

KTGAL- Kyoto: Think Global Act Local Programme

www.communitycarbonforestry.org

UNFCCC CoP 14

Poland - Poznan, December 6th 2008

Forest Day 2. Side Event

The KTGAL team participated in a side event on **REDD for Rural Development** during Forest Day 2 in the CoP 14, December 6, 2008. This added a new dimension to their presentations of previous years in UNFCCC CoPs. The 'REDD for Rural Development' side event was officially co-hosted by the International Centre for Integrated Mountain Development (ICIMOD), the Regional Community Forestry Training Centre for Asia and the Pacific (RECOFTC) and the Poverty Environment Partnership (PEP). The component partners of KTGAL were all involved, as well as other institutions, see below.

The side event was mainly organised as an interactive debate concerning two thematic REDD issues which are in the forefront of current global debate (see below). As a means of setting the stage for the debate, there was a brief introduction to the event by David Huberman, IUCN, followed by an overview of the REDD debate from Margaret Skutsch, KTGAL, Twente University, Netherlands, and Leo Peskett, ODI, UK. A conclusion to the event was given by Ben Vickers, RECOFTC, Thailand.

David Huberman (IUCN) opened the session by welcoming the participants to the event on behalf of the three co-hosts: ICIMOD, PEP, and RECOFTC. The three institutions are joined through a common vision and recognition that community-level participation will be an essential component of REDD policies and measures. Building on the findings of the PEP report 'Making REDD Work for the Poor', http://www.odi.org.uk/fccc/projects/s0179_making_redd_work.htm, David stated that REDD simply won't work unless those who have the greatest stake in the sustainable management of forest ecosystems, poor rural communities, are actively involved at all stages of design and implementation.

Margaret Skutsch (KTGAL UT) asked 'what will it take to get communities involved in REDD?' She argued that communities must be involved because in practice, it is the only way to tackle degradation. Communities are the direct 'cause' of degradation, so they need to be involved in the halting of these processes. Community Forest Management (CFM) enhances forest stocks and quality by restoring natural regeneration capacity, in the range of 1.5 to 11 tons CO₂ per ha. per year, as measured in KTGAL research cases. In addition, CFM reduces or completely halts the processes of degradation, which could be equivalent from 1.5 to 3.5 tons CO₂ savings per ha. per year. If REDD is to involve communities, the enhanced forest growth effect needs to be credited as well as the reduced degradation effect. To ensure communities get their dues, they should make their own carbon stock measurements annually: this will greatly reduce the transaction costs of carbon payment transfers, give the communities more ownership and responsibility for their forest carbon, and a more legitimate claim to the financial benefits.

Leo Peskett (ODI) gave insights, from the perspective of international negotiations, into the question of how community benefits from REDD may be achieved. This was based on recent work carried out on REDD-poverty linkages for the Poverty Environment Partnership. The objective of this presentation was to try and place some boundaries on the interactive debate, in

order that it responded to issues in the international process. Leo started with a discussion of how the social aspects of REDD are referred to in recent international processes on REDD such as the Bali Action Plan. He then went on to describe two main pathways through which communities feature in the international process; firstly through text references to certain 'safeguards' such as parallel Conventions on Human Rights, Biodiversity, agreements such as the UN Forum on Forests. Leo also mentioned instruments such as the World Bank Safeguards and voluntary standards. The second pathway is related to the design of an international mechanism – there are many issues which may enhance or reduce the potential of benefits for local communities. These include issues such as how baselines are set, the scope of the mechanism (i.e. what activities are included, types of forest etc.), the financing mechanism and the scale of the mechanism. The latter two issues were introduced as the focus of the debate. He then discussed some key issues emerging in these two pathways, raising three main points: 1) that instruments such as references to other international treaties may tend to be quite weak in actually ensuring benefits for communities; 2) there is an issue of national sovereignty (which has also occurred in the Clean Development Mechanism) which reduces the potential for the international process to safeguard community interests; and 3) there are trade-offs that need to be considered in the extent to which REDD should be actively pro-poor (which may be more costly and less efficient from an environmental perspective) or should focus on 'doing no harm'. This needs to be considered carefully in the design of REDD. Leo finished with a discussion of the definitional issues surrounding the two debate topics: national versus sub-national approaches to REDD, and market versus fund based approaches to REDD.

Ben Vickers' (RECOFTC) concluding remarks began with the observation that REDD is not black and white. REDD is a highly complex and emotive topic and this session just scratched the surface. The title of the session reflects the reciprocal relationship between REDD and rural development. As the keynote speakers clarified, this is not simply a matter of directing the benefits from REDD to rural communities, but also of reinforcing the message that active participation of these communities is essential for an effective REDD mechanism that addresses reduced forest degradation. The debates used two of the key dichotomies in the ongoing debate on REDD to prompt discussion on the best way to achieve community involvement. As well as stimulating a lively, informative exchange of views, it was striking that all sides were able to construct credible arguments based on the promotion of good governance, equity and financial sustainability. All agreed that, without these, REDD will be stillborn. Although the 'winners' of the debates were less significant than the discussions they generated, it was interesting to note that, in favouring both sub-national approaches and a fund-based financing system, by margins of approximately 2:1, the underlying factor was not a robust simple belief in these ideas, but scepticism of the alternatives. It was repeatedly stressed that markets for forest products have a poor track record in delivering benefits to local people. National governments moreover, have proved to be unwilling or unable to defend the interests of rural communities. If there is a key message to take away from the event, it is this; that local communities themselves can and must underline their importance to the success of a REDD mechanism. Whatever the ultimate outcome of the negotiations on finance, scale or other outstanding issues, the arguments for clear and meaningful participation of local communities are unchanged and unavoidable.

Interactive Debate

The remainder of this report summarises the interactive debate. The two REDD issues debated were:

- A. 'A national baseline approach is more useful than a sub-national baseline approach in implementing REDD at the community level.'**
- B. 'A market-based mechanism is more beneficial to local communities' participation in REDD, than is a fund-based mechanism.'**

Each issue was flagged to the audience who voted for, against, or undecided, by raising coloured cards. Two speakers made short arguments (4 minutes) presenting views for and against the position. The issue was then opened to general debate by the participants for approx. 15 mins. to argue for or against. Two further speakers then argued for and against each proposition. All the platform speakers were presenting a generic case, they were explicitly not speaking on behalf of their own institutions' views. A second round of voting was conducted and a casual assessment made as to whether the debate had influenced the participants' views. A similar exercise was then done with the second issue. (see Annex for details of how an interactive 'Pronk' debate functions.)

Voting is a part of the performance of an interactive debate. It is not intended to be definitive, nor are the results expected to be statistically valid; rather it is an important means of generating interest and maintaining people's involvement in the process. Therefore, precise voting 'results' are irrelevant.

About 40 persons were present in the event and participated in the debate.

Debated points on Issue A

'A national baseline approach is more useful than a sub-national baseline approach in implementing REDD at the community level.'

- National level is preferred because at sub-national levels only the 'successful' projects are likely to be picked up by local (e.g. district or regional) responsible authorities. There is the danger of cherry-picking local groups and places that are already succeeding, and underlying objectives of equitable development will be lost. There is more transparency at the national level.
- National approach is the only way to prevent leakage.
- The national approach is paramount because when people talk about forestry they talk about land, and land issues are the responsibility of national governments. Even if land is allocated to communities it can be taken away any time.
- On the other hand, national level projects tend to be broad-focused and may not represent the cultural and geographical diversity to ensure an equitable benefit sharing. Projects may need to develop their own local-specific methods. A sub-national approach has a better chance to achieve this objective.
- Perhaps the national level is not practical because national planners will prefer to look for large projects, and implementing them could be a problem.
- Problems of scale - many countries are too big to mobilise people into a policy such as REDD. At the national level, people from communities cannot participate. A sub-national

framework promotes decentralisation because decision making directly involve local communities.

- Sub-national or even village level projects supported by a sound land use plan will be easier to implement and to monitor, with land designated for forest, grazing, agriculture etc at local project level. Communities know and value their forests, and value their rights. To prevent leakage you should look at the frontier of the forest
- All carbon finance projects involving local communities face major problems with land and resource tenure issues, but it is more critical in a sub-national approach. The government needs to be involved to arrange land tenure issues for the communities.
- Countries have yet to figure out how to transfer benefits from National to Sub-National level. Effective and transparent transfer mechanisms that will benefit local communities are required for any national level approach to REDD.
- A national level approach will put funds in the control of the national governments. These funds will be slow in delivery and disbursement because of bureaucratic procedures.
- A national level approach is likely to have higher cost overheads than a sub-national approach and thus drain funds away from real activities. There are few examples of money flowing from national to sub-national. When initiatives have been started at the national level; 10-20 % is lost during implementation when the money is spent.
- There is a fear that a new source of 'development funds' may trigger corruption within national agencies. Who decides where the projects will be allocated?, who decides what to do with the money? There is the risk that money disappears as it flows through many layers.

General Comments, A.:

- 'Votes' (1st & 2nd rounds of voting) National level - 10, 10 Sub-national level - 28, 26.
- The 'voting' was clearly in favour of a sub-national over a national approach. Nevertheless, the range of discussions clearly suggest that people recognise that there are valuable considerations for both approaches, and conversely, there are considerable hindrances to both. 'Voting' hardly shifted during the debate which suggests that people (the audience) have fairly fixed views about this issue.
- A national basis is always required under any future expected REDD mechanism, whatever the degree of decentralised or devolved allocations below. Carbon credits to countries will depend on national baseline. So, payments for credits can go to project level, but then would need to be taxed to pay for a government accounting system.
- A national accountancy and baseline framework is necessary, but implementation should be at community level to ensure access to benefits.
- The choice will largely depend on the political system of individual countries, especially the politics of devolution and decentralisation. Markets foster competition and therefore efficiency between and within projects.
- Good community-based projects should not be penalized - whatever approach is selected.
- To ensure benefits to marginalised communities, the opportunities of REDD must be better developed to avoid the mistakes and exclusions made with CDM. E.g.

Governments must ensure the rights of community forestry. Communities which are not empowered will have fewer opportunities to get access to funds.

Debated points on Issue B.

'A market-based mechanism is more beneficial to local communities' participation in REDD, than is a fund-based mechanism.'

- Markets are a more long-term, stable, reliable source of financial resources and are not dependent on the political decisions that affect funds.
- Markets are performance-based and foster competition and therefore improve efficiency between and within projects. Market forces place value on forests.
- Monitoring environmental impacts through markets is more efficient.
- Markets are completely unaccountable, 'they are wild'. Markets control people and countries, markets can't be made morally responsible. 'You cannot control the market and neither can you make it accountable. 'Equity' does not come into markets.
- Markets are performance-driven and hence there is no long-term control over the flow of funds.
- Fund mechanisms are in principle neutral, more inclusive and not affected by national politics. Good examples can be cited from the experiences of Costa Rica in the case of PES which has an equity mechanism built in.
- A market system may help to monopolise carbon rights by central governments, and take them away from communities.
- Whereas a fund system can help recognition of communities' rights on land tenure, trees, carbon stocks, and access to forest.
- The current financial crisis cannot be an excuse not to fulfil the commitments made by the developed countries. They are able to provide new funds to bail out banks and failed enterprises such as auto industries. The global community must start with the (unfulfilled) commitments that have already been made internationally, such as in the Rio meeting (1992), e.g. 0.7% of GDP for development allocations).
- "Dream on" - be realistic about where the money will come from, the world is facing a financial crises, governments are now diverting support from development funding, and therefore markets are necessary for generating the funds. A market driven approach is required to generate funds to purchase carbon credits based on performance and to avoid forest degradation.
- Communities which involve disadvantaged groups need subsidies and support to cover the high overhead costs to be able to participate in carbon trading. Markets will not cater to such needs of disadvantaged communities. Additional assistance is needed to help communities access Carbon funds. High costs can be compensated by large scale, but this is problematic for community actions.
- Markets have been effective in the reduction of GHG from industrial / energy / transport sources, and have accordingly reduced the CO² price. Therefore, local communities' incentives for forest conservation have been reduced. Hence a fund mechanism which guarantees minimum support price is more favourable for community forestry.

General Comments, B.

- 'Votes' (1st & 2nd rounds of voting) Market-based - 14, 12; Fund-based - 18, 18.
- The 'voting' was clearly in favour of a Fund approach over the Market. However the points raised in the discussions demonstrate that people clearly recognise there are vital strengths and weaknesses to both sides. Positions hardly shifted during the debate.
- Funds have 'equity built into the equation', whereas markets have a potential injustice built in.
- Markets are transparent, but markets must also be regulated. Market actors can tap the carbon market more sustainably, but communities can be by-passed. How to make markets work at community level needs consideration.
- Both approaches are needed. The market is important to generate funding to pay for activities to reduce deforestation. However, ways are needed to direct market forces to put a value on standing forest.

Speakers

ISSUE A: Bhattarai Bhola, FECOFUN, Nepal; Omaliss Keo, Forest Dept., Cambodia; Arturo Balderas, Univ. Twente, Netherlands and Mexico; Libasse Ba, ENDA, Senegal

ISSUE B: Secelela Balisidya, TFCG, Tanzania; Alvaro Rodriguez, ACICATOC, Nicaragua; Mark Purdon, Univ. Toronto, Canada; Patrick van Laake, ITC, Netherlands

Facilitator: Michael McCall (ITC Netherlands & UNAM Mexico)

Summary by: Kamal Banskota (ICI MOD Nepal), Michael McCall (ITC Netherlands & UNAM Mexico), Ben Vickers (RECOFTC Thailand), Charlotte Benneker & Graciela Peters (ITC Netherlands). January 2009

Interactive Debate

Procedure

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I TC and UNAM

December 2008

An Interactive Debate (sometimes known as a 'Pronk' style debate) works like this:

Topics in a Debate need to be controversial, like the propositions in a debating society,

For example, 2 topics were debated in the KTGAL Side Event in Forest Day 2 at UNFCCC Kyoto COP 14, Poznan,

Topic A. A national baseline approach, is more useful than a sub-national baseline approach, in implementing REDD at the community level.

Topic B. A market-based mechanism is more beneficial to local communities' participation in REDD, than is a fund-based mechanism

Procedure: There are 8 steps to follow for each Topic

- 0) The facilitator very briefly explains the procedure.
- 1) Initially, everybody in the room VOTES for which side of the Proposition they already take (i.e. before the debate begins).
They use RED, GREEN and ORANGE cards which they receive when they enter the room. RED = YES, GREEN = NO (NB. deliberately non-intuitive colours to make people reflect properly), and ORANGE cards only if people *really* don't know.
The Facilitator should discourage Orange cards.
The Voting score is given to the audience
- 2) One person speaks FOR the Proposition for 2 or 3 minutes – concise, hard hitting, controversial, argumentative, witty if possible
- 3) One person speaks AGAINST the Proposition - in the same style
- 4) Everybody in the debate VOTES AGAIN for which side they take.
The votes are recorded by assistants, as well as the change in votes. Voting score is given to the audience.
- 5) The floor is OPEN for 12-15 minutes for anyone in the room to speak for or against the Proposition. Very short interventions only allowed
- 6) The original two speakers, or, two new speakers, have 1 - 2 minutes each to make their closing speeches, for and against. - concise, hard hitting, controversial, argumentative, witty, etc.
- 7) Everybody in the debate votes again (third vote).
- 8) Votes are counted, changes in voting are given, Facilitator closes with summary of 'to what extent, and why, did people change their votes?'

Timing: this takes 30 minutes; including the opening, *very brief* instructions on procedure, the closing, and the voting.

Thus 60 minutes are needed for 2 debates on two topics.

Notes:

Experience is that two debates should be the maximum; beyond that the audience is likely to lose concentration.

All platform speakers present a general case; they explicitly are not speaking on behalf of their own institutions' views.

Voting is a part of the performance of an interactive debate. It is not intended to be definitive, nor are the results expected to be reliable; but it is an important means of generating interest and maintaining people's involvement in the process. Therefore the voting 'results' are given, but just as indicative figures.

It is usual to incorporate some brief presentations before the interactive debate is held, to present the scene and lay down some boundaries of the debate; of course these remarks must be either neutral or balanced between the differing positions on the topics

There are normally also some concluding remarks on the topics.

Impacts:

Results of applying this simple method in side-events are very positive. The audiences are active, interested and involved, they often contribute new options and new slants on well-known issues. The voting interventions are not seen as a 'game' but as a means of maintaining participation and as intermittent closures.

Participant evaluations rate this approach highly compared with the usual conference diet of a sequence of 20-minute presentations from a small group of platform speakers, with little or no time available for interactive discussion, or even questions.