summary note

Paying for the environment?

Can the REDD+ mechanism and the Payments for Environmental Services (PES) tackle the underlying causes of deforestation?[1]

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The origin of REDD+

At present, an estimated 10-12% of greenhouse gases can be traced to deforestation throughout the world, mainly in the tropics, as against 20-25% in the 1990s. This relative decrease is largely due to the continuous increase in emissions from fossil energy. From early on, the international negotiations on climate change, thus, focused on mechanisms that could curb deforestation, all the while seeking a global reduction in emissions from fossil fuel. Including the reduction of deforestation in the discussion contributed to two major goals at the international level: the fight against climate change and the conservation of biodiversity, since an estimated 50% of the terrestrial biodiversity is in the tropical forests.

The REDD+ (Reducing Emissions from Deforestation and Forest Degradation) mechanism was born in the early 2000s through debates on the inclusion, or not, of forest projects in the "Clean Development Mechanism" (CDM), created under the Kyoto Protocol. The original idea of the CDM was to allow enterprises in the industrialised countries to exceed their assigned CO_2 emissions quotas by paying for projects to reduce emissions in countries of the South[2]. This is a funding mechanism connected to the "carbon market" created through the Kyoto Protocol. The Climate Convention negotiators' refusal to include "avoided deforestation" because of the risk of merely shifting pressure from deforestation as part of the project approach ("leakages") led to the 2003 proposal for financial compensation for countries that reduced deforestation that was turned into RED, then REDD and finally REDD+. The main point in this proposal was payments to governments for results achieved at the national level in order to avoid the leakage risk objective again. The new mechanism held promise that forests "are worth more standing than felled" and that financial transfers would be strictly connected to "performance", leaving it up to the States to decide on the resources and policies that they would use to reduce deforestation.

The range of eligible activities has expanded from one conference of parties to the next. The second "D" in REDD corresponds to avoided degradation (an important source of emissions) and the addition of the increase in the carbon stock (mainly through forest plantations), forest management (in natural forests) and forest conservation (without specifying the contents of this activity). This expansion in the scope of REDD+ activities based on the search for consensus in the negotiations has led to a host of problems[3]:

- it is complicated and costly to measure avoided degradation;
- including "sustainable forest management" would implicitly support the industrial exploitation of natural forests to the detriment of other types of management which would revive traditional animosity among the actors;

1 This paper is based on joint Gret-Cirad activities under the "Paying for the Environment? REDD+ and payments for environmental services: between commodification and fair development" project funded by the MEDE, and on discussions during the closing workshop organised together with *Les Amis de la Terre* on 17 and 18 June in Nogent-sur-Marne.

2 Enterprises in developing countries can also benefit from this mechanism by developing their own CDM projects and selling the resulting carbon credits on the international market.

3 Presentation by A. Karsenty : "Une brève histoire de REDD+" (*A brief history of REDD+*).

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- allowing plantations to be established would be harmful to the biodiversity and increase strife over land tenure and, furthermore, that would bring up the problem of interlinkage with the CDM, which covers the same activities;
- as for "conservation", mentioning it suggests that a country could be paid for its "forest stock", which is contrary to the original principle of the mechanism, i.e., payments should be made for the difference between the anticipated emissions (reference scenario) and the emissions produced during the agreed time period.

Reference scenarios and "performance" measurement

The main problem of REDD+ is to know whether an international climate regime can be based on a "reference scenario" that predicts "what would have happened without any action", in other words a scenario that cannot be verified since the action, i.e., the REDD+ programme, will happen, thereby making it impossible to observe a scenario "without REDD+". Critics say that too many factors that affect the deforestation rates are unpredictable and often cannot be directly controlled by the government. Attempts to make predictions are unrealistic because of the complexity of the interactions. Since science cannot come in to arbitrate, it would be in the interest of the actors to manipulate these scenarios and predict the worst, i.e., high deforestation rates, thereby being able to claim that they avoided this future (even if the deforestation rate had actually risen).

Furthermore, definitions of forest and forest usage vary[4]. For the FAO, for instance, replacing a natural forest with a plantation of eucalyptus is not considered as deforestation. Clear cutting a forest is also not considered as deforestation since if it is part of a rotation cycle: the area's vocation as a forestland is not being called into question, even if it will take several decades to regrow. Technical measuring problems and conventions on the definition of a "forest" or "forest usage" can be settled at a later time, but not the problem of predicting deforestation, which is needed in defining the reference scenarios.

The "performance" thus can be generated completely artificially through a tailor-made scenario with a virtual reduction of deforestation being used to avoid having to make real efforts that the governments expect to be socially and politically costly. Examples of this type of game already exist. One of the most often cited examples is the first McKinsey report on Guyana which uses a 4.3% annual deforestation scenario – while the real rate in the preceding years never exceeded 0.3% per year[5]. A study based on the public documentation of the Maï Ndombe[6] project in DRC queries the choice of the region selected as the "reference zone" to predict deforestation: since the characteristics of this region are extremely different from those of the project zone, the risk of deforestation in the latter is clearly overestimated[7].

Negotiations bogged down in the architectural problem

Negotiations on this mechanism have not yet reached an agreement on the funding mode. Will REDD+ emission reductions generate "carbon credits" that can be used to offset surplus emissions elsewhere (international carbon market)? Or will payments come from one (or more) international funds like the Green Climate Fund that was established in Cancun and has set itself the goal of raising 100 billion dollars per year?

Many industrialised countries support the carbon market solution but some countries, like Bolivia, which oppose the idea of "commodifying nature" is, thus, against this solution. Brazil reaffirmed its opinion that REDD+ "has nothing to do with the carbon markets"[8] and that the old industrial countries have to start by meeting their historical obligations in terms of emissions reduction. The European Commission, which fears both an excess number of emissions permits and the risk of "hot air" (carbon credits stemming from inappropriate baseline settings and not from real reductions) will not allow forest carbon credits (CDM or REDD+) to be included in its quota exchange system (EU ETS) until at least 2020. The current problems with the climate negotiations, which are related to the refusal of many countries to commit to reducing their greenhouse gas emissions, does not augur well for the creation of a united, regulated international forest carbon market[9].

REDD+ project autonomy

With negotiations at a standstill, the "REDD+ projects", which at the outset were supposed to be "demonstrations", were creating their own independent dynamics and seemed to be the only tangible REDD+ actions in the field.

At present there are 325 projects that bear the REDD+ label in 45 countries[10]. Although many of them were originally financed through Official Development Assistance (ODA) funds (World Bank, Congo Basin Forest Fund, etc.), their target was the voluntary CO_2 market and the "carbon neutral" policies that large enterprises and institutions had set up as part of their efforts to fulfil their corporate social and environmental responsibility. Most of these projects were not implemented under the Climate Change Convention. They were based on voluntary standards such as the

4 Presentation by F. Achard: "Déforestation : où en est-on ? Quelles sont les causes ?" (*Deforestation, how far are we and what are the causes*).

5 Dyer N., Counsell S. (2010). *McREDD: How McKinsey "cost-curves" are distorting REDD*. Rainforest Foundation UK - Climate and Forests Policy Brief.

6 Presentation by G. Simonet and C. Seyller: "Les projets REDD+ et leurs modèles économiques" (*REDD+ projects and their economic models*).

7 The reference zone, for instance, is a densely populated savanna zone with direct access to the sea, while the project zone is a dense, wet, low-population zone without access to the sea.

8 Statement by the representative of Brazil at the Climate Change Conference in Bonn in April 2013.

9 Which unquestionably would not prevent a proliferation of local markets – at the national, provincial and urban level – which would draw up their own rules about activities that can generate credits. Priority would probably be given to domestic reduction and the demand for REDD+ credits would probably remain limited.

10 Simonet G. and Seyller C., op. cit.

Verified Carbon Standard (VCS) recommended by private organisations that were inspired by the Forest Stewardship Council's model for forest management. REDD+, thus, is used as the logo for forestry projects with acknowledged principles (protected areas, Integrated Conservation and Development Projects, reduced-impact logging, plantations, etc.). These projects try to impose their business models, i.e., carbon credits sold direct on the market, while REDD+ was initially designed to pay countries for their performance in emissions reduction and forest carbon storage.

The large number of these projects and their related methodology for carbon measurement put the senior negotiators of the Convention on Climate Change before a *fait accompli*, in other words, a situation in which it would be difficult to imagine using any mechanism other than the one used in these pilot projects. Many of the project promoters explicitly recognised that their short-term goal was to generate carbon credits for the voluntary markets but that their main goal was to obtain recognition of these credits by a binding international mechanism.

The first analyses of the projects certified against the VCS in DRC and Madagascar and the CCBA (Climate, Community and Biodiversity Alliance) in Mozambique[11] that have sold or are intending to sell their carbon credits bring up various problems that need to be settled, *inter alia*, the increasingly important problem of the validity of the "reference scenarios" (more or less justified predictions of major increases in deforestation). The CCBA[12] rules do not contain any provisions for withdrawing the certification of a project that no longer fulfils the certification requirements. Apparently, up to now there are no instances of a project's certification being withdrawn.

Project efficiency

Various research centres and NGOs have discussed the effectiveness of these projects in reducing deforestation locally and fighting the underlying causes. In many countries with the REDD+ process, political arbitration clearly prioritises investments in large-scale agricultural and mining projects over investments in the forest sector[13]. Discussions also focused on the case of Central Africa, especially Cameroon where controversial development actions include oil palm plantations and mining, even in the protected areas and the certified forest concessions[14]. The lack of consistency in government decisions in both the industrialised countries (promotion of agrofuels, industrial models for livestock production using imported soya meal[15], etc.) and the forest countries (promotion of agrobusiness while advocating REDD+)[16] rank among the blatant weaknesses in the process. According to a very recent study ordered by the European Commission[17], Europe is responsible for over one-third (36%, to be exact) of the deforestation connected to international trade[18].

Furthermore, the hypothesis that the agents' responses are based on the comparison of the cost/benefit ratio for various available options does not apply well to the states, especially the "failed" (or "fragile", as described in international relations) states. In any analysis, the idea that these states would be able to stop deforestation and, even more, to take and effectively implement the necessary steps thanks to financial incentives, does not hold water[19].

The principle of opportunity cost compensation is not appropriate for curbing deforestation in an open, globalised economy. Unless the world demand for natural resources and energy goes down, reducing the arable land offer or limiting access to mineral deposits under forestlands may simply lead to an increase in the price of raw materials on the world market and shift the problem to somewhere else. If opportunity cost compensation seems too low, this price increase would probably lead certain countries to increasing their agricultural and mineral production, to the detriment of the forests. This would stoke the vicious circle leading to a continuous rise in compensation levels without lowering the deforestation level worldwide.

The promoters of the REDD+ labelled projects bring out the local benefits of actions in the field, the related methodological innovations and the effectiveness, measured in terms of absolute reduction of deforestation (not only a relative decrease, measured against the reference scenario). It is essential to distinguish between the contents of the REDD+ project in the field (assessed on a case by case basis) and the relevance of the REDD+ project to the founding of an international emissions reduction system.

The studies currently underway have brought out many specific problems:

- It may be difficult to establish the link between the REDD+ project level and the national level especially if the results do not coincide (decline in deforestation at the project level, increase at the national level). Since priority should logically be given to the results at the

11 Jutta Kill (2013). *Carbon Discredited. Why the EU should steer clear of forest carbon offsets*. FERN / *Les Amis de la Terre*.

12 *idem*

13 Presentation by A. Tarigan: "Reducing deforestation and forest degradation, and relation to natural resource exploitation in Indonesia".

14 Presentation by S. Counsell : "The extension of palm oil monoculture in Congo basin".

15 Presentation by L . Gazull: "La forêt et les nouvelles demandes bioénergétiques".

16 Presentation by S. Ongolo : "Ambitions d"émergence' et politiques de lutte contre la déforestation au Cameroun. Quelle cohérence pour REDD+ ?".

17 European Commission (2013). *The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation*. Study funded by the European Commission, DG ENV, and undertaken by VITO, IIASA, HIVA and IUCN NL.

18 Between 1990 and 2008, the forests, mainly in the tropical countries, lost 127 million hectares of which 29 million, according to the report, was due to the reallocation of lands to satisfy demand from third countries. The EU was responsible for the loss of 8.4 million hectares. The EU was satisfying the European consumer's appetite for meat by importing more and more beef directly from South America – first of all from Brazil – which led to an expansion of grazing lands, and a need for more soya meal to feed its own herds… Altogether the increase in the meat consumption accounts for 60% of the deforestation 'imported' by the EU, according to the indicator used in the study (*Le Monde*, 4/7/2013).

19 Karsenty A., Ongolo S. (2012). "Can 'fragile states' decide to reduce their deforestation? The inappropriate use of the theory of incentives with respect to the REDD mechanism". *Forest Policy and Economics* 18, 38-45.

national level, in cases there is a difference, there is a risk that the credits delivered by the project may not be validated. This risk could be dissuasive for the private investors who would not be assured of a return on their investment[20].

- The high cost of the "carbon bureaucracy" (registering credits with the VCS, marketing, intermediation, cost of expertise for measuring carbon, etc.)[21]. This money would no longer be available for activities in the field and would push the project promoters to overestimating the deforestation predictions in the reference scenarios (to keep the project profitable).

- Difficulties for the projects to sell their carbon credits since the markets are shrinking and the emission reduction prices are on a downward slope[22]. According to a specialist of these markets, "*The voluntary market demand will no doubt not suffice to consume the supply. A large volume of credits from voluntary projects is expected in the next few years, between 2012 and 2016. The number of REDD credits that will remain in the project pipeline should be close to 100 million tons of CO_2 per year*[23]. Since these projects expected the carbon prices to be high (and also to attract investors) and the opposite is happening, some project developers may be tempted try to "optimise" certain parameters (especially the reference scenario) to save the economic model based on self-financing through the carbon market.

- Doubts have also been expressed about the sharing of benefits and respect for local community rights under REDD+ projects. The decision to adopt a participatory, community approach to identify and support actions that impact factors of deforestation and affect the most deprived people does not guarantee democratic governance and justice. In Suriname, for instance, the REDD+ projects guarantee the "free, informed, prior consent" of communities represented by charismatic leaders who are not necessarily democratically selected[24]. Emphasis should also be placed on the harmful effects of financial incentives for communities that are not accustomed to financial transactions[25].

The payments for environmental services (PES) option

The PES is a potential instrument for REDD+ implementation. Although it is based on the same incentive principles as REDD+ it does not evaluate "performance" in the same way. PES contracts with households or communities involve payments, in money or kind, that are conditioned by respect for a land and/or plantation use plan, and changes in agricultural practices, etc. to promote certain environmental services. The PES covers many interlinked environmental services (carbon, biological diversity, water, etc.) even though the related measurements are approximations. The major PES programmes throughout the world are carried out under government leadership and are mainly funded out of state taxes[26].

The implementation of the national REDD+ strategy in DRC, may include a national PES programme (public-private partnership) that would combine payments for the conservation of possibly endangered forests and support for investments in plantations (especially agroforestry) and new agro-sylvo-pastoral practices to allow for "ecological intensification"[27]. This method, which would avoid the cost of carbon bureaucracy, may be an alternative to the REDD+ projects, and may cause competition for access to "REDD+ funds" which at present are ODA-supported but which, in the future, might receive payments for results obtained nationally in DRC.

The difficulties connected to the implementation of the PES must not be underestimated, e.g., prior security of land tenure, the impacts of the introduction of payments in certain communities, the risk of marginalising people "without rights", and the fact that it is often difficult to implement the environmental conditionality of payments. Some people point to the risk that the PES could lead to the "commodification of nature" while others stress the absence of a real market for ecosystemic services (because of the characteristics of the public or collective goods inherent in these services). The question of the potential generalisation of utilitarianism in relations among people with regard to nature has also been brought up. (Is unselfish conservation of nature still possible?)

Expand the notion of performance

Theoretically "performance measurement" is one of the strong points of the REDD+mechanism, but, as we have seen, it depends on the credibility of a reference scenario which is completely focused on carbon. The performance-based payments system, moreover, cannot be applied in the failing states. Would it be possible to adopt a definition of performance that is broader and is not only based on the distance from the reference scenario, a definition that goes beyond carbon measurement and also recognises "efforts" in introducing and implementing political reforms that affect the forests (beyond the forest sector per se)? If an expanded definition can be envisaged in a bilateral relation

20 To ward off this risk, CDC-Climat suggests that the States or the "jurisdictions" (provinces, regions, etc.) ensure the private investors that credits from the projects will be paid for (but not used for carbon compensation) regardless of the "performance" at the "jurisdiction" scale (Deheza M. and Bellassen V. (2012), "La transmission des incitations REDD+ aux acteurs locaux : leçons de la gestion du carbone dans les pays développés", *Etude Climat* n° 35, CDC Climat Recherche). The question is whether the private investors will believe the promises of these "jurisdictions".

21 This may seem paradoxical since "private governance" is supposed to avoid the bureaucratic pitfalls of public governance.

22 According to the last report of Forest Trends' Ecosystem Marketplace & Bloomberg New Energy Finance on the state of the voluntary carbon markets (2013), the per ton carbon price is still going down ($5.90 in 2012 against $6.20 in 2011).

23 Presentation by V. Bellasen (CDC-Climat) at the REPERE seminar organised by Gret and Cirad in March 2013.

24 Presentation by M. Brightman: "REDD+ 'readiness', indigenous land rights and political process in Suriname".

25 Presentation by S. Lovera: "Non-market based approaches to Reducing Deforestation and Forest Degradation".

26 The most famous ones concern the conservation of watersheds that supply drinking water to the large cities. They often include a forest protection component.

27 Presentation by T. Sembrés: "Efficacité de REDD+ et le rôle des PSE" (*REDD efficiency and the role of the PES*).

(e.g., Norway and Indonesia) would it also be feasible in a multilateral agreement in which the adoption of "common grammar" (the tonne of carbon) is often the *sine qua non* condition for convergence that leads to an agreement? Several speakers recommended that the REDD+ negotiations draw on the FLEGT process, which leaves room for more "inclusive" discussion with the governments and the civil society in the countries of the South on the very definition of performance indicators and legality.

Change or drop REDD+ ?

REDD+ is an instrument that is not yet complete, but it has already attracted substantial funding for the forests: 6-7 billion dollars between 2006 and 2012. This is all the more impressive since 30 years of international negotiations on biodiversity have not produced an international agreement on forests, which means that no specific international instrument exists for fighting deforestation. The REDD+ process also provides a platform for dialogue and thought on the underlying causes of deforestation. Would it be possible to correct the flaws in this mechanism or should it be replaced by a new, more coherent international policy for forests?

Opinions differ on this question. Some people feel that a market-based mechanism for measuring carbon cannot be expected to be used for anything other than offering a windfall to the most powerful economic actors and that it is illusory to think that such a mechanism could offer co-benefits in terms of biodiversity, social development, or greater land security for the community. Other people feel that not all the cards have been played since no decision has been made on funding (by the market or by special funds) and that the civil society is able to make its opinions heard in the negotiations currently underway.

A country like Brazil tends to establish its REDD+ with funding mainly from a source such as the Fundo Amazonia, the aim being to turn it into an umbrella instrument that groups various types of initiatives in order to finance incentivising, social policies in the rural zones[28]. Most of the decline in deforestation can be traced to the public policies carried out at the federal and local community levels, and also to financial sanctions against lawbreakers (fines and refusal of credit lines).

Whether to praise or to criticise, one basic question is "what REDD+ are we talking about?" Is it an instrument to convince governments to make all their forest-related policies more coherent? Or a principle that spurs the stakeholders to express their requests as ecological blackmail ("pay me or I'll destroy…")? Or an investment instrument to change the agricultural practices and the land tenure systems in the forest countries of the South? Or a project-based mechanism much like the CDM with private governance, which targets the voluntary carbon markets? Without this information it is very difficult to say what should be done with REDD+.

If governments decide to continue using the REDD+ mechanisms – a position that not all the participants to the workshop supported – there are various conclusions that seem to take hold:

- REDD+ should continue being mainly an international mechanism for countries, drawing on coherent, global national policies especially able to incorporate investment-oriented PES policies that can transform agricultural practices.
- REDD+ projects should be seen as tools for experimenting with these policies and should contribute to national strategies. They can be used to test measures that incentivise the local producers. They are not slated to last in their present form as projects to produce carbon credits, although national policies on fighting deforestation also require projects.
- The reference to carbon as common grammar can make sense in international negotiations. It is important to uncouple the amount of money received by the countries from the performance assessment which is based on tonnes of carbon and is unarguably reductionist and unverifiable because of the arbitrary nature of the reference scenarios. The coherence and credibility of the policies that the States implement are criteria that are just as or even more important.

28 Presentation by E. Coudel: "Au-delà de l'utopie REDD : avancées de la politique contre la déforestation en Amazonie brésilienne" (*Beyond the REDD utopia: progress with the deforestation control policy in Brazilian Amazon*) cratic pitfall of public governance.

Paying for the environment?

Can the REDD+ mechanism and the Payments for Environmental Services (PES) tackle the underlying causes of deforestation?

At the end of the "Paying for the Environment? REDD+ and payments for environmental services: between commodification and fair development" workshop[29] in June 2013, the following recommendations were made.

To the REDD+ negotiators, the governments, the donors and the civil society:

1. It is essential for the States and their institutions, for funders and for civil society to focus on improving the **coherence of the various forest-related public policies** in the countries of both the South and the North. This includes, inter alia, territorial management policies that meet the deforestation reduction and biodiversity preservation objectives. Without this, the original aim to change the economic logic underlying REDD would be nothing more than a few projects that transfer pressures elsewhere, to the national, regional or even international level.

2. Similarly, Europe should lead the way by launching an **ecological transition designed to reduce dependency and pressure on the natural resources of the countries of the South**. In a direct or indirect (through the effects of an activities relocation chain) manner, the consumption of many food and non-food products has an impact on deforestation. **Europe's high level of consumption of natural resources and energy cannot be sustained as a common practice**: funding for REDD+ should not serve as an alibi for maintaining unbearably high levels of consumption nor the related structural inequalities.

3. Developing countries need to **implement the principle of "shared but differentiated" responsibility** suggested at Rio 20 years ago and take every step in their power to ensure that their economic development does not destroy their forests, **without however allowing shared responsibility to predicate on financial bargaining in the name of REDD+**.

4. Agro-industry is playing a growing role in driving deforestation; it cannot and should not be contained by the financial compensation of "opportunity costs" for agribusiness and industrial investors. **Economic instruments, REDD+ and PES cannot replace clear political choices** expressed in laws and implementation texts. This is one of the lessons learnt from the drop in deforestation in Brazil and should lead to a revision of priorities as part of the REDD-Readiness phase.

5. **Clarification of land tenure rights and recognition of the peoples' exclusive rights** over land areas and the resources that they use, are an essential pre-condition to the introduction of **national PES programmes that include contracts to pay the users of the forest areas for their management and conservation efforts**. Special attention must be given to the marginalised populations such as the indigenous people.

6. The introduction of **coherent national policies that respect local laws** will require **substantial progress in the rule of law**. Support should be given to the civil society and the organisations representing the rural and forest population, for they are essential to the strengthening of democratic governance and to State-building actions.

7. In countries where small-scale agriculture is an important driver of deforestation, **ecological intensification** (through agroecology and agroforestry) and **community land tenure security** in the forestry zones should be placed high on the REDD+ agenda. National REDD+ policies and international funding should recognise this strategic turning point and **firmly combine the REDD+ agenda and food security by making support for the small-scale farmer central to these strategies**.

8. The PES for rural actors can be a useful tool in implementing REDD+ strategies if it is not limited to compensating rural operators for not taking full advantage of their forestry user rights, but it is also an **investment tool** that can contribute to **advancing agro-sylvo-pastoral practices** that can help people in the forestry zones fight poverty, diversify their sources of income and, thus, prepare for the future.

9. The time has come to **relinquish the idea that REDD+ would be a "quick, inexpensive" solution** to the carbon emissions reduction problem and to **consider the lever effects of massive, on-going investments** in the development of a sustainable economy underpinned by agro-ecological small-scale farming.

10. The REDD+ principle of **"performance-based payments"** for the reduction of emissions **cannot be used**

29 REPERE programme closing workshop, organised by GRET, CIRAD and *Les Amis de la Terre*, on 17 and 18 June 2013 in Nogent-sur-Marne and attended by close to 100 participants.

as the sole criterion for payments, especially in countries with fragile institutions. **Performance should be considered in a broader sense of the term** so that it not only embraces deforestation over time but also the **efforts** made by governments and the **changes in forest-related policies as a whole**.

11. The civil society and the donors need to examine the high cost of implementing REDD+ projects (carbon measurement, preparation of reference scenarios, etc.) and the certification and commercialisation of carbon credits, etc. **The price of such expertise is deducted from the resources available for actions in the field and the introduction of real incentives for the local populations.** It is important that funds allocated to fighting deforestation and degradation are not used exclusively for this type of project and that funding be kept available for other approaches.

This paper presents the discussions held during the workshop organised by CIRAD, GRET and *Les Amis de la Terre* on 17 and 18 June 2013 in Nogent-sur-Marne. The workshop was attended by close to 100 representatives of NGOs, research organisations, private enterprises, governments and European, international and national public institutions. It does not express the individual opinions of the organisers or the participants.

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