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# How the deforestation agenda came in from the wilderness

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30 Oct 2014, Will Nichols , BusinessGreen



Perhaps for this generation, the issue of deforestation truly surfaced in the late 1980s. At the beginning of the decade 0.58 per cent of tropical forests were being lost annually, according to the UN. But 10 years later the proportion being lost had almost doubled to one per cent - a total loss of 17 million hectares a year - with the main culprit thought to be the expansion of agriculture in developing nations.

We are now losing somewhere between 12 million and 15 million hectares of forest a year - equivalent to 36 football fields every minute - and according to Conservation International nearly half of the world's natural forests have now been lost. Most worryingly, the pace of that loss may once again be rising following several years during which forest protection policies appeared to be having an effect: the [rate of deforestation in the Amazon increased by 28 per cent between August 2012 and July 2013](#) after years of decline and conservationists say increasing demands for biomass energy, biofuels, and palm oil are once again spurring deforestation.

This pattern creates a host of issues: deforestation is estimated to account for 15 per cent of all greenhouse gas emissions, driving climate change, and may even help [spark outbreaks of Ebola](#). Moreover, [Conservation International](#) estimates that almost one in four people depends on forests for their livelihoods in some way, while around \$300bn of forest products, such as timber, bamboo, and fruits, are traded every year.

## History

These issues are not new. In fact, they were front and centre at the 1992 Rio Earth Conference, which famously ended with 108 governments adopting three agreements: a comprehensive programme of

action for all areas of sustainable development, known as Agenda 21; The Rio Declaration on Environment and Development, which established a series of principles defining the rights and responsibilities of states; and The Statement of Forest Principles to underpin the sustainable management of forests worldwide.

While these agreements were non-binding, they did set the course for future programmes by outlining proposals for preventing deforestation and pledges for all countries to make an effort to "green the world" through reforestation and forest conservation, while recognising that countries have a right to develop forests sustainably according to their needs.

Rio also established the United Nations Framework Convention on Climate Change (UNFCCC) whose decision-making board, the Conference of the Parties (COP), meets every year and will hold its 20th session in Lima in December. As well as overseeing national carbon emission reduction goals under the Kyoto Protocol, UNFCCC also holds sway over deforestation policy in two ways: reforestation projects that generate carbon credits under the Clean Development Mechanism (CDM) and the REDD+ programme, which stands for Reducing Emissions from Deforestation and Forest Degradation.

### **Forestry under CDM**

The Kyoto Protocol came into force in February 2005 allowing countries that ratified the document's CO<sub>2</sub> reduction targets to meet those goals by lowering domestic emissions or buying allowances generated by emission cutting projects in developing nations. Tree replanting projects are eligible to generate credits, known as Certified Emission Reductions (CERs), if they are on land that was not forested in 1990, but can only be used to offset around a fifth of most Kyoto countries' emissions.

Moreover, forestry credits are considered temporary as carbon sequestered by new or protected forests is eventually released once the trees die. Countries may only use Temporary CERs, known as TCERs, to defer their emission reduction obligations, since eventually they must be replaced by credits from "permanent" reductions, such as those from energy efficiency, renewable energy, or fuel switching projects. TCERs are also not accepted by the EU emissions trading scheme.

Some experts fear that this approach undermines the attractiveness of forest-based carbon credits to countries and private businesses and last year a coalition of business and environmental groups including the Climate Markets and Investors Association, the Global Canopy Programme and the International Emissions Trading Association (IETA) [called for delegates at the UNFCCC's Warsaw Summit to assert the long-term emissions reduction potential of forestry projects](#).

However, calculating the carbon saved by the projects is very difficult, which goes some way to explaining why so few projects have been implemented. Critics also warn that CMD rules allow reforestation using non-native monoculture tree plantations that have far less value than rainforests. This is also a perennial problem with REDD.

### **REDD and REDD+**

The concept of REDD was first introduced at COP11 in Montreal in 2005 by a group of countries led by Papua New Guinea calling themselves the Coalition for Rainforest Nations. Effectively, they suggested rewarding governments, companies, or forest owners in developing countries for keeping forests standing rather than logging them.

However, the idea was ultimately rejected in the discussions leading up to the full adoption of the Kyoto Protocol because of fears over four areas: leakage, where the deforestation problem simply moves from one area to another; additionality, which refers to the difficulty of predicting the outcome in an area if the REDD project had not happened; permanence, in that carbon stored in trees is eventually released when they die; and the difficulty in accurately measuring the amount of carbon

stored in forested areas.

So REDD was put on the back burner until two years later at the Bali Summit where delegates discussed developing an incentive mechanism for "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". This latter clause resulted in the + being added to REDD+.

Even at the time the move was deemed controversial as the focus on reducing emissions rather than preventing deforestation in theory allows developers to flatten a pristine forest and "compensate" for it by planting trees elsewhere.

However, proponents argued REDD+ could not only help mitigate climate change, but also support livelihoods, maintain ecosystem services that underpin the economy, and preserve wildlife and biodiversity.

The credibility given to REDD+ by the Bali agreement helped launch a range of programmes at that time, including the UN's REDD initiative, which since its establishment in 2008 has secured almost \$200m in funding, the Forest Carbon Partnership Facility (FCPF) at the World Bank, and Norway's International Climate and Forest Initiative (NICFI), all of which have put substantial amounts of money on the table to address deforestation.

The Copenhagen Summit in 2009 put more flesh on the bones of REDD+, proposing a national forest monitoring system and encouraging countries to develop national strategies. A year later in Cancun, further safeguards were added with the aim of ensuring national REDD+ implementation did not negatively affect local populations or the environment.

Finally, 2013's Warsaw summit marked an important step forward for REDD+ with no fewer than [seven decisions that finalised new rules on how to manage and finance forest protection projects and ensure they achieve the promised reductions in emissions](#).

Inevitably, however, REDD+ has not met with universal approval, with many critics questioning whether carbon credits are the best approach to addressing the problem of deforestation, echoing critics of the CDM who argue that market-based approaches struggle to reduce deforestation if the price of credits are not kept high enough. Conservationists also fear forest communities could be persuaded to sign away their rights to land by cowboy carbon traders who fail to adequately protect the forest and ensure carbon emission reductions are delivered.

But without trading, the question remains over how forestry projects are to be funded when governments are still feeling the pinch of the global slowdown. A UN-backed report published in February 2014 found that [if an EU target for a 50 per cent reduction in tropical deforestation by 2020 is to be met, current commitments would effectively fund only three per cent](#) of the reduction.

Meanwhile, logging rates have remained high in many regions. And last year deforestation efforts were dealt a further blow when Ecuadorean President Rafeal Correa [scrapped a pioneering scheme to keep oil in the ground under part of the Yasuni national park](#) after the international community contributed just \$13m to a proposed \$3.6bn fund that would have rewarded the country for protecting the forest. In May, the government signed permits for drilling in the 6,500 square mile reserve, known as block 43, and oil production could start as soon as 2016.

## Recent developments

The high-profile failure of the Yasuni Ishpingo-Tambococha-Tiputini (ITT) initiative seems to have concentrated minds, with renewed efforts now being made by both businesses and politicians to address deforestation.

This September the New York Declaration saw hundreds of governments, businesses, NGOs and indigenous peoples' groups jointly [pledge to halve the loss of forests by the end of the decade and halt it entirely 10 years after that](#). If this ambition is achieved, it could avoid between 4.5 and 8.8 billion tons of carbon dioxide each year, equivalent to removing one billion cars from the roads.

The same week Norway committed \$300m towards protecting Peru's rainforests and [teamed up with the UK and Germany](#) to push for large economic incentives under the UN's REDD+ programme in next year's Paris negotiations. And the Democratic Republic of Congo, Ethiopia, Guatemala, Uganda and several other countries said they would make national pledges to restore over 30 million hectares of degraded lands, more than doubling the 20 million hectares already pledged to date under the previous Bonn Challenge.

Just weeks later, M&S, B&Q, Penguin Random House and Carillion were among the signatories of a [new WWF-UK campaign to close the legal loopholes in the European Union Timber Regulation](#) (EUTR). They say that currently less than 50 per cent of the value of timber products coming into Europe are confirmed as coming from legal sources with unsustainable forestry products entering the bloc via everyday objects such as chairs, books and musical instruments that are not included in the legislation.

Unsustainable palm oil is also on companies' hit list. The product is used in everything from food to biodiesel, but huge plantations have been cut out of rainforests in Indonesia, Malaysia, and South America threatening wildlife and releasing huge volumes of carbon. The Roundtable on Sustainable Palm Oil (RSPO) was set up in 2004 to address the problem and says currently 18 per cent of global production is certified sustainable. Most major retailers are now members with commitments to grow their use of RSPO-certified palm oil. Earlier this month an alliance of most of [the main food and drink producers in Norway pledged to use only sustainable palm oil](#) and RSPO is hopeful others will follow suit.

These initiatives just scratch the surface of all the action that is taking place at a corporate and regional level, but it is clear more work needs to be done before deforestation can be halted. Critics say even the New York Declaration effectively green lights continued logging of natural forests until 2030 and many will argue that the latest pledges are nothing new - the world has raised expectations in the past, but continued to raze forests regardless.

But with consumers increasingly demanding responsibly-sourced goods, governments and businesses are realising the importance of addressing the problem, mobilising political will and - in theory - much-needed finance. The question is whether they can act in time or if it is already too late.

*This article is part of BusinessGreen's [Zero Deforestation Debate](#)*

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