Challenges and opportunities for forest-based industries’ engagement in ecosystem restoration.

First background paper elements & ACSFI Statement Proposal in the framework of the UN decade on Ecosystem Restoration
What is Ecosystem Restoration?

- Ecosystem restoration means assisting in the recovery of ecosystems that have been degraded or destroyed, as well as conserving the ecosystems that are still intact.

- Restoration can happen in many ways – for example through actively planting or by removing pressures so that nature can recover on its own.

- Diversity of natural ecosystems addressed: Forests, freshwater, mountains, peatlands, oceans and coasts, etc

“A Decade of Action

- Build political momentum for restoration
- Catalyze thousands of initiatives on the ground

“The economic benefits of ecosystem restoration exceed 9 times the cost of investment, whereas inaction is at least 3 times more costly than ecosystem restoration (UNDER)”
• Forest-based Industries create millions of jobs globally

• Production forests represent 1.15 billion Ha globally (>25% of global forest area).

• Business entities holding management rights on public forest areas + Private ownership of forest areas = 423 M Ha (10.5 % of forest areas).

• Almost no forest-based industry company has formally joined any ecosystem restoration declaration or commitment (surprisingly!)

• The background paper seeks to uncover the possible roles that forest-based industries could play for ecosystem restoration, including in terms of unleashing financing for increased conservation and restoration activities
Introducing main case studies

Latin America
- Klabin
- Suzano
- Veracel
- International Paper
- Fibria
- Arauco

Asia & Oceania
- New Forests
- Forico
- WIMCO Seedlings

Africa
- Mondi
- Komaza
- KVTC

North America
- Campbell Global

Europe
- Stora Enso
- Neosylva
Key to public goods generation

Mosaic approach, combining production, conservation and restoration

Holistic approach enabling conservation and restoration

Ecosystem services provision & valorization

Enhancing ecosystem services as alternative revenues

Value chains stakeholders inclusion, including smallholders

• Increasing land available for forest-based industries
• Driver for employment
Rationale for forest-based industries’ engagement in ecosystem restoration

- Boosting supply of forest products
- Increasing products value through sustainable certifications
- Mitigating risks
- Diversifying income streams
- Promoting sustainability in value chains and CSR engagements
- Mobilizing sustainable finance
- Natural Climate Solutions, driving towards net zero emissions

Virtuous circle of ecosystem restoration
More specifically, Risks & Returns rationale

Climate risks (landscape-scale)
- Resilience, Limiting soil erosion, flood risks, promoting ecosystem-based adaptation

Climate risks (forest-scale)
- Reduced pests and diseases outbreaks (tree species diversity), limiting fire risks (biological corridors)

Social risks
- Social license to operate, smallholder inclusion

Market risks
- Promoting sustainable certification, increased added value

Avoided risks & costs

Returns & benefits

Water PES
Landscape beauty & realestate value
Recreation and ecotourism potential
Carbon revenues
Biodiversity
Non-wood forest products
Timber

Food and Agriculture Organization of the United Nations
Advisory Committee on Sustainable Forest-Based Industries (ACCFI)
Diversity of financing solutions

- Green bonds
- Payments for Ecosystem Services
- Impact funds / blended finance
- Ecosystem Restoration Concessions
- Carbon finance
- CSR commitments
Partnerships at the core of effective restoration

“Multi-stakeholder partnership has and will continue to play a fundamental role in achieving positive results in the recovery of important, vulnerable and biodiverse ecosystems [...] and shape the future for landscape management”

Suzano, SDG Partnerships Platform

Key stakeholders forming partnerships for ecosystem restoration include:
- Forest-based industries
- Local communities
- Public institutions
- Local and international financial institutions
- Certification organizations
- Private companies
- NGOs
- Research and academics
- etc
Key messages

- Forest-based industries are already **doing a lot** of activities that contribute to ecosystem restoration, including through innovative financing

- Multiple **financing options** : green bonds, impact funds/blended finance, PES/carbon finance

- **Mainstreaming good practices** within industry stakeholders to foster adoption of relevant operational and financial restoration options

- Building on the **investor rationale** around risks and returns to get forest-based industries interested in ecosystem restoration

- It may be relevant for forest-based companies to pledge in / join **restoration alliances and initiatives**
Which way forward?

With potential support from technical partners (incl. FAO):

- **Reinforcing partnerships** with initiatives such as the ACSFI, WEF/TFA, WWF-New Generation Plantation (NGP) platform, WBCSD Forest Solutions Group, etc.

- **Creation of a new forest-based industries working group** on sustainable finance for ecosystem restoration and restoration-friendly forest products?

- **Supporting integration of good practices** for ecosystem services valuation and valorization, taking stock of the most recent developments on the Economics of Ecosystem Restoration (TEER), the IPBES, etc while calling for **disclosure** on ecosystems-related risks from private investors and finance institutions;

- **then ties between forest-based industries’ companies and smallholders** led business enterprises and initiatives in order to develop new business models with increased social and environmental benefits;

- **Developing guidelines on good practices** for ecosystem restoration financing involving forest-based industries; and

- **Building on FAO and other partners’ forest finance expertise** to provide tailor-made assistance to government and business partners.
Proposal for a ACSFI statement on Ecosystem Restoration

• Draft available for comments

• Selected excerpts of the draft statement
  • The ACSFI supports and applauds the launch of the United Nations Decade on Ecosystem Restoration, as well as the implementation of other global and regional restoration initiatives such as the Bonn Challenge, the New York Declaration on Forests, the Initiative 20x20 in Latin America, AFR100 in Africa, ECCA30 in Eastern and Central Europe, and the Agadir Commitment for Mediterranean countries.
  • The ACSFI recognizes that these represent frameworks which can help catalyze forest industries contributions to restoration.

• Possible ACSFI commitments:
  • Contributing to the success of the UN Decade on Ecosystem Restoration as well as other key global and regional restoration initiatives.
  • Engaging in sharing good practices both within and outside the forest sector and reiterates its commitment to sustainable forestry, in coherence with conservation and restoration goals.
  • Standing ready to ensure these efforts are successfully driving towards net zero emissions for a resilient future.
THANK YOU!