REDD+ as an incentive for reducing deforestation and forest degradation

- A REDD+ incentive is only one of many drivers influencing behavioral patterns in forest use and governance
- How can REDD+ compete?
  - Potentially effective if REDD+ monetary incentive > opportunity costs, or provides compensation ≥ input costs of implementing a REDD project or governance of policy
  - Potentially as a driver to change policies and economic incentives from business-as-usual forest exploitation to incorporate other values
- Other REDD+ non-monetary or indirect benefits can be highly significant
Recent developments in climate change

- Global REDD+ negotiations were concluded at the Climate Change conference in Bonn SBSTA 42 (June 2015), 10 years after REDD+ Bali Action Plan, resolving:
  - Safeguards guidance -- little specific guidance, “in accordance with national circumstances”
  - Non-carbon benefits -- importance can be integrated within REDD+ financing, but not as a requirement of conditionality
  - Non-market approaches -- joint mitigation and adaptation recognized as an alternative to results-based payments, subject to REDD+ safeguards

Moving from the global to national implementation

- REDD+ now moves into the national and sub-national implementation arenas, big questions are:
  - How will countries implement safeguards within the national REDD+ architecture?
  - How are the objectives, priorities and procedures for a SIS determined (legitimacy and procedural equity dimensions)?
  - How are safeguards measured and reported, and by whom (cost efficiency, effectiveness)?
  - As safeguards must be “addressed and respected before they can receive results-based payments” (COP 19 Warsaw): how could reporting be linked to financial disbursements?
  - How will countries measure carbon and non-carbon benefits? Who pays and who benefits (distributional equity)?
REDD+ architecture

Mapping BSM criteria/indicator to Safeguards

Examples of Cancun Safeguards:

1. ...
2. Maintain transparent governance
3. Respect the knowledge and rights of indigenous peoples and local communities
4. Obtain effective participation of indigenous peoples and local communities in the design and implementation of REDD+
5. Avoid the conversion of natural forests and ensure that activities conserve forests, biodiversity, ecosystem services, and enhance other social benefits
6. ...
7. ...

Safeguard operationalization through BSM assessment and criteria/indicators:
- Mechanisms in place to track how financing is programmed and spent
- Participation adheres to procedural justice criteria
- Benefits reach targeted stakeholders and fit their justice principle
- Grievance mechanism in place
- Level of participation and inclusiveness and access to information of civil society, indigenous people, research etc. in setting conditionality factors, targeting criteria, decision on investment of benefits
- Incentive reaches objective: amount of emissions reductions (% reduction on annual basis); degree of poverty reduction (poverty rate/poverty intensity, poverty gap); amount of ecosystem services and biodiversity; inclusiveness of gender; indigenous groups and vulnerable groups

Information flow for SBM in national architecture:
- Needs to be built upon existing information sharing systems
- Needs to be collected through appropriate mechanisms/actors
- Needs to feed into MRV systems
- Needs to be translated into financial action
Prioritizing high risk areas in BSM and linkages to specific safeguards

- Country realities are highly diverse, different institutional pathways established, different BSM funding instruments, often in parallel

→ will require different sets of operationalized safeguards

Where to prioritise?

High risk areas in BSM
1. Risks related to objectives of BSM, e.g. the rationales in identifying beneficiaries
2. Risks related to unclear and insecure land tenure
3. Risks related to representation including elite capture
4. Risks related to horizontal and vertical information sharing and governance
5. Risks related to financial practices (embezzlement, corruption, etc)

Risks related to unclear tenure, financial procedures, elite capture

Cameroon has two main mechanisms of benefit-sharing: i) decentralized forestry taxation system; and ii) land fees:

In both, risks are clearly related to:
- institutional path dependencies (e.g. colonial rules) in the process of establishing land tenure,
- the top-down approach to establishing a governance system for the distribution of forest fees,
- and a lack of transparency in the fee-distribution process

→ Information needed: rule setting and participation, reporting on actual fee distribution (following the money)
Risks related to representation - Procedural equity in implementation

- Decision-making and discussions on REDD+ in general and benefit sharing in particular are **dominated by select powerful actors**
- **Example Vietnam (Pham et al. 2014):**
  Dominant role of government agencies in REDD+ policy-making, limited political space for non-state actors (e.g., NGOs, CSOs) to exert an influence on the final policy outputs
  → Information needed: participation and representation, policy networks

Challenges and suggestions for moving forward with national REDD+ implementation

Addressing country specific risks for efficient, effective and equitable BSM design and implementation is not easy and will require:

→ identification of priorities for safeguard information
→ country specific operationalization of safeguards within REDD+ architecture
→ careful methods design and inclusive participatory processes in obtaining information, assessing and reporting

**Is REDD+ sufficient as an incentive to change forest use behavior? How can ASOF leaders motivate transformational change away from business-as-usual policies?**
www.cifor.org/safeguards
www.cifor.org/redd-benefit-sharing

For further reading:

- Loft, L., Pham, T.T., and Luttrell, C. 2014. Lessons from payments for ecosystem services for REDD+ benefit sharing mechanisms. CIFOR Infobrief No.68.
- The context of REDD+ in … CIFOR country profile series
- Pham et al. Local Preferences and Strategies for Effective, Efficient, and Equitable Distribution of PES Revenues in Vietnam: Lessons for REDD+ Human Ecology
- Areida S. et al. 2015 Lessons from anti-corruption measures in Indonesia. Infobrief 120.
- Gbega MF. et al. 2014. Lessons from local environmental funds for REDD+ benefit sharing with indigenous people in Brazil. Infobrief 98.