

SMART MONEY

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Bayport Chief Executive Officer JOHN MBAGA

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FOR PARTICIPATORY FOREST MANAGEMENT HAS DRIED UP

The end of the REDD+ money moon in Tanzania

HIGHLIGHTS: 14BN/- SPENT ON OVERHEADS IN TANZANIA

A large part of the REDD money in Tanzania went on overheads. Total amount to US\$6.6b million, distributed 14.6% at the current exchange rate.

- The African Wildlife Foundation spent more than US\$750,000 on personnel, staffing, and administration.

- CAFC spent US\$1.9 million on staff and benefits, procurement of materials and equipment, and travelling.

- Tanzania Forest Conservation Group spent more than US\$5 million on personnel, vehicles, equipment and administration.

- The Jane Goodall Institute agreed to spend more than US\$1 million on staffing and administration – more than half the budget.

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Participatory forest management has also been plagued with governance challenges and cases of corruption, mismanagement and violence and actively resisted by sub-national government seeking to maintain forest oversight

By Chris Lang

A new paper in World Development argues that REDD is, "the latest in a long row of conservation fads that have invoked great enthusiasm within the forestry-development sector, only to be dubbed a failure and abandoned at a later point in time".

The paper, titled, "Promising Change, Delivering Continuity: REDD+ as Conservation Fad" is written by Jens Friis Lund (University of Copenhagen), Eliezeri Sungusia (Sokoine University of Agriculture, Tanzania), Mathew Bukhi Mabele (University of Zurich), and Andreas Scheba (Human Sciences Research Council, South Africa).

REDD+ stands for countries' efforts to reduce emissions from deforestation and forest degradation, and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks.

Big REDD problems

The authors argue that due to a se-

REDD+ READY
ANNUAL AVE
§ 1 BILL
US\$ A YEAR
FINANCE P



FUTURE REDD
PHASE (ESTI
30 BI
US\$ PER YEAR

ries of problems, REDD has failed to take off as its proponents anticipated. REDD is slower and more expensive than anticipated. It has failed to reduce deforestation and forest degradation. There is still neither a market-based nor fund-based financial framework

REDD+ READINESS FUNDING:
ANNUAL AVERAGE OF
\$ 1 BILLION
USS A YEAR FOR THE FAST START
FINANCE PERIOD 2010-2012

FUTURE REDD+ PAYMENTS
PHASE (ESTIMATE, AS OF 2020)
30 BILLION
USS PER YEAR

problems, REDD has failed to
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fill neither a market-based
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REDD. Few REDD projects have man-
aged to sell carbon credits.
The difficulty of selling carbon cred-
its has resulted in several REDD pro-
jects being abandoned or taking on an
approach that doesn't rely on perfor-
mance-based payments.

On top of all that, there are the prob-
lems of unclear and unstable tenure
arrangement, corruption, mismanage-
ment, the political economy of land use,
and local resistance to REDD.
To illustrate their point, the authors
look at REDD in Tanzania and com-

pare it to the previous conservation fail-
participatory forest management. The
authors argue that, REDD+ represents
a promise of change that is carefully
managed to ensure a balance between
disruptive change and continuity in
practice that allow certain actors within



GLOBAL SUBSIDIES
FOR FOSSIL FUELS
24 BILLION
USS IN 2011

GLOBAL SUBSIDIES
FOR FOSSIL FUELS
480 BILLION
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REDD+ Tanzania

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14BN/- SPENT ON OVERHEADS IN TANZANIA

A large part of the REDD money in Tanzania went on overheads. This amounted to US\$6.66 million, about 14.63bn/- at the current exchange rate.

- The African Wildlife Foundation spent more than US\$750,000 on personnel, staffing, and administration.
- CARE spent US\$1.9 million on staffing and benefits, procurement of materials and equipment, and travelling.
- Tanzania Forest Conservation Group spent more than US\$2.5 million personnel, vehicles, equipment, and administration.
- The Jane Goodall Institute managed to spend more than US\$1.5 million on staffing and administration – more than half the total budget.

the development and conservation industry to tap into financial resources.

Participatory Forest Management in Tanzania

The authors outline the development of participatory forest management in Tanzania, from the first pilot projects in the 1980s to today.

Money from Norway, Sweden, Denmark, the Netherlands, Finland, and the World Bank poured into Tanzania to support participatory forest management projects. All the projects involved international experts working with government officials.

Project evaluation reports and academics described the pilot projects as successes. A new Forest Act in 2002 included goals and legislative background for participatory forest management.

By 2012, about 7.5 million hectares of forest was reported to be under participatory forest management.

But the authors note that of the more than 2,200 villages involved, well under one-quarter had declared Village Land Forest Reserves or signed joint management agreements. The authors write that, behind the impressive figures there are indications that

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honeymoon in Tanzania

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implementation is slow and that the remarkable coverage has been achieved by casting a wide net over "work in progress".

While participatory forest management seems to work for forest conservation in some areas, in others powerful outsiders are more important than villagers' conservation attempts. The authors note that, participatory forest management has also been plagued with governance challenges and cases of corruption, mismanagement and violence and actively resisted by sub-national government seeking to maintain forest oversight.

In recent years funding for participatory forest management has largely dried up.

REDD to the rescue?

When REDD appeared on the scene, the Tanzanian government, conservation NGOs, and research institutions promoted REDD as an opportunity to save Tanzania's forests and to address the problems with participatory forest management. They focussed particularly on the promise that REDD would improve livelihoods for local communities.

In April 2008, the governments of Tanzania and Norway signed a Letter of Intent to carry out a REDD programme in Tanzania. The vast majority of REDD funding to Tanzania has come from Norway.

In the same year, Arild Angelsen and Ole Hofstad from the Norwegian University of Life Sciences wrote in a paper about REDD in Tanzania that, while even the broad elements are yet to be agreed on, REDD represents an unprecedented opportunity for countries like Tanzania to receive substantial financial rewards for actions taken to reduce DD (deforestation and forest degradation). The magnitude is highly uncertain, but simple "back of the envelope" calculations suggest that even under conservative estimates they can be hundreds of millions US dollars per year. Once again money and international experts poured into Tanzania, with finance from Finland, UN-REDD, the World Bank, and the Rockefeller Foundation as well as Norway.

forest management areas, produced detailed land-use maps, and developed forest carbon monitoring techniques.

But the authors write that, "The performance of REDD+ in Tanzania was mixed."

None of the pilot REDD projects management to sell carbon credits (apart from using donor funds to test payment modalities). The authors note that in any case, the current price of REDD carbon credits is too low:

High opportunity costs of reduced deforestation and forest degradation also became evident. The current voluntary market carbon price of around US\$5 per tonne appears insufficient to compensate forgone opportunities such as agriculture and charcoal production.

It is more profitable for rural people in Tanzania to clear forest for agriculture than to leave the trees standing in the hope of finding a buyer for carbon credits.

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Tanzania Forest Conservation Group spent more than US\$2.5 million personnel, vehicles, equipment, and administration. The Jane Goodall Institute managed to spend more than US\$1.5 million on staffing and administration - more than half the total budget.

Problems in implementing REDD in Tanzania include tenure conflicts, uncertainty, lack of local government capacity, failure to enforce laws prohibiting logging and charcoal production, and a lack of ownership by the Tanzanian government.

A 2010 report about REDD in Tanzania argued that capacity building was needed. Six years and millions of dollars spent on capacity building later, the authors note that, the problem of capacity persists along with many other challenges for REDD+ in Tanzania to become a reality outside of a few selected project sites and NGO and government offices.

REDD brought new problems on top of those under participatory forest management projects, including meas-