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REDD and PES perspectives in Central Africa

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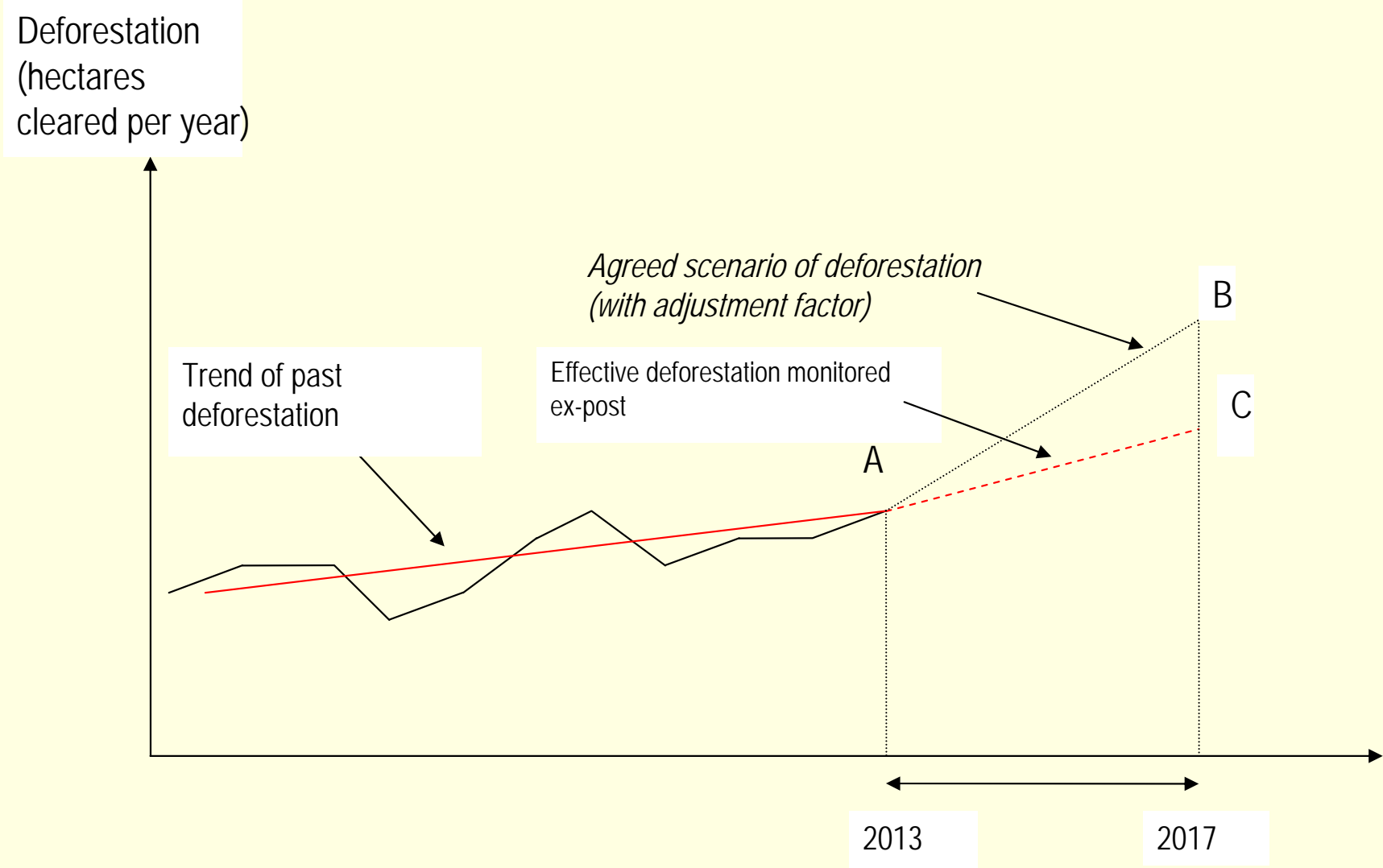
Competing architectures or philosophies for REDD

- (a) **Market-based** and **centralized** scheme (“mainstream” approach): crediting countries for national result (outputs) against a baseline (historical, predicted, regional or global)
 - Fully fungible carbon credits
 - Partially or not-fungible carbon credits
 - (b) **International fund** and **centralized**: countries rewarded with money (“Brazilian proposal”)
 - (c) **Market-based** and **decentralized**: certified projects get directly carbon credits, along with countries (“nested” approach)
 - (d) **International fund** for financing (sectoral and extra-sectoral) **policies** and country-broad **PES schemes**. No baselines requested, but investments in agriculture changes, land tenure and land-use incentives for farmers
- (a), (b) (c) are about rewarding *outputs* of deforestation reduction;
(d) is about financing *changes in policies and economic structures* (inputs). It is conditional to commitments.

“**REDD +**” is opening to wider carbon management practices (reforestation, conservation, forest management...), with the risk of even higher complexity in monitoring. High stakes with the plantations issues (biodiversity & social)

PES can be a common feature to all architectures

COMIFAC's perspective: the claim for an 'adjustment factor' (development needs)



Surface area [ABC]: “avoided” deforestation (against the scenario) opening rights to REDD credits

Claims (REDD +?) for rewarding the “climate service” provided by forests (e.g. COMIFAC)

- Rewarding a stock and / or a sink, not a « differential » (of deforestation)
 - Matching the 2 systems seems challenging....
- Seen by political leaders as a “new (green) rent” to relay the declining oil rent
- Quite unlikely to be agreed:
 - In Central Africa, forests have been conserved because of circumstances (limited population and agriculture, few agribusiness investments due to lack of infrastructures...)
 - Sink situation is variable and probably not sustainable: Amazon forests net source of CO₂ in 2005 (up to 5 billions T of CO₂ - Phillips et al. *Science* 5 March 2009) due to severe drought
 - Rewarding without regards to effective policies implemented ?
 - Sometimes suggested implicitly as “If we are not paid, we will let our forests being destroyed” (e.g. Ecuador, Guyana...) – not in line with the idea of “*common but differentiated responsibilities*”

What about degradation?

- Central Africa's negotiators expected benefits derived from SFM on forests concessions
- But in (S?)FM is compulsory on concessions: is additionality criteria filled?
- FM plans not designed for carbon but for recovery of commercial species
- RIL likely to be of limited impact, given highly selective logging (3-5 m³/ha in DRC)
 - Variations with site-specific situations very likely
- Expected value of carbon credits less than monitoring costs?
- The issue of reference: comparison with no-SFM scenario or with integral conservation?
 - Likely to subsidise conservation rather than SFM (e.g. concessions conservation)
 - A perspective used for endeavours to establish a conservation concessions in Cameroon: Ngoyla Mintom, 870,000 ha to be allocated to timber or conservation concessions

The expected booming of PES

- Whatever the architecture decided for REDD, market or funds, PES will be used for local initiatives regarding carbon
- Some analysts and NGOs claim that local communities should be granted with 'carbon entitlements'
- **'Carbon' is not a good nor a service.** Only 'avoided emissions' can be considered as a **service contributing to a global public good**: climate change mitigation
- While the carbon property issue does not make sense, the tenure of the resources supporting the environmental services delivered does matter
- But the principle of PES is to reward for **active contribution to public goods**, not to serve rents to passive recipients in the name of their 'property rights'
- In this sense, property rights are second in PES logic, behaviour ('active contribution') should come first
 - Should be the case at local as well as international level

PES in theory v. PES in practice

- PES - in real world - are not about *selling* environmental services but are, in most cases, a compensation for the freezing of some local use rights (e.g. customary rights to clear the land)
 - Compensations are supposed to be set at the opportunity cost (even though an unrealistic assumption)
- Such use rights are associated with land/resources tenure rights, and the latter have to be mapped, registered and recognised for enabling an effective management
 - A major evolution but not a revolution...
 - In many African countries, need to modify the conception of the 'State Domain' for taking into account those tenure rights

PES and law

- One drawback of PES: actors would claim to be paid for complying with the law...
- Need to define places/territories where *administrative regulation* (command and control) will be used and others where *incentives* (economic instruments such as PES) will be favoured
- For governments, need to set up appropriate frameworks of lands and resources classification
 - Set a permanent forest estate (*raison d'être* of any zoning plan) where the priority will be given to administrative regulation
 - State authorities will have to define a limited amount of lands claimed (domaine privé de l'Etat) ... and *to establish it in law* (gazetting/classement/titling) in order to move away from the presumption of lands being "State Domain", a presumption not compatible with the rule of law

What PES (+) perspectives?

- PES are useful tools, but paying farmers to stop clearing forests without providing them with long-term revenue alternatives and new economic models is unsustainable:
 - escalating opportunity costs with growing land needs
 - high transaction costs to control moral hazard
 - growing numbers of PES candidates
 - infinite horizon of the payments...
- Introducing 'PES +': going beyond the compensation of the opportunity cost (OC) ...
 - Compensating the OC of poorest farmers is cheap but not equitable nor sustainable (risk of leakage, change of the balance (growing) population / cultivated lands...)
 - Not only 'transaction costs' - need to think about **investment** (while keeping ecological conditionality)
 - Need to build alliance between NGOs and development donors & operators to implement this dual strategy
- In Cameroon, then in DRC and eventually in Gabon, PES + can help community forests become more competitive than alternative land-use
 - Investments for adding value in timber production and NTFPs
 - Financing shift in agric. practices (ecological intensification)
 - Conservation easements to be focused only on limited areas of forests

Limitations of carbon PES: deforestation is not a forestry issue

- Food demand is (and will be) increasing, agric. productivity is stagnating in Asia and population is booming in Africa
- Keeping in mind the right hierarchy: if the world fails to foster a new (doubly) green revolution, forests will continue to decline
- Huge challenge: massive investment required on agric. practices, agroforestry, land tenure rights, rural credits, insurances for small scale farmers, price stability...
- Effective PES will have to go well beyond the opportunity cost: the right costs are those of the new agrarian revolution which is needed urgently in Africa and in many other places of the world