



To the Climate Change Secretariat  
PO Box 260124, Bonn  
email: [secretariat@unfccc.int](mailto:secretariat@unfccc.int)

Asunción, 28 February 2012

Dear Madam, Sir,

Referring to your call for submissions from Parties and accredited observer organizations on methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries, I would hereby like to submit the views of the Global Forest Coalition, a worldwide coalition of 53 NGOs and Indigenous Peoples' Organizations from 35 different countries striving for rights-based, socially just forest conservation.

Sincerely yours,

Simone Lovera-Bilderbeek  
Executive director and UNFCCC focal point  
Global Forest Coalition



**Submission by the Global Forest Coalition on methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries**

## **Drivers of Deforestation and Forest Degradation**

**28 February 2012**

### **Introduction**

The Global Forest Coalition and its predecessor, the NGO Forest Working Group, have been analyzing the underlying causes of deforestation and forest degradation since more than 15 years. In 1998, NGO Forest Working Group members organized a multi-stakeholder initiative on the underlying causes of deforestation and forest degradation, as a contribution to the Intergovernmental Forum on Forests. The initiative, which was organized in collaboration with the Government of Costa Rica and UNEP and in close consultation with a large number of other Governments, Intergovernmental organizations, NGOs, Indigenous Peoples' Organizations and other stakeholders, included the compilation of 40 case studies from 36 different countries and 12 in-depth studies. It also involved the organization of seven regional, one Indigenous Peoples' and one global multi-stakeholder workshop. The conclusions of the process were summarized in a **Final Document on Underlying Causes of deforestation and forest degradation**.

One of the recommendations of the global workshop was that there was a need for more profound multi-stakeholder analysis on the underlying causes of deforestation and forest degradation at the national level. To respond to this recommendation, the Global Forest Coalition established a micro-grants facility to fund the organization of national multi-stakeholder workshops on the drivers of deforestation and forest degradation, and forest restoration. Between 2006 and 2010, Governments, NGOs, Indigenous Peoples' Organizations and research organizations organized a total of 45 workshops and related events in 24 different countries on the drivers of forest loss, and forest restoration.

These events involved over 1,750 people, coming from Indigenous Peoples Organizations (IPOs), local communities, civil society organizations, government and academia. The resulting national reports are rich in detail and diversity, yet show that there is a remarkable commonality of understanding and analysis, both of the underlying causes of deforestation, and of what it really takes to conserve and restore forests. The conclusions of this process are summarized in the report "Getting to the Roots, Underlying Causes of Deforestation and Forest Degradation, and Drivers of Forest Restoration", which can be downloaded at: <http://www.globalforestcoalition.org/wp-content/uploads/2010/11/Report-Getting-to-the-roots1.pdf>.<sup>1</sup> They are critical for those designing policies to reduce deforestation and forest degradation and restore forests.

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<sup>1</sup> In Spanish: <http://sicut.nl/gfc-es/wp-content/uploads/2010/11/La-raiz-del-problema.pdf>

## Executive Summary

Measures to address deforestation and forest degradation are most unlikely to succeed if they do not address the real underlying causes of forest loss. These include an excessive demand for wood, which was identified as a key underlying cause in many countries. Current policies to promote wood-based bio-energy are likely to increase this demand even further.

Spiraling demand for land for plantations and other forms of agriculture, and tense disputes and uncertainty over who owns various areas of land and forest are another important root cause. Here again, current climate mitigation policies add to the problem rather than addressing it, by promoting the expansion of agrofuels, bio-energy and monoculture tree plantations, which increases demand for land. Similarly governments are failing to address the rapidly increasing global demand for meat and dairy products, which is triggering expansion of the agricultural frontier for the production of animal feedstocks. Forest loss is often brought about by the development of infrastructure and mining, and urbanization and industrialization projects supported by bilateral and multilateral donors. Redirecting these financial flows would benefit forests and forest peoples much more than pumping millions of dollars, euros and krone into protected areas that people are frequently excluded from. In general, it was found that a great deal of forest loss was down to deliberate government policies and/or governments' failure to develop, implement and enforce proper forest policies. Entrenched corruption is still a major driver of forest loss in many countries.

The lack of alternative economic opportunities was also considered to be an important underlying cause of forest loss in several countries, and it was felt that there should be a far better integration of forest and social policies, especially with respect to the Millennium Development Goals. Climate change was identified as an increasingly important driver of forest loss too.

Last but not least, neo-liberal economic policies and trade liberalization were seen as a root cause underpinning many of the factors above, and many felt that what was really needed was a change to the system itself: the entire concept of unlimited growth on a limited planet needs to be challenged if forests are to survive.

Happily the report also provides an overview of the underlying causes of forest conservation and restoration. That is, those incentives - in the broadest sense of the word - that have motivated people in so many places to conserve and restore their forests. It shows why forest management involving and led by Indigenous Peoples and forest-dependent communities offers a successful way out of the current dilemma. Indigenous Peoples are especially motivated, since their whole lives, culture and identity are bound up with Mother Earth, and they feel a deep sense of responsibility for forests in a way that others do not. In many countries it can easily be observed that the remaining forested areas coincide with Indigenous territories.

Another particularly successful incentive that can be seen to unite many different parties is the need to protect water resources. Brazil already has an excellent participatory program underway that includes forest restoration, involving some 300,000 people in the southern part of the country. Kenya has also identified water resources as the key reason for protecting the Mau forest complex.

This report cites numerous other examples provided by workshop participants that show that forest restoration programs that engage communities and offer alternative livelihoods can be remarkably successful. In addition, the development of agro-ecology and socially and ecologically sound agro-forestry initiatives has a great deal to offer in terms of reducing the social and environmental impacts of industrial agriculture and increasing food security and sovereignty. If deforestation is really to be stopped, the world's forests restored, and climate change mitigated, these are the areas where funds should be targeted.

An inspiring conclusion in this respect is that addressing the underlying causes of forest loss does not require a huge financial investment, but rather a redirection of the financial flows that currently support bio-energy, large-scale tree plantations, mining and other destructive projects. The workshops concluded that forests can be saved and restored by providing lower levels of stable but well-targeted support for integrated programs that respect Indigenous territories and community conserved areas, foster and promote cultural values and knowledge systems, raise awareness where necessary of the importance of forests for water and livelihoods, and offer alternative livelihood opportunities were needed.

Yet this is not how governments are planning to deploy climate finance at present. At the moment REDD funds are targeted at promoting exorbitantly expensive and financially unsustainable payments for environmental services schemes that risk undermining the very value systems that have made forest conservation a success in so many communities. This emphasis on payments for environmental services is triggered by the ambition to develop potentially lucrative emissions reduction carbon-finance projects that will leverage private finance. Furthermore governments have not yet grasped the nettle of challenging the underlying causes of deforestation outlined in this report. Neither are they providing effective and appropriate support to the forest conservation and restoration initiatives undertaken by Indigenous Peoples and local communities.

The report's conclusion that demand for wood and land are still a major underlying cause of forest loss is also significant in light of the extensive subsidies and other forms of support that are currently given to the expansion of large-scale agrofuel and wood-based bio-energy production, an industry that is already triggering a sharp increase in demand for wood and land.

The Global Forest Coalition hopes that this report will help to inspire and focus policy debates about one of the most important challenges of our time: halting deforestation and forest degradation and restoring our forests. We hope it will change the course of the REDD debate, by prompting all involved in negotiations and related discussions to reconsider just what really needs to be done to protect and restore the world's forests.

## **Main Conclusions of the National Workshops on the Drivers of Deforestation and Forest Degradation, and Forest Restoration: Addressing the Real Causes, and Supporting the Real Success Stories<sup>2</sup>**

While there is now wide-spread agreement that deforestation and forest degradation can only be halted if the underlying causes of both are addressed, analyses are often flawed or incomplete. Moreover, there is a remarkable lack of coherence between many national and intergovernmental proposals to reduce emissions from deforestation and forest degradation, and the real underlying causes of forest loss. Indeed, the policies and incentive schemes proposed often seem to be inspired by commercial and other economic interests, and a focus on leveraging private finance, rather than a desire to respond effectively to the identified causes. This brings with it the risk that attempts to reduce or stop deforestation will fail yet again, in spite of the climate and biodiversity crises already unfolding.

This report, based on the opinions of over 1,200 people around the world, and numerous case studies, argues that the most effective measures to stop deforestation and forest degradation, and promote forest conservation and restoration are:

### **Reducing Demand for Wood**

Demand for wood remains persistently high, both domestically and on international markets, and was identified as one of the most important drivers of deforestation and forest degradation in particular. Yet there is little evidence of governments considering or implementing policies to reduce demand for wood. On the contrary, policies to promote large-scale bio-energy, particularly in the EU and North America, are expected to result in a vast increase in demand. Failing to address demand for wood and agricultural commodities is a key reason why policies such as the proposed Reducing Emissions from Deforestation and forest Degradation in Developing Countries (REDD) program are likely to fail.

The fact that wood is a renewable resource does not compensate for continued demand. Wood still has to be harvested in a sustainable manner, allowing for full natural regeneration. Classifying wood as 'a sustainable product' is to misunderstand the concept of the carrying capacity of ecosystems.

Sustainable levels of harvesting *are* still the norm in many rural communities, where women and children collect small amounts of wood for family use. Wood sovereignty implies balancing local wood consumption and production in a way that sustains the forest as well as the communities that live in harmony with it. However, overall rates of consumption of wood including for industrial use and construction are far too high to be sustainable – thus wood production was explicitly mentioned as a primary cause of forest loss in at least eight countries participating in the program.

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<sup>2</sup> Main conclusions of the report: Global Forest Coalition, 2010. Getting to the Roots, Underlying Causes of Deforestation and Forest Degradation, and Drivers of Forest Restoration", Global Forest Coalition, Amsterdam, the Netherlands  
<http://www.globalforestcoalition.org/wp-content/uploads/2010/11/Report-Getting-to-the-roots1.pdf>

In this light it seems highly likely that current and planned policies to promote the rapid expansion of industrial wood-based bio-energy production will lead to further forest loss in the coming decade. Contradictory policies such as these, which could actually add to the climate change crisis, need to be reversed immediately.

### **Reducing Demand for Land**

The existence of forests is dependent upon the availability of land, not money (contrary to popular thinking in climate circles). For millions of years forests have been perfectly capable of conserving themselves, without any financial investments or 'sustainable forest management.' Problems arise when there is competing demand to use the land on which they are growing, for plantations, agriculture, mining and other industrial activities. It follows that the most effective policies to conserve and restore forests are also likely to be those policies that reduce demand for land.

In sharp contrast, however, many existing policies are increasing demand for land, including those policies that provide subsidies and other incentive schemes to promote agrofuels and bio-energy production: these squarely contradict the efforts being made by the international community to reduce deforestation. A recent report calculated that current European agrofuel targets for transport alone will require up to 69,000 square kilometers of additional land by 2020.<sup>3</sup> Abandoning biofuels targets and subsidies and other incentives for agrofuels and large-scale bio-energy is a pre-condition for forest conservation.

Another important factor underlying rapidly increasing demand for land is the rising consumption of intensively produced meat and dairy products. This requires massive amounts of land for the production of soya and other animal feedstocks, as well as for livestock farming.

As noted by many of the national reports submitted, large-scale monoculture tree plantations are also a significant factor in increasing demand for land, as well as monopolizing water resources and degrading soils. This combined with the fact that monoculture tree plantations result in very low levels of employment per hectare of land means people tend to be pushed to the forest frontier creating additional stresses on forests.

In contrast, small-scale sustainable and integrated farming systems based on agro-ecological principles support food sovereignty and provide far more employment per hectare of land, thus diminishing pressure on forests and other ecosystems.

### **Supporting cultural values, Indigenous territories and community conserved areas**

As shown in the reports on the underlying causes of forest restoration and conservation, there are many examples of Indigenous territories and community managed areas where forests have been successfully and sustainably used and conserved, and/or restored.

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<sup>3</sup> This figure does not include the additional use of agrofuels for heat and electricity generation in the EU or the proposed use of agrofuels for aviation. Institute for European Environmental Policy (IEEP). November 2010. Anticipated Indirect Land Use Change Associated with Expanded Use of Biofuels in the EU: An Analysis of Member State Performance'. Author: Catherine Bowyer, Senior Policy Analyst. See [http://www.foeeurope.org/agrofuels/ILUC\\_report\\_November2010.pdf](http://www.foeeurope.org/agrofuels/ILUC_report_November2010.pdf)

Indigenous Peoples and local communities in countries as varied as Nepal, Brazil, Colombia, Uganda, Panama, India and Tanzania have proven that it is possible to conserve and restore forests providing sustainable livelihoods at relatively little cost. Their reasons for protecting their forests tend to have far more to do with cultural and spiritual values, and a proper understanding of the role forests can play in sustaining livelihoods and water resources, than with financial incentives. They vary from cultural pride and the feeling that “We are the custodians of Mother Earth” to simple awareness that forests are fundamental for sustaining water resources and people’s livelihoods in general.

Thus successful forest conservation and restoration policies should respect, foster and provide appropriate incentives that support the cultural and traditional value systems of Indigenous Peoples, and their commitment to and knowledge of forest conservation and restoration. Subsidies and other financial incentives can play a role in such support schemes, but they also risk destroying the very value systems that triggered successful forest restoration initiatives in the first place, by suggesting that there is an obligation to conserve forests only when one is paid for it.

A further important conclusion with respect to so-called Payment for Environmental Services (PES) schemes is that simple awareness-raising programs about forests ecosystems, for both policy-makers and local communities, are often enough to generate public and political will to protect forests. Such policies are far more economically and financially sustainable than PES schemes, which can be exorbitantly expensive and require constant financial investment over time.

Respecting the UN Declaration on the Rights of Indigenous Peoples is also critical. It is not just about human rights; it is a fundamental policy statement that addresses conflicts over land tenure and recognizes Indigenous territories in which, due to their value systems, Indigenous Peoples have conserved their forests.

Other factors important to supporting community conserved areas and Indigenous territories are improving the organizational capacity and endogenous institutional structures of communities; and supporting agro-ecology, and ecologically and socially sound agro-forestry initiatives, including within the framework of food and energy sovereignty strategies.

### **Redirecting financial investments**

Infrastructure, mining, industrialization and urbanization were all mentioned as significant drivers of deforestation in many countries. It should be highlighted that most of these projects are financed partially or entirely by bilateral and multilateral donors and investors.

Talking about the need for ‘policy coherence’ is a euphemism which detracts from the fact that institutions like the World Bank still spend ten times more on projects that destroy forests, than they do in terms of the money being channeled through facilities which claim to reduce deforestation such as the Forest Carbon Partnership Facility and Forest Investment Program.

It is a prerequisite that efforts to reduce deforestation focus on redirecting forest-destroying financial flows and perverse incentives.

## **Addressing lack of political will and capacity, and curbing corruption**

Poor central planning, lack of political will, corruption and inadequate capacity to develop and implement proper forest policies were identified as significant underlying causes in many countries.

This includes forest loss as a result of deliberate government policies, and because of the failure of many governments to ensure compliance with existing forest policies. There is a pressing need to strengthen the capacity of forest conservation institutions at the national level (including to reduce incentives for corruption), whilst respecting and strengthening the autonomous institutional structures of Indigenous Peoples and local communities, with a view to building on their knowledge and commitment in relation to forest conservation and restoration.

Moreover, governments should address illegal logging and corruption by taking strong measures to improve law enforcement, including initiatives that ban the import of illegal and unsustainably produced timber

## **Integrating forest and poverty reduction strategies**

Overconsumption and the resulting demand for wood and land must be addressed as a priority, but there is also a clear need to address economic poverty and the lack of alternative livelihoods, which were identified as drivers of forest loss too. A lack of alternative economic opportunities was pinpointed as an underlying cause of forest loss in several countries. Integrated land reform and sustainable agriculture policies that promote ecologically sound forms of farming and provide ample work and income for rural peoples, whilst occupying a relatively small area of land, would help to challenge forest loss. Protection of forests can also help to ameliorate poverty directly, since forests often provide much needed resources that people can and do turn to in times of greatest need.<sup>4</sup>

Overall, there is a clear need to integrate forest conservation and restoration strategies with sustainable livelihood strategies, in line with the Millennium Development Goals (MDGs). Proper, socially just and rights-based forest conservation and restoration policies can contribute significantly to the implementation of not only MDG 7 on environmental sustainability, but also many of the other MDGs. Well-designed policies can help to alleviate poverty; contribute to food sovereignty; benefit women by lowering the burden of collecting fuelwood, water and fodder; and contribute to the eradication of deadly diseases. Poorly-designed policies, on the other hand, can violate the rights and needs of local communities, especially if those rights and needs are not integrated from the start.

## **Halting Climate Change**

Climate change is also a significant underlying cause of the current increase in those drivers of forest loss that used to be classified as 'natural' including forest fires, droughts, storms and pests. Some of the most important forest ecosystems in the world, including the Amazon and the boreal forests, could be lost within a few decades due to climate-related influences.<sup>5</sup> In the medium to long term, climate change could become the main

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<sup>4</sup> Forests and poverty reduction, Food and Agriculture Organization website as at 9 November 2010, <http://www.fao.org/forestry/site/livelihoods/en/>

<sup>5</sup> Secretariat of the Convention on Biological Diversity (2010) Global Biodiversity Outlook 3.



cause of forest loss, unless it is effectively halted.

That is why any regime that pretends to reduce deforestation must also support and promote efforts to mitigate and adapt to climate change or it is doomed to failure. For example, due to many unresolved issues around permanence, leakage and proper accounting, the inclusion of forests in carbon markets will undermine the overall climate regime and, as such, could imply the kiss of death for the world's forests.<sup>6</sup>18

### **Change the System**

Neoliberal economic policies were also identified as an underlying cause by several workshops, not least because they themselves are at the heart of many of the other drivers and underlying causes identified above. It is most unlikely, for example, that climate change can be halted or demand for wood and land significantly reduced without a fundamental review of neoliberal economic policies and trade regimes.

Likewise, it is the neoliberal vision of many international financial institutions that causes them to invest significantly more money in profitable forest-destroying industries than in forest conservation (and to justify doing both at the same time). In the end, forest loss will not be halted if we do not achieve a profound change in the system itself, which continues to promote unlimited growth on a limited planet.

### **Now for the Good News: We do not Need a lot of Money**

Effective forest conservation and restoration is most unlikely to occur unless the underlying causes of deforestation are addressed, and the incentives that really motivate individuals, Indigenous Peoples, forest-dependent communities, and governments to conserve and restore their forests are recognized.

Perhaps the most inspiring conclusion of this report is that many of the most promising strategies to do this do *not* need a significant amount of funding. Rather, they require a progressive and far-sighted approach to forest ecosystems that builds on the rights, needs and cultural value systems of Indigenous Peoples and local communities.

What they do require, though, is significantly ramped up political will on the part of governments, and a redirection of existing financial flows. This latter would have to include the elimination of subsidies and other forms of financial support for bio-energy and agrofuels. It is estimated that in 2008, the European Union spent more than 3 billion Euros subsidizing agrofuels production.<sup>7</sup> It also implies re-directing investments away from intensive meat and dairy consumption and production, and destructive infrastructural, mining and urbanization policies.

Of course, strengthening governments' capacity to develop, implement and enforce proper rights-based and socially just forest policies does require some resources, but not the tens of billions of dollars per year that is currently being mooted. The conclusions of this

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Montréal, <http://gbo3.cbd.int/the-outlook/gbo3.aspx>

<sup>6</sup> Global Forest Coalition and the IUCN Commission on Environmental, Economic and Social Policy 2008, The Hottest REDD issues: Rights, Equity, Development, Deforestation and Governance by Indigenous Peoples and Local Communities, GFC 2008, <http://www.globalforestcoalition.org/img/userpics/File/publications/Hottest-REDD-Issues.pdf>

<sup>7</sup> See [http://www.globalsubsidies.org/files/assets/bf\\_eunion\\_2010update.pdf](http://www.globalsubsidies.org/files/assets/bf_eunion_2010update.pdf)

report make it clear that forest conservation could be successfully incorporated into a broader global agreement in which forest-rich countries commit themselves to forest conservation, while Northern countries commit themselves to the necessary greenhouse gas emission reduction targets (the People's Agreement of Cochabamba<sup>8</sup> proposes 49% reduction by 2020 compared to 1990 levels); repaying their ecological debt; implementing policies which greatly reduce demand for energy, wood, animal feed and other agricultural products; and providing significant new and additional financial resources for climate change mitigation and adaptation in general (the People's Agreement of Cochabamba proposes 0.6% of GDP).

There needs to be a new focus on awareness-building, not only about the importance of forests for human survival and the livelihoods of local communities, but also about the cultural and traditional value systems that have triggered so many people to conserve and restore forests.

The concept of 'Payments for Environmental Services' is unlikely to stimulate such value systems, as it suggests that forests can only be conserved when the owners of the land upon which they grow are compensated financially. More appropriate and equitable incentive systems for forest conservation and restoration by Indigenous Peoples and local communities may include financial rewards, taking into account the principle of fair and equitable sharing, but such rewards should be targeted towards fostering and stimulating traditional value systems and providing alternative livelihoods where needed.

Such integrated strategies to support sustainable livelihoods for women and men are far more financially sustainable than PES schemes. Most importantly, they contribute to the implementation of the Millennium Development Goals and human rights instruments like the UN Declaration on the Rights of Indigenous Peoples.

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<sup>8</sup> People's Agreement of the World Peoples Conference on Climate Change and the Rights of Mother Earth, Cochabamba, Bolivia 22 April 2010