



Federal Ministry
for Economic Cooperation
and Development



The world needs forests

Germany's forest action plan for sustainable development



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Germany's forest action plan for sustainable development

DEAR READERS,

Forests are the lungs of the earth. They play a critical role in regulating our climate and provide a livelihood to over 1.6 billion people living in and around them.

But forests are under severe threat. We have already lost more than half of all tropical forests. If we cannot halt this trend, they will have disappeared within two generations, with dire consequences for the climate and humanity.

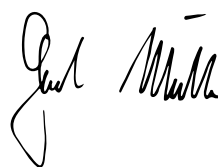
Recognising the urgency of the situation, many forest-rich countries are developing strategies to use forests sustainably and conserve them at the same time. The Federal Ministry for Economic Cooperation and Development (BMZ) is supporting its partner countries in meeting this challenge. With current commitments of around 2 billion euros for more than 200 forest initiatives, the BMZ is one of the biggest donors worldwide. Our support reaches more than 30 countries and 10 regions. In all these activities, we place great emphasis on ensuring that the protection of forests and their sustainable use go hand in hand. Uncontrolled logging and the over-exploitation of natural resources are generally driven by economic needs. Without alternative sources of income for rural populations, forests will not survive.

BMZ's support currently focuses on Reducing Emissions from Deforestation and Forest Degradation (REDD+). With this forest action plan we will expand our support to additional strategic areas, such as the restoration of forest landscapes and the promotion of deforestation-free supply chains.

In addition, Germany supports the 2014 New York Declaration on Forests, aiming to halve deforestation by 2020, end destruction of natural forests by 2030, and restore 350 million hectares of deforested and degraded forest landscapes worldwide.

Through this support, we are making a significant contribution to the 2030 Agenda for Sustainable Development, in which the international community pledged to conserve and restore forests and ensure they are managed sustainably.

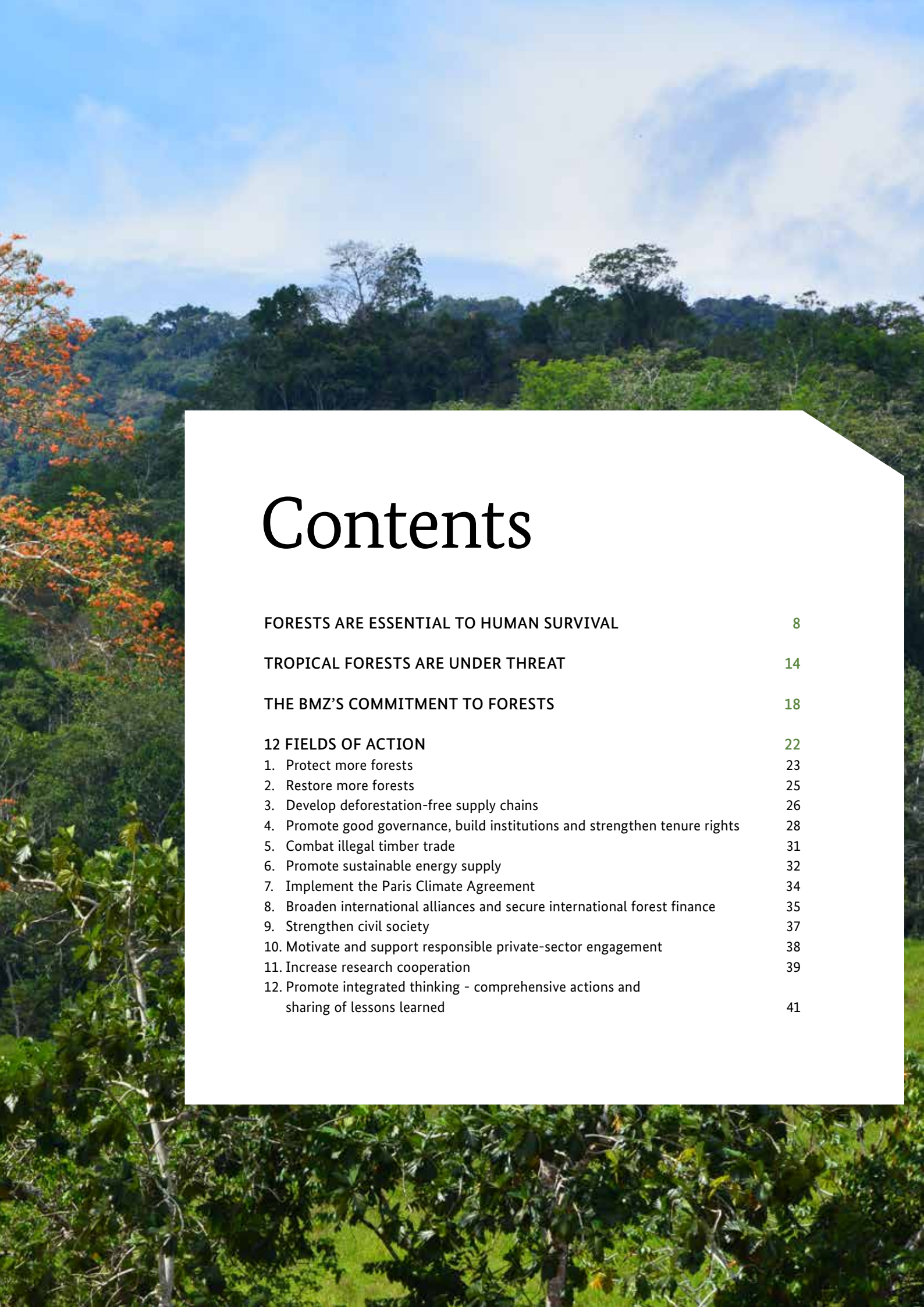
We have a direct and shared responsibility to protect the world's forests. We must take action today to ensure that future generations also can benefit from this unique treasure.



Dr Gerd Müller
Member of the German Parliament
Federal Minister for Economic Cooperation
and Development

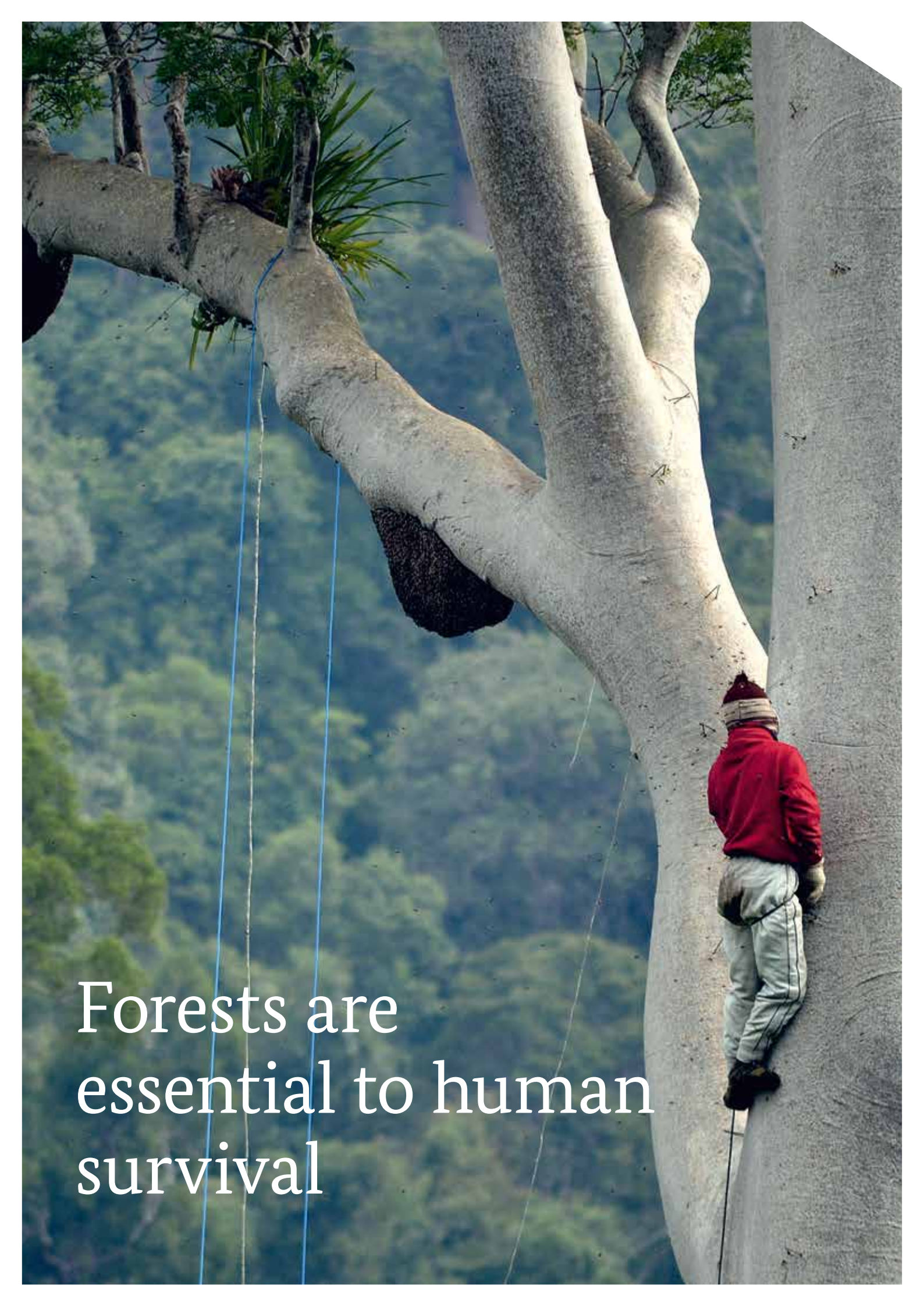






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A photograph of a person in a red jacket and light-colored pants climbing a massive, light-colored tree trunk. The person is positioned on the right side of the frame, facing away from the camera. Several blue ropes are visible, running vertically down the left side of the tree. The background is a dense, green forest canopy. The text "Forests are essential to human survival" is overlaid in white, serif font on the lower left portion of the image.

Forests are
essential to human
survival



Almost 1/3 of the earth's land surface is covered by forests. Forests are one of the world's greatest treasures and conserving them is a priority task for international development.

Over **1.6 billion people** depend directly on forests for their **livelihood** and, in many parts of the world, forests play a key role in the local economy. In some rural areas, up to 80 per cent of household income comes from forest-related sources. Tropical forests in particular are an important source of income, food and employment. 350 million people live in or near forests and are dependent on forest products. Around 60 million people, largely members of indigenous peoples, depend directly on forests for their survival. The traditional knowledge held within these communities is hugely significant in the context of conserving biodiversity.

Forests **safeguard the diversity of life on our planet**. Around 80 per cent of all known species of terrestrial animals and plants are found in forests, a large part of these in tropical forests. One in four medicines contains substances that were originally found in forest plants (including aspirin and quinine, and remedies for treating leukaemia, asthma and diabetes). And scientists are not even close to understanding the full potential of the genetic resources found in forests.

FORESTS IN FIGURES

Forest cover

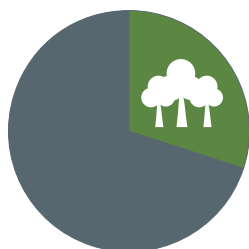


8,000 years ago, forests covered 6.2 billion hectares, as opposed to only around **4 billion hectares** today. **1/3 of the world's forests** have been lost.

WWF 2011

Forests cover around **1/3 of the earth's total land area**.

Soil Atlas 2015



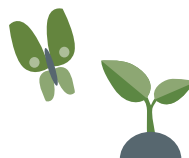
Habitat/conservation of species

Forests are home to around **80 % of all known terrestrial animal and plant species**.

UN SDG 2016



80 %



At least **32,700 animal and plant species** threatened with extinction are living in forests.

IUCN Red List

More than **1/5 of all people** depend on forests for their livelihood.

BMEL 2016

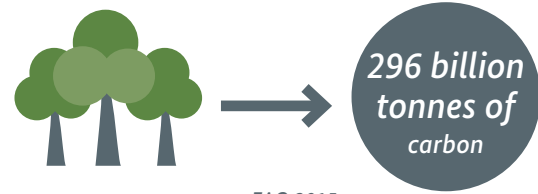


Forests play a **crucial role in regulating the earth's climate**. They produce oxygen and absorb the greenhouse gas carbon dioxide (CO₂). Around half of all carbon stored on land is sequestered in forests and soils. Together with the oceans, they form the earth's most important carbon sink. The stored carbon is released when forests are cut down or burned. Today, about one third of the global population still depends on firewood or charcoal as their sole source of fuel for preparing food.

Forests and trees provide a **wide range of valuable ecosystem services** from which we all benefit. They clean our air, filtering out harmful particles. They regulate local water cycles, prevent droughts and floods, and protect against soil erosion. In so doing, forests also have a positive influence on agriculture and human health. They buffer negative impacts of climate change and help people and ecosystems to adapt.

Climate protection

Carbon stored in forests (above and below ground)



FAO 2015

*Forests store huge amounts of **carbon**, which can be released in the form of CO₂ when forests are destroyed.*

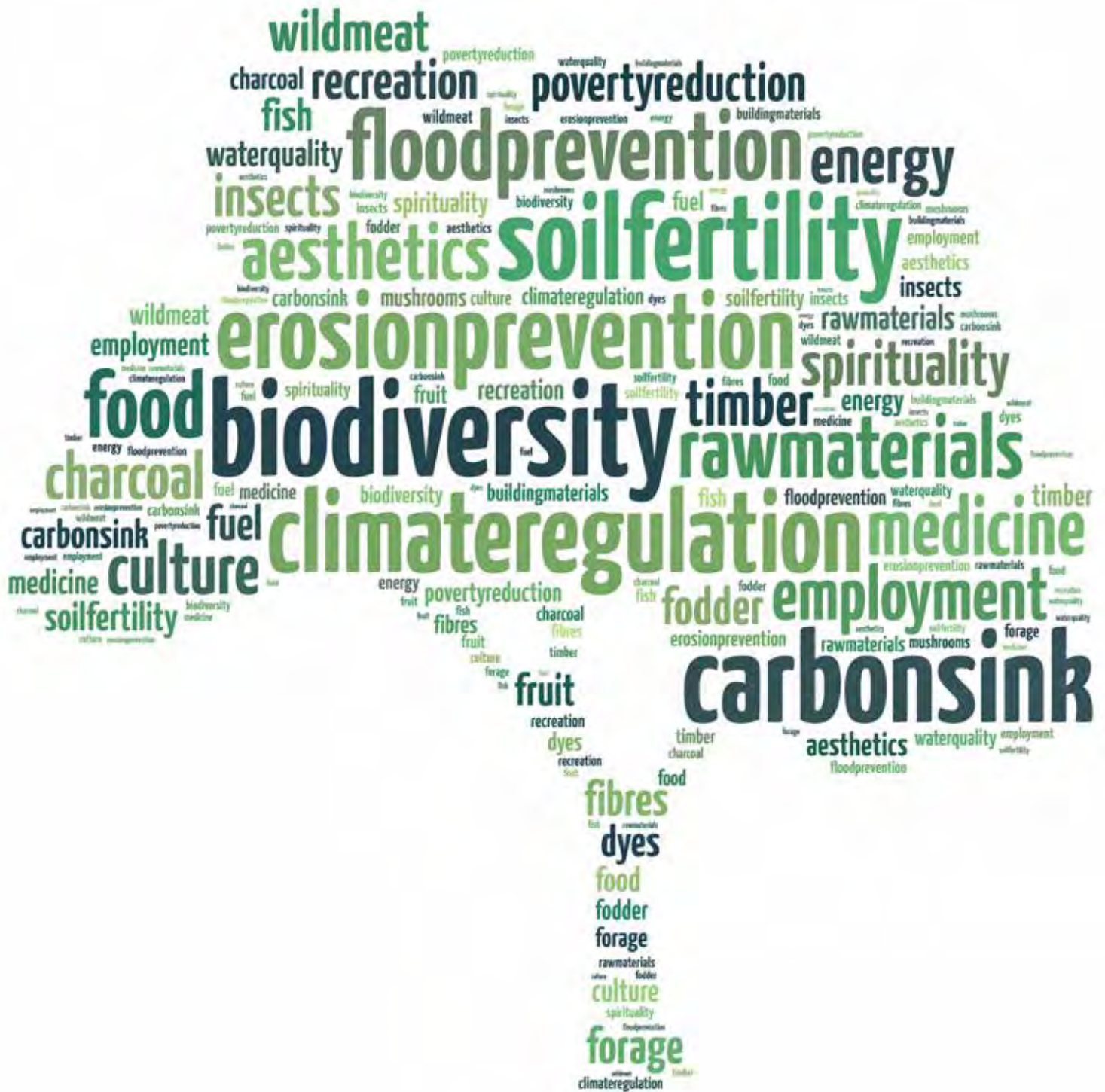
*Worldwide carbon dioxide emissions (2011):
38 billion tonnes of CO₂ $\approx$ 10.4 billion tonnes of carbon*



IPCC 2014



Ecosystem services provided by forests



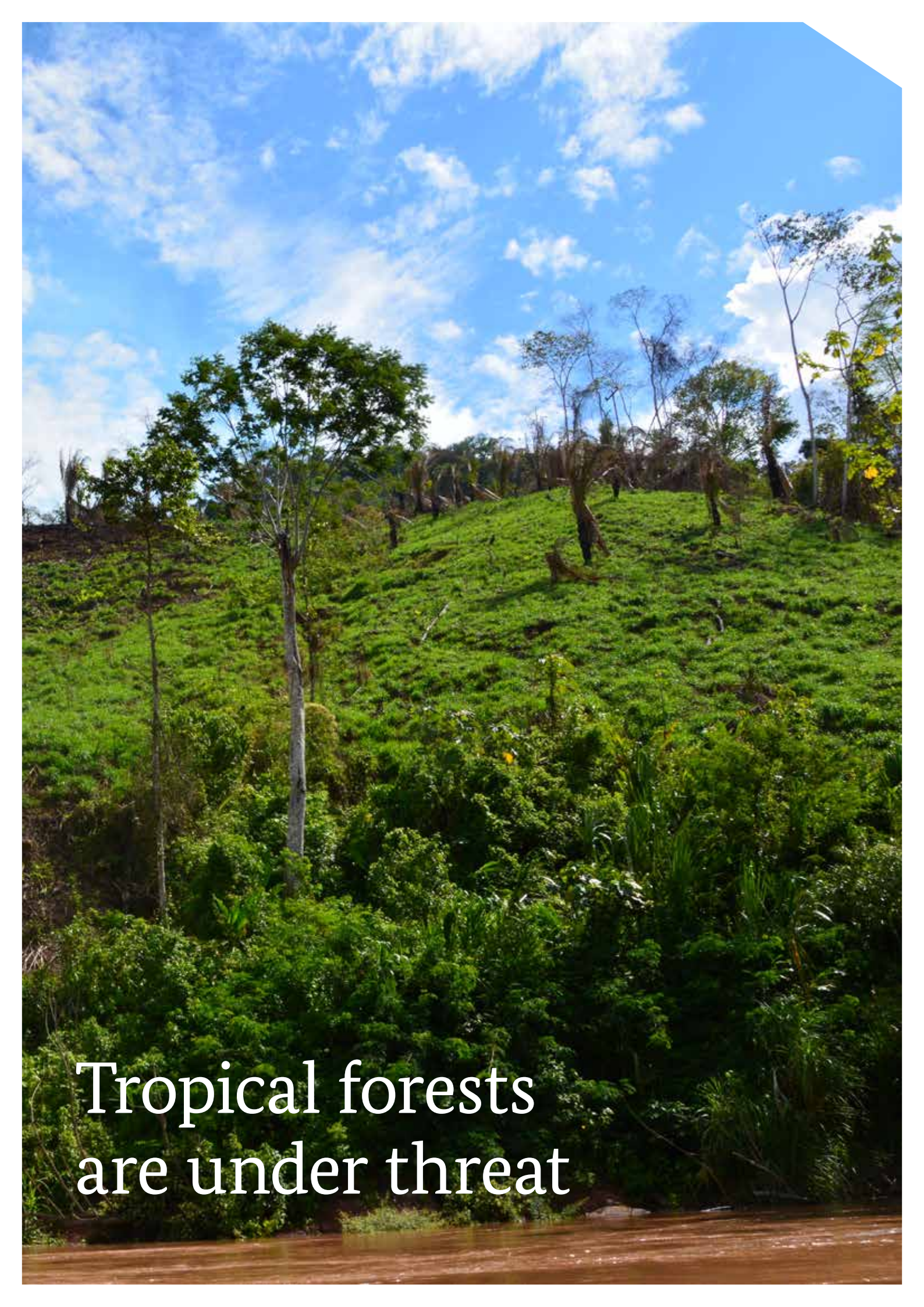
Forests play an **important role in global food security**. They provide a wide range of nutritious foods, such as wild meat, fish, fruit, nuts and mushrooms, complementing to agricultural produce. They also provide clean water, fuel, building materials and animal feed.

For many people, forests have a **cultural and often spiritual value** – especially, but not only, for indigenous peoples. Almost everybody can attest to the relaxing effect of spending time in forests, and often forests are popular tourist attractions.

Today's forests take many different forms, depending on the ecological zone, the specific local conditions, management objectives and methods and ownership arrangements. These range from untouched primary forests – now mostly restricted to the tropics and the northern boreal forests – through to semi-natural managed forests and fully commercial wood and oil plantations. The latter do not fulfil the ecological and socio-economic functions of forests, due to their lack of biodiversity. A universally accepted definition of a forest does not exist; the Federal Ministry for Economic Cooperation and Development (BMZ) generally operates in accordance with the classifications used in partner countries and with international standards.







Tropical forests
are under threat



Forests are still being destroyed at alarming rates, especially in the tropics. At the beginning of this century, around 13 million hectares of forest were being destroyed annually: an area larger than the total forested area in Germany. In 2015, the Food and Agriculture Organization of the United Nations (FAO) reported that 7.6 million hectares of forest were still being lost each year – an area the size of Ireland. Other sources such as Global Forest Watch consider the annual rate of forest loss to be as high as 18 million hectares.

The variation in figures on global deforestation can be attributed to the use of different data sources and methods of analysis. Forest definitions play an important role here, as do definitions of when an area is classified as deforested. The consideration of reforestation measures and natural regeneration are further significant factors.

Deforestation and forest degradation are also accelerating human-induced climate change, accounting for around **11 per cent of global greenhouse gas emissions**. By signing the 2015 Paris Agreement, the 195 parties to the United Nations Framework Convention on Climate Change affirmed their commitment to the goal of limiting the global average temperature increase to significantly less than 2°C above pre-industrial levels and to pursue efforts to limit the increase to 1.5°C. **If we fail to halt forest loss, we will not meet these climate targets.**



Source: World Resources Institute 2017 (Hansen/UMD/Google/USGS/NASA/SEDAC)

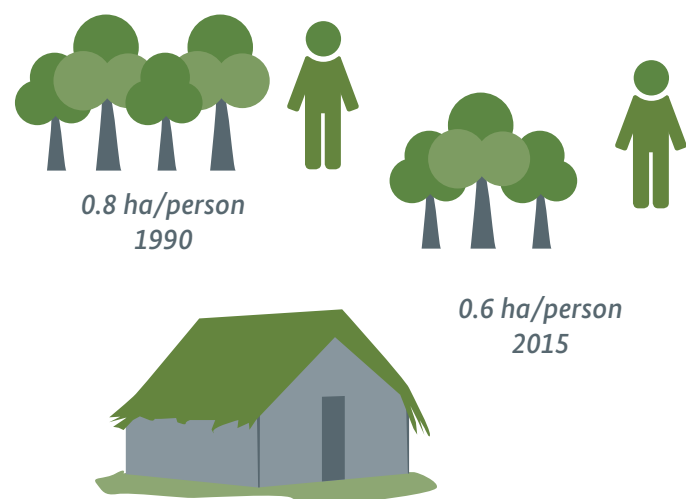
- Intact forest landscapes
- Fragmented / managed forests
- Formerly forest, now pasture
- Formerly forest, now cropland

Up to 75 per cent of global deforestation is attributable to the conversion of forest into agricultural land. Once deforested, this land is exploited by either industrial-scale agricultural enterprises or small-scale farms. Livestock farming, soy and palm oil production are the major drivers of deforestation around the world, but the rubber, sugar, cocoa and wood (for example for timber or charcoal) production also play a significant role depending on the region. This is partly due to the growing demand for these products in industrialised countries and emerging economies and to changing consumer habits. Between 1990 and 2008, 36 per cent of the globally traded agricultural raw materials for which tropical forests were cleared were exported to the European Union. In many cases, the expansion of industrial agriculture not only leads to the loss of forests and biodiversity but also has far-reaching negative impacts on social cohesion and human rights. Two such impacts are involuntary resettlement and migration into cities, in the process of which land tenure rights are often violated and workers exploited. Mining, infrastructure development, urbanisation and illegal logging are additional causes of deforestation.

Securing livelihood

Global population growth is putting increasing pressure on forests. Since 1990, per capita forested area has decreased by 1/4.

FAO 2015



Around the world, over 1.3 billion people rely on forest products for their housing.

FAO 2014





A woman with dark skin and short hair is standing in a field of green seedlings. She is wearing a white short-sleeved shirt and a yellow skirt with a brown and black pattern. She is carrying a large, black, cylindrical metal water container on her back, which has a handle and a spout. The background shows a wooden fence and a building with a corrugated metal roof. The text "The BMZ's commitment to forests" is overlaid in white at the bottom of the image.

The BMZ's
commitment to forests

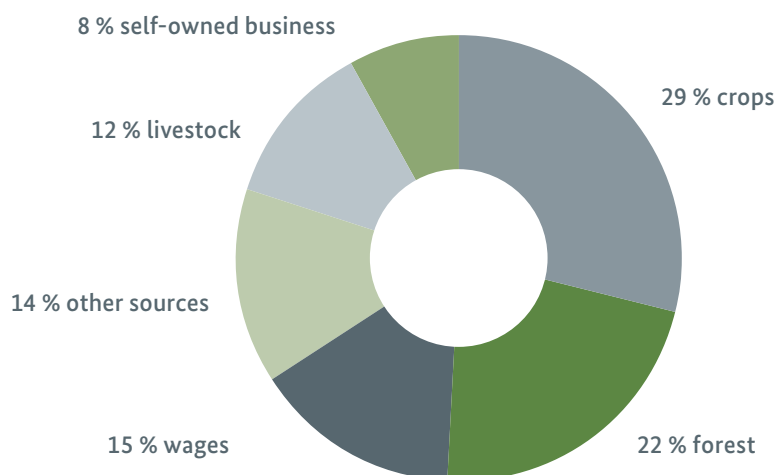


When forests disappear, so too do the commodities and ecosystem services they provide. The resulting impacts are felt particularly acutely in developing countries and primarily affect the poorest of the poor. The destruction of natural systems and resources that are central to human survival infringes on the rights of future generations and therefore also violates the principles of sustainability and intergenerational justice. By the same token, however, actions to protect and restore forests and tree-rich landscapes have the potential to significantly improve the living conditions of people in rural areas. Community-based forest management that fosters greater participation among the local population can bring about substantial increases in household income while also protecting the natural resources essential to people's livelihoods, sometimes even boosting their availability. Participation is especially important for women, as they often do not have equal access to and control over forested areas and forest resources.

The protection, conservation, restoration and sustainable management of forests are key elements of the BMZ's commitment to implementing the 2030 Agenda. The specific principles guiding the BMZ's activities in the field of international forest policy are based on the objectives set out in the 2014 New York Declaration on Forests:

- End natural forest loss by 2030,
- Restore at least 350 million hectares of degraded landscapes and forestlands by 2030,
- Eliminate deforestation from supply chains.

Income



Forests represent the **second largest source of income** for small-scale farmers and their families. This includes a 'hidden harvest' (non-cash), comprising commodities such as food, energy and building materials, that makes up **50 %** of forest-based income.

PEN 2015; World Bank 2016

INTERNATIONAL AGREEMENTS AND THEIR RELEVANCE TO THE BMZ'S FOREST ACTION PLAN

Our commitment to the protection, sustainable management and restoration of forests in the tropics and sub-tropics is guided by numerous international agreements and initiatives:

- *The **2030 Agenda**, comprising 17 Sustainable Development Goals, provides the overarching international framework for our efforts to ensure the protection, sustainable management and restoration of forests. Goals 2, 7, 13 and, in particular, 15 are of direct relevance.*
- *The 2015 **Paris Agreement** emphasises the importance of preserving forests and their capacity to store carbon and sequester greenhouse gases in efforts to achieve climate protection goals.*
- *In the **New York Declaration on Forests** (2014), governments, private companies, multilateral organisations, civil society representatives and indigenous groups jointly called for deforestation to be eradicated from supply chains. The Declaration also adopted, expanded and updated targets set in the context of the 'Bonn Challenge'.*
- *In its Programme of Work on Forest Biological Diversity, the **Nagoya Protocol on Access and Benefit Sharing** and the AICHI targets, the **Convention on Biological Diversity** set out clear objectives on the protection and restoration of forests and productive, tree-rich landscapes.*
- *The framework for REDD+ (**R**educing **E**missions from **D**eforestation and Forest **D**egradation) was established by the **United Nations Framework Convention on Climate Change (UNFCCC)** in recognition of the importance of forests in mitigating climate change.*
- *The **United Nations Convention to Combat Desertification** takes account of the special role of trees and forests in preserving soil fertility and preventing desertification.*
- *The **Bonn Challenge**, an initiative launched by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) in 2011 and renewed in 2015, is a forum for leading political and economic decision-makers dedicated to restoring forests. It was the first initiative of its kind to set concrete restoration targets to be met by specific deadlines (2020 and 2030).*
- *The 2015 **Amsterdam Declaration on Eliminating Deforestation from Agricultural Commodity Chains** is a voluntary commitment to ensure supply chains for agricultural products are structured in such a way that they do not contribute to deforestation. It was signed by a number of European countries.*
- *The **United Nations Strategic Plan for Forests** aims to improve the coordination of international forest protection targets and the efficiency of their implementation.*
- *The **United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)** affirms the right of indigenous peoples to conserve and protect their environment and the productive capacity of their lands or territories and resources in the context of a self-determined development.*



Building on these agreements, and working in cooperation with other partners, the BMZ pursues an international forest policy based on the following three pillars:

1. **Forest conservation and climate change mitigation:** The emphasis here is on ensuring the reduction of CO₂ emissions by preventing deforestation. The aim of REDD+ (Reducing Emissions from Deforestation and Forest Degradation) is to provide governments and local communities with results-based finance when deforestation is prevented and CO₂ emissions have been demonstrably reduced as a result. The restoration of forests and sustainable forest management practices also play a significant role in increasing forest biomass and carbon sequestration and reducing emissions.
2. **Restoration:** The purpose of restoring forests and productive, tree-rich landscapes (forest landscape restoration) is to counteract the loss of forested areas. Restoration activities play an important role in mitigating and adapting to climate change and conserving biodiversity. As well as ensuring a secure income for local populations and boosting employment, this work aims to restore the protective and regulative ecological functions of forests and their capacity to provide the important ecosystem services from which we all benefit.
3. **Promotion of deforestation-free supply chains:** The goal here is to work with partner countries to support the creation of deforestation-free supply chains for agricultural raw materials. A further aim is to integrate small-scale farmers into sustainable supply chains in order to improve their long-term ability to secure their own livelihoods. It is also important to ensure that investment decisions take account of basic environmental, social and human rights requirements that can be monitored and verified.

The BMZ currently supports **225 forest projects that are either ongoing or due to be implemented shortly**, providing total funding of nearly **two billion euros** (as of 31 December 2015). The primary focus here is on measures that achieve **positive outcomes** for the local population (income, employment, food security) while also ensuring environmental benefits with regard to the **climate, biodiversity or soils**. Modern **sustainable forest management** concepts combine several aims: producing forest products, generating income, ensuring ecosystem services and maintaining cultural functions. **Using forests in a sustainable manner** that maintains their **ability to provide ecological services** is, along with keeping protected areas free from exploitation, the most effective way of ensuring their long-term protection.

All of the BMZ's activities are conceived and carried out in accordance with the sustainability policies and strategies of the partner countries. This is a basic prerequisite for long-term success. The participation of people living in and dependent on forests is crucial. For example, if indigenous peoples living in forests are directly affected by a planned restoration or REDD+ measure, they must be informed well in advance. It is essential that measures in their territories are only carried out with their voluntary approval.

In many cases, this can lead to conflicts of objectives. The organisers of projects and programmes must therefore negotiate and develop viable compromise solutions locally.



A photograph of a dense tropical forest. The scene is filled with tall, slender trees and a thick canopy of green leaves. In the foreground, there are large, dark tree trunks and lush green foliage. The background shows more trees and a bright sky visible through the canopy. The overall atmosphere is one of a vibrant, natural environment.

12 fields of action

1. PROTECT MORE FORESTS

a) Reducing Emissions from Deforestation and Forest Degradation – REDD+

The framework for REDD+ was established within the United Nations Framework Convention on Climate Change (UNFCCC) in recognition of the importance of forests in mitigating climate change. REDD+ involves awarding results-based payments to countries that can prove that they have reduced emissions from the forest sector while also preserving or enhancing the unique biological diversity of their landscapes. BMZ financing is channelled through bilateral and multilateral initiatives. The BMZ supports particularly forward-thinking pioneers through its 'REDD Early Movers Programme' (REM). Examples include Ecuador, the Brazilian state of Acre and Colombia's Amazon region, where CO₂ reductions are being measured in accordance with international standards (**M**onitoring, **R**eporting and **V**erification – MRV). Funding is allocated to climate change mitigation measures that are proven to be effective, and care is taken to ensure funds are distributed equitably (benefit sharing), including among local populations. The BMZ is aiming to extend its bilateral REDD Early Movers Programme to a total of five to six country programmes by 2020. Germany is currently the second largest donor in the World Bank's multilateral Forest Carbon Partnership Facility (FCPF), alongside Norway and the United Kingdom. Over the next few years, around 20 countries are to receive payments from the FCPF's Carbon Fund, if they can demonstrate that their forest protection measures have been successful.



The BMZ will also work with numerous other countries that are not yet able to measure CO₂ emissions in accordance with international standards, helping them to establish more forest-friendly land use practices and address the root causes of deforestation.

THE REDD EARLY MOVERS PROGRAMME (REM) IN THE BRAZILIAN STATE OF ACRE

The Brazilian state of Acre is an international pioneer in the field of forest protection. Over the last ten years, the Amazonian state has been able to significantly reduce deforestation within its boundaries and to create sustainable sources of income for its population. The main beneficiaries have been indigenous communities and rubber tappers. In recognition of previous successes and as an incentive for the further expansion of this progressive environmental policy, Germany is providing Acre with 25 million euros in funding from the REDD Early Movers Programme. This is an example of results-based finance for proven emissions reductions from deforestation. 70 per cent of this funding benefits the local population, for instance by helping small-scale farmers to improve their agricultural and animal husbandry practices so they no longer have a destructive impact on forests. Indigenous communities and rubber tappers

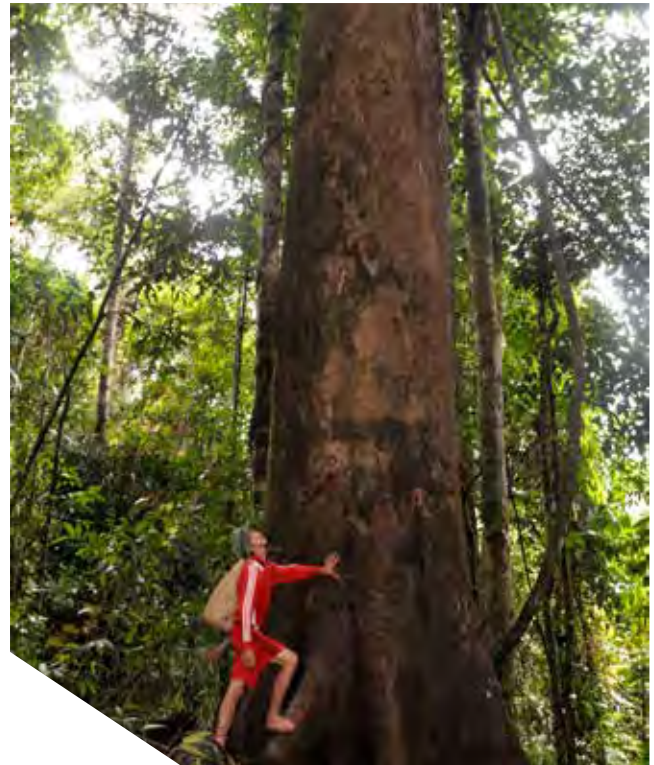
also receive assistance in protecting forests and ensuring they are used sustainably. So far over 12,000 families have directly benefited from the REM programme, including families living in remote parts of the rainforest. REM (comprising 16 million euros in funding from the BMZ and 9 million euros from the BMUB) has provided financial compensation for emissions reductions equivalent to six million tonnes of CO₂. The state of Acre has contributed almost seven million additional tonnes of CO₂ to the partnership because of the significant reductions in deforestation. This is equivalent to the annual CO₂ emissions of around six million cars in Germany. The emissions reductions have been documented in a register. Altogether, the successful measures carried out by the state of Acre to combat deforestation between 2011 and 2015 have resulted in emission reductions totalling 49 million tonnes of CO₂.

b) Protected forest areas

In forests with a high conservation value, the protection of biological diversity takes priority over other objectives. The BMZ has been working with partner countries in all three tropical forest regions for many years with the aim of designating protected forest areas and ensuring they are managed in a participatory way. These efforts not only help to protect biodiversity but also to increase incomes and strengthen the rights of local and indigenous populations. With its support, the BMZ contributes to the protection of forests covering an area totalling around 60 million hectares, roughly the size of Ukraine.

In many of these projects, the focus is on the following tasks: collecting data and drawing up management plans, involving the population in the management of protected areas, clarifying local tenure rights, developing buffer zones to relieve the pressure on nature reserves, equipping protected areas with the necessary infrastructure and sustainable financing instruments, such as national park funds, and training the staff of partner institutions.

In primary forests or forests with a high conservation value, the BMZ does not support projects aiming to gain access to or exploit the forests for the purposes of energy generation, infrastructure development, mining, oil and gas production or other commercial activities if they are likely to have a negative impact on the forest ecosystem.



Through its bilateral and multilateral activities, the BMZ is assisting more than 30 countries in developing and implementing forest conservation and emissions reduction programmes. These programmes must be established in a participatory process and must be of clear benefit to the local population.

PROTECTING FORESTS IN CENTRAL AFRICA: PROTECTED AREA MANAGEMENT IN CAMEROON

Since 2006, the BMZ has been promoting cooperation between the forest authorities and the local populations of the four protected areas in the South-West region of Cameroon. The villagers are involved in the management of the protected areas and benefit from development projects such as improved potable water supply and capacity development in agricultural production. Decisions on how forests should be managed and how their use should be monitored are taken jointly in a consultative process. Land use rights and related conflicts are settled by means of a participatory process. These measures guarantee the lasting protection of 310,000 hectares of forest.

The programme is being implemented in cooperation with the Cameroonian Ministry of Forests and Wildlife with support from KfW and GIZ, WWF and the Wildlife Conservation Society.



2. RESTORE MORE FORESTS

The BMZ supports selected partner countries in their efforts to counteract deforestation by restoring forests and productive, tree-rich landscapes. In cooperation with the African Union's development programme, the New Partnership for Africa's Development (NEPAD), the World Resources Institute and the World Bank, the BMZ has launched the AFR100 Initiative (African Forest Landscape Restoration Initiative). Its goal is to restore 100 million hectares of forests and tree-rich landscapes in Africa by 2030.

Through its activities, the Initiative is making an important contribution to achieving the target of restoring 350 million hectares of forested landscapes by 2030, formulated in the Bonn Challenge and the New York Declaration on Forests. The BMZ and BMUB are working hand in hand to meet this objective.

The aim of the BMZ-funded Forest Landscape Restoration Initiative is to take a wider view of landscape management and pursue a joined-up approach to land use planning across large areas. The intention is to reconcile reforestation, food security and rural development objectives. Partner governments receive support in integrating reforestation objectives into their national strategies and using a



cross-sectoral approach to implement them. The BMZ is also committed to improving the legal and institutional framework regulating restoration activities, for instance by clarifying land use rights. This ensures the sustainability of the measures carried out.

THE AFR100 INITIATIVE IN PRACTICE: RESTORATION IN MADAGASCAR

In the context of the AFR100 Initiative, 22 African countries have already pledged forest restoration targets. Germany is assisting the AFR100 Secretariat and a number of countries in their efforts to reach these ambitious targets. Madagascar, for example, has pledged to restore four million hectares of forested landscapes. Germany is providing advice on identifying appropriate sites and reaching collective agreement on a national reforestation strategy. Reforestation measures must be in the interests of all stakeholders and should also be suitable for private investment. In addition, laws are being adapted, land tenure rights clarified and concepts developed for the long-term use of the restored areas. German development cooperation is also helping to establish links with potential investors and donors and to promote dialogue among the AFR100 partner countries.



3. DEVELOP DEFORESTATION-FREE SUPPLY CHAINS

Around the world, more than 300 international private-sector companies have committed themselves to forest protection by eliminating deforestation from their products and supply chains. Therefore, private companies need to recognise and analyse the ways in which their supply chains contribute to deforestation and they have to develop strong action to break this link. Companies have to insist on the protection and sustainable use of forests in the regions they are sourcing from and have to provide the necessary incentives to their suppliers to ensure they are acting accordingly. At the same time, the various stakeholders in a landscape must work in the spirit of partnership, agreeing on objectives for the protection and use of forests. In cooperation with partner governments, the private sector and civil society, the BMZ is supporting the development of deforestation-free, transparent and traceable supply chains that reconcile forest protection with the sustainable production of agricultural raw materials.

In addition, development policy education strengthens the problem-consciousness among the general public.

The BMZ assists partner countries in integrating social, environmental and human rights-related requirements into national land use planning at state level. This involves cooperating with private companies, authorities and civil society with the aim of strengthening small-scale farming structures and integrating them into global supply chains. As a signatory of the Amsterdam Declaration (December 2015), the BMZ is committed to supporting political measures within the framework of EU policies (including trade and development policy). The Ministry is also supporting the further development of monitoring systems that can be used to prove that no deforestation is taking place.





THE BMZ INITIATIVE ON DEFORESTATION-FREE SUPPLY CHAINS

The BMZ initiative on deforestation-free supply chains combines cross-sectoral landscape-level approaches with private sector commitments and supply chain management. The various stakeholders at landscape or administrative level are encouraged to cooperate, to recognise their responsibility with regard to deforestation, agree on shared forest protection objectives and thus guarantee the long-term preservation of forests across the region in question. Appropriate monitoring and marketing models can help to ensure that supply chains or production regions gain a commercial advantage over non-sustainable regions.



Various measures are being combined to promote the deforestation-free production of palm oil, cocoa and rubber in Indonesia and Côte d'Ivoire:

- ➔ Providing support in land use planning: identifying and designating forested and suitable areas for other forms of use, such as agriculture,
- ➔ Assisting in the development of management plans for sustainable agriculture and forestry, including the designation of High Conservation Value Areas (HCVs) across the given landscape,
- ➔ Promoting agricultural intensification, in accordance with sustainability criteria, coupled with measures to increase tree cover by supporting the development of locally appropriate agro-forestry systems,
- ➔ Supporting reforestation and rehabilitation measures on formerly forested sites.

Our approach to achieving sustainability and traceability encompasses close cooperation with stakeholders from the private sector and civil society and we thereby respect the principle of improving gender equality.

4. PROMOTE GOOD GOVERNANCE, BUILD INSTITUTIONS AND STRENGTHEN TENURE RIGHTS

Corruption, weak institutions and a lack of legal clarity are common obstacles to the protection and preservation of forests. The BMZ helps partner countries to create an enabling environment for sustainable forest development. In order to benefit from this assistance, partner countries must demonstrate genuine political will and their intention to implement reforms in the forestry sector. Our activities comprise:

- ➔ Supporting partner countries in drafting **forestry legislation** and developing **forestry policies** that are consistent with the principles of sustainable forest development and the **collective rights of indigenous peoples**, and creating effective monitoring and penalty mechanisms to **combat problems such as corruption, child labour and illegal logging**
- ➔ Supporting partner countries in implementing their own forest protection and management objectives arising from the **nationally determined contributions (NDCs)** agreed under the Paris Agreement. This work includes knowledge management activities, technical assistance with country-level implementation and the identification of potential sources of funding in the context of the global **NDC Partnership** initiated by Germany (see also field of action 7)
- ➔ Carrying out regulated **land use planning** measures, including the designation of forests with a high conservation value and areas where sustainable forest management is taking place
- ➔ Ensuring that the local population has adequate **opportunities for participation** and shares in the benefits and value of forest resources
- ➔ Supporting **conflict management** processes, especially with regard to the clarification of land use rights for the local population and indigenous communities, through initiatives such as the Forest Carbon Partnership Facility (FCPF). This includes the establishment of complaint mechanisms
- ➔ Promoting the transfer of tenure **rights** to municipalities and other regional authorities or user groups; strengthening management structures controlled by civil society
- ➔ Promoting **transparent regulations on land use and ownership** which are consistent with the principles of sustainable forest management. In this context, the BMZ advocates the implementation of the FAO's 'Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests'. In future, German development cooperation will support further transparency initiatives in the agriculture and forestry sectors of its partner countries, such as the 'land matrix'
- ➔ Supporting the national **implementation of international agreements** and strategies **with relevance to forests** and promoting participation in international forest policy discourse
- ➔ Establishing effective and service-oriented **forest and planning authorities**, including by assisting partner countries in establishing national forest inventories to improve their ability to monitor their forest stocks.





LAND USE AND TENURE RIGHTS: VOLUNTARY GUIDELINES ON THE RESPONSIBLE GOVERNANCE OF LAND TENURE, FISHERIES AND FORESTS

In 2012, 124 member states of the Committee on World Food Security officially endorsed the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT) during negotiations in Rome. This was the result of a two-year consultation process carried out with the active participation of civil society actors, research institutions and the private sector. The voluntary guidelines set out minimum standards on the administration of land use rights and rights to fisheries and forests, provisions on ex-

propriation, compensation processes and reform measures, and standards on the responsible governance of land administration. They provide guidance on regulating the participation of affected groups in such a way that discrimination and corruption are precluded and the rights of indigenous peoples are adequately taken into account.

The BMZ played a central role in drafting the VGGT and is committed to ensuring their implementation.



5. COMBAT ILLEGAL TIMBER TRADE

Illegal logging and its associated trade degrades and devalues forests, with negative consequences for the climate, biodiversity and food security. Affected countries are deprived of a significant source of income, losing an estimated 10 to 15 billion US dollars each year according to the World Bank. Germany is one of the primary supporters of the EU's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. Through bilateral technical cooperation projects, the BMZ is supporting the negotiation of FLEGT Voluntary Partnership Agreements (VPAs) in five countries. This commitment is an effective way of tackling the multi-faceted problem of illegal logging from the supply side. In addition a large number of BMZ funded forest projects combat illegal practices and help improve governance in the sector.

Energy



Wood is the most important source of renewable energy in Germany. It accounts for around **1/3** of all renewable energy generated in Germany.

BMEL 2016

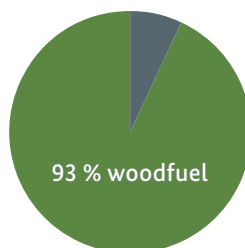
In 2011, a total of **3 billion m³ of wood** was harvested from forests, **49 %** of which was used as woodfuel.

FAO 2015



49 %

7 % industrial roundwood



Woodfuel is still the most important forest product in low-income countries, accounting for **93 %** of the total wood harvested.

FAO 2015

COMBATING ILLEGAL TIMBER TRADE IN LAOS

Laos's forests are being plundered at an ever-increasing rate; a phenomenon driven by the large-scale illegal export of wood. Wood imports in China and Viet Nam from Laos rose by around 70 per cent between 2013 and 2014, reaching 2.2 million cubic metres (roundwood equivalent) in 2014. According to official logging quotas for 2014, the total quantity of wood felled in Laos amounted to only 580,000 metres. It is likely that this export and import discrepancy can largely be attributed to timber from illegal sources. The Lao Government is seeking to address this problem and, with assistance from Germany, has begun negotiating a VPA with the EU in the context of the FLEGT Action Plan.

The government is working together with civil society and private sector actors to improve governance in the forestry sector and to initiate transparent reform processes. In 2015 and 2016, the new government adopted regulations that place stricter regulations on the trade of wood and prohibit the export of roundwood and semi-finished wood products originating from natural forests. Roundwood exports have since fallen significantly: in the first six months of 2016, exports to Viet Nam were 84 per cent lower than in the same period in 2015. Between April and August 2016, the value of roundwood imports to China originating from Laos fell by two thirds.

6. PROMOTE SUSTAINABLE ENERGY SUPPLY

In the energy sector the BMZ is supporting the expansion of renewable energy supply, promoting energy efficiency and the improvement of access to energy. In Africa and Asia in particular, this work involves optimising the supply of sustainably produced wood energy. Wood is the most important energy source in many African and Asian countries, with four out of five people in sub-Saharan Africa using wood for cooking. Demand for wood energy is set to rise significantly by 2040 as a consequence of population growth and urbanisation. In cooperation with various sectors, the BMZ is supporting the sustainable production of wood as a source of biomass energy, promoting efficient processing and combustion technologies and helping to build an adequate regulatory framework. Degraded areas are being restored and reforested, reducing the pressure

on natural forests. The energy wood sales generate income and, as a result of more efficient systems, harmful smoke and greenhouse gas emissions are reduced. Several approaches to sustainable wood energy supply chains have been successfully tested in various countries and will be rolled out on a wider scale in future.

The BMZ is cooperating closely with its international partners and is making a significant contribution to achieving Sustainable Development Goal 7 'Affordable and clean energy'. Through its work it helps to achieve the objectives of the Global Alliance for Clean Cookstoves. Together with the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and the Federal Ministry for Economic Affairs and Energy (BMWi), the BMZ is committed to promoting the sustainable supply of wood for biomass energy as part of the Global Bioenergy Partnership.





SUSTAINABLE WOOD ENERGY IN MADAGASCAR

Reforestation measures and the efficient use of wood for energy are helping Madagascar to sustainably meet demand in the sector. In a pilot project, 3,000 small-scale farmers planted forests for use as renewable energy resources on 10,000 hectares of degraded land. They were granted the right to use the products of the afforested areas and receive support in sustainable forest management and in bringing sustainable charcoal to market. Village charcoal markets, primarily run by women, are also being supported.

Thanks to these measures, the energy needs of 10,000 urban households can now be sustainably met. The income of participating charcoal burners has doubled. The energy yield has improved thanks to more efficient charcoal kilns and cook stoves. Emissions of harmful smoke and gases have also decreased. Measures carried out at all levels of the supply chain have enabled a ten-fold increase in energy yield per hectare compared to traditional practices and have thus relieved the pressure on natural forests in the region.



This approach is now being expanded within the framework of financial cooperation. There are plans to plant forests for biomass energy on a further 15,000 hectares of land, with around 38,000 people expected to benefit.

7. IMPLEMENT THE PARIS CLIMATE AGREEMENT

In many partner countries, deforestation is the main cause of CO₂ emissions. In the Democratic Republic of the Congo, for example, 80 per cent of national emissions can be attributed to deforestation. The picture is similar in Indonesia and Brazil, where it accounts for 60 per cent and 45 per cent of total emissions respectively. The Paris Agreement takes account of this situation and calls on signatories to undertake measures to preserve and, where appropriate, enhance carbon sinks and natural stores of carbon and greenhouse

gases. Signatories are expected to implement REDD+ and incorporate all categories of anthropogenic emissions in their Nationally Determined Contributions (NDCs). The majority (117 out of 160) of the NDCs that were pledged in 2015 as part of the Paris Agreement already include planned measures on land use and REDD+.

The BMZ supports selected partner countries in Africa, Asia and Latin America in developing concrete measures through which they can achieve the climate and development goals set out in their NDCs.

GLOBAL PARTNERSHIP FOR THE IMPLEMENTATION OF NATIONALLY DETERMINED CONTRIBUTIONS (NDCs)



Nationally Determined Contributions (NDCs) are a central element of the Paris Agreement. In the NDCs, the Parties to the Agreement set out the specific climate change mitigation and adaptation targets they intend to meet by 2030. As of 2020, these are to be re-submitted, evaluated and further developed every five years. The long-term aim is to help ensure countries adopt a development approach that reduces their emissions and increases their resilience to climate change.

At the 2016 United Nations Climate Change Conference in Marrakech (COP 22), the BMZ and the BMUB launched a global partnership for the implementation of the NDCs, together with other industrialised and developing countries and international organisations. The partnership was co-initiated and is being co-implemented by the World Resources Institute (WRI). The partnership is currently chaired by Germany and Morocco.

The purpose of this global coalition of governments and multilateral institutions is to assist developing and emerging economies in aligning their climate goals with their national development goals and implementing them quickly and effectively.

Examples of the targets set by individual countries:

- Ethiopia intends to reduce forest-related emissions by 130 million tonnes of CO₂ and increase its forested area by seven million hectares.
- Madagascar intends to afforest 270,000 hectares of land, protect existing forests and reduce emissions in the land use sector by 60 million tonnes of CO₂.
- Laos intends to increase forest cover to 70 per cent; Viet Nam to 45 per cent.
- Brazil intends to halt illegal deforestation in the Amazon region by 2030 and restore forests on 12 million hectares of land. It aims to reduce emissions by 43 per cent.



8. BROADEN INTERNATIONAL ALLIANCES AND SECURE INTERNATIONAL FOREST FINANCE

The German Government supports the global forest protection agreements of the United Nations and of other forums and processes. It is cooperating closely with other European governments and international partners. One particularly noteworthy cooperation arrangement has been initiated together with the governments of Norway and the United Kingdom (Germany, Norway, United Kingdom – GNU). The three countries have agreed to work together closely to improve coordination and promote ambitious programmes to achieve the goals set out in the New York Declaration more quickly and efficiently.

At the regional level, the BMZ supports initiatives in all the major forest regions focusing on the protection, sustainable use and restoration of tropical forests. These include the Central African Forest Commission (COMIFAC), the Central African Forest Initiative (CAFI), the Amazon Cooperation Treaty Organization (ACTO) and the expert group on forests within the Association of Southeast Asian Nations (ASEAN).

PRIORITY AREAS FOR COOPERATION WITH THE UNITED KINGDOM AND NORWAY (GNU)

At the Paris climate conference in December 2015, the governments of Germany, Norway and the United Kingdom pledged to provide:

→ *five billion US dollars in REDD+ funding for the period between 2015 and 2020 or one billion US dollars annually up to 2020. To qualify, partner countries must present ambitious and credible emissions reduction programmes and demonstrate a genuine political commitment to reducing deforestation;*

→ *financial and technical support to develop the expertise and infrastructure necessary to improve governance, clarify land tenure issues and ensure land is used sustainably;*

→ *support in establishing partnerships with private sector companies to eliminate deforestation from their supply chains.*



9. STRENGTHEN CIVIL SOCIETY

The BMZ provides assistance in strengthening the regulatory frameworks governing the protection, restoration and sustainable management of forests. A key prerequisite for support in this area is the participation of civil society in the planning and implementation of landscape-level forest protection and reforestation concepts. The BMZ also supports German and international civil society partners in carrying out forest-related projects in developing countries and emerging economies.

STRENGTHENING CIVIL SOCIETY THROUGH COOPERATION WITH THE FOREST CARBON PARTNERSHIP FACILITY (FCPF)

In 2010, it was agreed at the Conference of Parties in Mexico that indigenous peoples and local communities must be fully involved in the planning and implementation of REDD+ processes. The FCPF plays a central role in ensuring this commitment is put into practice.

45 countries are currently receiving support through the FCPF for strengthening the institutional framework for REDD+, the so called Readiness:

- ➔ *the development of a national REDD+ strategy;*
- ➔ *the implementation of a monitoring, reporting and verification system for emissions;*
- ➔ *the development of operational parameters for the application of social and environmental safeguards.*

In recent years, with support from the FCPF, civil society organisations in developing countries and emerging economies have been actively involved in national REDD+ planning processes. Transparency and participation are key criteria for FCPF support and are promoted through:

- 1. the incorporation of participation and transparency as essential criteria for funding at all stages of the Readiness process;*
- 2. a targeted support programme for civil society actors and indigenous communities run by non-governmental organisations from the South;*
- 3. the participation of civil society representatives in FCPF meetings. This improves transparency and ensures that civil society interests and concerns are adequately taken into account – both in the countries in question and in the FCPF's management processes.*



Mexico, for example, chose to pursue an inclusive, participatory and culturally diverse approach to developing its national REDD+ strategy. Virtual consultations and online surveys were carried out. Civil society actors took on the task of disseminating information and training participants in over 450 workshops and forums. Reports on progress in Mexico were presented at FCPF meetings and international workshops, and new ideas and lessons learned were fed back into activities in Mexico.

10. MOTIVATE AND SUPPORT RESPONSIBLE PRIVATE-SECTOR ENGAGEMENT

The private sector needs to make a stronger contribution to achieving international forest targets. It is essential that private companies eliminate deforestation from their products and supply chains. At the same time, policy frameworks need to be designed to encourage private investment and promote profitable business models for forest products.

The BMZ is therefore supporting the development of innovative instruments for engaging the private sector in the protection and restoration of forests. In cooperation with private companies, investors and international partners, the Ministry aims to build on positive experiences and successful partnerships with the private sector and the local population that have proven effective in promoting sustainable forest products. The BMZ's planned cooperation arrangement with the UK's Department for International Development (DFID) on investment in forests and sustainable land use provides a good example of how this can work.

This involves supporting the development of sustainable investment models and assisting selected partner countries in reforming laws and regulations so that they foster development-oriented investment that will have a positive long-term impact.

Investment of this kind helps small-scale farmers and local communities to adopt sustainable forest management practices. An important criterion is that no tenure rights are ceded to private companies if this is not in the interests of local forest users. All measures carried out by the BMZ in cooperation with the private sector are assessed to determine their impact on society, the environment and human rights. They adhere to the voluntary guidelines on the responsible governance of tenure of land, fisheries and forests (VGGT).

DEVELOPPP.DE – WORKING TOGETHER WITH THE PRIVATE SECTOR TO DEVELOP NEW INVESTMENT OPPORTUNITIES FOR FORESTS

The BMZ's **develoPPP.de**-programme promotes partnerships between European companies and local producers and companies in developing countries. In **Ethiopia**, for example, the sustainable use of forest products, such as wild coffee, honey, bamboo and myrrh, is creating incentives to protect and restore forests and generating additional income for local people. In this way, over 80,000 hectares of natural forests are now being sustainably managed. Over 60,000 people are benefiting from new markets for sustainable products from Ethiopia's mountain forests. Newly developed or improved value chains form the basis for future cooperation with companies and investors. Innovative financing mechanisms are used to roll out these business models on a wider scale.





11. INCREASE RESEARCH COOPERATION

The BMZ directly supports the activities of international research institutes working in the field of sustainable forest and land management. This cooperation is an effective way of ensuring development policy objectives and priorities are taken into account in research and international political discourse. It also increases the impact and range of German development cooperation.

Partnerships and close cooperation with research organisations and think tanks provide a valuable opportunity to test new approaches. Practical experience gained in development projects is fed back into the research process. Among others, the BMZ supports the International Union of Forest Research Organizations (IUFRO), the Center for International Forestry Research (CIFOR), the European Tropical Forest Research Network (ETFRN), the German Development Institute (DIE), and think tanks such as Forest Trends and the Program on Forests (PROFOR). The intention is to further expand these cooperation arrangements in future.



12. PROMOTE INTEGRATED THINKING – COMPREHENSIVE ACTIONS AND SHARING OF LESSONS LEARNED

The most effective way of protecting and restoring forests is to pursue cross-sectoral policies and holistic spatial planning strategies. With this in mind, the BMZ supports projects that promote integrated land use planning and combine forest protection and restoration objectives with targets relating to the sustainable development of rural areas through improved income and employment opportunities. The BMZ is committed to working with its international partners to ensure that the global forest protection goals set out in the Convention on Biological Diversity (CBD), the Framework Convention on Climate Change (UNFCCC) and other agreements are pursued in a

coherent manner. It is only by taking a joined-up approach that we can reconcile environmental, social and economic goals in a specific landscape.

To further develop these landscape-level approaches and advance their implementation, the BMZ is helping establish the Secretariat of the Global Landscapes Forum (GLF) in cooperation with the BMUB. The forum serves as an international platform for dialogue and discussion and will be located in Bonn.

The fourth GLF took place in Marrakech in November 2016 as part of the UN climate negotiations. It is the world's leading event in the land use sector and brings together the major stakeholders in the fields of forestry and agriculture, water, energy, law and finance.







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