



## How to make Guatemala green?

**-Jerker Thunberg, March 30, 2009 in Guatemala-**

The national forest programme (nfp) is the internationally agreed tool to implement SFM and the Facility was established in 2002 to support countries to implement their nfp. Today the Facility has 70 partner countries, including Guatemala and your neighbours in Central America, and 4 regional partners including ACICAFOC and CCAD here in Central America.

Let me start by saying that I strongly believe that S multipurpose FM is one very important platform for a greener Guatemala and a greener and more sustainable world.

I also believe that this workshop is very timely given the present global focus on two issues: the climate change and the financial crisis. Both issues are serious and as I believe that the forest sector both can and should help in getting back on the right track again on both, I would like to focus my presentation today on those two global issues. I think we foresters actually can get two bad flies in one hit! (as we say in Sweden)

Let me start with the, hopefully, more short term financial crisis. The worst since the Great Depression of the 1930's and in spite of efforts of governments and central banks to reverse the down-ward trend there are considerable uncertainties as to when the decline will stop and recovery start. Under the most optimistic scenario an upturn could start in the next two years, but many are much less optimistic.

The global decline in demand for forest products is resulting in a drastic scaling down of production, trade and rural employment. Rural unemployment is one of the major causes of forest clearance, illegal logging and degradation (for wood fuel, charcoal, collection of endangered plants and animal species etc). The declining demand for wood and wood products will also reduce investments in SFM. Forest owners, including corporate and small holder investors, are likely to scale down investments for new plantations and forest management, negatively affecting future wood supplies and environmental services. Forestry however, could play a very positive role in the economic stabilisation efforts, particularly through creation of more jobs and rebuilding the natural resource base.

The main thrust of the stimulus packages approved by Obama in the US and by the EC and other governments, totalling over 3 trillion US\$, is on employment generation. Income through more jobs is expected to enhance consumption and thus stimulate production and further employment helping to break the downward spiral. A number of countries are also emphasizing movement towards a greener future, giving emphasis to sectors that will create real assets, improve energy efficiency, and increase the use of renewables and combat climate change. A number of countries, for example China, USA and the Republic of Korea have already included forestry as an important component of their current economic stimulus packages, with particular focus on job creation.

As an example the US Forest Service has got some 15 billion US (less than 1,5% of the total package – but still a lot of resources) to create employment in the rural US in forest management, plantations, fire breaks, tourist trails in national parks etc. This not only creates employment in the country side, but afforestation, reforestation, management of natural forests, conservation,

watershed protection, agroforestry, urban forestry etc. directly also contributes to climate change mitigation and adaptation. In fact, providing employment in the forest sector will have a double advantage, by way of slowing down deforestation and degradation (REDD) that would have taken place in the absence of employment and by increasing carbon sequestration through increased plantations.

We have already a long and positive history of public investments in forestry aimed at creating jobs and to build and restore natural assets: i) During the depression in US in the 1930s, timberlands were reforested, forest fires were fought and national parks were maintained, providing a solid base for nature conservation and forest management in the US  
ii) most of the forests in Japan were established as part of the post second world war reconstruction programme providing substantial employment to local communities. I think past and present examples are worthwhile to push in countries where governments are thinking on how to stimulate the economy in the global difficult times to come. It is already felt globally, but it will become worse in many countries before it's getting better.

### **Friends, my concern is the following:**

The government may not think about forestry as a vehicle to create employment and at the same time contribute to climate change mitigation and adaptation and to the move towards a green economy, if we foresters don't tell them. My concern is based on our Facility experience that the forest sector is very weak in communication, lobbying and advocacy! We have to become much more proactive and vocal! We foresters, no one else, are responsible for a sector which is important not only as raw material for buildings, furniture and paper, but for rural livelihoods, poverty reduction, water, energy, agricultural production, ecotourism and the climate. We need to communicate that and present values of all those services to the public, to the private financing sector and investors and to our decision makers. They either don't know the importance of the forest and trees or they don't want to know, because these, so called, environmental services are provided free of charge. This cannot continue! All these services, not only the wooden products, have to be accounted for in the national accounts of GDP and they have to be paid for by the users of the services, whether it's the global population, as in the case of the climate, or the national tourist company as in the case of biodiversity, or the local brewery or farmer as in the case of water. The Facility together with INAB is organising a workshop in the coming three days to discuss some 20 concrete examples in Central America describing how the forest managers are being paid by the water users. It's my hope that this workshop will provide the forest sector with ammunition to negotiate with both government, local and national, and the private sector on the need to pay for services provided by the forests and trees.

It's the right time now! The climate change issue has finally put forests and trees back on the political agenda and we must take advantage of this.

Let me then turn to the second global issue: the climate change and its link to forests and trees.

### **First a brief background:**

Although forests are increasingly being recognized for their environmental services (water supply, carbon sequestration, biodiversity conservation, flood control, soil protection and desertification) and social and cultural value in addition to its economical value, global deforestation remain high. Approximately 13 million hectares of forest are lost every year. Deforestation rates are particularly high in tropical countries. Protected areas are considered one of the most efficient and cost-effective option for conserving forests, but in populated areas we know that SFM is the only

framework valid across all types of forests. SFM allows the use of a wide range of forest products while at the same time addressing the pressure on the forest. Despite this potential, many countries still lack the capacity to efficiently implement SFM on a large scale. Guatemala, I guess, is no exception!

As result the deforestation and forest degradation continues and contributes about 17, 4% (according to the Intergovernmental Panel on Climate Change, IPCC) of global greenhouse gas emissions. This is more than the emissions from the transport sector (13,1%). Of particular concern is the conversion, to other land uses, and degradation of tropical forests. The main reasons are rapid population growth and the associated need for farming and grazing land. Other reasons include mining, cattle ranching, illegal logging, road construction and the production of biomass for biofuels.

Forest ecosystems are estimated to contain about 80% of above ground and 40% of below ground terrestrial carbon. At the moment there is more carbon stored in forests than in earth's atmosphere, and thus the role of forests as carbon reservoirs has gained remarkable attention over the past two years. Today there is consensus that any future climate deal (after the Kyoto Protocol in 2012, to be negotiated in Copenhagen in Dec this year) that does not fully integrate forestry will fail to meet the necessary targets.

SFM is increasingly recognized as an effective tool or platform to mitigate climate change and, it is believed, at a comparatively low cost. SFM has the potential to contribute to the mitigation in the following ways:

- reduced emissions from deforestation and degradation
- carbon uptake in growing trees
- replacing fossil fuels by using carbon neutral fuelwood from sustainably managed forests
- processing of wood for furniture and construction and thereby storing carbon for many years

In addition healthy sustainably managed forests play a key role in helping people to adapt to the expected climate change impacts, by stemming land degradation, by protecting watersheds from severe draught events and landslides etc. Healthy forests are also more resistant to insect outbreaks and fires.

The Kyoto Protocol includes afforestation and reforestation efforts in developing countries under its Clean Development Mechanism (CDM). However, less than 1% of all CDM projects have dealt with afforestation or reforestation (only one approved project in China). The Facility partner countries explain why: "the procedure is simply too complicated and thus we don't have the capacity to fulfil all requirements!" At the time of negotiations of the Kyoto Protocol one of the reasons for not including reduced deforestation was the methodological difficulties in accounting for emission reductions.

However, as we all know by now, in Bali in December 2007 the parties agreed to consider the inclusion of REDD (Reduction of Emissions from Deforestation and Degradation) as well as SFM in developing countries in the future Climate Agreement.

At the moment all efforts are focused on the elaboration of proposals, to be presented in Copenhagen in December this year, on how REDD could be incorporated. It is likely that developing countries will be provided with financial incentives to reduce their emissions from deforestation and forest degradation compared to a business as usual scenario.

The key challenges include the generation of reliable baseline scenarios, the establishment of a credible system for monitoring, assessment and verification and the provision of sufficient new and additional funding. Given the present situation, in most developing countries, of lack of

reliable data on forests and deforestation rates, a prerequisite for all participating countries will be their capacity to monitor and report changes in forest areas, forest quality, and carbon stocks. It will also be crucial that the financial incentives provided by the new funding will exceed the opportunity costs of deforestation and forest degradation and that they really reach the people in rural areas depending on the forest for their livelihood.

Several international funds have now been established and most of them are addressing land use change and REDD. The World Bank's Forest Carbon Partnership Facility, the GEF's SFM Programme, the UN-REDD and countries like Norway, Australia and the UK have announced initiatives that all are associated with reduction of deforestation. Given that the initiatives target REDD they thus also focus on the regions having the highest degree of deforestation and degradation in tropical forest; the Amazon, the Congo Basin and the Borneo/New Guinea region in SE Asia.

However, Guatemala has recently been accepted for the Forest Carbon Partnerships Facility (FCPF) set up by the World Bank and work will begin to develop the instruments needed.

Friends, I sincerely hope you will be able to develop the capacity needed! It will be hard work but it's a real opportunity.

I have two main concerns based on experience from many of our Facility partner countries: Primarily 1): Although we know that many of the underlying causes of deforestation and forest degradation occur outside the forest sector it is, to my mind, very important that the forest institutions and forest dependent people are involved in developing the national frameworks on REDD programs. This is often not the case! The issue is handled by the Ministries of Environment and experts on Meteorology measuring changes of carbon in the atmosphere. The knowledge and experience we have gained in the forestry sector on SFM during the last 20-30 years on what works and what does not work etc. is often not taken into consideration in the process of developing the REDD instruments. I think this is a serious mistake and will, to my mind lead to failure in reaching the objectives of REDD. But be assured, even if we are not involved, the forest sector will again be blamed for the failure!.

Secondly 2): Countries with existing high forest cover and low rates of deforestation, or areas with healthy and sustainably managed forests (for example certified forests), are omitted from the policy framework on REDD. Therefore, other incentive measures addressing the multiple benefits, other than carbon sequestration, from forests (like water, biodiversity, energy, soil protection etc.) must also be developed to prevent the perverse incentives now being developed to trigger deforestation in existing sustainably managed forest areas. Incentives that compensate for producing something rather than for not doing something (not deforesting and not degrading)

**Dear friends, I am coming to the end of my presentation.**

I wanted to tell you that we foresters right now have a unique possibility to help mitigate the effects of both the financial crisis and the climate change and we can do it at same time and with the same tool: increasing the area under Sustainable Multipurpose Forest Management! And as I said initially, SFM is also a very important platform for a greener world!

It's a tremendous opportunity, but nobody will ask us to do it ! We have to very actively communicate this to our finance and environment people, at the moment in charge of the issues. They have to understand the role that forests can play and we foresters are the only ones that could tell them!

**Let's do it!**

Filename: Greener Guatemala documentation english.doc  
Directory: E:\FACILITY\PPP  
Template: C:\Documents and Settings\perri\Application  
Data\Microsoft\Templates\Normal.dot  
Title: Dear friends and colleagues,  
Subject:  
Author: Thunberg, Jerker (FOED)  
Keywords:  
Comments:  
Creation Date: 3/27/2009 11:54:00 AM  
Change Number: 2  
Last Saved On: 3/27/2009 11:54:00 AM  
Last Saved By: Perri  
Total Editing Time: 2 Minutes  
Last Printed On: 3/27/2009 11:55:00 AM  
As of Last Complete Printing  
Number of Pages: 4  
Number of Words: 2.189 (approx.)  
Number of Characters: 12.482 (approx.)