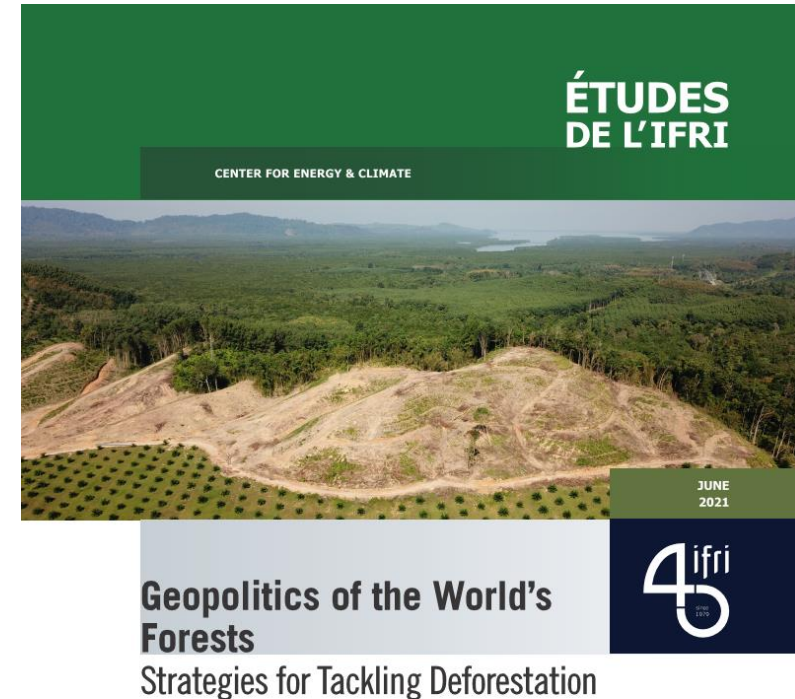


# Geopolitics of the world's forests

Strategies for tackling deforestation

Alain Karsenty

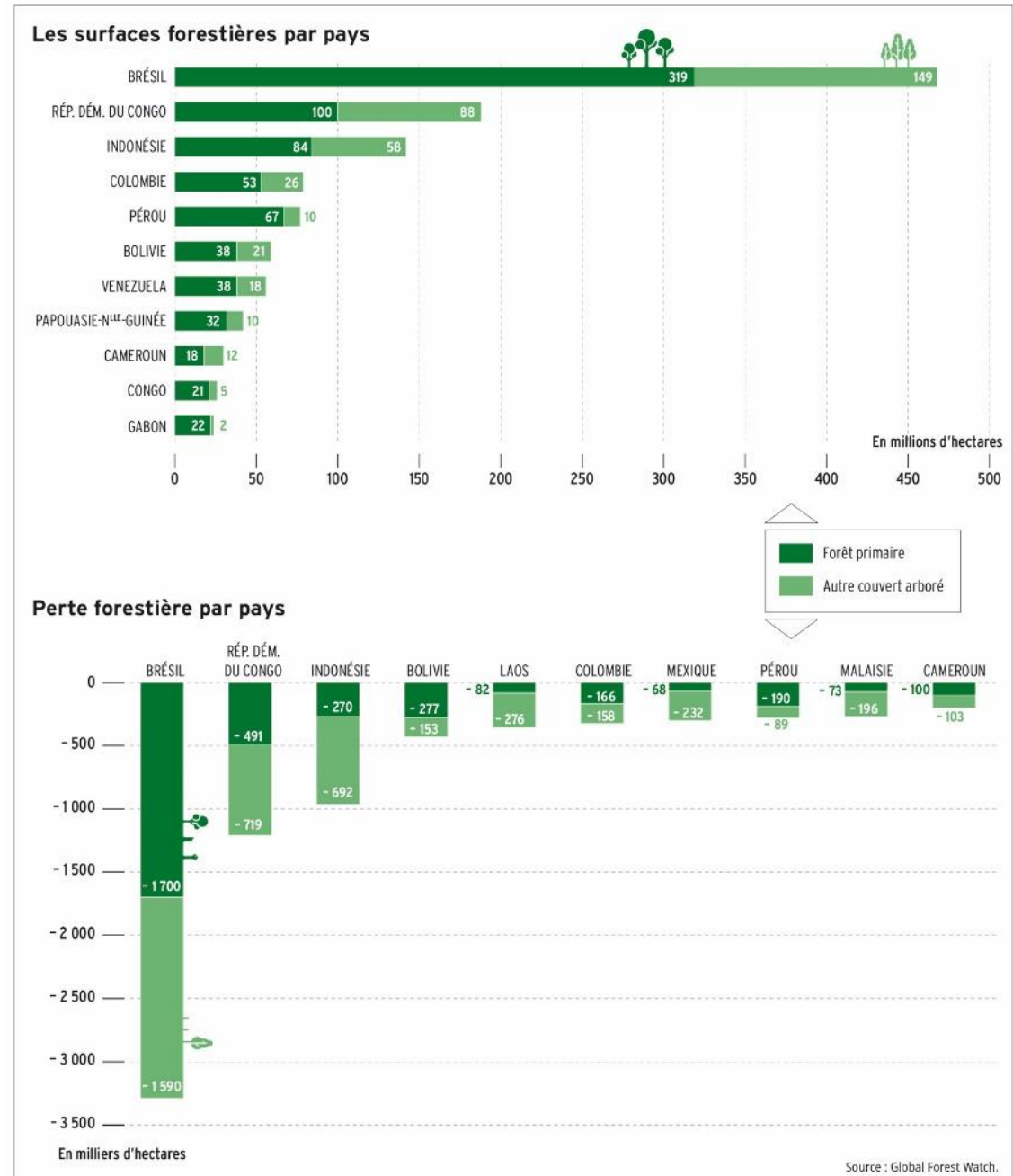


ALAIN KARSENTY

Persistent deforestation in tropical forests (-10 M ha in the last decade, half as much in "net" terms).  
 10-15% of annual anthropogenic emissions (not including degradation due to selective logging)

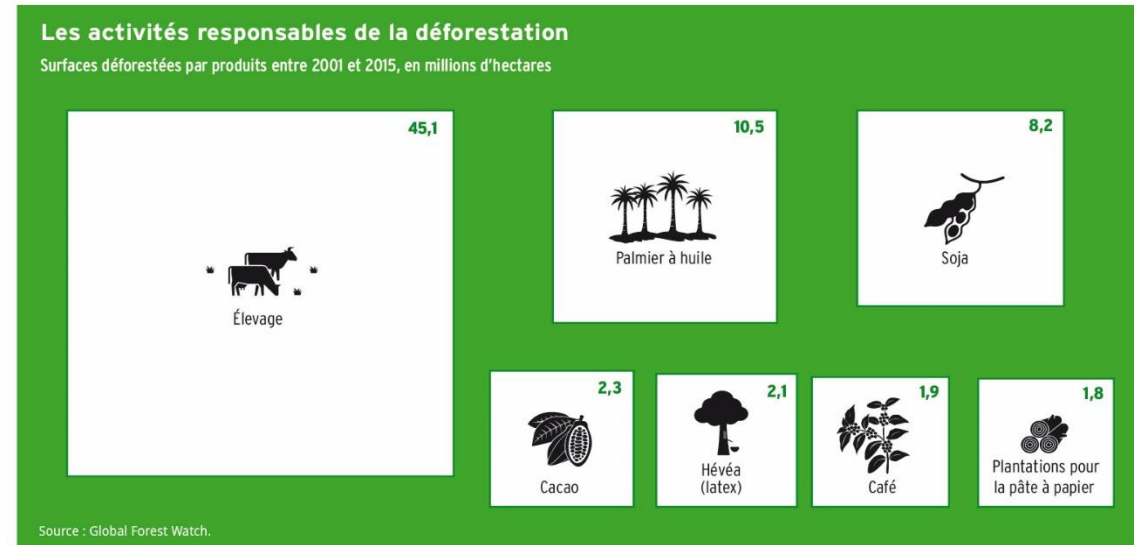
An increase in deforestation in Africa linked to the expansion of small-scale food and cash crops (rice, maize, cassava, cocoa, oil palm, etc.).  
 However, significant decrease in 2019-2020.

Significant reforestation in Asia, particularly in China, but biodiversity losses associated with poorly diversified plantations



# Drivers (and underlying causes) of deforestation

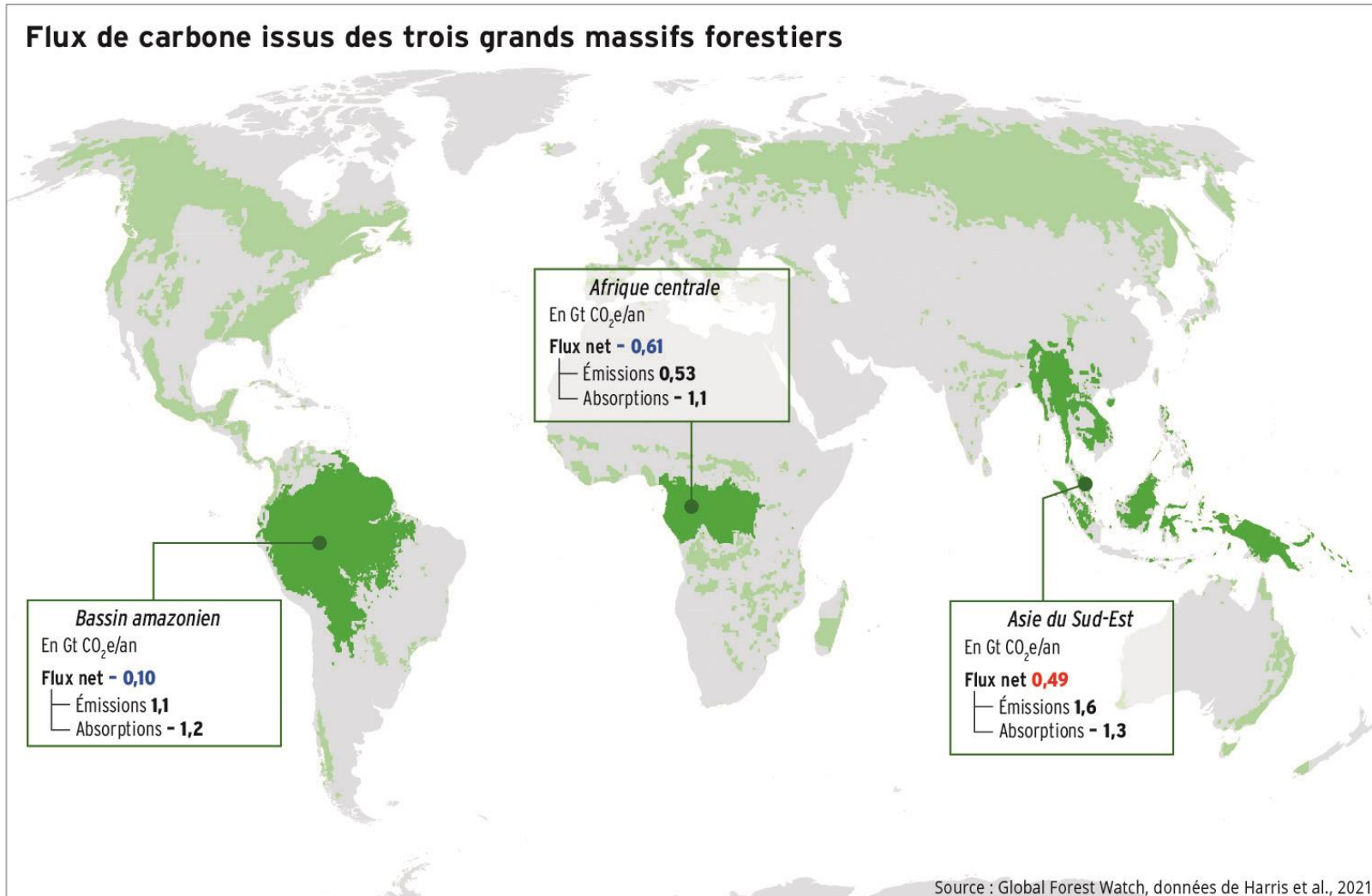
- Agriculture/livestock is the primary driver of land use change (deforestation)
- Commercial agriculture is the primary driver (including small-scale cocoa and oil palm producers)
- In Africa, peasant food and cash crop farming, combined with charcoal burning, dominate



The underlying causes are multiple:

- Increasing global consumption of products from tropical agriculture (soya, oilseeds, cocoa, etc.)
- Agrofuels (palm oil, soya, sugar cane)
- Inequality and ambiguity of land rights
- Forest lands grabbing by agribusiness
- Over-accumulation of livestock (e.g. Sahel)
- High population growth combined with lack of capital and inappropriate cultivation practices
- Cultural representations of 'development'

# Tropical forests are gradually shifting from carbon sinks to net sources of emissions



- Deforestation, but also degradation (selective logging, charcoal burning, etc.) are the cause
- Water and heat stress which increases mortality (tipping point 30-32°, annual average of 25°) and turns sinks into net sources
- Huge uncertainties (global net sink: -7 ±49 GtCO<sub>2</sub>)...
- "Mega-fires" ...

# COP 26 outcome: phase out deforestation in 2030?

- Net deforestation (not gross deforestation) targeted (biodiversity at stake)
- The idea that a country could decide to stop deforestation is an illusion
  - Much deforestation, especially in the poorest countries and 'fragile' states, is beyond the control of governments (especially in Africa with small-scale agriculture, charcoal, unclear land tenure, demographic growth...)
  - Addressing the drivers and underlying causes is necessary but will take time
- Two more realistic objectives, which can be decided by the States, could have been proposed:
  - For developing countries, a commitment to renounce all legal and planned gross deforestation.
  - For developed countries, a commitment by all to develop and adopt, before 2025 (for example), legislation to combat imported deforestation in agricultural and forestry products

# An international instrument based on incentives: REDD+

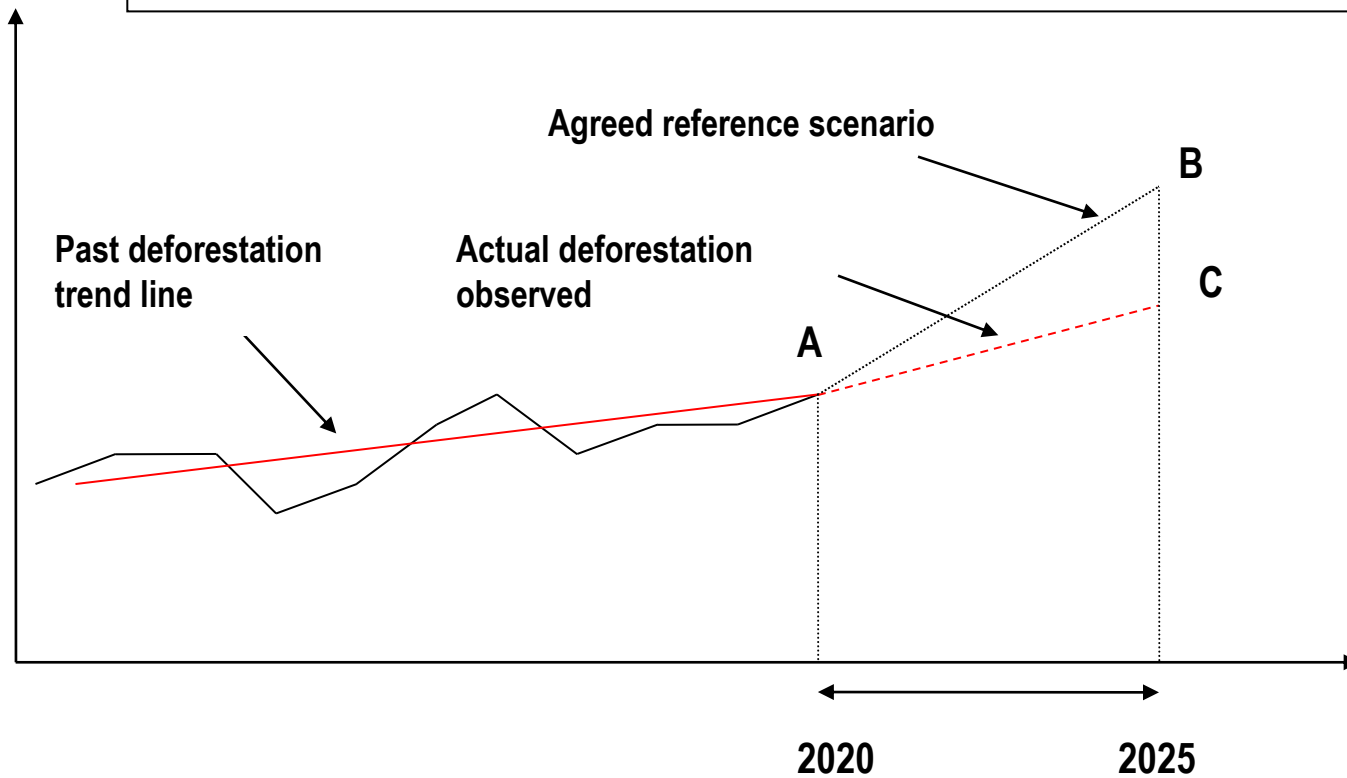
- Deforestation seen as an opportunity cost problem to conserve forests
- Paying countries to reduce deforestation
  - Two possible options: Green Climate Fund or emissions trading
  - Parallel (competing?) initiatives to the UN mechanism: REDD+ projects for corporate "carbon offsetting"
- Two strong assumptions:
  - That the states concerned are able to decide on the basis of a deliberation based on a cost-benefit analysis
  - That 'fragile' states with little legitimacy are able to implement appropriate policies and measures to reduce deforestation



# Predicting the worst: a rational strategy?

Deforestation  
(ha cleared  
per yera)

Diagram of a payment for "avoided deforestation" with the reference scenario method including an "adjustment factor"



Area [ABC]: 'Avoided' deforestation (relative to the scenario) eligible for carbon credits or compensation

- The 'results' depend on the counterfactual business-as-usual scenario presented
- BAU is often interpreted as the scenario of assumed irresponsibility
- CoP 19 Warsaw 2013: “The [UN appointed] *assessment team shall refrain from making any judgement on domestic policies taken into account in the construction of forest reference emission levels (...).*”
- Emission reductions are likely to be non-additional (and non-permanent)

# Reconsidering the notion of 'performance' (or results)

- Many of the factors that influence deforestation levels are beyond the control of governments (prices of major agricultural commodities, exchange rates, interest rates and inflation...)
- Performance (or "results") must be rethought from three perspectives
  - The **coherence of public policies** with direct and indirect impacts on forests is the key element
  - The **implementation efforts** of reforms and regulations should be analysed on a case-by-case basis
  - The assessment of the "carbon and biodiversity" **effects** of the measures taken (**theory of change**)
- Political acceptability easier in a bilateral framework (e.g. partnerships with Norway) than in a multilateral framework where judgements on the content of public policies are very delicate
- Entrust an independent scientific committee with the analysis and evaluation of "performance"

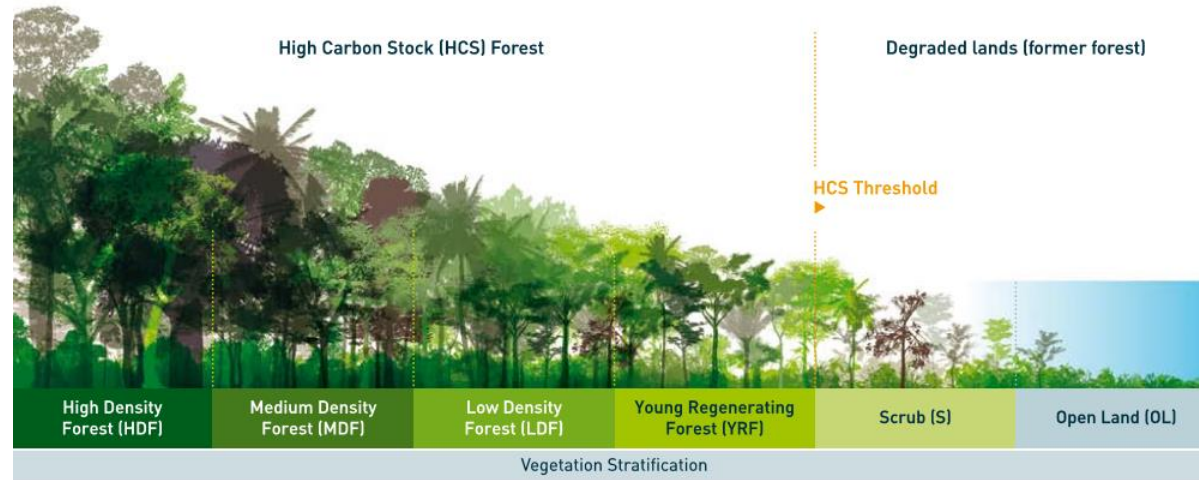


# Imported deforestation challenges : forest definitions and 'legal deforestation'



- Widely varying definitions of forest from country to country
- So-called "degraded" forest areas legally open to conversion ("conversion forests")
- A significant part of imported agricultural production **is the result of legal deforestation** under the rules of the producing country
- **What to do when deforestation (or conversion of important natural ecosystems) is legal?**

# ***High Carbon Stock Approach* : potentially appropriate for the issue**



- Definitions of forest (thresholds trees cover 10%, 30%, more...) and cut-off date (prescription of past deforestation) will not be unified
  - Neither possible nor desirable
  - Forests in Burkina and Gabon are very different and adopting the same definitions would be questionable
- High forest cover countries will tend to have narrower definitions of forest, so that more land can be allocated to agriculture without being accused of deforestation
- Interest of the HCS approach which proposes possible thresholds for forest/non-forest distinction by biome (carbon, biodiversity, social)

# Voluntary commitments and imposed criteria



- Imposing criteria (different from those of exporting countries) on companies on the definition of forest and a deadline would expose the EU to trade retaliation and complaints at WTO level
- Calls for a graduated response, differentiating between illegal and legal deforestation
- If due diligence is successful (no or negligible risk of illegality), but the product is **not Zero Deforestation** certified, then a **higher tariff** is applied.
- If due diligence is successful and the product is **ZD**, then a **favourable tariff** is applied

# Change the current tariffs (import duties)

- Many tariffs are at 0% (soybeans, cocoa, natural rubber, pulp) due to trade agreements
  - Differentiation will be achieved by raising several tariffs for non-ZD certified products (renegotiation of agreements)
  - Rely on WTO exceptions associated with processes and production methods and/or on GATT Article XX
- Ecological tax logic: initial additional revenue to be extinguished when the target is reached (all imports are certified)
- Need to allocate additional revenue to support programmes for small producers in the countries (in proportion to the taxes generated by their exports to the EU)
  - Help producers to change their practices (ecological intensification) to enter certification systems (group, territory)
- Allocation of additional revenues to countries of origin to limit accusations of disguised protectionism
- Also allows for a plea of “good faith” in the WTO framework