

PRESENTATION GIVEN AT TRANSLINKS REDD
WORKSHOP

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LIMA, PERU

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THE WILDLIFE CONSERVATION SOCIETY



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Forest Conservation in Cambodia

Financing Climate Benefits, Biodiversity Conservation and Community Development through the Market for Emission Reductions

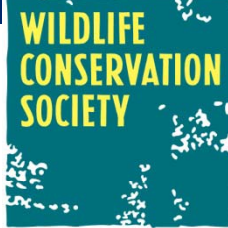
**Promoting Transformation by
Linking Natural Resources,
Economic Growth, and
Good Governance**



Cambodia

- One of the poorest countries in SE Asia
- High forest cover (2006: 58.9%)
- High recent rates of forest loss (2002-2006: 3%, or 379,485 hectares)
- Low endemism, moderate species richness but high numbers of globally threatened species
- Large numbers of remote forest-dependent communities

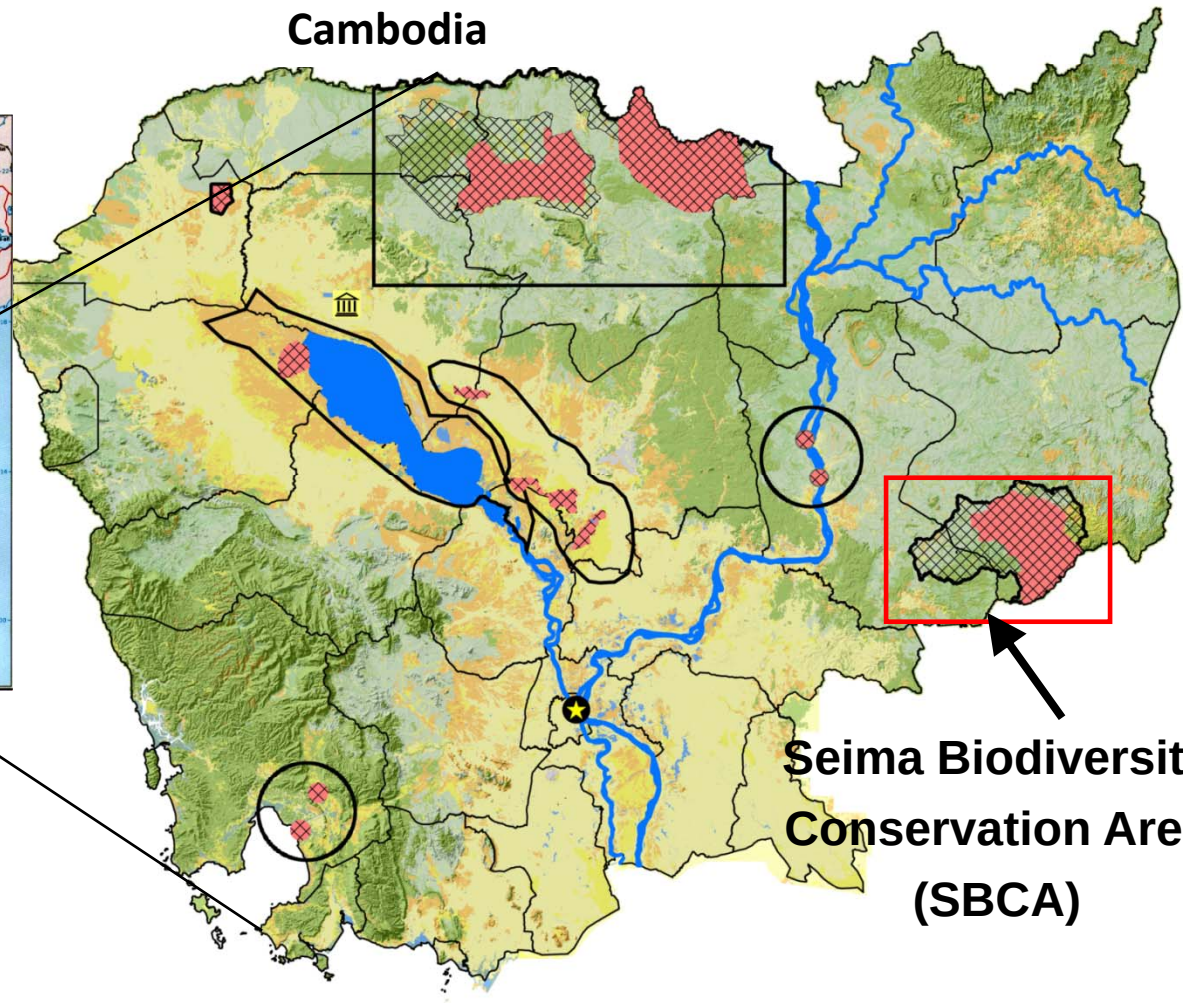
Seima Biodiversity Conservation Area (SBCA)



INDOCHINA



Cambodia



Seima Biodiversity
Conservation Area
(SBCA)



Unique community of birds:
4 Critically Endangered,
8 Endangered or Vulnerable, and
8 Near-threatened species
Including:
Vultures; Large waterbirds: Giant & White-shouldered Ibis, Adjutants, Sarus Crane, Black-necked Stork; Orange-necked Partridge; Green Peafowl





Globally Threatened Mammals:

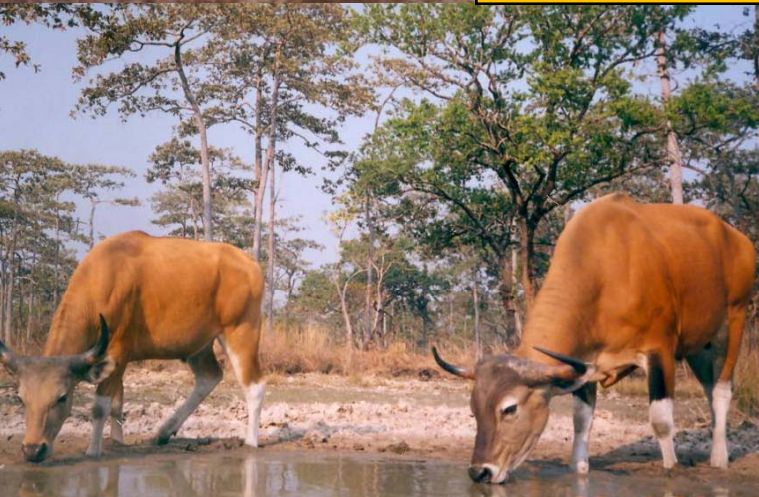
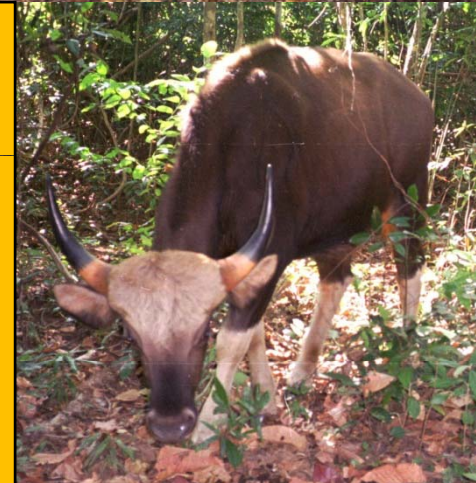
5 Endangered

12 Vulnerable or Data Deficient, and

5 Near-threatened species

Including:

Tiger, Leopard, Asian Elephant, Eld's Deer Dhole,
Gaur, Banteng, Fishing Cat, Golden Cat, Langurs,
Gibbons



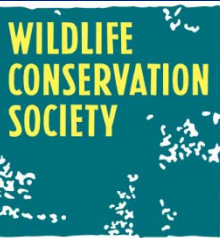
Habitat Diversity

Has a complex mix of forest types including:

- Evergreen forest
 - Semi-evergreen forest
 - Mixed deciduous forest
 - Deciduous dipterocarp forest
 - Bamboo
- + Permanent water sources and many mineral licks



Forest inhabited by the Bunong minority



A Mon-Khmer ethnic indigenous group
Animist, typically shifting cultivators, live in small forest settlements
Limited exposure to mainstream Khmer culture until recently

Low literacy

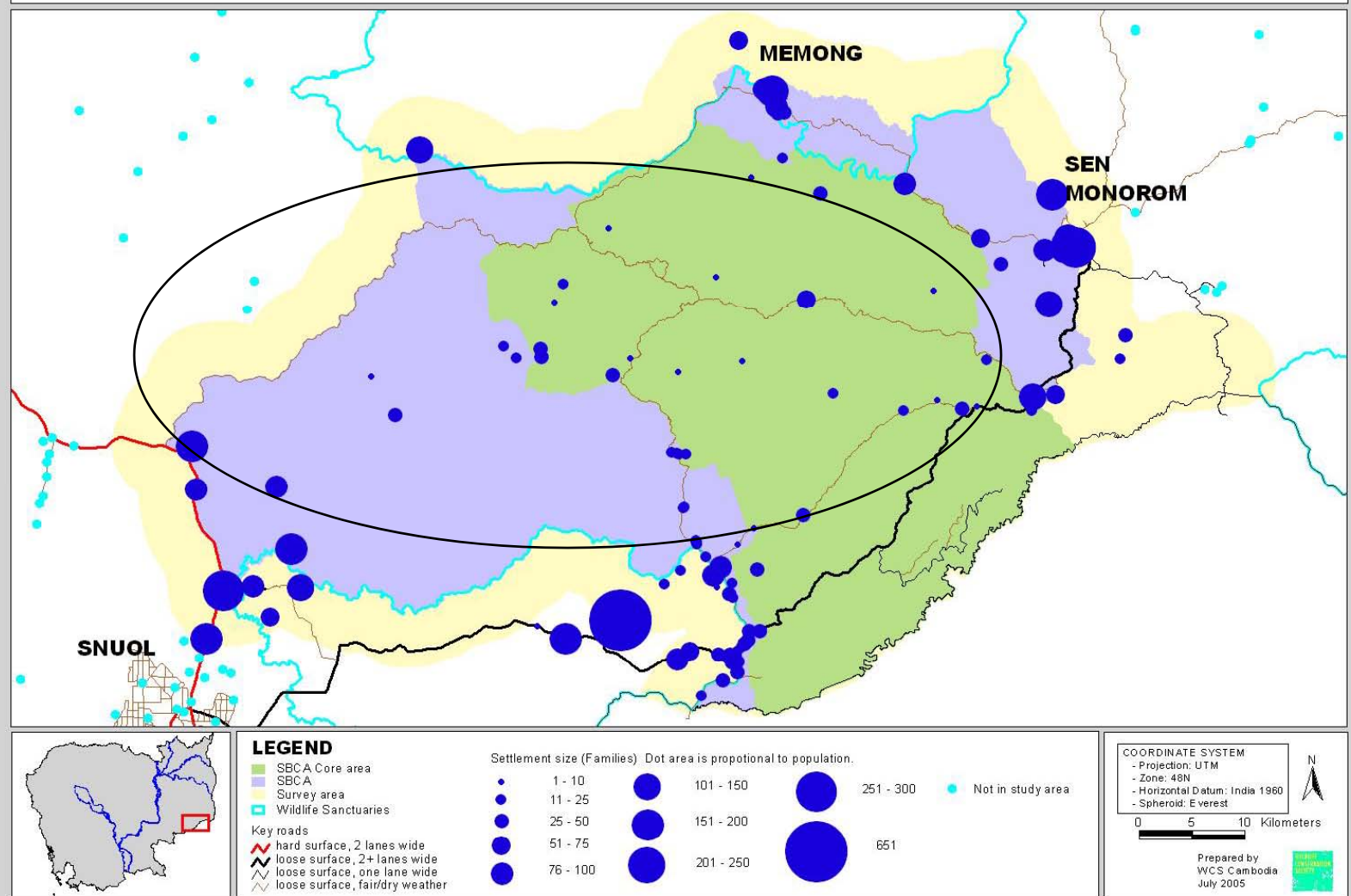
Low numbers

Politically weak

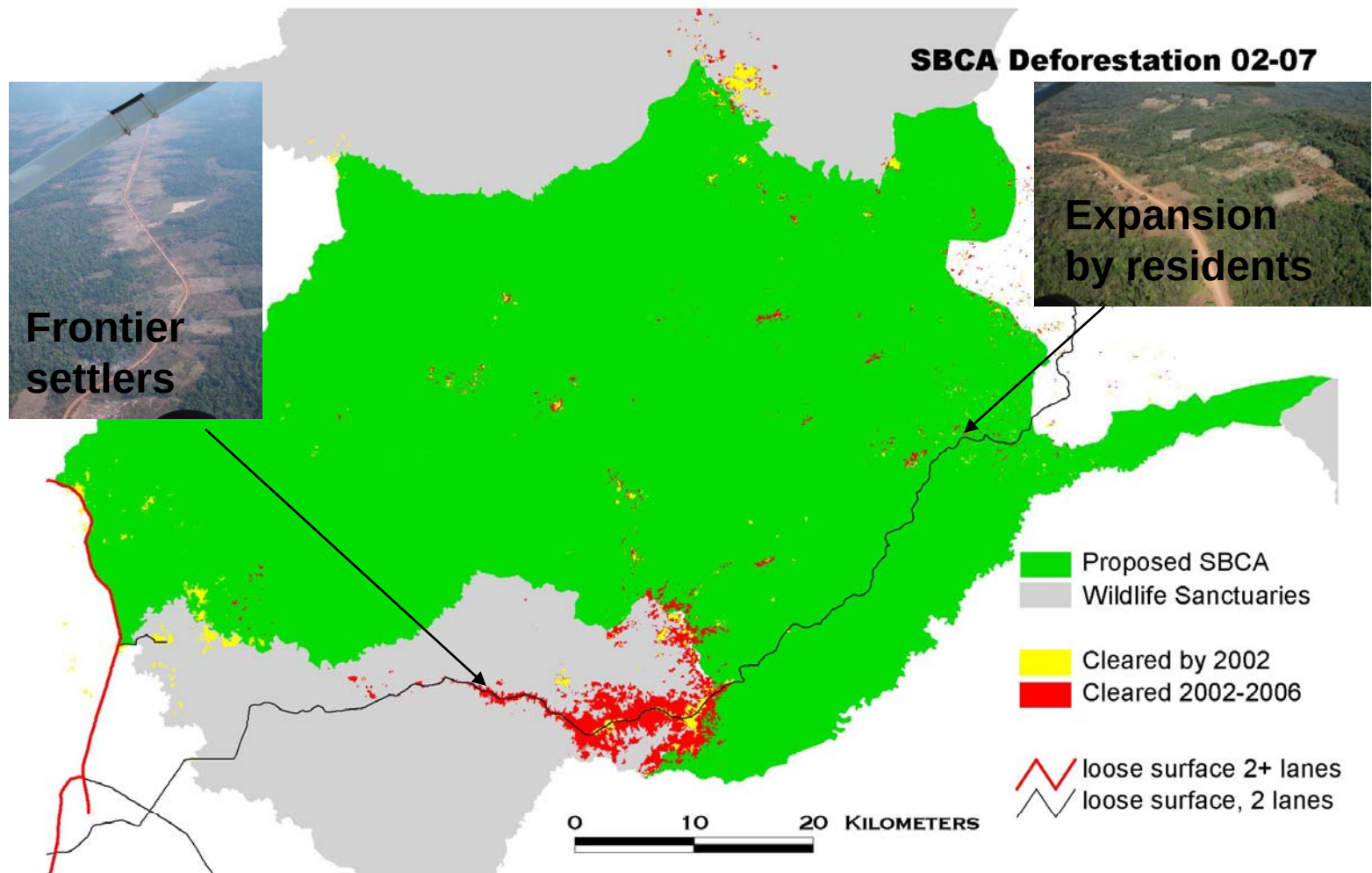


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There are many small enclave villages



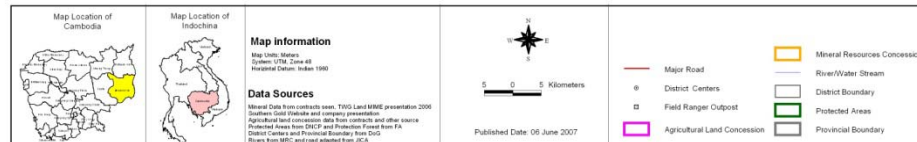
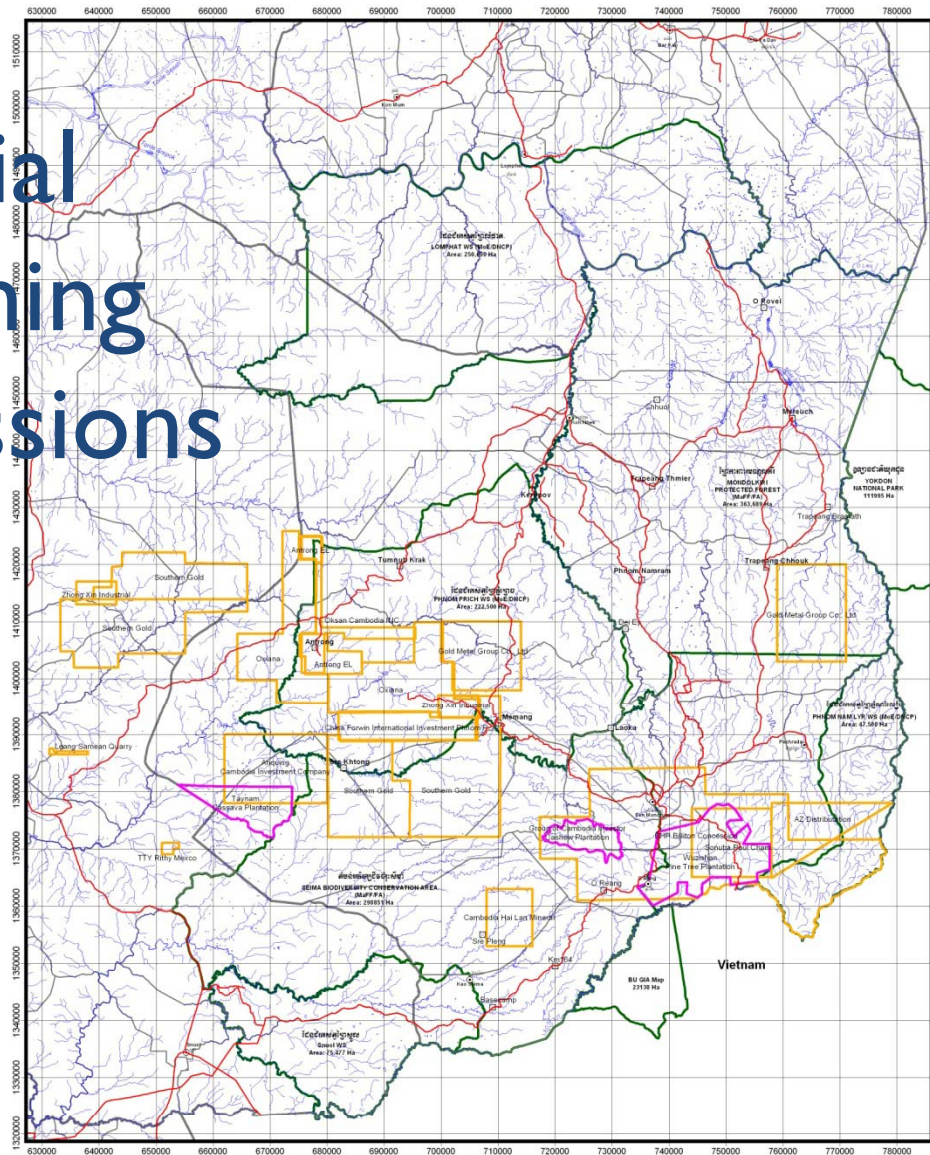
Drivers of forest clearance



Agro-Industrial and Mining Concessions

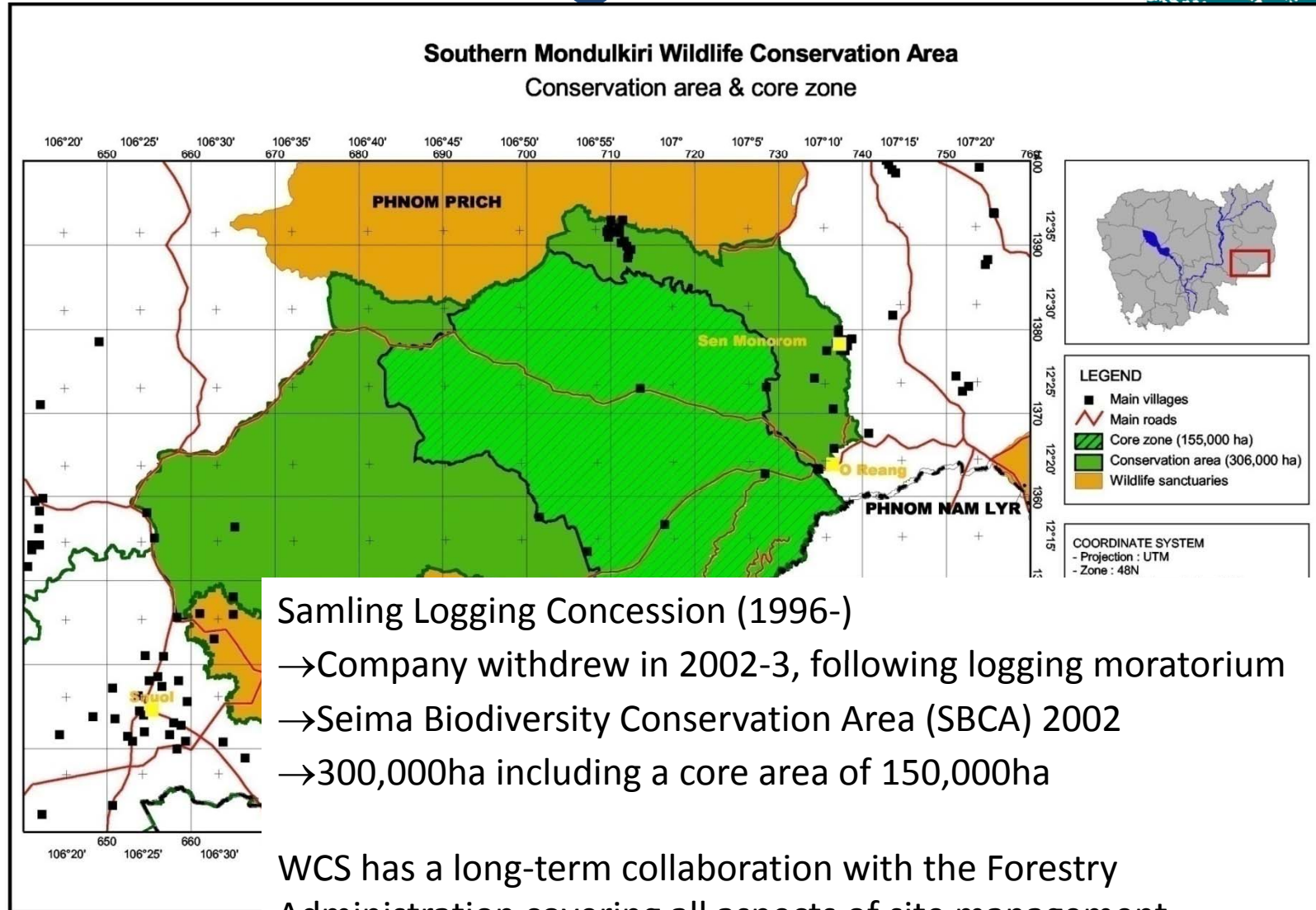
ផែនទី: តំបន់អនុវត្តការស្រាវជ្រាវ និងសម្បទានសំរាប់អភិវឌ្ឍន៍កសិកម្ម និងឧស្សាហកម្មកសិកម្ម នៅខេត្តមណ្ឌលគីរី

Mineral Resources Exploration and Agricultural Development Land Concession in Mondulkiri Province



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Current management



Conservation Program



- Samling withdrew in 2002 – power vacuum – significant increase in threats (mainly land clearance)
 - Conservation program initiated: WCS/Government
- Includes:
 - Support to law enforcement (absolutely crucial element)
 - Community land-use planning, land titling & resource tenure
 - Economic incentives – Community Commercial Forestry, REDD
 - Monitoring
- Multiple donors: USFWS, MacArthur, Private, ADB, DFID, Danida, etc... (until 2010-2011)

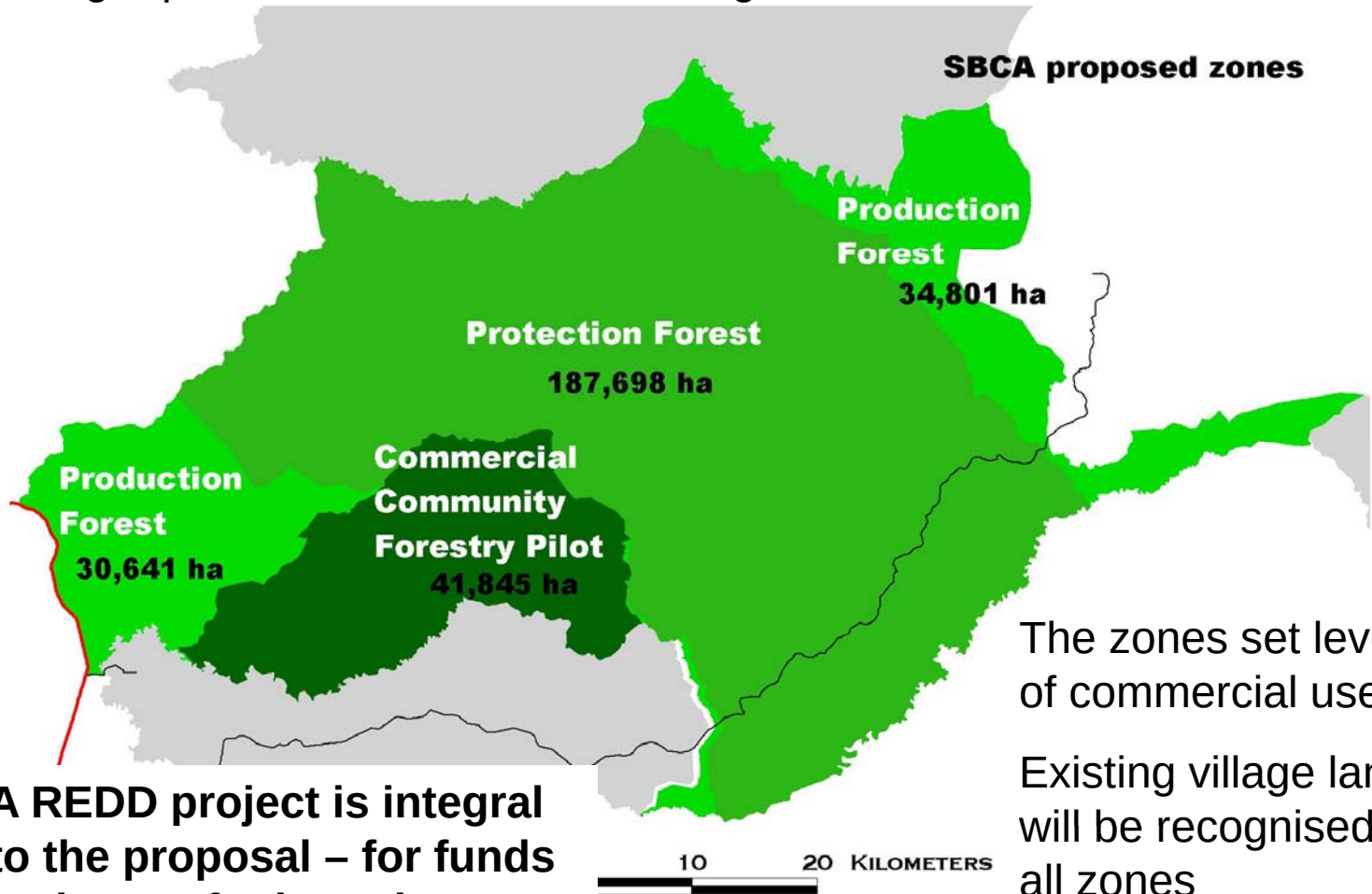


Legal issues & Land tenure

- Area is technically classified as Production Forest under 2002 Forestry Law (i.e. not a PA or protected zone), under management of the (national) Forestry Administration
- Communities can obtain legal recognition of resource tenure and land titling either for –
 - Agricultural plots (Khmer communities)
 - Communal lands for swidden agriculture (Indigenous communities)
- To date no indigenous lands have been registered
- Long-term WCS program working with all communities to clarify land rights and support recognition

Stronger legal base sought

A subdecree proposal is in the system – we seek stronger protection and clarified zoning



A REDD project is integral to the proposal – for funds and part of raison d'être

The zones set levels of commercial use

Existing village lands will be recognised in all zones

Eligibility & Additionality

- Essential part of the argument
- SBCA currently classified as Production Forest – i.e. for logging, community harvesting, potential conversion
- FA/WCS proposal to gazette SBCA as Protection Forest
 - Requires demonstrating that protection forest also generates economic returns
 - Designation of land concessions in protection forest is illegal
- Additional REDD financing required for law enforcement, community land titling, incentive schemes



Deforestation rates & Carbon

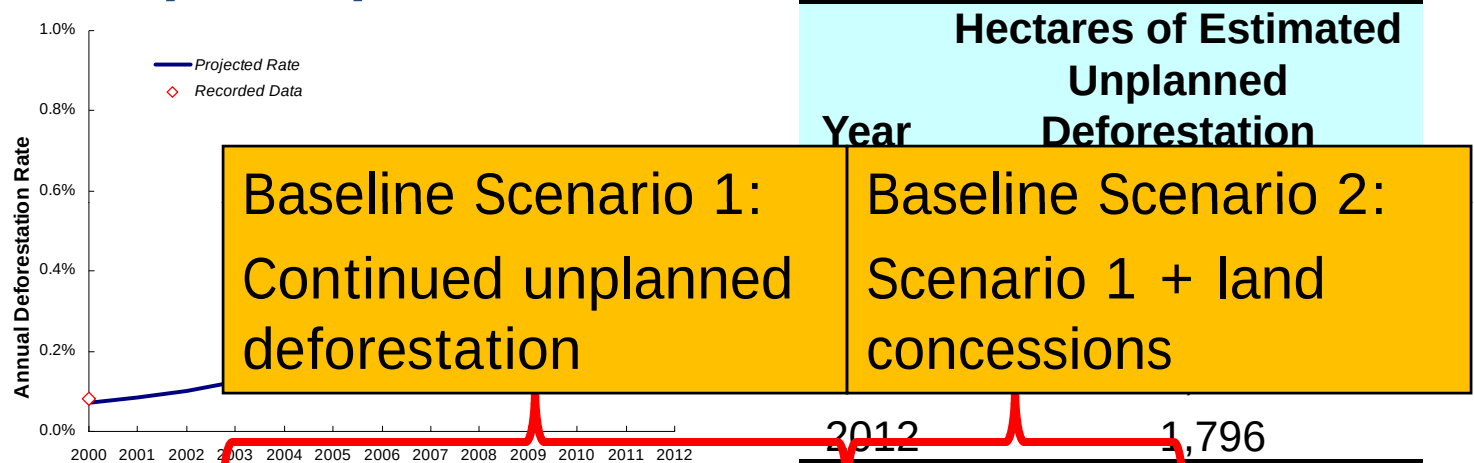


- National assessments: 1992, 1996/7, 2000, 2002, 2006
 - Unfortunately use different classification systems, so challenging to compare
- Site assessments by WCS for 2000/1, 2004/5, 2006/7, 2007/8
 - Coverage depends on image availability
 - Challenging to distinguish natural grassland and open woodland from agriculture
- Carbon stock assessments



Deforestation rates

- Analysis by Winrock International (2008)



Year	Hectares of Estimated Unplanned Deforestation		Hectares of Estimated Planned Deforestation	TOTAL
	Associated with Road	Remaining Area		
2008	698	716		1,413
2009	668	863	1,882	3,414
2010	640	1,042	1,882	3,563
2011	613	1,257	1,882	3,751
2012	587	1,516	1,882	3,985

REDD Project Scenarios

- Scenario 1: 50% decrease in baseline deforestation across entire area, no agro-industrial concessions, 2008-2012

At \$5/ton = \$10 Million (minimum),
possible \$25 Million (maximum)
Crediting period 2008-2012 (5 years)

- Scenario 2 (Conservative): 50% decrease in baseline deforestation in a core 187,698 hectare area, no agro-industrial concessions

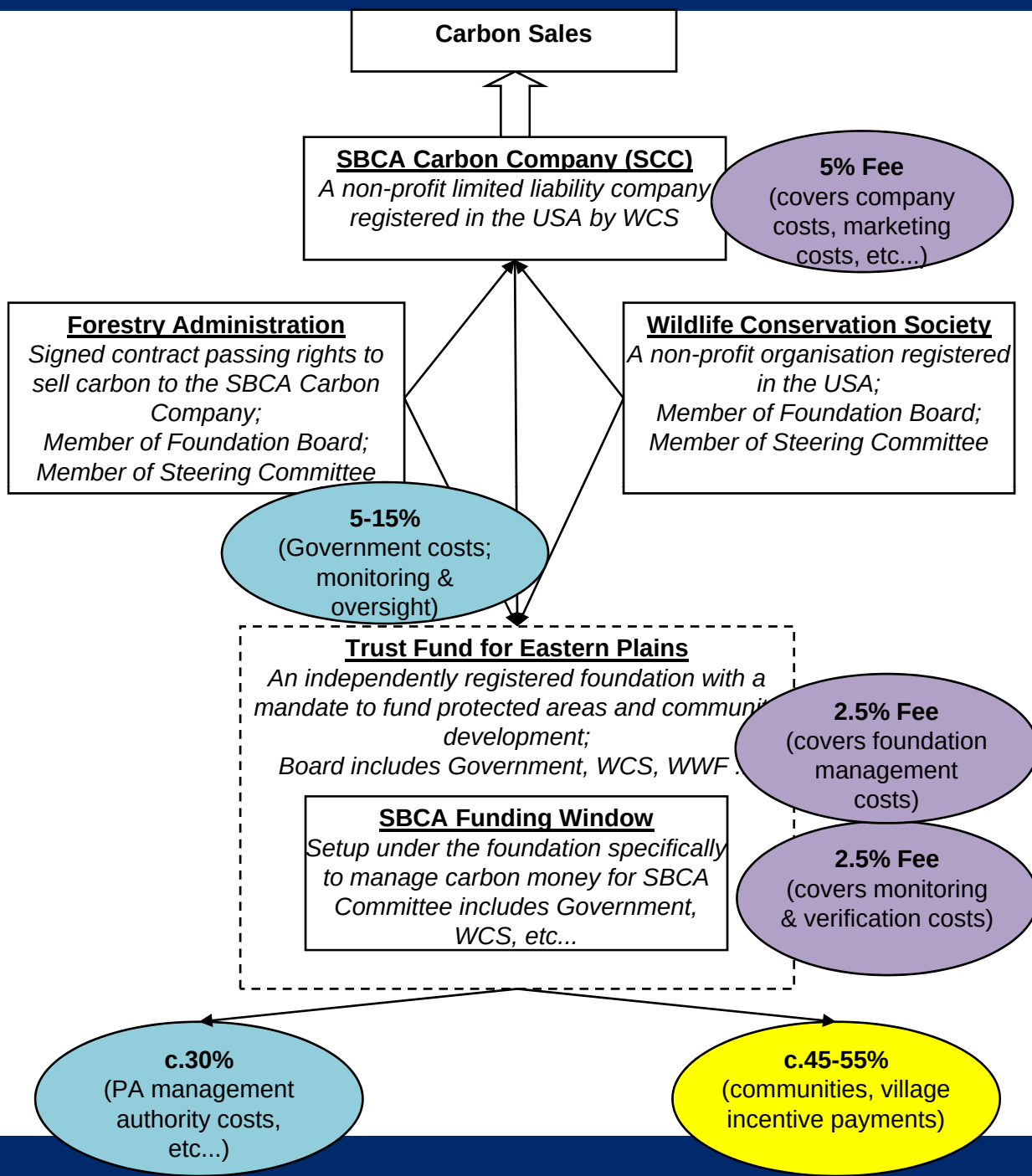
At \$5/ton = \$7.5 Million (minimum),
Possible \$15 Million (maximum)
Crediting period 2008-2012 (5 years)

REDD Financing for SBCA

- Conservative estimate 1.5 Million tons of CO₂e over 5 years 2008-2012
 - Assumes 50% decrease in baseline deforestation in a core 187,698 hectare area only
- At \$5.00 per ton (medium to low estimate) and a 30% set aside for VCS (conservative), annual average revenue of more than \$1M
- Under a recent Council of Ministers decision (26 May 2008) FA has the right to negotiate deals and sell REDD credits
- BUT need mechanism to disperse funds that:
 - Ensures maximum amount of revenue reaches the local level
 - Is transparent
 - Has participation by all stakeholders, including Government and local communities
 - Builds local governance and support for forest conservation
 - Guarantees investor confidence
- How to do this?



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SBCA: Steps in the Process



- Data Collection and GIS processing: verify initial results
- Write VCS methodologies, these are double-approved by independent third-party auditors
- Complete Project Design Document (PDD) and all documentation to verify amount of VERs and receive VCS certification
- CCB certification to show project is 'Carbon+'
- WCS develops and signs agreement with the Government regarding sales and distribution of VER sale proceeds (e.g. carbon trading company and

Costs \$250,000 and 6-12 months of work



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Steps in the Process

- WCS and stakeholders create an appropriate financial mechanism to receive payments and disburse funds to projects and activities in the region
- Creation of a conservation trust fund with a mixed board (Government, Non-Government, Donor, Civil Society) - legally created and funds invested offshore (e.g. Tri National Sangha Trust in Central Africa)
- Development of guidelines for use of funds including project financing, direct payments for conservation, etc..



Advantages of the Model

- Sales are done by a non-profit company: ensures maximum amount of revenue reaches the local level
 - minimises broker fees – politically unacceptable to FA
- Transparent
- Has participation by all stakeholders:
 - Government, local communities, Civil Society
- Builds local governance and support for forest conservation (multiple benefits: biodiversity & communities)
- Guarantees investor confidence = higher price for the carbon credits
- NGO Branded



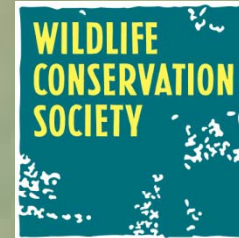
Final Thoughts



- Essential elements of SBCA project:
 - Eligibility clear – creation of a new PA
 - Additionality – reduction of deforestation rates in a landscape with high rates of land-use change
 - Achievability – 6 years of experience at the site shows that here more money can → more results
 - Gain best practice certification – VCS (to verify emissions) and community and biodiversity benefits (CCB Standards – ‘Carbon+’)
 - Effective mechanism to distribute revenue in a transparent way that maximizes % at local level
 - National pilot to build capacity & readiness



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Danida

