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Scaling up the financing for restoration based on the costs and benefits of Forest and Landscape Restoration

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FLRM
Forest and Landscape Restoration Mechanism



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Why is investment in Restoration slow - Do we have the right benefits and costs? A critical look and way forward for cost-benefit analysis

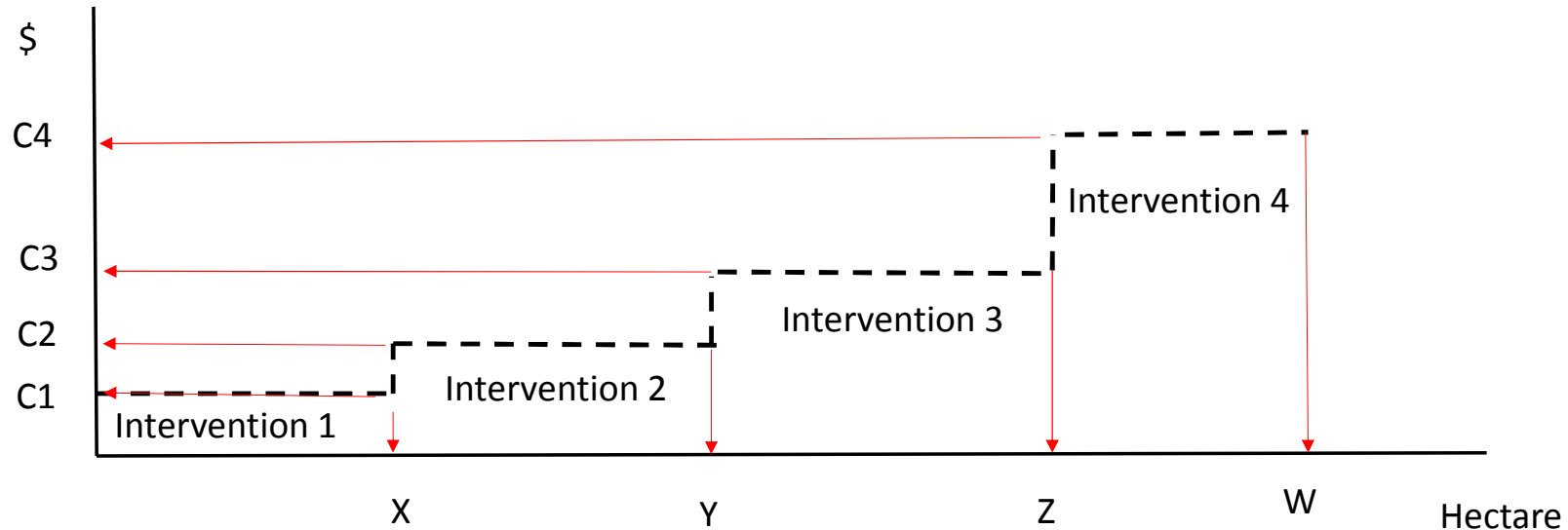
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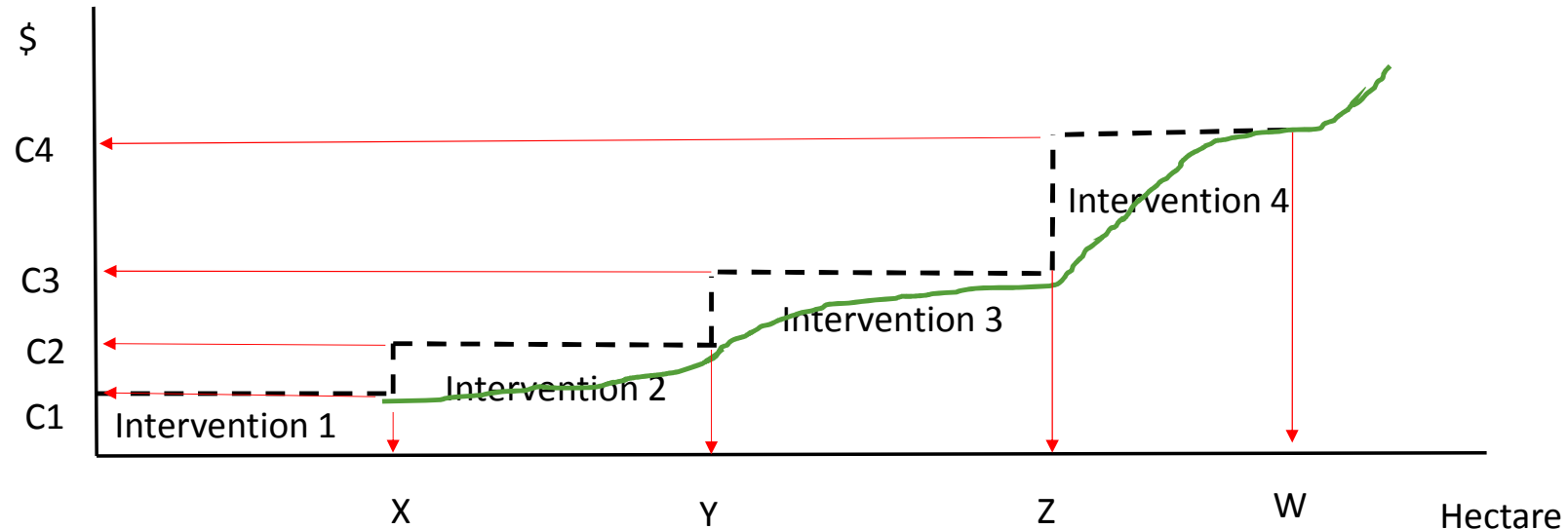


- Bonn Challenge : Restore 350 million hectares of degraded land by 2030. But how much does it cost?





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- What are the benefits?
 - Private goods (timber, grass, crop, livestock....)
 - Public goods (at community/country level) (water, shelter....)
 - Global public goods (CO2, biodiversity...)
- Who bears the costs?
- Who receive the benefits?
- Need for a reliable and comprehensive database/tool on costs and benefits of FLR



State of the available data and past efforts

- <5% studies provided both cost and benefit data (TEEB, 2009)
- <50% studies provided sufficient cost information to allow for a coarse modelling of an estimated cost per hectare for different biomes (De Groot *et al.*, 2013)



FAO Review

- Restoration project documents in the drylands of 5 African countries—Burkina Faso, Ethiopia, **Morocco**, Niger, & Senegal

Number of restoration projects consulted in the 5 countries

Type of sources	Number of projects
Technical report	12
Project reports	22
Scientific publication	11
TOTAL	45



Data Review Results

Costs

	Number of projects	
Presence of general information on costs		
Total cost of restoration	32	71%
Restored area	23	51%
Cost+Area	20	44%
Presence of information on fixed costs		
Project design	0	0%
Consultations	0	0%
Overheads/Management costs	0	0%
Cost/ha with description of the intervention	20	44%

Benefits

	Number of projects	
Presence of quantitative information on benefits		
Any quantitative information on benefits	18	40%
Quantitative benefits+Costs+Area	3	7%
Presence of qualitative information on benefits		
Access to water	5	12%
Gender benefits	8	17%
Capacity building	14	31%
Employment	0	0%



Past estimates are not reliable

- FAO + UNCCD:
 - Restoring tropic forest
 - costs \$3,450/ha;
 - Benefit-cost ratio = 37.3
- Verdone and Seidl (2017):
 - Benefit-cost ratio = 7 -30



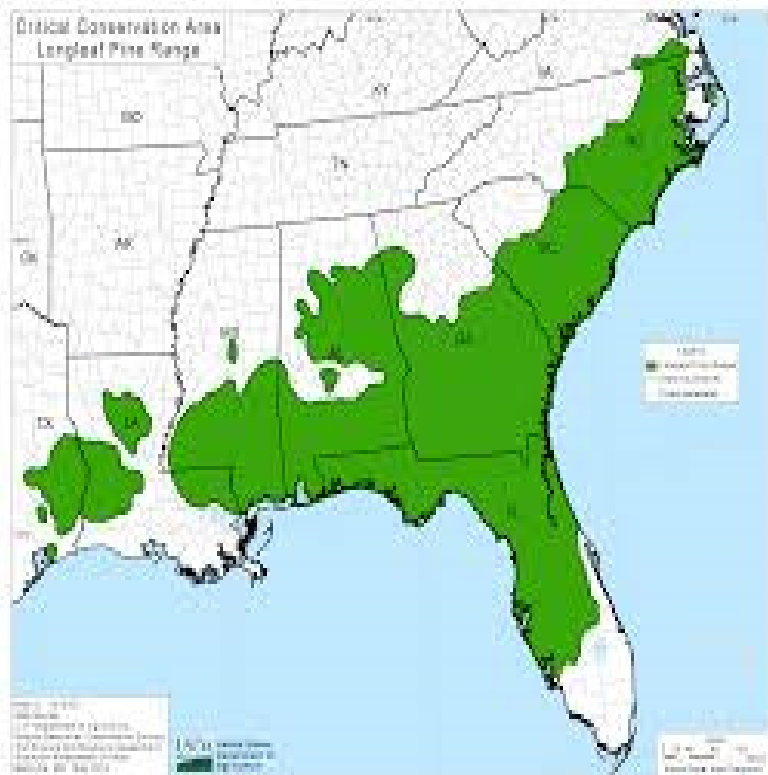
- Lack of information on the costs and benefits of Forest and Landscape Restoration (FLR) projects may hinder further global public and private investments on restoration activities, jeopardizing the chances of meeting the Bonn Challenge goals
- Need for a reliable and comprehensive tool on costs and benefits of FLR



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The Economics of Restoring Longleaf Pine Ecosystems in Southern US





Cost-Benefit Analysis of of Ecosystem Restoration or The Economics of Ecosystem Restoration (TEER)

- To build a reliable database on the costs and benefits of restoration in **all major biomes**
 - that facilitates decision-making
 - that offer a reference point for the evaluation of a project or an intervention
 - That serves as a basis for more complex economic analyses, such as supply curves for their scaling up in different regions and ecosystems



The Economics of Ecosystem Restoration

- To develop/test methodologies via a pilot study in the Sahel, as a first step (2-3 years)
- Costs
- Benefits
- Plot (or intervention unit) based
- Real data---signed by project manager
- Develop standardized templates
 - for cost information in restoration project submissions
 - and methodologies for the presentation of the monetary and non-monetary benefits of restoration



The Economics of Ecosystem Restoration (TEER)—A way forward

- Lack of reliable costs and benefits hinder the finance of restoration
- TEER intends to get the numbers—costs and benefits and their distribution—right
- To facilitate decision-making in restoration
- To help the finance and scale-up of restoration
- Welcome similar efforts in the Mediterranean region!



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Comments and questions