

## Transcript

### Principles of forest landscape restoration

**Anique Hillbrand:** Just before entering the topic of the project I just wanted to explain to you the concept of forest landscape restoration, which is an ongoing process on restoring the ecological function of an area. Actually, it's not just tree planting or working at the specific site, but it would in the best way include all actors in the landscape or region. Involved stakeholders as like, for instance, also vulnerable people or Indigenous people, private sector, and also kind of develop a governance mechanism and decide how to use which area in which part of the land in the landscape.

So maybe you have agriculture, you have protection area for wildlife resorts, you might have wetlands, and so on. So, all this would be seen in forest landscape restoration in the context as an approach that you could take to get a more resilient and long-term development of an area.

In the forest value project, we work in Guatemala with two local NGOs. They are called Defensores De La Naturaleza and Heifer International for building innovative partnerships for forest restoration. The project is already running for some six years, it will end in 2023 with a budget around seven million euros financed by the German Ministry and the National Climate Change Initiative.

And we are working in three areas in Guatemala, in Lacandon National Park, Bocas Del Polochic and Sierra De Las Minas, together with the team of around 40 people. I have four colleagues here in Bonn located and the other colleagues working with the partner NGOs in Guatemala.

The project would work in different, let's say, outputs that we focus on. First of all, we would do different analysis in the region depending on cultural factors and land productivity and landscape functionality. What would be the adequate value change in products that farmers could produce in their agroforestry systems. But apart from agroforestry, we also have afforestation and forest conservation in the project going on as well as agriculture production activities.

And then we would support the farmers, not only by getting the new seeds for a new product, but building up the whole value chain, and getting the adequate capacities, how to manage the product, how to get the right quality to sell it on the market and so on.

So, in the project until now in the last five years, we are constantly working on conserving protected areas. It's around 180,000 hectares of land in national parks and preserves. And these ones are really tropical forests, very dense forest where actually, there are a lot of fantastic animal species. You would also find a puma, and it's really, really, really fantastic. But there's also a lot of pressure of converting this forest into other agricultural land.

There is also trafficking of drugs towards the US, so it's like not an easy area where there are also mining activities. So, the competition on land is very high, and you really need to focus on what is the farmer interested to change his behaviour and to adopt to a more sustainable system. Then we would decide on which product models could be working. So, we would do different studies, feasible studies on what could be feasible, which international or local products could be well sold on the market, and that's what have been done in the last five years. And then we also look into how we get additional investment from the nation and private sector.

This is a graphic from the forest and landscape restoration mechanism of the United Nations Food and Agriculture Organization. It's a bit simplified, but I just wanted to show you that there are also some kind of risks of forest restoration.

And why I'm showing this is because actually, we need much more funding for planting trees and doing restoration. So, we estimate if you want to reach 350 million hectares of restored land, we would need around \$800 billion to do this. And specifically, for that, we need much more climate finance to flow into restoration. But specifically, also from entrepreneurship from the private sector. Additionally, to the domestic budget because not everything could be financed by public budgets or the countries themselves.

So yeah, it's just showing that also the more degraded the area is, the higher is a risk of an investment. So usually, a traditional investor would then obviously be more at a lower risk because that gives him-- he would be sure that his money would be safe, right?

So, we need to see also often, where it's mostly degraded and mostly rural, where there's the most vulnerable people, usually no one wants to get in. And then you can only find the NGOs and public foundations. And there is already a lot of discussion going on on how to get investments in forest landscape restoration. And there are couple of banks that are working on this topic but still, there is no real track record of investments that have been done. But this will be a challenge for the next years. If you are interested to see some of our publications, you can then follow the link to our website to order, whereby we have this publication on financing for landscape restoration and some of the case studies in Kenya, Peru, Dominican Republic, and South Africa, and also on private capital for nature conservation and impact investment. And there is also the project newsletter. And then also I have some further readings for you that I found kind of quite interesting.

So, take home messages from my site. First, the landscape restoration is essential to reach the SDGs, to stop climate change. But it's not the only solution for doing this. And tree planting and restoration actually is an effort on various levels. So, it's also-- it needs to be supported systematically. And that means that we need the right enhancing environment at national level, and we need to better monitor actually how we can do this at large scale level. And therefore, we need more money from the private sector, but also from donor funding longer period projects that we have a more long-term effort.

Coming to the risk part, yeah, there are kind of different movements of planting trees. Some of them, I believe, much more like greenwashing. We have a lot of international companies that they may be even working in sectors that are doing harm on the environment. But at the same time, they pledge they do plant a million trees in some countries, et cetera, et cetera. That's a different story, right? We can also see this a bit critical.

But if you want to do it very well, you also, I think, need to change the way you produce, not only at the small-scale level for the farmers that we have been seeing here in the project that are very vulnerable, but also the large-scale agriculture that we are having for producing our food. So, I believe we also need to make this change in this more intense, industrialized agriculture, integrate more trees in there.

And well, actually, for instance, I can give you an example that is for instance this livelihood fund, it's a fund of bigger companies. Like for instance, also Danona, and they would invest in Kenya in dairy products, dairy farming, and integrate trees. So, there are already certain efforts and certain project and initiatives that would run, maybe quite well. But then, I think there is often a bit this tricky situation that there are also regions or countries that may be under political or not so stable that wouldn't receive any money.

So, the private sector would claim for instance, our banks would claim that governments should give first loss capital points. And so, if they ensure their first loss capital in an investment is public money that is just there to protect their money, then they would start investment. So, there are different sort of mechanisms that finance institutions together with public intensity. An institution could put in place to attract more the private sector to come in, in situations where it's maybe not so secure for them or they would be usually running a risk so that it gets more attractive.

And then once we have more these sorts of ways of production, then the sector will also be changing.