



Forest Restoration for Climate, Community, and Biodiversity (FCCB) in Tengchong County, China



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Both the Forestry Farm and local farmers hold a view that the proposed CDM project activity will contribute to poverty alleviation and environmental benefice (biodiversity conservation and soil erosion control), and lead to sustainable development.

Farmers decided the final contractual agreements according to their needs, such as shareholder arrangements between local farmers, communities, and the Sujiang Forestry Farm.

Project Description

Tengchong County China, in the south end of the Gaoligongshan Nature Reserve, is a temperate region rich in biodiversity. Despite the regions proximity to the Gaoligongshan Nature Reserve, Tengchong County's forests have been severely degraded by decades of deforestation and intensive agricultural cultivation. In an attempt to demonstrate how reforested land can mitigate climate change, protect biodiversity and provide economic opportunities, Conservation International, The Nature Conservancy and China's State Forestry Administration launched Forests for Climate Community and Biodiversity Initiative (FCCB). As



Tengchong County, China

part of this initiative, a pilot project in Tengchong County was created, working to restore 467 hectares of forest and plant 750,000 trees. The restoration efforts were originally expected to generate income through the sale of Certified Emissions Reductions on the global carbon market through the Clean Development Mechanism of the Kyoto Protocol. Sujiang Forestry farm would own the carbon credits while local farmers and communities contribute land and labor.

Reforestation activities were expected to benefit 2,108 villagers from 433 households in 5 villages.

Project Status

In 2005, FCCB was officially launched with China's State Forestry Administration and various local partners. In July 2006, a tree planting ceremony was held to celebrate the implementation of the first FCCB demonstration project. In January 2007, the project was approved by the CCB-Standard and a CDM project was planned to start June 1, 2007 and continue for a 30 year period. Although the project was validated in the formal CDM market, all carbon has been sold by Conservation International (CI) in the voluntary carbon market. According to CI all 151,000 tons of carbon expected to be sequestered over the next 30 years has already been sold,

primarily to corporations interested in purchasing carbon offsets.

Sujiang Forestry Farm owns the carbon credits for 112.4 hectares of the area and has shareholding deals with local communities and farmers. The farmers benefit from the sale of wood and non-timber forest products as well as income generated from restoration jobs. Additionally, access to firewood, serves as an important source of fuel for villagers.

The project sites and land tenure are clearly defined. Farmers have a long-term contract to use the state owned land, which allows them to directly receive corresponding benefits. In the case of collectively possessed land, the village committee assures that the participating families receive a share of the benefits from forest products.

Successes

To maximize socio-economic benefits, the reforestation design was prepared with a participatory approach. Local farmers were taught about the carbon market and trained in silvicultural practices, which maximize farmer benefit while protecting soils from erosion and degradation.

The Forestry Farm also extended their efforts for participation to all other aspects of project implementation, from planting and fertilizing to conducting regular patrols of the forest. Local farmers are regularly consulted to ensure that the project continues to respond to their needs for livelihood development.

Specifically, local farmers/communities expressed a strong interest to participate in order to obtain the following benefits:

- Income increase from selling wood and non-timber products;
- Greening their grasslands, which has the potential to improve the local environment, shelter cropland and reduce drought, flood and other natural disasters;
- Learning best practices in forest management from technical training.

Lessons Learned

To access the carbon market, the Tengchong pilot program was approved by the Designated Operation Entity, and audited under the Climate, Community & Biodiversity Standards, receiving the Gold Rating because of its high community involvement and capacity-building efforts and its strong biodiversity benefits. Nevertheless, Conservation International sold all of the carbon through the voluntary carbon market. A representative from

Conservation International explained that the demand for carbon in the voluntary market is large enough to receive a good price

with out the additional costs associated with certification under CDM.

This project may serve a model for future carbon sequestration projects that are

unable to overcome the high costs of certification through the Kyoto Protocol standards. As long as the sequestrations benefits are credible and demand for carbon in the volun-

tary market remains high, carbon brokers will likely pursuer this less costly option.



Die Shui River Falls, Tengchong County, China