

ITTO Tropical Forest

UPDATE

A newsletter from the International Tropical Timber Organization to promote the conservation and sustainable development of tropical forests



Paying our dues

People are accustomed to benefiting from tropical forest environmental services for free or at minimal cost. We use the clean water tropical forests deliver, take for granted their function in absorbing and storing carbon, and exploit their biodiversity in agriculture, the pharmaceuticals industry and forestry.

The time has come, however, for the world to start paying for these environmental services—or face the consequences of losing them. An underlying cause of tropical forest loss is that agriculture out-competes forest as a land use, and, as a result, tropical forests continue to be cleared or degraded. On the other hand, demand for tropical forest environmental services is increasing: expanding cities need more drinkable water,

biodiversity is increasingly seen as an essential resource for ecotourism, science and agriculture, and climate change due to rising atmospheric concentrations of greenhouse gases looms as a global calamity, which can partly be mitigated by maintaining healthy tropical forests.

Payments for environmental services (PES) can help bridge the gap between the economic returns from agriculture and those from sustainable forest management (SFM) and, in so doing, can help reduce and eventually reverse tropical forest loss and degradation. This edition

Special edition: International Forum on Payments for Environmental Services of Tropical Forests



Contents

... Editorial continued

Opening ceremony	3
Session 1: PES for sustainable forest management	6
Session 2: Developing innovative financing mechanisms	10
Session 3: Ensuring benefits for local communities	15
Session 4: Establishing robust governance and institutional arrangements	22
Key messages, summary and recommendations	28

of the TFU summarizes discussions at the International Forum on Payments for Environmental Services of Tropical Forests, which was convened in April 2014 in San José, Costa Rica, by ITTO, the Food and Agriculture Organization of the United Nations (FAO), and Costa Rica's National Fund for Forestry Financing (FONAFIFO). Among other things, the Forum examined existing PES schemes in tropical countries, including Costa Rica, and showed that such schemes are increasingly widespread, although mostly still at a small scale.

The Forum had six main components: an opening ceremony, featuring speeches by forestry leaders, including Costa Rica's Minister of Environment, Energy and Oceans, Dr René Castro; four sessions on, in turn, the potential role of PES in promoting sustainable forest management, the development of innovative financing mechanisms, ensuring benefits for local communities, and establishing robust governance and institutional arrangements; and a discussion of the way forward. This edition of the TFU follows this format, summarizing the presentations and capturing the discussion on the way forward in the recommendations contained in the Forum's summary statement, published in full on pages 28-32 of this edition.

Forum participants concluded that PES schemes can help alleviate rural poverty, reduce tropical deforestation, stimulate the rehabilitation of degraded forestlands and increase the adoption of SFM. Overall, however, such schemes are having their desired impacts in only a few tropical forests, and action is needed, therefore, to scale them up. To do so, a number of actions could be taken, including to: better quantify and value the environmental services provided by tropical forests through scientifically sound studies; work collaboratively to raise awareness of the importance of tropical forest environmental services and the need to pay for them; create enabling conditions to increase demand and develop markets for PES; increase collaboration and exchange on PES experiences and options; and provide support for scaling up PES schemes.

Several Forum participants noted that PES schemes are not a magic bullet. On their own, PES will not save tropical forests from destruction or the inhabitants of those forests from poverty. Most tropical forests will continue to be harvested for wood and non-wood products but as long as SFM principles and guidelines are adhered to, such harvesting will not jeopardize the delivery of environmental services and in some cases can enhance it.

PES schemes will become an increasingly significant component of SFM approaches. One of their most important roles is symbolic—they provide forest dwellers, owners and managers with tangible evidence that societies recognize and value their contributions (through the sustainable management of their forests) to local, national and global well-being. PES schemes are also an opportunity for governments to address injustices in forest tenure, and for companies to improve their images as responsible corporate citizens.

There is much to be done before the global beneficiaries of tropical forest environmental services pay their full dues, but a good start has been made. In 2014, the outcomes of the Forum will be transmitted to the FAO Committee on Forestry, the World Parks Congress and the 50th Session of the International Tropical Timber Council, among other bodies. Forum participants said they wanted international organizations such as ITTO and FAO to use their convening power to inform policy development and promote action on PES in tropical forests. We will continue to do so.

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The *Tropical Forest Update* is published quarterly in English, French and Spanish by the International Tropical Timber Organization. Content does not necessarily reflect the views or policies of ITTO. Articles may be reprinted without charge provided the *TFU* and author are credited. The editor should be sent a copy of the publication.

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Images: Tropical forests perform a wide range of essential environmental services. *Photo: Sarawak Forestry Department (cover)*
Payments for environmental services schemes can help in restoring degraded forest landscapes. *Photo: ITTO (above)*

