

Avoided Deforestation and Poverty: Exploring the Links

Deforestation is a regular subject of discussion on both the climate and conservation agendas. The prospects for developing new mechanisms to reduce deforestation and other sources of greenhouse gas emissions from land use change, notably under the UN Framework Convention on Climate Change, are currently fueling international debates. However, the impacts of land use change extend beyond biodiversity loss and the increase in greenhouse gas emissions. Indeed, the livelihoods of many of the world's poorest societies are directly linked to the clearing and conservation of forest ecosystems. The rural poor depend heavily on the extraction of timber and non-timber resources, as well as the conversion of forests to agriculture. Forest ecosystem services such as water supply and crop pollination also play a key role in supporting rural livelihoods. While the rural poor depend heavily on forests, their poverty has also been identified as a driver of deforestation, in some contexts. Inevitably, any new efforts to reduce deforestation must address the complex linkages between forests and poverty.

Members of the Poverty and Environmental Partnership (PEP) have therefore joined forces to develop a platform for further investigation and sharing information on the complex linkages between conservation, climate and poverty, as an input to on-going policy debates. A PEP working group has been created to share information, stimulate dialogue and assist national authorities to explore potential opportunities for jointly alleviating poverty, avoiding deforestation and mitigating climate change.

PEP is an informal network of development agencies and environmental NGOs, which seeks to improve the coordination of work on poverty reduction and the environment within the framework of internationally agreed principles and processes for sustainable development. During the 11th PEP conference, held June 18th-20th, in Copenhagen, Denmark, participants expressed interest in further exploring the linkages between climate change, biodiversity conservation, and poverty reduction. The issue of avoided deforestation rapidly emerged as a topic deserving urgent attention.

Several high-level meetings, such as the recent G8 + 5 summit, have highlighted the importance of the issue of avoided deforestation. However, there has been relatively little attention to ensuring that poverty concerns are adequately addressed in this debate. As a coalition of agencies working on development and environmental issues, the PEP is well-suited to provide a platform for exploring the poverty implications of mechanisms to reduce deforestation, as a contribution to international environmental policy making. Feeding into discussions in the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD), PEP will offer a neutral platform for integrating poverty into conservation and climate discussions.

DRAFT CONCEPT PROPOSAL

As the hosts of the next UNFCCC Conference of the Parties, and as a major forest nation, Indonesia will be a key partner in discussions on policies to reduce deforestation. Thus, the various activities of the PEP working group will be carried out in close collaboration with their Indonesian partners. Some specific activities proposed before and during the next round of climate negotiations in Bali include:

- Review the poverty and socio-economic implications of the main proposals submitted on avoided deforestation to both the CBD and the UNFCCC.
- Participate and draw lessons from the upcoming CBD SBSTTA-12 meeting, in July 2007 in Paris.
- Inform participants of the Head of States conference on climate change (24 September 2007) on the linkages between avoided deforestation and poverty.
- Organize a side event on avoided deforestation and poverty during the upcoming Conference of the Parties to the UNFCCC in Bali.
- Prepare a report on avoided deforestation and poverty and organize additional events as appropriate in the context of the forthcoming Conference of the Parties of the Convention on Biological Diversity.

Budget (up to and including the Bali CO) –

Personnel costs	
Working Group members contributions	
Consultants	
Organizational assistance	
Communications	
Telephone and fax	
Publications, flyers, posters	
Bali side event	
Travel	
Food	
Room rental	
Pre-Bali working Group meeting	
Travel	
Food	
Room rental	

DRAFT CONCEPT PROPOSAL

Proposed Bali side-event on avoided deforestation and poverty:

Issues to include in the agenda:

- Poverty and forests
 - o Forestry and human well-being
 - o Ecosystem services and local livelihoods – what are the trade-offs?
 - o Drivers of and responses to deforestation – what have we learned?
- Poverty implications of mechanisms to reduce deforestation
 - o The carbon market as a financing mechanism for avoided deforestation
 - The PES paradigm
 - Voluntary and regulatory markets for offsets
 - o Other proposals?
- Benchmarking and monitoring AD-poverty linkages
 - o Measuring the livelihood benefits and costs of AD
 - o Addressing negative externalities on livelihoods (perverse incentives, equity concerns, etc.)
- Governance and institutional issues

The Working Group –

Partner organizations: Asian Development Bank (ADB), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), The World Conservation Union (IUCN), and the World Resources Institute (WRI)...

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