



Crosscutting Theme 3:

Efficiency vs Equity – What are the Trade Offs and Can they be Managed?

Background:

One of the major events at this year's COP 13 was Forest Day, organized by CIFOR and partner organizations within the Collaborative Partnership on Forests (CPF). More than 800 people attended Forest Day, including scientists, policy makers, and representatives from intergovernmental and non-governmental organizations.

Forest Day featured four parallel midday sessions focusing on cross-cutting themes related to forests and climate. These well-attended discussions examined such issues as climate change adaptation, carbon markets and governance, baselines and accounting methodologies, and equity-efficiency trade-offs.

Stewart Maginnis (IUCN) facilitated the session on "Efficiency vs Equity", and panel members were Peter A. Minang (World Agroforestry Center), Jurgen Blaser (Intercooperation), John O. Niles (Carbon Conservation), and Carlos Rodriguez (Conservation International).

Areas of consensus:

- Based on the lessons learned from CDM, it is important to avoid overregulation of forest carbon mechanisms. Excessive investment in complex accounting processes should be avoided for new mechanisms.
- Instead, a more flexible package of mechanisms (including REDD – Reduced Emissions from Deforestation and Degradation, forest restoration, and management of existing carbon reservoirs) is needed to address the different drivers of deforestation in different countries.
- A political commitment to legal, policy and governance reforms is also required to ensure that REDD and other deforestation-curbng mechanisms will work. These include land tenure reform, stricter laws against deforestation and better enforcement, and consistency across non-forestry ministries and departments such as mining and agriculture.
- Decentralized and local decision-making bodies will be the key to implementing REDD mechanisms effectively.
- Solutions include 'nested' REDD agreements with national/sub-national guidelines.
- There was a general understanding that for REDD and other schemes to work, the institutions and arrangements that have so far challenged CDM need to be better understood. The arrangements and mechanisms, the rights and responsibilities of the various players at all levels, and the consequences of non-compliance need to be clearer.
- A/R-CDM, forest restoration, and REDD continue to have big potential but we have to learn to reduce transaction costs and have more confidence in national level accounting processes.
- We need a simplified system that is accessible to people and that tackles the real underlying issues in forestry that drive deforestation around the world.

Forest Day



Shaping the Global Agenda for Forest and Climate Change

Areas of further consensus building:

- Possibly the biggest areas of disagreement were around the scale of implementation of REDD and other mechanisms, and the risks of inequitable outcomes.
- Concerns were raised about the possibility that REDD rewards may be directed largely towards those who have not been able to tackle deforestation and have the highest deforestation rates. Although a lot of effort has been made in the negotiations to clearly include the interest of indigenous peoples, there remains concern about current proposals and how indigenous communities may fare.
- The role of markets to drive REDD-based solutions was also contentious, given that markets in the past have very often worked towards the detriment of forest peoples and particularly women. In many areas where poor people do not have clear ownership rights over forested land, they are likely to be excluded from the forest carbon market.
- Some panelists argued that REDD presented a first huge opportunity to change the structure that currently provides only incentives for deforestation. Others argued that REDD would not reduce deforestation on its own and even that paying for avoiding deforestation would not avoid deforestation without profound institutional change in law and enforcement, and income and education opportunities for forest owners and residents.

Area for further research:

- At an international level, inequitable outcomes are also possible if the focus is on big forest-rich countries, with little thought for the many small countries that have either little deforestation or have already denuded their land. The question was how these different scenarios could be considered within a REDD regime
- The extent to which there have to be rules and safeguards for equitable benefit sharing is not clear. How many rules create transaction costs that are too high? What kind/quantity of rules/procedures end up discriminating against the very people you are making these rules for?