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#### Forest certification and REDD+ projects: Are there possible integrations?



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#### Outline

- 1. Definitions and background
- 2. Research objective and design
- 3. Methodology
- 4. Results
- 5. Final remarks: further steps needed?





## Compliance market for REDD+

Three major confirmations at COP-16 :

i)inclusion of sustainable management of forest (e.g. improved forest management -IFM) and the enhancement of forest carbon stocks (e.g. afforestation and reforestation -A/R)

ii)REDD+ projects need to deliver "co-benefits"

iii)Need to ensure effective and full participation of indigenous peoples and local communities



## Voluntary market for REDD+

Still marginal share due to critical organizational aspects as stakeholders' participation, carbon credits, transparency and accountability in the decision-making process, etc.





# In practice?

## Features of forest certification

- Third-party (independent and accredited) certification
- Voluntary based
- Certification of **products** (a little bit of process too)
- Performance-based (pre-defined external performance level) -> prescriptive requirements
- to ensure responsible management of forests to allow the sourcing of forest (timber/non timber) products (services???) from them

## Why forest certification?

- Experiences and recognition over the past fifteen years
- FSC certified temperate forests are likely to store more carbon than uncertified ones (Foster *et al.* 2008)
- Findings could be easily validated for tropical forests as well if better forestry practices are implemented (Putz and Pinard 1993; Boscolo et al. 1997; Pinard and Cropper 2000; Keller et al. 2004; Putz et al. 2008)
- FSC certified forests have shown lower deforestation and forest degradation rate with respect to adjacent protected areas (Griscom et al. 2009).

#### **Research Objectives**

- Define and clarify, adopting a value chain perspective, the inter-linkages, barriers and synergies between FSC certification and REDD+ projects
- Propose strategies to integrate forest certification into REDD+ projects

How FSC forest certification value chain and REDD+ projects could be harmonized?



## **Design: 3 steps**

#### 1. FSC & REDD+ actors' views

- 2. Relation between carbon and FSC standards
- 3. Benefits portfolio analysis of REDD+ projects and their links with forest certification

#### Houben et al. 1999

### **Research methodology**

1. actors' views: SWOT analysis

#### 2. carbon and FSC standards:

- Meta-Standard Framework (WWF 2008), definition of list of critical points
- What critical point are the standard covering?
- Gap analysis FSC/carbon standard: what standard best fit with FSC?
- Weighting factor
- 3. Four REDD+ **case studies:** benefits portfolio analysis
  - Multiple case studies analysis (Yin 2009)
  - Boston Consulting Group Matrix (BCG-Matrix)

Results (1/5): Actors' view			
Strengths	Weaknesses		
<ul> <li>Ensure social and environmental safeguards</li> <li>Income diversification</li> <li>Stakeholders involvement</li> <li>Independent and accredited certification process</li> </ul>	<ul> <li>No carbon pools estimation and monitoring</li> <li>No system for selling carbon</li> <li>No additionality, permanence and leakage insurance</li> </ul>		
Opportunities	Threats		
<ul> <li>Combining forest certification and REDD+ auditing</li> <li>Combining forestry inventory with carbon inventory</li> <li>Rapidly organize the project</li> <li>Improving "normative" part of the REDD+</li> <li>Network of 17 000 certified companies, 900 members and CETN</li> </ul>	<ul> <li>Low credibility of exister initiatives</li> <li>Oversupply of carbon credits</li> <li>Economic trade-off betwee timber and carbon</li> </ul>		

#### Results (2/5): FSC standard analysis

40 critical points divided into 4 modules: 1.legal framework of the project; 2.credible carbon accounting;

3.positive environmental, biodiversity and social impacts; 4.long-term financial stability of the project.

Module	Critical points	FSC	FSC P&C
	Project area definition	1	2.1, 7.1
			2.1, 2.2,
	Land tenure/ownership	1	3.1, 3.2,
			7.1 b-h
1	Land tenure disputes	1	2.3, 4.5
Framework	Norm mapping at local, national	4	1.1, 4.2
	and international level	I	
	Law compliance at local, national	1	1.2, 1.3,
	and international level	I	1.4, 4.2
	Carbon credits property rights	0	-
	Authorities approval	0	-

# **Results (3/5): FSC gap analysis** Capacity of carbon standards to cover the critical REDD+ organization aspects "uncovered" or "half covered" by FSC



	MARKET GROWTH (investment	RELATIVE MARKET SHARE (profit with respect competing products inside the REDD+ project)	
	required)	High	Low
Madre de	High	Timber for flooring/veneer	Carbon credits
Dios (Peru)	Low	Timber for sawnwood	NTFP
A	High	Intensive agriculture	Timber for sawnwood Carbon credits
Angai (Tanzania)	Low	Subsistence agriculture Fish farming	NTFP Firewood Research and training

**Results (5/5): BCG-Matrix** 

FSC integration is easier when carbon credits and timber have both high market growth but different market share (one being *stars* and the other *question marks*)  $\rightarrow$  FM/CoC combined with VCS

When carbon credits and timber have same category (Angai), they are likely to compete for resources.  $\rightarrow$  combined Fair Trade/FSC certification suitable for wood products with high local added value (Macqueen *et al.* 2008) and CCB standard or a Plan Vivo



### **Final Remarks**

- increasing commitments in the regulated market and actions in the voluntary: this attempt seems timely and helpful
- Integration of FSC and REDD+ needs further refinement.
- FSC cover more than the 50% of the critical organization points of a REDD+
- VCS, CCB and ACR complete more than 90% of FSC gaps
- BCG-matrix simplify the interpretation of strategies to integrate the FSC in REDD+ under different market position, investments composition and social and environmental context

