

Policy Needed on Environment: REDD+ is a plus

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The prime minister of Sri Lanka made a policy statement on 5th November to indicate the future priorities of the new government. It had over 70 inspirational statements indicating a wide array of issues and subjects of concern to the government. In what might have been an oversight, the statement did not mention any action or direction with regard to climate change and the environment. At present, the cabinet portfolio on environment is held by no less than the president.

Environment, Emissions and REDD+

Sri Lanka is a signatory to the United Nations Framework Convention on Climate Change, which was mooted in 1992. The 21st meeting of nations under this convention is taking place in Paris in the first two weeks of December, and the goal will be to agree on emissions targets between 2020 and 2030. Sri Lanka will be attending the meeting and has already submitted an undertaking that it will unconditionally reduce its emissions by 7% of 2010 levels. The conditional targets set are much higher (for a profile of CO₂ emissions across SAARC countries see Exhibit 1).

This Insight suggest that REDD+ (see below) should be a positive feature of Sri Lanka's environmental policy; not just because it will help in meeting greenhouse gas (emission) reduction targets, but also because it will provide information and enable policies that secure the economic and ecological benefits of the country's forests.

REDD+ is a UN initiative to assist countries to reduce carbon emissions by reducing deforestation and forest degradation. It builds on the previous "REDD" initiatives to incentivise the reduction of forest depletion by facilitating financial gain from forests through imputed 'carbon credits'. "REDD+" goes beyond this to include focus on policies towards conservation and sustainable management of forests.

Benefits of REDD+ for Sri Lanka

Globally, agriculture, forestry and other land use change accounts for 24% of total greenhouse gases. Last year the UN estimated that the greenhouse impact of this was greater than the emissions from the whole of the transport sector and second only to the energy sector. REDD+ activities therefore contribute to mitigating the problem of greenhouse gases. However, the benefits of REDD+ to countries like Sri Lanka, where the issue of forest depletion is not at critical levels, should be seen on a broader canvass. There are three reasons alongside emissions that Sri Lanka can benefit from REDD+.

1. Securing the economic and ecological benefits of forests

The economic and ecological benefits of forest cover tend to be under-estimated both in National Accounts as well in economic policy and planning. There are three major areas of benefit.

(i) **Watershed management and the hydrological cycle:** A forests role in watershed management and the hydrological cycle is critical. Forests act as sponges and a feeding mechanism for all major rivers in Sri Lanka, protecting water catchments and generating huge hidden subsidies to the cost of irrigation systems, drought management, and hydro-electricity projects in the country.

(ii) **Food and Energy Security:** Central Bank statistics reveal that over 80% of Sri Lanka's population depends on firewood as their primary source of energy for cooking and boiling water. A study by FAO considers this an important component of food security especially for the rural poor.

(iii) **Protection and consumption benefits:** The government and communities derive many benefits from proximate forests. They act as a landslide and flood control measure, provide soil conservation and control of river bank erosion/silt, protect areas with medicinal plant value, and conserve rare and endangered fauna and flora. Further, villages rely on forested areas for non-timber forest products such as bees honey, medicinal plants, fruit, and treacle, which all have a commercial value as well.

2. Improving data and monitoring of forests

A sensible policy on forest management and conservation needs reliable data on the extent and value of existing forest cover. However, Sri Lanka has not conducted a complete forestry inventory for over 60 years; and is currently making policy based on some level of guess work. The UN's REDD+ program envisages a complete forest inventory for Sri Lanka in 2016.

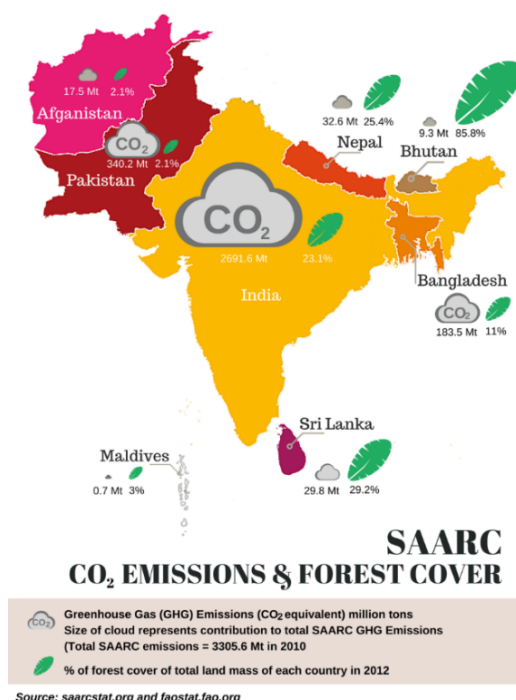
Better data and monitoring is also important for assessing the levels of forest degradation taking place due to illicit felling and firewood extraction. Current estimates have too wide a range – ranging from 10 to 39 percent. Such huge uncertainty is not helpful when attempting to design sensible environmental policies. Therefore, the improvements to information and data envisaged under REDD+ is of critical importance.

The community benefits of forests are also not properly assessed by data and monitoring systems in Sri Lanka. There are few studies that have attempted to value ecosystem services and non-timber forest products in Sri Lanka, and even these are limited to specific sites. The REDD+ program could be leveraged to improve data in this regard as well and provide national accounting estimates. International studies suggest that these informal economic benefits could be over 20% of the formal economic benefits registered from forests.

3. Preventing short-sighted capitulation to the pressures of short-term growth.

On average Europe's forest cover is 34.3%, North America is 33%, and Latin America and the Caribbean are the highest at 47.1%. Sri Lanka's rates of deforestation have reduced since three decades ago and forest cover has increased to reach about 30% of the land area (from an estimated low of about 23% in 1999). That means Sri Lanka's forest cover is now well above the SAARC countries' average of 17.5% (See Exhibit 1). However, forest degradation (which is poorly measured) might be an invisible issue in Sri Lanka.

Exhibit 1



A unique feature in Sri Lanka are traditional home gardens that cover 13% of the land area: a mix of timber trees and plants for personal consumption or sale – estimated as providing about 42% of Sri Lanka’s timber. They act as a buffer zone, placing less pressure on natural forests and protected areas.

As Sri Lanka moves to higher levels of GDP per capita, land values will increase and there will be increased economic pressure to deplete forest cover and traditional home-gardens. A poor understanding of their economic value and lack of policies in place to protect that value can allow these pressures to dominate and result in short-sighted economic decisions that compromise larger long-term gains.

This is where the REDD+ initiative might be most valuable within a broader environmental policy framework for Sri Lanka: to enable a better economic appreciation and valuation of the forest resources and prevent short-sighted capitulation to the pressures of short-term economic growth.

(Verité Research is an independent think-tank based in Colombo that provides strategic analysis to high level decision-makers in economics, law, and media. Comments are welcome. Email publications@veriteresearch.org.)