National Level

How to increase finance for AFOLU LEDS?
Examples of success/Opportunities

• Better way of using existing money
  – India: Central-to-state budget transfer formula
    • 7.5% weighting for forest cover (state with more forests -> more $)
    • 6 billion/year for forest conservation
  – Indonesia:
    • Incentives to district level. If district meets Emission Reduction target then get 500 million Rupiah

• Generate new income
  – Vietnam PFES: 2010-now: 162m USD (60m USD/yr)

• International PES:
  – India pays Nepal & Bhutan to build hydropower, India gets cheap power and flood regulation

• Other countries – project level only for now
  – Thailand, Nepal, Laos, Philippines: PES
  – Nepal: subsidies for organic fertilizers and bio-pesticides
Constraints

• Subsidies causing negative impacts
  – E.g., Indonesia
    • 165 million for forest conservation
    • 27 billion for ag commodity subsidies

• Lack of political will

• Opportunity cost
  – E.g., income from forest protection vs. coffee in Lam Dong
  – But this also relates back to the commodity subsidies

• Information flow
  – Lack of communication to top political level
  – Lack of mechanisms to share lessons learned (VN-Thailand-PFES)

• Project mentality
  – Loss of capacity, best practices when project is done
Solutions

• Make better use of existing money (not always looking for new money)
  – E.g., Fiscal incentives; credit constraints like in Brazil
• Improve governance
  – Increase transparency, accountability
• Have to combine mitigation with adaptation measures
• Support/involve champions
  – E.g., M.P. Governor Jim Kas of Madang Province, PNG
• Improve information sharing between countries
• Generate top political support
  • Speak in language of top decision makers