the climate change negotiators.
- It was agreed that attention should be focused on harmonization of definitions and methods for monitoring five aspects of forest degradation, i.e., stocking level, biodiversity, forest health, level of use/production and forest soil.
- Methodologies do exist to monitor changes in carbon stocks and therefore to include forest degradation in terms of climate change in the proposed reducing emissions from deforestation and forest degradation (REDD) mechanism.

- There was a call for the development of tools and guidelines for measuring different aspects of forest degradation.

Outreach

Outreach activities have been ongoing during the process of the forest degradation project. Presentations on the forest degradation study were made at the 19th session of the Committee on Forestry (COFO) in March 2009 and at the Subsidiary Body for Scientific and Technological Advice (SBSTA) of the UN Framework Convention on Climate Change meeting in June.

A brochure on the initiative has been prepared in English, French and Spanish and a web page developed on the CPF website. This site contains all material related to the study and is regularly updated. The presentations made at the Rome meeting can be found at the following site: <http://www.fao.org/forestry/cpf/degradation/en/>

Ongoing work

Between now and the end of 2009 there is plenty to do. Following the Rome meeting, case studies, presentations and discussions will be incorporated into a publication. A side event will be hosted at the World Forestry Congress, where some of the case studies will be presented. Following that, the focus will be on the preparation of materials to be available at COP15 of the UNFCCC in Copenhagen in December 2009.

In addition, a group of authors are contributing to an in-depth review of existing and promising new methodologies and tools to generate scientifically sound estimates of historical rates or levels of forest degradation in developing countries within the framework of REDD.

Next steps

Possible future steps will then be determined by partners at the end of 2009, based on a review of the results obtained by that time. These may include the following:

- Developing guidelines and effective and efficient tools and techniques;
- Building capacity in countries to undertake assessments; and
- Providing support to countries to enable them to meet their current and future reporting requirements on forest degradation.

This study is ongoing, and we would be grateful to hear from anyone who has experience in assessment methodologies for measuring forest degradation.

For more information please visit the website: <http://www.fao.org/forestry/cpf/degradation/en/>
Or contact Victoria Heymell: Victoria.Heymell@fao.org

RAP forestry staff movement

Josefine Munoz, a national of Sweden, joined the RAP forestry group in September 2009 as an intern. Her duties will include assisting in preparing for the 23rd Asia Pacific Forestry Commission and the 6th Asia Pacific Forestry Commission Executive Committee Meeting, and supporting technical officers implementing a new field project

linking communities with voluntary carbon markets.

Ms Munoz attained a Master of Science degree in Biology with a specialization in management, maintenance, administration of and information about national parks and nature reserves from the University of Gothenburg.

Removing constraints to private investment in forestry

Contributed by Michael Pescott (FAO Forestry Consultant), Thomas Enters (RECOFTC Program Manager, Regional and Country Analysis and Support) and Patrick Durst (FAO Senior Forestry Officer)

The *Jakarta Globe* recently reported that a government lending program designed to rejuvenate Indonesia's plantations had so far fallen flat.¹ The newspaper reported that only about 11 percent of the target loans had been made during the first two and a half years of the four-year program. Critics blamed "a complicated regulatory structure and high interest rates" for the flop, and stated that only a handful of banks were participating in the program, making it difficult for farmers to obtain loans.

Such situations are not uncommon to the forestry sector, with complex regulatory frameworks, often burdensome bureaucratic procedures and high interest rates being just three of a considerable list of constraints that can reduce the capacity and overall interest of the private sector to invest in forestry. To address such challenges comprehensively, FAO commissioned a regional policy study (at the request of the Asia-Pacific Forestry Commission), to identify potential strategies for streamlining investment and overcoming constraints.

The workshop which convened 5-7 August 2009, in Khon Kaen, Thailand, was organized by the FAO Regional Office for Asia-Pacific and The Centre for People and Forests (RECOFTC). Phoenix Pulp and Paper Public Company Limited provided the venue, excellent support, and stimulating inputs for the event.

The scene was set for discussions with a debate led by Patrick Durst (FAO) and Thomas Enters (RECOFTC), presenting two contrasting points of view: one, somewhat cheekily, highlighting the positive prospects for future private sector investment in forestry, and the other pointing out

many of the current and potential challenges, risks and pitfalls. This was followed by additional presentations, group discussions and a field visit to eucalyptus plantations owned by two local suppliers of logs to Phoenix Pulp and Paper Public Company Limited (one a farmer; the other a Bangkok-based investor working with local laborers).

There is no dearth of publications highlighting the diversity of the forest sector in the countries that make up the Asia-Pacific region. It should, therefore, not surprise us that a coherent picture of what draws investors to the forestry sector or what may cause them to think twice when it comes to putting money into trees and forests, did not emerge. The list of real and perceived constraints was long. Below is a brief list of issues that received the majority of votes:

Governance constraints

- costly, lengthy and complex legal procedures for buying, managing, selling and investing in forestry land, products and setting up and operating processing facilities;
- land tenure issues, including restrictions on shifting land use, size of land holdings, issues of exclusion, alienation and duration of ownership rights;
- weak or lacking government incentives, and unfavourable taxation policies and regulatory framework; and
- inappropriate, inconsistent and volatile public policies (e.g., shifting tax policies, changing carbon trading rules or resource use regulations).

¹ The article is available at <http://thejakartaglobe.com/business/ministry-says-plantation-overhaul-scheme-a-failure/319370>

Production constraints

- weak competitiveness of trees vis-à-vis other crops (especially those with government subsidies such as crops for biofuel production);
- poor infrastructure development (e.g., roads, ports, and communications);
- poor forest product yields due to management capacity and bio-physical limitations such as poor soil quality and shortages of high-quality seedlings; and
- challenges for corporate wood buyers in coordinating the activities of thousands of small-holder tree farmers.

Social and external constraints

- complex mechanisms for accessing credit, coupled with a lack of understanding about prices and interest rates;
- poor understanding by the public sector of private sector decision-making processes; and
- weak collaboration among different stakeholders in discussing and formulating visions, incentive schemes, legislation and workable solutions.

How to make a difference

While the long list of impediments and problems looks like doom and gloom, the participants were united by optimism, seeing a light at the end of the tunnel. How bright the light is depends to a considerable extent on the implementation of strategies that remove constraints and make investing in forestry more attractive. Among them are:

- increasing investor access to objective and up-to-date information;
- including all stakeholders in reviewing and revising policies to ensure consistency among different government institutions, and promoting policy stability;
- clarifying land and resource tenure, including the potential for increasing the land area and duration of land and forest rights where appropriate;
- reducing regulatory requirements and simplifying bureaucratic procedures related to forest production and wood processing;

- introducing favourable policies, incentive schemes and/or subsidies to serve as a “lever” for investment; and
- fostering linkages between farmers and corporate buyers through activities such as contract farming and out-grower schemes.

The above may look like a tall order but quite often, simple steps can make a significant difference. Take for example, Thailand. According to Thai laws, eucalyptus plantations on agricultural lands are not treated, in terms of regulations and incentives, as forests. Therefore, the same rules apply for eucalyptus as for agricultural crops. This means that planting, harvesting, transport and marketing are not restricted by burdensome bureaucratic procedures which are commonly encountered in other Asian countries. Simple, isn't it.

More answers lie in waiting

The workshop was just a stepping stone to finalizing the study's findings and their distribution. The final study report will provide more answers than this sneak preview. In fact, many findings are not new. They are well-known, but the political commitment to bring about change remains weak as different stakeholders defend their territory, current responsibilities and roles.

Overall, it was acknowledged that joining hands in finding workable solutions could make a huge difference and that much could be done in many countries to bring the various stakeholders together for joint deliberations and actions. The workshop was a small, but nevertheless fruitful contribution to join hands. All participants expressed their hope that we will see more of such productive discussions and subsequent efforts to increase investment in sustainable forest management.

Pakistan's participatory national forest program

Contributed by Syed Ahmad Raza Asif, Section Officer, Ministry of Environment, Government of Pakistan

There is worldwide recognition that forests are an essential component of the natural environment and life support systems. Efforts are now being made in almost every country for their sustainable development.

Pakistan has a meager forest area of 4.570 million hectares, which is only 4.8 percent of total land area of Pakistan (87.980 million hectares). Thus, Pakistan has only 0.03 hectares per capita of forest cover in comparison to the world average of 1.0 hectare per capita. The Government of Pakistan realizes that the area of public forests cannot be expanded; therefore, the potential of trees grown on private lands to meet the nation's future wood requirements is now being recognized.

In South Asia, like other sectors, forests have generally been managed on the principle of command and control (top-down approach) by the forest departments, and communities and other stakeholders have been largely excluded from decision-making processes. Over a century of experiences have taught decision makers in the forestry sector that the majority of their plans and programs have failed due to the non-cooperation of local people and a persistent lack of trust between the stakeholders. There is now increasing recognition of a more flexible approach that includes the participation of stakeholders, which develops a sense of ownership among the stakeholders with the assignment of roles and responsibilities, which in turn promotes sustainable development through equitable cost and benefit sharing. However, the main hurdles in promoting participation processes include the lack of a team of experts, non-conducive policies and legislative issues, lack of political will, lack of will to change the attitude favoring local participation and contradictions of interests among stakeholders.

FAO has taken a lead role in establishing the "National Forest Programme (NFP) Facility" in

collaboration with several international partners. The Facility offers catalytic support to national forest programs of developing countries. The Ministry of Environment of the Government of Pakistan and the NFP Facility signed a partnership agreement in 2004. Under this agreement, the Facility provides partial financial support for activities directed at the development and implementation of Pakistan's National Forest Programme.

Since its partnership with the Facility, Pakistan has launched a number of activities under the NFP geared at providing up-to-date information and raising awareness among all forestry stakeholders on forestry issues, and increasing the involvement of civil society, the local communities and other economic sectors in forestry, some of which have already been completed. The basic objective of the activities was to enable a more informed discussion on forestry issues amongst the stakeholders who had very weak understanding of critical issues. A Multi-sector National Steering Committee is continuously guiding the activities being carried out under the NFP.

Major achievements made so far under the NFP include the development of National Vision 2030 for Forest and Biodiversity Conservation, Identification of Fora for Consultation of Forest Policy at different levels and development of a Forest Communication Strategy. In addition, work is progressing on the development of a Public-Private Partnership in the Forestry Sector, development of a methodology for the valuation of forest goods and services, development of a National Response Strategy to combat the impact of climate change on forests, and development of a compensation mechanism in lieu of a ban imposed on commercial harvesting of forests.

National Vision 2030 for Forest Biodiversity Conservation states that:

“By 2030, Pakistan will be managing all types of forests on ecosystem approach, enabling them to perform potential functions of conserving biodiversity, providing sustainable livelihoods to dependent communities, meeting national demand for wood and contributing positively to mitigating global environmental problems.”

All the policies and plans are now being made keeping Vision 2030 in mind. There is a clear change in the mind set of forest officials who are now recognizing the value of participation of forest communities and other stakeholders for effective and sustainable management of forests in an economical manner.

What are Asia-Pacific countries doing to improve forest law enforcement and governance (FLEG)?

Forest law enforcement and governance (FLEG) is not a new concept – with many countries in the region having already implemented a wide range of initiatives – but just how many, what type and how successful these initiatives are, remains largely unknown.

Current rates of illegal logging, land encroachment, wildlife trade, wild-land arson, tax evasion, corruption and other forest crimes indicate there is still considerable scope to strengthen FLEG across the region. The entire picture is not gloomy, however, and in reality there are an increasing number of initiatives aimed at strengthening forest law enforcement and governance across the region.

FLEG initiatives are developed and implemented by a variety of stakeholders, including government policy and enforcement institutions, bi- and multi-lateral agencies, NGOs, and the private sector. Initiatives include improving national legislative frameworks and enforcement strategies, boosting institutional staffing and budget capacity, forest crime prevention, detection and suppression strategies, strengthening economic governance and stakeholder participation, as well as monitoring and reporting on the results of FLEG implementation.

With such a wide range of FLEG initiatives undertaken by various stakeholders, it is important

to document efforts, track progress and share lessons learned. It is against this backdrop that the Asia-Pacific Regional Workshop on Strengthening Forest Law Enforcement and Governance (FLEG) will be convened 30 November - 1 December 2009, in Kuala Lumpur, Malaysia.

The workshop is being co-organized by FAO, the World Bank, German Technical Cooperation (GTZ), the ASEAN Secretariat, the Institute for Environment and Development (LESTARI) and the Universiti Kebangsaan Malaysia. It is expected that participants will come from the ASEAN Member States (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam), as well as China, India, Papua New Guinea, and others active in FLEG implementation.

The workshop will be based on FLEG country papers that participating countries are preparing in advance. The papers are designed to facilitate a “stock-taking” review of FLEG initiatives, to provide a greater understanding of the current status of FLEG implementation in the region. It is expected that the workshop will serve to share the knowledge and experiences from across the region, providing new ideas and ways forward. For further information regarding this workshop please contact: Michael.Pescott@fao.org

FAO uncovering links between bioenergy and food security in Thailand

Contributed by Beau Damen, FAO Consultant, Bioenergy

The ability to access the means to acquire appropriate food for a nutritious diet is the cornerstone of food security. Yet last year the food crisis that beset the world via soaring food prices posed a serious threat to this seemingly simple and self evident principle, particularly for people in the developing world. Bioenergy and liquid biofuels were fingered as a key cause of the crisis. And, while estimates of the actual influence of bioenergy demand varied, often wildly, there was little doubt the growing demand for bioenergy was one of the factors propelling food prices higher.

Recently, prices for food, feed and fibre have subsided from the highs witnessed last year. But despite this easing, FAO has continued to champion efforts to ensure that the world is better prepared to tackle future threats to food security. FAO's Bioenergy and Food Security (BEFS) project is one such effort that aims to bolster the capacity of developing countries to mitigate the impact of bioenergy on food security. Under the project, FAO has developed a quantitative and qualitative framework to analyze the interplay between land availability, bioenergy production potential, food security and poverty alleviation. The main result is an approach for policy makers that will encourage more informed decisions about the merits of specific bioenergy policies.

Thailand, with its diverse agricultural economy and growing biofuels industry, was chosen as a pilot country for the BEFS project in Asia. FAO RAP has been working closely over the past year with various Thai-based organizations to apply the BEFS framework to the Thai context.

A pivotal element of the BEFS project in Thailand is the development of specific future bioenergy scenarios for the country that will be charted with FAO's Commodity Simulation Model (COSIMO)

partial equilibrium model. In June 2009, a team of trainers from FAO headquarters in Rome conducted a training session on the COSIMO model for staff from the Thai Government's Office of Agriculture Economics (OAE). Then, in July 2009, OAE held a special bioenergy scenario development meeting involving 20 participants from a range of public and private bioenergy-focused organizations. Participants enthusiastically discussed the possibilities for bioenergy development in Thailand over the next decade. OAE intends to refine the scenario parameters over the coming months and model their implications for agricultural markets and the broader Thai economy.

To complement the modeling work being undertaken by OAE, a number of thematic studies have also been implemented to highlight different aspects of the bioenergy-food security equation. The Joint Graduate School of Energy and Environment of King Mongkut Institute of Technology is developing detailed life-cycle assessments of different biofuel feedstocks. The Thai Rural and Social Management Institute is assessing a range of small-scale rural bioenergy projects in Thailand to uncover challenges to replicating successful, self-sufficiency-oriented bioenergy projects in other rural communities across the country. Finally, Professor Sombat Chinawong from Kasetsart University, is documenting the zero-waste biomass utilization system to present an alternative model for future bioenergy development in Thailand.

FAO RAP anticipates that most of this work will be completed before the end of 2009. The findings will be brought to the attention of the Thai Government policy makers and the broader public at the BEFS National Workshop, scheduled for February 2010 in Bangkok.



ASIA-PACIFIC FORESTRY CHIPS AND CLIPS

CAMBODIA SIGNS REDD AGREEMENT

In June 2009, US-based ecosystems services firm, Terra Global Capital (TGC), signed an agreement with the government of Cambodia for a new avoided deforestation project. It is expected that the project, which is undergoing third party validation, will reduce emissions from deforestation by 8.5 million tonnes of CO₂ equivalent over 30 years. TGC's partners in the project will include the Cambodian Forestry Administration and nine community forestry groups.

– *Mongabay.com* –

INDIAN SMALL-SCALE FORESTRY PROJECT WINS CDM CERTIFICATE

A community forestry project in northern India has become the first small-scale afforestation project in the world to receive a Clean Development Mechanism certificate. The project is part of a broader, ten-year community forestry project to provide tree cover on thousands of hectares of wasteland. It is estimated that the approved CDM project will absorb 12,000 tonnes of carbon dioxide over the next 20 years. The project will start producing carbon credits after the first five years of operation.

– *Scidev.Net* –

INDONESIA ISSUES FOREST-CARBON REVENUE RULES

In July 2009, Indonesia's forestry ministry released profit-sharing rules for forest carbon projects. The rules are believed to be the first of their kind in the world and aim to clear up questions that arose following the release of Indonesia's formal REDD regulations in May 2009. The regulations specified who could carry out a REDD project in Indonesia and where they could be located, but not how any profits generated by the projects would be distributed. The new revenue rules address this omission.

– *Reuters* –

US ENTERS DEBT-FOR-NATURE SWAP WITH INDONESIA

The United States has signed an agreement with Indonesia to forgo US\$30 million in debt repayments in return for an agreement that Indonesia will protect forests in Sumatra. The agreement is being organized under the auspices of the US Tropical Forest Conservation Act and is the first such agreement between the US and Indonesia. The US has similar, smaller agreements with other countries including the Philippines, Guatemala and Peru.

– *VOA News* –

FIRST AUSTRALIAN CCB-CERTIFIED REDD PROJECT IN TASMANIA

A forest conservation project in the Australian state of Tasmania has become the first Australian REDD project to meet Climate, Community and Biodiversity standards. Logging of old-growth forest is an increasingly controversial issue in Tasmania. The project, which will be located on 860 hectares of private land, is seen as an opportunity to demonstrate that REDD could provide much needed incentive for landowners to preserve local old-growth forests.

– *Mongabay.com* –

INDIA TO PUMP MILLIONS INTO FORESTS

The Indian Government has announced that it intends to spend \$200 million to improve protection of the country's forests. Indian Environment Minister, Jairam Ramesh, indicated the money will be used to conserve and restore unique vegetation, control forest fires and strengthen forestry infrastructure. At present, India's forest cover is 65 million hectares, or 20 percent of its total land area. The new funds will be used to expand forest cover by an additional six million hectares over the next six years.

– *Reuters* –

CLIM-FO-L: NEWSLETTER ON FORESTS AND CLIMATE CHANGE

CLIM-FO-L is an electronic newsletter compiled by FAO monthly as a source of information on forests and climate change. The newsletter provides information on developments in UNFCCC negotiations, publications, websites, events and job opportunities and project

information. Readers are encouraged to contribute relevant information to be included in CLIM-FO-L. For more information, to request a subscription or to request FAO to include news in CLIM-FO, please visit <http://www.fao.org/forestry/54538/en> or contact CLIM-FO-Owner@fao.org.



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FAO ASIA-PACIFIC FORESTRY CALENDAR

4 October 2009. Kuala Lumpur, Malaysia. **5th APAFRI General Assembly**. Contact: Sim Heok Chon, APAFRI, E-mail: simhc@frim.gov.my

5-8 October 2009. Kuala Lumpur Malaysia. **International Forest Genetic Resources Symposium**. Contact: Oudara Souvannavong, FOMC, FAO Forestry Department, Via della Terme di Caracalla, 00100, Rome, Italy; E-mail: Oudara.Souvannavong@fao.org

5-9 October 2009. Siem Reap, Cambodia. **FAO Training Workshop on Conflict Management**. Contact: Fred Kafeero, FOEP, FAO Forestry Department, Via della Terme di Caracalla, 00100, Rome, Italy; E-mail: Fred.Kafeero@fao.org

15 October 2009. Hanoi, Vietnam. **National Workshop on Bioenergy for Rural Development & Poverty**. Contact: Sverre Tvinnereim, Associate Professional Officer, FAO Regional Office for Asia and the Pacific, 39 Phra atit Road, Bangkok 10200, Thailand; Tel.(662) 697-4196; Fax: (662) 697-4445; E-mail: Sverre.Tvinnereim@fao.org

18-23 October 2009. Buenos Aires, Argentina. **XIII World Forestry Congress**. Contact: Olman Serrano, Associate Secretary General; E-mail: WFC-XIII@fao.org

4-6 November 2009. Bangkok/Chiang Mai, Thailand. **Sixth Meeting of the APFC Executive Committee & Partners**. Contact: Patrick Durst, Senior Forestry Officer, FAO Regional Office for Asia and the Pacific, 39 Phra atit Road, Bangkok 10200, Thailand; Tel.(662) 697-4139; Fax: (662) 697-4445; E-mail: Patrick.Durst@fao.org

16-20 November 2009. Guilin, China. **Workshop on Forests for People: the Role of National Forest Programmes and the Non-Legally Binding Instrument on All Types of Forests**. Contact: Fan Xiaojie, nfp Facilitator for Asia and the Pacific, FAO Regional Office for Asia and the Pacific, 39 Phra Atit Road, Bangkok 10200, Thailand; Tel.(662) 697-4254; Fax: (662) 697-4445; E-mail: Xiaojie.Fan@fao.org

18-20 November 2009. Hiroshima, Japan. **Sixth Biomass Asia Conference**. Contact: Sverre Tvinnereim, Associate Professional Officer, FAO Regional Office for Asia and the Pacific, 39 Phra Atit Road, Bangkok 10200, Thailand; Tel.(662) 697-4196; Fax: (662) 697-4445; E-mail: Sverre.Tvinnereim@fao.org

23-25 November 2009. Peechi, India. **International workshop on production and marketing of teakwood: future scenarios**. Contact: S. Appanah, NFP Adviser (Asia-Pacific), FAO Regional Office for Asia and the Pacific, 39 Phra atit Road, Bangkok 10200, Thailand; Tel.(662) 697-4136; Fax: (662) 697-4445; E-mail: Simmathiri.Appanah@fao.org

30 November - 4 December 2009. Kuala Lumpur, Malaysia. **Asia-Pacific Regional Workshop: Strengthening Law Enforcement and Governance (FLEG) Implementation; Fourth Meeting of ASEAN Knowledge Network on FLEG**. Contact: Patrick Durst, Senior Forestry Officer, FAO Regional Office for Asia and the Pacific, 39 Phra atit Road, Bangkok 10200, Thailand; Tel.(662) 697-4139; Fax: (662) 697-4445; E-mail: Patrick.Durst@fao.org

23-28 August 2010. Seoul, Korea. **XXIII IUFRO World Congress**. Contact: Secretariat, IUFRO Headquarters, Mariabrunn (BFW), Hauptstrasse 7, A-1140, Vienna, Austria; E-mail: office@iufro.org

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