J. MANN

Cash alone will not slow forest carbon emissions

To succeed, the REDD initiative needs a dose of 'GREEN' to restore degraded forests and help boost economic development, argues **Andy White**.

For more than three years, the world has been trying to implement a practical way to tackle greenhouse-gas emissions from forests. Known as Reducing Emissions from Deforestation and Forest Degradation (REDD), the initiative was launched at the United Nations Climate Change Conference in Bali in 2007 with great hope and no small measure of hype. Progress on REDD was hailed as a major success at the UN climate talks in Cancún, Mexico, late last year.

The ensuing experience has convinced me that it is time for some mid-course corrections. What's more, a host of new studies shows that REDD will fail unless governments give higher priority to restoring degraded forests and promoting community conservation and enterprises in forest areas.

The goal of REDD was to reduce emissions from deforestation and forest degradation, recognized in 2007 as some 20% of global carbon emissions. It was boosted by the *Stern Review of the Economics of Climate Change*, which stated in 2006 that curbing deforestation would be both cheap and fast compared with other options to reduce emissions. By 2008, governments agreed that more than US$20 billion a year would be needed to convince forest owners in developing countries to leave their trees standing. REDD quickly focused on luring private capital and setting up carbon markets, and drew the support of industries in developed countries that were keen to offset emissions. Developed countries earmarked $4.5 billion to help governments in developing countries to prepare to trade forest carbon.

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The carbon market has proved more difficult and expensive to develop than many expected. Property rights in rural and forested areas of many developing countries are unclear and contested, and there is little agreement on who owns the land, much less on who owns the forest or the carbon. Serious scientific challenges hamper efforts to measure carbon and monitor changes in land use. And a new study by the US-based Munden Project, which specializes in designing commodity markets, shows that a global forest carbon market could easily be manipulated and would not reduce deforestation.

Yet as the world struggles to develop REDD, national and international data show that deforestation is declining. Recently released UN figures show that, from 1990 to 2010, the net forest area increased in 58 countries that have more than 200,000 hectares of total forest, and was holding steady in another 18. Strikingly, 62% of those 76 nations are classed by the International Monetary Fund as emerging or developing countries, 8% as heavily indebted poor countries and 30% as advanced economies. Countries both rich and poor were thus protecting and restoring forests long before REDD. The estimated contribution of forest degradation to overall carbon emissions is now as low as 8%, according to a recent report by Winrock International, a non-profit organization based in Little Rock, Arkansas.

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These data reveal the central role of government choice. Studies compiled by the Rights and Resources Initiative (RRI) in Washington DC show that governments, not local people, are the primary drivers of global deforestation. Government policy and investment, generally encouraged by global demand for food, energy and wood fibre, sets off a chain reaction that leads to forest degradation or destruction. This is no surprise, given that governments still claim ownership over some 70% of tropical forests globally.

If government policy is behind the majority of deforestation, it is hard to see how cash payments through REDD would bring change. In Indonesia, the government-sponsored palm-oil industry generated more than $12 billion in government revenues alone in 2010 — much more than the $1 billion offered by Norway to establish REDD. Even if the carbon market works, REDD cannot compete.

The focus of REDD on finance has blinded us to other approaches to reducing forest emissions. Research shows that where indigenous peoples and forest communities have their rights recognized, they are far better forest stewards than are governments. A study by the RRI, commissioned by the World Bank, shows that the cost per hectare of recognizing rights is orders of magnitude less than the estimated costs of REDD. South Korea, China, Vietnam and Nepal have increased their forests in recent years, and an RRI study of global forest restoration shows that they have three things in common: sustained political commitment to reforestation, reforms to support local property rights and forest management, and local economic development.

Poverty is rife in forest areas, and both local people and their governments need employment, energy and economic growth. Worldwide, there are more than 1 billion hectares of degraded forest — land that, if restored, could produce more food, wood and bioenergy, and reduce everyone's vulnerability to climate change. In the face of growing global demand for all commodities, stopping deforestation without planting trees and creating jobs just shifts the destruction around and does not relieve the many other pressures on people and forests.

So to fix REDD, we need to focus on policies to support communities, and not markets for carbon. Alongside it, we need more efforts to restore degraded forests, increase employment and produce energy in rural areas. We at the RRI call this GREEN — Growing Restoration, Employment and Energy, Now. GREEN is not just an optional complement to REDD, it is crucial for its eventual success. ■

Andy White *is coordinator of the Rights and Resources Initiative in Washington DC. e-mail: awhite@rightsandresources.org*