



FORESTS ASIA SUMMIT 2014

Sustainable Landscapes
for Green Growth
in Southeast Asia

5-6 May 2014
Jakarta, Indonesia

forestsasia.org



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Forests Asia Summit 2014

Outcome Statement

The Forests Asia Summit: Sustainable Landscapes for Green Growth in Southeast Asia, convened in Jakarta on 5–6 May 2014, brought together representatives from government, research, civil society and the private sector in a regional multi-stakeholder dialogue.

The aim of the Forests Asia Summit was to lay the foundations for continued dialogue, transitions toward sustainable investments, and further research to support evidence-based policymaking, all directed toward achieving

equitable green growth and more sustainable management of landscapes across Southeast Asia. Background information on the Summit aims and topics is available at forestsasia.org.

The Forests Asia Summit was co-hosted by the Center for International Forestry Research and the Indonesian Ministry of Forestry, in collaboration with coordinating partner Global Initiatives, seven supporting partners and eight funding partners. The 31 sessions at the Summit, hosted by a total of 19 organizations,

Forests Asia Summit by the numbers

- **1** head of state and **12** government ministers in attendance
- **120** speakers from government, civil society, research and the private sector
- **2,200 participants: 1,800 on Day 1 & 1,200 on Day 2**
- **6,064** views of live webstream
- **52** partner organizations, including coordinating partner, funding partners, supporting partners, session organizers and exhibitors
- **31 sessions: 18** discussion forums, **5** high-level panels, **4** plenary discussions, **2** learning events, **2** special sessions
- More than **20,000** page views of forestsasia.org
- **7,999** #ForestsAsia tweets sent by 1,065 contributors, delivered to **2.45 million** different Twitter users over two days
- Tweets on the Summit by Indonesian President Yudhoyono reached **4.9 million** Twitter users

included discussion forums and high-level panel discussions on the following themes:

1. Governance and legal frameworks to promote sustainable landscapes
2. Investing in landscapes for green returns
3. Climate change and low-emissions development on the ground
4. Forest landscapes for food and biodiversity
5. Changing communities, sustainable landscapes and equitable development.

Key messages from each session were captured by session hosts and organizers and relayed into the high-level panel discussions and the closing plenary, for further discussion.

The Summit was attended by Indonesian President Susilo Bambang Yudhoyono, who gave the keynote address on Day 1, and 10 government ministers and deputy ministers from across Southeast Asia. Dr. Rajendra Pachauri, Chair of the Intergovernmental Panel on Climate Change, Manuel Pulgar-Vidal, Peruvian Minister of Environment and President of COP20, and Mark Burrows, Managing Director and Vice Chair, Global Investment Banking, Credit Suisse, gave keynote addresses on Day 2.

This outcome statement is a compilation of reporting from the sessions at the Forests Asia Summit, prepared by the organizers. As such, it provides an overview of messages throughout

the conference, but does not constitute a joint conclusion by the participants. In summary, the reporting concludes that:

- To achieve equitable and sustainable green growth in Southeast Asia, all stakeholder groups must strive to overcome communication barriers, engage in continued, participatory dialogue, and act together within a landscape and multilevel governance framework.
- Government, the corporate sector and the finance sector must work together to create enabling conditions to unlock private capital and support investments in sustainable landscapes and smallholders.
- The scientific community, with support from the public and private sectors, must engage in integrated and targeted research aimed at increasing understanding of the dynamics that shape landscapes and communicate findings to government and business in a way that supports evidence-based changes in policy and practice toward a sustainable future and action on the ground.

Government ministers, deputy ministers, forestry department directors, CEOs and business executives, civil society leaders, scientists and funding partners from Southeast Asia and beyond joined the call for action, made commitments, and shared lessons and experiences on green growth and sustainable development.

1. Continued dialogue toward equitable green growth

To achieve equitable and sustainable green growth in Southeast Asia, all stakeholder groups must strive to overcome communication barriers, engage in continued, participatory dialogue, and act together within a landscape and multilevel governance framework.

Participants called for:

- All sectors to invest in understanding each other, to overcome the communication problems caused by differences in terminology and perceptions between the public sector, private sector and civil society.
- Improved communication between governments and the private sector, so that the private sector can fully understand development policies and how businesses fit into them.
- Improved communication between the business and research communities, so that the private sector can change practices based on robust evidence.
- Stronger collaboration in planning and implementation of plans between actors in the environmental, social and economic spheres, as actors from different sectors will complement each other's strengths, compensate for their weaknesses and ultimately increase the government's capacity to solve problems.
- Better engagement of and consultation with local communities affected by development programs, especially by governments and businesses.
- Attention to power imbalances within multi-stakeholder dialogues, with careful consideration of who is included, how they are included, how they are informed and how decisions are taken, to avoid imposing top-down or inequitable decisions.
- Multi-stakeholder processes to take place at subnational level to create enabling conditions for sustainable forest management.
- Re-establishment of forest–farm connections, within a landscapes approach, for good use of farms and forest and an end to separated thinking in terms of what kind of products (food vs. timber) each can deliver.

- A shift away from mere rhetoric toward actual coordination and collaboration in REDD+ and adaptation across levels, sectors and actors, in order to achieve consistency in the design and implementation of policies and activities.

2. Increased investments in sustainable land use

Government, the corporate sector and the finance sector must work together to create enabling conditions to unlock private capital and support investments in sustainable landscapes and smallholders.

The private corporate sector must take responsibility for changing business practices, with government support and civil society acceptance.

Participants noted that:

- The private corporate sector holds a large measure of responsibility for unsustainable land-use practices, driven by the profit imperative of business.
- "Business as usual" and strong links between the corporate sector and government remain major impediments to the shift toward sustainability and transformational change.
- The corporate sector is making changes to the way it does business to reflect the need for sustainable use of natural resources and shifts in consumer demand.
- The private corporate sector will continue to be the major source of financing for land-based investments. The relatively scarce public funds need to be used more effectively in establishing coherent enabling frameworks to unlock the larger-scale private finance. Government therefore plays an important role in creating the incentives and enabling conditions necessary to achieve long-term, large-scale economic change toward more sustainable and equitable business practices.
 - Governments must make policy instruments that encourage private investments in sustainable business models and creative efforts to unlock private capital, such as "green" bonds.
 - Governments must work hand in hand with companies to promote policies that

- create positive incentives, remove perverse incentives (e.g. fossil fuel subsidies) and build infrastructure.
- Governments must set standards to define “green” investments, including through verification by external parties, in order to reduce risk and complexity for investors, ensure transparency and simplify product selection.
- Government policy is needed to enable businesses to make formal investments in informal economies.
- Government can invest public capital in research and undertake large-scale commitments that are beyond the scope of the private sector, such as commitments to investing in mini-hydro, wind, tidal and solar energy.
- Finance schemes — including microfinance — can contribute to sustainable and ethical investments, but require government policies to enable them and must be:
 - accessible to smallholders
 - responsive to smallholders’ needs
 - accompanied by complementary measures such as certification schemes (for commodities such as palm oil, timber and aquaculture products that come from mixed-use mangroves/ aquaculture landscapes)
- Investments are needed to improve the quality of non-timber forest products, through technology provision and capacity, to ensure high-quality products; appropriate incentives must be offered to make this happen.
- For jurisdictional approaches to support REDD+ implementation, it is necessary to find ways to blend multiple financing mechanisms (e.g. REDD+, NAMAs) and adopt nested institutional architectures at different jurisdictional scales (national and subnational).
- REDD+ will require leadership from governments to create business opportunities for the private sector, which is not interested in investing in REDD+. In particular, engaging private finance in REDD+ requires a stimulus package, before COP21 in 2015.

The finance sector must play an important role in steering sustainable and ethical investments.

Participants noted that:

- Finance in itself, disconnected from corporations/operations, can have a fundamental role in raising standards and in developing new products that drive sustainable and ethical investments, but we also need to bridge the “perception gap”.



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Smallholders need to be empowered with secure land tenure and resource access rights, capacity building and access to markets and finance to shift toward more sustainable land use.

Participants concluded:

- Smallholder farmers contribute to deforestation, forest degradation and unsustainable land use but their needs for shifting toward sustainability differ considerably from those of the private corporate sector. The needs of smallholder farmers are related to (a) land tenure; (b) market access; (c) finance; and (d) investment.

(a) Unclear and insecure land tenure for smallholders increases investment risks and reduces equity

- Clear tenure for smallholders is necessary to reduce the risk of engagement and investment, and hence encourage private investments in smallholders.
- Clear tenure rules are required for smallholders to be able to receive benefits from any type of payments for ecosystem services (PES) system.
- Balancing the statutory distribution of tenure rights between private, state and community actors could improve governance and increase benefits to smallholders.

(b) Smallholders continue to be disadvantaged by weak access to markets

- Smallholders need greater capacity, resources and investments to participate fully in the market economy.
- Linking smallholders to global value chains would provide them with better market access.
- Efforts must be made to shorten value chains, overcoming the challenges for smallholders associated with constraints on time, investments and trust.
- Industry and government must simplify standards to make compliance accessible to smallholder farmers.

(c) Finance

- Systems of smallholder investments, monitoring, rights, land and forest management, and engagement must be fully transparent to encourage equitable development.

- Finance schemes must be made accessible to smallholders and be responsive to smallholders' needs.
- Regional development plans (e.g. ASEAN Green Growth and Development Plan) should be revised to remove their primary focus on business-as-usual development and resource extraction and create greater opportunities to support smallholders.

(d) Smallholders have in-depth local knowledge but need support to fully deploy it

- Many smallholders need information about practices and techniques that could improve their yields.
- Many smallholders need stronger bargaining power because they sell individually; cooperative models provide useful lessons on methods to increase their power.
- Investments must be made in capacity building and technology to strengthen smallholders' abilities to monitor and evaluate land use and forest cover change and to verify their land rights.

3. Research and knowledge sharing

The scientific community, with support from the public and private sectors, must engage in integrated and targeted research aimed at increasing understanding of the dynamics that shape landscapes and communicate findings to government and business in a way that supports evidence-based shifts in policy and practice toward a sustainable future and action on the ground.

Participants noted that:

- Research and knowledge sharing across a wide range of topics are needed to support action on the ground.
- Research and communication of research findings are essential for building evidence to support and guide the policy changes necessary to address current challenges, as detailed above.

Following is a compilation of some research areas suggested during the Summit and relevant research findings presented; these lists cannot be considered exhaustive.

Sustainable development of landscapes

Research could, for example:

- Identify lessons learned from watershed management, community forestry and integrated resource management.
- Determine the real costs of conversion of cropland to forest and of equitable sustainable development of landscapes.
- Inform models of cooperation that go beyond large-scale transnational corporations directly managing forests.
- Understand the role of forestry within the global development agenda.
- Find ways to overcome institutional resistance and technical obstacles to achieve effective spatial planning and to document performance in different localities.
- Clarify the high carbon-storage capacity of mangroves in order to inform decision-making about the future of these forests.

Smallholders

Research could, for example:

- Inform the development of policies and incentives that support capacity building and increase access to markets and finance for smallholders.
- Examine how the private corporate sector can manage the risks of investing in smallholders, in terms of increasing the scale of production and product quality and of applying a uniform landscapes approach in diverse stakeholder contexts.
- Determine the needs and interests of smallholder farmers all along the forestry value chain.
- Support capacity building and technology transfer for smallholders.
- Elucidate the diverse livelihood strategies of rural smallholders and indigenous peoples, and how these might affect landscape sustainability and low-carbon rural development.
- Better define the meaning of "equity" in the contexts of smallholders and community forestry systems (as systems of fair benefit sharing; as having rights to develop; as systems of shared responsibilities across the different stakeholders in a landscape; or as rights to participate in decision-making processes) and how to reconcile these different perspectives within an agenda of sustainable and equitable development.

Tenure and access to land and resources

Research findings of relevance to policy and practice include the following:

- Balancing the statutory distribution of tenure rights between private, state and community actors could strengthen governance and increase benefits.
- Elements that hinder forest tenure reform are lack of political will and government preferences for more protected areas.
- Recognizing the ancestral territories of indigenous peoples could substantially reduce conflicts over forest areas.
- Community-based forest management regimes have been presented as one possible solution for securing tenure and access rights; in some cases, these systems have been shown to be even more secure than formal forest tenure.
- Even customary rights that appear to be very secure can be threatened by new pressures, as seen with the emergence of new claims and new contests associated with REDD+ and large-scale land acquisitions.

Jurisdictional approaches to green development and REDD+

Research findings of relevance to policy and practice include the following:

- Subnational governments must strengthen institutions and governance at the jurisdictional level, especially in relation to multi-stakeholder processes, land tenure, land-use planning, and monitoring of carbon emissions and removals.
- For jurisdictional approaches to succeed, the following are required:
 - A jurisdictional approach must be flexible enough to be able to deal with various future scenarios for carbon finance.
 - The focus must be on achieving robust and equitable management and governance systems.
 - Jurisdictions must have the capacity to control land use, land management and outcomes, if they are to achieve emission reductions.
 - Tensions between the national and subnational levels of government that are implementing REDD+ at different speeds must be resolved.
 - It is necessary to find ways to reconcile jurisdictional approaches with existing project-level approaches.



Legal and regulatory frameworks to support sustainability

Research has identified the following common challenges for projects aimed at strengthening forest governance, among others:

- the need for new business models
- the need for new certification standards
- the need for cooperation and collaboration between businesses, local communities and governments
- the need for indicators for aspects that are difficult to measure, such as the values of carbon, water and landscape beauty in forested landscapes.

REDD+, finance and green growth

Research findings on REDD+ include the following :

- REDD+ must be viewed beyond the perspective of carbon abatement only; it can boost longer-term sustainability and provide benefits to other sectors as well.
- Operationalizing REDD+ and facilitating green growth require profound shifts in the ways that natural capital and the non-carbon benefits of REDD+ are valued.
- REDD+ embodies some of the transitions necessary for green growth, including the following:
 - the valuation of carbon stocks
 - attempts to access private sector finance
 - increased focus on governance reform and transparency
 - equitable benefit sharing.

- Those working with REDD+ must not only focus on forests, but also make links to energy, water, food, soil and landscapes.
- REDD+ is achievable, but the bureaucracy of project implementation is hampering progress and lacks transparency, and outcomes are uncertain.

Biodiversity

Research findings of relevance to policy and practice include the following:

- Interventions aimed at expanding monoculture-type forest cover in sloping lands can lead to reductions in biodiversity and agrobiodiversity, which will have an adverse impact on crops that rely on diverse tree cover.
- The sustainable development framework, and any Sustainable Development Goals related to food production and water provision, should consider the value of the biodiversity contained in forests.
- Production forests can have high biodiversity value if managed appropriately.

Non-timber forest products

Research findings of relevance to policy and practice include the following:

- Local communities should be supported in cultivating and exploiting bamboo and rattan, because of their value to local livelihoods (they sequester carbon, can be sustainably harvested and provide products such as animal feed, charcoal, furniture and construction materials).



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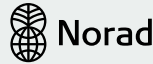


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