

UN-REDD | REDD+ ACADEMY

PROGRAMME



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REDD+ ACADEMY

REDUCING EMISSIONS FROM DEFORESTATION AND
FOREST DEGRADATION

LEARNING JOURNAL

EDITION 1 - FALL 2015

ABOUT US

UN-REDD

The UN-REDD Programme is the United Nations collaborative initiative on Reducing Emissions from Deforestation and forest Degradation (REDD) in developing countries. The Programme was launched in 2008 and builds on the convening role and technical expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).

The UN-REDD Programme supports nationally-led REDD+ processes and promotes the informed and meaningful involvement of all stakeholders, including Indigenous Peoples and other forest-dependent communities, in national and international REDD+ implementation.

REDD+ACADEMY

The REDD+ Academy is a coordinated REDD+ capacity development initiative led by the UN-REDD Programme and the UNEP Environmental Education and Training Unit, which seeks to match the scale of the global climate change mitigation challenge and enable systematic, focused capacity development to deliver REDD+ on the ground.

The REDD+ Academy is a comprehensive response to capacity building needs identified by the countries receiving support from the UN-REDD Programme. The main aim of the REDD+ Academy is to empower potential “REDD+ champions” with the requisite knowledge and skills to promote the implementation of national REDD+ activities.

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Our training targets two key groups of beneficiaries: the delegates to the United Nations and others who develop intergovernmental agreements establishing global norms, policies, and programmes, and the key national change agents who turn the global agreements into action at the national level.



Dear Learner,

Welcome to the REDD+ Academy, providing you with a State of the Art overview of REDD+ planning and implementation, developed by some of the world's leading REDD+ experts.

This journal is a part of the REDD+ Academy. It has been designed to accompany you in your learning journey, covering all the main REDD+ topics, from the basics to the finer points of setting reference levels, monitoring, allocation of incentives and stakeholder engagement.

The modules presented in this journal will equip you with the necessary knowledge to better understand the various components of REDD+. I encourage you to apply this knowledge and do your part to make REDD+ a national and a global success!

Achim Steiner

United Nations Under-Secretary-General and
United Nations Environment Programme, Executive Director

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1

CLIMATE CHANGE AND THE ROLE OF FORESTS

THIS MODULE SHOWS EVIDENCE THAT THE CLIMATE IS CHANGING AND SHOWS A CLEAR LINK WITH HUMAN ACTIVITY. IT THEN PRESENTS THE ROLE OF FORESTS REGARDING CLIMATE REGULATION.



THE MODULE INCLUDES EXPLANATIONS ABOUT:

- Evidence of human induced climate change and factors influencing the climate
- The regulatory role of forests, and
- How human activity impacts the climate related function of forests



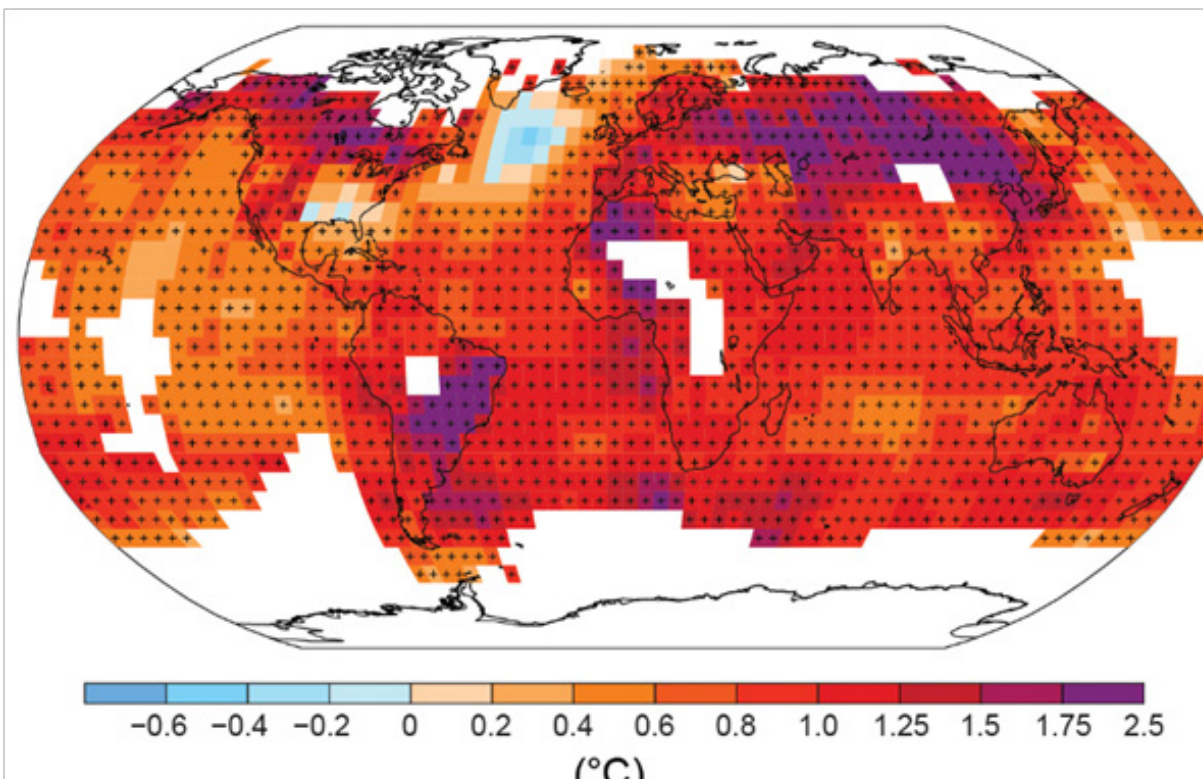
WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

1. FOREST, CARBON SEQUESTRATION AND CLIMATE CHANGE

INTRODUCTION

There is increasing evidence from around the world that the Earth's climate is changing and human activity is the most likely cause. As the IPCC 2015 AR5 summary report¹ : "It is extremely likely that we are the dominant cause of warming since the mid-20th century".

These changes are most obviously seen by increasing average temperatures and rising sea levels. Figure 1.1 shows the average changes in temperature around the world between 1901 and 2012. As can be seen, apart from a couple of light blue areas which represent falling average temperatures, most of the world has experienced an increase in average temperatures represented by the orange/red and purple areas. The global average temperature increase over the period 1880 to 2012 period is 0.85°C.



■ Figure 1.1 MAP OF THE OBSERVED SURFACE TEMPERATURE CHANGE FROM 1901 TO 2012 - source: IPCC, 2013



REFLECTION POINT

On average have temperatures in your region increased or decreased?

¹ <http://www.ipcc.ch/report/ar5/wg1/>

Figure 1.2 shows how temperatures have varied, between 1850 and 2010, in comparison to the average temperature of 1961-1990. The graph shows, for example, that in 1850, the average temperature was 0.4 degrees cooler than the average temperature between 1961 and 1990. The top part of the graph presents the annual averages, while the bottom one shows the average for decadal periods.

■ Figure 1.2 OBSERVED GLOBAL MEAN COMBINED LAND AND OCEAN SURFACE TEMPERATURE ANOMALIES - source: IPCC, 2013

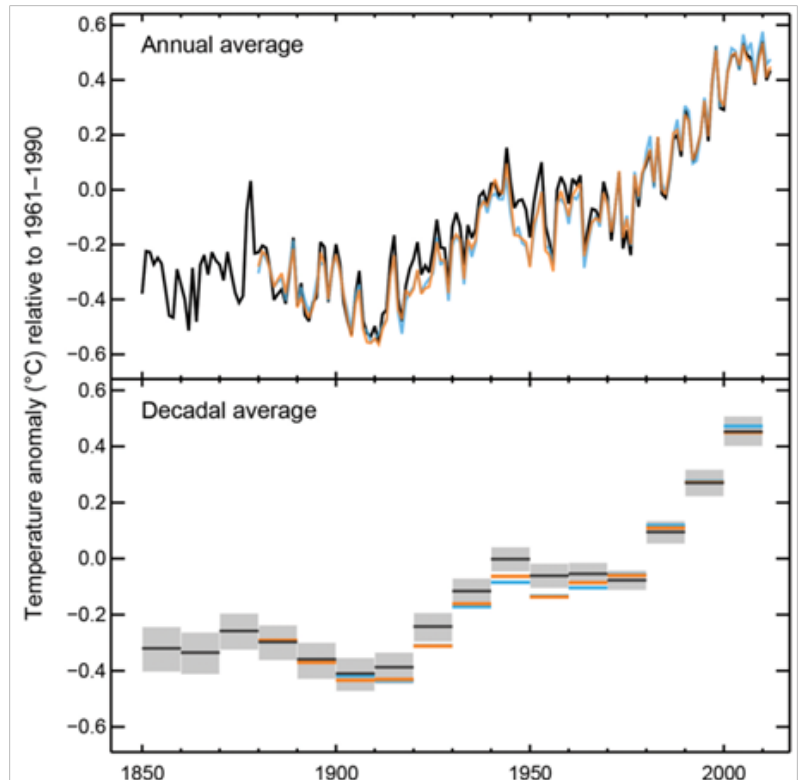


Figure 1.2 clearly shows that over this period, average temperatures have been increasing, and that the three last decades have been the hottest; each successively warmer at the Earth's surface than any preceding decade since 1850.

The rise in temperature is not the only evidence of a changing climate: Figure 1.3, illustrates the changes measured in several other ways.

■ Figure 1.3 MULTIPLE OBSERVED INDICATORS OF A CHANGING GLOBAL CLIMATE - source: IPCC, 2013

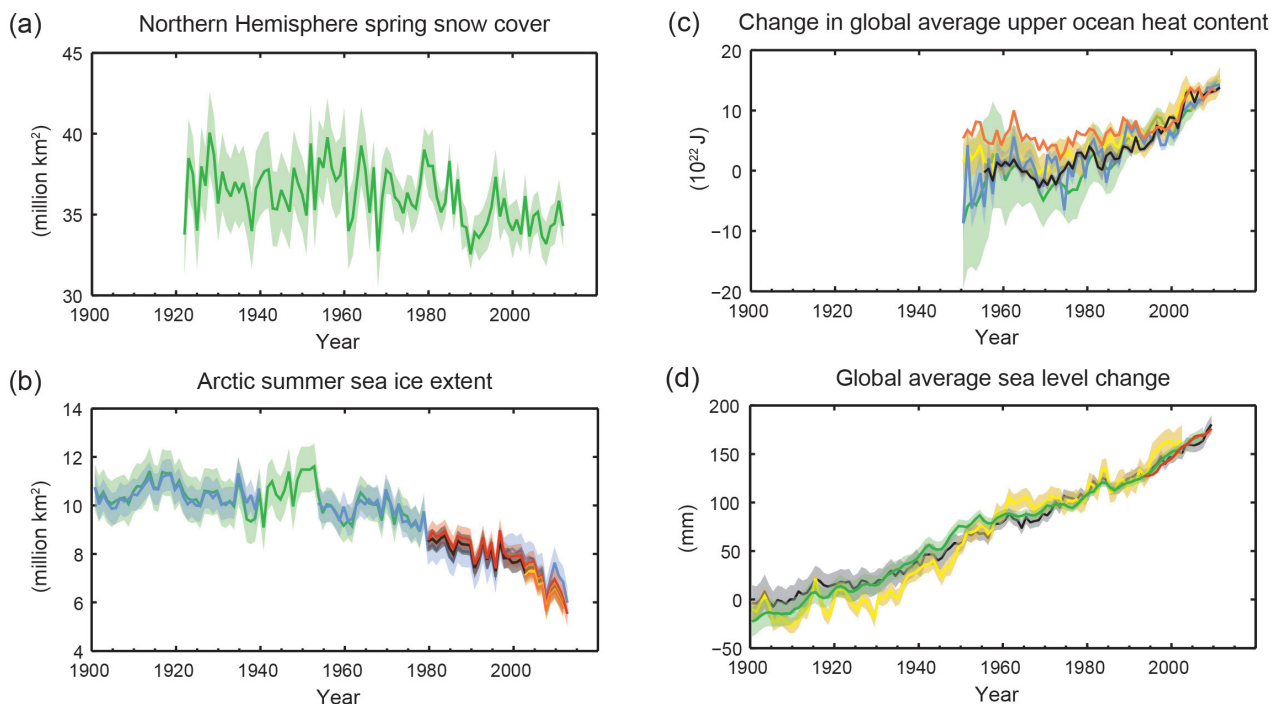


Figure 1.3(b) shows that Northern Hemisphere snow cover and Arctic summer ice are falling, particularly since 1960. The melting snow and ice ends up in the oceans, which contributes to higher average sea levels (around 15 cm already over the observed period). In spite of the melting ice water, global upper water layers have warmed since 1950, when the measurements started.

REFLECTION POINT



Have you already noticed impacts of climate change? (e.g. changing in the timing of the seasons, species movements, changes in the frequency of extreme events).

Are you aware of any changes within your country that have been attributed to climate change?

Are you aware of the predicted threats from a warming planet on your country or region?

WHAT IS CAUSING CLIMATE CHANGE?

As mentioned previously, humans are the most likely cause of recent changes in the earth's climate, but the climate system is complex, and is influenced by several natural effects such as variations in solar radiation, the natural greenhouse gas effect, naturally occurring aerosols, water currents, etc.

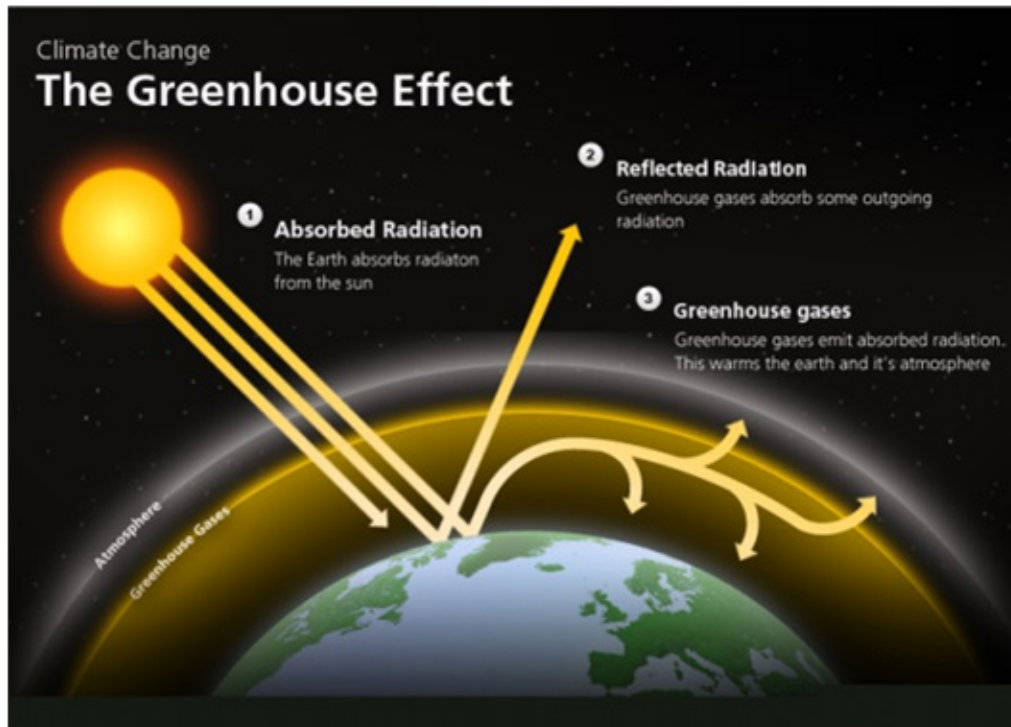
THE GREENHOUSE EFFECT

The greenhouse effect is a natural phenomena through which carbon dioxide in the atmosphere (and a few other Greenhouse Gases (GHGs) including methane and nitrous oxide) keep the solar rays that hit the earth surface from reflecting back into the outer space, thus heating the earth's atmosphere. Figure 1.4 illustrates the greenhouse effect and how it operates and how GHGs contribute. The GHGs absorb some of the reflected radiation and then re-emit it, including back down to the earth's surface, heating the atmosphere. There are several GHGs and their impact depends on their 'global warming potential', as well as the amount of the gas in the atmosphere. The global warming potential depends on:

- The radiative forcing (the net downward flux) due to a pulse emission of the compound (gas); and
- How long the compound remains in the atmosphere.

The global warming potential of methane and nitrous oxide are much larger than that of carbon dioxide but a far larger amount of carbon dioxide is emitted into the atmosphere.

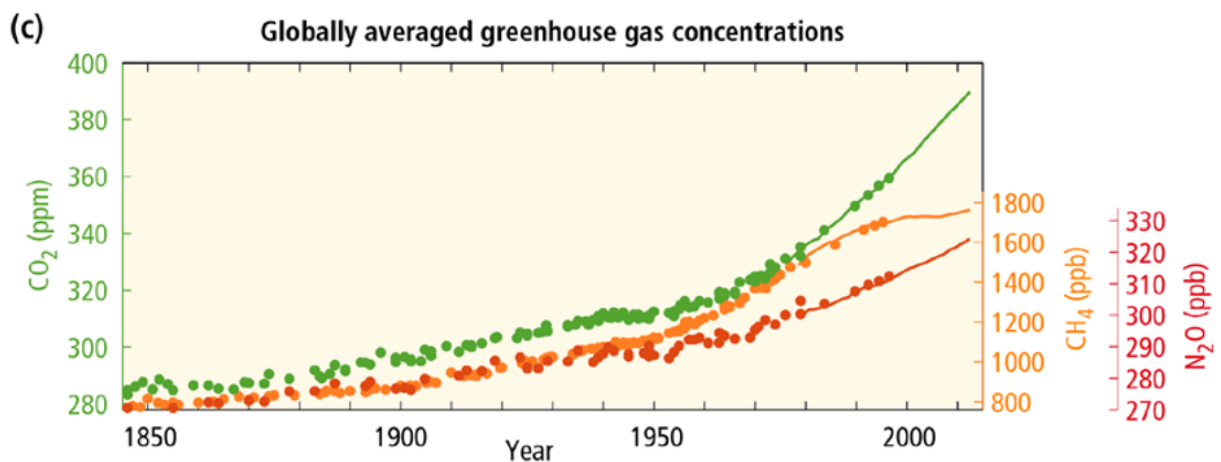
In principle, the greenhouse effect is a good thing, as otherwise the planet would be too cold for us to survive, but the increase in greenhouse gases has led to an increase in the "warming potential" of the atmosphere, and this is related to the changes in the climate observed. Mankind is, in effect, putting an extra blanket around the earth.



■ Figure 1.4 THE GREENHOUSE EFFECTS - source: EDF Energy, 2015

There is now a consensus amongst the scientific community that the cause of actual (and future) climate change is anthropogenic (from humans), mainly by the intensification of the greenhouse effect caused by the emission of greenhouse gases in the atmosphere.

The warming of the climate system is unequivocal, and the largest contribution comes from the increase in the atmospheric concentration of carbon dioxide (CO₂), which is man-made. The IPCC states it clearly: it is extremely likely (95%) that human influence has been the dominant cause of the observed warming since the mid-20th century. The figure 1.5 shows how the concentration of atmospheric CO₂, methane (CH₄) and nitrous oxide (N₂O) have increased in the recent past.



■ Figure 1.5 GLOBALLY AVERAGED GREENHOUSE GAS CONCENTRATIONS - source: IPCC, 2013



REFLECTION POINT

Are the following statements True or False?

Without the greenhouse effect the planet would be too cold to live on.

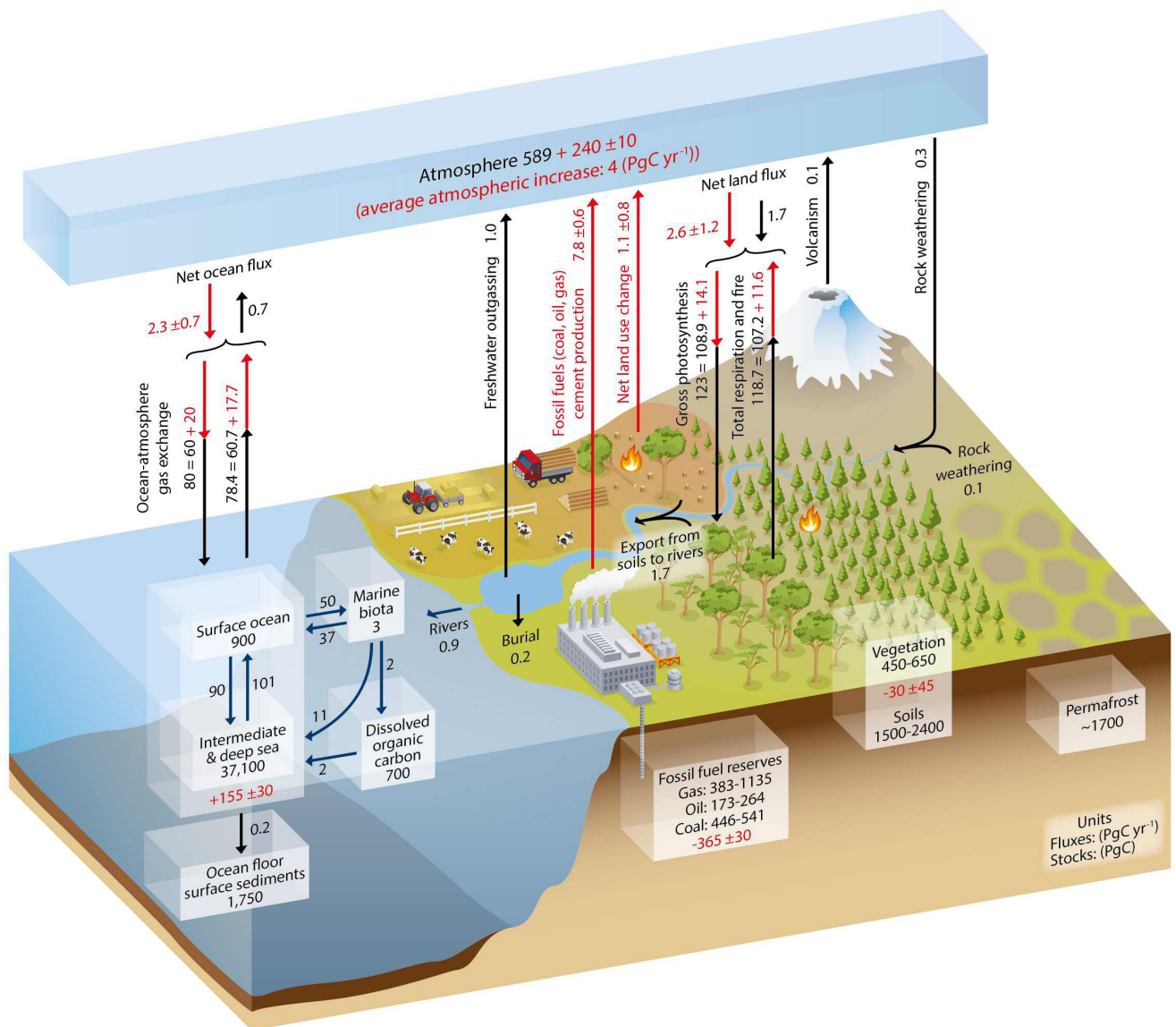
Climate change is a result of an increase in the concentration of these greenhouse gases mostly from anthropogenic sources, such as the burning of fossil fuels, agriculture and deforestation.

HOW DOES CLIMATE CHANGE LINK TO THE CARBON CYCLE AND FORESTS?

Carbon can be found in a variety of different forms and locations. These include in living organisms (including trees and other plants), fossil fuels (coal, oil and gas) and carbon dioxide within the atmosphere. The absolute quantity held within these different locations at a specified time is called the stock, and changes in these stocks are referred to as fluxes. Carbon flows between these stocks through a number of processes collectively known as the “carbon cycle”. The processes include natural processes such as plant growth and respiration, and human interventions such as the burning of fossil fuels and destruction of forests. Figure 1.6 below illustrates the global carbon cycle with its stocks and flows, which are shown in two ways:

- How they were before large human intervention (roughly before 1750 – black figures and arrows).
- How they were changed with human intervention since the industrial revolution (red figures and arrows).

The ‘historical’ fluxes were generally in equilibrium, the amount going into and out of each stock being about the same. Human actions, such as the burning of fossil fuels, cement production and land use change are creating disequilibrium, through increasing emissions. But these bigger fluxes from ‘sources’ (stocks producing carbon (C) output to the atmosphere) are compensated partly by bigger fluxes from the atmosphere into ‘sinks’ (processes or mechanisms that remove carbon dioxide from the atmosphere), particularly the ocean and the land sinks (this will be revisited later).



■ Figure 1.6 GLOBAL CARBON CYCLE FOR THE 1990s - source: IPCC, 2015

The carbon cycle means that vegetation (including forests), soils, oceans and the atmosphere are connected, and it is important to consider the role vegetation and changes in vegetation cover play in controlling overall greenhouse gas emissions and hence climate change. Overall, the most recent assessments by the IPCC estimate that anthropogenic net CO₂ emissions from land use change represent about 10% of the total anthropogenic emissions (IPCC AR5 WGI²).

2 <http://www.ipcc.ch/report/ar5/wg1/>

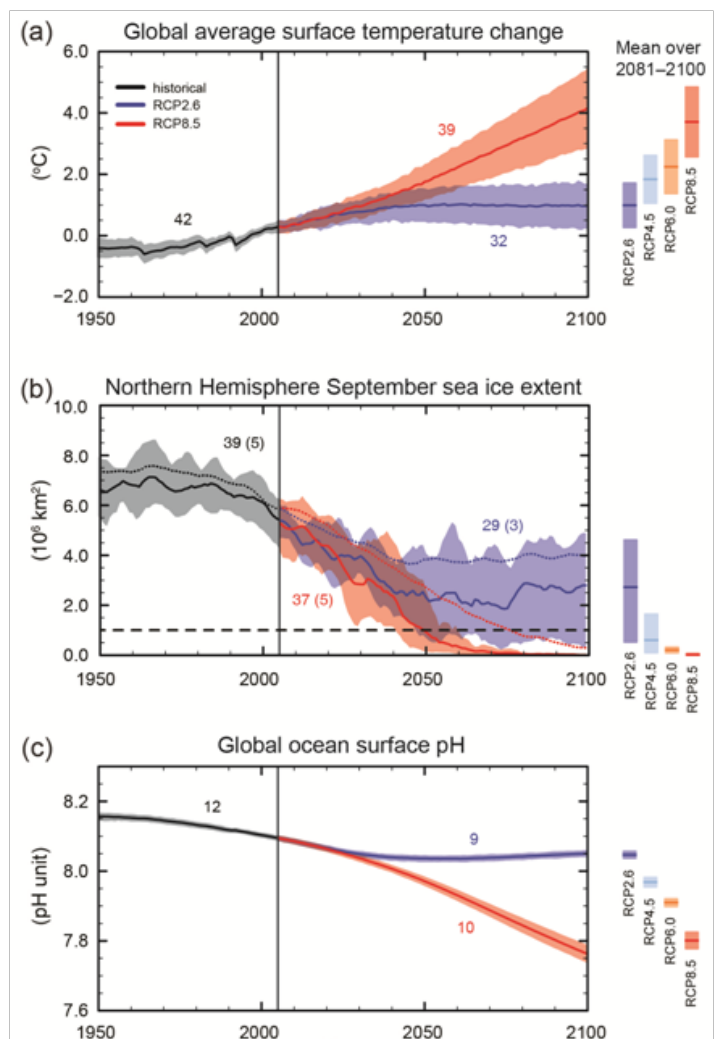
EXPECTED CHANGES IN THE FUTURE

There is little doubt that climate change is happening, and that it is being caused by human activity through the enhancing of the greenhouse effect by increasing greenhouse gas emissions. Several scenarios have been produced to provide an idea of what the future climate could look like. The scientific community has produced Representative Concentration Pathways (RCP), which are projections based on emission scenarios until 2100. These projections are based on scenarios which describe several ways in which emissions could fluctuate in the future. RCP 8.5 presents a continuous growth of emissions, RCP 6 and RCP 4.5 present intermediate situations, and RCP 2.6 presents a scenario of sharp emission reductions. These projections are useful for informing decisions related to future climate. The projections for change in temperature are shown in Figure 1.7.

Figure 1.7 shows that unless important action is taken to reduce emissions; there will be drastic changes in the climate which will strongly affect the environment.

Current international agreements have set a goal that the rise in average world temperature should not go higher than 2°C above pre-industrial levels. The link between emissions since the 1850s and temperature increases means that emissions have to be capped at a certain level of cumulative emissions (the level that corresponds to the 2°C increase). If emission rates stay at the current levels, the remaining budget 'quota' would be used up in about 30 years.

In other words, unless strong mitigation actions are urgently adopted, the limit of a 2°C temperature rise will quickly be passed and a much more uncertain climate future awaits.



■ Figure 1.7 SIMULATED TIME SERIES FROM 1950 TO 2100 - source: IPCC, 2013



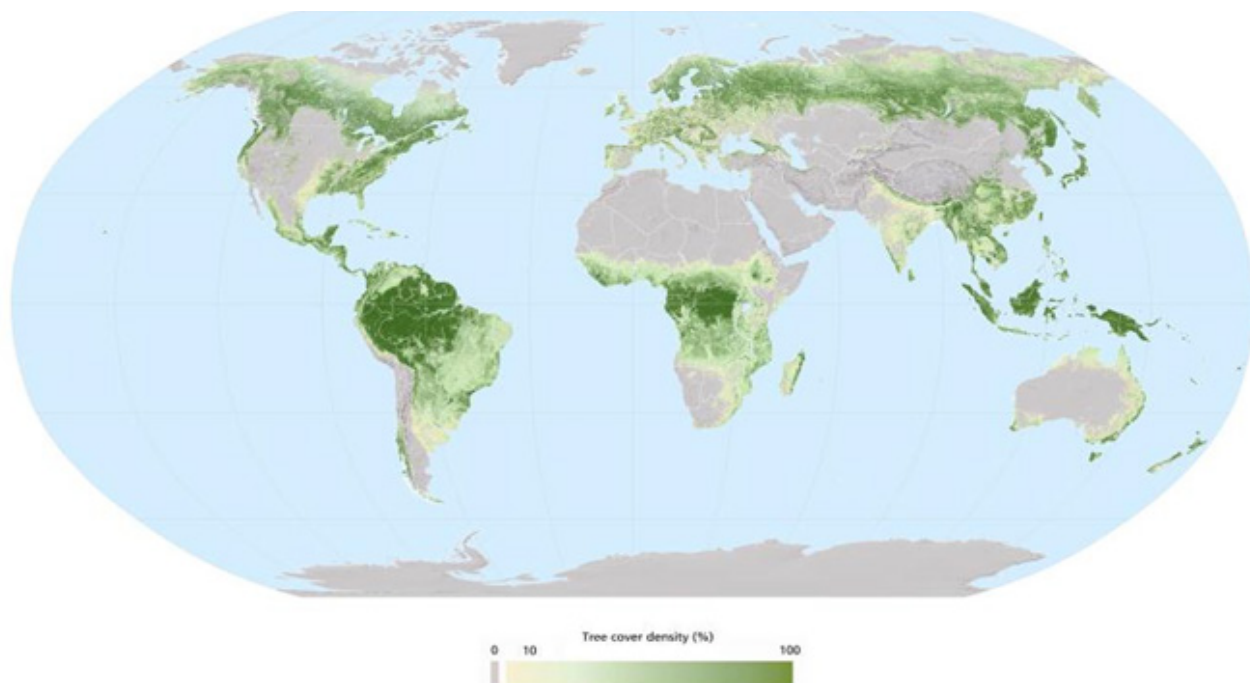
REFLECTION POINT

What do the initials 'RCP' stand for. Why are RCPs so important?

THE EXTENT OF FORESTS AND FOREST CARBON STOCKS

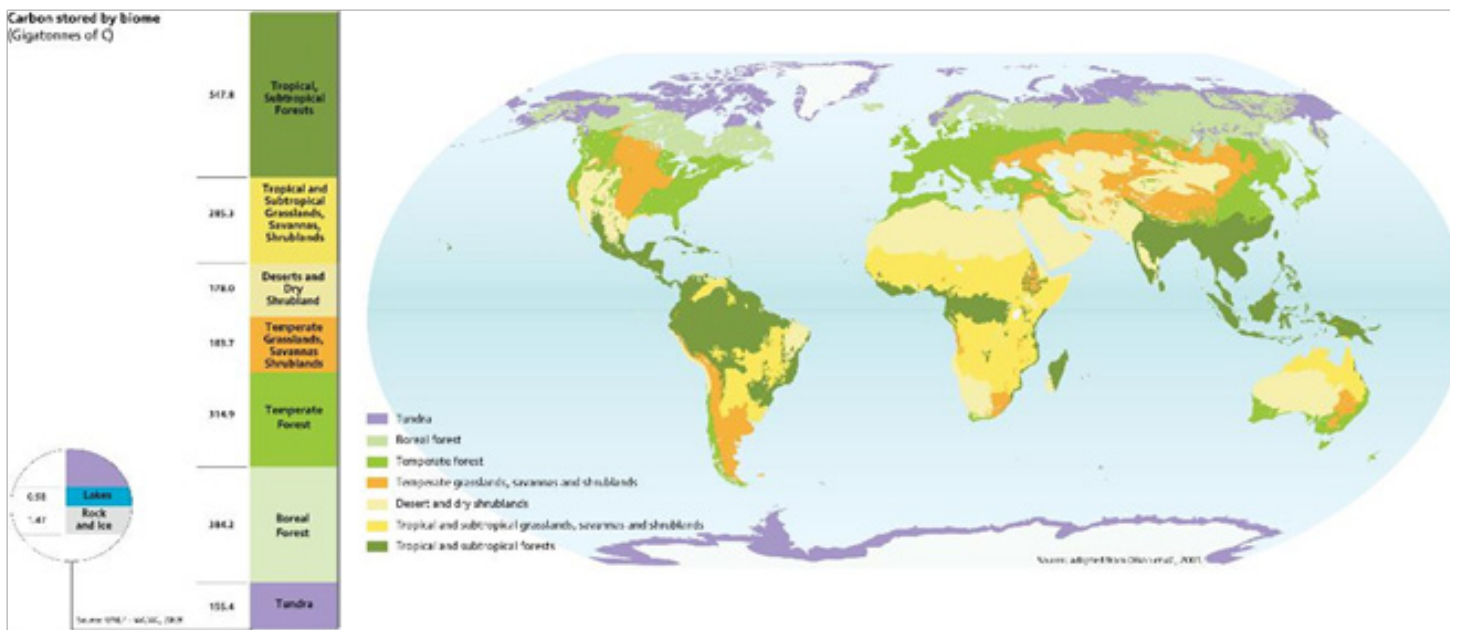
Globally, forests cover about 4 billion ha or 31% of the world's land surface (relative to a pre-industrial area of 5.9 billion hectares of forests). Most forests occur in the tropics, and in large areas of the Northern hemisphere in Canada, the US, Europe, Siberia and China as shown in Figure 1.8.

The different forest (and other) biomes contain varying amounts of carbon, as presented in figure 1.9. At a global scale tropical forests contain the largest carbon stock (547.8 million tonnes C in tropical and subtropical forests). There are also differences within tropical areas, with mangrove forests and swamp forests containing particularly high levels of biomass³ in their vegetation cover and soils.



■ Figure 1.8 FOREST COVER IN 2010 - source: FAO 2010

³ Biomass is the total mass of living organisms in a given area or volume; dead plant material can be included as dead biomass. The quantity of carbon contained in biomass varies slightly between vegetation types but on average, a ton of biomass equates to half a ton of carbon.



■ Figure 1.9 FOREST COVER IN 2010 - source: Kapos, V., Ravilious, C., Leng, C., Bertzky, M., Osti, M., Clements, T., Dickson, B. (2010)

REFLECTION POINT



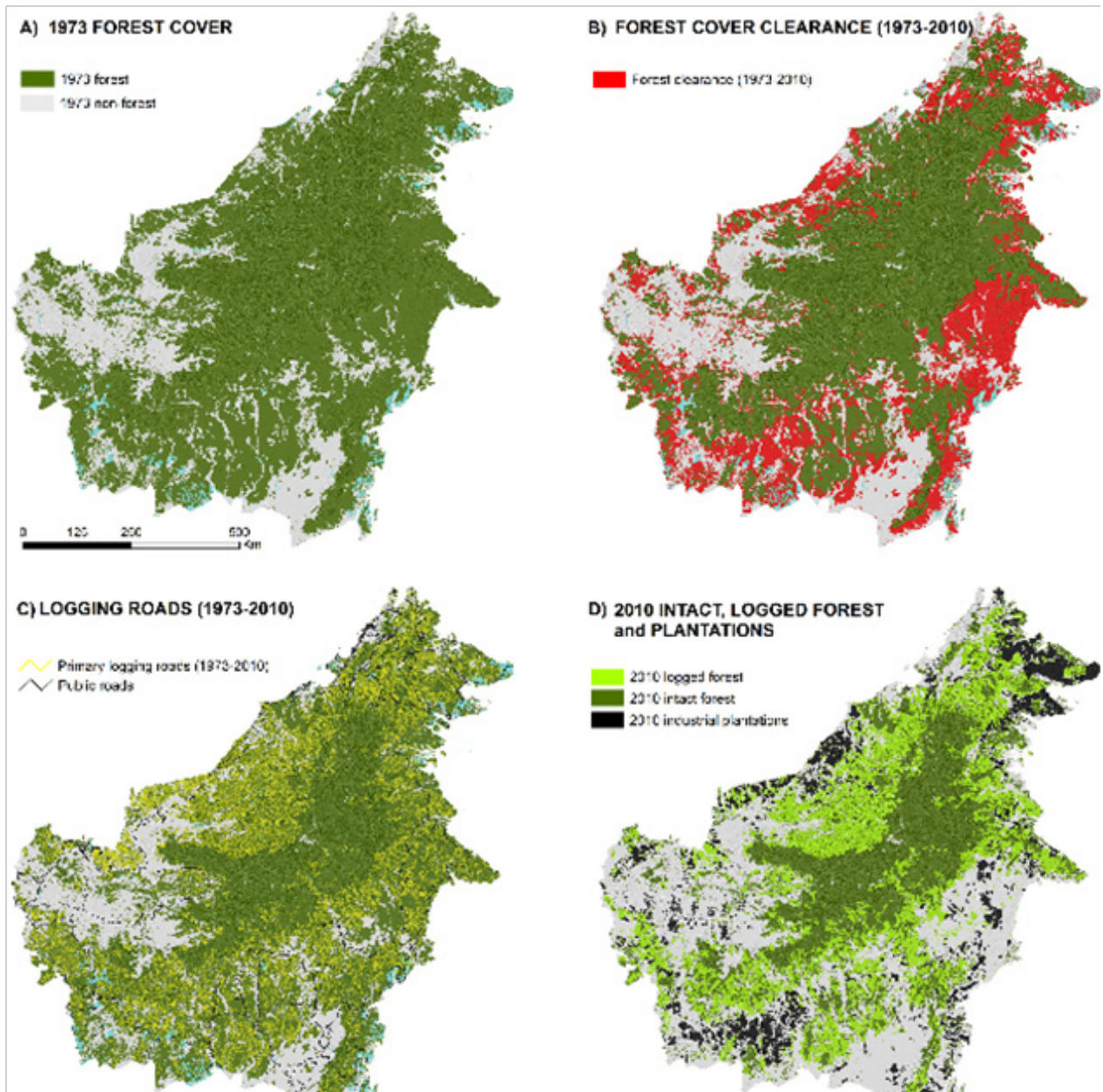
Referring to figure 1.9, what different ecosystem types are there in your country?

How much forest is there and where is it situated? Are there different types of forested ecosystems (e.g. mangroves, swamp-forests)?

EMISSIONS FROM FOREST CARBON STOCKS

As forests contain substantial stores of carbon, their degradation and or conversion to other land cover causes the release of some of the carbon stored within them. Forest degradation is defined as human activities negatively impacting on the forest, causing the part removal and loss of ecosystem function, but where some forest cover remains, for example through damage from selective logging. The level of emissions depends on the amount of carbon stored in the forest, the extent to which the vegetation cover and soil structure is damaged or destroyed, as well as what happens to the land afterwards. Particularly high emissions will result if the vegetation is completely destroyed and then the area is burned afterwards, as is carried out during slash and burn agriculture in some parts of the developing world.

The extent of forest destruction is very high in some areas. For example, a recently published study on deforestation in Borneo shows that deforestation has reduced the once large forest cover on Borneo (75.7%) by one third, as shown in figure 1.10

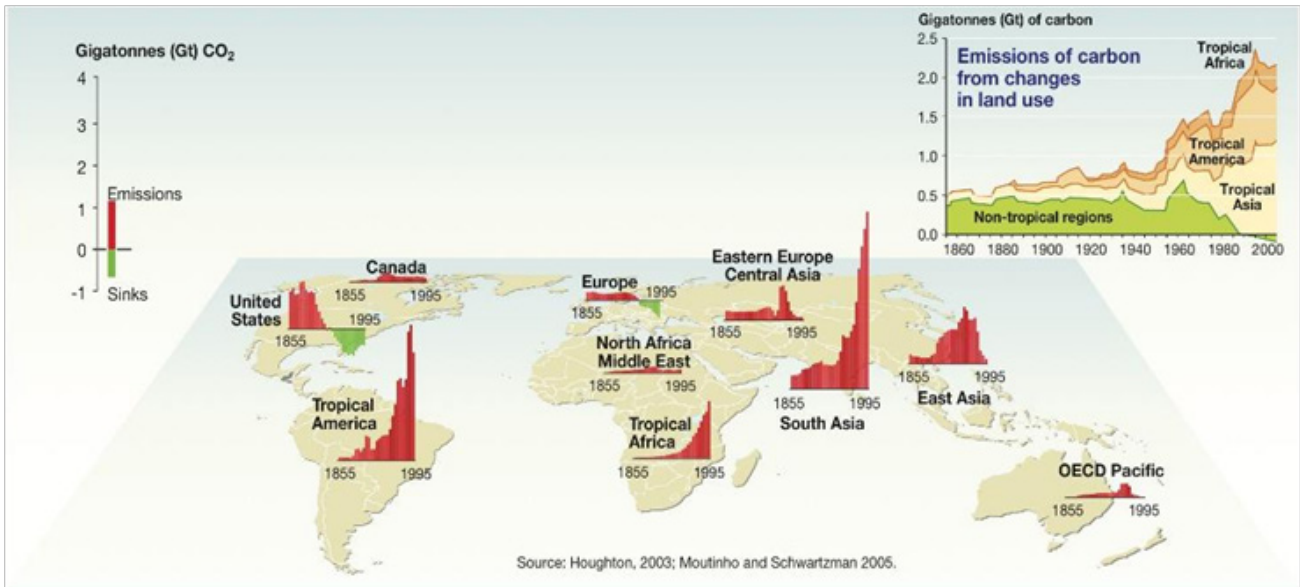


■ Figure 1.10 EVOLUTION OF FOREST COVER ON BORNEO ISLAND
- source: Gaveau et al., 2014

Historically, deforestation was largely in the US, Europe and Eastern Europe, today, the largest deforestation rates are observed in tropical rain forest regions. Figure 1.11 also shows that the USA and Europe have reversed the trend and are now increasing their forest cover. This highlights an important issue, that although the destruction of forests causes the release of carbon dioxide, their restoration can act as a sink for atmospheric carbon. As mentioned previously, the net contribution of land use change to global emissions is about 10% (0.9 PgC/yr), which is the contribution calculated by combining both emissions due to deforestation and the sequestration of carbon due to forest recovery. The gross emissions from deforestation and degradation are larger than the net emissions (about 2.8 ± 0.5 PgC/yr for the 2000s, IPCC AR5 WGI, 2013⁴) because of the significant regrowth that compensates for the gross emissions.

4 <http://www.ipcc.ch/report/ar5/wg1/>

There are several causes for deforestation and forest degradation, which are addressed more in depth in **Module 3: Drivers of Forest Degradation and Deforestation**.



■ Figure 1.11 HISTORICAL FOREST CARBON BALANCE 1855-1995 - source: GRID-Arendall, 2015



REFLECTION POINT

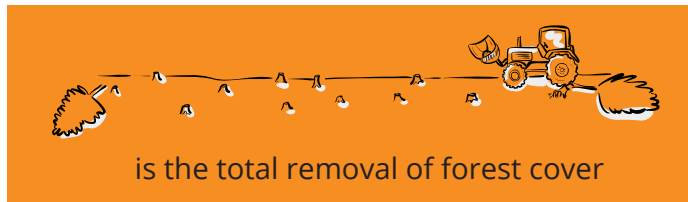
Why is it so important to understand the link between deforestation and degradation in addressing the issues of climate change?



EXERCISE 1

Match the correct definition with each word:

Forest degradation



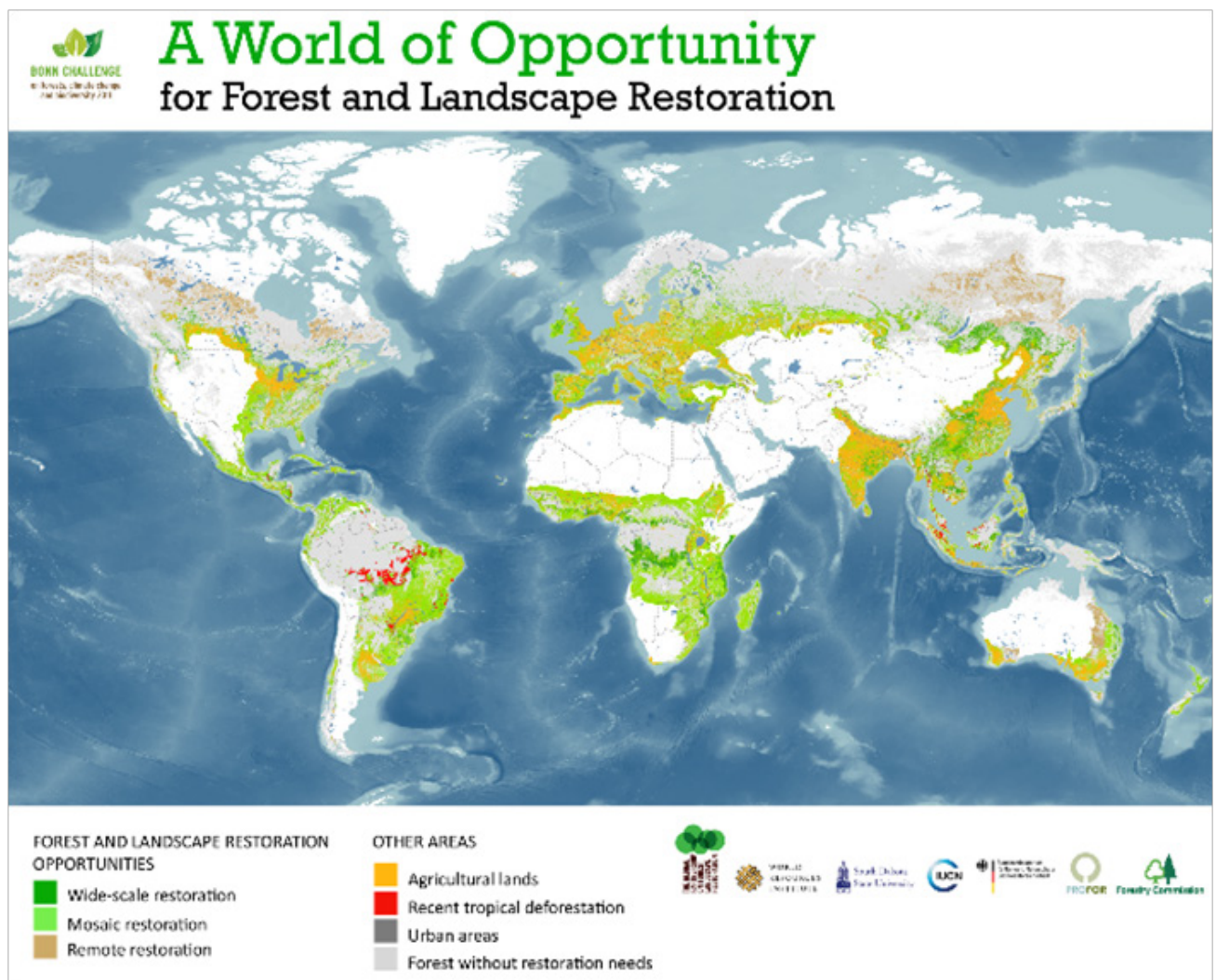
Deforestation



CARBON SEQUESTRATION POTENTIAL OF FORESTS

Forests are not only potential sources of carbon emissions to the atmosphere; they can also act as carbon sinks, sequestering carbon. Forests sequester carbon both as they grow when they are being restored and as part of the terrestrial carbon sink.

More than two billion hectares worldwide may offer some form of opportunities for restoration. In areas that were deforested but are not currently densely populated or cultivated it may be possible to undertake some form of restoration, ranging from complete reforestation of closed canopy cover to more mosaic restoration that includes restored forest areas interspersed with other land uses including agroforestry, small scale agriculture and settlements. Such restoration sequesters carbon, with the level of sequestration depending on the extent of recovery of plant biomass and soil carbon. This potential is illustrated in figure 1.12.



■ Figure 1.12 FOREST AND LANDSCAPE RESTORATION OPPORTUNITIES - source: WRI, 2015

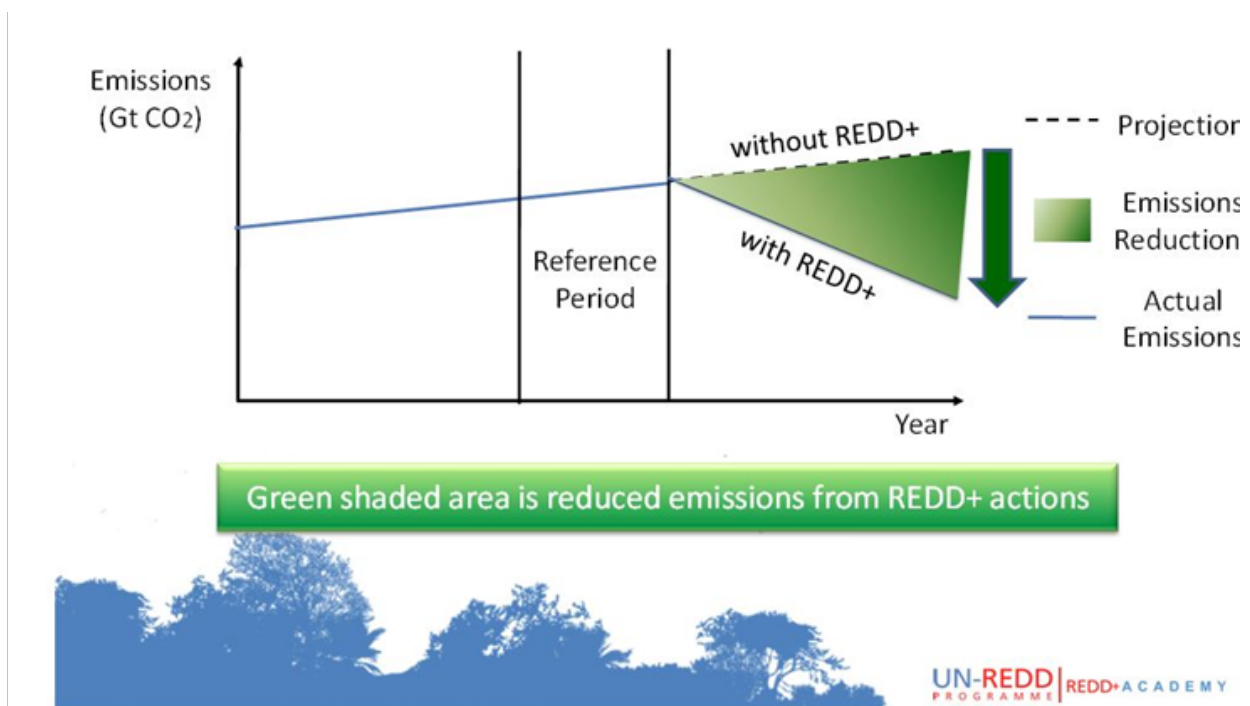
The observed increases in atmospheric carbon dioxide are lower than would be expected if anthropogenic emissions were considered alone, due to the combined action of natural land and ocean sinks of carbon dioxide which removed an average 55% of the total anthropogenic emissions every year during the period 1958–2011 (IPCC 2013, AR5 WGI). The increased storage of carbon in terrestrial ecosystems not affected by land use change is partially caused by enhanced photosynthesis at higher carbon dioxide levels, and it means that intact forests are helping to act as a buffer against anthropogenic carbon dioxide emissions.

FORESTS AND CLIMATE CHANGE MITIGATION

The links between forests and the carbon cycle mean that actions that affect the forest sector can have a large impact on greenhouse gas emissions and so climate change. The total amount of carbon dioxide in the atmosphere can be reduced by decreasing emissions from both deforestation and forest degradation. Maintaining standing forests can preserve their role in the terrestrial carbon sink and restoring forests can increase the sequestration of carbon by forests thereby decreasing the overall levels of carbon dioxide in the atmosphere.

Recognizing the potential role of forests in contributing to climate change mitigation the UNFCCC developed REDD+, reducing emissions from deforestation and forest degradation plus the conservation of forest carbon stocks, sustainable management of forests and enhancement of forest carbon stocks. Module 2 presents the basics of REDD+ and the UNFCCC.

REDD+ is thus a potentially important way to reduce total GHG emissions and thus mitigate climate change as illustrated by figure 1.13.



■ Figure 1.13 REDD = REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION - source: UN-REDD Programme

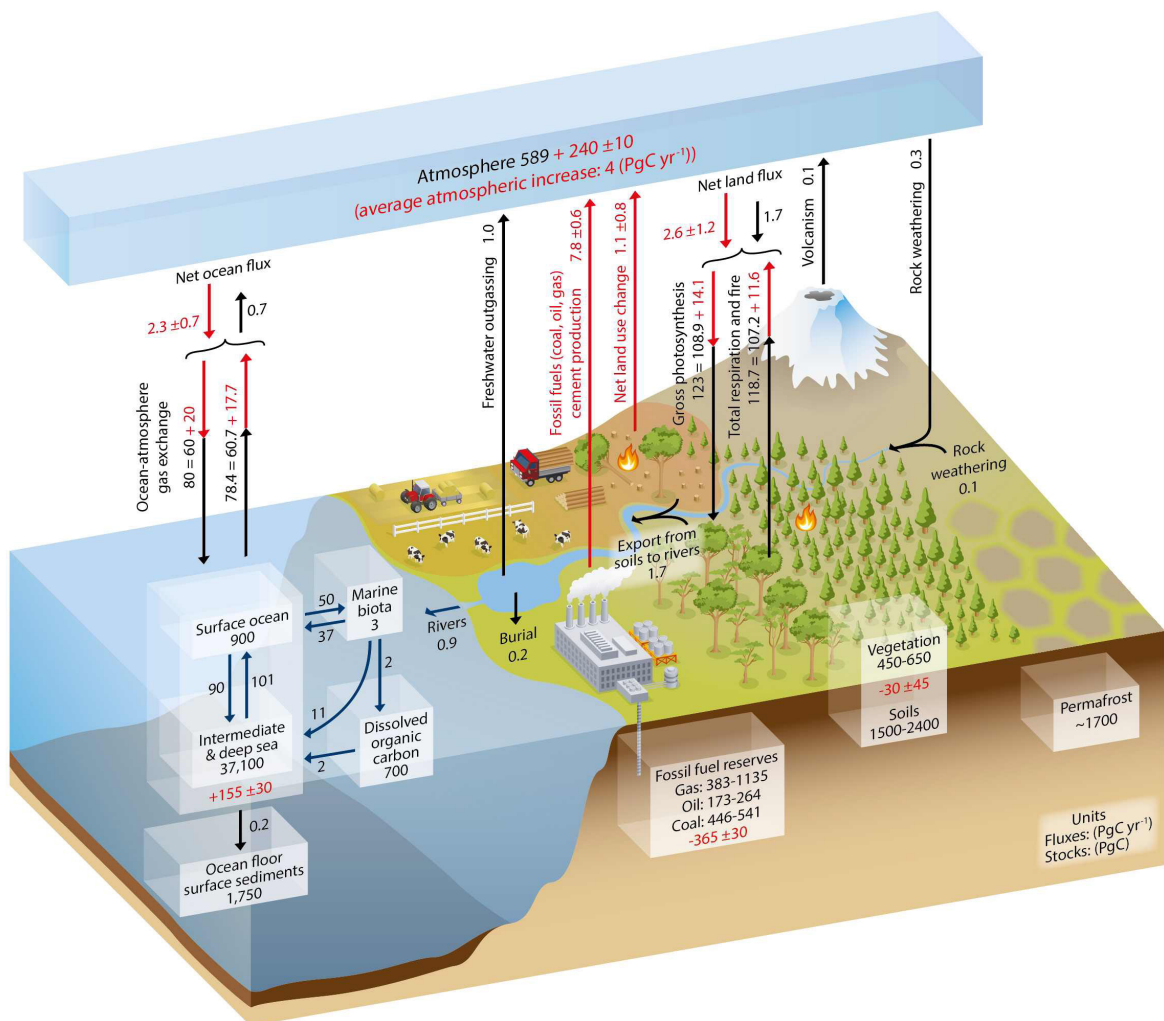


EXERCISE 2

Below is the recent IPCC estimate of the fluxes in the Carbon cycle expressed in Petagrammes Carbon per year (1 Petagramme = Gigatonne Carbon per year).

List the volume of carbon associated with the following fluxes:

- Net land use change
- Fossil fuels (coal, oil, gas), cement production
- Net land use change
- Freshwater outgassing.





KEY MESSAGES OF THIS CHAPTER

- There is increasing evidence from around the world that the Earth's climate is changing and the IPCC has noted that "it is extremely likely that we are the dominant cause of warming since the mid-20th century";
- The carbon cycle means that vegetation (including forests), soils, oceans and the atmosphere are connected, and it is important to consider the role vegetation and changes in vegetation cover play in controlling overall greenhouse gas emissions and hence climate change;
- As forests contain substantial stores of carbon, their degradation and or conversion to other land cover causes the release of some of the carbon stored within them, conversely their restoration can act as a sink for atmospheric carbon;
- The UNFCCC developed REDD+, reducing emissions from deforestation and forest degradation plus the conservation of forest carbon stocks, sustainable management of forests and enhancement of forest carbon stocks, recognizing the potential role of forests in contributing to climate change mitigation.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

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2

UNDERSTANDING REDD+ AND THE UNFCCC

WHAT ARE THE BASICS OF REDD+ AND THE UN-REDD PROGRAMME?



THE SECTION INCLUDES EXPLANATIONS ABOUT:

- What is REDD+ and how it is being negotiated at the global level?
- The importance of REDD+ implementation at the national level and challenges
- International initiatives to support REDD+ implementation at the national level



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

2. UNDERSTANDING REDD+ AND THE UNFCCC

INTRODUCTION

This module presents the basics of REDD+ and the United Nations Framework Convention on Climate Change (UNFCCC).

WHAT IS REDD+

As was discussed in **Module 1: Climate Change and the Role of Forest**, there is great potential for mitigation of greenhouse gas emissions (GHG) in the forestry sector. Reducing Emissions from Deforestation and Forest Degradation and the role of Conservation, Sustainable Management of forests and enhancement of forest carbon stocks in developing countries (REDD+) is an effort to provide positive incentives to developing countries to contribute to climate change mitigation through activities in the forestry and land-use sectors. If financing for REDD+ implementation is scaled up, it could offer an opportunity to invest in low-carbon paths to sustainable development with adequate and predictable support from developed countries and the private sector, although this has not been assured, yet.

Guidance from the UNFCCC Conference of the Parties (COP) on REDD+ has been published regularly since 2007, with the most substantial guidance being the seven REDD+-related decisions called Warsaw Framework for REDD+ adopted at COP19 in November 2013. Taken with earlier COP decisions, the UNFCCC has now set out the process for developing countries to receive results-based payments for results-based REDD+ actions, which can be considered as the 'REDD+ rulebook'¹.

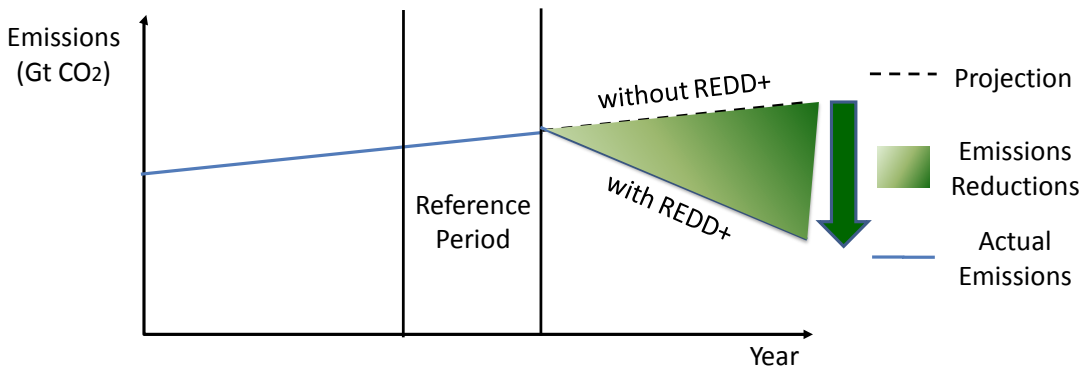
Before 2007, the concept encompassed only Reducing Emissions from Deforestation and Forest Degradation in developing countries (hence the acronym REDD), but then several other elements were added (represented by the plus (+)). These additional elements are (see paragraph 70 of the Cancun Agreement):

- Conservation of forest carbon stocks;
- Sustainable management of forests;
- Enhancement of forest carbon stocks.

As the simplified graph found in figure 2.1 shows, the principle of REDD+ is that through more sustainable forest management practices, it is possible to do both:

- Reduce GHG emissions produced by the forestry sector; and
- Enhance the capacity of the forestry sector to act as a carbon sink, by storing and enhancing carbon in the five carbon pools (i.e. aboveground biomass, belowground biomass, soil organic carbon, litter and dead wood).

¹ Although the term 'REDD+ rulebook' is widely used to refer to the body of REDD+ decisions under the UNFCCC and there is a common agreement within the UN-REDD Programme to use this term, it is important to note that the REDD+ decisions under the UNFCCC have a margin of interpretation and flexibility built into them.



Green shaded area is reduced emissions from REDD+ actions



UN-REDD PROGRAMME | REDD+ ACADEMY

Figure 2.1 REDD+ AND GHG EMISSIONS - source: UN-REDD Programme



EXERCISE 3

FILL IN THE BLANKS USING THE FOLLOWING WORDS

..... is an effort to create a value for the carbon stored in forests, offering positive incentives for to from forested lands and invest in paths with developed countries' adequate and predictable support.

EMERGENCE OF REDD+ AT THE GLOBAL LEVEL

The idea to recognize the economic, social and environmental value of forests raises many questions.

- Implementation and the economic alternatives to finance it?
- What mechanisms should be put in place in order to provide the incentives and channel funds?
- Who should pay?

THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)

These questions have been (and are being) discussed and negotiated at the international level under the United Nation's Framework Convention on Climate Change (UNFCCC). The UNFCCC was adopted at the Rio Earth Summit in 1992 and entered into force on 21 March 1994. As of April 2015, the UNFCCC has 196 country members, also called Parties. Every year, the Parties gather to further negotiate several climate-related issues at meetings called Conference of Parties (COP). COP decisions are labelled in the following way:

“# of decision /CP. # of COP”.

For example, decision 1/CP.16 is the first decision taken in COP 16.

The goal of the Convention is to stabilize GHG concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. It is through the UNFCCC that the Kyoto Protocol, a substantial extension to the Convention, was adopted at the UNFCCC's 3rd COP in Kyoto, Japan, in December 1997. Among other measures, industrialized states (the so-called Annex 1 countries) are required to reduce or limit emissions across sectors, which can include the land-use and forestry sectors.

FORESTS AND THE UNFCCC

The issue of carbon emissions from deforestation and forest degradation in developing countries started to get attention in the mid-2000s. Tropical deforestation, however, was mostly excluded from the scope of the Kyoto Protocol's Clean Development Mechanism (CDM), which provides Certified Emission Reduction units which may be traded in emissions trading schemes.

In the period 2005-2010, the idea of establishing a global mechanism to reduce emissions from deforestation and forest degradation in developing countries emerged and gained traction in the deliberations under the UNFCCC.

At COP 11 in 2005, the governments of Costa Rica and Papua New Guinea submitted a proposal to include the effort to Reduce Emissions from Deforestation (RED) in the climate negotiations agenda. Definitions for certain important terms were also agreed (see side box 2.2). Two years later, as part of the Bali Action Plan, the UNFCCC COP 13 formally initiated negotiations to provide incentives and policy approaches for reducing emissions from deforestation and forest degradation in developing countries and supporting the conservation and sustainable management of forests and the enhancement of forest carbon stocks in developing countries (REDD+).

AFFORESTATION

"... the direct human-induced conversion of land that has not been forested for a period of at least 50 years to forested land through planting, seeding and/or the human-induced promotion of natural seed sources."

REFORESTATION

"... the direct human-induced conversion of non-forested land to forested land through planting, seeding and/or the human-induced promotion of natural seed sources, on land that was forested but that has been converted to non-forested land."

DEFORESTATION

"... the direct human-induced conversion of forested land to non-forested land."

■ Box 2.2: DEFINITIONS FROM COP11

Over succeeding rounds of negotiations, the UNFCCC has adopted numerous decisions that have provided the architecture of an eventual global REDD+ mechanism. A large number of countries confirmed their support and pledged funding for the establishment of such a mechanism as part of the 2009 Copenhagen Accord.

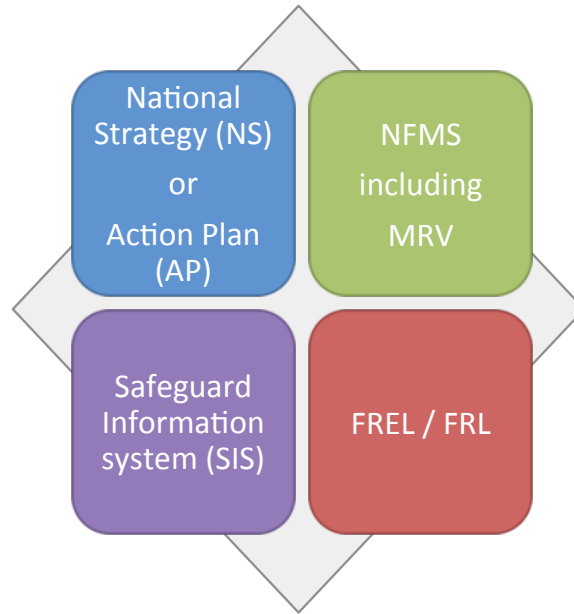
The UNFCCC COP has moreover established rules and provided methodological guidance for the eventual operationalization of REDD+ as part of the 2010 Cancun Agreements, the 2011 Durban Platform for Enhanced Action, the 2012 Doha Climate Gateway, and the 2013 Warsaw Framework for REDD+. Methodological guidance for REDD+ was concluded in June 2015, by agreeing on forwarding three additional decisions to the COP, to be considered in Paris in December 2015.

Decision 1/CP.16 taken during COP16 in Cancun requests countries to have the following elements in place for REDD+ implementation and to access results-based payments/results-based finance, each of which is discussed in more details in their own module:

- **National Strategy (NS) or Action Plan (AP):** Module 4;
- **National Forestry Monitoring System (NFMS)** Module 5: including Measurement, Reporting and Verification (MRV);
- **Safeguard Information System:** Module 8;

- Forest Reference Emission Levels (FREL) and/or Forest Reference Levels (FRL): Module 6.

Figure 2.3 presents the 4 elements as well as the related key COP decisions.



■ Figure 2.3 ELEMENTS FOR REDD+ IMPLEMENTATION DECIDED IN COP16 - source: UN-REDD Programme

REFLECTION POINT



Has REDD+ been discussed as a national policy issue in your country? When was this? What was the outcome?

CHALLENGES IN INTEGRATING FORESTS AND LAND USE IN CLIMATE NEGOTIATIONS

There have been several challenges in integrating forests in international climate negotiations.

Historical

As a principle, Policies and Measures (PAMs) (discussed in depth in **Module 7: Policies and Measures**) to stabilize global temperature increases should be implemented in a manner that takes into account a country's historical contribution to current levels of GHG emissions and their respective capabilities for undertaking mitigation actions.

In response to this, the initial UNFCCC agreement recognized the principle of common but differentiated responsibilities. As a result, developed countries should “take the lead in combating climate change and the adverse effects thereof”, as they have historically made the largest contribution to the accumulation of GHGs in the atmosphere.

Jurisdiction

Some people perceive REDD+ as a way to impose international rules and assess the appropriateness of Policies and Measures (PAMs) adopted by countries. This raises a number of contentious political issues in developing countries about national sovereignty, economic well-being and local impacts on livelihoods.

Appropriateness

Reducing and controlling emissions based on forestry and land-use activities has also been criticized for doing little to move the world away from a fossil-fuel based economy. It has sometimes been perceived as delaying or preventing significant mitigation action, especially in developed countries.

REDD+ ACTIVITIES

Under the UNFCCC, REDD+ is understood to comprise reduced deforestation and degradation, forest carbon stock enhancement, sustainable management of forests and forest carbon stock conservation. These five activities cover three different principles as regards climate change mitigation: reduction of emissions; enhancement of the rate of sequestration; maintaining existing forest carbon reservoirs. The five activities are described in more detail below:

1. Reducing emissions from deforestation

Most definitions characterize deforestation as the long-term or permanent conversion of land from forest use to other non-forest uses. Under Decision 16/CMP.1, the UNFCCC defined deforestation as: “... the direct, human-induced conversion of forested land to non-forested land”. Effectively this definition means a reduction in canopy cover from above the threshold for forest definition to below this threshold. Accordingly, reducing emissions from deforestation is the slowing or reversal of human-induced conversion and an increase in canopy cover.

2. Reducing emissions from forest degradation

A direct, human-induced loss of forest carbon stocks which does not qualify as deforestation. The thresholds for carbon loss and minimum area affected need to be specified to operationalize this definition. In terms of changes in carbon stocks, degradation therefore would represent a direct human-induced/anthropogenic decrease in stocks, with measured canopy cover remaining above the threshold for definition of forest and no change in land use. Accordingly, reducing emissions from forest degradation is the slowing or reversal of human-induced decreases in carbon stocks.

3. Conservation of forest carbon stocks

The conservation of forests, their carbon pools and reservoirs and their ability to sequester and capacity to store carbon. Conservation is generally considered as an emissions neutral activity as it preserves a status quo, and can hence be considered as actively maintaining a carbon stock.

4. Sustainable management of forests

The management of forest areas designated for the production of timber in such a way as to effectively balance social, economic and ecological objectives and maintain or improve carbon pools. A narrower definition of sustainable management of forests refers to bringing the rate of extraction in line with the rate of increment.

5. Enhancement of forest carbon stocks

The creation or improvement of carbon pools and reservoirs and their ability to sequester and capacity to store carbon. It includes forest management activities such as restoring existing but degraded forests and increasing forest cover through afforestation and reforestation on lands that were previously not classified as forests.

REFLECTION POINT



Why do you think the third activity, the conservation of forest stocks, was not considered prior to Cancun?

IMPLEMENTATION OF REDD+ ACTIVITIES AT THE NATIONAL LEVEL

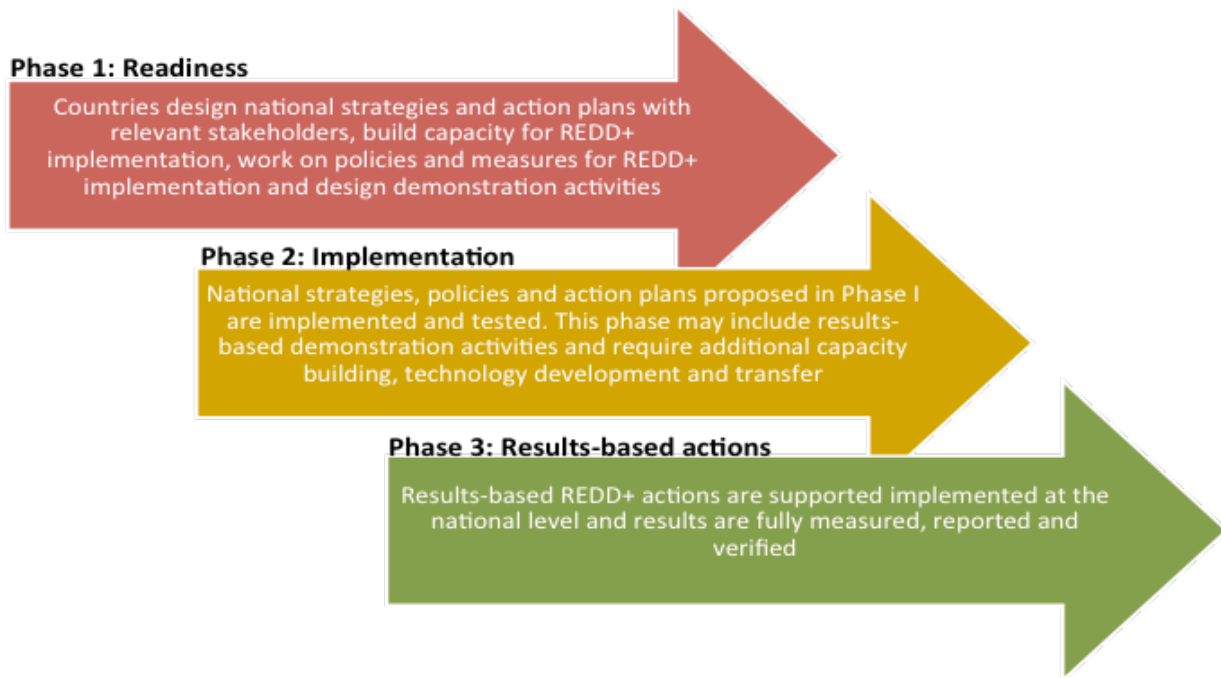
Although REDD+ negotiations are conducted at the global level, the scope of the activities to be implemented will be national, although they can be sub-national at the interim. Here's a short explanation by Josep Garí from the UN-REDD programme:

"In order to be effective and lasting, REDD+ was originally conceived as a mechanism with a nation-wide scope, anchored to national-level policies, national implementation measures and public/private transformational investments. Such national scope would foster, achieve and demonstrate sustainable development with a social and environmental performance of magnitude. The national scope of the REDD+ mechanism is thus not arbitrary – it lays the basis for mainstreaming, impact and permanence.

Conversely, local projects on REDD+ remain a tangible means to test innovations and to accomplish concrete results. In fact, REDD+ projects of diverse sizes and designs are advancing in several countries, such as Colombia, the Democratic Republic of the Congo, Indonesia, Kenya and Tanzania. The investment phase for REDD+ also accepts pilot projects – as geographically discrete interventions – yet the underlying philosophy of REDD+ remains the achievement of country-wide performance and compliance with UNFCCC objectives and criteria.”

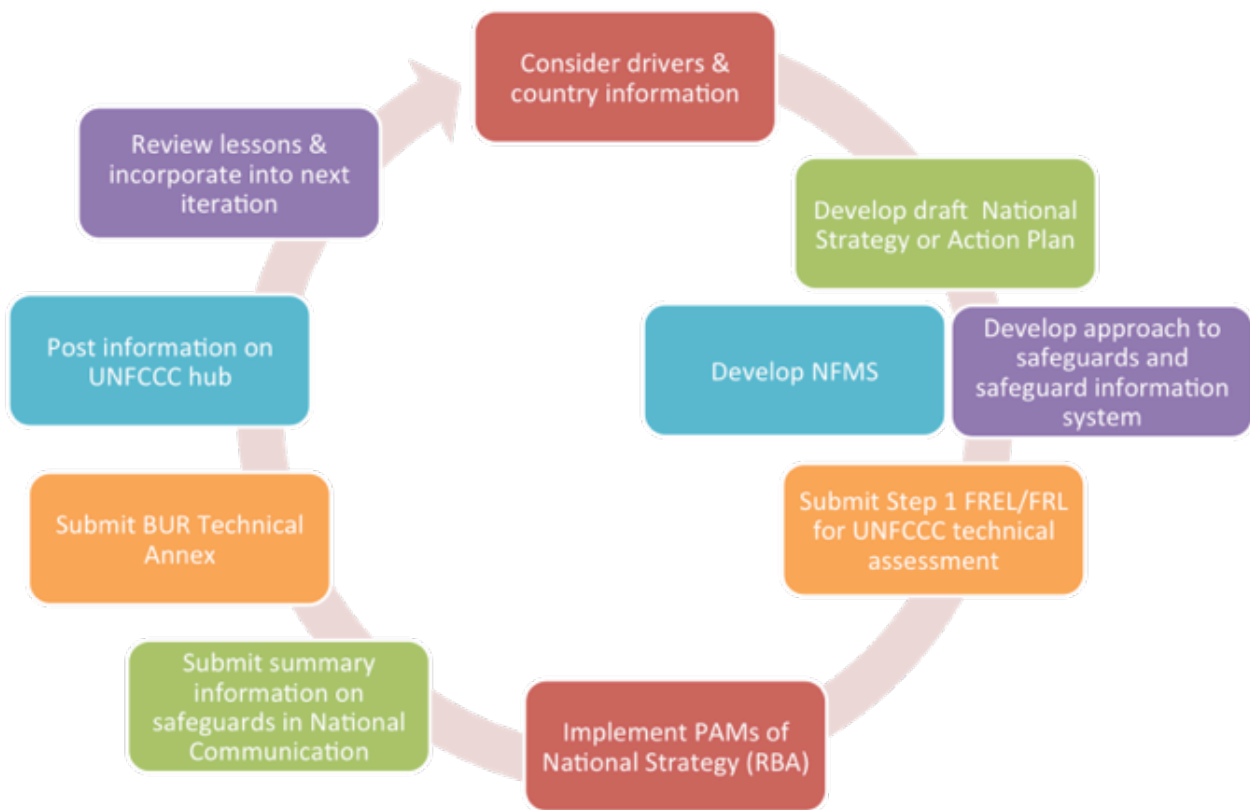
UN-REDD / Josep Garí, “Pilot Projects versus National Policy in the REDD+ Arena”².

Given the technical and procedural complexity involved in the implementation of the REDD+ activities, Parties agreed that this should be done in three phases: Readiness, Implementation and Results-based actions. Figure 2.4 provides more details on each step of the process.



■ Figure 2.4 A PHASED APPROACH TO REDD+ IMPLEMENTATION
- source: UN-REDD Programme

During the UNFCCC negotiations, countries collectively agreed on the importance of having an iterative, flexible and learning-by-doing approach to REDD+ implementation. In practice, however, the theoretical framework proposed in Figure 2.4 is a little too simplified and there is now consensus about the fact that the three phases can overlap and intertwine. The actual process can be broken down into several overlapping steps, as shown in Figure 2.5.



■ Figure 2.5 THE ITERATIVE PROCESS OF REDD+ IMPLEMENTATION
- source: UN-REDD Programme

The following modules will present in more depth most of the elements found in this diagram:

- Module 3: Drivers of forest degradation and deforestation (DFDD)
- Module 4: Nation Strategies or Action Plans (NS/AP)
- Module 5: National Forest Monitoring Systems (NFMS)
- Module 6: Forest Emissions Reference Levels and Forest Reference Levels (FREL/FRL)
- Module 7: Policies and Measures (PAMs)
- Module 8: Safeguards

REFLECTION POINT



How will your country interpret the “flexibility of implementation”?

BENEFITS OF IMPLEMENTING REDD+ ACTIVITIES AT THE NATIONAL LEVEL

In addition to contributing to global GHG emissions mitigation, the integration of REDD+ activities at the national level can provide several advantages:

- Support to design and implementation of Policies and Measures (PAMs) in the forestry and other sectors that have an impact on REDD+ efforts;
- Payments per ton of carbon emissions reduced or removed;
- International recognition for mitigation results;
- Multiple benefits: biodiversity conservation, poverty alleviation, catalyze a green economy that integrates multiple sectors (e.g. forestry, agriculture, energy, finance).

CHALLENGES IN IMPLEMENTING REDD+ ACTIVITIES AT THE NATIONAL LEVEL

A number of technical concerns have hindered early action on deforestation in developing countries:

- **Permanence:** how to ensure that reductions in emissions from deforestation are not eventually reversed by later activities;
- **Displacement:** how to ensure that actions are not otherwise negated by increases in deforestation activities elsewhere;
- **Finance:** ensuring meaningful sources of finance and adequate private sector engagement;
- **Conflicting interests:** powerful political and economic interests may favour continued deforestation and degradation;
- **Institutional arrangements:** implementation must be coordinated across various government levels and agencies – e.g. Ministries of Environment and Forest should successfully coordinate with Ministries of Finance and Planning;
- **Benefit sharing:** if benefits are to be distributed, effectiveness, efficiency and equity need to be balanced; tenure insecurity and safeguards must be genuinely addressed; and transparent institutions put in place; and
- **Technical complexity:** measuring emissions from forestry and establishing reference levels can be a technical challenge.

Recognizing these challenges, the international community has aimed to provide guidance to handle these issues. One of the responses was to define Safeguards, which are further detailed in **Module 8: Safeguards**. Additionally, multilateral initiatives have been created in order to help countries address these challenges.

MULTILATERAL REDD+ INITIATIVES

Several multilateral initiatives support countries in getting ready for REDD+ and starting to implement REDD+ policies and measures. The following section will describe a few of them, namely:

- UN-REDD Programme
- Forest Carbon Partnership Facility
- Forest Investment Program
- Other initiatives

UN-REDD PROGRAMME ([WWW.UN-REDD.ORG](http://www.un-redd.org))

The **UN-REDD Programme** was launched in 2008 and builds on the convening role and technical expertise of the UN Development Programme (UNDP), the UN Environment Programme (UNEP) and the UN Food and Agriculture Organization (FAO). The Programme offers both Direct National Support (DNS) and Support to National Actions (SNA).

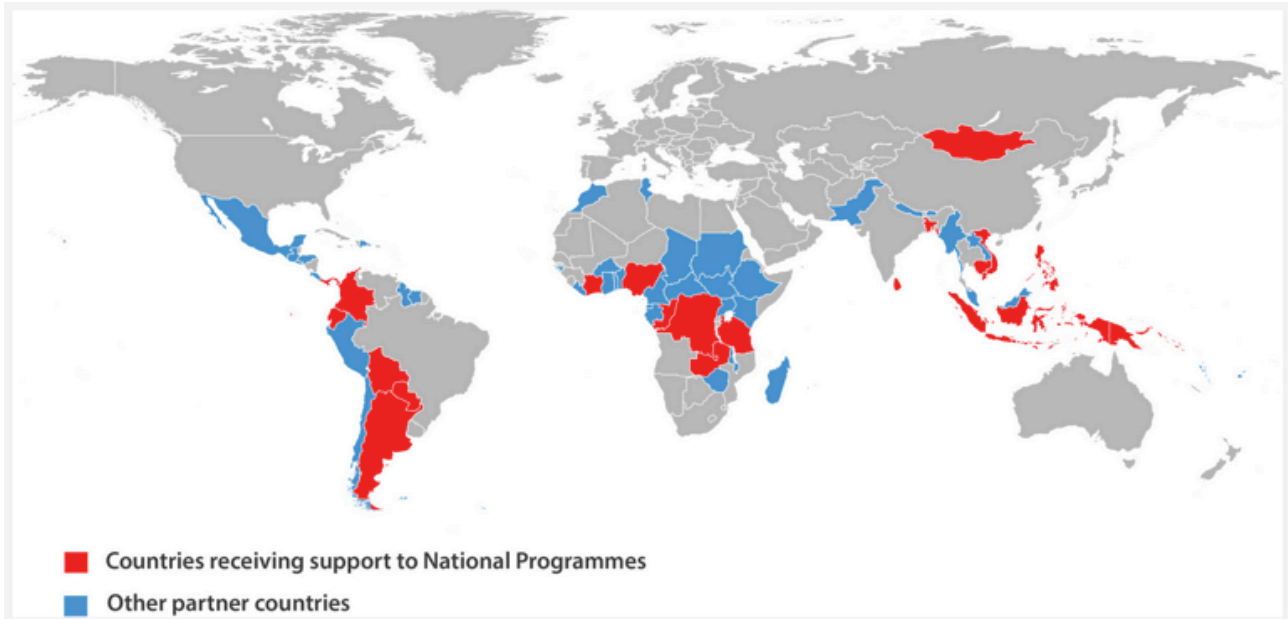
Examples of direct national support:

- Comprehensive REDD+ readiness support through National Programmes to selected partner countries to articulate a national approach to REDD+ implementation;
- Targeted support and technical advice to all partner countries on issues such as safeguards, benefit sharing, MRV, governance, etc.;
- Strong focus on country ownership and support to wide stakeholders consultation processes including Indigenous Peoples the civil society.

Examples of Support to National Actions

- Development of tools, methodologies and guidelines;
- Knowledge sharing and South-South collaboration;
- Building of awareness of and support for REDD+ at national and international levels;
- Secretariat services.

Figure 2.6 presents the 60 countries which were partners to the UN-REDD Programme as of May 2015.



■ Figure 2.6 THE UN-REDD PROGRAMME PARTNER COUNTRIES AS OF MAY 2015
- source: UN-REDD Programme

FOREST CARBON PARTNERSHIP FACILITY (FCPF) ([HTTPS://WWW.FORESTCARBONPARTNERSHIP.ORG/](https://www.forestcarbonpartnership.org/))

Established in 2008, the World Bank's Forest Carbon Partnership Facility (FCPF) is a global partnership focused on REDD+. FCPF's Readiness Fund provides funding through to support capacity building and preparedness for REDD+ activities.

REDD+ preparedness activities include:

- adopting national REDD+ strategies
- developing reference emission levels (RELs)
- designing measurement, reporting and verification (MRV) systems
- setting up REDD+ national management arrangements (including environmental and social safeguards)

Moreover, FCPF's Carbon Fund (operational since May 2011) is designed to pilot performance-based payments for emission reductions from REDD+ activities.

The FCPF and the UN-REDD Programme have developed a harmonized standard template for national programs. The Readiness Preparation Proposal (R-PP) includes a number of conditions, addresses standard policy and governance issues, and is subject to review and monitoring.

FOREST INVESTMENT PROGRAM ([HTTP://WWW.CLIMATEINVESTMENTFUNDS.ORG/CIF/NODE/5](http://www.climateinvestmentfunds.org/cif/node/5))

The Forest Investment Program (FIP) supports developing countries' efforts to reduce emissions from deforestation and forest degradation and promote sustainable forest management and enhancement of forest carbon stocks. The FIP is active in the following eight pilot countries: Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru.

The FIP enhances the importance of the REDD+ agenda by linking relevant mitigation and adaptation initiatives and providing additional motivation for comprehensive engagement and dialogue on the issue across multiple stakeholder groups. Channeled through the multilateral development banks as grants and near-zero interest credits, FIP financing addresses mainly:

- Promoting forest mitigation efforts, including protection of forest ecosystem services
- Providing support outside the forest sector to reduce pressure on forests
- Helping countries strengthen institutional capacity, forest governance, and forest-related knowledge
- Mainstreaming climate resilience considerations and contribute to biodiversity conservation, protection of the rights of indigenous peoples and local communities, and poverty reduction through rural livelihoods enhancements

To extend its reach beyond national investment plans and encourage more private sector participation, funds are also being awarded on a competitive basis for private sector projects in pilot countries. A 2013 call for proposals resulted in four projects endorsements totalling US\$31.3 million in Brazil, Ghana, and Mexico.

OTHER REDD+ INITIATIVES

<http://www.euflegt.efi.int/home/>

European Union's FLEGT;

<http://www.euredd.efi.int/>

REDD Facilities;

<http://theredddesk.org/markets-standards/germanys-redd-early-movers-programme>

Germany's REDD Early Movers (REM) Programme;

<http://rmpportal.net/library/content/fcmc>

USAID's Forest Carbon, Markets and Communities (FCMC) Project.

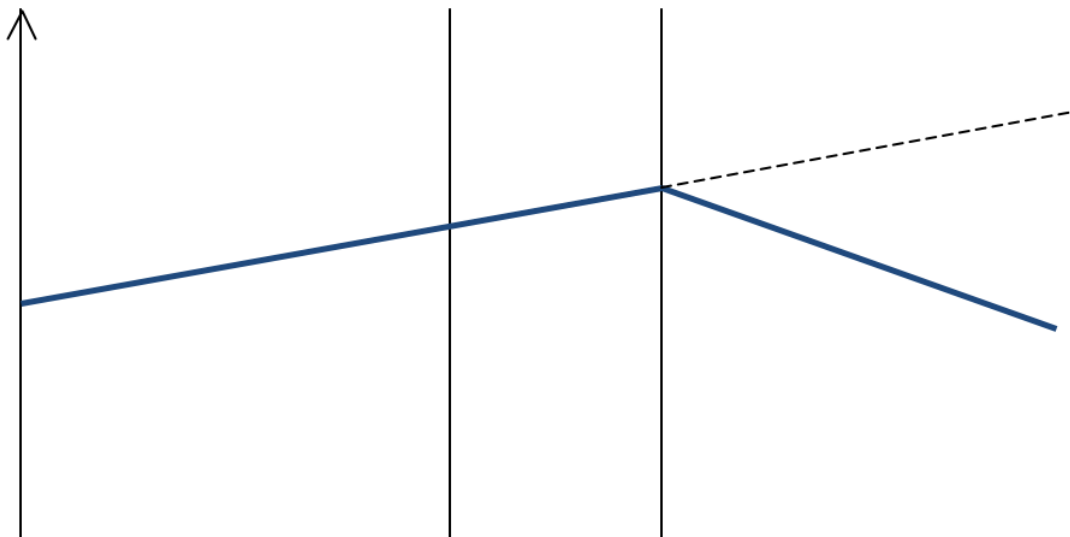


EXERCISE 4

Look at the graph below and label it correctly, using the following terms:

- Emissions
- Reference period
- Year
- Projection
- Without REDD
- With REDD
- Actual emissions

What is represented by the triangle?
Describe what the graph shows.





KEY MESSAGES OF THIS CHAPTER

- REDD+ is an innovative initiative that aims at tipping the economic balance in favor of sustainable management of forests;
- Under the UNFCCC, REDD+ is understood to comprise reduced deforestation and degradation, forest carbon stock enhancement, sustainable management of forests and forest carbon stock conservation;
- During the UNFCCC negotiations, countries collectively agreed on the importance of having an iterative, flexible and learning-by-doing approach to REDD+ implementation;
- Several multilateral initiatives support countries in getting ready for REDD+ and starting to implement REDD+ policies and measures



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

3

DRIVERS OF DEFORESTATION AND FOREST DEGRADATION (DDFD)

THIS SECTION PRESENTS THE MAIN DRIVERS OF DEFORESTATION AND FOREST DEGRADATION (FROM HERE ON REFERRED TO AS DDFD) AND PROPOSES A FRAMEWORK TO ANALYZE THEM.



THE SECTION INCLUDES EXPLANATIONS ABOUT:

- The main DDFD
- The importance of analyzing DDFD
- How to analyze DDFD



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

3. DRIVERS OF DEFORESTATION AND FOREST DEGRADATION (DDFD)

WHAT ARE DRIVERS OF DEFORESTATION AND FOREST DEGRADATION (DDFD)?

In the context of REDD+, 'drivers' are actions and processes that result in deforestation and forest degradation. Understanding the key DDFD is important for several reasons and particularly critical for the development of national REDD+ strategies and/or action plans and the formulation of policies and measures.

Drivers can be separated into:

- **'Direct drivers'** (also called 'proximate causes'), i.e. human activities or immediate actions that directly impact forest cover and loss of carbon;
- **'Indirect drivers'** (also called 'underlying causes' or 'driving forces'), i.e. complex interactions of fundamental social, economic, political, cultural and technological processes.

See some examples of DDFD in the table 3.1.

DIRECT	INDIRECT
<ul style="list-style-type: none"> • Deforestation: subsistence (incl. short-fallow shifting cultivation) and large- and small-scale commercial agriculture, mining, infrastructure development and urban expansion • Forest degradation: legal and illegal timber extraction, forest fires, livestock grazing in forests, fuelwood collection and charcoal production, long-fallow shifting cultivation 	<ul style="list-style-type: none"> • At the international level, e.g. markets, commodity prices, exchanges • At the national level, e.g. population growth, domestic markets, national policies, fiscal incentives and subsidies • At the local level, e.g. change in household behaviour • Many REDD+ readiness plans identify weak governance and institutions, poor cross-sectoral coordination, weak enforcement, and poverty as critical indirect drivers

■ Box 3.1 Examples of DDFD



REFLECTION POINT

Which drivers, direct or indirect, do you think would be the most difficult to address generally or in your own country? Make a list.

Think about the drivers, direct or indirect, in your country in the past. Which drivers do you think will still be important in the future? Do you expect there to be new ones? Make a list.

DIFFERENT DRIVERS FOR DIFFERENT REGIONS

Figures 3.2 and 3.3 present the impact of the various drivers on deforestation in Africa, Latin America and (sub)tropical Asia, from 2000-2010. Figure 3.2 presents the relative importance of each driver, while Figure 3.3 presents the area affected by each driver.

As the graphs show, agriculture is estimated to drive 80% of deforestation worldwide.

Large-scale commercial agriculture is the biggest driver in Latin America, accounting for 2/3 of total deforested area, while commercial agriculture in Africa and (sub) tropical Asia accounts for 1/3 of total deforested area.

Subsistence agriculture accounts for a similar proportion in each region.

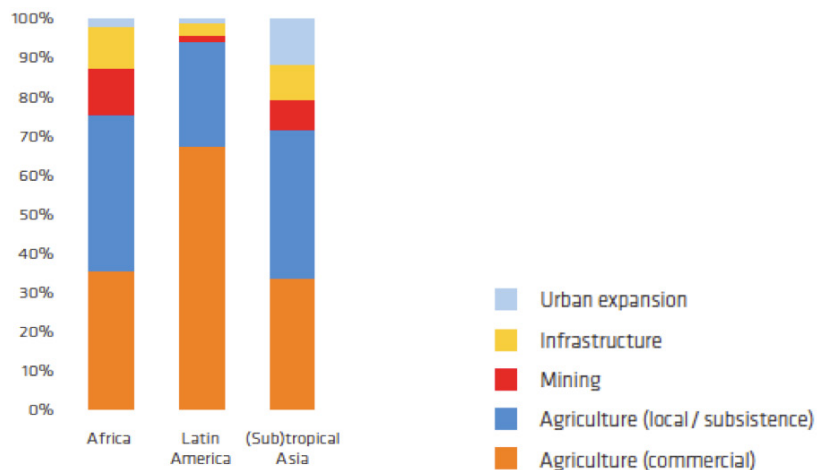


Figure 3.2 Proportion of deforestation affected by different drivers (2000-2010) - Source: Kissinger et al., 2012

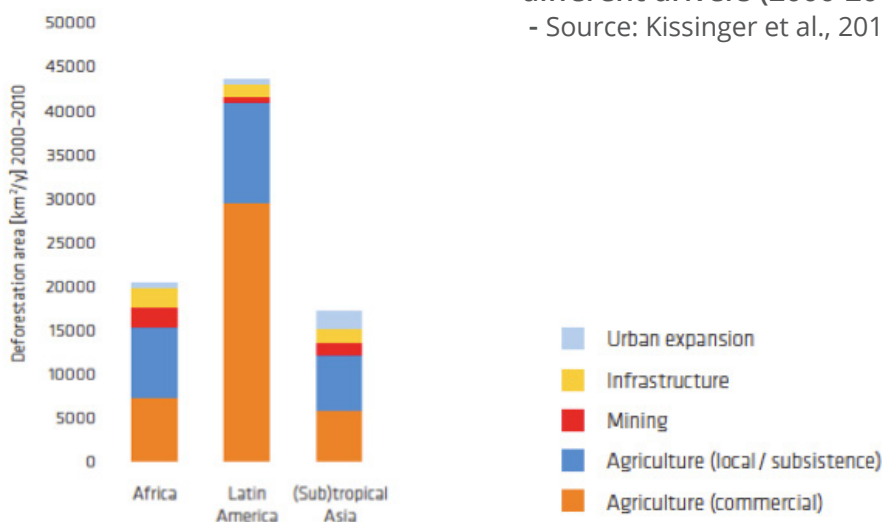
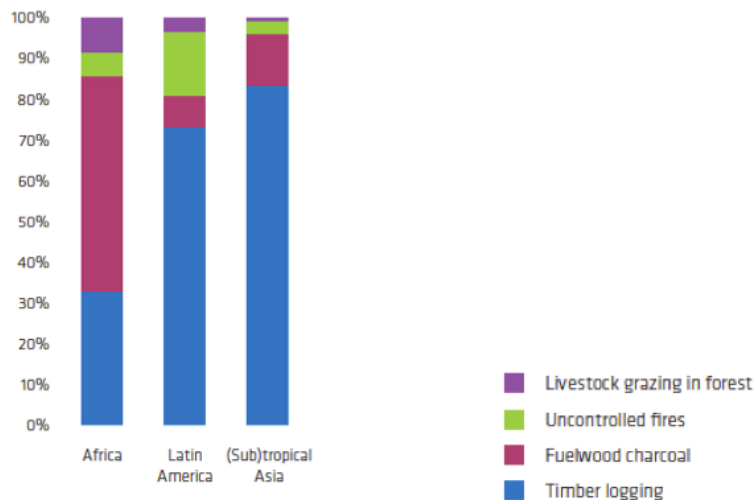


Figure 3.3 Total area affected by different deforestation drivers (2000-2010) - Source: Kissinger et al., 2012

The drivers of forest degradation (as distinct from deforestation) are depicted in a similar way in Figure 3.4.



■ Figure 3.4 Proportion of direct forest degradation drivers - Source: Kissinger et al., 2012

The graph in Figure 3.4 clearly shows that in Latin America and (sub) tropical Asia, commercial timber extraction accounts for more than 70% of total degradation, while in Africa, the most important drivers are fuelwood collection and charcoal production.

Fiscal policies and incentives are particularly important indirect drivers of forest conversion. They influence land-use behaviour in sectors (especially agriculture) that encroach on forests. They occur at different stages in commodity supply chains, ranging from land access to production, downstream processing and manufacturing, and domestic and international demand-side measures such as market-price support or fuel blending mandates¹, to stimulate production of biofuels from palm oil, sugar cane and soy which have a significant impact globally. The 2014 New Climate Economy Report² notes that many countries subsidize key agricultural inputs, such as irrigation water and fertilizer, in order to boost productivity, and evidence suggests many subsidies can also lead to waste of financial resources and environmental damage.

Figure 3.5 provides a list of types of fiscal incentives, as well as examples, demonstrating the complexity of the topic.

1 More information on fuel blending mandates, including current updates on fuel blending mandates by country, can be found at the following address: <http://globalrfa.org/biofuels-map/>. Note that this covers CURRENT mandates, not % increases over time.

2 <http://newclimateeconomy.report/>

TYPE	EXAMPLE
Grants and other direct payments	Transfers to companies or producers to cover specific costs, payments or vouchers to consumers to cover a portion of costs
<i>Example: Cooking oil subsidies, subsidized land, fertilizer subsidies, inputs (planting materials, herbicides), rural development grants</i>	
Tax concessions	Tax exemptions, credits or deferrals
<i>Example: Income tax deduction, lower foreign taxes, accelerated depreciation and amortization, loss-carry forward provisions, Value-Added Tax exemptions, biofuel import and stamp duty relief, tax holidays</i>	
In-kind subsidies	Non-monetary benefits that confer a benefit on the recipient
<i>Example: Privileged or streamlined land access and permitting, publicly-funded research providing private benefit, corruption</i>	
Cross-subsidies	Market transfer or price discrimination within the scope of one unit
<i>Example: Electricity and irrigation use within a public utility</i>	
Credit subsidies and government guarantees	Below-market interest loans, underwriting risk and loan guarantees, incentives promoting foreign investment
<i>Example: Loss compensation, concessionary interest rates</i>	
Hybrid subsidies	Instruments utilizing the tax system to lower the costs of private investment
<i>Example: Tax-free bonds, tax increment financing</i>	
Derivative subsidies	Subsidies to counter the distortions caused by other subsidies upstream, such as higher input prices for downstream manufacturers or consumers
<i>Example: Compensatory or countervailing support, subsidy clusters</i>	
Procurement	Preferential public purchasing, special financing arrangements
<i>Example: Public procurement commitments seeking to support domestic producers</i>	
Market price support (in the producer country)	Deficiency payments or artificial price support to cover the gap between target price for a good and actual market price
<i>Example: Fuel blending mandates</i>	

■ Figure 3.5 Fiscal incentives - Source: Kissinger, G. 2015.

TRENDS THAT WILL AFFECT FUTURE DEFORESTATION AND FOREST DEGRADATION

Drivers will change over time, as well as over space and global trends can affect them such as:

GLOBAL POPULATION

An increase in global population is expected, predominantly in urban areas (fast-growing middle class), reaching 8.2 billion individuals in 2030. The largest increases in population will be in Africa (+235 million) and Asia & Pacific (+255 million). A stabilization of the population level is expected to take place after 2050, at around 8-10 billion individuals, due to rising living standards and declining birth rates (aging populations).

AGRICULTURAL COMMODITIES

Overall, a 70% increase in demand for food products is expected by 2050. Meat production is expected to increase by 85% (FAO, 2009). For oil seeds, there is an expected 23% production increase between 2011-2020, 2/3 of which to occur in developing countries (OECD/FAO, 2011). Furthermore a 45% rise in palm oil output is expected, mainly by Indonesia and Malaysia (OECD/FAO 2011³). By 2020, biofuels will account for 21% of the increase in global coarse grains production above current levels, 29% of the global vegetable oil production's increase, and 68% of global sugar cane production's increase will go to biofuels (OECD/FAO, 2011).

WOOD PRODUCTS

It is expected that the annual plantation production capacity will rise to 1.8 billion m³ per year by 2020. The increase should mostly come from tropical countries and the southern hemisphere, given that 80% of the production potential is located in the area. By 2020, Brazil, China and Russia should dominate the market of the international trade of wood products (FAO Advisory Committee on Paper and Wood Products, 2007⁴). Finally, even though the EU and US import controls are beginning to reduce imports of illegally logged wood products, global and domestic trade willing to source illegal wood will increase in general, unless countries can increase legality in the forestry sector, which in many countries is very difficult due to weakness in enforcement capability. This means that sourcing illegal timber is expected to increase outside of the US and EU.

FUELWOOD AND CHARCOAL

The number of people relying on traditional biomass use globally should decrease by 175 million between 2008 and 2030. While global trends are expected to decline, a 34% increase in fuelwood consumption is expected between 2000 and 2020 in Sub-Saharan Africa (FAO, 2009). Demand for charcoal (another traditional fuel) is likely to increase due to increased urbanization.

3 OECD-FAO Agricultural Outlook 2011-2020: <http://www.agri-outlook.org/48202074.pdf>

4 <http://www.fao.org/forestry/en/>

THE IMPORTANCE OF ANALYSING DRIVERS

Several UNFCCC COP decisions refer to drivers, where developing countries are required to identify DDFD (Decision 4/CP.15), address these drivers in their national strategies or action plans (Decision 1/CP.16), and ensure that the response to drivers are adapted to national circumstances (Decision 15/CP.19). The text of the three decisions mentioned can be found below:

Paragraph 1 of decision 4/CP.15:

Requests developing country Parties, on the basis of work conducted on the methodological issues set out in decision 2/CP.13, paragraphs 7 and 11, to take the following guidance into account for activities relating to decision 2/CP.13, and without prejudging any further relevant decisions of the Conference of the Parties, in particular those relating to measurement and reporting:

(a) To identify drivers of deforestation and forest degradation resulting in emissions and also the means to address these;

Paragraph 72 of decision 1/CP.16:

Also requests developing country Parties, when developing and implementing their national strategies or action plans, to address, inter alia, drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of annex I to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia, indigenous peoples and local communities;

Warsaw Framework decision on drivers (15/CP.19):

Also noting that livelihoods may be dependent on activities related to drivers of deforestation and forest degradation and that addressing these drivers may have an economic cost and implications for domestic resources,

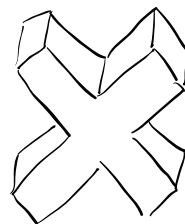
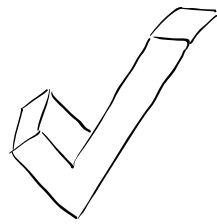
1. *Reaffirms* the importance of addressing drivers of deforestation and forest degradation in the context of the development and implementation of national strategies and action plans by developing country Parties, as referred to in decision 1/CP.16, paragraphs 72 and 76;
2. *Recognizes* that drivers of deforestation and forest degradation have many causes, and that actions to address these drivers are unique to countries' national circumstances, capacities and capabilities;



EXERCISE 5

TRUE OR FALSE?

The fact that livelihoods may depend on activities related to drivers of deforestation and degradation is addressed by the Warsaw Framework Decision on DDFD.



WHY ANALYZE DRIVERS?

In order to reduce emissions and enhance removals from forests, it is important to identify, understand and address the most important drivers.

A robust and comprehensive analysis of drivers and a consensus across all national stakeholders can potentially contribute to a country's efforts to:

- Agree at the national level on a vision for REDD+;
- Formulate a national REDD+ strategy and/or action plan with clear priorities;
- Justify the selection of particular REDD+ activities;
- Inform the design of policies and measures to address priority drivers;
- Link forest area changes as well as forest degradation to specific activities (see figure 3.6 for an example of this);
- Link information on drivers to Safeguard Information System and Environmental and Social Management Framework processes;
- Effectively engage key stakeholders, especially of the non-forest sectors, that are in many



REFLECTION POINT

There are considerable benefits to analysing drivers, what do you think might be some problems associated with not analysing drivers of deforestation and degradation effectively?

- countries the main drivers of DDFD;
- Define priorities for forest monitoring and MRV;
- Inform national circumstances for adjusting reference emission levels; and
- Tailor results-based actions that will generate result in GHG emission reductions, therefore allowing for generation of results-based payments.

BARRIERS FOR IMPLEMENTING “+” ACTIVITIES⁵

Without a solid analysis of the drivers and a consensus on which are the most important, the capacity to achieve tangible REDD+ results and to access results-based payments is compromised. Countries aiming to focus their policies and measures (PAMs) and national REDD+ strategy or action plan on the “+” activities have to also analyze barriers to the enhancement and conservation of carbon stocks and sustainable management of forests. Constraints to implementing “+” activities are similar to barriers to investments in sustainable forest management and the drivers of deforestation, e.g. fiscal incentives.

Potential barriers (and there are some similarities with the DDFD) include, but are not limited to:

- Poorly defined and contested rights;
- Weak capacity and commitment to improve forest law compliance and reduce illegal logging and trade;
- Inappropriate and inconsistent public policies and arbitrary changes in policies;
- Lack of transparency and accountability;
- Lack of or poor cross-sectoral coordination, information sharing and willingness to work together across ministry mandates;
- Real or perceived shortages of land available for investment; and
- Social complexities and traditions (e.g. unwillingness to change land use or out-migration leading to labour shortages).

HOW TO ANALYZE DRIVERS

A DDFD analysis might present the first opportunity to engage with different sectoral actors (e.g. various ministries, civil society, and private sector) and to foster an inclusive dialogue with the goal of reaching a national consensus.

The analysis should not be treated as a “one-off” study, but should be an iterative process that builds on existing and new knowledge and information. Further analytical work, especially after new issues have arisen, should provide additional insights on particular issues.

The primary direct drivers are often known, yet there may not be consensus about their importance among stakeholders, and further understanding may have to be built. The indirect drivers are usually less obvious and understood, yet have a strong influence on decision making and actions of direct drivers (e.g. rising or falling commodity prices).

⁵ This refers to “Conservation of forest carbon stocks; Sustainable management of forest; Enhancement of forest carbon stocks” (paragraph 70 in the Cancun Agreements”).

The analysis of the interactions between the indirect and direct drivers may require a range of analytical approaches, e.g. statistical analysis and modelling using economic and demographic indicators, as well as socio-economic, analyses, understanding market dynamics and commodity production/consumption patterns, etc.

The analysis of drivers might include:

- Analysis of policy and governance issues (global, national);
- Collecting national and local data, which is often not easily available and scattered among different sources, sectors and ministries;
- Linking forest area changes to specific activities and land-use changes (remote sensing analysis) ;
- Evaluation of spatial context and location, and other features (e.g. roads, settlements) to help with interpretation;
- Local and regional knowledge (experts and communities) and ground observations;
- Analysis of the various economic activities responsible for deforestation in order to identify a set of current economic incentives and disincentives and barriers to change;
- Analysis of the social dimension of deforestation: traditions, cultural factors, individual and collective behaviours underpinning deforestation and degradation.

UNDERSTANDING THE MECHANISMS BEHIND THE DRIVERS

Analyzing the drivers shall ultimately help design **effective, efficient** and **equitable** policies, actions and measures. It requires an understanding of the economic and social interactions at work behind the observed drivers, as well as a proper assessment of the social and economic costs and benefits of the drivers. For instance, subsistence agriculture has limited economic benefits but critical social and welfare implications. Conversely, commercial and mechanized agriculture can have large economic benefits (employment, profits), but in some cases more limited welfare potential.

Analyzing the drivers shall not only serve to identify them but also to compare them according to their potential for reduced deforestation.

Four indicators are key to comparing drivers:

- The amount deforested or degraded for a unit of a particular driver, such as an increase in the price of agricultural output (i.e. palm oil)
- The benefits (social/economic/environmental) for a unit of a particular driver
- The costs (social/economic/environmental) for a unit of a particular driver
- Availability of REDD-compatible alternatives.

These indicators need to be assessed over the life time of the drivers to account for their short-term and long-term impacts, as well as benefits and costs. Comparing these indicators across the different drivers will help highlight the drivers that should be prioritized by PAMs.



REFLECTION POINT

How will your country interpret the “flexibility of implementation”?

Since each driver might have a different unit of measurement, it is common to “normalize” them by reporting their value over a defined period of time. Value is often calculated in monetary terms but other metrics can be used instead, such as an overall livelihood index, or an ecosystem performance indicator. The aim of normalization is to provide a common scale to measure and compare drivers that are intrinsically different in nature and impact, and ultimately help decision-makers select areas of intervention:

- One hectare of palm oil plantation in Indonesia has an estimated financial opportunity cost of US\$6,000 over its 30-year lifetime.
- The same hectare of palm oil plantation has however associated costs and risks pertaining to the destruction of local ecosystems providing critical environmental services: food, raw material, access to water, pest and disease control, the difficulty being to measure these services accurately.
- One hectare of low-productivity subsistence crops is valued as the cost of equivalent produce that would have to be bought at a local market minus the cost of production. Possible costs and risks derived from the activity are the depletion of soil nutrients, increased prevalence of uncontrolled fires, shrinking underground aquifers.

Numbers obtained from this normalization will represent the minimum value derived from each driver. Negative value represents a net cost, positive value a net gain. These normalized “true” prices for the different drivers can then be compared and prioritized according to the overall value (economic, social, environmental) they create or destroy.

Finally, it is also important to look at the political/social acceptability of addressing the driver. It is essential to also recognize the importance of additional external factors that might influence the impact and inherent dynamic of the drivers. The normalized monetary value, if analyzed in isolation, might imperfectly reflect the other social dimensions that make up the drivers’ total value. This is why drivers should in principle not only be compared on the basis of their economic costs and benefits but also include their social costs and benefits. As an example, it might be important to include in any analysis of drivers the possible influence of illegality, non-compliance and corruption to understand how these factors might interfere with PAMs and limit their effectiveness.

HOW TO RANK THE DRIVERS?

There are several criteria that can be used to rank the drivers depending on the objectives and strategies being pursued. The choice of indicator is critical to ensure that the analysis of drivers informs the overall objectives and strategies pursued.

The ranking can be based on the amount deforested if the only goal is the deforestation performance: e.g. commercial agriculture might be prioritized. The ranking could rather focus on the “cheapest” drivers (drivers with the lowest net benefits): e.g. inefficient and low-productivity agriculture (subsistence), or equity, highlighting activities with unequal distribution of benefits and costs: e.g. mining. Of course, it could also use a combination of other indicators: environmental integrity, biodiversity, CO₂ absorption potential. Once again, it is important to highlight the political feasibility or acceptability of addressing particular drivers.

There are challenges in this analysis, though. Fine-grained analysis of the mechanisms at play might be too expensive to be carried out for each driver, or data might be missing for some drivers and the implication for Policies and Measures (PAMs) should therefore be explicit. A lack of data might also justify increased efforts to collect data on drivers that represent prioritized areas of intervention. However, in case of a “no-regret” option⁶, which is expected to serve multiple benefits and carry low risk, a government would not have to wait for complete data before acting.

Coordination is also required between ministries to minimize the risk of focusing too much on forest-based drivers and missing key non-forest (e.g. agricultural) drivers.

COMMON PITFALLS IN ANALYZING DRIVERS

- Analyzing historical trends only without looking at potential future scenarios;
- Omitting an analysis of indirect drivers;
- Reductionist approaches that neglect non-forestry sectors and their plans for the future;
- Not separating the drivers of deforestation from the drivers of forest degradation, as they are usually not the same;
- Being fixated on particular solutions (e.g. community forestry) before a driver and barrier analysis even starts.

6 No Regrets Options: <http://www.ipcc.ch/ipccreports/tar/wg3/index.php?idp=292>

NEXT STEPS

Once the analysis of drivers has been completed, it can inform, among other sources of information, the following:

- The national vision for REDD+;
- The national REDD+ strategy and/or action plan with clear priorities, or support the refinement or modification of existing plans or strategies (see **Module 4: National Strategy (NS) or Action Plan (AP)**);
- Agreement on and development of on Policies and Measures (PAMs) to address the key drivers (see **Module 7: Policies and Measures**).

As new issues arise, such as changes in commodity prices and exchange rates (which can have significant impact) and modifications to incentive systems and/or laws and regulations, any driver analysis must undergo a reality check from time to time.



CASE STUDY KENYA

REVOLUTIONIZING THE COOKSTOVE SECTOR

ISSUE

Fuelwood is an important driver of deforestation in many developing countries, with nearly 3 billion people relying on biomass fuels such as wood, charcoal and dung for cooking. Considering the growing population with growing energy needs, fuelwood is expected to remain a significant source of energy many countries in the years to come.

Production at scale of quality cookstoves at an affordable price for households, businesses and institutions remains extremely challenging following usual production models involving small producers. According to a study from GTZ¹, as soon as one out of two households owns an improved cookstoves, they become a “must have” for other households.

BURN Manufacturing Company (BMC) is a C-Corporation, social enterprise with manufacturing operations in Kenya. BMC was created to address the enormous need for high-efficiency cookstoves. In Kenya, for example, wood gathering has contributed to the destruction of 94% of the original native forest. The country consumes 3.5 million tons of firewood every year, more than double the estimated annual sustainable yield of 1.5 million tons. Urban households currently spend up to \$365 for charcoal each year. Many of these households have the ability and a strong financial incentive to purchase a \$20 stove that can reduce fuel consumption by 50%.

ACTION

The needs of these consumers are largely unmet as 97% of all biomass consumers rely on traditional and inefficient cooking technologies.

¹ <https://www.giz.de/en/html/index.html>



In order to fill this need, BMC will manufacture and sell 3 million stoves in East Africa by 2022. BMC intends to raise \$3.8 million to establish a modern continuous flow manufacturing facility in Kenya and satellite assembly plants in Rwanda, Tanzania and Uganda.

Currently users have two stove purchase options, both that do not fulfill their needs: locally produced, ‘artisan’ stoves or stoves imported from India or China. Artisan produced stoves are of mixed quality and cannot be manufactured in the volumes required to meet market needs. Imported stoves are typically more expensive due to tariffs and shipping costs. In addition, they also are not designed specifically for the East African market’s unique needs. Chinese-made Envirofit stoves and Indian-made Prakti stoves have made small forays into the East African market but they are currently hampered by the challenges noted above.

BMC’s solution will provide stoves that are designed for, and produced in, the East African market at a price and quality that none of our competition can match. BMC will enter the market with two stove products.



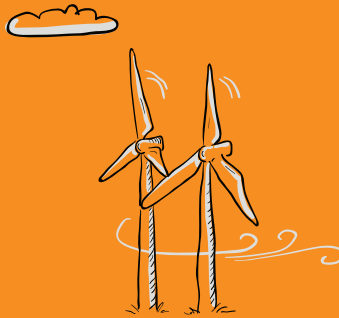
EXERCISE 6

This module has introduced the importance of good analysis of the DDFD. Which of the following are made more likely from an analysis of drivers?

Agreement on a national vision for REDD+



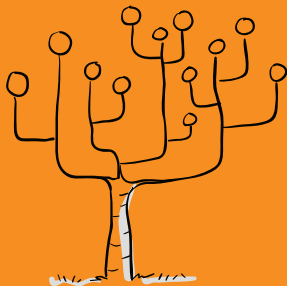
Reduction in use of fossil fuels



Clear justification for the selection of particular REDD+ activities



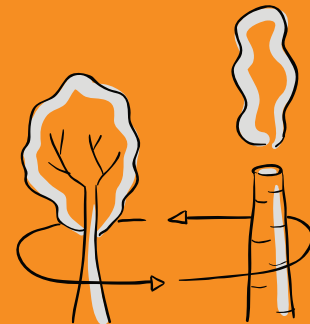
Initiation of a safeguards and Safeguards Information System (SIS) work stream



Formulation of a prioritized national REDD+ strategy and/or action plan



Better understanding of the link between changes in forest area and specific economic activities





KEY MESSAGES OF THIS CHAPTER

- A good understanding of direct and indirect drivers, as well as barriers, is necessary to design and implement effective results-based REDD+ actions.
- Indirect drivers very often influence the behaviour of direct drivers and actors.
- Future drivers and barriers are in all likelihood different from yesterday's and today's drivers and barriers.
- Engaging key stakeholders in the analytical work fosters an inclusive dialogue, although countries should base what level of consultation or accommodation and agreement between stakeholders is suitable and required, on their own national circumstances. In order to safeguard public benefits it will not always be possible to obtain buy-in from and/or agreements from key drivers, such as the industrial and commercial sector.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES



NOTES

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4

NATIONAL STRATEGIES AND ACTION PLANS

THIS MODULE AIMS AT PARTICIPANTS TO UNDERSTAND THE PURPOSE AND THE IMPORTANCE OF QUALITY REDD+ NS/AP DESIGN PROCESSES AND NS/AP DOCUMENTS IN ORDER TO IMPLEMENT REDD+ ACTIVITIES SUCCESSFULLY AND ENSURE RESULTS. IT ALSO HIGHLIGHTS VARIOUS ELEMENTS THAT COUNTRIES MAY FIND USEFUL TO TAKE INTO CONSIDERATION SO AS TO ACHIEVE THIS.



THE MODULE INCLUDES EXPLANATIONS ABOUT:

- NS/AP and the UNFCCC
- Developing NS/AP
- Cross-cutting issues throughout the NS/AP development process



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

4. NATIONAL STRATEGIES AND ACTION PLANS

Module 3 presented what Drivers of Deforestation and Forest Degradation (DDFDs) and barriers to the “+” activities are, as well as the critical elements to analyse and ways in which countries may achieve this. A good understanding of the past and current forest dynamics as well as of the DDFD and barriers to the “+” activities ‘explaining’ these dynamics, represent essential analytical foundations on which countries will be able to gradually build their vision for REDD+, and the strategy to achieve it.

The UN-REDD Programme is promoting continued exchanges of experiences between countries and facilitated various South-South learning exchange events¹ where countries presented and shared their experiences on REDD+ National Strategies or Action Plans (NS/AP). Many useful lessons learned and recommendations regarding both the NS/AP design process and actual NS/AP document were gathered. They constitute the core of this module.

WHAT IS A NS/AP?

NS/AP IN THE UNFCCC

As discussed in **Module 2: Understanding REDD+ and the UNFCCC**, the NS/AP is one of the four design elements which have been agreed internationally as prerequisites for REDD+ implementation and to access Results-Based Payments (RBP) (Decision 1/CP.16, paragraph 71(a)), in accordance with Decisions 12/CP.17 and 11/CP.19). Figure 4.1 presents these four elements.



REDD+ NS/AP describe how emissions will be reduced and/or how forest carbon stocks will be enhanced, conserved and/or sustainably managed in the implementation of REDD+ (phases 2 & 3). NS/AP are integrative products of and processes of the readiness phase (phase 1), drawing from all the analytical work, stakeholders’ dialogue and strategic decisions made to prepare an effective and efficient implementation of REDD+ (phase 2).

■ Figure 4.1 DESIGN ELEMENTS OF READINESS FOR REDD+ IMPLEMENTATION -source: UN-REDD Programme

1 South-South regional learning exchange workshops in Ecuador (August 2014) for Latin America and Caribbean, and in Kenya (October 2014) for Africa. Pre-Policy Board Information and Knowledge Sharing Session on NS/AP in Tanzania (November 2014). Reports and presentations available on: http://www.unredd.net/index.php?option=com_docman&view=list&slug=information-session-documents-5-november-3596&Itemid=134 & http://www.unredd.net/index.php?view=list&slug=information-and-knowledge-sharing-sessions-5-november-3592&option=com_docman&Itemid=134

There are no detailed prescriptions in the decision texts regarding the actual content of a NS/AP and no templates to follow. Contrary to Forest Reference (Emission) Levels (FREL/ FRLs), there is no requirement for a technical assessment or any kind of endorsement from the UNFCCC. The Warsaw Framework only recalls the necessity of a NS/AP for REDD+ and requests countries to post a link to their NS/AP on the Information Hub of the UNFCCC REDD+ Web Platform in order to be able to receive RBPs (Decision 11/CP.19).

Nonetheless, paragraph 72 of Decision 1/CP.16 indicates that when developing (phase 1) and implementing (phase 2) their NS/AP, Parties are requested to address, inter alia:

- Drivers of deforestation and forest degradation;
- Land tenure issues;
- Forest governance issues;
- Gender considerations;
- Cancun REDD+ Safeguards;
- Ensuring full and effective participation of relevant stakeholders, inter alia, indigenous peoples and local communities.

Also, paragraph 1 of Appendix 1 of 1/CP.16 sets out general guidance that should be followed when implementing REDD+ activities, and should therefore be kept in mind while developing a NS/AP:

According to this decision, the five REDD+ activities should:

- Contribute to stabilizing GHG concentrations;
- Be country-driven;
- Be consistent with the objective of environmental integrity and take into account the multiple functions of forests and other ecosystems;
- Be undertaken in accordance with national development priorities, objectives and circumstances and capabilities and should respect sovereignty;
- Be consistent with national sustainable development needs and goals;
- Be implemented in the context of sustainable development and reducing poverty, while responding to climate change;
- Be consistent with the adaptation needs of the country;
- Be supported by adequate and predictable financial and technology support, including support for capacity-building;
- Be results-based;
- Promote sustainable management of forests.



REFLECTION POINT

Why do you think the Cancun agreements present a set of principles and general guidance for NS/AP rather than 'detailed prescriptions'?

FLEXIBLE APPROACHES TOWARDS NS/AP

The UNFCCC decisions leave full flexibility to countries on both the NS/AP design process and the NS/AP actual document, provided the general principles given in the previous sections are addressed. This allows each country to search for the optimal strategic pathway towards REDD+ considering its specific national circumstances. The NS/AP document may take many forms: it may materialize for example as a specific “REDD+ strategy”, be integrated into a wider climate and/or green economy framework (e.g. Ethiopia, Mexico), or be part of various sectoral and multi-sectoral development strategies. Some have chosen to design it as a general framework with a long-term vision, then refined through an investment plan (e.g. DRC, Zambia) focusing on the first few years of implementation, while others include both in a single document. Accordingly the NS/AP design process may be organized in very different ways, within the wider readiness process as well as in relation to other relevant national sectoral and multi-sectoral planning processes.

THE NS/AP DESIGN PROCESS: AN OPPORTUNITY

Although NS/AP may take many different forms, countries may find it useful to gather and present the relevant elements of their NS/AP in a coherent manner. The NS/AP document is an occasion for stakeholders to assess compliance with the general UNFCCC guidance points, as well as the general relevance, efficiency, effectiveness and robustness of the country vision for REDD+, and its approach, actions, tools and processes proposed towards results.

A quality NS/AP document developed through a quality design process is an opportunity to:

- Make REDD+ more tangible to all stakeholders;
- Build trust and buy-in from the international community, as well as national stakeholders (i.e. high-level political support and a wide support base);
- Give confidence in a country's capacity to deliver REDD+ results to receive results-based payments/results-based finance (RBPs/RBF);
- Increase chances to attract financial support from the international community (bilateral or multilateral sources) for its implementation; and
- Contribute to a well-coordinated and more efficient readiness process.

This is particularly important as the international finance mechanism for REDD+ is yet to be clarified and countries willing to implement REDD+ activities are currently competing for limited REDD+ finance to support the implementation of NS/AP. Potential REDD+ finance may include ex-ante results-based funding (e.g. Viet Nam) or more traditional Official Development Assistance (ODA)-type support, which may be necessary for many countries to be able to implement REDD+ Policies & Measures (PAMs) and generate results, as well as raise the profile of the REDD+ agenda in the country. More information on the subject can be found in **Module 9: REDD+ Finance**.

While there are no explicit criteria to assess the quality of a NS/AP (and no technical review mechanism to do so under the UNFCCC), below are a few elements that have been shown to be: (i) particularly helpful in some countries that have already engaged in this process; and (ii) important factors by some donors in supporting financially countries for REDD+ implementation:

- Being evidence-based;
- Addressing the main direct drivers of deforestation and degradation, as well as their underlying causes (indirect drivers), and possible barriers to the “+” activities of REDD+ (as well as their potential);
- Presenting a credible while ambitious strategic vision for REDD+, with transformative policies and measures;
- Demonstrating country commitment;
- Backed by (high-level) political support;
- Building or strengthening effective multi-sectoral coordination and cooperation mechanisms;
- Ensuring a transparent and participatory design process; and
- Articulating how the NS/AP differs from enhanced “business as usual” actions.

This will obviously be very different according to each country specific context and is by no means a checklist.



REFLECTION POINT

What do transformative Policies & Measures mean?

SOME IMPORTANT LESSONS LEARNED

While the NS/AP development process depends largely on national circumstances, experiences from countries so far have highlighted the following general key lessons:

- **Developing a REDD+ NS/AP is about both process and product.** In particular, an emphasis on the process of inclusive and equitable consultation and engagement with relevant stakeholders will ensure a more robust and wider support-base for the strategy and will facilitate its endorsement and subsequent implementation. As an example, which may or may not be relevant in other national contexts, Costa Rica has conducted over 150 information and consultation meetings over the course of designing its NS/AP.
- **The NS/AP design process should be planned early during REDD+ readiness process,** rather than be considered a mere output produced at the end of the readiness phase. The sequencing of the various work streams (e.g. analytical work, consultations) can be challenging but is essential in ensuring efficiency in the NS/AP design process (and overall readiness).
- **Strategic choices made on each of the four Cancun design elements of REDD+**
 - i. National Strategies/Action Plans (NS/AP);
 - ii. Forest Reference (Emissions) Levels (FREL/FRL);
 - iii. National Forest Monitoring Services (NFMS);
 - iv. Safeguard Information System (SIS).

May have strong implications for the others (see section “Looking at scope, scale and priority drivers in perspective” for examples). Ensuring regular communication and feedback loops in the development and implementation of these essential design elements

all along the readiness process is therefore critical and may contribute to a more efficient readiness process. The NS/AP document is an opportunity to strengthen the links between these design elements of REDD+ and demonstrate the overall coherence in the country approach to REDD+ as well as its capacity to achieve results.

- **Designing NS/AP is an iterative step-wise process**, as NS/AP are organic documents that continue to be expanded and improved upon in a cyclical manner as countries progress towards more comprehensive REDD+ responses: initial strategies may for example only address the most significant REDD+ activities and/or drivers of deforestation and forest degradation, while planning for subsequent improvements following a pragmatic stepwise approach, as well as adapting to a dynamic context. Brazil decided to only start addressing deforestation in the Amazon region, while already preparing to include forest degradation as well as expanding to include the Cerrado biome.
- **NS/AP should not be regarded as stand-alone documents.** Countries may find it useful to ensure they are developed and implemented, are relevant (e.g. REDD+ potential, political commitment, etc.), within the context of a country's national development planning process and in line with other national and international efforts that are related to REDD+ (e.g. Aichi Targets under the Convention on Biological Diversity COP, Sustainable Development Goals). Country ownership of the process and therefore the product, and careful integration with other development plans are key elements for success. Mongolia for example is integrating REDD+ into its Green Development Strategy, ensuring coherence with its broader development agenda.

A LOGICAL FLOW

Although the UNFCCC does not provide any recommendation on the structure or template for a NS/AP, many countries have articulated their NS/AP document around the broad “why”, “what” and “how” questions, as a logical and flexible guiding structure:

- **“Why” (or “what for”):** what is the overall context of the country, including its development framework? How does that relate, positively or negatively, to REDD+? What is its forest context (i.e. carbon stocks and fluxes, Drivers of Deforestation and Degradation (DDFD) & barriers to “+”, trends of land use change and carbon loss)? Considering all this, what vision for REDD+ and its contribution to national objectives? Or, put simply, what can REDD+ do for my country?
- **“What”:** what are the Policies & Measures (PAMs) and approaches envisioned to achieve the REDD+ vision and results? How is this transformational?
- **“How”:** how will the NS/AP be implemented and results ensured: what are the legal, institutional and financial arrangements as well as tools required for an effective implementation, management and monitoring of REDD+?

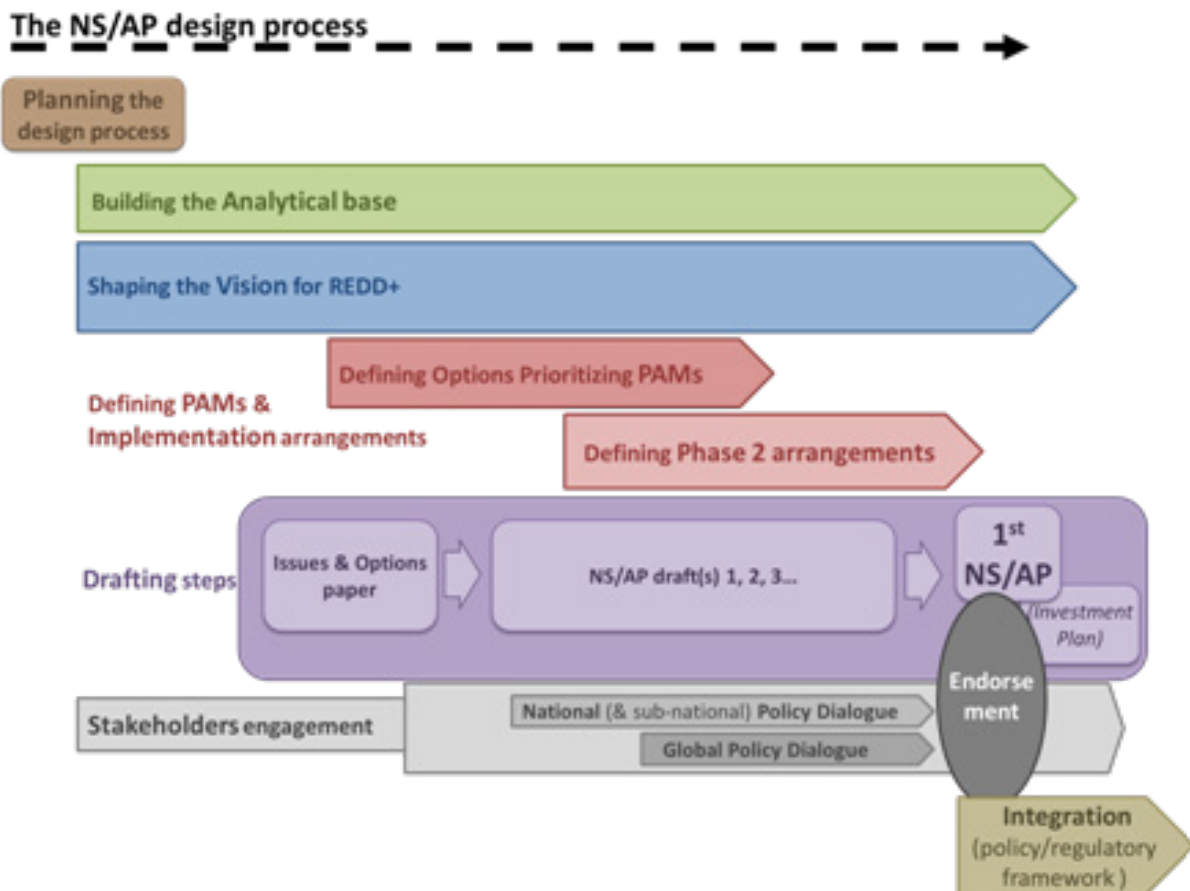
Building on the analytical work (existing & new data) and various strategic considerations depending on and shaping its vision for REDD+, the same underlying questions structuring the document may guide the sequencing of the overall NS/AP design process, as shown in the illustrative framework in Figure 4.2. The actual process will strongly depend on country

specific circumstances (including existing relevant data, strategies and policies or planning processes, capacity).

DEVELOPING A NS/AP

Although the process followed will be highly dependent on national circumstances, it may be broken down into wide non-prescriptive key processes (Figure 4.2). These processes are by no means fully sequential, and many should actually progress in parallel, with regular interactions and feedback loops ensured:

- Planning the NS/AP design process
- Building the analytical base
- Building a REDD+ Vision
- Analyzing options and prioritizing PAMs to implement
- Defining implementation arrangements (financial, legal and institutional)
- Drafting processes
- Political and stakeholder endorsement
- Formal integration of the NS/AP in the policy/regulatory framework



■ Figure 4.2 FIRST NS/AP: AN ITERATIVE STEP-WISE DESIGN PROCESS
 - source: UN-REDD Programme



PLANNING THE NS/AP DESIGN PROCESS

Countries may find it useful to develop an explicit overall roadmap of the NS/AP design process that may be shared and discussed with relevant stakeholders. It may help to:

- Clarify the sequencing of the various technical inputs, strategic decisions, consultation and validation processes, and steps in the drafting process;
- Define the respective roles and responsibilities of the various institutions and partners involved;
- Identify the budget needs; and
- Structure the design and consultation process (e.g. platforms, small technical working groups, large workshops, mailing lists, etc.).

Ensuring adequate timing and feedback loops among the various elements of the readiness process, as relevant and feasible, will also be critical to the overall efficiency of the process.

This overall roadmap may be complemented, as relevant, by more specific documents such as:

- A roadmap of analytical work contributing to the various stages of the NS/AP design process;
- A stakeholder engagement strategy and roadmap, specifically including gender equality and women’s empowerment aspects; and
- A capacity building plan.

Though this may be dynamic as new opportunities may open up along the way, countries may also find it useful to start thinking early on about the proposed legal status of the NS/AP and its ‘anchoring’ (e.g. within a wider climate change, green economy strategy, or overarching development plan). It may also be useful to clarify the subsequent proposed steps, such as whether the NS/AP will be refined and operationalized through a dedicated REDD+ investment plan, or more directly mainstreamed into sectoral and transversal legislations, policies and plans.



BUILDING THE ANALYTICAL BASE (FIGURE 4.3)

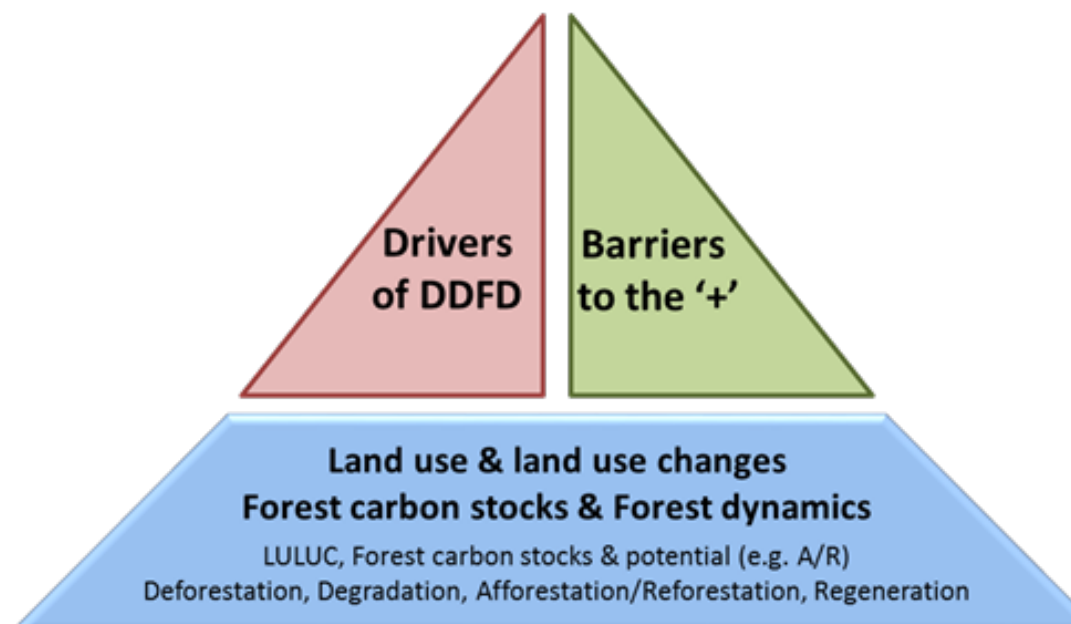
This is often an iterative process throughout the NS/AP development process and its subsequent revisions, during which studies are produced and refined and technical capacity built. Evidence-based data, built with contributions from various sectors and stakeholders, will be required to enable informed decision-making and policy design and ensure the

validity of NS/AP. Countries should start with existing information while improving the knowledge base along the way, rather than wait for the best data. Depending on the national context and decisions made, the relevant analysis and tools may vary greatly. A pragmatic roadmap of analytical work may be developed to ensure that necessary information will be available in a timely manner, taking into account financial and technical capacity.

The main starting point for the strategy design process is an overall consensus among stakeholders on the main drivers of deforestation and forest degradation and barriers to + activities (usually known, but not necessarily acknowledged and/or agreed upon). Whether this consensus is reached from the onset, or requiring more dialogue and consultations, countries may find it useful to think of their work on drivers as part of a wider analytical framework providing essential foundations to robust NS/AP design processes. It is indeed useful to ensure linkages between the analyses of:

- Land use and land-use changes, forest carbon stocks & forest dynamics (deforestation, degradation, afforestation/reforestation & regeneration) on the one hand; and
- Past, current and potential future drivers of deforestation and forest degradation, and barriers to the “+” activities, ‘explaining’ these dynamics, on the other hand.

It will provide crucial information on the potential of the various REDD+ activities, geographical priorities, trends, potential entry points for REDD+ PAMs, etc. The analysis of drivers and barriers is likely to require many different but complementary analysis (e.g. legal, policy and fiscal framework; organization of supply chains; traditional practices, etc. More information on the analysis of DFDD can be found in **Module 3: Drivers of Forest Degradation and Deforestation**.



■ Figure 4.3 A STRONG ANALYTICAL FOUNDATION FOR THE NS/AP
- source: UN-REDD Programme

Other analytical pieces will be required in parallel or at later stages. They might include:

- Forward-looking analysis (i.e. modeling) to support dialogue (inter-sectoral, multi-stakeholders) and strategic decision-making;
- Spatial planning (e.g. collecting and generating spatial information that can help identify appropriate areas for implementation of various REDD+ PAMs);
- Study of costs, benefits, risks of potential REDD+ action;
- Study of financing options, required incentives; and
- Assessment of institutional capacities and capacity building needs.

For illustrative purposes, countries might ask themselves some of the following questions:

- What is the physical and socio-economic context of the country, its governance structure, its main cross-sectoral and relevant sectoral development objectives? What may be the positive or negative implications for REDD+?
- What are the past, current and likely future forest dynamics (deforestation & degradation, reforestation & regeneration)? How does this relate to REDD+ activities? What are the direct & related underlying drivers of deforestation and degradation, and barriers to the “+” activities? Where, how much, who is involved, and why?
- How does REDD+ implementation relate to existing legal frameworks, policies and commitments?



REFLECTION POINT

Can you think of any other relevant technical information that your country might want to include?



BUILDING A VISION FOR REDD+ & RELATED STRATEGIC CONSIDERATIONS (SCOPE, SCALE, PRIORITY DRIVERS/ BARRIERS, FINANCING)

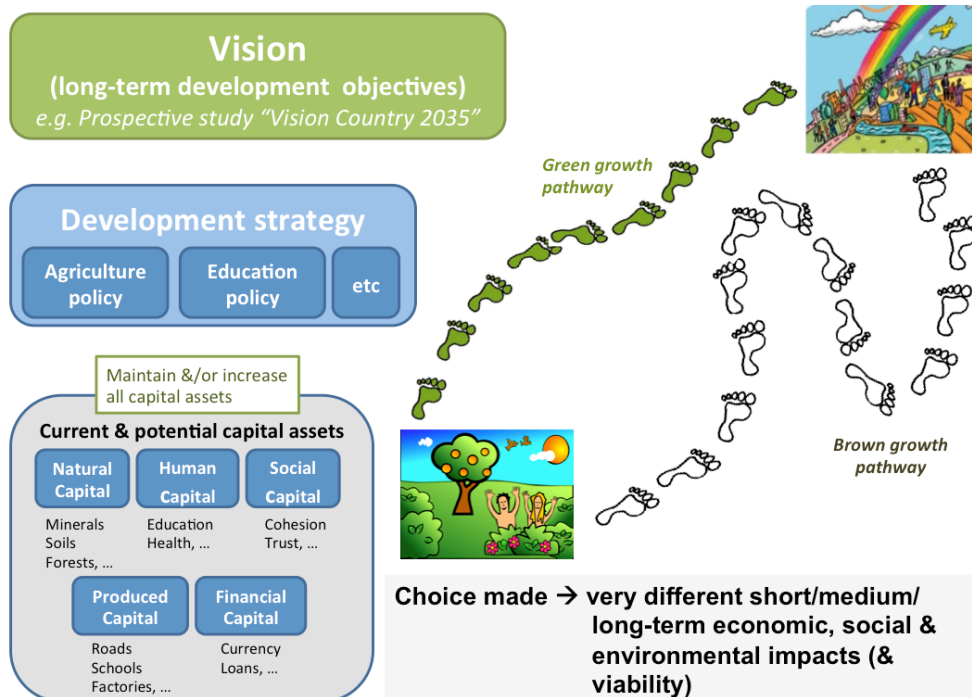
Building on existing information, visions, strategies and plans as well as the results of the analytical work, countries may consider defining their long-term vision for REDD+ and the strategic pathway for achieving it, including in its initial stages (i.e. 1st NS/AP). This may include reflecting on the concrete goals the REDD+ mechanism may support achieving in the country, in terms of the five REDD+ activities as well as wider national objectives and priorities. Such REDD+ vision is likely to be shaped gradually along the readiness process (and beyond), depending on, for example, the opportunities and constraints identified, the “business case” made for REDD+, capacity of securing high-level political support and actively engaging the various relevant stakeholders (including relevant land-use sectors and the private sector).

TOWARDS A GREEN GROWTH DEVELOPMENT PATHWAY

In order to achieve their development objectives, countries rely on five types of capital assets: the financial, natural, produced, human, and social capital assets. Each country uses these assets differently according to their own specific national context, as well as past policies and practices. Ideally, countries have defined a collective, explicit, long-term development vision they want to achieve (e.g. Papua New Guinea Vision 2050), often through a consultative prospective study (e.g. the ongoing Ivory Coast 2040 prospective study, or DRC prospective study Vision 2035); in other words: where they want to be in the future. Building on the five capital assets, countries will have many different options to try to achieve that vision. This is articulated in medium-term strategies or plans (e.g. Ivory Coast future National Development Plan 2016-2020) on which sectoral plans are based (e.g. 5-year agriculture plan).

The strategic choices made both in terms of long-term objectives and development strategy represent different 'development pathways'. The pathway chosen will strongly condition the capacity to achieve the desired vision, in more or less time, and with very different associated positive and negative economic, social & environmental impacts in the short, medium and long term.

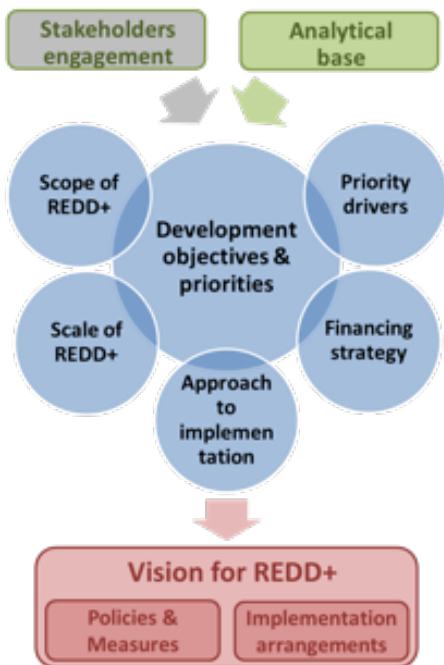
As opposed to a conventional 'brown' economy, a 'green' economy (or green growth or development) is one that can result in improved human well-being and social and gender equity, while significantly reducing environmental risks and ecological scarcities (Figure 4.4). In other words, one where the financial, natural, produced, human, and social capital assets do not decline over time, and increase wherever possible. Initial partly unsustainable use of the natural capital (e.g. forests and minerals) should contribute to build the other types of capital, and lead to a change in the country economic base that allows following a development pathway less dependent on the natural capital and favoring its sustainable use.



■ Figure 4.4 POSSIBLE DEVELOPMENT PATHWAYS WITH VARYING ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS -source: UN-REDD Programme

REDD+ AS AN OPPORTUNITY TO SHIFT TO A GREEN GROWTH DEVELOPMENT PATHWAY

In many countries, achieving REDD+ may represent an important opportunity and step in shifting the development pathway towards a low-carbon, resource-efficient and equitable green economy. In this regard, REDD+ should be seen as an opportunity to ‘optimize’ development rather than a mere conservation and/or forestry tool. Understanding how the national development framework relates to REDD+ and the way REDD+ may be designed to support national objectives will be key in this. This is particularly true for countries with high REDD+ potential (e.g. high forest cover and high deforestation), but also in other countries where REDD+ may be a means to support the reform of a specific sector (e.g. forestry) or a wider transformational change supported by a strong political will, such as the one that happened in Costa Rica, before REDD+ actually existed. When prospective studies are carried out to develop or update a strategic long-term development vision, the opportunity should be seized to include a REDD+/green growth scenario. Successfully involving the private sector will be key in achieving this, shaping operating models that reduce deforestation and forest degradation, and promote the “+” activities in the supply chains.



All this requires considering how REDD+ relates to the country development framework, and how it may contribute or modify the development pathway. It requires: (i) shaping a long-term vision for REDD+ itself; (ii) considering the way it shall deploy over time leading to REDD+ phase 3 and the realization of a more sustainable long-term development vision (strategic pathway); and (iii) the first pragmatic steps over the first few years (1st NS/AP). Various strategic decisions will have to be made in this respect, including what the options for REDD+ implementation are in terms of ‘scope’ and ‘scale’ of REDD+ implementation (see next section for definitions), the priority drivers to tackle, the financing strategy or the approach to REDD+ (Figure 4.5).

■ Figure 4.5 STRATEGIC CONSIDERATIONS SHAPING THE COUNTRY VISION FOR REDD+ - source: UN-REDD Programme

VARIOUS STRATEGIC CONSIDERATIONS

The “scope” of REDD+ activities (Figure 4.6) relates primarily to which of (or combination of) the five REDD+ activities a country chooses to implement. The “scale” of REDD+ (Figure 4.9) refers primarily to the geographical area in which the country will take responsibility for implementing REDD+ towards RBPs (i.e. area covered by a FRL/FREL, with related monitoring & reporting). “Priority drivers” relates to the direct and indirect drivers a country decides to address in priority, which may be a subset of all the drivers identified. The “approach to REDD+ implementation” refers here to the way a country decides to implement REDD+, including: (i) whether REDD+ will be implemented mostly through setting an adapted policy and regulatory framework and/or through specific dedicated investments; (ii) the complementary roles of the various levels of government (national, subnational, local); and (iii) the types of actors involved in actual implementation (e.g. governmental agencies, private sector, NGOs).

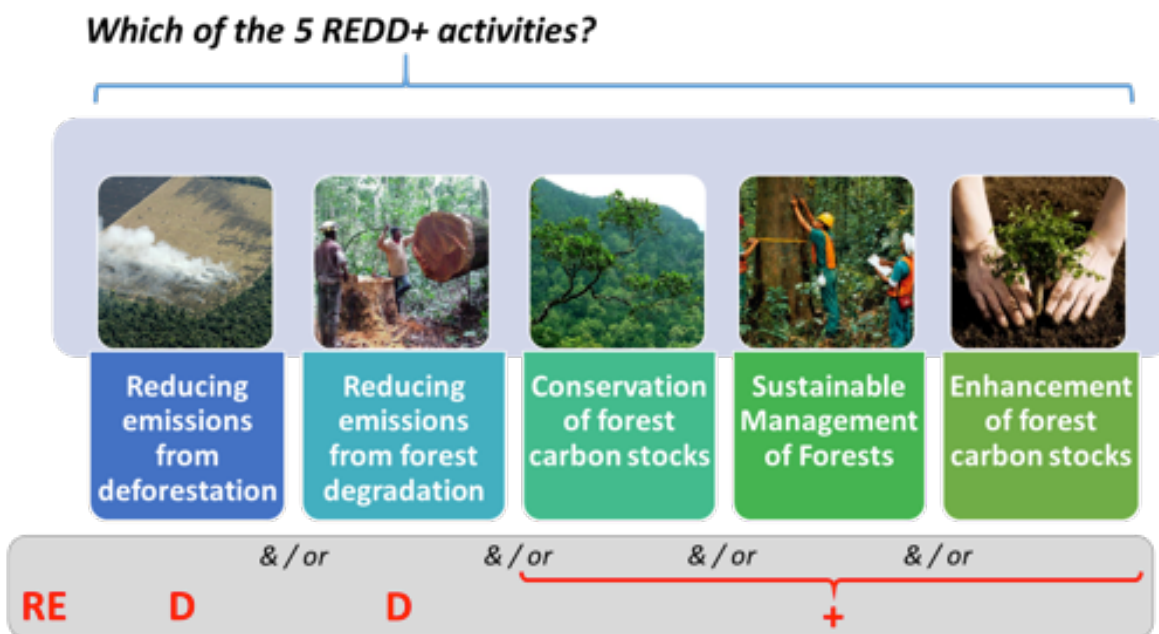
SCOPE OF REDD+

The “scope” of REDD+ activities (Figure 4.6) relates primarily to which of (or combination of) the five REDD+ activities a country chooses to implement. It may also refer to the five carbon pools a country accounts for (aboveground biomass, belowground biomass, deadwood, litter, soil), and/or the priority drivers addressed. The scope of a submitted FREL/FRL may represent a sub-set of the activities and pools presented in the NS/AP, with the intention to expand to the full scope of activities and pools presented in the NS/AP over time, applying a stepwise approach.

The broad scope of the five REDD+ activities allows participation by many countries with diverse national circumstances and at various stages in the forest transition curve (see box 4.7 below). A country’s choice on the scope of REDD+ activities may depend on, inter alia: (i) the significance of the various REDD+ activities in terms of greenhouse gas emissions and/or removals; (ii) their relation with the various drivers and the capacity to implement the activities through efficient and cost-effective Policies and Measures (PAMs); (iii) technical considerations on the National Forest Monitoring System (NFMS) and Forest Reference (Emissions) Levels (FREL/FRL); (iv) political priorities.

Countries may find it useful to first focus on one or a few easier REDD+ activities (e.g. reducing deforestation, or reducing deforestation & enhancement of forest carbon stocks). Brazil, for example, has started with Reducing emissions from deforestation only, while already working on improving its capacity to monitor degradation for integration at a later stage.

Countries may decide to address in their NS/AP, through dedicated PAMs, REDD+ activities outside the scope of their initial FREL/FRL. This may be related to a focus on non-carbon benefits, political priorities, or to ensure the support from important stakeholders. All stakeholders should however be aware that these will not lead to RBPs under the UNFCCC, and countries may consider making a clear distinction on this in their NS/AP.



■ Figure 4.6 THE SCOPE OF REDD+ -source: UN-REDD Programme

Box 4.7 THE FOREST TRANSITION THEORY

The forest transition theory suggests a pattern of change in forest cover in a country or region over time (Figure 4.8). Initially, a country has a high and relatively stable portion of land under forest cover. With development processes kicking in, deforestation begins and then accelerates due to the consumption of forest resources to meet national needs and finance national development, as well as through the conversion of forest land to other uses (e.g. agriculture). This reduction in the forest cover eventually stabilizes when either (i) the most accessible forests and forest land has been used, and/or (ii) conversion to agriculture in particular is less profitable compared to other activities (diversification of the economy), and/or (iii) wood scarcity made reforestation efforts attractive and/or necessary. Indeed, rural exodus leaves the possibility to regenerate forests (i.e. afforestation/reforestation, agroforestry, regeneration, restoration), though with overall poorer carbon content, ecosystem services and biodiversity, and the related negative impacts it may have on livelihoods and economic viability.

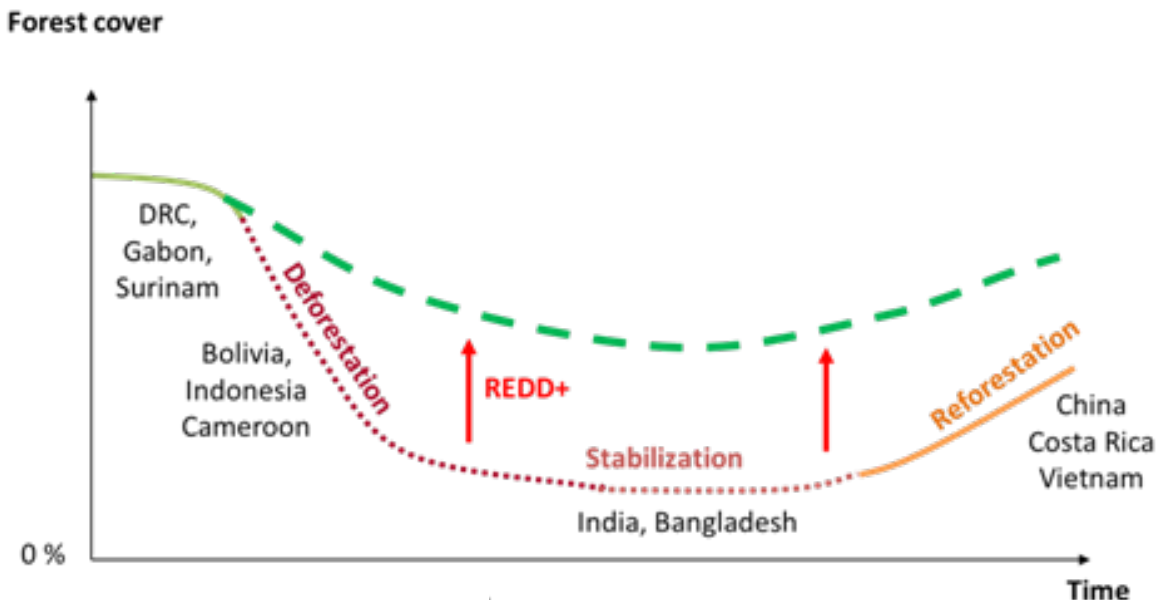


Figure 4.8 REDD+ AND THE FOREST TRANSITION CURVE
- source: Adapted from Conrad (2007)

This empirical theory describes a broad pattern, which will be influenced by many internal and external factors, such as the national context (e.g. population pressure, connection to the global economy, law enforcement capacity, global economic forces and government policies). The REDD+ mechanism seeks to change the structural causes of the forest transition curve by: (i) encouraging developing countries acting on the internal factors of the transition through adequate policies and measures, while (ii) influencing the external factors that are out of direct reach of REDD+ countries, related for example to market forces (e.g. zero net deforestation commitments by larger commodity producers, conditions for market access in consuming countries). Depending on the stage in the forest transition curve, as well as the vision for REDD+, countries are likely to use varying sets of PAMs, and mixes of incentives and enforcement, to inflect the curve while pursuing their legitimate development objectives.

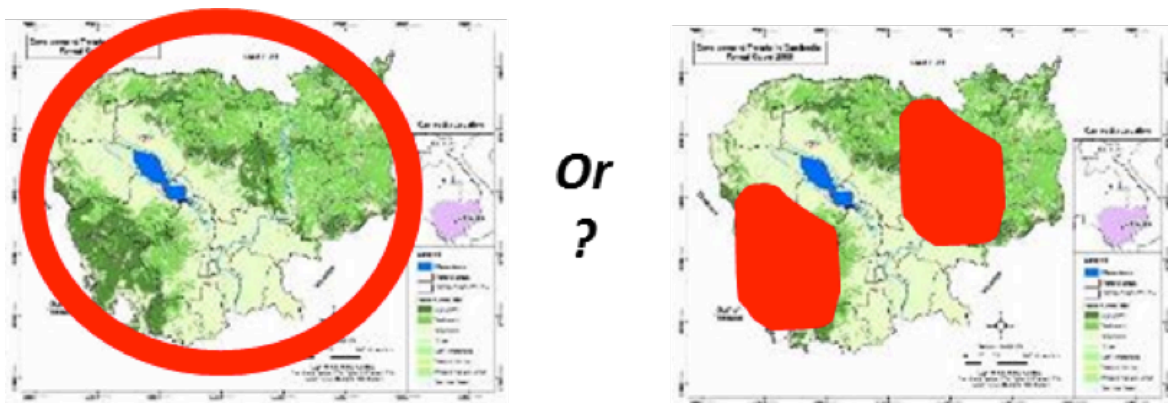
REFLECTION POINT

Has your country started considering its scope for REDD+? If yes, do you know which activities, and why?

SCALE OF REDD+

The UNFCCC allows flexibility for countries to start developing their FREL/FRL, and monitor and report at a subnational scale as an interim measure (Decision 1 CP/16, para 71b and c). In that sense, the scale of REDD+ refers primarily to the geographical area in which the country will implement REDD+ towards RBPs. Regardless, a NS/AP should be developed at the national scale, as does the SIS (Decision 1 CP/16, para 71a and d). A country may however opt for a subnational scale, or for a national scale while focusing part or all of its REDD-relevant efforts on specific key subnational area(s). A decision to go for a subnational scale may be related, inter alia, to:

- limitations in its financial and/or technical capacity (e.g. sheer size of the country) to address the drivers/barriers at the magnitude required to achieve measurable results over the whole country, or to monitor and report results at the national scale;
- a lack of control over its entire territory (i.e. armed groups);
- its geographical development priorities; and
- testing various approaches and tools in a more specific context (e.g. the Amazon biome) or with easier control (i.e. less spread out, less actors involved), while building capacity towards a more effective national-scale implementation (i.e. communication and training material, tools and process).



■ Figure 4.9 THE SCALE OF REDD+ - source: UN-REDD Programme

A country opting for a subnational scale for RBPs as an interim measure may consider different approaches to delineate the actual scale covered. This could be tied to e.g. administrative units (e.g. the Cross River State in Nigeria), a specific biome (e.g. the Amazon biome in Brazil), or even the area relevant to a specific priority driver. Each option will have different pros and cons: e.g. using an administrative unit may facilitate decision-making, the harmonization of PAMs, and the synergies between the different levels of government, while a biome or driver-based approach may allow working on more homogenous deforestation

and degradation processes and more integrated answers. Ultimately, the optimal option will depend on the specific context of each country, including the governance structure, the types of drivers of deforestation and/or forest degradation, the dynamism of the readiness process, etc. Countries may actually consider the best trade-off between these options, such as Brazil using the already existing “Legal Amazon” region (i.e. created in 1948 based on studies on how to plan the economic and social development of the Amazon region).

It may be worth highlighting that even with a national scale FREL/FRL, and monitoring and reporting, REDD-relevant investments are likely to focus at least partly on one or several key areas. In addition to the points listed above, this could be related to the presence of hotspots of deforestation and forest degradation, or areas where the potential of the “+” activities can be best realized. It could be also due to the presence of particularly active actors (e.g. subnational authorities) in some areas, the presence of implementation partners, or to preferences from financial partners.

On the other hand, even going for subnational scale, PAMs at the national level will be paramount in supporting subnational implementation (see section on “approaches to REDD+ implementation” below). Also, countries may still consider supporting REDD-relevant PAMs outside a subnational area, even though they will not lead to RBPs under the UNFCCC.

Several tools can assist in evaluating the options for selecting the optimal option(s) (see **Module 7: Policies and Measures** for more details). The Countries going for interim subnational implementation may consider striking a balance between targeting areas of potential ‘low hanging fruits’ to ensure results and addressing the more thorny issues and geographical areas. This will reflect on the credibility of the NS/AP and its capacity to be used to engage the international community and secure support for REDD+ investments (as opposed to RBPs).

Countries may consider presenting in their NS/AP:

- The rationale behind the choice of approach and location for subnational implementation;
- The consequences regarding the REDD+ implementation arrangements (REDD+ architecture);
- The way it is expected to contribute to addressing the overall national REDD+ context; and
- The tentative vision for a future smooth scaling-up towards national-scale implementation.

When starting the implementation of REDD+ in one or more subnational areas, the leadership from the national level will be essential in ensuring coherence and consistency in the REDD+ readiness work (which encompasses development of FREL/FRL, safeguards and SIS, among other things):

- Among subnational entities (horizontal coherence); and
- Between the subnational entities and at the national level (vertical coherence).

Coherence and consistency are going to be key factors in ensuring an easier aggregation of information for quality reporting to the UNFCCC for RBPs, as well as in managing the transition from subnational to national implementation over time. This issue will be even more acute when various instruments outside the UNFCCC are mixed, such as subnational or project-level approaches relating to the voluntary carbon markets (VCM), as methodologies and rules used by the various VCM standards may not necessarily be aligned on the UNFCCC. Integration with these other instruments, already deployed in many REDD+ countries, is necessary but can be particularly complex when coherence is not ensured from the onset. The

many opportunities and constraints associated with pursuing this kind of alternative approach should be evaluated carefully.

PRIORITY DRIVERS

A country may also want to consider which strategic direct driver(s) and related indirect drivers it wishes to address as a priority. Such a prioritization exercise may consider, among other things:

- The significance of each direct driver in terms of emissions from deforestation/forest degradation, or potential for removals from the "+" activities;
- Scope and scale;
- Political priorities;
- The capacity to tackle the driver (technical capacity, political capital required, and actors needed, all this considering the related indirect drivers);
- Expected implementation costs and benefits (including non-carbon benefits); and
- Potential environmental and social risks and benefits associated with addressing a given driver.

More information on the prioritization of drivers can be found in **Module 3: Drivers of Deforestation and Forest Degradation**.

In sum, the most significant driver(s) in terms of potential emissions reductions and/or enhanced removals may not always be the most strategic to address. Such driver(s) may be addressed more effectively at a later stage when the environment (i.e. political, financial) is more conducive. However, as discarding significant drivers may undermine the overall credibility of the NS/AP, it may be important to present and argue these points adequately.

LOOKING AT SCOPE, SCALE AND PRIORITY DRIVERS IN PERSPECTIVE

Decisions on scope, scale, and/or priority drivers will have strong implications for each other and should be considered together and not separately (Figure 4.10). They may also have important implications for the design and implementation of the various elements of the national REDD+ architecture (especially the NS/AP and choice of PAMs, FREL/FRL, NFMS and safeguards/SIS), as the other way round.



■ Figure 4.10 **STRONG INTER-RELATIONS BETWEEN CONSIDERATIONS ON SCOPE, SCALE AND PRIORITY DRIVERS** - source: UN-REDD Programme



REFLECTION POINT

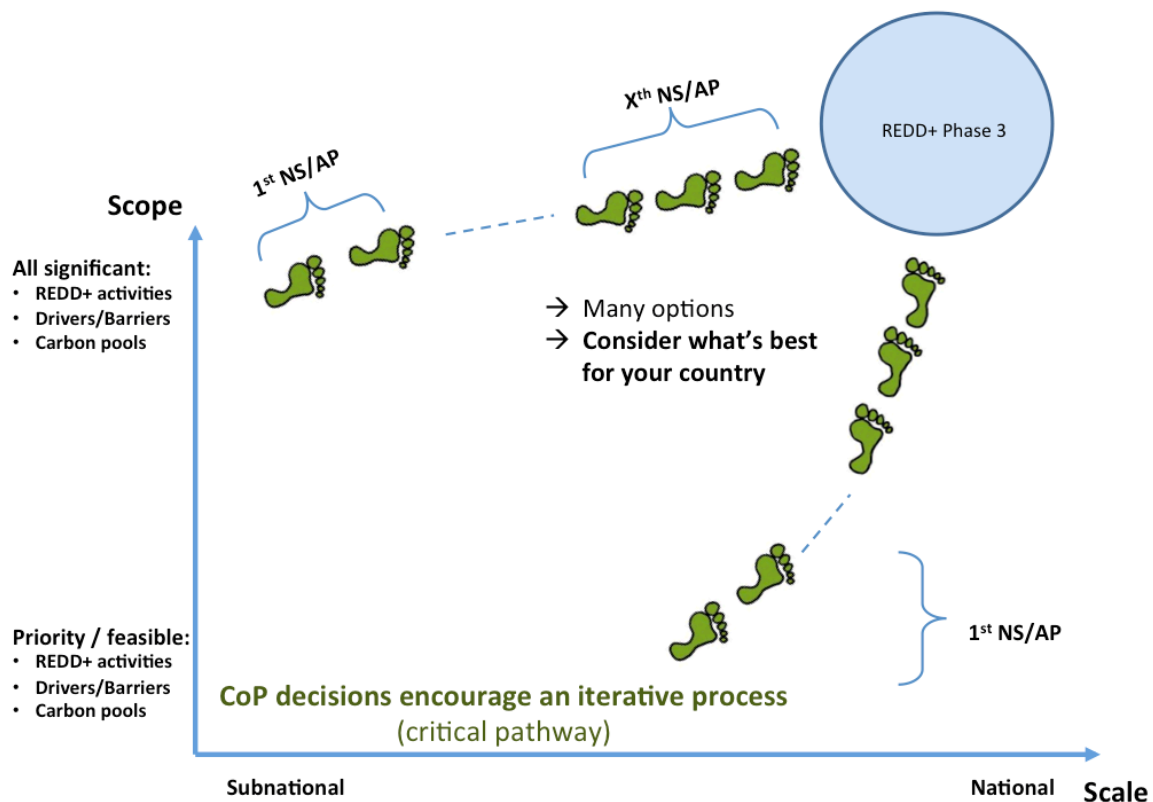
How do you think scope may impact on scale and priority drivers? And the other way round? How may this relate to the REDD+ architecture?

For example, if a country focuses on reducing emissions from deforestation in order to receive RBPs, the NFMS should be designed to monitor deforestation, a FREL should be set to account for historical deforestation (and adjusted for national circumstances, as necessary); safeguards (and SIS) must be operational anyhow. On the other hand, difficulties in including some of the REDD+ activities in the FREL/FEL, or technical or costs limitations in monitoring that activity through the NFMS, may contribute to the decision to not to address the drivers linked to that activity or affect the level financial efforts put into it, as it will not lead to RBPs (e.g. addressing selective logging or fuelwood collection leading to forest degradation). Again a country may still decide to include them for their non-carbon benefits or other reasons.

Decisions on scale, or priority areas for REDD+ implementation, may have important implications for, inter alia, the relevant activities and drivers to be addressed, the stakeholders to engage, the expected costs and benefits, the design and implementation of the various Cancun elements of REDD+ and wider REDD+ architecture (FRL/FREL, NFMS SIS and legal, institutional and financial arrangements), as well as the capacity required. In the same way, the cost and capacity implications of deploying the REDD+ architecture, or of implementing PAMs to obtain significant results, may lead a country to start REDD+ implementation at the subnational level, or to focus efforts on fewer key areas in implementing its national approach.

Choices made regarding priority drivers (e.g. charcoal production) and PAMs to address them (e.g. formalization and organization of the charcoal value chain) may have strong implications in terms of safeguards (e.g. impact on the livelihoods of the many vulnerable households involved in the production, transport or marketing). Addressing and respecting the safeguards and ensuring viable success of implementation may require adjusting the way PAMs are implemented, and complementing them with others.

Though actual decision on strategic aspects such as scope, scale and priority drivers may be taken at different stages of the readiness process, considering these aspects early on may assist in focusing the analytical work, reflections and consultations on the key aspects. The optimal set to start implementation will depend entirely on country-specific circumstances and choices regarding the long-term vision for REDD+ (including reaching REDD+ Phase 3) and strategic pathway towards REDD+ phase 3, as illustrated in figure 4.11.



■ Figure 4.11 DEFINING A REDD+ VISION AND THE STRATEGIC PATHWAY TO ACHIEVE IT
- source: UN-REDD Programme

FINANCING STRATEGY

Cost analyses and financial planning are core elements of a strategy (and/or related investment plan), and can serve two major objectives:

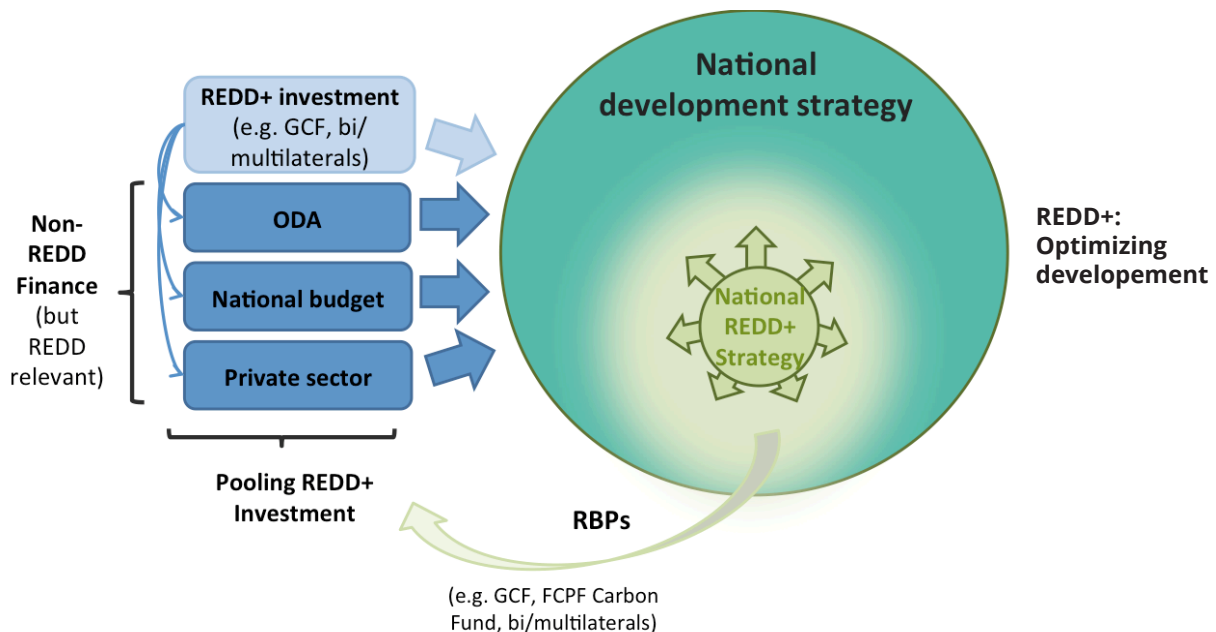
- Reflect strategy implementation costs once the strategic options are selected. This can help to:
 - Quantify the expenditures that the country will incur and when they will occur;
 - Identify sources of finance that match the financial profile of the strategic options analysed;
 - Redesign strategic options to create profitable land use activities (such as modify fiscal policies to make a REDD+ activity profitable); and
 - Help design the national fund management arrangements to properly channel funds to implement the strategic options.
- Contribute to the prioritization of options during the strategy development process (i.e. financially unviable PAMs can be eliminated or their design modified).

For this reason, the financing strategy is likely to influence the country vision for REDD+ and the related choice of PAMs (Figure 4.12). This includes identifying and accessing funding sources for the implementation of PAMs (REDD+ investment) as well as securing financial commitment for RBPs. International finance for PAMs implementation may come from a number of private and/or public sources, such as:

- Bilateral agreements (potentially both investment and RBPs);
- Multilateral programmes (potentially both investment and RBPs), including the Congo Basin Forest Fund (investment) and the WB's Carbon Fund (RBPs);
- Green Climate Fund (investment as well as RBPs); and
- Private sources (though the mechanism for this is not yet well defined).

Depending on the country context, domestic sources of finance may also be important for PAMs implementation, which will strengthen national ownership and long-term sustainability of REDD+ implementation. Alignment with, and integration of, REDD+ objectives and PAMs into national priorities and existing programmes may facilitate this process (e.g. in Mexico, REDD+ is seen as an additional opportunity to achieve the national objective and programme of integrated rural development).

REDD+ finance, whether from domestic or international sources, is unlikely be able to compete with the level of finance supporting some drivers of deforestation (e.g. fiscal incentives for or direct investments in agriculture). In these cases, REDD+ funding could be deployed to help influence development pathways, sectoral objectives and/or related policies and programmes, rather than directly compete financially with the driver(s) itself. A more in depth discussion on financing REDD+ activities can be found in **Module 9: REDD+ Finance**.



■ Figure 4.12 NECESSITY TO POOL AND ALIGN REDD+ & NON-REDD+ FUNDING SOURCES FOR NS/AP IMPLEMENTATION - source: UN-REDD Programme

APPROACH TO REDD+ IMPLEMENTATIONS

Different countries may have different approaches to REDD+ implementation, depending on their context and priorities. Some countries may decide to work through rather hands-off approaches, using the legal, policy and fiscal framework to encourage good behaviors and discourage bad ones; others may focus on more hands-on approaches by developing concrete interventions in the field; and others yet again may use a combination of both. Some countries may decide to implement REDD+ mostly through governmental agencies, while others may rely more on national and international service providers, whether

from civil society or the private sector. Countries may also decide to use varying levels of incentives and enforcement levers, as well as give different roles to the different levels of government (depending also on the governance structure, i.e. level of decentralization).

In the same way, REDD+ implementation is likely to require coordinated interventions at multiple levels of governance, from national to subnational and local levels. These various levels of governance encompass diverse stakeholders, including decision-makers, influential actors and agents of deforestation and forest degradation, each with different interests and implementation capacities. As relevant in their national context (i.e. governance structure), countries may find it useful to reflect on their PAMs through these various levels of governance, ensuring that PAMs at higher levels have a catalytic effect at the lower levels and address some issues that the lower levels cannot (see module 7 on PAMs for more details).

Ultimately, the optimal approach to REDD+ implementation should be decided pragmatically based on national circumstances, and may be a combination of these various options.

Countries might ask themselves some of the following questions:

- How may REDD+ influence and/or contribute to our national development framework?
- What are the significant REDD+ activities in our country? Are there technical limitations in implementing them (e.g. National Forest Monitoring Systems NFMS, FREL/FRL)?
- Will we develop a FREL/FRL at the national scale and/or focus on specific subnational areas, and why?
- How do the drivers identified relate to the various REDD+ activities? What are the most significant drivers in terms of REDD+, and which ones should be prioritized (e.g. REDD+ significance, feasibility, priorities)?
- What is our approach to REDD+ implementation? What roles for the various governance levels (national, subnational, local)? How do we ensure that the higher governance levels will efficiently and effectively catalyse, coordinate and support subnational efforts and public and private actors?



ANALYSING OPTIONS AND PRIORITISING ACTIVITIES TO IMPLEMENT POLICIES & MEASURES (PAMS)

In the context of REDD+, PAMs can be understood as actions taken and/or mandated by government in order to implement the REDD+ activities, potentially in combination with other objectives (such as integrated rural development or sectoral transformation). As such, the presentation of PAMs represents a central section of the NS/AP document.

The adequate set of PAMs required in a country to achieve REDD+ results is informed both by the various technical inputs gathered for the process, including the analysis of the drivers and barriers, as well as the national REDD+ vision and various related strategic considerations presented earlier. However, depending on the country context and priorities,

as well as existing PAMs and ongoing implementation of various plans and strategies, countries may decide to integrate PAMs that are not directly related to these strategic choices in their NS/AP. This is entirely up to the country, but it may then be useful to clearly indicate which set of PAMS are expected to lead to results-based payments and which are not at this stage.

The selection process of relevant PAMs should be done in consultation with the relevant stakeholders, ranging as relevant from national and local government officials to civil society organizations, private sector, and community and indigenous groups, among others (see **Module 11: Public Awareness and Stakeholder Engagement** for more information on the subject). It is likely to be based on a number of factors, including:

- The mitigation potential of the REDD+ activities in their national context;
- Potential social and environmental benefits and risks;
- The ability of the NFMS to measure the outcome of the overall package of PAMs;
- The ability to monitor the implementation and, as relevant, the outcome of individual PAMs (e.g. regeneration);
- The capacity (at national and subnational levels) to implement PAMs effectively and efficiently;
- The likely costs and benefits of the PAMs (incl. non-carbon benefits), as well as potential risks;
- Alignment with national (and/or subnational) development priorities and plans;
- Political acceptability and/or support for particular actions;
- The nature and scope of existing REDD-relevant PAMs, including existing forest-sector policies and plans; and
- Potential for (national/bilateral/multilateral) funding for PAMs implementation.

The relevance and adequacy of individual PAMs should not be assessed in isolation, but instead developed as coherent package of REDD+ interventions sequenced over time that complement one other to address both direct and underlying drivers, in an effective, equitable and efficient way. Potential or necessary synergies and catalytic effects between PAMs implemented at the national, subnational, and local levels should be considered (e.g. policy or regulatory reforms supporting the implementation of actions at the subnational level). The development of this package might be supported by the definition of a theory of change, which expresses how the various PAMs are – collectively – expected to achieve desired results (carbon and other types of benefits). The PAMs chosen should take into account past experience and build on existing ones, either by improving them or realigning them towards the vision defined. A more in depth discussion can be found in **Module 7: Policies and Measures**.

Countries might ask themselves some of the following questions:

- What are the PAMs that we envisage putting in place to implement identified REDD+ activities? How do the proposed actions adequately address the related direct as well as underlying drivers of deforestation and forest degradation, and/or barriers to the “+” activities?
- Why and how have the PAMs been defined and prioritized? What is their social, political and economic feasibility and viability, and how do they relate to existing policies and measures (correcting, supporting and/or adding on to them)? In which way(s) are they transformative?



DEFINING IMPLEMENTATION ARRANGEMENTS (FINANCIAL, LEGAL AND INSTITUTIONAL)

Countries should define how they will ensure the efficient and effective implementation of REDD+ in phase 2. This includes the institutional, legal and financial arrangements to oversee, coordinate, implement, monitor and report on REDD+ implementation. Institutional arrangements for the readiness phase may indeed have to be reconsidered in the implementation phase to be more in line with the drivers addressed and PAMs selected. Clear mandates, budgets and legal base should be established, that build on existing arrangements supplemented as needed.

Box 4.13 proposes several resources relative to the legal aspects to support this step. The institutional arrangements for REDD+ should be country-driven, and could be further supported by guidance from the UN-REDD Programme, if and when appropriate. For more information on the monitoring of PAMs, see **Module 7: Policies and Measures**.

Countries might ask themselves some of the following questions:

- How will we instigate and ensure, for example (as relevant) effective inter-institutional and inter-sectoral dialogue and coordination?
- How will various tools, and their related processes and responsibilities, be put in place or improved to allow for, for example, adequate monitoring and evaluation of REDD+ implementation and performance?
- How will these arrangements build efficiently on existing structures, processes and legal frameworks, and complement them?



THE DRAFTING PROCESS OF THE NS/AP

The drafting process of the NS/AP document should be an opportunity for further consultation, both with in-country as well as international stakeholders, building up to a full version of the NS/AP. The length of this process will highly depend on the way it is conducted and the extent of consensus desired on the various elements of the documents.

Some countries (e.g. Zambia) found it useful to start the drafting process by developing an “Issue & Option paper”, which:

- Gathers and presents all relevant existing information (e.g. drivers and barriers, existing policies and PAMs as well as lessons learned) and highlights gaps; and
- Presents the various strategic considerations and potential options, as well as their likely implications.

This is particularly useful to support the multi-stakeholder dialogue and inform the decision-making process, before engaging in the drafting of the actual NS/AP. The drafting of the NS/AP should allow for plenty of interactions and feedback loops to ensure ownership and support from all relevant stakeholders.

Box 4.13 RESOURCES TO SUPPORT THE DEFINITION OF INSTITUTIONAL ARRANGEMENTS

- Flyer on legal preparedness
- Legal Analysis of Cross-cutting Issues for REDD+ Implementation: Lessons Learned from Mexico, Viet Nam and Zambia” (UN-REDD/FAO, 2013)
http://www.un-redd.org/Newsletter37/Legal_Analysis_Publication_Launch/tabid/106156/Default.aspx
- FAO Development Law Service
<http://www.fao.org/legal/home/legal-office/en/>



POLITICAL AND STAKEHOLDER ENDORSEMENT

Countries might consider undertaking an exercise of political endorsement or validation of their NS/AP. This refers to a formal ‘stamp of approval’ by the Government (including key ministries related to direct and underlying drivers of deforestation) as well as validation by relevant stakeholders. This will add weight and legitimacy to the document, especially if looking for financial support for REDD+ investment.



FORMAL INTEGRATION OF THE NS/AP

Once the NS/AP has been endorsed, depending on the approach followed, countries might consider integrating it formally into the national policy and/or regulatory framework through various instruments, such as a Presidential or Ministerial Decree, or incorporated into national laws (e.g. climate change regulatory framework), according to national circumstances. Also, to the extent possible, the content of the NS/AP should be integrated into relevant cross-sectoral and sectoral plans at the national and subnational levels (e.g. agricultural plan or land-use plan, depending on the drivers addressed and strategic options selected). This may be a lengthy process but essential for the strategy to have a real transformational impact.

■ Box 4.14 SOME REDD+ RELEVANT VISIONS, TARGETS, COMMITMENTS AND RESULTS AROUND THE WORLD

- **Indonesia** has embarked on comprehensive reforms to land-use policies, customary land rights, regulations and law enforcement to meet its pledge to reduce greenhouse gas emissions by 26% by 2020 (41% subject to international support).
- **Colombia** is making progress on its Amazon Vision – an ambitious plan towards meeting the zero net deforestation goal in its Amazon region by 2020.
- **Mexico** has adopted a law on climate change that incorporates the goal of reaching zero net deforestation.
- **Ethiopia's** Climate Resilient Green Economy (CRGE) Facility sets the goal of reaching middle income country status by 2025 with net-zero greenhouse gas emissions growth while building resilience to climate shocks.
- **Brazil** has committed to reduce its GHG emissions by 36.1% to 38.9% by 2020. It has demonstrated huge progress in reducing deforestation, which by 2013 had fallen by 71% compared to the 1996-2005 annual average, while at the same time increasing agricultural production and rural incomes.

CROSS-CUTTING ISSUES THROUGHOUT THE NS/AP DEVELOPMENT PROCESS

Several additional elements must be taken into consideration in order to ensure a quality design process and document.

NATIONAL INSTITUTIONAL CLARITY, LEADERSHIP AND COORDINATION

The NS/AP design process is likely to require the convergence of information and efforts from many stakeholders, sectors, thematic and geographical areas, at various levels of governance, which will prove quite challenging. Strong leadership from a unique governmental body over the whole readiness process, backed by an adequate legal framework and budget are key to facilitate the effective functioning of the readiness and strategy design processes. This is also true for the implementation phase, though multi-sectoral coordination mechanisms are likely to be even more important than in readiness phase, in achieving REDD+ results.

MULTI-SECTORAL & MULTI-STAKEHOLDER PROCESS

It is important to build understanding, consensus, support and collaboration from the various productive sectors and cross-sectoral institutions from the readiness phase, since most DFDD have their cause outside the forestry sector. Multi-sectoral engagement and coordination (including Forestry, Environment, Agriculture, Planning, and Finance) are thus crucial, both in the readiness and implementation phases. The NS/AP design process is a good opportunity and medium for making REDD+ more tangible to other sectors. Figure 4.15 provides an example of sectoral ministries and their possible input in the NS/AP development process.

Adequate cross-sectoral dialogue and coordination mechanism may need to be strengthened or created to facilitate subsequent alignment of government actions, policies and measures in the implementation phase to achieve REDD+ results. Higher-level political support is particularly critical in achieving this, which itself requires a robust business case for REDD+.



■ Figure 4.15 EXAMPLE OF SECTORAL MINISTRY ENGAGEMENT
- source: UN-REDD Programme

In order to build consensus, support and collaboration, it is also necessary for the process to be participatory, transparent and equitable, involving non-governmental actors, including grassroots organizations representing communities and indigenous people, and the private sector. Additional expertise should be used by involving research centers, academia, etc. A good multi-sectoral and multi-stakeholder process will facilitate final validation and appropriation of the NS/AP.

Mapping key actors, inside and outside the government, is useful for defining an effective stakeholder's engagement strategy. Potential supporters (institutions and individuals) and challengers may be identified, along with the kind of information, interventions and/or support that may raise their interest and support in REDD+. A formal or informal roadmap could then be prepared so as to engage them in an appropriate and timely manner. More information on stakeholder engagement can be found in **Module 11: Stakeholder Engagement**.

GENDER CONSIDERATIONS

Women's and men's specific roles, rights and responsibilities, as well as their particular use patterns and knowledge of forests, shape their experiences differently. As such, gender-differentiated needs, uses and knowledge (including of the forest) are critical inputs to policy and programmatic interventions that will facilitate the long-term success of REDD+ on the ground. Thus, understanding the varying roles played by men and women can enable a more accurate analysis of the problem — who is driving deforestation, where and how — and also help identify potential solutions and allows REDD+ interventions to be applicable and relevant at national and local levels. To ensure that NS/AP are inclusive and resilient, specific attention must be paid to the specific roles, priorities and contributions of women, youth and men at every stage of policy and programme development, from design through implementation and evaluation. Gender-responsive NS/AP and PAMs should therefore recognize the role of women as (oftentimes) primary users of forests with valuable knowledge and experience; clearly communicate the potential benefits to women; and include enforceable measures that ensure those benefits are both protected and delivered². The UN-REDD Programme has developed two notes in relation to gender and REDD+: “The business case for mainstreaming gender in REDD+”³ and “Guidance note on gender sensitive REDD+”⁴. The objective of the Guidance note is to promote gender sensitive REDD+ processes and support UN-REDD Programme partner countries and stakeholders in the preparation, development and implementation of gender-sensitive NS/AP.

ENSURING COORDINATION & COHERENCE AMONG CANCUN ELEMENTS

As mentioned in the introduction of this module, the NS/AP is only one of the four Cancun elements which a country should prepare in order to be ready to receive RBPs. Strategic choices made on each the four Cancun design elements of REDD+ may have strong implications for the others (see section “Looking at scope, scale and priority drivers in perspective”, as well **Module 8: Safeguards** and **Module 7: Policies and Measures**). As such, it is important, when designing the NS/AP, to consider the wider picture and ensure regular communication and coordination in the development and implementation of the Cancun REDD+ elements.

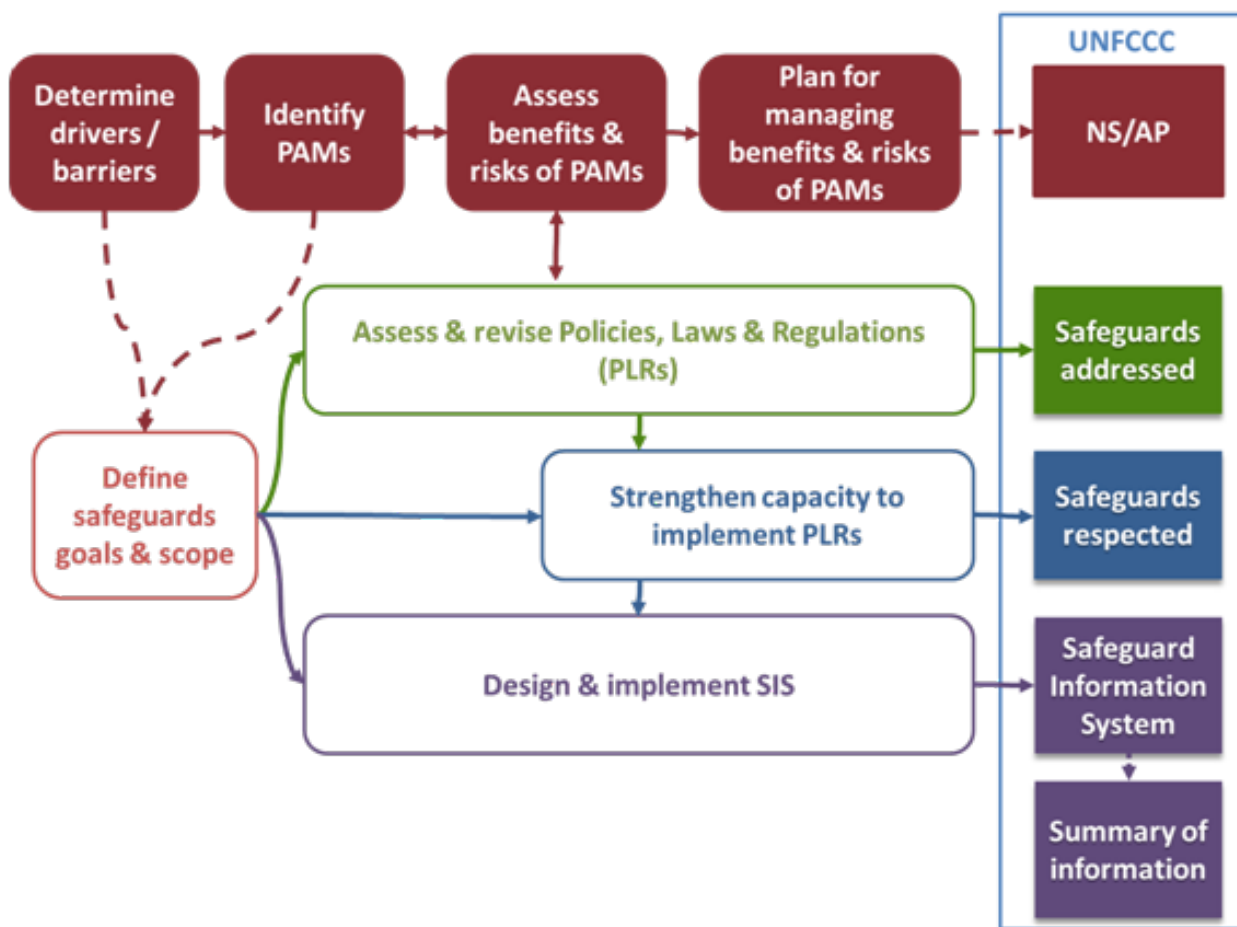
As a matter of example, the analysis of the drivers/barriers and PAMs will assist in defining the goals and scope of the safeguards. Putting too much efforts on the safeguards work stream before the country actually considers its strategic options may lead to technically and economically inefficient analytical work (e.g. too general, or not focusing on the right issues or geographical areas) as well as abstract heated debate that may prove irrelevant

2 Cf. [The business case for mainstreaming gender in REDD+](#)

3 Available at http://www.undp.org/content/dam/undp/library/gender/GenderandEnvironment/Low_Res_Bus_Case_Mainstreaming_Gender_REDD+.pdf

4 Available at <http://www.un-redd.org/Newsletter44/GenderSensitiveREDD/tabid/133278/Default.aspx>

later on (e.g. over the potential threats from REDD+ on the livelihoods of indigenous peoples, while REDD+ implementation may eventually focus on areas or drivers that do not pose a threat to livelihoods of indigenous peoples). Figure 4.16 illustrates a potential sequencing of and feedback loops between the NS/AP and safeguards/SIS development processes.



■ Figure 4.16 LINKAGES BETWEEN NS/AP DEVELOPMENT PROCESS AND SAFEGUARDS/SIS - source: UN-REDD Programme

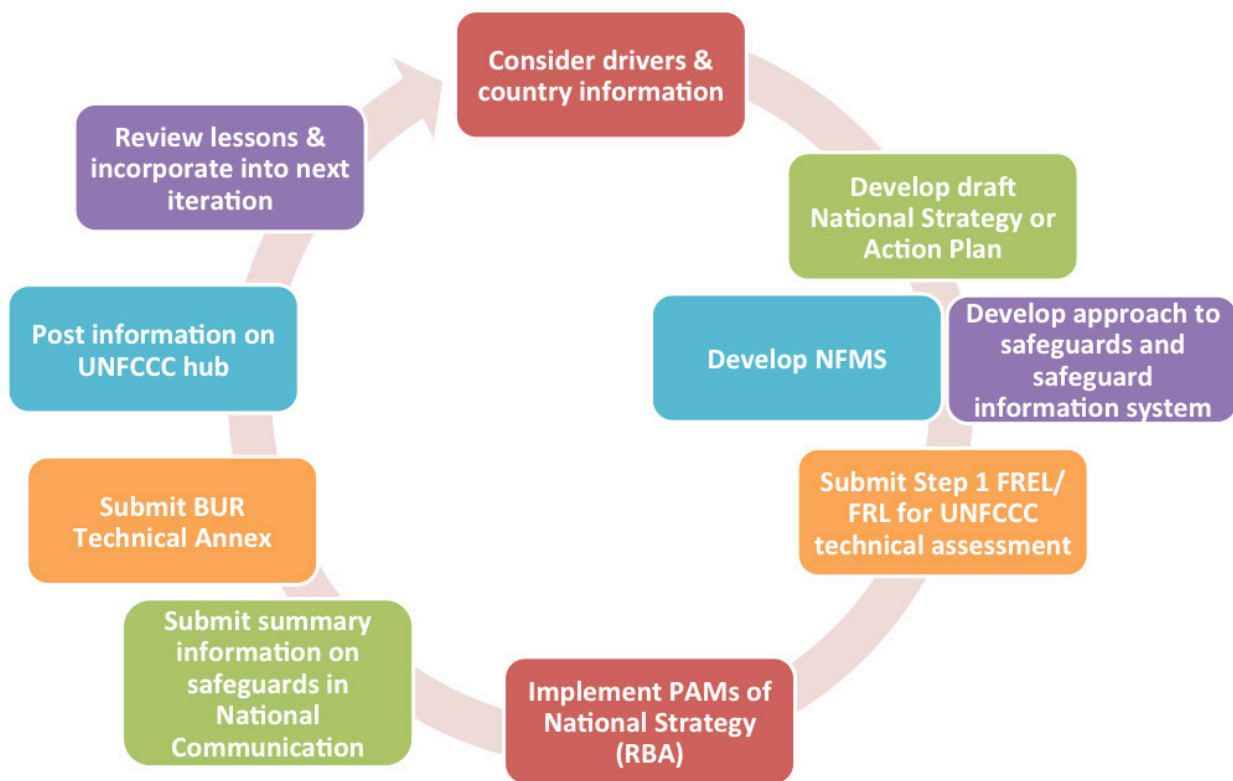


REFLECTION POINT

Do you remember the four Cancun elements for implementing REDD+?

AN ITERATIVE STEP-WISE PROCESS

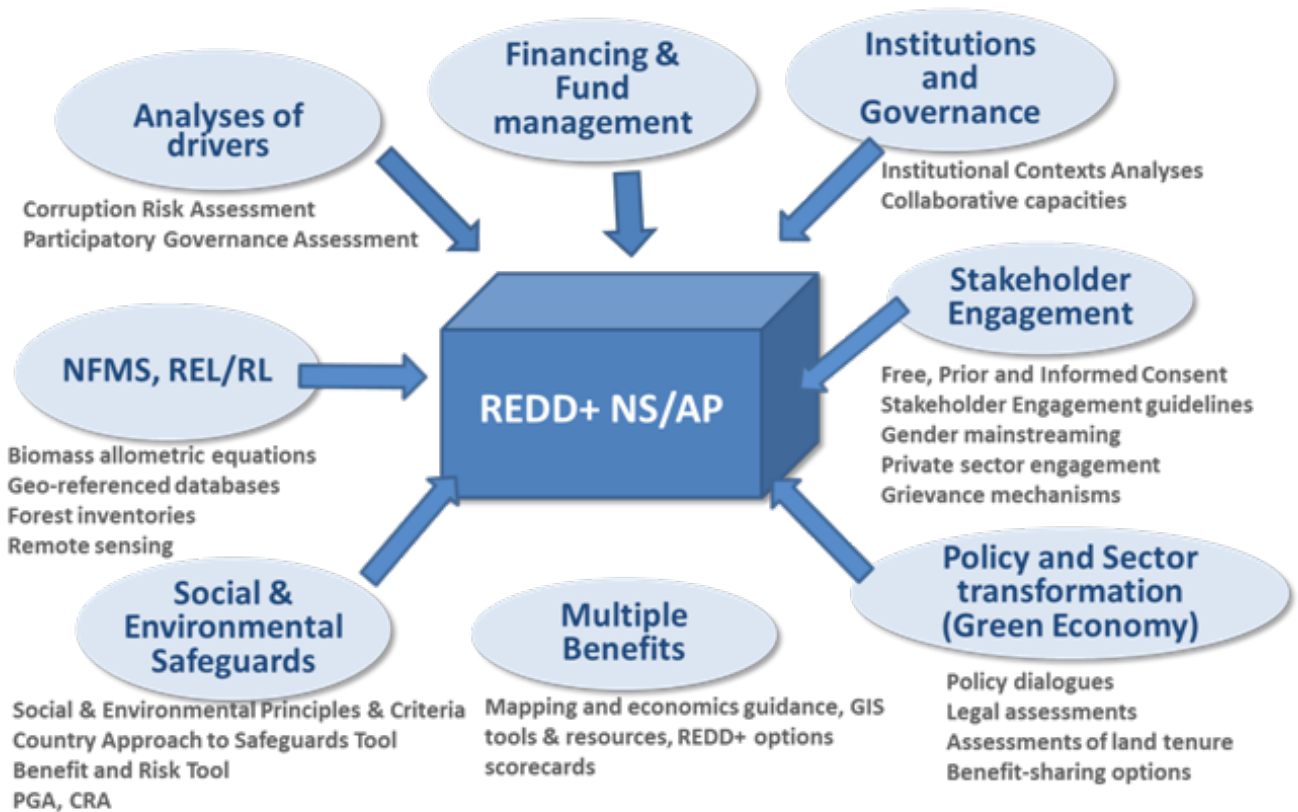
As any strategic document, NS/AP are meant to be revised periodically according to changes in the context as well as lessons learned (Figure 4.17). Changes in the context may relate to mutating or emerging drivers of deforestation, changes in the political and economic context of the country, or improvement in the country technical capacity (e.g. NFMS), which allows widening the scope of REDD+. The implementation phase of REDD+ (phase 2) is meant for experimenting and further building capacity towards phase 3. It will be the occasion to test various PAMs and combination of PAMs, in various contexts, through different implementation arrangements. Lessons learned should be documented in a systematic manner through an adequate results framework and integrated into subsequent version of the NS/AP (see also **Module 7: Policies and Measures**).



■ Figure 4.17 REDD+ IMPLEMENTATION: A CONTINUOUS IMPROVEMENT CYCLE
 - source: UN-REDD Programme

POTENTIAL SUPPORT FROM THE UN-REDD PROGRAMME

The UN-REDD Programme supports the different steps and elements of the NS/AP process. Figure 4.18 presents a summary of the areas of work for which the programme provides support.



■ Figure 4.18 COMMON THEMATIC AREAS FOR REDD+ NS/AP DESIGN AND TOOLS
 - source: UN-REDD Programme

The various tools offered are available to all partner countries. The tools are frequently used with more than one result in mind and are often flexible (in that sense, they are approaches more than tools). For example, a participatory governance assessment can help with understanding drivers, strengthening safeguards and monitoring capacities.



CASE STUDY BRAZIL

REDUCING DEFORESTATION AND SUSTAINING GROWTH?

The pace of forest clearings in the Brazilian Amazon slowed down substantially beginning in the mid-2000s. After gradually increasing to over 27,000 square kilometers in 2004, the deforestation rate in the Legal Amazon decreased almost continuously over the following years to about 7,000 square kilometers in 2009

On the one hand the annual deforestation rate was highly correlated with variations in agricultural output prices, particularly in the first half of the decade. Market conditions may thus have contributed to the inhibiting of forest clearing for the expansion of farmland.

On the other hand, conservation policies aimed at controlling and preventing deforestation in the Amazon underwent significant revisions during the 2000s. The Brazilian Federal Government and the Ministry of the Environment sought to inhibit forest clearings and promote forest conservation by directing their attention towards three main policy efforts:

- the strengthening of command and control strategies;
- the extensive expansion of protected territory;
- and the adoption of conditional credit policies.

Although the pursuit of these efforts led to intense reformulation of conservation policies in the 2000s, two years stand out as important turning points within the country's institutional context: 2004 and 2008:

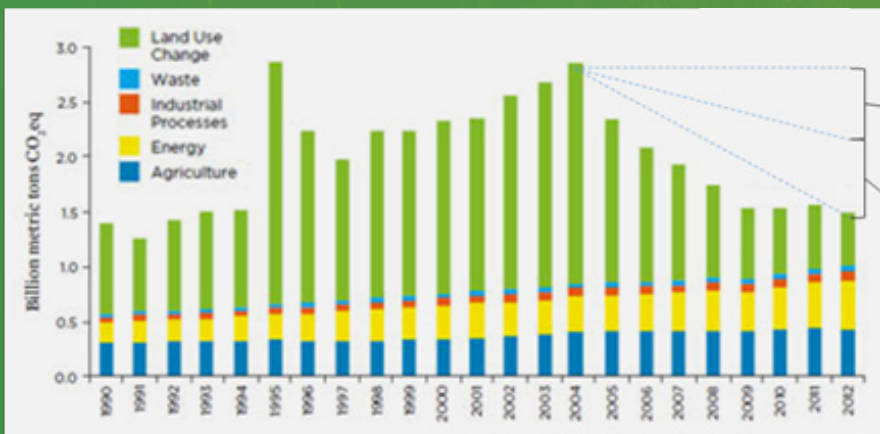
First, the launch of the Action Plan for the Prevention and Control of Deforestation (PPCDAm) in the Legal Amazon in 2004 integrated actions across different government institutions and introduced innovative

procedures for monitoring, environmental control, and territorial management. It focused on three main areas:

- Territorial management and land use, with particular attention to be given to land tenure disputes;
- Command & control, as a means of improving monitoring, licensing and enforcement; and
- promotion of sustainable practices, including a revision of economic incentives for sustainable agriculture and forest management, better use of already-cleared lands, and development of sustainable transportation and energy infrastructure

Second, as novel policy measures were implemented beginning in 2008, the targeting of municipalities with critical rates of deforestation became operationally viable and rural credit became conditional upon proof of the borrower's compliance with environmental regulations. Adoption of conservation policies following these turning points coincide with sharp subsequent decreases in the recorded rate of deforestation.

Analysis indicate that conservation policies avoided 62,100 square kilometers of deforestation in the 2005 through 2009 period (Figure 4.19). This represents approximately half of the forest area that would have been cleared had the policies not been introduced. Using the MMA (2011) conversion factors of 10,000 tons of C per square kilometer and of 5 US dollars per ton of CO₂, this is equivalent to an avoided loss of 621 million tons of stored C, or 2.3 billion tons of stored CO₂, valued at 11.5 billion US dollars. Analogous calculations for an alternative simulation confirm the sizeable impact of policies.



PAMs: ≈ 62,000 km²
50% total ∇Deforestation

Falling agricultural prices:
≈ 62,000 km²
50% total ∇Deforestation

Figure 4.19 THE REDUCTION IN DEFORESTATION IN THE BRAZILIAN AMAZON: BOTH MARKET SLOWDOWN & PAM - source: PRODES-INPEE BACEN

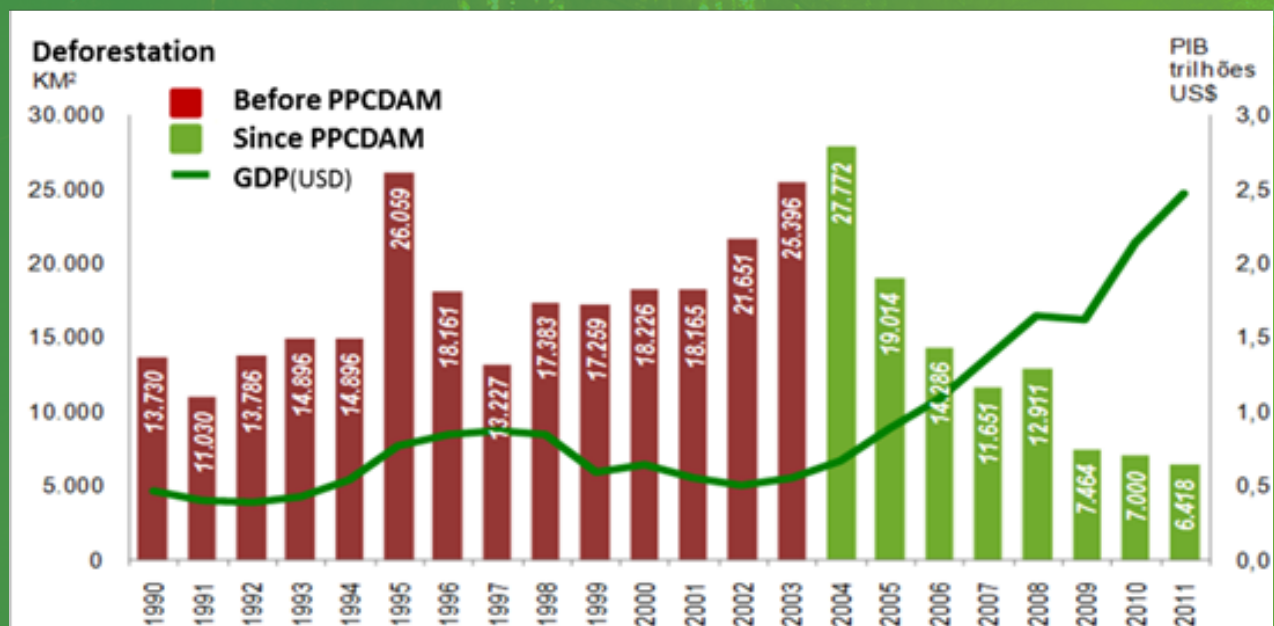


CASE STUDY BRAZIL

OVERALL, RESULTS SHOW THAT:

- Deforestation rates are indeed responsive to agricultural output prices;
- Changes to conservation policies implemented beginning in 2004 and 2008 significantly contributed to the curbing of deforestation rates, even after controlling for different sorts of price effects; and
- Counterfactual simulations suggest that the policies introduced following the 2004 and 2008 policy turning points avoided substantial forest clearings in the Amazon from 2005 through 2009.

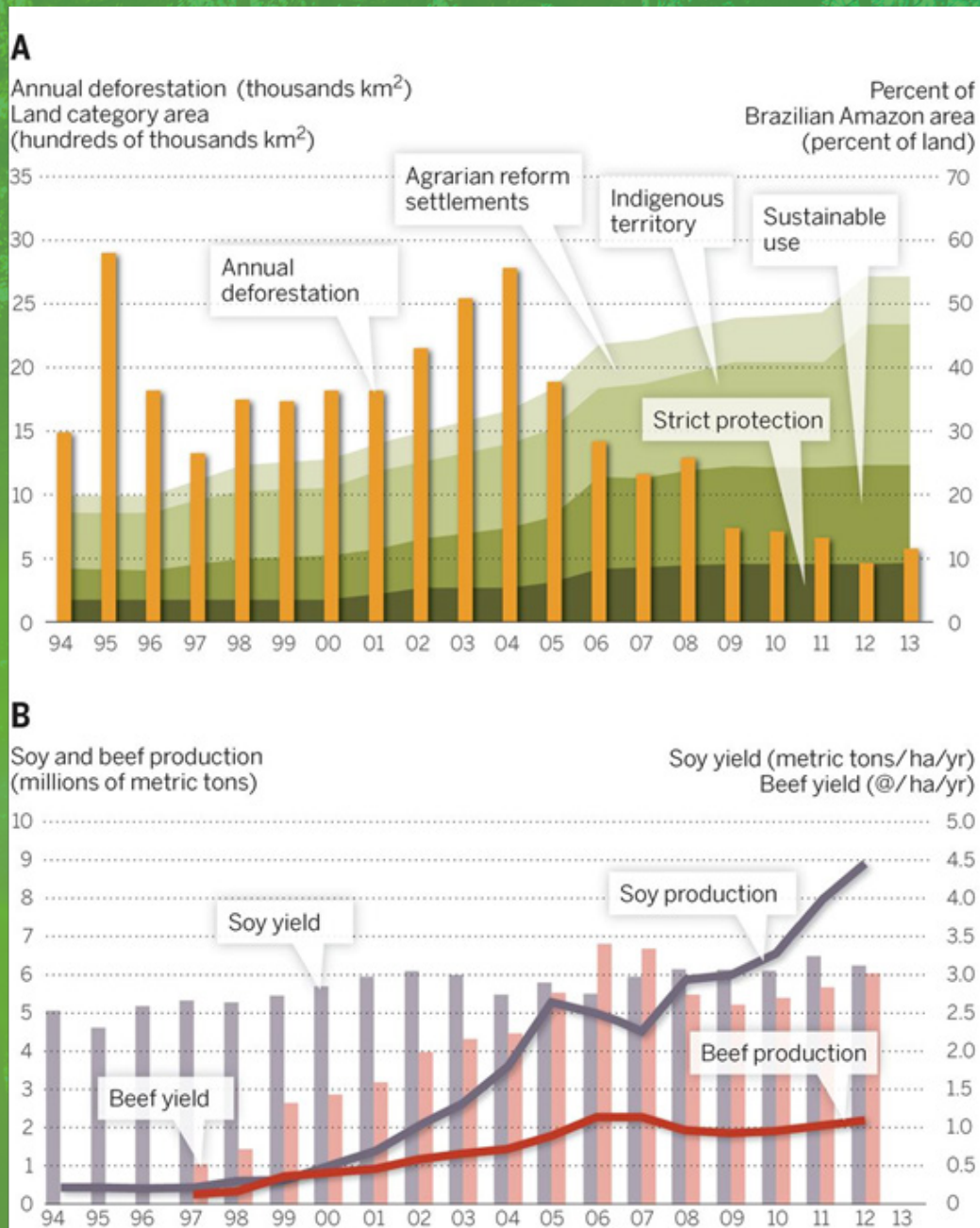
This example highlights the great impact that a change of vision by the Government of Brazil had towards Amazon forests. Through a coherent and cross-sectoral strategy addressing the significant direct and related indirect drivers, deforestation reduced drastically while the GDP continued to increase (Figure 4.20), so did agricultural production and rural incomes (Figure 4.21). This demonstrates that growth can effectively be decoupled from deforestation, even in a country which is the third world's agricultural exporter (fourth for food products).



■ Figure 4.20 AMAZON DEFORESTATION X GDP - source: PRODES-INPEE BACEN

NB: The text provided in this case study in italic is selected extracts from "Deforestation Slowdown in the Legal Amazon: Prices or Policies?" (CPI, 2012: p3, 7 & 35)¹

1 <http://climatepolicyinitiative.org/publication/deforestation-slowdown-in-the-legal-amazon-prices-or-policies/>



■ Figure 4.21 DEFORESTATION, LAND USE CATEGORIES, AND PRODUCTION (BEEF & SOY) TRENDS IN THE BRAZILIAN AMAZON
- source: Daniel Nepstad et al. Science 2014; 344:1118-1123

Such a vision could be realized through high-level political support, facilitating strong coordination and collaboration across sectors and levels of government, from Federal to State and Municipalities. A 'Permanent Group of Interministerial Work' was created in 2003. Its goal was to propose and coordinate actions aimed at reducing deforestation in the Legal Amazon. It was comprised of the heads of 13 key ministries, led by the Chief of Staff (highest-ranking member of the Executive Office of Brazil).



EXERCISE 7

The NS/AP of most countries follow a logical flow, articulated around the “Why/What/How” guiding structure. Some of the following potential elements of a NS/AP relate to the ‘Why’, some other to the ‘What’ questions or to the ‘How’ questions.

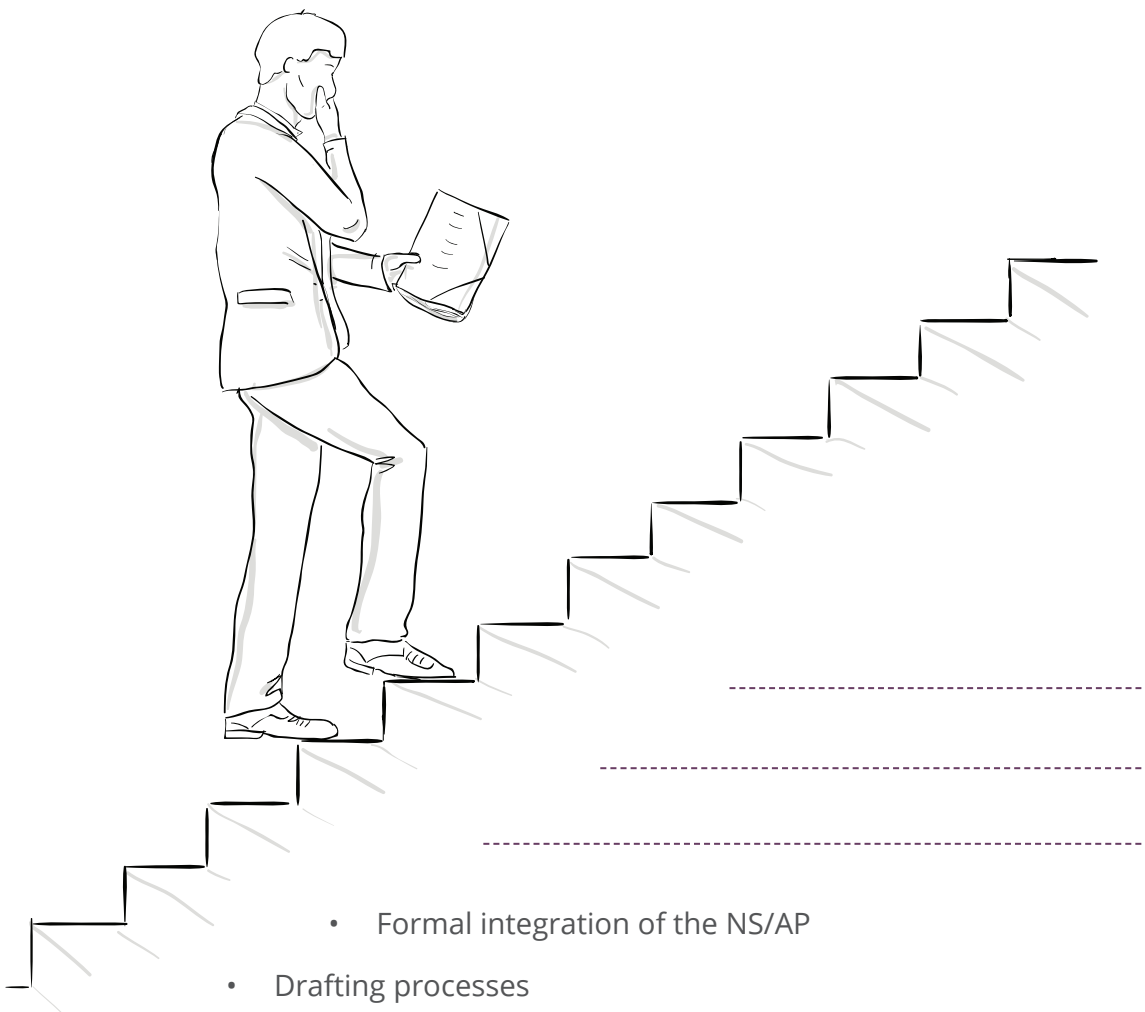
Can you guess which is which? Use the left hand column to try without referring to the text. Then use the right hand column to check your answers.

YOUR GUESS	POTENTIAL ELEMENTS OF THE STRATEGY	ACTUAL AFTER REFERRING TO TEXT
	Policies & Measures (PAMs) to address drivers & achieve results	
	Country vision for REDD+	
	Forest context of the country (DDFD processes & trends, drivers, barriers to “+”)	
	Implementation arrangements	
	The way PAMs in the strategy build on / supplement / change existing PAMs	
	Development context & objectives of the country	
	Scope of REDD+, Scale of REDD+, Priority drivers	



EXERCISE 8

On the way to an important meeting with a government partner to develop an NP/AP you suddenly forget what the 8 main steps are in the design process. These are the only ones you can remember. What's missing?



- Formal integration of the NS/AP
- Drafting processes
- Defining implementation arrangements (financial, legal and institutional)
- Analysing options and prioritising activities to implement (Policies & Measures)
- Planning the NS/AP design process



KEY MESSAGES OF THIS CHAPTER

- NS/AP describe how emissions will be reduced and/or how forest carbon stocks will be enhanced, conserved and/or sustainably managed in the implementation of REDD+;
- NS/AP are one of the four design elements required by the UNFCCC for REDD+ implementation and to access Results-Based Payments;
- Ensuring the quality of both the NS/AP design process and NS/AP document is essential, as it is an opportunity to:
 - Build trust and support from national & international stakeholders; Give confidence in a country's capacity to deliver REDD+ results to receive results-based payments;
 - Maximize chances to attract financial support for the implementation of the NS/AP;
 - Contribute to a well coordinated and more efficient readiness process.
- Strategic choices made on each of the four Cancun design elements of REDD+ (NS/AP, FREL/FRL, NFMS, SIS) may have strong implications for the others: ensuring regular communication and feedback loops in their development and during their implementation is therefore critical; and
- Developing a NS/AP is an iterative, step-wise process.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

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5

NATIONAL FOREST MONITORING SYSTEMS (NFMS) FOR REDD+

THIS MODULE LOOKS AT HOW COUNTRIES CAN MEASURE THEIR REDD+ PERFORMANCE IN TERMS OF GREENHOUSE GAS EMISSION REDUCTIONS.



THE MODULE INCLUDES EXPLANATIONS ABOUT:

- What is meant by National Forest Monitoring Systems (NFMS)
- Why NFMS are required, by reference to the UNFCCC and relevant international agreements
- How it is done, in terms of classifying land-use, developing forest inventories, calculating emission factors, consistency with the IPCC, reporting to the UNFCCC and the subsequent verification of reports



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

5. NATIONAL FOREST MONITORING SYSTEMS (NFMS) FOR REDD+

WHAT IS AN NFMS?

In the context of REDD+, a NFMS is a system for recording and monitoring how land is used in a country, and to develop data which shows the levels of Greenhouse Gas (GHG) emissions and removals related to forests.

The aim of a NFMS is to assess the degree to which REDD+ activities are working. NFMS for REDD+ should be implemented in phases, as follows:

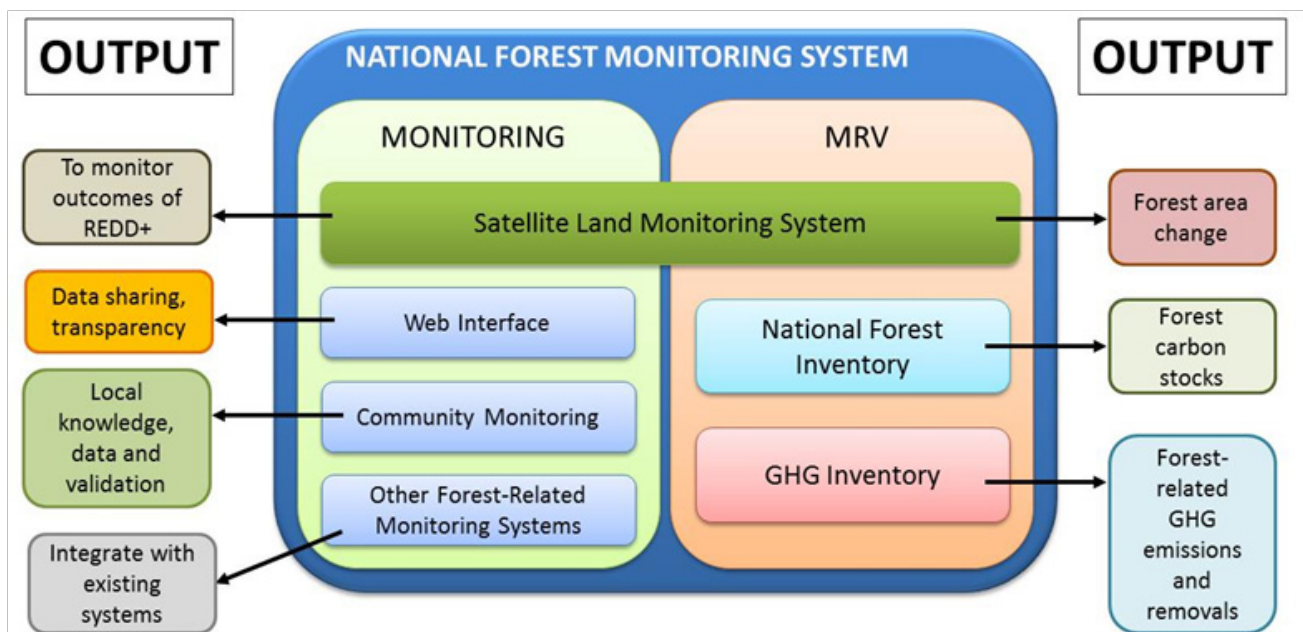
PHASE 1 — — — — PHASE 2 — — — — PHASE 3

Gathering initial data; developing capacity, institutions and infrastructure

Piloting NFMS with REDD+ demonstration activities

Full implementation of NFMS with REDD+ policies and measures

By combining information about how land use patterns are changing, through, for example, deforestation or afforestation, with information from a national forest inventory, it is possible to make estimates about overall GHG emissions related to the forest sector. There are a number of different elements of a NFMS (summarised in Figure 5.1)



■ Figure 5.1 Elements of a NFMS - source: UN-REDD Programme

An NFMS has two functions,

1. The monitoring function
2. The measurement, reporting and verification (MRV) function.

The MRV function is specific to REDD+, while the Monitoring function is important for REDD+, but also for non-REDD+ purposes in the forestry sector.

There are two aspects of Measurement under the MRV function of an NFMS for REDD+:

1. Information on changes in extent, quality or type of forestland, usually measured through satellite-based remote sensing technology, is referred to as Activity Data (AD). For the purposes of REDD+, the AD must be transparent and freely available.
2. Information on forest carbon stocks, usually measured through a ground-based National Forest Inventory (NFI), is used to produce Emission Factors (EF). An EF is a coefficient that indicates the GHG emissions that will result from a unit of change (e.g. 1 hectare of deforestation) to a particular type of forest or species of tree plantation.

Emissions of all GHGs are important, but most emissions from the Land Use, Land Use Change and Forestry (LULUCF) sector are Carbon Dioxide (CO₂), so EFs are measured in tonnes of CO₂ equivalent (t CO₂e).

Forests and other terrestrial ecosystems sequester carbon in biomass and soil. The rate at which a particular forest type sequesters carbon is known as a Removal Factor (RF).

The combination of AD and EFs (and RFs) can be used to develop a national estimate of GHG emissions over a particular period of time. This estimate is part of a country's Greenhouse Gas Inventory (GHG-I).



REFLECTION POINT

What challenges do you envisage with the measurement of Activity Data and Emission Factors?

Can you suggest ways these challenges may be overcome in your specific context – discuss in small groups.

WHY IS AN NFMS NECESSARY?

An NFMS is one of the four elements that countries are required to develop in order to participate in REDD+ under the UNFCCC (see Module 2: **Understanding REDD+ and the UNFCCC**). The evolution of guidance on NFMS under the UNFCCC is provided below with the Bali Action Plan, and Decisions under the Copenhagen, Cancun, and Warsaw Conference of Parties.

COP 13: BALI (2007)

Decision 1/CP.13: The Bali Action Plan:

Paragraph 1 (b):

“Enhanced national/international action on mitigation of climate change, including ... consideration of:

...Nationally appropriate mitigation actions by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner...”

The term ‘MRV’ comes from this paragraph, which refers to mitigation actions in general, not just REDD+. The Bali Action Plan encourages all countries to reduce their GHG emissions, according to national circumstances, in a way that is:

- Measurable – i.e. country can calculate estimates of GHG emissions reductions and carbon sink enhancements
- Reportable – i.e. country can produce a GHG-I that is transparent, accurate and complete
- Verifiable – i.e. third parties can access all information required to verify the GHG-I

Decision 2/CP.13: Reducing emissions from deforestation in developing countries: approaches to stimulate action:

Paragraph 2:

“Encourages all Parties, in a position to do so, to support capacity-building, provide technical assistance, facilitate the transfer of technology to improve, inter alia, data collection, estimation of emissions from deforestation and forest degradation, monitoring and reporting, and address the institutional needs of developing countries to estimate and reduce emissions from deforestation and forest degradation”

This paragraph endorses efforts to provide developing countries with technical and institutional support for developing NFMS for REDD+.

Paragraph 6:

“Encourages the use of the most recent [IPCC] reporting guidelines as a basis for reporting greenhouse gas emissions from deforestation, noting also that Parties not included in Annex I to the Convention are encouraged to apply the [2003] Good Practice Guidance for Land Use, Land-Use Change and Forestry”

This paragraph indicates the recommended source of information for estimating GHG emissions for the LULUCF sector, including for REDD+.

Annex, Paragraph 2:

“Estimates of reductions or increases of emissions should be results based, demonstrable, transparent and verifiable, and estimated consistently over time”

This paragraph gives a clear indication of the attributes that a NFMS for REDD+ should have.

COP 15: COPENHAGEN (2009)

Decision 4/CP.15: Methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

Paragraph 1:

“Requests developing country Parties, on the basis of work conducted on the methodological issues... in particular those relating to measurement and reporting:

...To use the most recent IPCC guidance and guidelines, as adopted or encouraged by the COP, as appropriate, as a basis for estimating anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes

To establish, according to national circumstances and capabilities, robust and transparent national forest monitoring systems and, if appropriate, sub-national systems as part of national monitoring systems that:

- i. Use a combination of remote sensing and ground-based forest carbon inventory approaches for estimating, as appropriate, anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes*
- ii. Provide estimates that are transparent, consistent, as far as possible accurate, and that reduce uncertainties, taking into account national capabilities and capacities*
- iii. Are transparent and their results are available and suitable for review as agreed by the Conference of the Parties”*

This paragraph builds on paragraph 6 of decision 2/CP.13 at Bali, by giving more explicit instruction on the source of guidance and recommended methodologies for a NFMS for REDD+.

COP 16: CANCUN (2010)

Decision 1/CP.16: The Cancun Agreements:

Part III, Section C: Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

Paragraph 71:

“Requests developing country Parties aiming to undertake [REDD+] activities... to develop: ...A robust and transparent national forest monitoring system for the monitoring and reporting of REDD+ activities, with, if appropriate, subnational monitoring and reporting as an interim measure, in accordance with national circumstances, and with the provisions contained in decision 4/CP.15, and with any further elaboration of those provisions agreed by the Conference of the Parties”

This paragraph stipulates a NFMS as one of the four elements of REDD+.

Paragraph 73:

“Decides that the activities undertaken by Parties referred to in paragraph 70 above should be implemented in phases, beginning with the development of national strategies or action plans, policies and measures, and capacity-building, followed by the implementation of national policies and measures and national strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into results-based actions that should be fully measured, reported and verified”

This paragraph describes how REDD+, including NFMS, should be developed through a phased approach.

COP 19: WARSAW (2013)

Decision 11/CP.19: Modalities for national forest monitoring systems:

Paragraph 2:

“Decides that the development of Parties’ national forest monitoring systems...should take into account the guidance provided in decision 4/CP.15 and be guided by the most recent IPCC guidance and guidelines, as adopted or encouraged by the COP...as a basis for estimating anthropogenic forest-related greenhouse gas emissions by sources, and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes”

This paragraph changes the guidance given in paragraph 6 of 2/CP.13 and paragraph 1 of 4/CP.15 into a decision.

Paragraph 3:

“Also decides that robust national forest monitoring systems should provide data and information that are transparent, consistent over time, and are suitable for measuring, reporting and verifying anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes resulting from the implementation of [REDD+] activities...taking into account paragraph 71(b) and (c) consistent with guidance on measuring, reporting and verifying nationally appropriate mitigation actions by developing country Parties agreed by the COP, taking into account methodological guidance in accordance with decision 4/CP.15”

This paragraph formalises more of the guidance from 4/CP.15 and 1/CP.16 into decisions, and emphasises the importance of following the guidance on MRV set out in 1/CP.13 in relation to Nationally Appropriate Mitigation Actions (NAMAs).

Paragraph 4:

“Further decides that national forest monitoring systems...should:

(a) Build upon existing systems, as appropriate;

(b) Enable the assessment of different types of forest in the country, including natural forest, as defined by the Party;

(c) Be flexible and allow for improvement;

(d) Reflect, as appropriate, the phased approach as referred to in decision 1/CP.16, paragraphs 73 and 74”

This paragraph emphasises that a NFMS for REDD+ has no fixed formula, will develop according to national circumstances and will, for most countries, not start from scratch.

Decision 14/CP.19: Modalities for measuring, reporting and verifying:

Paragraph 3:

“Decides that the data and information used by Parties in the estimation of anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes...should be transparent, and consistent over time and with the established forest reference emission levels and/or forest reference levels...”

This paragraph describes the quality of data that must be used in MRV for REDD+.

Paragraph 4:

“Agrees that...the results of the implementation...of [REDD+] activities, measured against the forest reference emission levels and/or forest reference levels should be expressed in tCO₂e/year”

This paragraph describes the units in which REDD+ results should be measured.

Paragraph 5:

“Encourages Parties to improve the data and methodologies used over time, while maintaining consistency with the established or, as appropriate, updated, forest reference emission levels and/or forest reference levels...”

This paragraph indicates that many countries (Parties) are not expected to have advanced methods and datasets to begin with, but that this should not prevent them from initiating efforts to develop a NFMS for REDD+.

Paragraph 6:

“Decides that...the data and information referred to in paragraph 3 [the data for REDD+] above should be provided through the biennial update reports by Parties...”

This paragraph describes the means through which countries should report REDD+ results.

Paragraph 7:

“Requests developing country Parties seeking to obtain and receive payments for results-based actions, when submitting the data and information referred to in paragraph 3 above, through the biennial update reports, to supply a technical annex...”

This paragraph indicates that when countries report on their REDD+ results, they should describe, in a technical annex, how they conducted their measurements. As with REDD+ in general, however, this is on a voluntary basis, so if a country is not seeking REDD+ payments it does not have to submit a technical annex.

Paragraph 10:

“Also decides that, upon the request of the developing country Party seeking to obtain and receive payments for results-based actions, two LULUCF experts from the UNFCCC roster of experts, one each from a developing country and a developed country Party, will be included among the members selected for the technical team of experts”

This paragraph describes how the verification of REDD+ results will be carried out.

Annex: Guidelines for elements to be included in the technical annex referred to in paragraph 7:

This annex lists the elements that a country should include in its report on REDD+ results.

1. Summary information from the final report containing each corresponding assessed FREL/FRL;
2. Results in tCO₂e/year, consistent with the assessed FREL/FRL;
3. Demonstration that the methodologies are consistent with those used to establish the assessed FREL/FRL;
4. A description of national forest monitoring systems and the institutional roles and responsibilities for measuring, reporting and verifying the results;
5. Necessary information that allows for the reconstruction of the results;
6. A description of how the elements contained in decision 4/CP.15, paragraph 1(c) and (d), have been taken into account.

AGREEMENT	SUMMARY
The UNFCCC: Text of the Convention (1992), Article 4: Commitments:	Parties will publish and make available national inventories of anthropogenic sources and removals by sinks, using similar methods.
The Bali Action Plan (2007)	All parties are encouraged to reduce their GHG emissions in ways that are measurable, reportable and verifiable. Capacity building should be supported and reporting using the latest IPCC guidelines encouraged.
Copenhagen (2009)	Emissions from forests should be reduced according to the latest IPCC guidelines and national forest monitoring systems should be established according to using consistent methodologies.
Cancun (2010)	A National forest monitoring system is one of the four key elements of REDD+ and it should be developed through a phased approach.
Warsaw (2013)	Formalises earlier guidance into decisions, describes the quality of national forest monitoring systems required for measurement of REDD+ results, and the methods of reporting and verification.

■ Box 5.2 Summary of COP decisions regarding NFMS

IMPLEMENTING AN NFMS

To implement an NFMS for REDD+, it is essential to consider the methodological guidance from the IPCC. The IPCC has developed a number of guidelines over the years which can be used to help countries implement NFMS. These include the following:

- 1995 IPCC Guidelines
- Revised 1996 IPCC Guidelines
- Good Practice Guidance (GPG) 2000 (non-LULUCF)
- Good Practice Guidance (GPG) 2003 (LULUCF)
- 2006 IPCC Guidelines

The detailed guidelines can be found on the UNFCCC website at the following address:

https://unfccc.int/land_use_and_climate_change/redd_web_platform/items/6734.php

Non-Annex I Parties are encouraged to use GPG 2003 and the more recent 2006 IPCC Guidelines.

This categorisation can be represented by a land stratification ‘tree’ such as this one produced for Mongolia (Figure 5.3).

SOFTWARE TOOLS

There are a number of software tools to support these guidelines and which can be used to help countries implement NFMS methodologies and calculate greenhouse gas emissions. For example, the Emission Factor Database (EFDB) is a repository of emission factors for use in REDD+ reporting.

These tools are available from the Internet. To find them, check:

- IPCC website (<http://www.ipcc.ch>)
- Homepage for the EFDB (<http://www.ipcc-nggip.iges.or.jp/EFDB/main.php>)

HOW THE IPCC GUIDELINES WILL HELP

The IPCC Guidelines have been designed to help countries produce GHG inventories that are accurate, they should neither over- nor under-estimate emissions, as far as can be judged, and reduce uncertainties as far as possible.

The Guidelines help to develop GHG inventories that are:

1. transparent
2. well-documented
3. consistent over time
4. complete
5. comparable
6. subject to quality control and assurance

They help countries to use their resources efficiently, and to produce a GHG-I that will become increasingly accurate over time, as more information becomes available.

CATEGORISING LAND-USE

The IPCC divides land into six categories, based on how it is used:

1. Forest land
2. Grassland
3. Cropland
4. Wetland
5. Settlement
6. Other land

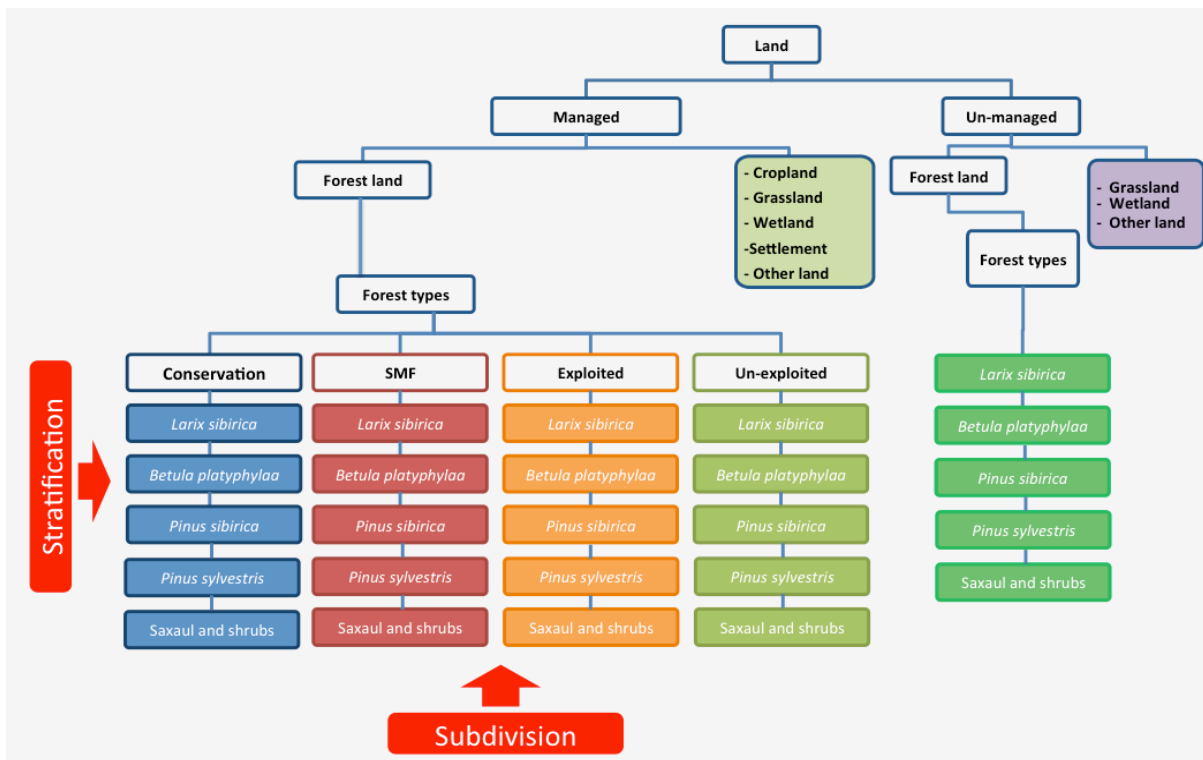
Each land-use category is further disaggregated to reflect past and current land-use. For example, under forest land there are the sub-categories:

- Forest land remaining forest land
- Grassland converted to forest land
- Cropland converted to forest land, etc.

Land-use categories and sub-categories may be further sub-divided according to land-use practices or biophysical characteristics of the land. For example, forest land can be sub-divided by forest type as follows:

- Lowland tropical forest
- Mangroves, etc.

This categorisation can be represented by a land stratification ‘tree’ such as this one produced for Mongolia (Figure 5.3).



■ Figure 5.3 Mongolia categorization of land - source: UN-REDD Programme

It is important when designing and maintaining systems for land representation that they are:

- **Adequate:** capable of representing land-use categories, and conversions between land-use categories, as needed to estimate carbon stock changes and greenhouse gas emissions and removals;
- **Consistent:** capable of representing land-use categories consistently over time, without being unduly affected by artificial discontinuities in time-series data;
- **Complete:** that all land within a country should be included, with increases in some areas balanced by decreases in others, recognizing the bio-physical stratification of land if needed; and
- **Transparent:** data sources, definitions, methodologies and assumptions should be clearly described.

KEY CATEGORIES

Countries should identify land-use categories that are particularly significant in terms of greenhouse gas emissions. Categories may be regarded as key if:

- The absolute level of emissions is high in comparison to other categories;
- Emissions are increasing or decreasing fast; and
- There is a degree of uncertainty regarding the level or trend of emissions.

Identifying key categories helps to prioritise the allocation of effort and resources, to make sure that there is better data for these categories. There are also reporting implications for key categories in terms of which tier should be used, as explained in more detail below.

NATIONAL FOREST INVENTORIES

A National Forest Inventory (NFI) is important for land use categorisation. The NFI provides a record of the extent and type of forests in a country and, if two or more NFIs are conducted at different points in time, the trend of changes in forest extent and type. NFIs are used to generate information for decision making (at national and sub-national levels) and for monitoring in forestry and other land use sectors.

The IPCC guidance and guidelines link NFIs to GHG reporting requirements. When GHG reporting is done at Tier 2 or Tier 3 levels (note that these terms are explained in the following section on Reporting), the NFI must contain:

- Country-specific estimates of emission factors;
- Inventory data based on multiple time periods;
- Uncertainty analysis of the data within the inventory;
- Quality Assurance and Quality Control (QA/QC) measures taken to ensure accuracy, consistency and reliability of the data.

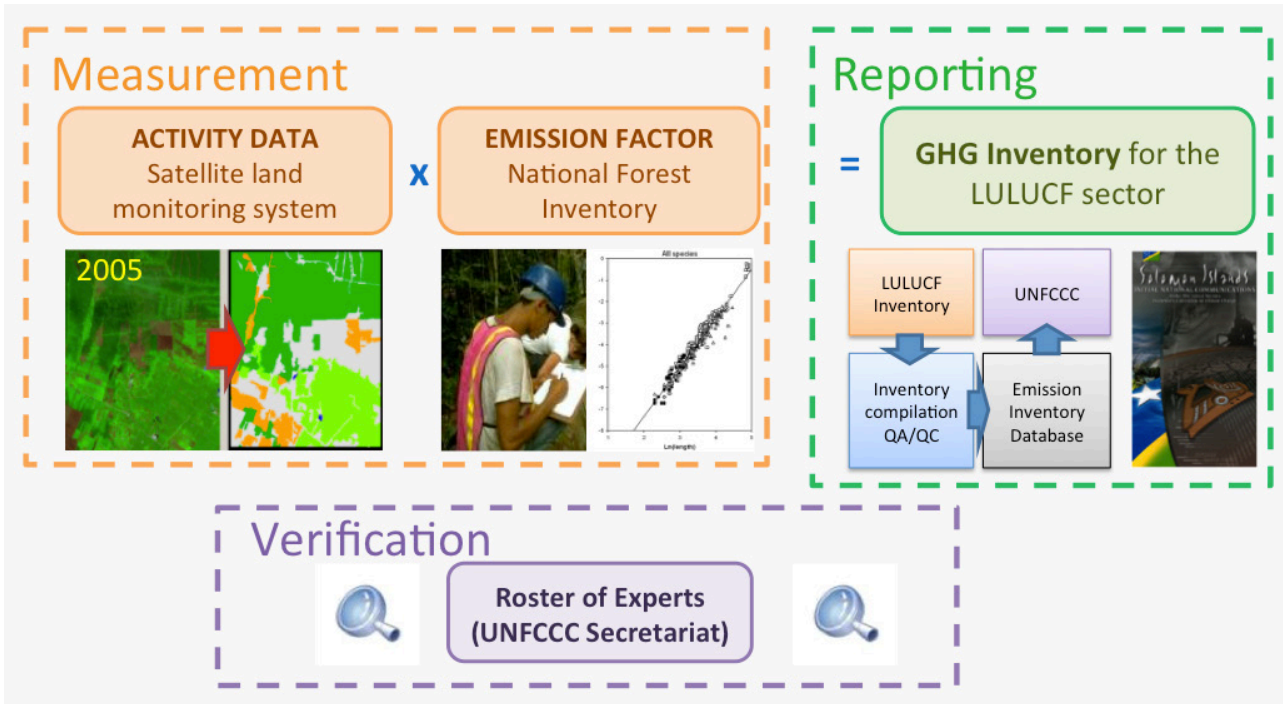


REFLECTION POINT

Do you know if a National Forest Inventory has been completed in your country?

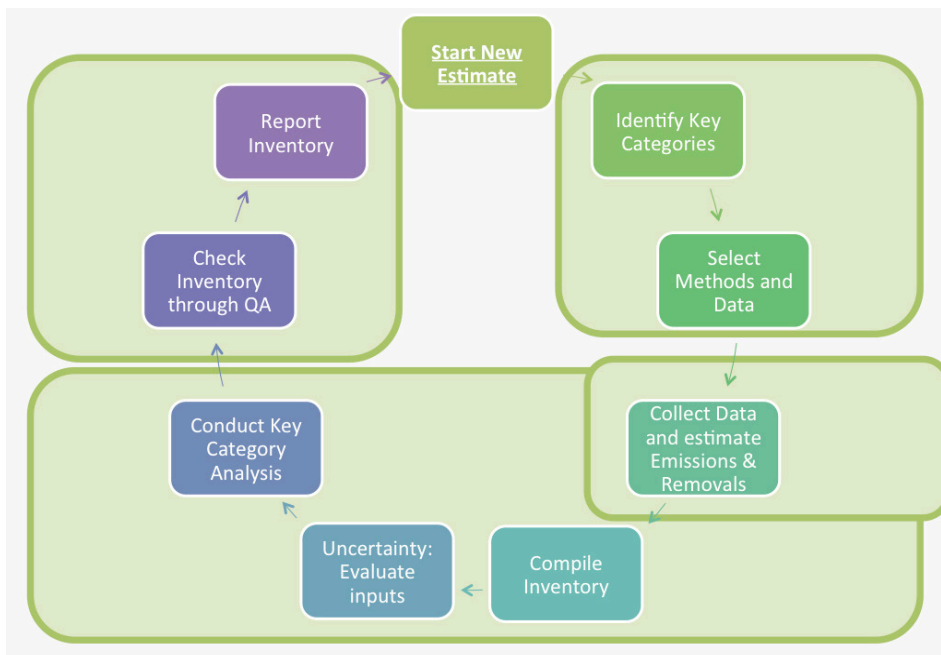
REPORTING ON GREENHOUSE GAS EMISSIONS AND REMOVALS

Having covered some basic issues involved in NFMS, the Measurement, Reporting and Verification (MRV) function will be further examined (Figure 5.4).



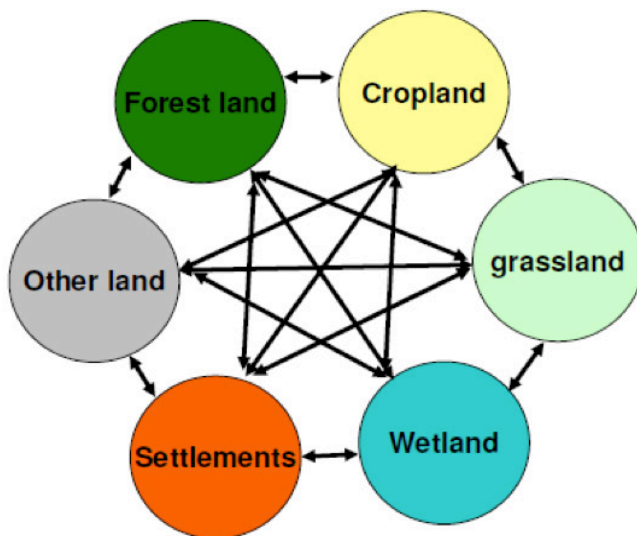
■ Figure 5.4 Measurement, reporting and verification - source: UN-REDD Programme

Figure 5.5 shows the MRV reporting cycle for REDD+, summarizing the process of gathering, processing, submitting and verifying forest monitoring data. This section looks at the stages of this cycle in more detail.



■ Figure 5.5 MRV reporting cycle for REDD+ - source: UN-REDD Programme

The ultimate aim of an NFMS is to make reliable estimates about amounts of greenhouse gases being emitted into and being removed from the atmosphere by a country's forests. The ongoing challenge with this activity is that land-use is constantly changing, as illustrated in Figure 5.6. As an area of land changes from one use to another its net emissions will also change, so the crucial issue with NFMS is keeping accurate records of area of each land use type.



■ Figure 5.6 Land use interactions
- source: UN-REDD Programme

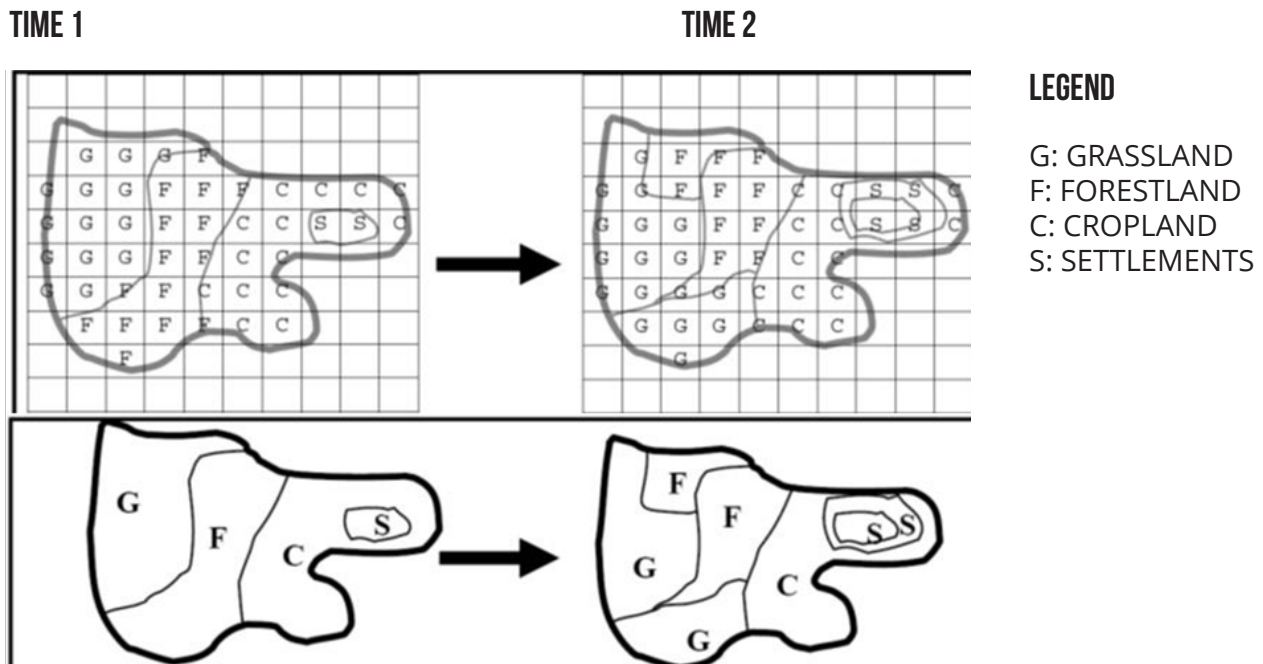
IPCC guidance is that countries should characterize and account for all relevant land areas consistently and as transparently as possible and the data should reflect the historical trends in land-use area.

The IPCC 2003 LULUCF Guidance suggests three approaches:

- Approach 1: Basic land-use data (land-use types at both times 1 and 2)
- Approach 2: Survey of land-use and land-use change (changes from and to a category)
- Approach 3: Geographically explicit land-use data (known locations of changes between categories)

In most developing countries the only way to represent land in a consistent and transparent way with a historical time frame of 20 years is the use of satellite remote sensing data, which allows the adoption of Approach 3.

Following Approach 3, gathering geographically-explicit land-use data, requires spatially explicit observations of land-use and land-use change, for example as shown in Figure 5.7.



■ Figure 5.7 Geographically explicit land use data - source: UN-REDD Programme

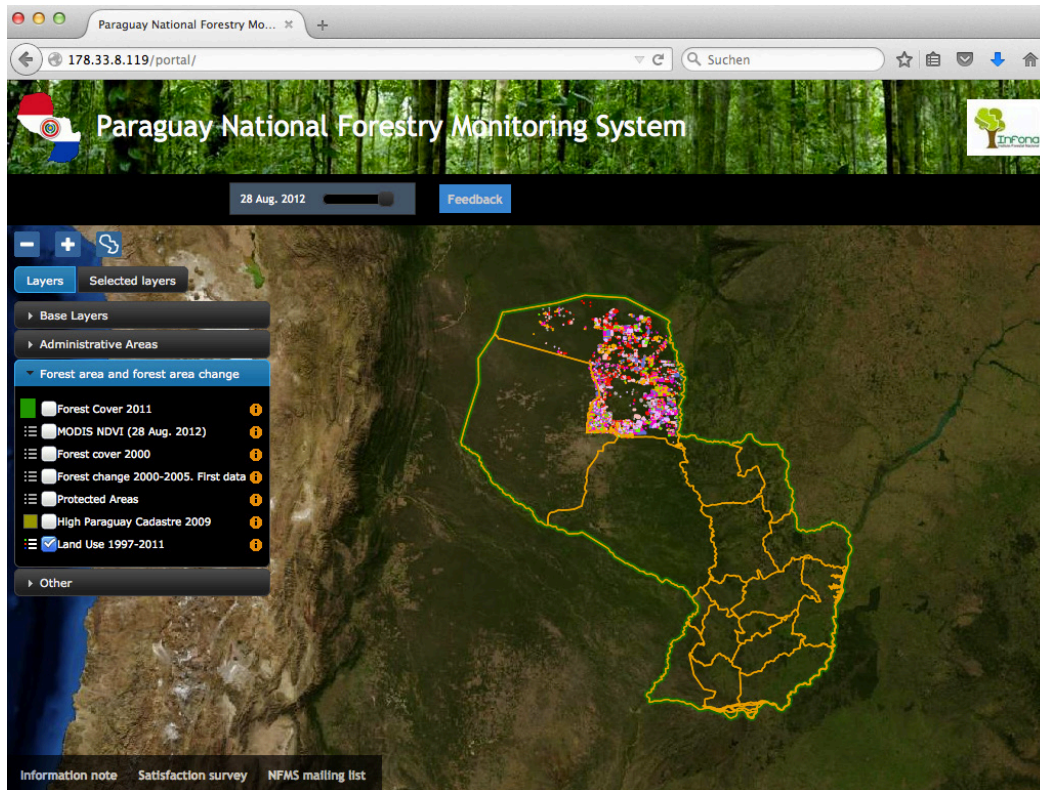
This data may be obtained either by:

- Sampling geographically located points
- A complete tally (wall-to-wall mapping)
- A combination of the two.

This method is comprehensive and relatively simple conceptually, yet is data-intensive to implement. There are a range of tools available that can be used to gather data.

- Satellite remote sensing is cost-effective for covering large areas
- A web-GIS portal makes it possible to visualise and transparently share data.

Figure 5.8 shows an example of a portal available in Paraguay which allows a country to monitor the outcomes of the implementation of its REDD+ policies and to measure and communicate the results to the international community (as a transparent and open reporting process).



■ Figure 5.8 Example of a web-GIS portal in Paraguay
 - source: Screen shot from the web address: <http://178.33.8.119/portal/>

It is possible for any user to interact with the system through a user-friendly web-interface, perhaps to provide feedback or further information on areas of deforestation. Users can also manipulate data layers, for example, to select specific areas or layers of interest, or to download statistics.

Supplementing these, community monitoring allows bottom-up validation of satellite data, and the incorporation of local knowledge into national monitoring.

It is also important to build on existing systems that are already in place, for example systems to monitor logging concessions or protected areas.

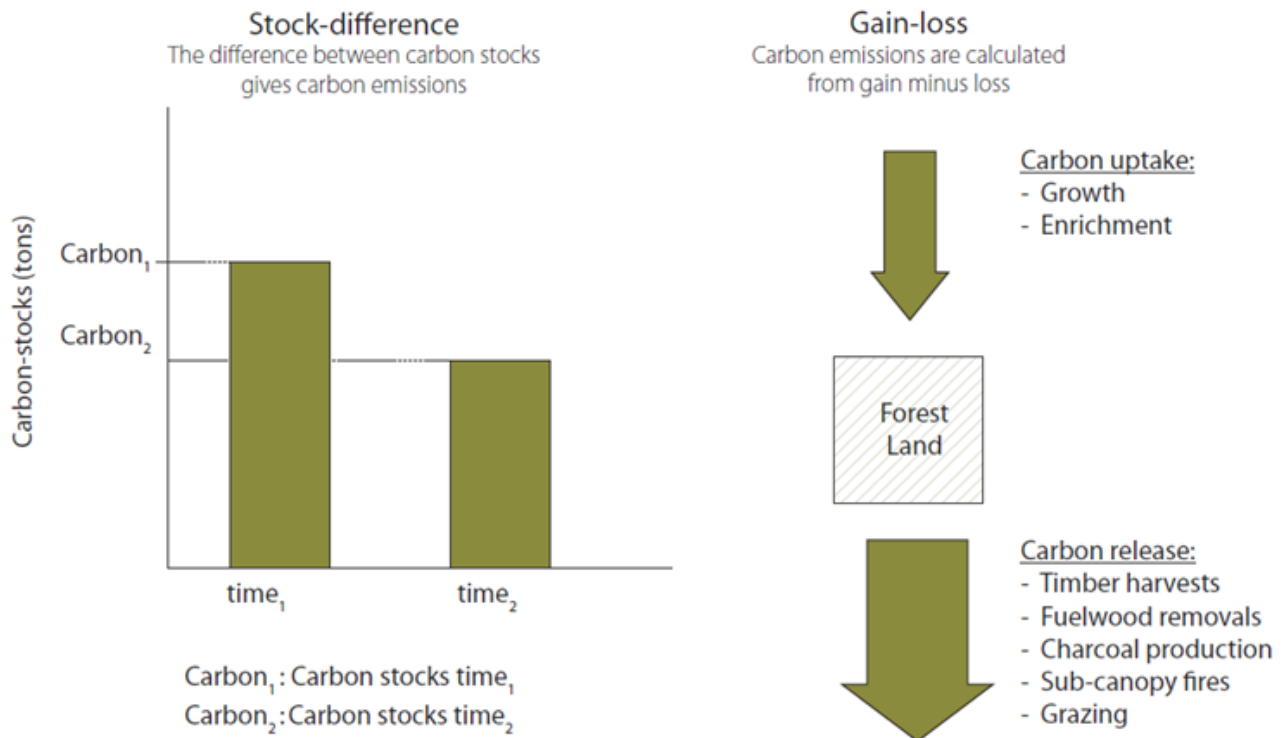


REFLECTION POINT

What technologies does your country use to support forest monitoring?

MEASURING CARBON STORED

There are two ways of measuring changes in the amount of forest carbon, which are summarised in Figure 5.9.



■ Figure 5.9 The two ways of measuring forest carbon - source: UN-REDD Programme

In the Stock-Difference method, it is required to know the amounts of carbon present at both Times 1 and 2. The change is then simply the difference between the two figures. Although this is simple, most developing countries do not have inventories of carbon at two different times, so instead they almost all use the Gain-Loss method.

The Gain-Loss method starts with the figure for the current carbon stock based on recent surveys, and then estimate:

- Losses due to harvesting, fuel wood removal, charcoal production, sub-canopy fires, grazing, etc
- Gains due to growth and forest enrichment.

Then, the net gain or loss to the current carbon stock figure is added.

This process, of course, relies on data held in the National Forest Inventory, which shows how important it is that NFI data contains reliable data on:

- Diverse ecological conditions and/or management regimes
- Emissions and removals due to human activity
- Changes in all five carbon pools wherever possible (above-ground biomass, dead wood, soil organic carbon, litter and below-ground biomass)

When the data on land use and changes is entered into a GHG Inventory spreadsheet (such as the one shown in Figure 5.10), and combined with relevant emission and removal factors, it is possible to calculate the implied emission or removal.

TABLE 5(KP-JA.2. SUPPLEMENTARY BACKGROUND DATA ON CARBON STOCK CHANGES AND NET CO₂ EMISSIONS AND REMOVALS FOR LAND USE, LAND-USE CHANGE AND FORESTRY ACTIVITIES UNDER THE KYOTO PROTOCOL

Article 3.3 activities: Deforestation¹⁰

AUSTRALIA
Inventory 2011
Submission 2013 v11

GEOGRAPHICAL LOCATION ¹¹	ACTIVITY DATA		IMPLIED CARBON STOCK CHANGE FACTORS ¹²										CHANGE IN CARBON STOCK ¹³										Net CO ₂ emissions/removals ¹⁴						
	Identification code	Subdivision ¹⁵	Area subject to the activity (ha)	Carbon stock change in above-ground biomass per			Carbon stock change in below-ground biomass per			Net carbon stock change in litter per		Net carbon stock change in dead wood		Net carbon stock change in soils per		Implied emission / removal factor per area ¹⁶	Carbon stock change in above-ground biomass ¹⁷			Carbon stock change in below-ground biomass ¹⁸				Net carbon stock change in litter ¹⁹		Net carbon stock change in dead wood ²⁰		Net carbon stock change in soils ²¹	
				Gains	Losses	Net change	Gains	Losses	Net change	Mineral soils	Organic soils	Gains	Losses	Net change	Gains		Losses	Net change	Gains	Losses	Net change	Gains		Losses	Net change	Gains	Losses	Net change	Gains
Total for activity A.2			8,564.52	NO	0.00	-0.39	-0.39	0.00	-0.37	-0.37	-0.15	-0.34	-0.47	NO	5.57	0.50	-2,561.09	-2,560.59	0.23	-1,125.72	-125.50	-958.47	-2,185.90	-3,044.52	NO	36,244.92			
15	ACTV	ACTV	1,252.72	NO	0.00	-0.80	-0.80	0.00	-0.34	-0.34	-0.33	-0.41	-0.55	NO	8.87	0.27	-812.57	-812.30	0.12	-350.44	-350.00	-221.81	-48.51	-556.30	NO	3,043.09			
16		ACTV	6117	NO	IE	-0.38	-0.38	IE	-0.08	-0.08	-0.14	-0.38	0.01	NO	2.00	IE	-10.92	-10.92	IE	-4.95	-4.95	-1.59	-10.92	0.69	NO	127.80			
17		ACTV	0.44	NO	IE	-0.52	-0.52	IE	-0.50	-0.50	-0.22	-0.23	0.04	NO	5.61	IE	-0.23	-0.23	IE	-0.22	-0.22	-0.10	-0.15	0.02	NO	2.49			
18		ACTV	93.21	NO	IE	-0.12	-0.12	IE	-0.12	-0.12	-0.15	-0.06	-0.01	NO	1.71	IE	-10.29	-10.29	IE	-10.06	-10.06	-14.21	-5.86	-1.39	NO	159.82			
19		ACTV	48.32	NO	IE	-0.46	-0.46	IE	-0.21	-0.21	-0.29	-0.15	-0.19	NO	4.76	IE	-22.01	-22.01	IE	-10.10	-10.10	-14.15	-1.11	-8.17	NO	229.99			
20		ACTV	5132	NO	IE	-0.39	-0.39	IE	-0.18	-0.18	-0.23	-0.45	-0.05	NO	4.74	IE	-20.05	-20.05	IE	-9.03	-9.03	-18.68	-23.06	-2.53	NO	243.29			
21		ACTV	138	NO	IE	0.19	0.19	IE	0.09	0.09	-0.20	-0.50	-0.23	NO	2.40	IE	0.27	0.27	IE	0.12	0.12	-0.28	-0.69	-0.12	NO	3.31			
22		ACTV																								4,398.29			
23		ACTV																									896.73		
24		ACTV																									522.00		
25		ACTV																									2,303.99		
26		ACTV																									32.09		
27		ACTV																									7.70		
28		ACTV																									101.60		
29		ACTV																									11.16		

IMPLIED CARBON STOCK CHANGE FACTORS ¹⁴										Implied emission / removal factor per area ¹⁶
Carbon stock change in above-ground biomass per			Carbon stock change in below-ground biomass per			Net carbon stock change in litter per	Net carbon stock change in dead wood	Net carbon stock change in soils per		
Gains	Losses	Net change	Gains	Losses	Net change			Mineral soils	Organic soils	
(Mg C/ha)										Mg CO ₂ /ha

Figure 5.10 GHG Inventory spreadsheet example - source: UN-REDD Programme

DETERMINING EMISSION FACTORS

One challenge that countries face when carrying out forest monitoring activities is deciding on emission factors. The guidelines help with this by providing three tiers for reporting:

- Tier 1 – reporting uses IPCC methodology with internationally-derived emissions factors
- Tier 2 – applies country- or region-specific emission and removal stock change factors for the most important land-use categories, then uses IPCC default assumptions and methodology
- Tier 3 – uses country-specific assumptions, methodology and data (but which is internationally reviewed).

This is summarised in table 5.11.

Emission / Removal Factor	Tier 1	Tier 2	Tier 3
Annual biomass growth rate	<ul style="list-style-type: none"> • Default values from IPCC 1996GL and GPG2003 • Emission Factor Data Base (EFDB) 	<ul style="list-style-type: none"> • Default values from IPCC 1996GL and GPG2003 • Country-specific data • EFDB 	<ul style="list-style-type: none"> • National Forest Inventory or modelling approaches • Allometric equations
Carbon fraction of dry matter	<ul style="list-style-type: none"> • Default data of 0.5 	<ul style="list-style-type: none"> • Default data of 0.5 	<ul style="list-style-type: none"> • Species-specific data from laboratory estimations
Biomass Expansion Factor (BEF)	<ul style="list-style-type: none"> • Default values of 1.8 	<ul style="list-style-type: none"> • Default values of 1.8 • National data for key forest types 	<ul style="list-style-type: none"> • Species-specific data from measurements

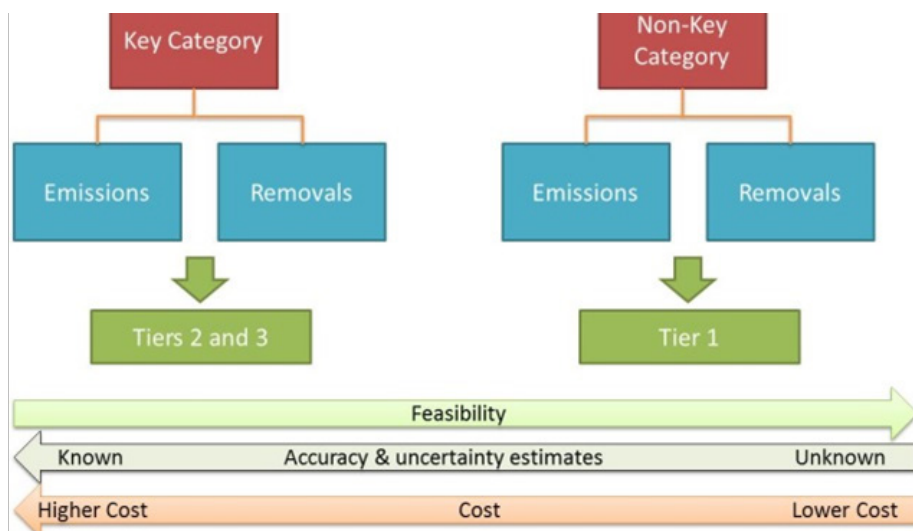
■ Figure 5.11 Emission factors - source: UN-REDD Programme

It is possible to use a combination of tiers and methods. For example, in the LULUCF sector, different tiers can be used:

- For different land-use categories (e.g. tier 2 for forest land and tier 1 for grassland); and
- Within a given land-use category for different carbon pools (e.g. tier 1 for below-ground biomass and tier 2 for above-ground biomass).

When using higher tiers, countries need to provide additional documentation to support decisions to use more sophisticated methodologies or country-defined parameters.

Higher tiers should be adopted for key land use categories (wherever possible) together with the use of country-specific and climatic region-specific emission and removal factors. Figure 5.12 summarises some of the issues associated with linking categories and tiers. Using Tiers 2 and 3 increases the accuracy and reduces uncertainty but also makes the process more expensive, whereas adopting a Tier 1 approach makes the process more feasible.



■ Figure 5.12 Issues associated with linking categories and tiers - source: UN-REDD Programme



REFLECTION POINT

What area (land use/specific area, etc.) in your country would you prioritize for achieving Tier 3 information (if it were possible)? Why?

REPORTING FOR REDD+

There are clearly defined processes for reporting on REDD+ progress. These processes have been designed to make sure that the reporting is:

- **Transparent** – there is sufficient clear documentation showing how the inventory was compiled, following good practice requirements;
- **Complete** – estimates are reported for all sources, sinks and gases;
- **National coverage;**
- **Comparable** – reporting should follow international guidance and templates;
- **Consistent** – consistent with IPCC guidance and guidelines (such as Forest Reference [Emission] Levels), and inventories should aim to reflect the real fluctuations in emissions and removals, and not be subject to changes resulting from methodological differences;
- **Accurate** – the GHG inventory contains neither under- nor over-estimates so far as can be judged, and that efforts have been made to reduce bias.

There are two ways for countries to report to the UNFCCC on progress with REDD+:

1. **National Communications** (NC), which include data and information on:

- National circumstances
- Vulnerability assessment
- Financial resources and technology transfer for climate change
- Education, training, public awareness
- National GHG inventory

2. **Biennial Update Reports** (shortened to BUR), which may contain a Technical Annex if they want to access REDD+ finance, based on results from the implementation of REDD+ activities

The aim of a Biennial Update Report is to provide an update on the most recently submitted National Communication in the following areas:

- National circumstances and institutional arrangements;
- National GHG inventory;
- Mitigation actions and their effects, including methodologies;
- Constraints and gaps and related financial, technical and capacity needs;
- Level of support received to prepare and submit the BUR;
- Domestic measurement, reporting and verification.

There is currently no specific structure for preparing a BUR, but one is under development by GIZ¹.

¹ <https://www.giz.de/en/html/index.html>

QUALITY CONTROL OF COUNTRY REPORTS

After submission, reports are subjected to a thorough quality control and assurance process.

For quality control, there are routine and consistent checks to identify and address errors and omissions, ensure data integrity, correctness and completeness. Inventory material is documented and archived, and a record is made of all QA activities.

For quality assurance, reviews should be carried out on a finalized inventory following the implementation of the quality control procedures, and this should preferably be done by independent third parties.

VERIFICATION

During the final verification stage, two LULUCF experts assess the technical annex of the BUR following the International Consultation and Analysis (ICA) process, and they then prepare a technical report reflecting their assessment of the annex. This report will include an analysis of the results in the annex and areas identified for improvement. The technical assessment includes the possibility of discussions with the country for clarifications.

A final report by the LULUCF experts, including comments from the country, is then published on the UNFCCC REDD+ web platform.



REFLECTION POINT

The National Forest Inventory plays an integral part in the MRV process and it therefore requires reliable data, in different country contexts there are going to be different challenges.

What do you believe are the challenges associated with the National Forest Inventory and the data it requires in your country? Do you have any lessons to share from your country's experiences?

Your country may be reporting to the UNFCCC on a number of possible mechanisms. What is your country's experience with the UNFCCC reporting processes?



**CHAPTER 5
RELEVANT DECISIONS**

THE BALI ACTION PLAN (2007)

DECISION 1/CP.13: 1 (B)
Enhanced national/international action on mitigation of climate change

DECISION 2/CP.13
Reducing emissions from deforestation in developing countries: approaches to stimulate action Modalities for national forest monitoring systems

ANNEX
Indicative guidance for demonstration activities: Modalities for measuring, reporting and verifying

COPENHAGEN (2009)

DECISION 4/CP.15
Methodological guidance for activities relating to reducing emissions from deforestation and forest degradation (...)

CANCUN (2010)

DECISION 1/CP.16
Section C: Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries (...)

WARSAW (2013)

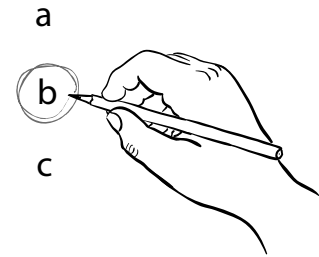
DECISION 11/CP.19
Modalities for national forest monitoring systems

DECISION 14/CP.19:
Modalities for measuring, reporting and verifying



EXERCISE 9

Both of the following multiple choice exercises refer to COP 19: Warsaw (2013) contained in the text.



1. MULTIPLE CHOICE QUIZ

NFMS and the UNFCCC. The Warsaw Framework for REDD+. Decision 14/CP.19.

With reference to the text for Decision 14/CP.19 (Modalities for measuring, reporting and verifying) answer the following questions (complete the exercise individually then compare your answers with your neighbor)

1. What should be Measured Reported and Verified (MRV);

- a. Anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks
- b. Forest carbon stocks
- c. Forest carbon stock changes
- d. Forest area changes
- e. All the above

2. REDD+ MRV systems should be consistent with;

- a. MRV systems for Nationally Appropriate Mitigation Actions
- b. Landsat
- c. NGOs
- d. All the above

3. REDD+ MRV systems should be;

- a. Transparent
- b. Consistent with a countries established Forest Reference Emission Level (FREL)
- c. Used to maximize REDD+ payments
- d. Answers a and b above

4. REDD+ MRV reporting is;

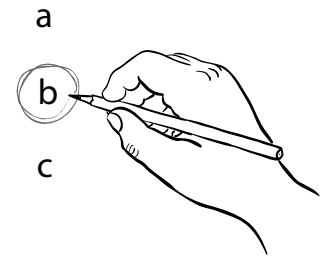
- a. Voluntary
- b. Mandatory
- c. Required for results-based payments under the UNFCCC
- d. Answers a and c above

5. REDD+ MRV reporting should be done through;

- a. NGOs
- b. A technical annex to Biennial update reports to the UNFCCC
- c. Wikipedia
- d. All the above



EXERCISE 10



2. MULTIPLE CHOICE QUIZ

NFMS and the UNFCCC. The Warsaw Framework for REDD+. Decision 11/CP.19.

With reference to the text for Decision 11/CP.19 (Modalities for national forest monitoring systems) answer the following questions (complete the exercise individually then compare your answers with your neighbor)

1. National Forest Monitoring Systems should be guided by;

- a. Intergovernmental Panel on Climate Change
- b. The Kyoto Protocol
- c. The United Nations Convention on Biodiversity and Desertification
- d. All the above

2. National Forest Monitoring Systems should be;

- a. Transparent
- b. Consistent over time
- c. Suitable for Measurement Reporting and Verification (MRV)
- d. All the above

3. National Forest Monitoring Systems should be;

- a. Applied at a regional level
- b. Applied at a national level
- c. Applied sub-nationally as an interim measure (moving to a national system)
- d. Answers b and c

4. National Forest Monitoring Systems should be;

- a. Built on existing systems
- b. Flexible and allow for improvement
- c. Enable the assessment of different types of forest in the country
- d. Reflect the phased approach to REDD+
- e. All the above



KEY MESSAGES OF THIS CHAPTER

- An NFMS is one of the four elements that countries are required to develop in order to participate in REDD+ under the UNFCCC;
- There are two functions to an NFMS: measuring, reporting and verification (MRV) of REDD+ and forest monitoring;
- The technical pillars of the NFMS are Satellite Land Monitoring Systems, National Forest Inventory and GHG Inventory;
- The IPCC has developed a number of guidelines that can be used to help countries implement NFMS.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

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6

FOREST REFERENCE EMISSION LEVELS

THIS MODULE PRESENTS ONE THE FOUR ELEMENTS FOR REDD+ READINESS, FOREST REFERENCE (EMISSION) LEVELS.



THE SECTION INCLUDES EXPLANATIONS ABOUT:

- What is a FREL/FRL
- Guidance to support FREL/FRL and
- How to submit a FREL/FRL



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

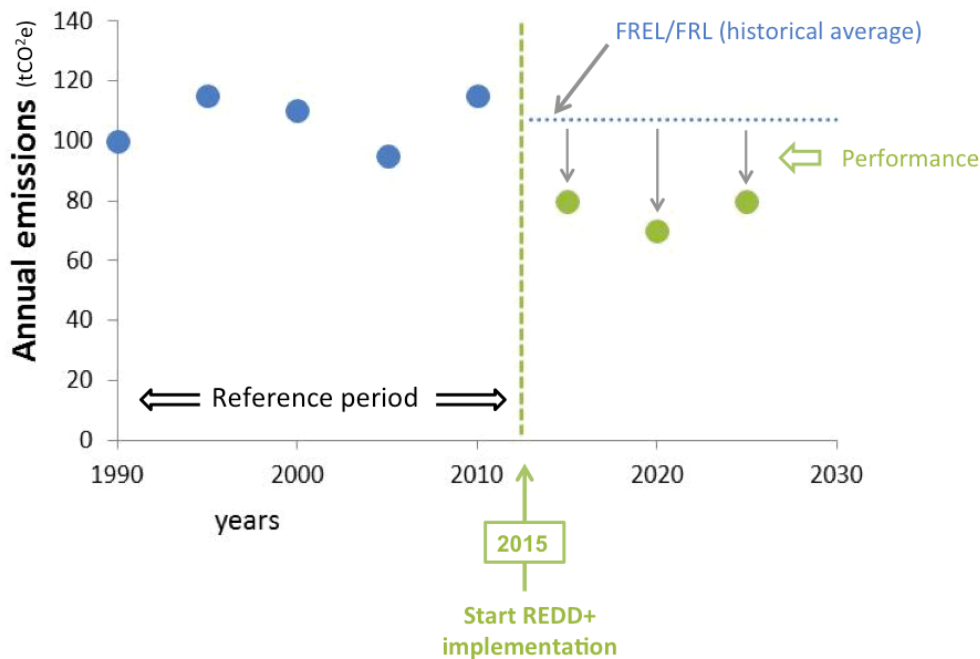
WHAT IS A FREL/FRL?

Forest Reference Emission Levels and Forest Reference Levels (FREL/FRL) are benchmarks for assessing the performance of each country in implementing REDD+ activities.

In its decisions, the UNFCCC refers to Forest Reference Emission Levels and/or Forest Reference Levels, and although the difference between those two concepts has not been clarified, UN-REDD has provided the following interpretation:

- A **Forest Reference Emission Level (FREL)** includes activities that reduce emissions only. Thus the scope of a FREL would be, for example, reducing emissions from deforestation and/or forest degradation.
- **Forest Reference Level (FRL)** includes both activities that reduce emissions and activities which increase removals. Thus the scope of a FRL could include the same activities as a FREL plus for example enhancement of forest carbon stocks.

Figure 6.1 gives a graphical example of a possible FREL/FRL, where a country uses a simple historical average of forest emissions as its FREL/FRL.



■ Figure 6.1 FOREST REFERENCE LEVEL EXAMPLE USING ONLY HISTORICAL DATA
- source: UN-REDD Programme

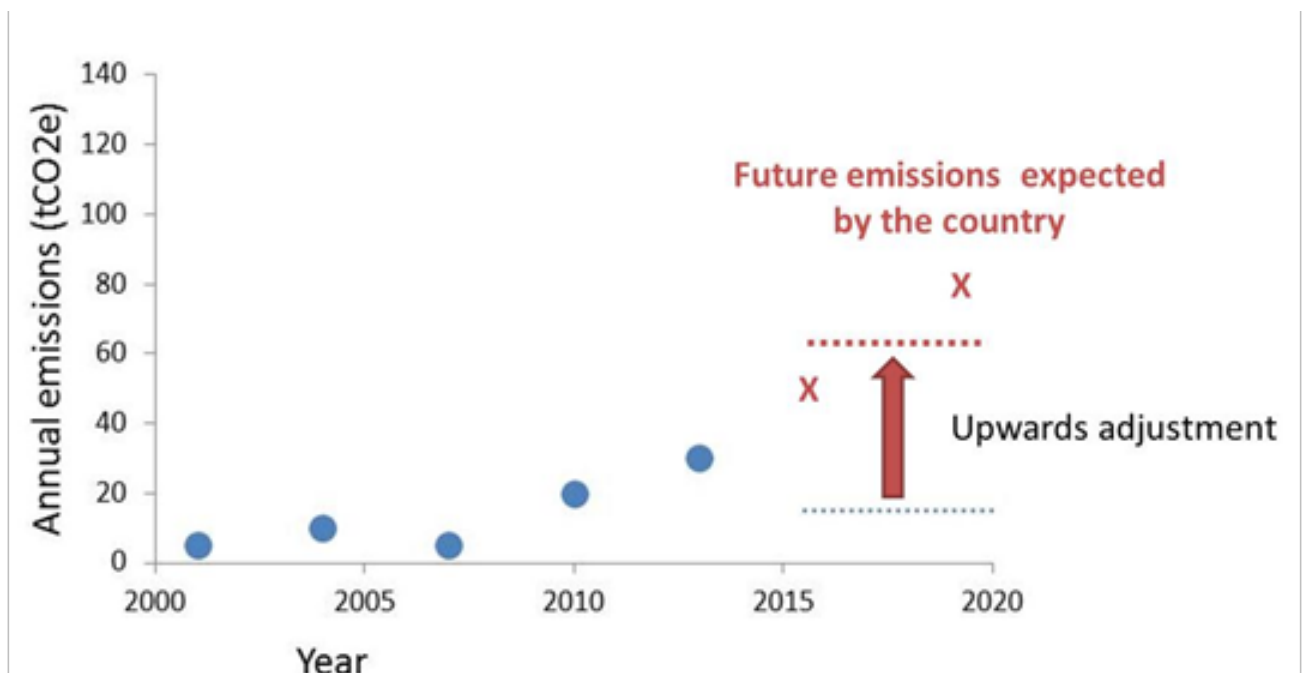
When developing a FREL/FRL, a country should carefully consider what emissions/removals it expects from forest-related activities if it were not to take any REDD+ actions. In the example above, with no clear trend in historical emissions, a historical average may provide a good predictor of future emissions expected in the absence of REDD+ implementation, or “business as usual” emissions. However, in some countries the past may be a poor predictor of the future, which may for example be the situation in high forest cover and low

deforestation countries (HFLD countries). A country may propose an adjustment for national circumstances (as illustrated in Figure 6.2), provided that the information justifying the adjustment is transparent, accurate, consistent and complete (i.e. the information allows for reconstruction of the FREL/FRL).



REFLECTION POINT

Why might the past not be a good indicator of future emissions from forests, particularly in HFLD countries?



■ Figure 6.2 FOREST REFERENCE LEVEL EXAMPLE INCLUDING AN ADJUSTMENT FOR NATIONAL CIRCUMSTANCES - source: UN-REDD Programme

WHY DEVELOP A FREL/FRL?

There are several reasons for developing FREL/FRLs:

- Countries may wish to express their contribution to international mitigation through REDD+ actions under the UNFCCC;
- Countries may wish to assess progress on the outcomes of policies and measures taken to mitigate climate change in the forestry sector for domestic reasons; and
- Countries may wish to access results-based payments (RBP). According to UNFCCC decisions, eligibility for results-based payments requires an assessed Forest Reference Level.

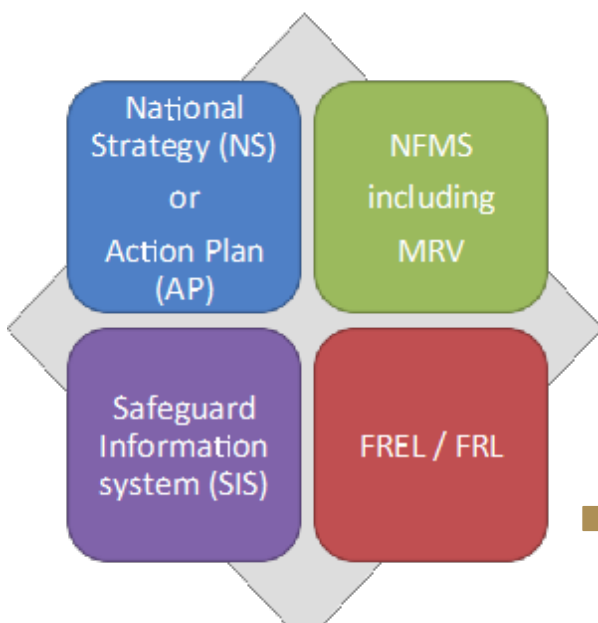
Results of REDD+ implementation are measured against the FREL/FRL and in the context of Results-based payments (RBPs) and should be reported in a technical annex to the biennial update report (BUR) (Decision 14/CP.19).

Results-based payments under the UNFCCC can come from various sources, including the Green Climate Fund, the official financial entity of the UNFCCC. The Green Climate Fund has not yet made any investments, but it hopes to begin accepting proposals in 2015, although the conditions under which results-based finance (RBF) will be provided have not yet been clarified.

Currently there are several initiatives that provide results-based payments for demonstration activities (i.e. pilot testing RBP), like the Forest Carbon Partnership Facility's Carbon Fund¹. Reference Levels² are proposed to the Carbon Fund as an emission reduction program idea note, (ERPIN), and then further developed as operational Reference Levels that are used in the Emission Reduction Payment Agreement (ERPA). The FCPF Carbon Fund provides guidance for ER programs that is consistent with the UNFCCC, but also goes beyond it and provides additional details on requirements to engage in a results-based finance transaction with the Fund. An overview of emerging country approaches to FREL/FRLs is provided in the UNREDD publication Emerging approaches to FREL/FRLs for REDD+³. More information on finance for REDD+ activities can be found in **Module 9: REDD+ Finance**.

HOW DOES THE FREL/FRL RELATE TO THE OTHER ELEMENTS OF REDD+?

As was seen before, the UNFCCC has set a framework for REDD+ (Decision 1/CP. 16) requesting four elements to be developed by a country in order to participate in REDD+:



■ Figure 6.3 ELEMENTS OF REDD+ READINESS
- source: UN-REDD Programme

1 <https://www.forestcarbonpartnership.org/carbon-fund-0>

2 The Carbon Fund uses the term "Reference Levels" while the UNFCCC decisions generally use Forest Reference

3 [Emerging Approaches to Forest Reference Emission Levels and/or Forest Reference Levels for REDD+](http://www.un-redd.org/FRELPublication/tabid/794487/Default.aspx): available at: <http://www.un-redd.org/FRELPublication/tabid/794487/Default.aspx>

There is a logical relation between these elements:

- REDD+ actions are implemented through a National Strategy, discussed in **Module 4: National Strategies and Action Plans**;
- Emissions and removals from the forest are monitored through the NFMS, discussed in **Module 5: National Forest monitoring Systems**;
- The FREL/FRL is the benchmark against which performance in implementing REDD+ is assessed, discussed in this module; and
- The SIS may ensure no harm is done when implementing REDD+, discussed in **Module 8: REDD+ Safeguards under the UNFCCC**.

Information needs to be submitted to the UNFCCC for the FREL/FRL and the safeguards. Some relations between the REDD+ elements are 'formalized' in UNFCCC Decisions, namely the relation between the NFMS and the FREL/FRL: the NFMS should provide data and information suitable for measuring, reporting and verifying (MRV) anthropogenic forest-related emissions by sources and removals by sinks (Decision 11/CP.19, p.3), and MRV should maintain consistency with the established, or updated, FREL/FRL (Decision 14/CP.19).

Consistency between the data collected through the NFMS and the data used to establish the FREL/FRL is crucial to ensure "results" – or the difference between measured and reported emissions/removals and the FREL/FRL - reflect performance and not e.g. a difference in data or methodologies.



REFLECTION POINT

Can you explain, in your own words, why it is so important to have consistency of data collection for both NFMS and FREL/FRLs?

GUIDANCE FROM THE UNFCCC ON FREL/FRLS

Guidance on FREL/FRLs is provided through Decisions 4/CP.15, 12/CP.17 and 13/CP.19. Decision 4/CP.15 is the first decision mentioning FREL/FRLs. It states that FREL/FRLs should be established transparently taking into account historic data, and adjusted for national circumstances. Accordingly, Decision 12/CP.17 provides guidance on FREL/FRL construction (modalities for FREL/FRLs) and the annex to this decision provides guidance on the information which needs to be included in a FREL/FRL submission to the UNFCCC. Decision 13/CP.19 provides details on the technical assessment of the FREL/FRLs.

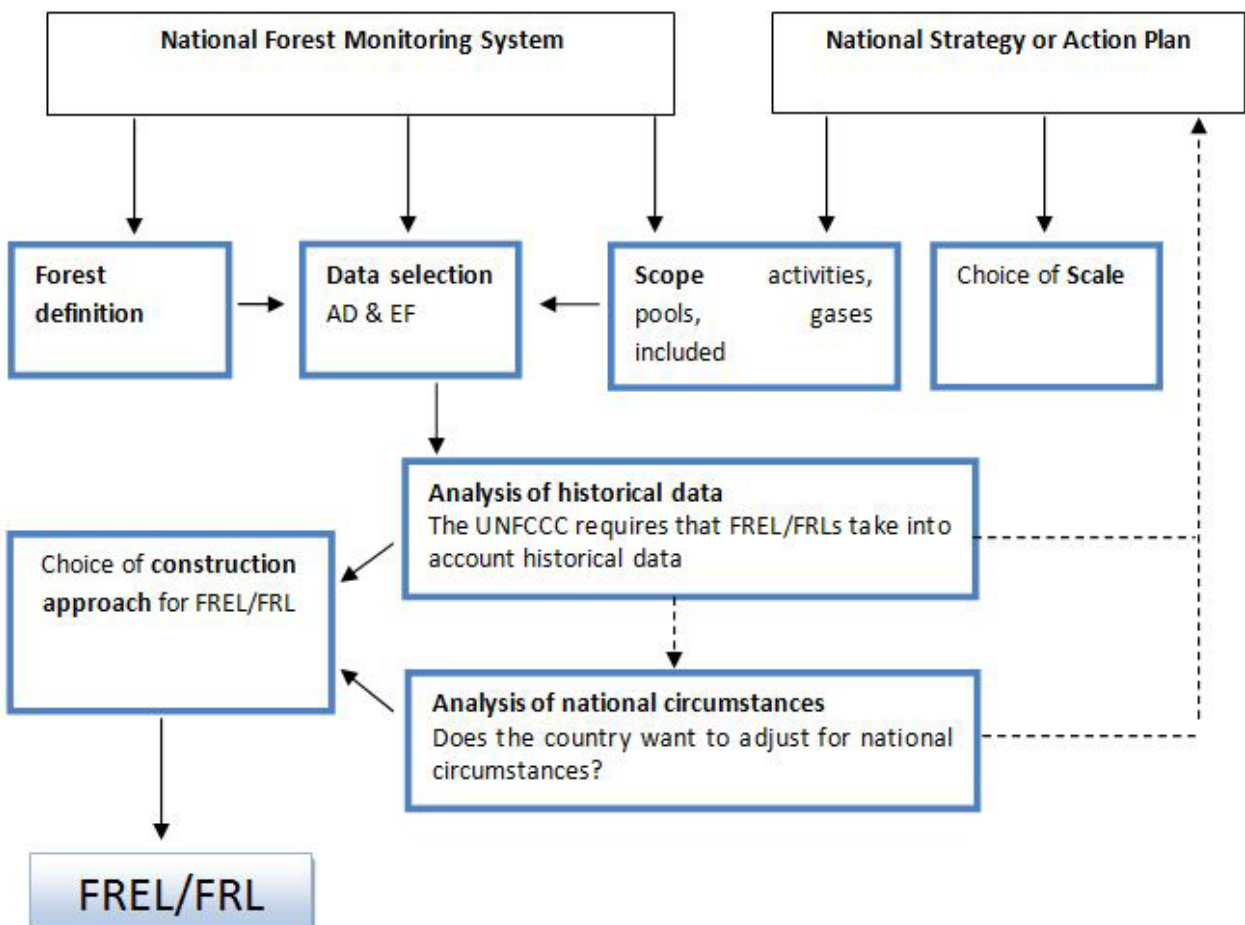
From Decisions 4/CP.15, 12/CP.17 and 13/CP.19 some elements can be extracted which countries will need to consider and on which countries have to make choices. These elements are:

- Scale (area covered by the FREL/FRL);
- Scope (REDD+ activities, pools and gases included in the FREL/FRL);
- Forest definition;
- Historical data (selection and analysis of activity data and emission factors); and
- National circumstances and FREL/FRL construction approach.

The UNREDD publication “Technical considerations for Forest Reference Emission Level and/ or Forest Reference Level construction for REDD+ under the UNFCCC” provides a description of possible benefits and risks associated with different choices for each of these elements and offers practical considerations to facilitate decision-making.

COMBINING THE ELEMENTS TO CONSTRUCT A FREL/FRL?

Figure 6.4 below provides a simplified possible flow for FREL/FRL construction, combining the elements or building blocks for FREL/FRL construction discussed in the section above. Certain choices on FREL/FRL elements are more likely to be driven by the quality and type of data collected through the National Forest Monitoring System (NFMS) and other choices may be taken in view of the National Strategy. Depending on the circumstances of a particular country, other flows than those suggested in the Figure are possible. For example, a country may decide to include certain types of woodland in its National Strategy, if the country wanted to assess performance in these woodlands, it would ensure the forest definition would include the types of woodland in question.



■ Figure 6.4 SIMPLIFIED FLOW FOR FREL/FRL CONSTRUCTION - source: FAO 2015

Assessment of significant activities, pools and gases, should drive the choice for scope, but may be influenced by the availability and quality of data from the National Forest Monitoring Systems (NFMS) and other relevant sources. Additionally, choices for scope may be guided by what activities a country proposes in its National Strategy or Action Plan (NS/AP). A country may decide to take a stepwise approach, starting with a narrow scope (e.g. deforestation, above and below ground biomass only) with the intention of adding other activities, pools and gases over time.

A country may also decide to start at the subnational level. The NS/AP could inform the choice of the initial scale of implementation for REDD+ but other elements may come into consideration, including data availability as well as implementation and monitoring capacity.

Before selecting an approach to FREL/FRL construction, a country may want to analyze its data and try to understand the dynamics of anthropogenic forest-related emissions and removals. The analysis of historical data and national circumstances should provide the country with a better understanding of drivers of deforestation and forest degradation, information which not only informs Forest Reference Level construction but may also inform the process of the NS/AP. An analysis of national circumstances may provide a country with an enhanced understanding of how drivers may affect future trends of forest-related emissions and removals, which in turn can support decision-making on potential adjustments. More information on such an analysis can be found in **Module 3: Drivers of Deforestation and Forest Degradation**. Altogether, these analyses can help countries take informed decisions on approaches to the construction of FREL/FRLs and provide a robust basis for an eventual submission to the UNFCCC.



REFLECTION POINT

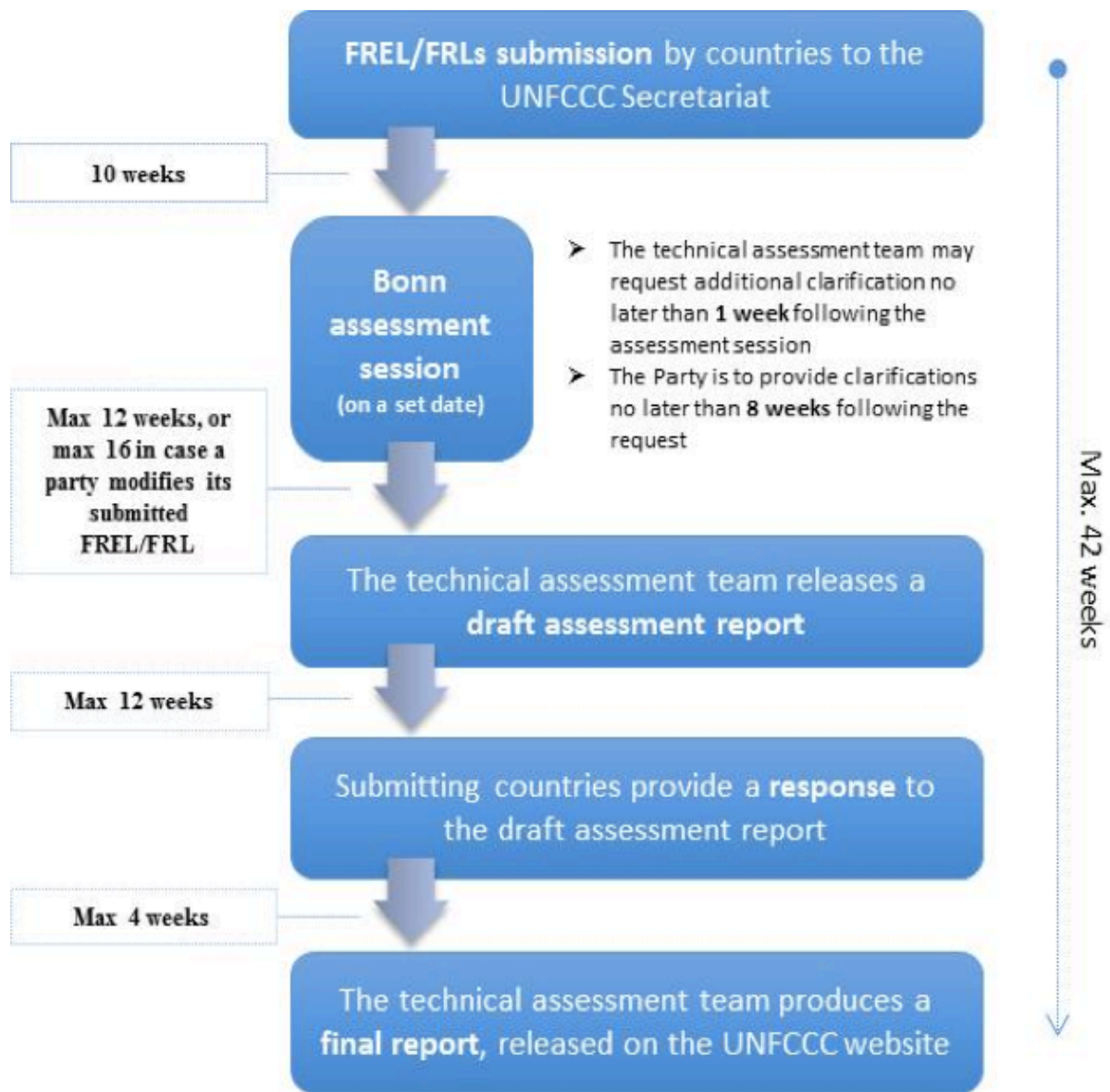
Why is it so important to consider national circumstances and how drivers might affect future trends of forest-related emissions and removals?

SUBMITTING A FREL/FRL

Once it is constructed, developing countries may, on a voluntary basis and when deemed appropriate, submit their proposed FREL/FRLs to the UNFCCC. The technical assessment is intended to support the capacity of developing country Parties for the construction and future improvement of their FREL/FRL. It offers a facilitative, non-intrusive, technical exchange of information on FREL/FRL construction. The Assessment Team conducting the assessment will comprise two LULUCF experts from the UNFCCC expert roster. Official submissions of the FREL/FRL to the UNFCCC are made by the national focal point to the UNFCCC. The technical assessment of the submitted FREL/FRL will start with an assessment session organized in Bonn once a year. The timeline for the technical submissions is outlined below in Figure 6.5.

FREL/FRL submissions, as well as the final report resulting from the technical assessment mentioned in the flow chart and the modified submission after the technical assessment are published on the UNFCCC website⁴.

⁴ UNFCCC website: <http://unfccc.int/redd>



■ Figure 6.5 SUBMISSION PROCESS FOR FREL/FRL - source: UN-REDD Programme



REFLECTION POINT

Why do you think this process is limited to 42 weeks?



CHAPTER 6

RELEVANT DECISIONS FOR FREL/FRLS

DECISION 4/CP.15

FREL/FRLs should be established transparently taking into account historic data, and adjust for national circumstances.

DECISION 12/CP.17

Modalities for FREL/FRLs and guidelines for submission of information on FREL/FRLs.

DECISION 11/CP.19

Modalities for national forest monitoring systems.

DECISION 14/CP.19

Modalities for measuring, reporting and verifying.

DECISION 13/CP.19

Guidelines and procedures for the technical assessment of submissions from Parties on proposed forest reference emission levels and/or forest reference levels.



WEBSITES TO GET YOU STARTED

http://unfccc.int/land_use_and_climate_change/redd_web_platform/items/6733.php

UNFCCC REDD Web Platform: Forest Reference Levels and Forest Reference Emission Levels. The platform provides an overview of information submitted by different entities on FREL/FRL construction.

<https://www.forestcarbonpartnership.org/carbon-fund-methodological-framework>

The Carbon Fund of World Bank's Forest Carbon Partnership Facility provides guidance for Forest Reference Level construction which is consistent with UNFCCC but more restrictive on several issues. It contains a set of 37 criteria and related indicators (C&I), associated with five major aspects of Emission Reductions Programs: level of ambition, carbon accounting, safeguards, sustainable program design and implementation, and ER Program transactions.



CASE STUDY BRAZIL

BRAZIL'S FREL SUBMISSION TO UNFCCC

In June 2014, Brazil became the first country to submit a FREL to UNFCCC. Before the end of 2014, Brazil submitted a modified FREL submission providing more detailed information in response to the facilitative, technical exchange with the Technical Assessment team (AT). The Technical Assessment report (TA report) was posted on the UNFCCC website¹ (Brazil, 2014).

STEPWISE APPROACH

The evolution from Brazil's deforestation baseline² used in the Amazon Fund to the FREL submitted to the UNFCCC could be considered an illustration of a stepwise approach. The pools considered in the FREL expanded compared to the Amazon Fund approach (see FAO 2014) and more detailed information was used for Emission Factor estimations. In its baseline calculation, the Amazon Fund first adopted a conservative estimate of 100 tC/ha for above ground biomass (data in literature ranged from 130 and 320 tC/ha). For the subsequent UNFCCC submission, a carbon map was produced resulting in multiple forest types and location-specific emission factors. Brazil's FREL submission states that over time it will include additional activities such as degradation, as well as other biomes beyond the Amazon, as steps towards development of a national level FREL.

REDD+ ACTIVITIES INCLUDED

The FREL only includes deforestation of primary forest, where Brazil considers deforestation any clear cut of primary forest with a minimum mapping unit of 6.25 ha. The reason provided by Brazil for including only deforestation is that this activity represents the largest source of emissions and the time series available for assessing degradation is too short to allow an adequate understanding of the degradation process. In an Annex to the submission (not subject to the technical assessment), Brazil

provides preliminary results of the assessment of degradation, which estimates emissions from degradation at approximately 59% of those from deforestation. In the TA report the AT acknowledges that Brazil included the most significant activity, the most important biome and the most significant pools in terms of emissions from forests. Furthermore, the AT considers that degradation is a significant activity based on the estimates provided by Brazil. The AT also notes that there is no evidence of displacement of emissions (i.e. decreased deforestation in the Amazonia biome resulting in increased degradation) and the current exclusion appears to be conservative in the context of constructing the FREL.

FUTURE SUBMISSIONS AND AREAS FOR IMPROVEMENT

Brazil indicates its intention to scale up to the national level in the future, developing FRELs for the remaining biomes in order of emissions importance. Brazil also expects that its understanding of degradation will improve with time as new data becomes available, allowing for the future submission of a FREL for degradation. Brazil mentions in its submission some areas for improvement. E.g. currently the carbon map is based on a combination of sample-plot data (RADAMBRASIL) and literature. Brazil will replace this with data from its first NFI cycle as it expects that by 2017 the NFI will be completed in all states.

Areas for improvement identified by the AT are digitization of deforestation maps (activity data for 1996-1997 are in analogue format, later dates in digital format), continuation of improvement of the carbon map, future treatment of emission from dead-wood and non-CO₂ to be consistent with the GHG inventory (where the AT notes that the current omission is likely to be conservative) and future treatment of degradation.

¹ UNFCCC FREL/FRL submissions and technical assessment reports to date can be downloaded from <http://unfccc.int/methods/redd/items/8414txt.php>

² Brazil uses the term baseline for the Amazon Fund, the term FREL refers to Brazil's UNFCCC submission



EXERCISE 11

There are many reasons for a country to develop FREL/FRLs, circle the correct reasons below, use the two empty boxes to suggest two reasons not mentioned:

Countries may wish to express their contribution to international mitigation through REDD+ actions under the UNFCCC.

A country may decide that a FREL/FRL would provide employment and increase their GDP.

Countries may wish to assess progress on the outcomes of policies and measures taken to mitigate climate change in the forestry sector for domestic reasons.

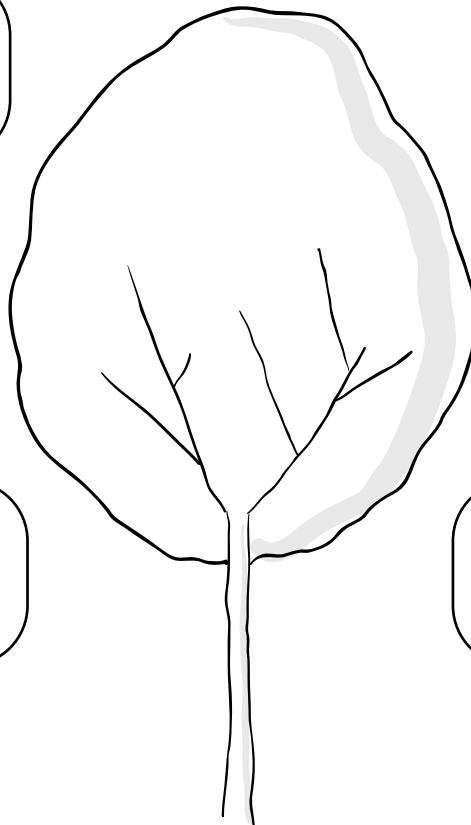
A country decides that a FREL/FRL would contribute to an increase in tourist numbers

Countries may wish to access results-based payments (RBP).

A FREL/FRL would give a country bragging rights at the next COP meeting.

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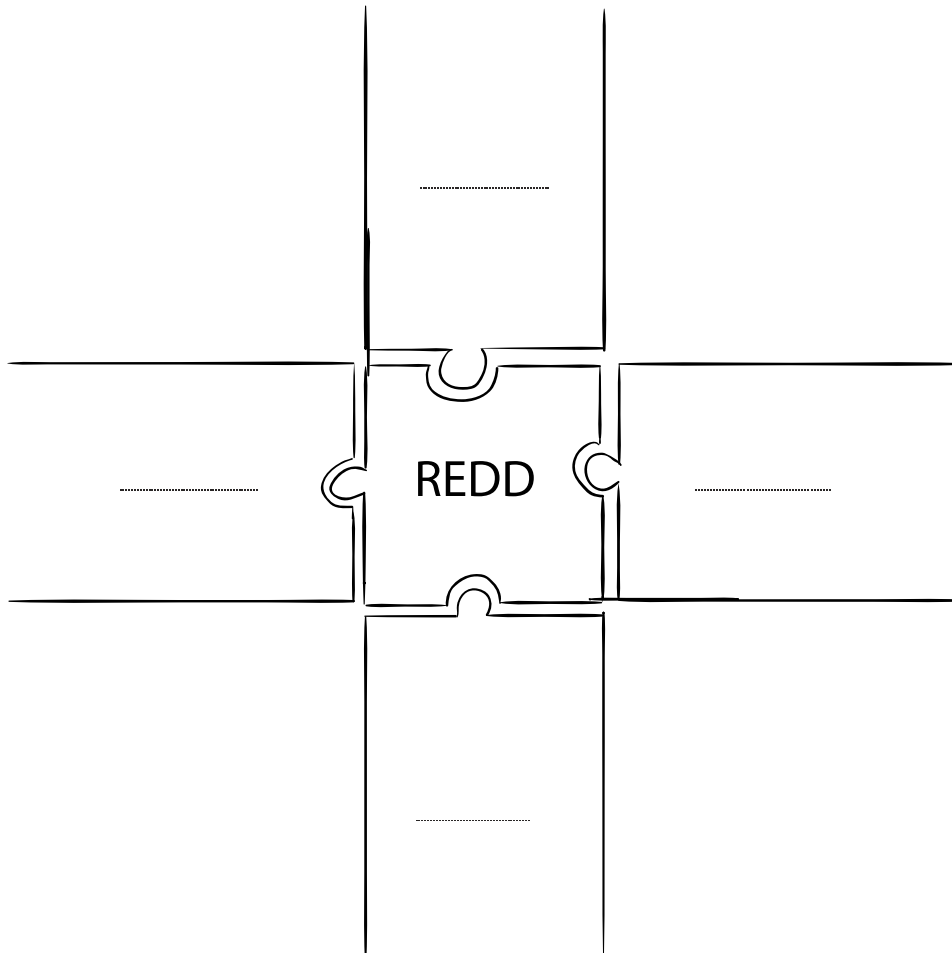




EXERCISE 12

There are four required elements for REDD+ readiness. Use four of the six below elements and fill the drawing.

- A National Strategy or Action Plan
- A national vote on REDD+ activities
- Safeguards Information System (SIS)
- A Forest Reference Emission Level or Forest Reference Level (FREL/FRL)
- National Forest Monitoring System (NFMS)
- A referendum on climate change





KEY MESSAGES OF THIS CHAPTER

- Forest Reference Emission Levels and Forest Reference Levels (FREL/FRL) are benchmarks for assessing the performance of each country in implementing REDD+ activities.
- The FREL/FRL submission is the only REDD+ element that undergoes a technical assessment.
- The type of approach to FREL/FRL construction a country chooses will depend on analysis of drivers and deforestation and forest degradation and national circumstances.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES



NOTES

7

POLICIES AND MEASURES FOR REDD+ IMPLEMENTATION

THIS MODULE LOOKS AT HOW COUNTRIES CAN DESIGN AND IMPLEMENT POLICIES AND MEASURES (PAMS) FOR REDD+ IMPLEMENTATION. IT FOLLOWS ON FROM, AND IS CLOSELY RELATED TO MODULE 3: DRIVERS OF DEFORESTATION AND FOREST DEGRADATION AND MODULE 4: NATIONAL STRATEGIES/ACTION PLANS.



THE MODULE INCLUDES EXPLANATIONS ABOUT:

- PAMs under the UNFCCC
- PAMs for REDD+
- Designing and implementing nationally-appropriate PAMs
- Private sector engagement
- Monitoring for PAMs



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

POLICIES AND MEASURES (PAMS) UNDER THE UNFCCC

PAMs can be understood as actions taken and/or mandated by governments. In the context of REDD+, PAMs aim to guide the implementation of REDD+ activities (emissions reductions and/or removals), as decided by a country, potentially in combination with other objectives (such as integrated rural development and sectoral transformation).

TEXT OF THE UNFCCC: PAMS FOR ACTION ON CLIMATE CHANGE

There are references to PAMs for REDD+ in the text of the United Nations Framework Convention on Climate Change (UNFCCC). As a reminder, Parties to the Convention commit to reduce atmospheric concentrations of greenhouse gases with the goal of "preventing dangerous anthropogenic interference with Earth's climate system". This commitment would require substantial reductions in greenhouse gas (GHG) emissions by countries, to be achieved by governments through the introduction of new policies, laws, regulations, practices and incentive systems, as appropriate to their national circumstances, collectively known as policies and measures (PAMs). With this objective in mind, the principles of the Convention state that:

3. The Parties should take precautionary measures to anticipate, prevent or minimize the causes of climate change and mitigate its adverse effects. Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing such measures, taking into account that policies and measures to deal with climate change should be cost-effective so as to ensure global benefits at the lowest possible cost. To achieve this, such policies and measures should take into account different socio-economic contexts, be comprehensive, cover all relevant sources, sinks and reservoirs of greenhouse gases and adaptation, and comprise all economic sectors.

The Convention text goes on to set out a number of commitments to which all signatories – developed and developing countries – should adhere to. Commitment 1 states that all Parties shall:

- d) *(Promote sustainable management, and promote and cooperate in the conservation and enhancement, as appropriate, of sinks and reservoirs of all greenhouse gases not controlled by the Montreal Protocol, including biomass, forests and oceans as well as other terrestrial, coastal and marine ecosystems;*

These principles and commitments in the text of the Convention mean that all countries should develop and implement PAMs to support climate change mitigation and adaptation actions, according to their national circumstances and capacities. Sustainable management of forests, as sinks and reservoirs of GHGs, can/should also be included in such PAMs.

PAMS FOR REDD+ IMPLEMENTATION: UNFCCC GUIDANCE

In the context of REDD+ PAMs aim to guide and support the implementation of all or some of the five REDD+ activities. As mentioned before, the five REDD+ activities are:

- Reducing emissions from deforestation;
- Reducing emissions from forest degradation;
- Conservation of forest carbon stocks;
- Sustainable management of forests; and
- Enhancement of forest carbon stocks.

During COP16 in Cancun, Parties decided that REDD+ activities “*should be implemented in phases, beginning with the development of national strategies or action plans, policies and measures, and capacity-building, followed by the implementation of national policies and measures and national strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into results-based actions that should be fully measured, reported and verified;*” (Decision 1/CP.16, paragraph 73)

This means that in the “REDD+ readiness phase” (phase 1), countries should define the PAMs that they intend to implement during the “implementation phase” of REDD+ (phase 2).

PAMS FOR THE IMPLEMENTATION OF REDD+ ACTIVITIES

For the purpose of the Academy, the term “activity” refers to the five REDD+ “activities”, while “actions” or “interventions” or PAMs are done during the national implementation of the REDD+ activities. For example, a country may impose a legal ban on commercial agriculture in areas of intact primary forests. This intervention is a PAM which would “implement” the REDD+ activity of “reducing emission from deforestation”.

ADDRESSING THE DRIVERS OF DEFORESTATION AND FOREST DEGRADATION

Drivers are the processes that result in deforestation and forest degradation. These processes (abbreviated as DDFD) can be separated into:

- i. **Direct** drivers (also called proximate causes), such as agricultural expansion, infrastructure development, fire and wood extraction; and
- ii. **Indirect** drivers (also called underlying causes or driving forces) that can be related to international drivers (e.g. markets, commodity prices), national factors (e.g. population growth, domestic markets, national policies, governance) and local circumstances (e.g. change in household behaviour).

Agents of deforestation and forest degradation are the group(s) of actual people or legal entities directly or indirectly responsible for deforestation and forest degradation.

In order to implement REDD+ activities effectively, countries should seek to understand and address the direct and related indirect drivers, as well as the dynamics of (and barriers to) forest conservation, enhancement of forest carbon stocks and sustainable management of forests. They should be known, understood and agreed upon by the relevant stakeholders to design appropriate PAMs. A more in depth discussion on the analysis of drivers can be found in **Module 3: Drivers of Deforestation and Forest Degradation**.



REFLECTION POINT

Who are the main agents of deforestation and forest degradation in your country?

DIRECT AND ENABLING PAMS

In order to address multiple direct and underlying drivers, agents and related processes, PAMs may take on diverse forms in different country contexts. To exemplify this, figure 7.1 presents a non-exhaustive list of potential REDD+ PAMs and their relevance to REDD+ activities (two ticks indicate a strong and direct role in implementing a given REDD+ activity; one tick indicates a potentially less direct role). The relevance of each given PAM to the five REDD+ activities as indicated in the table will depend on the context (e.g. processes associated with the drivers of deforestation and barriers to the “+”, and ways in which the PAMs are implemented) and are given here for illustration purposes only.

■ Figure 7.1 NON-EXHAUSTIVE LIST OF POTENTIAL PAMS - source: UN-REDD Programme

	REDD+ ACTIVITIES				
	RED. EMS. DEFOR.	RED. EMS. DEGRAD.	CONSERVATION OF FOREST CARBON STOCKS	SUSTAINABLE MANAGEMENT OF FORESTS	ENHANCEMENT OF FOREST CARBON STOCKS
Funding of fire prevention programmes	✓	✓ ✓	✓		
Removal of subsidies for deforestation and forest degradation and/or land clearance taxation (fiscal framework)	✓ ✓	✓ ✓	✓		
Implementation of sustainable biomass energy programmes	✓	✓ ✓	✓	✓	✓
Strengthening of protected area networks and improved management (including community-based management)	✓	✓	✓ ✓	✓	
Support to / enhance community forestry	✓	✓	✓	✓ ✓	✓
Strengthening of forest law enforcement combined with improved forest monitoring	✓	✓	✓	✓	✓
Implementation of conservation concessions	✓	✓	✓ ✓		
Afforestation/reforestation on degraded land (including agroforestry)				✓	✓ ✓

	REDD+ ACTIVITIES				
	RED. EMS. DEFOR.	RED. EMS. DEGRAD.	CONSERVATION OF FOREST CARBON STOCKS	SUSTAINABLE MANAGEMENT OF FORESTS	ENHANCEMENT OF FOREST CARBON STOCKS
Implementation of payments for environmental services programmes and/or other types of incentive schemes	✓	✓	✓	✓	✓
Improvement of tenure security, including of indigenous peoples' lands and women's and men's land use and access rights	✓	✓	✓	✓	✓
Support to forest certification and/or reduced impact logging		✓		✓ ✓	
Implementation of national, provincial or local-scale land use planning, including infrastructure development (e.g. roads)	✓	✓	✓	✓	✓
Support to expansion of microcredit availability to improve off-farm and/or sustainable business development and employment	✓	✓ ✓	✓		

In the same way that drivers may be divided into direct and underlying drivers for practical purposes, PAMs may be split into direct and enabling interventions:

- **Direct interventions** target the achievement of results in terms of emissions reductions and/or enhanced removals. Examples may include reforestation, fire prevention or energy switching programmes.
- **Enabling interventions** target the creation of appropriate frameworks for effective and efficient direct interventions, i.e. aim to create an enabling environment for direct interventions. Enabling interventions may include capacity building, land-use planning, macro-economic stability and governance programmes.

The line drawn between direct and enabling PAMs may at times be blurred, but it may remain a helpful distinction to make to improve stakeholders' understanding of the reasons behind interventions, particularly when developing a REDD+ results framework.



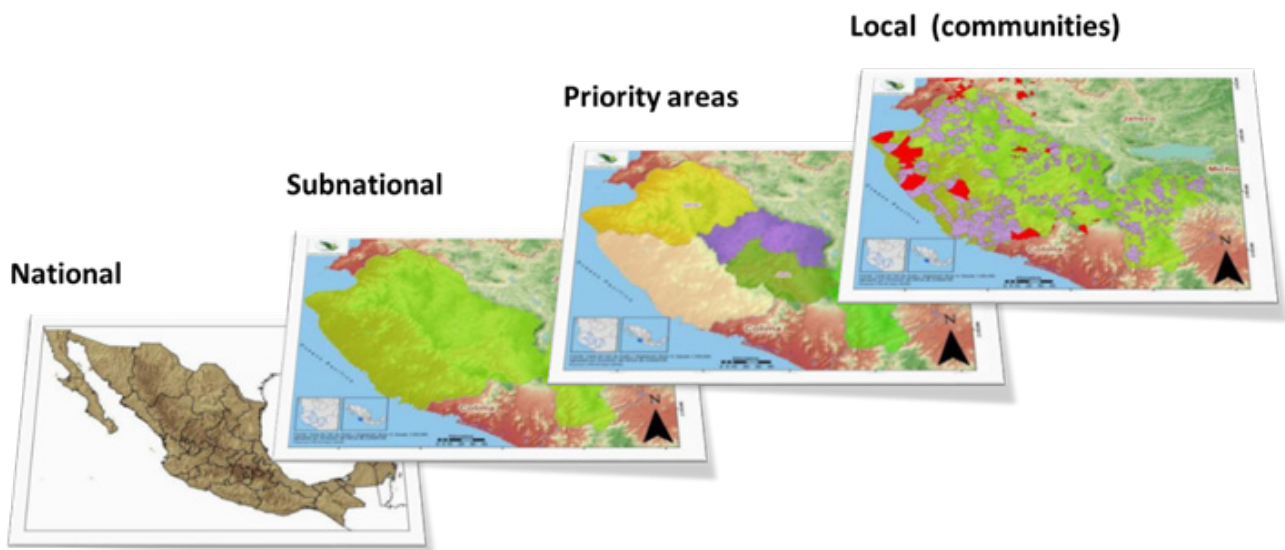
REFLECTION POINT

Of the above listed PAMs, which do you think would be most useful in your own country context? Can you think of any others?

AN HOLISTIC APPROACH

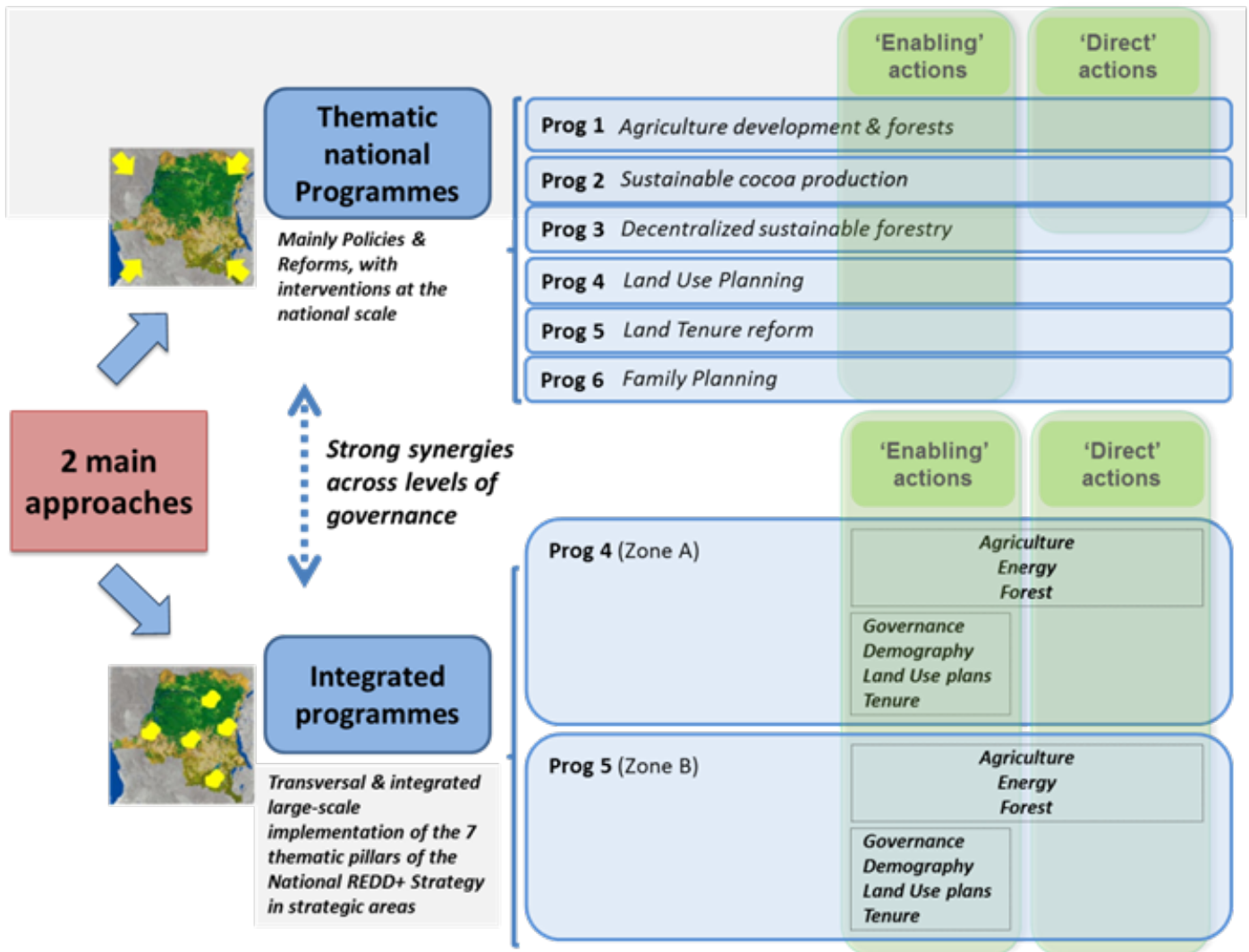
The approach adopted by countries to address their drivers of deforestation and forest degradation will be guided by national circumstances. While “low hanging fruits” (actions which can be easily implemented and will lead to quick and direct results) may be identified in some countries, in most cases the picture will be more complex, involving multiple and interacting direct and underlying drivers of deforestation and forest degradation – and barriers to the implementation of “+” activities. Effective REDD+ strategies are therefore likely to require a set (or “package”) of PAMs aimed at addressing priority direct and underlying drivers, and barriers, in a comprehensive way, taking into account other REDD+ related PAMs the country might have in place (filling gaps, avoiding inconsistencies and reinforcing existing ones).

In the same way, REDD+ implementation is likely to require coordinated interventions at multiple levels of governance, from national to subnational and local levels (Figure 8.2). These various levels of governance encompass diverse stakeholders, including decision-makers, influential actors and agents of deforestation and forest degradation, each with different interests and implementation capacities. As relevant in their national context (i.e. governance structure), countries may find it useful to reflect on their PAMs through these various levels of governance, ensuring that PAMs at higher levels have a catalytic effect at the lower levels and address some issues that the lower levels cannot.



■ Figure 7.2 REDD+ IMPLEMENTATION SCALES - source: CONAFOR

The Democratic Republic of Congo (DRC) is a vast country with high forest cover. Deforestation, though arguably relatively low at the national level, is concentrated around “hotspots”. In order to ensure efficiency and effectiveness, DRC has decided to focus REDD+ efforts on a couple of integrated large-scale subnational programmes in key areas. Following a multi-layered approach, reforms (land tenure) and thematic programmes (land use planning, agriculture) will be implemented at the national level, providing necessary guidance and support to subnational programmes (referred as “Zones” in figure 7.3). The national level will also ensure coordination and consistency across these various initiatives (e.g. methodologies, tools and data).



■ Figure 7.3 STRATEGIC APPROACHES TO REDD+ IMPLEMENTATION PLANNING IN THE DRC, COMBINING THEMATIC PROGRAMMES AND REFORMS AT THE NATIONAL LEVEL WITH TRANSVERSAL INTEGRATED SUBNATIONAL INTERVENTIONS - source: Investment Plan 2013-2016 – National REDD+ Fund. Democratic Republic of Congo

Argentina is a fairly big country with low forest cover and a federal governance system. The country experiences deforestation around 'hotspots' located in the northern provinces. In the early stages of its readiness process design, Argentina decided to focus REDD+ efforts on a couple of Provinces. It is anticipated that most of the specific REDD+ actions might take place within the domain of specific provincial jurisdictions. In the same way, the national level has still a major role to play to ensure coordination and consistency across the prioritized provinces, through the national policy framework as well as technical approaches.

ANALYTICAL WORK TO SUPPORT PAM IDENTIFICATION AND DESIGN

ANALYSING THE DRIVERS AND BARRIERS

A thorough **qualitative** and **quantitative assessment** of the DDFD, related agents, causes, processes, locations and their relations to the various REDD+ activities is key to identify the most appropriate actions to tackle them. Rather than seeing the analysis of DDFD as a "one-off" study, it should be seen as an iterative process, to be repeated over time as circumstances, drivers and barriers evolve. Building on existing knowledge and information, understanding should be deepened over time as required. Analysis of DDFD should be undertaken by engaging with the different sectoral actors (civil society, private sector, NGOs, etc.) in order to paint a comprehensive picture and facilitate a shared understanding of the findings.

To identify DDFD, studies that take into account **spatial** and **socioeconomic factors** are key. Such studies can assess a wide range of drivers including: population growth; fuel wood use; forest-related policies and tenure systems in place; pressure from small-scale agricultural expansion; pressure from larger agricultural activities like soy and palm oil production; construction of dams, roads, urban areas; mining and oil and gas development; government concessions; and governance failures including weak capacity and corruption.

The strong **influence** and **interactions of underlying drivers** (e.g. governance) on direct drivers should be analysed to understand the feasibility of addressing the direct drivers, and design adequate comprehensive, effective interventions. Analysis of the interactions between the indirect and direct drivers may require a range of analytical approaches (e.g. of fuelwood value chains, decision-making processes in land allocation, fiscal frameworks). Complementary assessments may also be necessary to inform policies for the implementation of "+" activities (conservation, enhancement and sustainable management of forests), by understanding the barriers to the effective implementation of these REDD+ activities.

The **spatial distribution** of direct and indirect drivers should also be analysed, as well as the different agents of deforestation and forest degradation and actors of influence (e.g. political and customary authorities, economic agents) involved, in- and off-site. The relative weight of the various direct drivers in terms of emissions should be evaluated and, whenever possible, quantified. Insights into how each direct DDFD (and/or barrier to the "+" activities) may relate to the five REDD+ activities will also be useful for subsequent decision-making, as will **future trends and expected changes to these drivers**. More information on the analysis of drivers can be found in **Module 3: Drivers of Deforestation and Forest Degradation**.

OTHER ANALYTICAL WORK

DECISION-SUPPORT TOOLS

People involved in developing PAMs for REDD+ are often faced with challenging situations due to the wide range of affected stakeholders, the presence of conflicting interests, and limited availability of information on the consequences of specific choices. A growing and diverse range of tools and guidance are available to assist REDD+ decision-makers. These materials have been developed with different kinds of challenges and decision-making contexts in mind.

Decision points can include:

- How to integrate REDD+ (and, more broadly, green economy) considerations into national development objectives;
- The types of PAMs that could be implemented;
- The setting of targets for the implementation of each PAM (e.g. size of the area to be covered);
- The prioritization of locations where these should be implemented.

Decision-support tools can take many forms, ranging from guidance documents and flowcharts to techniques for visualizing decision-relevant information and sophisticated software.

There are many examples of decision-support tools that might be useful for PAMs analysis, including:

- IDRISI Selva Land Change Modeller (LCM);
- The High Conservation Value Forest (HCVF) Toolkit;
- World Bank Workbook for estimating opportunity cost of REDD+;
- UN-REDD Benefit and Risks Tool (BeRT).

Module 4: National Strategies and Action Plans provides a more in depth discussion on the use of analytical tools.

SPATIAL MAPPING

Maps can be used as decision-support tools for REDD+, helping planners and stakeholders to:

- Better understand the context for REDD+ planning (e.g. maps of forest cover, land use, current/planned infrastructure development and/or population distribution);
- Analyse the suitability of locations for different land uses and priority areas for REDD+ actions;
- Provide inputs for sub-national planning.

For example, the location of pressures, such as oil and gas exploration and population growth, can help identify where REDD+ implementation may be most feasible (see figure 7.4 below).

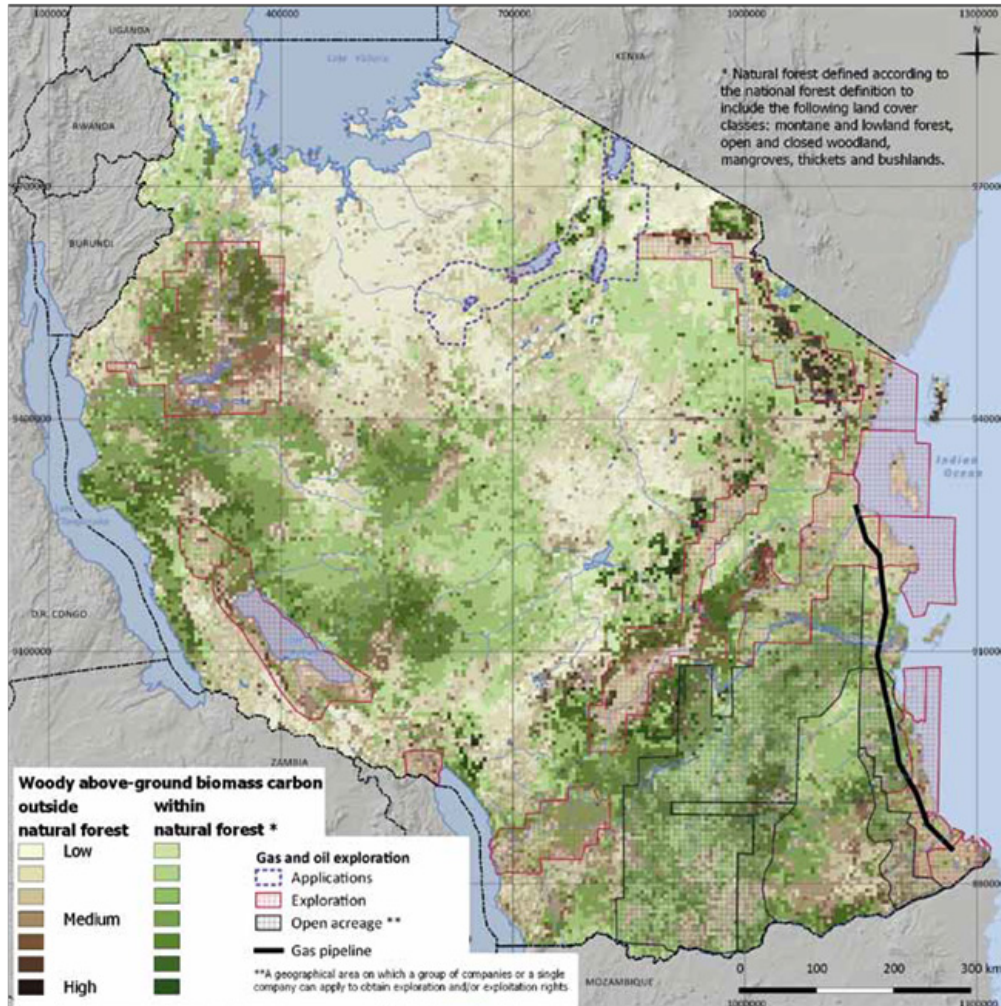


Figure 7.4 MAPPING OF MULTIPLE LAND USES FOR REDD+ PLANNING IN TANZANIA - source: UNEP-WCMC

Maps can help identify locations where certain REDD+ actions can enhance social and environmental benefits (e.g. where biodiversity conservation can be promoted). It is important to be clear what question each map is intended to address (requiring consultation with the users of the maps), as well as validating the results and exploring with stakeholders how they can best be presented and distributed.

Many decision-support tools relate to spatial planning, which is key in the context of REDD+. In a context of demographic growth and constant pressure from the various land use sectors (e.g. agriculture and mining), spatial planning is a useful tool to promote the coherent use of available land and natural resources, including forests.

Land-use planning for REDD+ helps to assess alternative uses for land (within limited resources) and propose optimized land and natural resources allocation in order to achieve national development priorities while managing REDD+ objectives. It also helps to identify priority locations for the implementation of REDD+ actions and associated costs, while enhancing potential benefits and reducing potential risks.



REFLECTION POINT

Do you think effective PAMs could be developed using only maps? Why/Why not?

ECONOMIC TOOLS

Economic decision-support tools are also important. These have evolved from simply estimating the costs of emissions mitigation to more sophisticated approaches that are integrated with spatial analyses. Economic tools can help assess the costs of REDD+ implementation (opportunity, implementation and transaction costs) and estimate the value of benefits. Further, they can be employed in the planning process to explore how REDD+ objectives can be achieved while working towards broader national development objectives, exploring the costs and benefits of various scenarios.

Various spreadsheet tools for the analysis of REDD+ costs and benefits exist, some of which include all of the costs (i.e. opportunity, implementation and transaction) as well as multiple benefits. These can be useful for broad analyses of options. A specific REDD+ costs and benefits GIS tool is currently in development under the UN-REDD Programme which will be able to carry out a range of REDD+ spatial economic analyses by changing underlying cost and benefit assumptions.

When selecting tools and resources, a number of questions may be relevant:

- Can all criteria and options for PAMs that are relevant to the decision be covered by the tool/resource? (If not, can the tool/resource be combined with others?)
- Is the tool compatible with the spatial scale at which it is to be applied?
- How much time, expertise, technical capacity and money is needed to apply the tool?
- Is the data and information that is available for the application of the tool sufficient to achieve meaningful results?
- Can the tool provide datasets/layouts that are compatible with other tools the government might use for land-use planning and/or decision making?
- Can the priorities and targets for multiple benefits that result from relevant policies and stakeholder interests be appropriately reflected in the application of the tool?
- If not, are there other economic (or non-economic) tools available to appropriately reflect these priorities?

DESIGNING AND IMPLEMENTING NATIONALLY-APPROPRIATE REDD+ PAMS

Considering the diversity of direct and indirect drivers, the range of potential REDD+ PAMs

to address these may be numerous and diverse. As part of the NS/AP design process, and building on the analytical work, various strategic considerations may help frame the identification and selection of the most relevant PAMs. This relates ultimately to the country's vision for REDD+ and may include an assessment of the priority REDD+ activities, the scale at which REDD+ will be implemented and where or which priority drivers to address. These considerations may help ensure a more strategic and focused PAM design and consultation process, increasing cost-effectiveness and likelihood of successful implementation.

The PAMs decision-making process will include many dimensions, from mitigation potential to estimated costs and (multiple) benefits, to existing PAMs, political priorities and acceptability. Additionally, the process and resulting PAMs might also face opposition coming from various stakeholders. This highlights the importance of effective and comprehensive stakeholder engagement throughout the PAM design process.

STRATEGIC CONSIDERATIONS ON THE SCOPE AND SCALE OF REDD+ AND PAMS IMPLEMENTATION

Building on the analytical work, the long-term vision for REDD+ in a country and various political, socio-economic and technical considerations (cf. **Module 4: National Strategies and Action Plans**), at an early stage countries should consider their strategic options in terms of scope and scale for REDD+ implementation.

Among other things (including financial, institutional and legal implementation arrangements), scope and scale considerations will impact the decision-making process on PAMs. Strategic decisions on scope and scale for REDD+ implementation may be taken at various stages during the readiness process. Accordingly, PAMs may be refined in a step-wise manner.

Defining the scope of REDD+ requires analytical work on which of (or combination of) the five REDD+ activities to implement. Defining the scale requires strategic analysis of, and consultation on, the scale of implementation of REDD+ PAMs, either at the national or subnational scale, or a combination of the two.

SCOPE OF REDD+

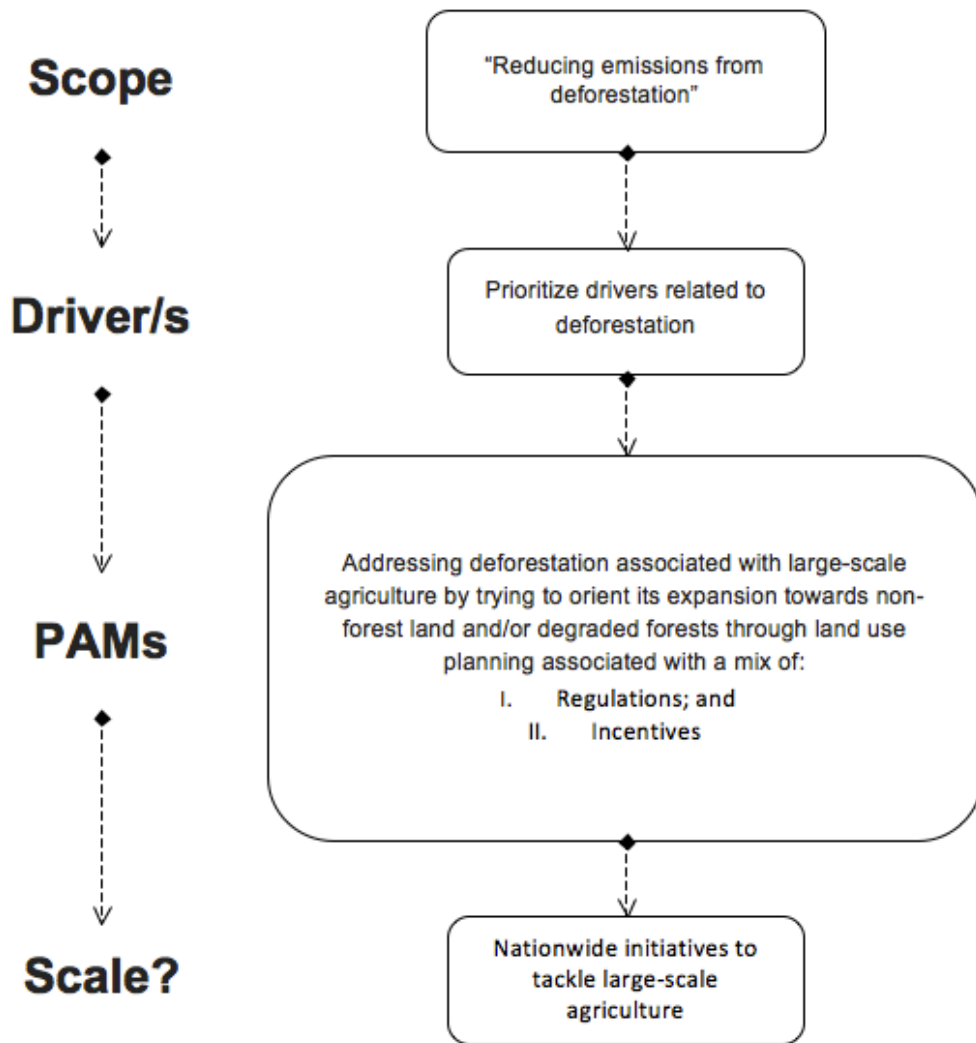
The scope of REDD+ activities relates primarily to which of (or combination of) the five REDD+ activities a country chooses to implement. For more information on the scope of REDD+, including the various elements that may contribute to decision-making on it, please refer to **Module 4: National Strategies and/Action Plans**.

Decisions on scope of REDD+ may have an important impact on which drivers and/or barriers may be the most relevant to address, and subsequently on the most appropriate PAMs to adopt to address these.

For example, a country deciding to focus on the implementation of the "Reducing emissions from deforestation" activity may want to prioritize the drivers related to that activity. In such a case (in the context of these drivers being significant in that country), it may consider addressing deforestation associated with large-scale agriculture by trying to orientate its expansion towards non-forest land and/or degraded forests through land use planning

associated with a mix of (i) regulations (e.g. law banning the expansion of commercial agriculture into primary forest, associated with satellite-based monitoring and law enforcement efforts) and (ii) incentives (e.g. facilitated access to land titles or concessions, infrastructure development, or tax cuts).

In this case, addressing legal industrial (selective) logging may then not be strategic as it is a driver of degradation rather than deforestation. However, if a country decides to also implement “Reducing emissions from degradation” and/or “Sustainable management of forests” activities, then that driver of degradation may be relevant and the country may consider the emissions reduction potential as well as costs and (multiple) benefits associated with, for example, regulations and incentives to support certification schemes and the adoption of reduced impact logging techniques.



■ Figure 7.5 STRATEGIC CONSIDERATIONS ON THE SCOPE AND SCALE OF REDD+ AND PAMS IMPLEMENTATION



REFLECTION POINT

Has your country decided on its scope of REDD+ implementation? Do you know why?

SCALE

The UNFCCC allows flexibility for countries to start developing their FREL/FRL, and monitor and report, at a subnational scale as an interim measure (Decision 1 CP/16, 71b and c). In this context, the scale of REDD+ refers primarily to the geographical area in which the country will take responsibility for implementing REDD+ towards RBPs. A NS/AP, nevertheless, should be developed at the national scale, as should the SIS (Decision 1 CP/16, 71a and d). For more information on the scale of REDD+, including the various elements that may contribute to decision-making on it, please refer to **Module 4: National Strategies and Action Plans**.

- In most countries, REDD+ implementation is likely to focus at least partly on one or several key areas: for example on hotspots of deforestation and/or forest degradation, or areas where the potential of the “+” activities is particularly significant. Decisions on scale and priority areas will have significant implications for PAMs, as they will influence key issues such as: The relevant drivers to address;
- The agents to engage;
- The capacity required to implement actions; and
- The costs and benefits resulting from implementation, as these may vary greatly from one area of the country to the other.

Therefore, though actual decisions on scale may be taken at very different points in time during the readiness process, considering it early on in the process may help focus the analytical work and consultations (e.g. type and geographical scope of studies) to inform the PAMs selection process adequately.

STRATEGIC CONSIDERATIONS ON THE DRIVERS OF DDFD

Building on the analytical work on the DDFD, and deepening it further as required on specific thematic issues (e.g. fuelwood value chain) and/or geographical areas, the country may consider which strategic direct driver(s) it wishes to address as a priority. Such a prioritization exercise may be done considering, among other things:

- The significance of each direct driver in terms of emissions from deforestation/forest degradation, or potential for removals from “+” activities;
- Scope and scale;
- Political priorities;
- The capacity to tackle the driver (technical capacity, political capital required, actors involved);
- Implementation cost;
- Potential REDD+ safeguards triggered; Non-carbon benefits that will be strengthened based on the selected PAMs.

This prioritization process may be useful for the country to direct its discussions and subsequent consultation efforts and resources on the most relevant drivers and/or barriers and geographical areas where they are at work. Nevertheless, a country may decide to look at all drivers comprehensively with the aim of developing a broad implementation framework that will be narrowed down at a later stage. This latter stage may relate to investment planning at the national level once financial resources have been secured, or at the subnational level once priority geographical areas have been defined.

During the process of assessing the feasibility of addressing various drivers, countries may find that addressing underlying drivers may not be feasible or effective for a number of reasons, including market forces (e.g. pressure from the international commodity market) or the political capital required to address the driver (e.g. modification of the legal or fiscal framework). This may limit the capacity of the country to address the associated direct driver. This highlights the importance of an adequate understanding of the underlying drivers and their links to the direct drivers.

A further consideration is the capacity of a country to implement appropriate and effective technical solutions (i.e. PAMs), or alternatives, to a driver, and to effectively address it and its associated costs. In sum, the most significant driver(s) in terms of potential emissions reductions and/or enhanced removals may not always be the most strategic to address. Such driver(s) may be addressed more effectively at a later stage when the political and financial environment is more conducive.

The selection of drivers should be considered in a pragmatic stepwise approach, ideally framed within an ambitious vision for REDD+ implementation as part of the sustainable development process.

A MULTI-DIMENSIONAL SELECTION PROCESS FOR PAMS

The various strategic considerations mentioned previously (priority REDD+ activities, geographical areas and DDFD) can facilitate a strategic and focused PAMs development process. Figure 7.6 presents a non-exhaustive list of dimensions to take into account in the decision-making process for PAMs.

Developing a theory of change can be a useful next step. A theory of change is a plan or hypothesis of how a set of interventions will achieve its intended long-term objectives and goals. It explains the expected process of change, outlining the various necessary preconditions and cause-and-effect assumptions. In the case of REDD+, this would involve assessing how the various PAMs (inputs) are, together, expected to lead to carbon results (impact) and potentially other goals. It may help to unravel the often complex web of interventions required to bring about change, the underlying assumptions and associated risks. Having worked out a theory of change, practitioners can make more informed decisions about strategy and tactics, which may be improved and refined over time through consultations and further analytical work.

From the many PAMs that might be relevant for achieving their REDD+ objectives, countries will have to prioritize options. This is likely to be based on a number of factors, including:

- The mitigation potential of the REDD+ activities in their national context;
- The capacity (at national and subnational levels) to implement PAMs effectively and efficiently;
- The ability of the NFMS to measure the outcome of the overall package of PAMs;
- The ability to monitor the implementation and, as relevant, the outcome of some individual PAMs (e.g. regeneration);
- The likely costs and (multiple) benefits of the PAMs, as well as potential risks;
- Alignment with national (and/or subnational) development priorities and plans;
- Political acceptability / support for particular actions;

- The nature and scope of existing forestry policies and plans, and other existing REDD-relevant PAMs;
- Potential for (national/bilateral/multilateral) funding for PAM implementation;
- Potential safeguards triggered.



■ Figure 7.6 DIMENSIONS TO CONSIDER IN THE DECISION MAKING PROCESS ON PAMS
- source: UN-REDD Programme

The likely costs and multiple benefits of potential REDD+ actions, and the risks associated with them, should be assessed (in conjunction with the work on safeguards). This should consider the mitigation potential, as well as socio-economic and environmental aspects. The way the PAMs fit into existing development, policy and regulatory frameworks should also be considered and synergies sought whenever possible, as this may influence their political acceptability as well as opportunities to catalyse REDD+ investment from non-REDD+ sources (i.e. national budget, ODA, private sector). When needs for reforms have been identified, the feasibility of their implementation in terms of the required political capital as well as the timeframe of such processes should be considered.

The relevance of PAMs should not necessarily be assessed in isolation, but instead PAMs should be viewed in terms of a coherent package of REDD+ actions sequenced over time, that address both direct and underlying drivers. Potential or necessary synergies and catalytic effects between PAMs implemented at the national, subnational, and local levels should be considered (e.g. policy or regulatory reforms supporting the implementation of actions at the subnational level).

PARTICIPATORY DECISION-MAKING AND SELECTION PROCESS

When defining the scope and scale of REDD+ actions and related PAMs, it is important for countries to consider the need for equitable and participatory decision-making processes involving all relevant stakeholders, including civil society, government, local communities and marginalized groups (e.g. indigenous people, women and youth). Without adequate participation, it may be challenging to identify and prioritise, and then effectively implement, REDD+ PAMs.

Promoting meaningful and gender-equitable stakeholder engagement, including with marginalized groups, is likely to facilitate the design, implementation and monitoring of effective, efficient and sustainable REDD+ actions¹, especially at the subnational level. Among other options for participatory methodologies, building a theory of change is an accessible way to create a commonly understood vision of long-term goals, how they will be reached and how progress will be measured.

Countries will need to strike a balance between the level of participation in the process, and its efficiency and cost-effectiveness, while being mindful of the risk of raising expectations (e.g. some areas may ultimately not be considered for REDD+ investment). It is therefore essential to ensure that the relevant stakeholders are involved at the right time, at the adequate level and through the appropriate engagement channels. Engaging local communities and marginalized groups in target areas while designing subnational REDD+ interventions will be essential. This should be done in ways that facilitate active and meaningful participation by all people (regardless of their initial level of awareness of REDD+) in discussions and legal processes around such issues.

Engaging stakeholders while making strategic decisions at the national level on elements that are not directly relevant to them may lead to confusion and unrealistic expectations. It may then be more relevant to engage with civil society groups that represent their interests meaningfully. There is no ideal recipe: stakeholder engagement is a necessary exercise that should be undertaken with structure, pragmatism and transparency, according to the country context. Similarly important in the PAM design and decision making process is the active participation of government agencies with mandates in different sectors, as well as those stakeholders directly related to the drivers of deforestation and forest degradation (such as the private sector agro-industry) or those who can act as catalyst for mobilizing resources to facilitate the PAM implementation. More guidance on the involvement of stakeholders can be found in **Module 11: Public Awareness and Stakeholder Engagement**.

PAM IMPLEMENTATION FINANCING STRATEGY

The financing strategy for REDD+ is likely to influence the country vision for REDD+ and the related choice of PAMs. This includes identifying and accessing funding sources for the

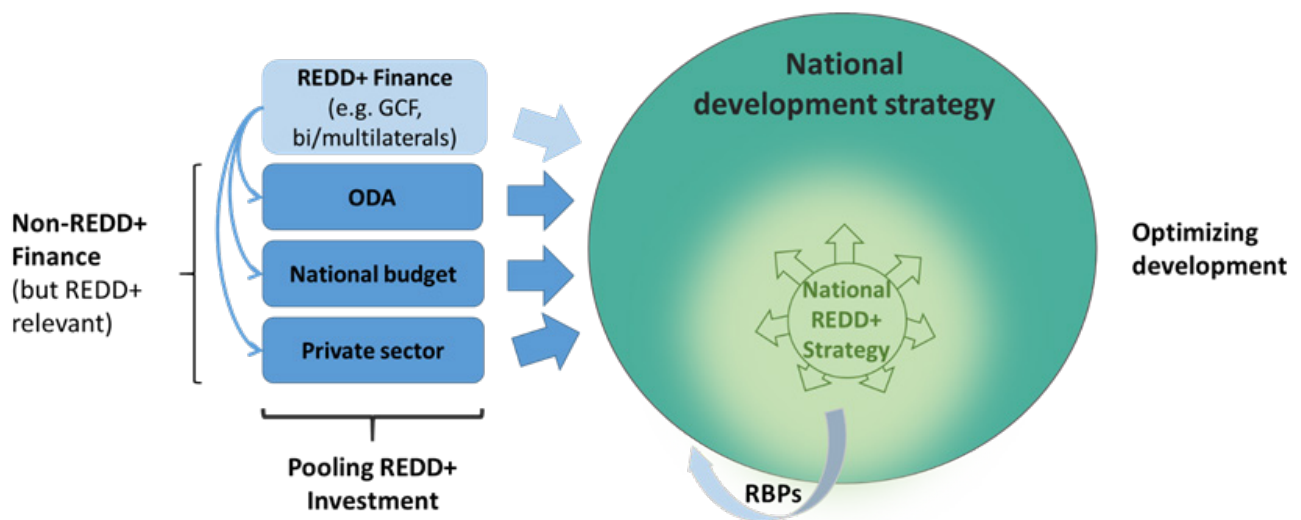
1 See UN-REDD's "Business Case for Mainstreaming Gender in REDD+"(2011) located [here](#), and UN-REDD's "Guidance Note on Gender Sensitive REDD+" (2013) located [here](#).

implementation of PAMs as well as securing financial commitment for RBPs. International finance for PAM implementation may come from a number of private or public sources, such as:

- Bilateral agreements;
- Multilateral programmes, including the World Bank’s Carbon Fund;
- Green Climate Fund (payments for REDD+ results);
- Private sources (though the mechanism for this is not yet well-defined).

In addition, depending on the country context, domestic sources of finance may also be important for PAM implementation, which will support national ownership and long-term sustainability of REDD+ implementation. Alignment with, and integration of, REDD+ objectives and PAMs into national priorities and existing programmes may facilitate this process. In Mexico, REDD+ is seen as an additional opportunity to achieve the national objective and programme of integrated rural development. REDD+ is piloted as such in three Mexican States.

REDD+ finance, whether from domestic or international sources, is unlikely be able to compete with the level of finance supporting some drivers of deforestation (e.g. subsidies or direct investments in agriculture). In these cases, REDD+ funding could be deployed to help influence sectoral objectives and/or related policies and programmes, rather than directly compete economically with the driver(s). This may include supporting the revision of the wider fiscal framework towards a win-win scenario of more efficient incentives both in economic and sustainability terms.



■ Figure 7.7 POOLING FINANCIAL RESOURCES TOWARDS AN OPTIMIZED REDD-COMPATIBLE DEVELOPMENT - source: adapted from DRC National REDD+ Framework Strategy

Cost analyses and financial planning can serve two objectives:

- I. Contribute to the prioritization of options during the strategy development process (i.e. financially unviable PAMs can be eliminated or their design modified);
- II. Reflect strategy implementation costs once the strategic options are made. This can help to:
 - Quantify the nature and timing of expenditures the country will incur;

- Identify sources of finance;
- Redesign strategic options to create profitable land use activities (such as modify fiscal policies to make a REDD+ land use activity profitable);
- Help design national financial management arrangements to properly channel funds to implement the strategic options.

A more in depth discussion on finance for REDD+ activities can be found in **Module 9: REDD+ Finance**.

LINKING SAFEGUARDS PROCESS WITH PAM DESIGN

The PAMs and safeguard/SIS design processes may evolve in parallel and involve different stakeholders, but feedback loops and synergies should be ensured. The PAM selection process may contribute to more grounded and focused discussions on safeguards.

REDD+ PAMs designed through a coordinated REDD+ implementation process have the potential to yield multiple benefits to stakeholders. This may include resolving possible issues and gender inequalities with forestry policies, land tenure, administration and management, forest resource use and rights, and funding structures. Conversely, without adequate planning or consideration of safeguards PAM design may result in increased risks and reduced benefits and acceptance.

The choice of PAMs, the location in which they will be implemented and their actual design will influence the ways in which the REDD+ safeguards should be addressed and respected, e.g. which stakeholders should be engaged, and how gender considerations should be accounted for. Awareness of social, environmental and economic benefits and risks of different PAMs will therefore be important in REDD+ planning.

The UN-REDD Programme's Country Approach to Safeguards (CAS) aims to help countries following UNFCCC guidance to ensure social and environmental risks are reduced and benefits enhanced (e.g. through the application of the Country Approach to Safeguards Tool, CAST). The approach helps countries to understand UNFCCC decisions and how they relate to their specific context (e.g. review of relevant policies, laws and regulations). It may also help identify potential social and environmental risks and benefits of proposed REDD+ PAMs (e.g. through the application of the Benefits and Risks Tool, BeRT).

Approaches that can encourage and promote participatory and gender-equitable PAMs decision-making and selection process include:

- Identifying the roles played by men and women within communities, e.g. gender dimensions of the drivers of deforestation and forest degradation;
- Analysing whether existing PAMs:
 - I. Exclude or restrict rights of certain groups;
 - II. Account for gendered roles in REDD+; and
 - III. Are consistent with existing country policies on gender equality;
- Actively involving women in decision-making processes, and creating opportunities for them to influence policy making (e.g. establishing quotas);
- Accounting for women's and men's contributions and constraints in designing and undertaking awareness and capacity building workshops/events;
- Coordinating and involving government ministries responsible for women's

- empowerment, youth and gender issues and promoting the involvement of women's and indigenous groups in decision-making processes;
- Acknowledging both women and men's rights over forest resources and in land tenure policies.

More information on safeguards can be found in **Module 8: Safeguards**.

ADDRESSING ECONOMIC DRIVERS

A lot of direct and underlying drivers of DFDD are economic in nature, because it often makes economic sense to convert forests to other forms of (productive) land use. Nevertheless, this process is sometimes driven by governments providing economic incentives that stimulate conversion of forests by, for example, issuing licenses for new plantations or providing subsidies or tax breaks or cheap credit that increases the pressure on forests. This section looks first at the role of the private sector and then turns to the role that governments can play to incentivise a change in behaviour of private agents that drive deforestation by changing economic incentive structures.

THE ROLE OF THE PRIVATE SECTOR

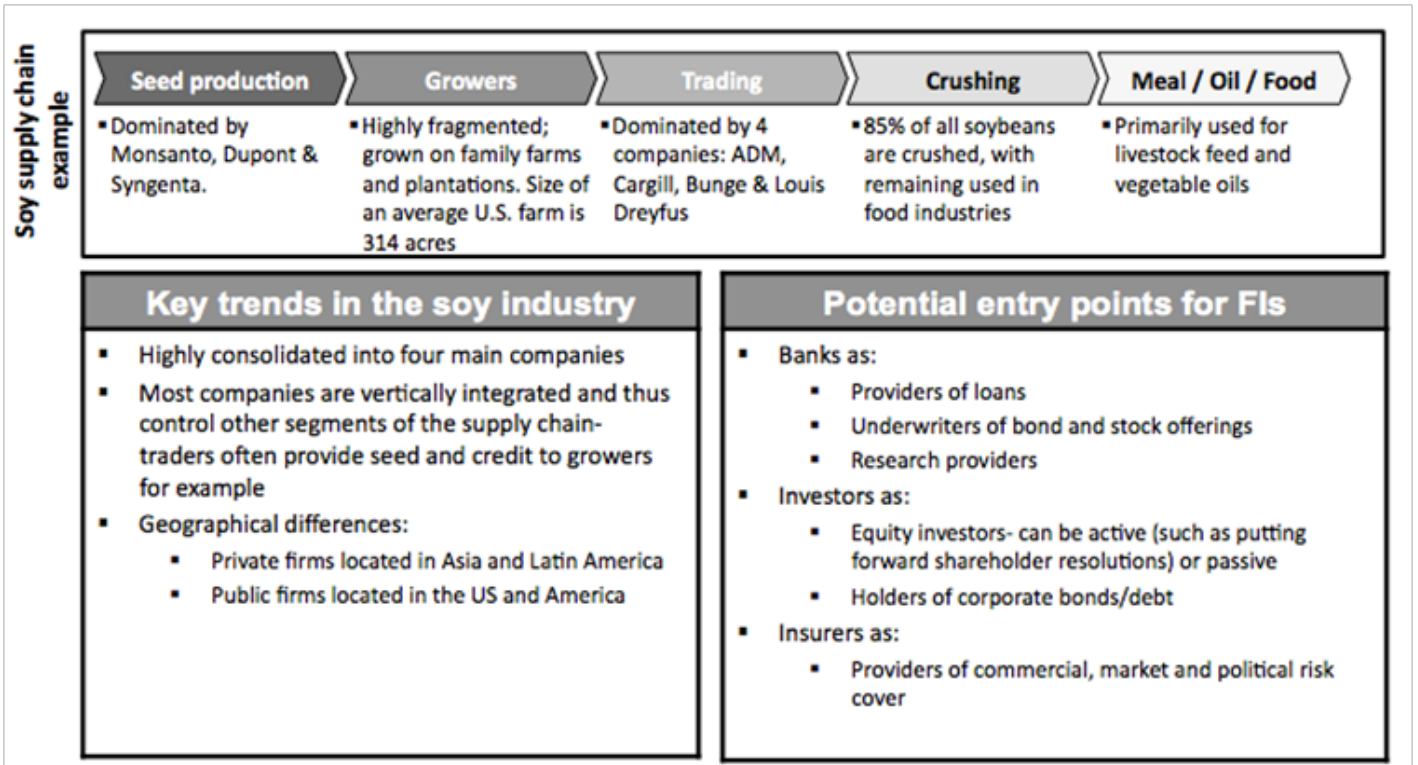
A lot of private sector companies have either a direct impact on forests or indirect impacts through their supply chains. Production of agricultural commodities such as palm oil and soy are among the most significant direct drivers of deforestation, accounting for an estimated 80% of deforestation worldwide (Geist and Lambin, 2002²; Gibbs et al., 2010³; Kissinger et al., 2012⁴). At the production end of the supply chain are agricultural companies clearing forest for palm oil, soy, rubber, coffee, cocoa, sugarcane, aquaculture, cattle ranching or other products, forestry companies harvesting timber, and mining companies clearing forests as part of their extraction activities. Further along the supply chain are the traders, processors, manufacturers and retailers that process and sell the products to the consumer. Along the supply chains there are different types of financial institutions such as banks and financial institutions that provide debt, equity and other forms of capital and insurance companies that provides different types of insurance coverage. See Figure 7.8 for an example of the soy supply chain.

Especially the traders in this soy supply chain are highly concentrated with four main companies accounting for a large market share. These companies are typically vertically integrated, which means they control segments of the supply chain both upstream (the production) as well as downstream (processing and retailing). For example traders often provide seed and credit to growers.

2 Geist, H., Lambin, E., 2002. Proximate causes and underlying drivers driving forces of tropical deforestation. *Bioscience*, 52(2): pp 143-150. Available at: <http://bioscience.oxfordjournals.org/content/52/2/143.full>

3 Gibbs, H.K. Ruesch, A.S, Achard, F. Clayton, M., Holmgren, P., Ramankutty, N., Foley, J.A. 2010. Tropical forests were the primary sources of new agricultural land in the 1980s and the 1990s. *PNAS*, 107(38): pp 1-6. Available at: <http://www.pnas.org/content/107/38/16732.short>

4 Kissinger, G., Herold, M., de Sy, V., 2012. Drivers of deforestation and forest degradation: A synthesis report for REDD+ policymakers. Lexeme Consulting, Vancouver, Canada. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/66151/Drivers_of_deforestation_and_forest_degradation.pdf



■ Figure 7.8 EXAMPLE SOY SUPPLY CHAIN - source: WWF

Besides the agricultural value chain, mining and infrastructure companies as well as urban expansion are other important but less prominent drivers of deforestation. (Commercial) timber extraction and logging activities account for more than 70% of total degradation in Latin America and (sub)tropical Asia. Fuel wood collection, charcoal production, and, to a lesser extent, livestock grazing in forests are the most important drivers of degradation in large parts of Africa (Kissinger, 2012). At every stage, these public or private actors can range from multinational organisations to small local companies.

THE CATALYSING ROLE OF THE FINANCIAL INDUSTRY

Financial intermediaries (banks, institutional investors) are also critical to the functioning of most of the global commodity supply chains driving deforestation and forest degradation. Many productive activities related to land use, such as growing, harvesting or trading products, usually require one or more enabling financial transactions. Banks play an important part by providing loans, as underwriters of bond and stocks (guaranteeing the sale of debt or equity securities). Investors can invest either in privately owned companies (buying private equity for in firms) or by investing in publicly listed companies (buying stocks for in companies). Bonds are another form of investment which allows companies to borrow money for generally longer periods of time at cheaper rates than the conditions provided by banks. Insurers provide various types of insurance coverage to producers, processors and retailers.

■ Box 7.9 BANK AND INVESTOR RISK POLICIES ON SOFT COMMODITIES - source: WWF

Banks and investors can develop a business case to implement soft commodity risk policies that require clients to adhere to certain minimum standards that reduce forest loss as a condition to providing loans or investments. However, in the absence of rigorous risk models, a growing number of banks and investors are taking intermediary steps to voluntarily develop policies that require certain environmental or social practices and standards from clients and investee companies. In the context of forests and REDD+, such policies may be aimed at reducing access to financing for the most harmful activities by a corporation that lead to deforestation or forest degradation. Policies may also stimulate clients to move towards more sustainable operations and supply-chains for example through sustainable certification standards for soft commodities.

The Natural Capital Declaration (NCD), an initiative managed by UNEP Finance Initiative (UNEP FI) and Global Canopy Programme, currently signed by more than 40 CEOs of financial institutions and supported by more than 30 non-financial organisations, aims to mainstream the integration of natural capital indicators (such as deforestation rates, water scarcity, etc.) in the credit risk analysis of loans and in the valuation of bonds and equities. One of the pilot projects focuses on encouraging financial institutions to develop soft commodity risk policies (UNEP, forthcoming)⁵. This project has uncovered the following:

- 47 per cent of financial institutions evaluated encourage or require companies to avoid land use conversion in High Conservation Value (HCV) areas, and to respect the rights of local communities.
- 13 per cent of financial institutions assessed have developed financial products and services aimed at promoting the production and trade of sustainable commodities.
- 37 per cent of the thirty financial institutions that were reviewed refer to legal compliance in their soft commodity risk policies. Some financial institutions include this requirement in agreements with clients rather than in public documents. Publicly disclosing requirements for compliance in financial transactions can provide an important signal to borrowers or investee companies, particularly in countries with weak regulatory enforcement.
- The International Finance Corporation (IFC), the Dutch development bank FMO, HSBC and Sumitomo Mitsui Trust Holdings have developed products and services to support the transition to sustainable commodities production and consumption, often through preferential terms.

In order for bank and investor risk policies to be effective in terms of achieving REDD+ results, it is likely necessary for governments to mandate certain minimum standards that apply to the entire industry in order to provide a level playing field. Another important consideration is that such measures will likely only be effective in countries where producers (and processors) depend on the formal market to obtain debt. In countries where producers of soft commodities have opportunities to obtain capital from the informal market, including family members or local community funds, the effect may be more limited.

⁵ UNEP, 2015. Forthcoming "Bank and Investor Risk Policies on Soft Commodities: A framework to evaluate deforestation and forest degradation risk in the agricultural value chain. United Nations Environment Programme"

DEVELOPING A SOLID BUSINESS CASE

There is currently no solid business case for any entity, public or private, along the supply chain to produce, process and retail in such a way that growth in revenues is decoupled from impacts on forests. Similarly, there is little incentive for financial institutions at present to allocate capital in such a way that it stimulates public and private clients or investee companies to act in a more environmentally or socially sustainable manner that leads to lower forest carbon emissions. In order to address the economic drivers of DFDD it is important to look at what incentives can be provided – economic or regulatory – to change this. This can range from stimulating the sustainable management of timber by disallowing illegally sourced timber to enter important consumer markets (such as FLEGT is aiming to achieve in Europe).

Consumers are also important actors. There are more and more efforts by governments to stimulate the sustainable consumption (for example through tax breaks or subsidies) as well as to enhance the awareness of the consumers that they have an important role to play in making supply chains more sustainable by shifting their consumption patterns towards buying more products that are produced and sourced in a (more) sustainable manner.

While the private sector is currently a major driver of emissions from deforestation and forest degradation, it can also be part of the solution. Specifically, the private sector can contribute to REDD+ implementation in three key areas (Henderson et al., 2013)⁶:

- **Innovation:** Incorporating new systems, knowledge, technologies and practices into their operations to decouple production from resource consumption and environmental degradation, while still boosting efficiency, productivity and profits;
- **Investment:** The UNEP Green Economy report suggests that an average annual additional investment of US\$40 billion will be required to halve global deforestation by 2030 and to increase reforestation and afforestation by 140 percent by 2050, relative to business as usual. Given the current strained state of public finances globally, in the wake of several financial crises, private sector capital will be essential to meeting this requirement;
- **Implementation:** As the largest terrestrial land users, the private sector will be heavily involved in activities on the ground required to transition to a green economy.

Unlocking the potential of the private sector requires the current paradigm to change, and major structural issues to be addressed. Market signals that can be influenced by subsidies, taxation, pricing, regulation and land tenure issues often contribute to making deforestation a profitable activity (TEEB, 2010)⁷. Ensuring that this new paradigm is efficient, effective and equitable will require close coordination and collaboration between the public sector, private sector and civil society (Henderson et al., 2013). However, with the right incentives – economic and regulatory – mandated by national governments through a variety of PAMs, the private sector can be part of the solution if some of the above-mentioned issues are addressed.

6 Henderson, I., Coello, J., Fischer, R., Mulder, I., Christophersen, T., 2013. The role of the private sector in REDD+: the case for engagement and options for intervention. UN-REDD Programme.

7 TEEB. 2010. The Economics of Ecosystems and Biodiversity: Mainstreaming the Economics of Nature: A synthesis of the approach, conclusions and recommendations of TEEB. Available at: <http://www.teebweb.org/publication/mainstreaming-the-economics-of-nature-a-synthesis-of-the-approach-conclusions-and-recommendations-of-teeb/>

Interventions that alter the private sector's impact on land use can range from the implementation of policies to the creation of financial instruments, new laws, stricter law enforcement, and development of certification schemes and other interventions of a voluntary nature. These interventions influence behaviour through varying degrees of legality, regulation, price and awareness. Governments are key to making this happen.



REFLECTION POINT

How might private sector stakeholders contribute to REDD+ aims in your country?

GOVERNMENT INTERVENTIONS TO STIMULATE A CHANGE IN BEHAVIOUR OF PRIVATE AGENTS DRIVING FOREST LOSS

Public sector interventions are necessary to influence private sector behaviour through a mix of:

- (Economic) incentives;
- Risk mitigation instruments;
- Minimum standards of behaviour;
- Laws and regulations; and
- Enabling conditions.

Economic incentives or disincentives can be used to steer behaviour, but leave the decision to the actor being influenced. This includes but is not limited to:

- I. Non-financial incentives, such as the clarification of land tenure and granting clear rights over use of the land; and/or
- II. Financial incentives, which can take the form of upfront payments such as grants if these lead to lower levels of deforestation and forest degradation incentivising companies and investors to change their behaviour, tax breaks, subsidies or (a share of) payments for ecosystem services if private sector entities have achieved REDD+ results that have contributed to a (sub)national receiving results based payments.

Risk mitigation instruments are used to reduce or share risks related to specific activities. Examples of these instruments include financial, commercial and political risk insurance, guarantees and other instruments that mitigate risk.

Minimum standards of behaviour aim at preventing unsustainable practices. Governments can use various forms of incentives, from Forest Codes to mandatory standards for certification to stimulate public and private entities to adhere to certain minimum standards that reduce the chance of (significant) impacts on forests. Besides direct regulatory requirements, governments also have the ability to steer capital away from activities that lead to forest loss. In Brazil for example, a policy introduced in 2008 by the Brazilian Central Bank Resolution placed an obligation on rural borrowers in the Amazon biome to produce proof of compliance with environmental regulations. This policy had a major impact on the behaviour of farmers (i.e. they were unable to borrow money), and as a result of this roughly 2,700 km² of deforestation was prevented, which equates to a 15 per cent reduction in deforestation over the observation period (Assuncao et al., 2013).

Enabling conditions: In the long-term, only national governments can implement the more fundamental reform processes in political, legal, economic and societal structures that will address the underlying drivers of the relevant risk categories. This suite of structural – rather than strategic – interventions can include institutional reform and capacity building, investments in research and infrastructure development, increased coordination between government ministries and agencies, creation of effective information systems, investment in education, sound legal framework, increasing transparency through reporting and accounting frameworks, law enforcement capacity, clear signs of strong political will and stakeholder consultation.

FISCAL POLICIES TO INCENTIVISE BEHAVIOURAL CHANGE

Fiscal policies and incentives that support agricultural development are often key underlying drivers of forest change as they influence behaviour in sectors that encroach on forests. They were usually not designed with REDD+ in mind, and the understanding of their impacts on forests is often lacking. They need to be better understood and revised to identify the complementarities and conflicts between such fiscal policies and REDD+.

Governments can fairly easily identify the full range of public fiscal incentives that work to support or work at cross-purposes with REDD+ and sustainable land management, which has already great value by itself. This should include an assessment of public benefits and risks, and revisions to current incentives and design of new ones should seek to promote public benefits while minimizing risks. Analysis will also need to evaluate how much influence public fiscal policy and incentives have compared to private finance and to other underlying drivers such as international, as well as the political economy and mechanics of implementing the measures.

Governments can define, based on their own national circumstances, how their fiscal policies and incentives can overcome inherent conflicts between sectors and competing land uses, and to send the right signals to the private sector. Minimizing the socio-economic side-effects of reversing perverse incentives for unsustainable land use requires careful design and management.

Governments can also consider how to better capture economic rents from commodity production, as analyses indicate that governments currently often lose out. Governments can also better utilize these revenues to build sector capacity through credit access to small- and medium-sized enterprises, value-added processing, fund technical support to improve smallholder crop yields, and other currently underfunded priorities. However, this would only be effective if government control over (plantation) licenses and activities driving forest loss were effective, otherwise any subsidies or other forms of monetary support would simply lead to increased marginal rates of return for, greater profitability of, and further investment in expansion of agricultural activities such as oil palm, cattle ranging or other forms of productive activities.

Countries may find it useful to consider revisions to or redesign of fiscal incentive structures in the context of relevant development plans (strategic, sector-based ones, five-year plans or even longer-term plans) and low-carbon growth, in order to promote greater policy coherence across the sectors.

The brief decision tree found in Box 7.10 may help guide countries in their assessment of options to redesign or revise fiscal incentives.

■ Box 7.10 BANK AND INVESTOR RISK POLICIES ON SOFT COMMODITIES - source: WWF

INFORMATION GATHERING

What are the primary direct and indirect drivers of deforestation and forest degradation currently? How will future driver pressure differ from historic ones?
What are the policies and fiscal incentives currently in place that have influence on those drivers? Conversely, what policies and fiscal incentives promote sustainable land management?

STRATEGIC ASSESSMENT

What other market and financial forces influence driver activities? What points of leverage or influence can government have on these? What incentives operate at what scale (local, national, international)? What is the best tool to affect these (e.g. incentives (“carrots”), regulations (“sticks”), or both) that can minimize public risk while maximizing public gain, and also maximize aligned private investment?
Cross-compare relevant development plans and GHG reduction/REDD+ goals. Where are the conflicts? Where do they complement each other? How can synergies be maximized?
What are the public benefits and risks associated with each fiscal incentive? What are the externalities or deferred costs associated with the incentives (include environmental, economic and social aspects)?

DEFINING SOLUTIONS

What is the basis for prioritizing which incentives to reform? Is it more appropriate to review incentives related to specific commodities, or look more generally at how to align fiscal policies with low-carbon rural development goals? How does this relate to development plans, and how can those plans reflect better policy and incentive coherence? Which fiscal incentives are easiest to reform and which can improve budget efficiency?
Depending on possible pathways to reverse perverse incentives, what are the environmental, economic and social impacts of these? How are the short-term impacts different from long-term ones? How can impacts be minimized for rural communities and stakeholders?
How can compliance and enforcement with existing and new laws can be enabled? How can access to fiscal incentives be linked to improved production practices? Can they be spatially targeted? Which will have greatest impacts on forests?

THE PATHWAY FORWARD

Priority pathways or scenarios are identified: Which ministries/departments need to part of the solution, and which one is in the best position to take the lead? Who are the key stakeholders necessary to forge solutions? What mechanisms are required to revise these incentives (e.g. legislation, development bank resolution, Ministry of Finance rulemaking, etc.)? What related and complementary measures could be pursued (e.g. spatial targeting or constraints on the incentive, etc.)?

COMMODITY PLATFORMS

A National Commodity Platform is a mechanism for governments to convene and coordinate the public and private sector to promote sustainable production at a country level and to define the country's sustainability priorities and policies for the selected commodity. A Platform creates a long-term space where the public and private sectors can align, take ownership and develop joint concrete actions to mitigate the negative impacts of commodity production and maximize productivity. Examples of international platforms that can act as a basis to develop national commodity platforms are the Round Table for Responsible Soy (RTRS)⁸ and the Roundtable on Sustainable Palm Oil (RSPO).

Platforms offer an opportunity for increased participation, but they are not a substitute for law-making; decisions pertaining to policy and legislation can be made as recommendations by the Platform members to government for consideration. National platform staff should coordinate, facilitate and provide technical advice. National platforms should be based on the following principles: neutral, empowerment and social inclusion, multi-stakeholder, strong facilitation, and conflict resolution.



REFLECTION POINT

Can you think of any challenges or problems associated with using a commodity platform in your country?

MONITORING FOR PAMS

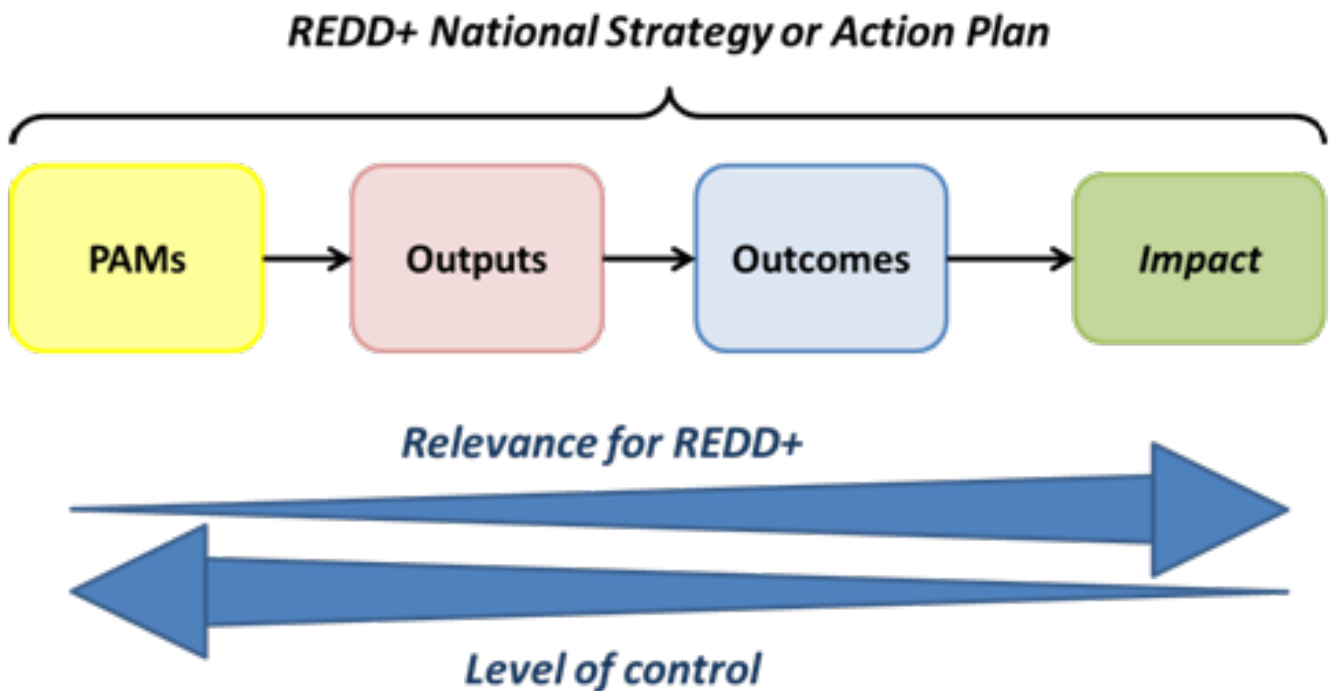
RESULTS FRAMEWORK FOR REDD+ IMPLEMENTATION

Even though the implementation of REDD+ activities is voluntary, it aims at generating measurable GHG emissions reductions and/or removals against a reference level. Results are expressed in tCO₂e, which is what countries will report to the UNFCCC to request Results Based Payments (RBPs). This fundamental objective should be borne in mind while countries develop PAMs.

Some REDD+ actions will generate direct measurable carbon results while others will create enabling conditions for the former to be implemented. Whether at the subnational or national level, carbon reductions will be the result of the collective effect of the various REDD+ PAMs, as well as the effect of many external factors, e.g. policies and programmes that are not-aligned with REDD+ objectives and market forces.

8 <http://www.responsiblesoy.org/>

The UNFCCC only requires the reporting of carbon results (impact) against a FREL/FRL (along with information on the way the Cancun REDD+ safeguards were promoted and supported). However, it may be useful for countries to monitor the implementation and the effect of their REDD+ PAMs along a results chain up to the desired impact (Figure 7.11), in order to monitor their effectiveness and efficiency. An explicit theory of change may be helpful to identify and develop a robust causal results chain (inputs, outputs, outcomes, impact) and associated results framework (including indicators, targets, assumptions and risks).



■ Figure 7.11 CAUSE-AND-EFFECT RESULTS CHAIN UNDERLYING THE THEORY OF CHANGE APPROACH - source: UN-REDD Programme

A robust results framework may help countries to monitor how effectively PAMs are implemented and progress towards results (monitoring). Countries may then be able to identify the most effective and cost-efficient PAMs, those not performing well and requiring modifications or replacement, as well as the need for additional interventions to achieve the desired effect. It is also an opportunity to evaluate retrospectively (ex-post) the effectiveness and efficiency of a package of PAMs.

Though not a requirement under the UNFCCC, it will be important for countries to monitor drivers over time to evaluate the appropriateness of their REDD+ PAMs, be able to adapt them and/or design new ones to address new drivers/barriers, as necessary, through an iterative process. In doing so, it is important to consider how such monitoring can be undertaken and its complementarities or integration with the National Forest Monitoring System (NFMS) (see **Module 5: National Forest Monitoring System**), as well as other instruments the country might use for measuring impacts of policy design.

Testing and learning while building capacity is an important aspect of phase 2 of REDD+ implementation. It requires strong built-in feedback mechanisms while ensuring flexibility in the implementation framework to facilitate adaptive management, integrating lessons learnt and adapting to an ever-changing political, social and economic environment.



REFLECTION POINT

Why is it so important to keep the fundamental objective (“of generating measurable GHG emissions reductions and/or removals against a reference level”) in mind while developing country-specific PAMs?

USE OF PROXY INDICATORS

Using GHG emissions/removals results as a benchmark for performance may often prove impractical and/or not provide appropriate information on PAM effectiveness. It may be difficult and prohibitively expensive to measure carbon directly at the implementation site with the required level of precision, while still accounting for external factors outside of the scope of the REDD+ intervention.

In order to achieve results during REDD+ implementation, it is useful to track progress and encourage performance using more direct and traceable performance criteria. Proxy indicators may be a useful means to measure progress against a result in a less complex, costly and/or time consuming way. Though not directly measuring the final carbon impact, they will provide information on the implementation of the desired intervention, which will contribute to the overall impact according to the theory of change. Data on proxy indicators should be gathered before and during the course of the intervention so as to track progress and impact.

Examples of proxy indicators relevant to REDD+ PAM implementation may include:

- Volumes of timber, fuelwood or other products extracted from a forest area;
- Area of forest land disturbed in logging/extraction operations;
- Number of convictions for illegal logging offences;
- Number of hectares planted according to set quality standards;
- Number of tree saplings surviving to a certain age after plantation or assisted natural regeneration;
- Number of energy-efficient biomass cook-stoves produced, sold and used regularly, along with their efficiency gains;
- Increase in access and use of energies alternative to biomass;
- Number of hectares / % of oil palm plantations installed following sustainability criteria including deforestation-free policies;
- Number of hectares of community land that didn't undergo fire compared to previous years, thus allowing for natural regeneration processes to kick-in.

If an appropriate proxy indicator cannot be identified for a particular PAM, it may not be possible to identify the contribution of that PAM to the overall emission reduction/removal results of a REDD+ strategy. In such cases, it may also not be possible to know whether investment of REDD+ results-based payments in this PAM will be cost-effective. REDD+ strategies that are designed objectively on the basis of cost-effective investment of resources would likely not include such PAMs, or would minimise the investment allocated to them. However, countries may nevertheless wish to retain such PAMs in REDD+ strategies for other reasons, including their demonstrable benefits in terms of social, environmental or economic indicators.



REFLECTION POINT

Look at the list of proxy indicators given; do you see any weaknesses/challenges with using proxies in general and any in particular as a way of measuring GHG emissions?

ISSUE

The Amazon Fund¹ was designed to raise donations for non-reimbursable investments in efforts to prevent, monitor and combat deforestation, as well as to promote the preservation and sustainable use of forests in the Amazon Biome, under the terms of Decree No. 6,527, dated August 1, 2008.

MANAGEMENT

The Amazon Fund is managed by the BNDES, the Brazilian Development Bank, which also acts to raise funds, facilitate contracts and monitor support projects and efforts. The Amazon Fund has a Guidance Committee (COFA) assigned with the responsibility of posting guidelines and monitoring the results obtained; and a Technical Committee (CTFA) appointed by the Ministry of Environment, charged with certifying the emissions count from deforestation of the Amazon Forest. The Technical Committee verifies the calculations of emissions reductions from deforestation made by the Ministry of Environment, appraising the methodologies for calculating the deforested areas and the amount of carbon per hectare used in the calculation of emissions.

ASSETS AND INCOME

The Amazon Fund's assets come from donations and net return from cash investments. Donors deposit funds in a bank account held by the BNDES. The balance of the Amazon Fund not used by the end of each year is transferred for use in the ensuing year, as will the net returns obtained from cash investments.

¹ For more information visit: <http://www.amazonfund.gov.br/>



CASE STUDY BRAZIL

THE AMAZON FUND

A LEADING EXAMPLE OF A PAM FOR REDD+

SUBJECT AREAS AND ESTIMATED OUTCOME

The Amazon Fund supports the following areas:

- Management of public forests and protected areas;
 - Environmental control, monitoring and inspection;
 - Sustainable forest management;
 - Economic activities created with sustainable use of forests; Ecological and economic zoning, territorial arrangement and agricultural regulation; Preservation and sustainable use of biodiversity; and
 - Recovery of deforested areas.
- Besides this, the Amazon Fund may support the development of systems to monitor and control deforestation in other Brazilian biomes and in biomes of other tropical countries.

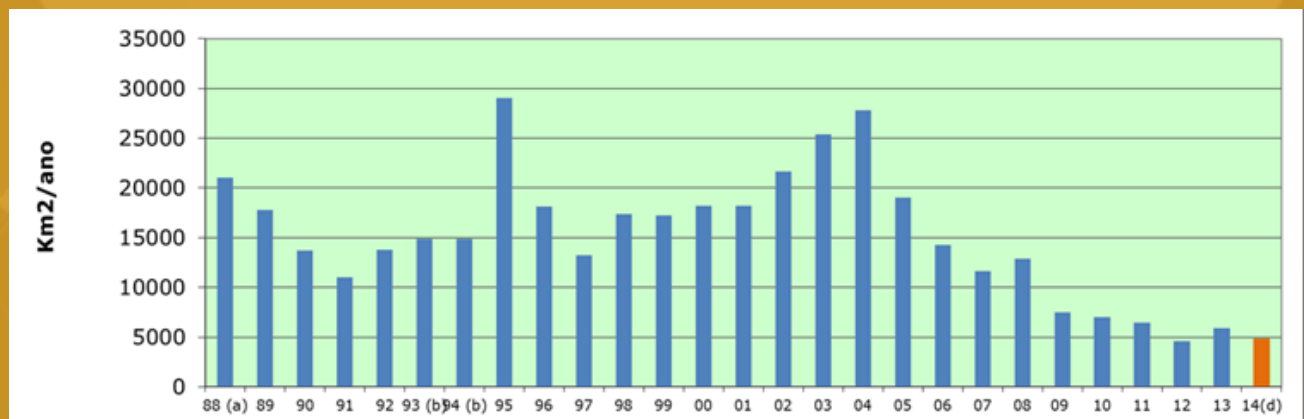
In addition to reducing the emission of greenhouse gases, proposed subject areas for support by the Amazon Fund may be coordinated in such a way as to contribute to accomplishing significant targets including prevention, monitoring and combat against deforestation, and targets related to promoting the preservation and sustainable use of forests in the Amazon biome.

MONITORING

To support the implementation of the Amazon Fund (and more generally to have better oversight of forest activities – particularly deforestation – in the Amazon), Brazil established an Amazonian forest monitoring system, PRODES, through its Space Research Agency, INPE.

INPE's technology to support their Amazonia monitoring systems is composed of different operational and complementary projects which are mentioned above: DETER, DEGRAD, DETEX and PRODES. The Brazilian system is the largest and most robust operating forest monitoring system in the world and has been providing monthly information on forest cover changes in Amazonia since 2004, allowing early measures to be taken to prevent further non-authorized deforestation activities. As open source products, DETER, DETEX, DEGRAD, PRODES and TerraClass are distributed free of charge, as all available INPE data. The system has an openly accessible web-portal: <http://www.dpi.inpe.br/prodesdigital/prodes.php>, making the system extremely transparent.

In part due to these efforts (Amazon Fund and the monitoring systems), Brazil has dramatically reduced its annual rate of deforestation in the Amazon since 2004 (see Figure 7.12).



■ Figure 7.12 LEGAL ANNUAL DEFORESTATION RATE IN AMAZONIA - source: INPE 2015



EXERCISE 13

Choose the correct answer:

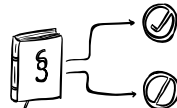
PAMS are country-specific commitments to reduce their GHG emissions and can take the form of:

New policies

New laws



Regulations



Practices



Incentive systems




All of the above




EXERCISE 14


Here are the 5 REDD+ activities. Find the bolded words in the grid.

Reducing emissions from **deforestation**. 

Reducing emissions from forest degradation. 

Conservation of forest **carbon** stocks. 

Sustainable management of forests. 

Enhancement of forest carbon stocks. 

T	E	B	R	N	E	H	H	E	Z	U	K	D	J	G
N	D	L	G	L	B	W	S	Y	Y	E	E	H	N	G
E	K	W	B	C	J	R	K	R	H	F	E	I	O	M
M	H	E	Q	A	M	X	R	Q	O	L	C	N	N	Y
E	Y	X	Y	E	N	A	M	R	Z	U	E	Z	A	M
C	A	R	B	O	N	I	E	K	D	F	T	H	M	S
N	H	O	A	L	M	S	A	E	J	S	B	S	T	S
A	B	C	R	B	T	Z	R	T	P	N	R	X	O	R
H	K	H	G	A	O	F	V	Z	S	N	Y	X	G	M



KEY MESSAGES OF THIS CHAPTER

- Policies and Measures (PAMs) can be understood as actions taken and/or mandated by government to mitigate climate change by reducing the concentration of greenhouse gases (GHG) in the atmosphere and enhancing removals of atmospheric carbon;
- The Text of the United Nations Framework Convention on Climate Change (UNFCCC) sets a precedent that all countries should develop and implement PAMs to support climate change mitigation and adaptation actions, according to their national circumstances and capacities;
- REDD+ PAMs aim to guide and support the implementation of all or some of the five REDD+ activities.
- The approach adopted by countries to address their drivers of deforestation and forest degradation will be guided by national circumstances; PAMs may take on diverse forms in different country contexts;
- The PAMs decision-making process will include many dimensions, from mitigation potential to estimated costs and (multiple) benefits, to existing PAMs, political priorities and acceptability.
- Effective and comprehensive stakeholder engagement throughout the PAM design process is essential, including with the private sector – often a key agent driving deforestation and forest degradation;
- A number of strategic considerations, including identification of priority REDD+ activities, geographical areas and major DDFD, can facilitate a strategic and focused PAMs development process;
- The financing strategy for REDD+ is likely to influence the country vision for REDD+ and the related choice of PAMs, especially as many of the DDFDs are economic in nature; and
- The fundamental objective of generating measurable GHG emissions reductions and/or removals against a reference level should be borne in mind while generating PAMs.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

8

REDD+ SAFEGUARDS UNDER THE UNFCCC

THIS MODULE WILL DISCUSS THE CONCEPT OF SAFEGUARDS AND SAFEGUARD INFORMATION SYSTEMS (SIS) FOR REDD+ UNDER THE UNFCCC.



THE MODULE CONTAINS SECTIONS ABOUT:

- REDD+ safeguard requirements under the UNFCCC, including the seven 'Cancun' safeguards
- A country approach to meeting (or exceeding) these safeguard requirements
- Considerations and generic steps in designing a safeguard information system (SIS)
- Considerations for the content and structure for a summary of safeguards information, and
- UN-REDD tools available to support countries in designing and applying the country approach to REDD+ safeguards



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

REDD+ SAFEGUARDS

‘Safeguards’ usually refer to processes or policies designed to mitigate risks. The seven safeguards associated with REDD+, as agreed under the UNFCCC, are broad aspirational principles that can help to ensure that REDD+ activities ‘do no harm’ to people or the environment, as well as ‘do good’ and enhance social and environmental benefits.

BENEFITS AND RISKS OF REDD+ IMPLEMENTATION

In addition to reducing greenhouse gas emissions, REDD+ implementation has the potential to deliver important social and environmental benefits (also called “co-benefits”, “multiple benefits” or “non-carbon benefits” of REDD+), but there is also the potential for risks to communities and to the environment. These benefits and risks will vary depending on the REDD+ actions a country implements to address the drivers of deforestation and forest degradation, as well as where and how they are implemented. Table 8.1 summarizes some of the potential environmental and social benefits and risks of REDD+.

	BENEFITS	RISKS
SOCIAL	<ul style="list-style-type: none"> • Strengthened livelihoods and improved access to natural resources • Improved forest governance and law enforcement • Protection of territories and cultures of indigenous peoples and local communities • Increased community voice and participation in decision-making • Clarified/secured tenure and resource rights 	<ul style="list-style-type: none"> • Land speculation, land grabbing and land conflicts • Conflicts among stakeholders or resource users • Exclusion of indigenous peoples and local communities from decision-making • Contested land and resource rights
ENVIRONMENTAL	<ul style="list-style-type: none"> • Maintenance and restoration of: <ul style="list-style-type: none"> • Biodiversity – forest species and ecosystems of conservation concern • Ecosystem services – e.g. water quality, erosion control, timber and non-timber forest products, pollination, local climate regulation, cultural values • Intact and connected forests are more ecologically stable (resilient and resistant) to climate change impacts 	<ul style="list-style-type: none"> • Displacement of deforestation/ degradation pressures to areas important for biodiversity or ecosystem services • Intensified agriculture impacts on non-forest biodiversity • Replacement of natural forest with plantation • Planted forests with few tree species, or non-native species

■ Table 8.1 POTENTIAL BENEFITS AND RISKS OF REDD+ IMPLEMENTATION

UNFCCC REDD+ SAFEGUARD REQUIREMENTS

To provide protection against risks, and promote potential benefits beyond climate change mitigation, Parties to the UNFCCC adopted broad guidance and a set of seven safeguards to be applied to REDD+ activities (COP16, 2010). These 'Cancun safeguards' (see Box 8.2) are to be promoted and supported when undertaking REDD+ activities, and information is to be provided on how they are being **addressed** and **respected** throughout REDD+ implementation (COP 16, 2010; COP 17, 2011).

■ Box 8.2 THE CANCUN SAFEGUARDS

- source: UNFCCC Decision 1/CP.16, Appendix I, paragraph 2

"When undertaking [REDD+] activities, the following safeguards should be promoted and supported:

- a. That action complements or is consistent with the objectives of national forest programmes and relevant international conventions and agreements;
- b. Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;
- c. Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
- d. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities;
- e. That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the [REDD+] actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;
- f. Actions to address the risks of reversals;
- g. Actions to reduce displacement of emissions."

The body of UNFCCC decisions related to safeguards applicable to REDD+ activities can be summarized as follows:

- Countries should promote and support the Cancun safeguards while implementing REDD+ activities (Decision 1/CP.16, Appendix I);
- Implementation of the safeguards and information on how these are being addressed and respected should support national strategies or action plans (Decision 12/CP.17);
- Countries should develop a system for providing information on how the safeguards are being addressed and respected throughout the implementation of REDD+ activities, consistent with UNFCCC guidance (Decision 1/CP.16, para 71; Decision 12/CP.17);
- Once the implementation of REDD+ activities has started, countries should periodically submit a summary of information on how the safeguards are being / have been addressed and respected throughout the implementation of REDD+ activities to the UNFCCC (Decision 12/CP.17; Decision 12/CP.19);

- Summaries of information on safeguards should be submitted through National Communications or other agreed communications channels and, on a voluntary basis, via the REDD web platform (Decision 12/CP.17; Decision 12/CP.19);
- To be eligible for results-based finance, countries should have an SIS in place and should have submitted their most recent summary of information on safeguards before receiving results-based payments (Decision 2/CP.17, paragraph 64; Decision 9/CP.19, paragraph 4); and
- [The summary of information should include: which REDD+ activities are covered by the safeguards; description of each safeguard in accordance with national circumstances; description of existing relevant systems and processes; information on how each safeguard has been addressed and respected; improved information provided over time (draft decision _/CP.21)]¹.

OTHER REDD+-RELEVANT SAFEGUARDS INITIATIVES

A number of international organisations and initiatives have safeguards frameworks that could be relevant to REDD+ safeguards, depending on the country's context. There are also nationally determined frameworks/standards, such as national forest certification systems. Some of the more important safeguard initiatives relevant to REDD+ include:

- World Bank Operational Policies: safeguard policies that apply to REDD+ pilot programs that the World Bank supports or finances through the Forest Investment Program (FIP)², Forest Carbon Partnership Facility (FCPF)³ and BioCarbon Fund⁴. The FCPF applies Strategic Environmental and Social Assessments (SESA) and Environmental and Social Management Frameworks (ESMF) to ensure REDD+ readiness and demonstration activities comply with these World Bank Operational Policies;
- REDD+ Social and Environmental Standards (REDD+SES)⁵: an initiative of the of the Climate, Community & Biodiversity Alliance (CCBA)⁶ and CARE International that supports voluntary best-practice standards, used through multi-stakeholder processes to support effective implementation and credible information provision on safeguards, for government-led REDD+ programs. Countries and subnational territories participate in the Initiative, using the content and process of the REDD+ SES in different ways, either as good practice guidance, as the basis for their SIS, or as a quality assurance standard;
- Various forest certification schemes (e.g. Forest Stewardship Council⁷), agricultural commodity standards and emissions offset standards (e.g. Verified Carbon Standard Jurisdictional Approach⁸), applied to certify sustainability of production and/or emissions reductions achieved through particular REDD+ projects and programmes.

¹ Note that, at the time of writing, this guidance on summary of safeguards information content constituted a draft decision proposed by the UNFCCC Subsidiary Body for Scientific and Technological Advice for approval at the 21st Conference of the Parties.

² <http://www.climateinvestmentfunds.org/cif/node/5>

³ <https://www.forestcarbonpartnership.org/>

⁴ <https://wbcarbonfinance.org/Router.cfm?Page=BioCF&ItemID=9708&FID=9708>

⁵ <http://www.redd-standards.org/>

⁶ <http://www.climate-standards.org/>

⁷ <https://ic.fsc.org/>

⁸ <http://www.v-c-s.org/>

COUNTRY APPROACHES TO SAFEGUARDS

As the Cancun safeguards described above are necessarily general statements of principle, individual countries will need to work out how the safeguards will be applied - or operationalized - in their own specific contexts.

A country approach to safeguards allows a country to respond to international safeguard frameworks by building on existing governance arrangements that, combined with national policy goals, can be used to operationalize the Cancun safeguards. The 'governance arrangements' targeted by the country approach comprise three core elements that together ensure social and environmental risks from REDD+ are reduced and that benefits are enhanced:

- I. Policies, laws and regulations** (PLRs) which define, on paper, what needs to be done in order to support REDD+ activity implementation in a manner consistent with Cancun (and other) safeguards, i.e. how safeguards are being addressed;
- II. Institutional arrangements** - their mandates, procedures and capacities to ensure that the relevant PLRs are actually implemented in practice, i.e. how safeguards are being respected; and
- III. Information systems** which collect and make available information on how REDD+ safeguards are being addressed and respected throughout REDD+ implementation.

A country may find developing a country approach to safeguards to be beneficial for several reasons:

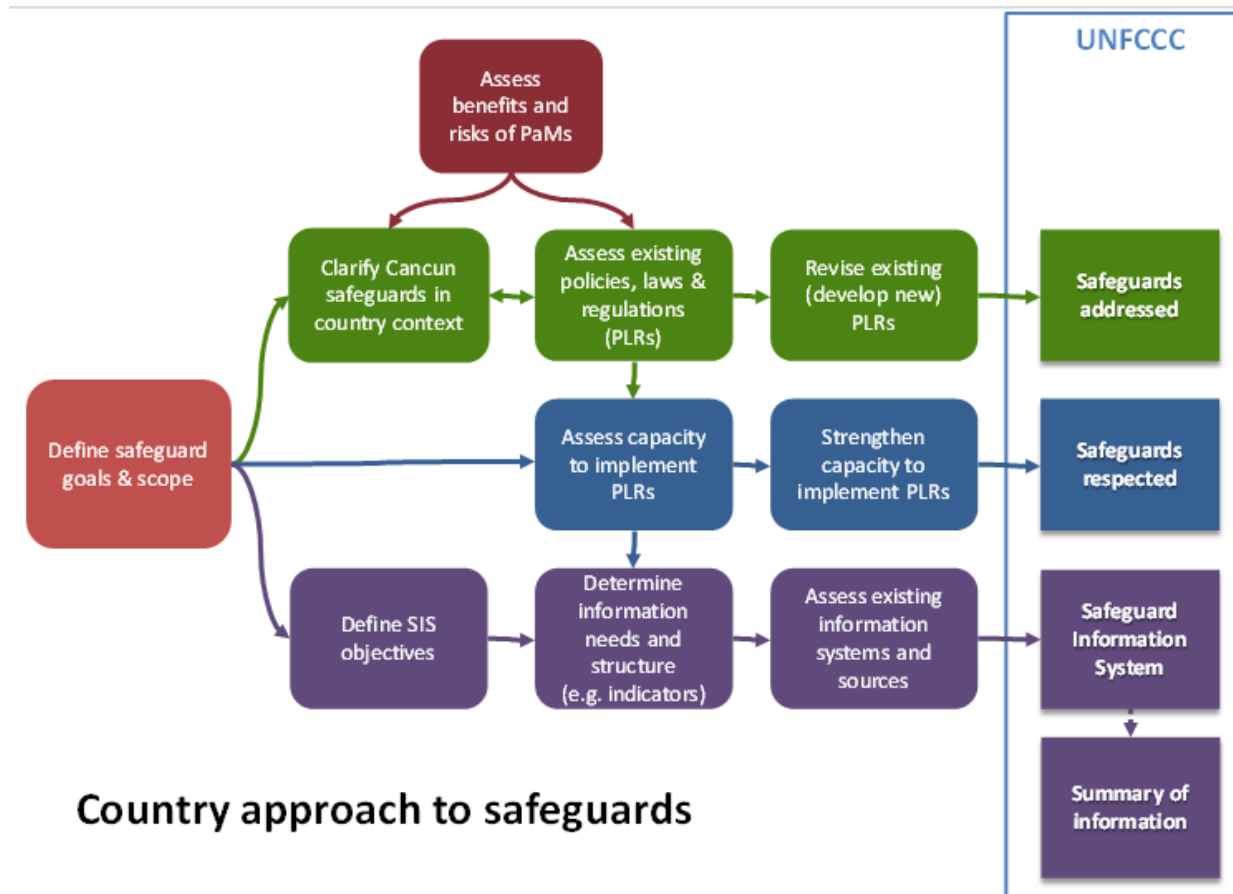
- It can help countries to operationalize the UNFCCC REDD+ safeguards, which aim to ensure social and environmental risks are minimized and benefits of REDD+ are enhanced, and to meet the UNFCCC safeguards requirements to access results-based payments;
- It can help countries to assess what the Cancun safeguards mean in their specific national context, and which benefits and risks are most relevant to the REDD+ actions planned under its evolving NS/AP;
- It can help countries to determine the safeguards goals that they wish to achieve, taking into consideration national policies and international frameworks/commitments;
- It can contribute to design of more sustainable REDD+ actions, by taking into account wider socio-economic issues and environmental concerns that are likely to be important in addressing the underlying drivers of deforestation and forest degradation (as well as overcoming the barriers to more effective/extensive 'plus activities'⁹);
- It can help engender country ownership and help ensure that the safeguards goals are appropriate to national circumstances and contribute to national sustainable development and green growth goals;
- It can help countries accommodate the safeguards requirements of organizations providing payments for results from REDD+ actions in a single coordinated process;
- It can help build the confidence of investors as well as those providing payments for REDD+ results, because safeguards can reduce risk, a key factor in investment decisions for results-based REDD+ actions;

⁹ Conservation of forest carbon stocks, sustainable management of forests and enhancement of forest carbon stocks.

- It can help build domestic confidence in and increase the legitimacy of REDD+ by demonstrating commitment to treat safeguards in a comprehensive yet context-specific manner;
- It can serve as a cost-effective means to help countries achieve and keep track of long-term governance improvements, as it builds upon the existing governance arrangements (policies, institutions and information systems) of a country to address and respect REDD+ safeguards, rather than develop entirely new ones; and
- It can provide countries with the flexibility to explore applying the safeguards across the forestry sector or to other sectors relevant to REDD+.

HOW TO DEVELOP A COUNTRY APPROACH TO SAFEGUARDS

There is no blueprint for a country approach; each will be different and will reflect the specificities of national contexts as well as what the country defines as the overall goals and scope of safeguards application. However, drawing on practical experiences, some generic steps can be identified, as illustrated in Figure 8.3, which may be useful for countries planning to develop their country approach to safeguards. Countries may decide to undertake all of these steps or just one, in any number of sequences, depending on their specific context. Each key generic step is briefly explained below.



■ Figure 8.3 GENERIC STEPS TO DEVELOPING A COUNTRY APPROACH TO SAFEGUARDS - source: UN-REDD 2015. REDD+ Safeguards Module 2: Country Approaches to Safeguards. United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD), Geneva.

I. DEFINING SAFEGUARD GOAL AND SCOPE

In this context, defining safeguard goals refers to what safeguard frameworks the country chooses to apply for REDD+, and whether the country chooses to develop and include safeguards beyond those of the UNFCCC. The requirements around the Cancun safeguards are basic preconditions to be eligible for results-based payments under the UNFCCC, but a country may also want to consider other bi-/multi-lateral safeguards requirements, e.g. World Bank Operational Policies, as part of the Forest Carbon Partnership Facility (FCPF) Carbon Fund. Consideration may be given to safeguards requirements and expectations of both investors in REDD+ results-based activities as well as those of buyers of verified emissions reductions/enhanced removals. Defining safeguards goals could additionally mean considering what national policies could benefit from addressing and respecting REDD+ safeguards.

Safeguards goals will reflect the country's budgetary and capacity constraints, as well as what the country hopes to achieve in terms of its ambition for REDD+ contributions to broader sustainable development and green growth. This could mean a focus only on international requirements under the UNFCCC to obtain results-based payments from REDD+, or could also include the use REDD+ to catalyze broader sustainable development and green growth and meet domestic policy goals.

Defining the scope of safeguards application will depend on how a country chooses to implement REDD+. A country may wish to integrate REDD+ into wider forestry sector strategies or, even broader, as a cross-sectoral mechanism including sectors that may be related to drivers of deforestation and forest degradation, such as agriculture and biomass energy although this may imply the need for significantly more resources and may be a longer-term objective beyond meeting basic UNFCCC requirements. REDD+ safeguards could be applied to a broader scope than specific REDD+ actions for results-based payments, if sufficient capacities and resources are available, and a country opts to do so, e.g. applied to the whole forestry sector as means to attract other sources of foreign investment, and achieve domestic policy goals, in the sector.

Safeguards goal and scope setting have typically been conducted through a series of stakeholder consultations, led by national government REDD+ focal points. Such consultative processes are highly iterative, with progress at each step informing and refining previous steps in the development of a NS/AP.



REFLECTION POINT

What might the safeguard goals and scope be in your country?

II. ADDRESSING SAFEGUARDS

What 'addressing' the safeguards means will vary by country, but it may be thought of as comprising three key steps:

1. Clarifying Cancun safeguards in the country context;
2. Assessing existing safeguards-relevant policies, laws and regulations (PLRs)¹⁰; and over time
3. Revising existing and developing new PLRs, as necessary, to ensure they cover the identified risks and potential benefits associated with REDD+ actions.

10 Note that PLRs are largely thought of as national state legislation, but could also encompass subnational

The first step entails clarifying ('specifying' or 'unpacking') each of the seven Cancun safeguards according to the country's particular circumstances and may include consideration of key issues with regard to each Cancun safeguard in relation to the main benefits and risks associated with proposed REDD+ actions. This clarification exercise could be informed by a (expert or participatory) benefit and risk assessment of the REDD+ actions being considered for the NS/AP. This implies that a country will need to have some degree of clarity on proposed REDD+ actions or strategic options before starting to analyze how safeguards can be addressed.

The breakdown of the broad *principles* embodied in the Cancun safeguards into country-specific themes can be used to develop *criteria, indicators* or *narrative statements* as a means to further structure information in a country's SIS (see determining information structure below Table 8.4). Table 8.4 presents an illustrative example of key issues that may come up when clarifying the Cancun safeguards, based on an international legal best practice perspective, and could inform country-specific descriptions of each safeguard in accordance with their national circumstances.

■ Table 8.4 ILLUSTRATIVE FRAMEWORK FOR CLARIFYING THE CANCUN SAFEGUARDS

SAFEGUARD	POSSIBLE KEY ISSUES
<p>Safeguard (a) - [REDD+] actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements</p>	<ul style="list-style-type: none"> • Consistency with international commitments on climate; contribution to national climate policy objectives, including those of mitigation and adaptation strategies; • Consistency with the achievement of the Millennium Development Goals and post-2015 Sustainable Development Goals; contribution to national poverty reduction strategies; • Consistency with international commitments on the environment; contribution to national biodiversity conservation policies (including National Biodiversity Strategies and Action Plans) and other environmental and natural resource management policy objectives; • Consistency with State's human rights obligations under international law, including the core international human rights treaties¹¹ and ILO 169, where applicable; • Consistency and complementarities with the objectives of the national forest programme; • Coordination among agencies and implementing bodies for REDD+, national forest programmes and national policy(ies) that enact the relevant international conventions and agreements; • Consistency with other relevant international conventions and agreements.

ordinance in large federal countries where each state has some autonomy to legislate for its jurisdiction. There can be non-state PLRs too; the private sector typically operates by individual corporate social responsibility policies, as well as collective industry best-practice standards. Indigenous peoples' and local communities cultural norms could also contribute to addressing and respecting safeguards, in addition to PLRs codified by government.

11 These include the following: International Convention on the Elimination of All Forms of Racial Discrimination (1969), International Covenant on Civil and Political Rights (1976), International Covenant on Economic, Social and Cultural Rights (1976), Convention on the Elimination of All Forms of Discrimination against Women (1981), Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1987), Convention on the Rights of the Child (1990), International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (2003), International Convention for the Protection of All Persons from Enforced Disappearance (2010), Convention on the Rights of Persons with Disabilities (2008).

SAFEGUARD	POSSIBLE KEY ISSUES
<p>Safeguard (b) - Transparent and effective national forest governance structures, taking into account national legislation and sovereignty</p>	<ul style="list-style-type: none"> • Access to information • Accountability • Land tenure • Enforcement of the rule of law • Adequate access to justice, including procedures that can provide effective remedy for infringement of rights, and to resolve disputes (i.e., grievance mechanisms) (NB: overlaps with Safeguard (c)). • Gender equality • Coherency of national/subnational legal, policy and regulatory framework for transparent and effective forest governance • Corruption risks • Resource allocation/capacity to meet institutional mandate • Participation in decision-making processes (overlaps with Safeguards (c) and (d))
<p>Safeguard (c) - Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples</p>	<ul style="list-style-type: none"> • Definition/determination of indigenous peoples and local communities • Right to compensation and/or other remedies in the case of involuntary resettlement and/or economic displacement • Right to share in benefits when appropriate • Right to participate in decision making on issues that may affect them • Free, prior and informed consent (FPIC) • Recognition and protection of indigenous peoples' and local communities' traditional knowledge, cultural heritage, intellectual property
<p>Safeguard (d) - The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities [in REDD+ actions]</p>	<ul style="list-style-type: none"> • Identification of relevant stakeholders - those who may affect, or be affected by, specific REDD+ actions • Legitimacy and accountability of bodies representing relevant stakeholders • Mechanisms or platforms to facilitate participatory processes during 1) design, implementation and monitoring of REDD+ architecture, particularly national strategies/action plans, and associated social and environmental safeguard measures • Functional feedback and grievance redress mechanisms • Recognition and implementation of procedural rights, such as access to information, consultation and participation (including FPIC) and provision of justice • Transparency and accessibility of information related to REDD+ (NB: overlaps with Safeguard (b))

SAFEGUARD	POSSIBLE KEY ISSUES
<p>Safeguard (e) - [REDD+] actions are consistent with the conservation of natural forests and biological diversity, ensuring that REDD+ actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits</p>	<ul style="list-style-type: none"> • Definition of natural forest and understanding of the distribution of natural forest • Understanding the potential impacts of REDD+ policy options on biodiversity and forest ecosystem services. • Conservation of natural forests; avoiding degradation, or conversion to planted forest (unless as part of forest restoration). • Identification of opportunities to incentivise enhanced environmental and social benefits through design, location and implementation of REDD+ actions • Conservation of biodiversity outside forest
<p>Safeguard (f) - Actions to address the risks of reversals</p>	<ul style="list-style-type: none"> • Analysis of the risk of reversals of emissions reductions, also referred to as 'non-permanence'. • National Forest Monitoring System (NFMS) may be designed to detect and provide information on reversals. • Plausible reference scenarios for REDD+ that give a reasonable indication of the risk of deforestation in the absence of REDD+. If this is underestimated, then REDD+ successes may be at a greater risk of reversal.
<p>Safeguard (g) - Actions to reduce displacement of emissions</p>	<ul style="list-style-type: none"> • Actions that address the underlying and indirect drivers of deforestation and land use change rather than only direct drivers at specific locations • Actions to reduce displacement of emissions from specific REDD+ actions at local (e.g. across REDD+ project boundaries) or national (to other jurisdictions within the country) levels • National Forest Monitoring Systems designed to detect and provide information on displacement at national, subnational and local levels • Analysis of possible reasons for displacement of emissions, such as ineffective implementation of REDD+ actions, or REDD+ actions that are not designed to address underlying (local, subnational, national) drivers of deforestation and forest degradation • Selection and design of REDD+ actions taking into consideration the risk of emissions displacement; displacement risk analysis for the selected REDD+ actions, including risk of emission displacement to other ecosystems, e.g. through draining of peatlands for agricultural use or displacement of pressures on forests to a neighbouring jurisdiction

In addition, an assessment of how effectively the existing PLRs address, on paper, the benefits and risks of planned REDD+ actions can be undertaken, with findings being validated through stakeholder workshops. This assessment should identify any significant weaknesses, gaps and inconsistencies in the PLR framework that may need to be strengthened, filled or resolved in order to better address Cancun safeguards throughout REDD+ implementation. Based on the findings of such an assessment, existing texts of laws might be amended or new provisions drafted in order to strengthen the PLR framework, or new regulations drafted to support the operationalization of PLRs. These processes are often time-consuming, and as such it may be a good idea to build on ongoing reform processes.



REFLECTION POINT

What are the key PLRs in your country that could address the priority benefits and risks associated with proposed REDD+ actions in your evolving national strategy/action plan?

III. RESPECTING SAFEGUARDS

As with 'addressing' the safeguards, what it means to 'respect' the safeguards will depend on the country. In the context of a generic country approach as illustrated in Figure 8.1, this may entail demonstrating: a) how well the PLRs identified under 'addressing' are actually being implemented in practice; and b) the environmental and social outcomes of PLR implementation. Do the PLRs put in place to mitigate, manage or remove environmental and social risks of REDD+, and enhance the benefits, actually work in practice? In this generic country approach, respecting safeguards may follow a similar process to that of addressing safeguards:

1. Assessing institutional mandates, procedures and capacities to implement PLRs; and
2. Strengthening those institutional arrangements to improve PLR implementation.

Assessing government institutional capacities to implement national and subnational PLRs may, ultimately, involve collecting information on the outcomes of REDD+ implementation in terms of social and environmental benefits and attempting to link them to the institutions' effectiveness in supporting PLR implementation.

Assessing institutional capacities is likely to be more challenging than identifying how PLRs address safeguards on paper, but periodic assessment should be able to demonstrate incremental improvements in respecting safeguards, which can help assure those entities providing REDD+ results-based payments. As with the PLR assessments, institutional capacity assessments for respecting safeguards might best be done by a team of experts, with results being shared and validated through a multi-stakeholder consultation process.



REFLECTION POINT

Select two or three PLRs from the previous reflection point. How are these PLRs implemented? Do they work in practice?

IV. SAFEGUARD INFORMATION SYSTEMS

Integral to the country approach to safeguards is the development of a SIS. This complex topic is discussed in a separate section below.

An iterative approach to developing a country approach to safeguards is advisable, which not only takes into consideration the country's goals and scope for REDD+ safeguards, but also considers what is already in place, building on the results of each successive step. Throughout the process, stakeholder consultation will be essential.

SAFEGUARD INFORMATION SYSTEMS

An SIS is one of the four core elements to have in place for REDD+ implementation (COP16, 2010) in order for a country to receive results-based payments (COP 16, COP 19):

- National REDD+ strategy or action plan;
- National Forest Reference Emission Level and/or Reference Level;
- National Forest Monitoring System; and
- System for providing information on how the safeguards are being addressed and respected throughout the implementation of the REDD+ activities (i.e. a 'SIS').

Further guidance on SIS design was provided at COP 17 in Durban and COP 19 in Warsaw, notably:

- Consistency with Cancun guidance;
- Accessibility and periodic provision of information: providing transparent and consistent information that is accessible by all relevant stakeholders and updated on a regular basis;
- Improvement over time: being transparent and flexible to allow for improvements over time;
- Comprehensiveness: providing information on how all Cancun safeguards are being addressed and respected;
- Country driven: being driven by the country and implemented at the national level; and
- Utilizing existing systems: building on them as appropriate.

An SIS should, wherever possible, build on existing information systems in order to provide information on the way the safeguards are being addressed and respected throughout the implementation of REDD+ activities. It is acknowledged, for example, in decision 11/CP.19, that REDD+ countries' national forest monitoring systems for REDD+ may provide relevant information for the SIS.

POTENTIAL STEPS TO DEVELOP AN SIS

DEFINING SIS OBJECTIVES, or the different domestic and international information needs to which the SIS should respond – which at a minimum would be the UNFCCC requirement of providing information on how the safeguards are being addressed and respected throughout the implementation of REDD+ actions. Information on how environmental and social benefits and risks are being managed in forestry and other land-use sectors could also contribute to a range of other domestic objectives, such as:

- Accessing funding: in addition to eligibility for results-based payments under REDD+, investments in REDD+ activities may be enhanced through providing information on risk management/benefit enhancement that can be used to attract (public and private) investors.
- Improving national REDD+ strategy or action plan implementation: through information forming the basis for refined actions to address drivers of deforestation and forest degradation and barriers to 'plus' activities, i.e. can contribute to adaptive management.
- Increasing the legitimacy of REDD+: through improved transparency, stakeholder consultation and participation, and provision of information to domestic stakeholders.
- Reforming policies based on evidence: through using safeguards information to inform decision-making at country, regional or local levels.

Countries might consider investing in SIS development and operations at scales commensurate with the objectives chosen for the SIS.

DETERMINING INFORMATION NEEDS AND STRUCTURE, which could include identifying key issues from the national clarification of the Cancun safeguards, and deciding on a framework for structuring and aggregating the information. This step comprises two inter-related sub-steps that need to be considered together:

- I. **Information needs** – what specific information is needed, in relation to the specific benefits and risks of proposed REDD+ actions, to demonstrate appropriate PLRs are in place (addressing safeguards) and are being adequately implemented (respecting safeguards); and
- II. **Information structure** – how will this information be aggregated and organized in the SIS?

Safeguards information needs will be determined by the identified benefits and risks of REDD+ actions, together with the PLRs required to mitigate these risks and maximize the benefits. A country need not attempt to collect information on all possible aspects of each safeguard, but can focus efforts on collecting the information most relevant to priority benefits and risks associated with key REDD+ actions comprising the NS/AP. Of course, those actions and priorities may change over time, and safeguards information needs can be expected to evolve with a phased implementation of the NS/AP as different REDD+ actions are implemented.

Based on identified information needs, existing sources of information should be identified and assessed, and if necessary, new information should be collected to help fill information gaps in order to demonstrate that all Cancun safeguards are being addressed and respected.

The information structure will depend on a great many factors including, among other things:

- The scope of safeguard application chosen by the country;
- The scale¹² of REDD+ intervention (national, subnational or local);
- The specific objectives of the SIS and the different end users of the information; and
- The capacity and resources available to implementing institutions.

12 The UNFCCC calls for a national-level SIS, but the NS/AP may be operationalized through a variety of different modalities of differing scales, e.g. national-level policy intervention; subnational land-use planning; registry of site-based projects; hybrid of these and other modalities; etc. Information for the SIS may be generated/available at a subnational level; aggregation of information from different geographic scales will be an important consideration when determining the information content and structure of the SIS.

Two basic options present themselves on how to structure information in a SIS:

- I. A narrative description of how the key elements of each safeguard have been addressed and respected, through policies, laws, regulations and their implementation on the ground. This would likely rely on the clarification of the safeguards; or
- II. A hierarchical structure of principles, criteria and/or indicators.

Although not required by any UNFCCC COP decision, some countries working towards articulating their SIS have chosen to structure information in a hierarchical form, comprising one or more of the following components:

- **Principles (P)** – broad aspirational statements of intent, i.e. statements of objective. A number of countries are choosing to adopt, or adapt and augment, the Cancun safeguards as national REDD+ safeguard principles.
- **Criteria (C)** – more specific statements of thematic content that elaborate the principles. The step of clarifying the Cancun safeguards, in effect, could establish sets of criteria for each safeguard.
- **Indicators (I)** – detailed information used to demonstrate changes over time. Wherever, and as much as possible, identification of indicators should be based on existing sources of information. Novel indicators may be considered in cases where a distinct information need, important to demonstrate safeguards are being respected, is not met by existing sources. However, it is useful to note here that some countries have chosen to establish large numbers of novel indicators for their SIS; however, there is growing concern about the sustainability - due to a lack of institutional mandate and operational budget to collect information against these novel indicators - of this approach.

When taking decisions on what exactly to assess and how to do so (e.g. how many indicators to use, or the extent of field-based research, if any), it is important to take into account capacity and resource limitations or needs, keeping in mind that developing an SIS is likely to be a stepwise process.



REFLECTION POINT

How might information be structured in your country's SIS?

ASSESS EXISTING INFORMATION SOURCES OR SYSTEMS RELEVANT TO SAFEGUARDS.

In order to make best use of the country's existing processes and ensure sustainability, countries should, to the extent possible, 'build upon existing systems' in order to meet their safeguards information needs. The mandates and reporting responsibilities, e.g. to international conventions, of institutions involved in REDD+ can help identify systems and sources of relevance to the SIS. As mentioned above, undertaking an assessment of PLRs related to safeguards can help map out these institutional mandates and responsibilities.

An assessment of information systems and sources should not only identify existing information, but also information gaps that might be resolved by modifying existing systems to accommodate new information (e.g. new indicators), or developing new ones. Given the

array of themes covered by the safeguards, one information source (or system) is unlikely to be able to provide all of the information needed for an SIS.

Examples of information systems and sources that may provide relevant contributions to an SIS include, but are by no means limited to:

- National population censuses;
- National forest monitoring systems (NFMS);
- Systems supporting national implementation of other international conventions, e.g. biodiversity data centres and networks;
- Living Standards Measurement Studies (LSMS) ;
- Sustainable forestry and agricultural commodity standards (including auditing reports) ;
- Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreements (VPA) Timber Legality Assurance Systems (TLAS), etc. ;
- Grievance redress mechanisms¹³;
- Cadastral databases;
- Information sources used to assess Sustainable Forest Management (SFM); and
- Registries of site-based projects, e.g. expansion of sustainable management of forests through certification of production forest management units.

In assessing existing information sources and systems, two key aspects will be critical:

- I. What **functions** will the SIS need to perform to meet the desired country objectives?
- II. What **institutional arrangements** are in place to ensure these functions are adequately operational?

Each of these two core aspects is described in more detail here:

- I. What **functions** will the SIS need to perform to meet the desired country objectives?
An effective and operational SIS should perform one or more of the following key functions, as decided by the country: collection, management, analysis, interpretation, quality assurance and validation, dissemination of information. Assessing safeguards-relevant PLRs can help determine which government (and possibly non-government) institutions are mandated and capacitated to carry out the desired functions of the SIS (and prepare the summary of information on safeguards). The role of non-state actors – civil society, indigenous peoples and local communities, as well as the private sector – in complementing state institutional mandates and capacities, can also be an element of consideration in the process of assigning functional responsibilities within the SIS.

The generic main functions of a SIS may include:

- Information collection and management – primarily concerned with determining what information is to be included in the SIS, where this information will come from and how it will be brought together. Also includes identification or selection of information

¹³ The UNFCCC calls for a national-level SIS, but the NS/AP may be operationalized through a variety of different modalities of differing scales, e.g. national-level policy intervention; subnational land-use planning; registry of site-based projects; hybrid of these and other modalities; etc. Information for the SIS may be generated/available at a subnational level; aggregation of information from different geographic scales will be an important consideration when determining the information content and structure of the SIS.

collection and management methods, in addition to assessing the advantages and disadvantages of modifying existing systems to include new information and methods of collection and management;

- Information analysis and interpretation – making sense of the information, particularly important if primary/secondary data are to populate the SIS. Different analyses and interpretations will serve the different objectives of the SIS, including the preparation of a summary of information for submission to the UNFCCC, as well as other domestic information products for different stakeholders at national, subnational and local levels;
- Information quality control and assurance - two functions, which can also be considered as information verification (at the point of collection – making sure information is accurate) and validation (post-analysis – making sure interpretation is accurate) are entirely optional SIS functions¹⁴. It should be noted, however, that the quality of the SIS, and the robustness of its information can be significantly improved with inclusion of quality control and/or assurance functions¹⁵; and
- Information dissemination¹⁶ and use – once analyzed and interpreted, information should be communicated to, and may be used by, the different target audiences – both international (e.g. donors) and domestic (e.g. local communities) - indicated in the SIS objectives. Information dissemination may involve exploration of technological solutions (such as existing and novel web portals), which provide access to information to different users.

The role of non-state actors – civil society, indigenous peoples and local communities, and private sector – in complementing government institutional mandates and capacities, could be considered during the process of assigning functional responsibilities within the SIS, e.g. private forest and agricultural land owners, together with indigenous peoples and local communities could contribute or validate information on outcomes of implementation of REDD+ actions; third party verification of practices adhering to sustainable forestry and agricultural commodity standards could provide information on whether the safeguards are being respected; etc.

II. What **institutional arrangements** are in place to ensure these functions are adequately operational? The existing PLR framework will define the mandates and functions of existing public institutions that might contribute to the SIS. Consideration should be given to how those mandates and functions operate in practice to see what institutional (financial, human, technological) capacities could be strengthened to improve SIS functioning. This will be particularly relevant when attempting to demonstrate how the safeguards have been respected, which ultimately may necessitate information on outcomes of national PLR implementation.

New institutional arrangements, such as information sharing arrangements, might be considered horizontally, across government line ministries and between departments, and also vertically up (and down) administrative hierarchies, to feed subnational information, from multiple localities, into a single national SIS. Lastly, the role of non-government institutions should also be considered. Industry standards and corporate

¹⁴ There is no UNFCCC requirement to verify or validate safeguards information.

¹⁵ Particularly as these functions, compared to others, lend themselves to greater levels of civil society or local community participation (resulting in greater stakeholder trust) in the SIS's operations.

¹⁶ Information dissemination is the only SIS function required under the UNFCCC. All other potential SIS functions, with the exception of quality control and assurance, are implied: information cannot be disseminated if it has not first been collected, managed, analysed and interpreted.

social responsibility policies, and even customary norms of indigenous peoples and local communities, could contribute to SIS functions as well as sources of information.

Where the assessment of existing information sources or systems has highlighted that some information requirements cannot be met on the basis of what is already available, suitable arrangements may need to be found for closing those gaps. This may involve building the capacity of relevant institutions to implement PLRs, as well as expanding, changing or creating mandates and protocols for information collection and management.



REFLECTION POINT

What existing information systems and sources may be able to provide information on how the safeguards are being addressed and respected for your SIS?

SUMMARY OF SAFEGUARDS INFORMATION

Provision of a summary of information on how all the Cancun safeguards are addressed and respected throughout REDD+ implementation is one of the three key requirements on safeguards that countries need to meet under the UNFCCC to access results-based payments. The summary of safeguards information should be submitted to the UNFCCC via National Communications (and voluntarily, directly to the UNFCCC REDD+ Web Platform), with the same frequency as their National Communications and starting when REDD+ activities are first implemented (Decision 12, COP17).

A summary of safeguards information might take the form of a simple narrative summary, a summary of information by indicator, or a detailed PCI framework. Draft text agreed at SBSTA 42 (UNFCCC/SBSTA/2015), which remains to be formally adopted at COP 21 in Paris, has offered further methodological guidance regarding the summary of information. Information on how all the safeguards are being addressed and respected should be provided in a way that ensures transparency, consistency, comprehensiveness and effectiveness. Countries should provide information on which REDD+ activity or activities are included in the summary of information, and are strongly encouraged to include the following elements, where appropriate:

- a. Information on national circumstances relevant to addressing and respecting the safeguards;
- b. A description of each safeguard in accordance with national circumstances;
- c. A description of existing systems and processes relevant to addressing and respecting safeguards, including the information systems referred to in decision 12/CP.17, in accordance with national circumstances; and
- d. Information on how each of the safeguards has been addressed and respected, in accordance with national circumstances.

Countries are encouraged to provide any other relevant information on safeguards in the summary of information, and to improve the information provided over time, taking into account a stepwise approach.

All of a country's safeguards work, including for example the country-specific clarification

of the Cancun safeguards, PLR assessment and SIS, may contribute to the summary of information. Countries may wish to provide a basic or more detailed summary of information on how they are respecting and addressing the Cancun safeguards, to assure investors in REDD+ activities and buyers of verified emissions reductions/enhanced removals that any social or environmental risks associated with their investments have been mitigated or avoided, and benefits enhanced. REDD+ countries should view the submission of information on safeguards as an opportunity to showcase what is underway as well as planned (rather than a risk if all Cancun safeguards are not yet comprehensively addressed and respected).

In summary, the content of the summary could contain information on four key aspects:

- I. How has the country 'clarified' the Cancun safeguards in its own specific context of REDD+ actions and associated environmental and social risks and benefits of those actions?
- II. How is the country addressing the safeguards (e.g., through identification of relevant policies, laws and regulations to tackle anticipated benefits and risks from implementation of REDD+ actions)?
- III. How is the country respecting the safeguards (e.g., through the implementation of the relevant PLRs and documentation of associated outcomes)?
- IV. Any supplementary information on process, such as an overview of the country's approach to safeguards; or a description of the design and development process for the national SIS.

UN-REDD SAFEGUARDS TOOLS

THE UN-REDD PROGRAMME HAS DEVELOPED A PAIR OF TOOLS THAT CAN SUPPORT THE DEVELOPMENT OF COUNTRY APPROACHES TO SAFEGUARDS:

COUNTRY APPROACH TO SAFEGUARDS TOOL (CAST)

CAST is an Excel-based, flexible and process-oriented tool, designed to support countries to:

- Make an informed assessment of / plan for development and application of their country approach to safeguards;
- Identify, prioritize and sequence these relevant REDD+ safeguards and SIS activities;
- Identify available information resources; and
- Clarify how the processes under various safeguards initiatives correspond.

CAST can be used at any stage of safeguards planning; it is available in English, Spanish and French.

BENEFITS AND RISKS TOOL (BERT)

BeRT is designed to support countries to:

- Identify benefits and risks associated with REDD+ actions, in the context of the Cancun safeguards;
- Determine how the country's existing policies, laws and regulations (PLRs) already address the risks or promote the benefits identified;
- Identify gaps in the PLR framework that may need to be addressed in order to address and respect the Cancun safeguards in REDD+ implementation;
- Utilize information on the benefits and risks of specific REDD+ actions/options to inform decisions on which actions to include in the REDD+ NS/AP; and
- Provide content for use in the summary of information on how countries are addressing and respecting the safeguards through existing PLRs.

BeRT is Excel-based, and is available in English, French and Spanish. It contains three modules (Table 8.5):

MODULE 1	<p>Objective: Documenting REDD+ actions that are anticipated in the country (or if this is not clear yet, REDD+ actions that might be feasible) and how these fall under the 5 REDD+ activities listed by the UNFCCC.</p> <p>Output: Table of REDD+ actions</p>
MODULE 2	<p>Objective: Identifying the potential benefits and risks of the REDD+ actions documented in Module 1.</p> <p>Output: Table of potential benefits and risks under each of the Cancun safeguards, with a qualitative assessment of the impact and probability of benefits and risks identified.</p>
MODULE 3	<p>Objective: Identifying existing PLRs that address the benefits and risks; identifying gaps in coverage; and whether there are any PLRs that conflict with the safeguards.</p> <p>Output: Table of existing PLRs that address the Cancun safeguards, an assessment of how well they address the benefits and risks identified and a list of gaps in PLRs.</p>

■ Table 8.5 THREE MODULES OF BENEFITS AND RISKS TOOL (BERT)



CASE STUDY DEMOCRATIC REPUBLIC OF CONGO

ADVANCING ITS COUNTRY APPROACH TO SAFEGUARDS

ISSUE

Democratic Republic of the Congo (DRC) is in the process of finalizing its country approach to safeguards. Starting in 2011, draft national standards for REDD+ aimed at clarifying the meaning of the Cancun safeguards in the national context were developed through various studies, south-south exchanges, public consultations and workshops. A national committee responsible for monitoring the risks and social and environmental co-benefits of REDD+ was put in place. This committee comprises representatives from the government, civil society and the private sector as well as technical and financial partners.

ACTION

In 2012 and 2013, the DRC completed a Strategic Environmental and Social Assessment (SESA), as part of the requirements from the Forest Carbon Partnership Facility of the World Bank, a major funder of REDD+ preparedness in the country alongside the UN-REDD Programme.

The outcome of the SESA was a series of risk management frameworks which should ensure that any REDD+ actions funded through the Forest Carbon Partnership Fund (FCPF) are in line with the national standards as well as the World Bank's Operational Procedures on a range of issues, as appropriate, from the rights of indigenous peoples to the use of pesticides.

IMPACT

A joint testing and validation phase of the national standards and SESA frameworks is scheduled to take place in June 2015. This testing has two main objectives: building the capacity of a national team of experts to monitor the application of the national standards and SESA requirements by collecting information on relevant indicators; and ensuring the feasibility of applying the national standards and SESA frameworks to REDD+ actions by verifying that the information necessary to inform the indicators can effectively be collected within the limits of resources and capacities available on the ground. Once this testing is completed, a decision will be made on a final set of indicators that are both comprehensive and realistic.

The design of DRC's Safeguards Information System (SIS) is currently under development. It will build on existing national systems, like the national REDD+ registry, and draw on the indicators mentioned above to compile national-scale information on how national standards are being respected during the implementation of REDD+ projects and activities.

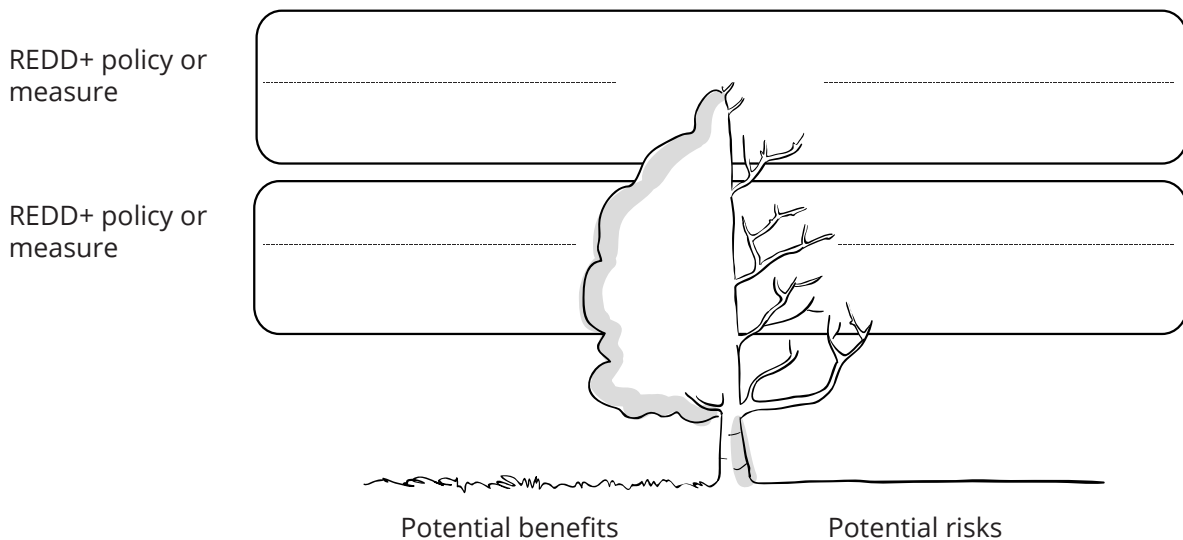
 **EXERCISE 15**

What are the three 'fundamental safeguard-related requirements' developing countries are required to meet to be eligible for results-based payments?

- I.
- II.
- III.

 **EXERCISE 16**

In the space below write down some examples of benefits and risks of possible REDD+ actions specific to your own country context.





KEY MESSAGES OF THIS CHAPTER

- The seven Cancun safeguards are broad aspirational principles that can help to ensure that REDD+ activities “do no harm” to people or the environment, as well as “do good” and enhance social and environmental benefits;
- Developing countries seeking to implement national REDD+ strategies/ action plans (NS/APs) under the UNFCCC should meet three fundamental safeguard-related requirements in order to be eligible for results-based payments;
- Individual countries will need to work out how the safeguards will be applied - or operationalized - in their own specific contexts;
- There is no blueprint for a country approach; each will be different and will reflect the specificities of national contexts as well as what the country defines as the overall goals and scope of safeguards application.
- The development of a Safeguards Information System is integral to the country approach to safeguards;



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

9

REDD+ FINANCE

THIS MODULE PRESENTS BOTH THE ECONOMIC CONTEXT IN COUNTRIES IN WHICH REDD+ NEEDS TO BE IMPLEMENTED, AS WELL AS MORE DETAILED ELEMENTS OF A REDD+ FINANCE PLAN INCLUDING POTENTIAL SOURCES OF FINANCE.



THE MODULE INCLUDES EXPLANATIONS ABOUT:

- REDD+ as part of a country's overarching Green Economy transition
- REDD+ finance-in the context of UNFCCC
- The economics of deforestation
- Sources and gaps in funding for REDD+, and
- The building blocks of a UN-REDD financing plan



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

A PARADIGM FOR A NEW ECONOMY

REDD+ is a concept to financially reward developing countries for their verified emission reductions or removals of greenhouse gases compared to a forest reference emission level or forest reference level (FREL/FRL) that complies with relevant safeguards. However, in order for REDD+ to work in practice, it is important to embed it within a country's broader plans to transition to a low-carbon, more resource efficient and equitable economy.

REDD+ AND THE GREEN ECONOMY

Climate change and environmental degradation (water quality, deforestation, etc.) are forcing governments, companies and consumers alike to change the way they make decisions, by better balancing economic growth with environmental protection. The unprecedented economic growth of the 20th century, which is based on resource extraction and where economic growth is disconnected from carbon emissions and wider ecosystem impacts such as loss of biodiversity, is in need of a paradigm shift, to a global economy that is built around the efficient use of land and water resources.

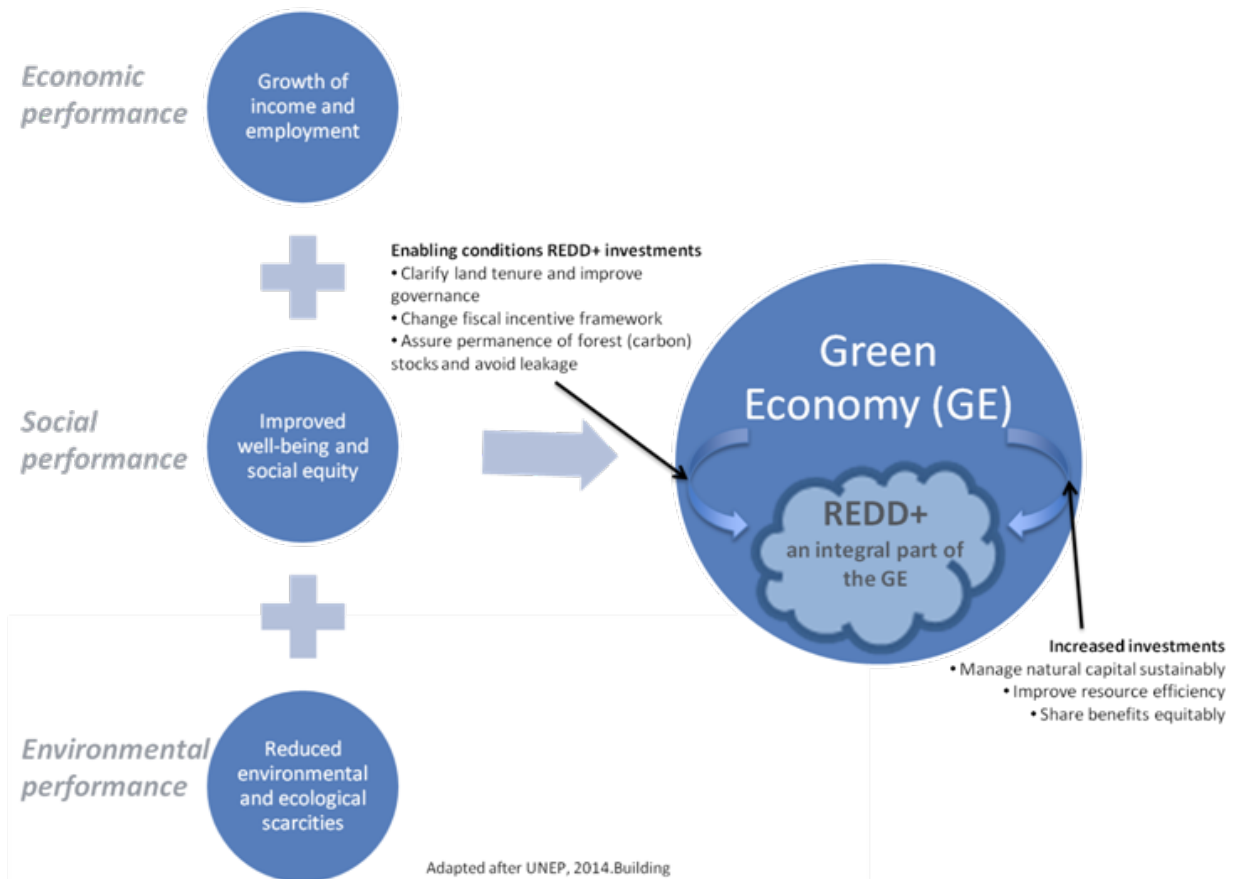
This transition would involve a move towards a "Green Economy", defined by UNEP as: "an economy that results in improved human well-being and social equity, while significantly reducing environmental risks" as shown in Figure 9.1. In order for the broader land-use sector (including forestry, agriculture and other sectors) to contribute to a transition to a Green Economy, significant capital is needed to stimulate emerging economies to reduce rates of deforestation and forest degradation as well as encouraging sustainable management of forests, conservation and enhancement of forest carbon stocks (REDD+).

REDD+ is an integral part of this economic transition and its results-based financing approach has the ability to act as a catalyst for countries to transition to a low-carbon economy. However, in order for REDD+ to become an attractive proposition for emerging economies, a balance will have to be sought between the need to reduce or remove forest carbon emission, support for forest dependent communities and protection of biodiversity and other pressing social and economic needs, such as food security, continued availability of non-timber forest products (e.g. rubber, fruits, nuts, etc) and higher outputs from the agricultural sector, and mining. This integral relationship whereby REDD+ is the catalyst for economic transition through results-based finance is shown in Figure 9.2.

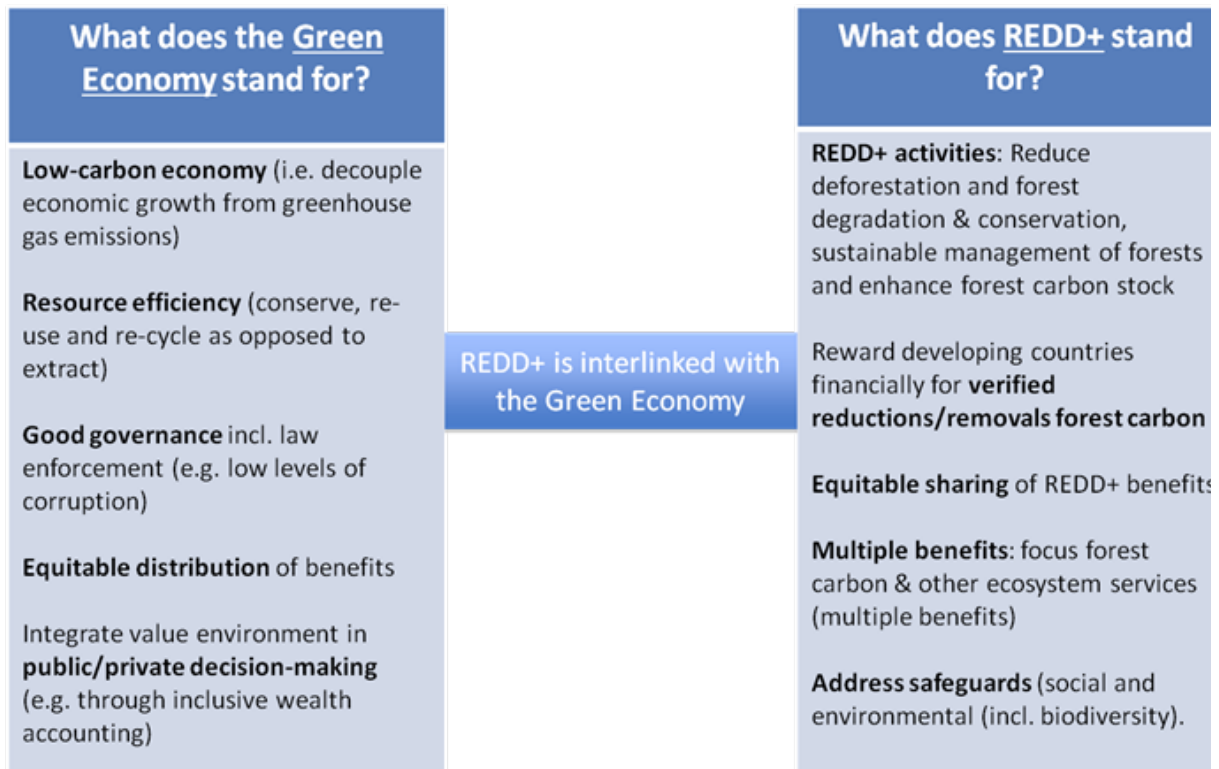


REFLECTION POINT

Do you think addressing environmental and social issues necessarily affect negatively a country's economy? How does this relate to the Green Economy?



■ Figure 9.1 REDD+ EMBODIES CHANGING ECONOMIC PARADIGM - source: UN-REDD Programme



■ Figure 9.2 INTEGRAL RELATIONSHIP BETWEEN REDD+ AND A GREEN ECONOMY - source: UN-REDD Programme

In order to receive results-based payments/finance, a country needs to tackle the direct and indirect drivers of deforestation and identify the best incentive structures and response measures to achieve that at national (or sub-national) level. So the broader perspective of REDD+ finance also includes understanding and addressing the economic and financial drivers that currently contribute to deforestation, as well as assessing the effect of (changing) deforestation rates on gross domestic product (GDP) in order to build a 'government and business case' to transition to a Green Economy. The next section takes a quick detour to provide readers with the REDD+ finance-relevant decisions that have been made in the context of the UNFCCC after which further sections focus in more depth on the issues discussed above.

REDD+ FINANCE IN THE CONTEXT OF THE UNFCCC

At COP 19 in Warsaw the seven decisions adopted and referred to as the "Warsaw Framework for REDD+" completed the "REDD+ rulebook". The "Warsaw Framework" includes a decision on enhancing coordination of support for the implementation of activities, including institutional arrangements. A first decision on aspects related to finance for results-based actions (RBAs) was also adopted. The UNFCCC has set out the process for developing countries to have the results of their REDD+ activities recognised for results-based payments (RBPs) and results-based finance (RBF).

Results-based actions (RBA) are referred to in the UNFCCC text a number of times. For example:

- Decision 1/CP.16, paragraph 73: results-based actions that should be fully measured, reported and verified;
- Decision 1/CP.16, paragraph 77: Ad Hoc Working Group on Long-term Cooperative Action under the Convention to explore financing options for the full implementation of the results-based actions [these actions require national monitoring strategies];
- Decision 2/CP.17, paragraph 64: for developing country Parties undertaking the results-based actions referred to in decision 1/CP.16, paragraphs 73 and 77, to obtain and receive results-based finance, these actions should be fully measured, reported and verified;
- Decision 9/CP.19, progression of developing country Parties towards results-based actions occurs in the context of the provision of adequate and predictable support for all phases of the actions and activities referred to in decision 1/CP.16, paragraphs 70 and 73;

Results-based payments/finance (RBP/RBF) is also referred to a number of times, for example:

- Decision 9/CP.19, that results-based finance provided to developing country Parties for the full implementation of the activities referred to in decision 1/CP.16, paragraph 70, that is new, additional and predictable may come from a variety of sources, public and private, bilateral and multilateral, including alternative sources;
- Decision 9/CP.19 Parties undertaking the results-based actions referred to in decision 1/CP.16, paragraph 73, to obtain and receive results-based finance, those actions should be fully measured, reported and verified, in accordance with decisions 13/CP.19 and 14/CP.19....., and developing country Parties should have all of the elements referred to in decision 1/CP.16, paragraph 71, in place, in accordance with decisions 12/CP.17 and 11/CP.19.

REDD+ finance for countries can be referred to as the payments or finance that a country receives for the successful implementation of actual reductions or removals of forest carbon emissions (RBF/RBP) that have been verified according to the UNFCCC process against an established FREL/FRL using relevant safeguards. It is important to realize that finance will generally be provided for results (ex post) and not actions (ex ante).

A combination of policies and measures (PAMs) are needed to achieve REDD+ results. However, it is important to realize that while RBF will be made for actual emission reductions (ER) achieved, not all PAMs achieve ER directly. For example, having a good governance structure in place and putting in place a National REDD+ Fund or other institutional mechanism is an important PAM which by itself will not achieve ER (and therefore payments). It is rather an important enabling factor. More information on PAMS can be found in **Module 7: Policies and measures**.



REFLECTION POINT

Can you think of other PAMs which would not lead directly to ER?

FUNDING VS. FINANCE

It is important to differentiate between “funding” and “finance”.

REDD+ “FUNDING”

One would speak of “funding” if the money does not have to be repaid and there is generally no financial return. In this case, the generation of money - or more precisely the generation of the incentive to invest money - for a particular activity will help make an investment commercially viable, and/or competitive to conventional investment alternatives. For example, if an entity were to establish a floor price on carbon (for example US\$ 3 dollars per tCO₂-eq up to 200,000 tons) that would incentivize e.g. forest companies and their investors to change or extend their business model towards a model whereby forest carbon is one of several (or the only) revenue streams. If the company were successful in selling forest carbon credits to potential buyers for a price that is higher than the floor price (for example it would sell credits for US\$7 per tCO₂ for a certain amount of forest carbon), the floor price would not kick in. However, if the company were unsuccessful in selling its forest carbon it could sell it to the entity that had provided the floor price ensuring a minimum revenue stream from forest carbon for the sustainable forest management business (and its investors). So the floor price on carbon can be regarded as ‘REDD+ finance’ in this instance because it generates incentive to make an investment commercially viable. However, this should be regarded as ‘funding’, because any money received by the sustainable forest management company would not normally have to be paid back.

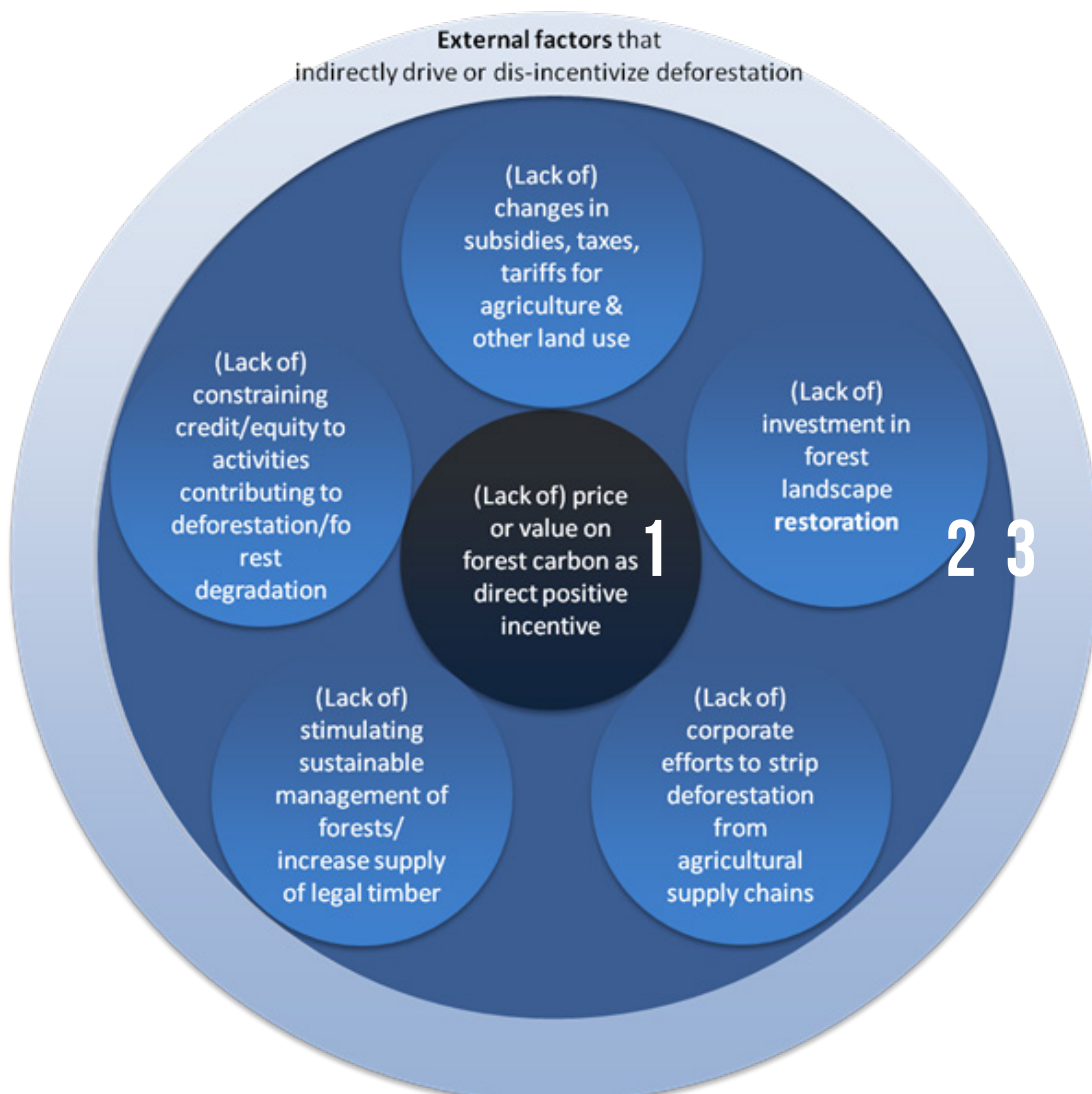
REDD+ “FINANCE”

“Finance” on the other hand, means making money available upfront (ex-ante) for investment. The money is typically repaid from the on-going operations and cash flows of

the investment (ex-post). The two main types of finance are debt (often loans) and equity investments. For example, a bank that provides a loan to a forest management company for enlarging its business with a sustainable forest management component will have to be paid back with interest. In this case 'REDD+ finance' is actual 'finance' because the principal will have to be paid back to the entity (a bank) with interest.

REDD+ FINANCE IN THE CONTEXT OF DIRECT AND UNDERLYING ECONOMIC DEFORESTATION DRIVERS

The primary focus of the UN-REDD Programme is to successfully support partner countries to achieve all elements of REDD+ readiness in order to enable them to move to **implementation** and ultimately to receive **results-based finance/payments**. In order to do so, it is important to first understand the various direct, indirect and external economic and financial incentives and disincentives that can add or reduce pressure on forests.. Further discussion on the analysis of drivers can be found in **Module 3: Drivers of Deforestation and Forest Degradation**. These pressures can be further explained using three levels of economic and financial incentives to either conserve/sustainably use or convert forests to alternative land uses, as seen in figure 9.3.



IX-6 ■ Figure 9.3 FINANCIAL INCENTIVES FOR REDD+ - source: UN-REDD Programme

LEVEL 1. PLACING A PRICE OR VALUE ON FOREST CARBON	LEVEL 1. PLACING A PRICE OR VALUE ON FOREST CARBON	LEVEL 3. THE INFLUENCE OF EXTERNAL FACTORS
Valuing forest carbon and other ecosystem services forests provide (e.g. through a carbon tax) can incentive landowners (public and private) to reduce deforestation and forest degradation	Different direct and indirect policies and measures can tackle the drivers of deforestation to generate REDD+ results-based payments/finance(for verified emission reductions/removals)	Agricultural commodity prices, exchange rates between countries trading goods that lead to deforestation, sovereign debt, etc.

LEVEL 1. PRICE OR VALUE ON FOREST CARBON

One of the primary reasons why (tropical) forests disappear is that the economic system generally does not provide a price or value on forest carbon and/or other forest ecosystem services, such as the water regulating functions that forests provide.



REFLECTION POINT

Other than regulating water, what are some of the other services that ecosystems provide which are not given an economic value?

LEVEL 2: DIRECT AND INDIRECT ECONOMIC ISSUES THAT ADD OR REDUCE PRESSURE ON FORESTS

Addressing direct and indirect drivers of deforestation can be equally as effective as pricing. Brazil has been able to reduce deforestation from: 27,000 km² in 2000 to 5,000 km² in 2011, with a total avoided forest loss during those years equal to 62,000 km². This is ≈ 2.3 billion tons CO₂ loss avoided due to a range of policies and measures (equivalent to emissions of 131 coal fired power plants over 5 years).

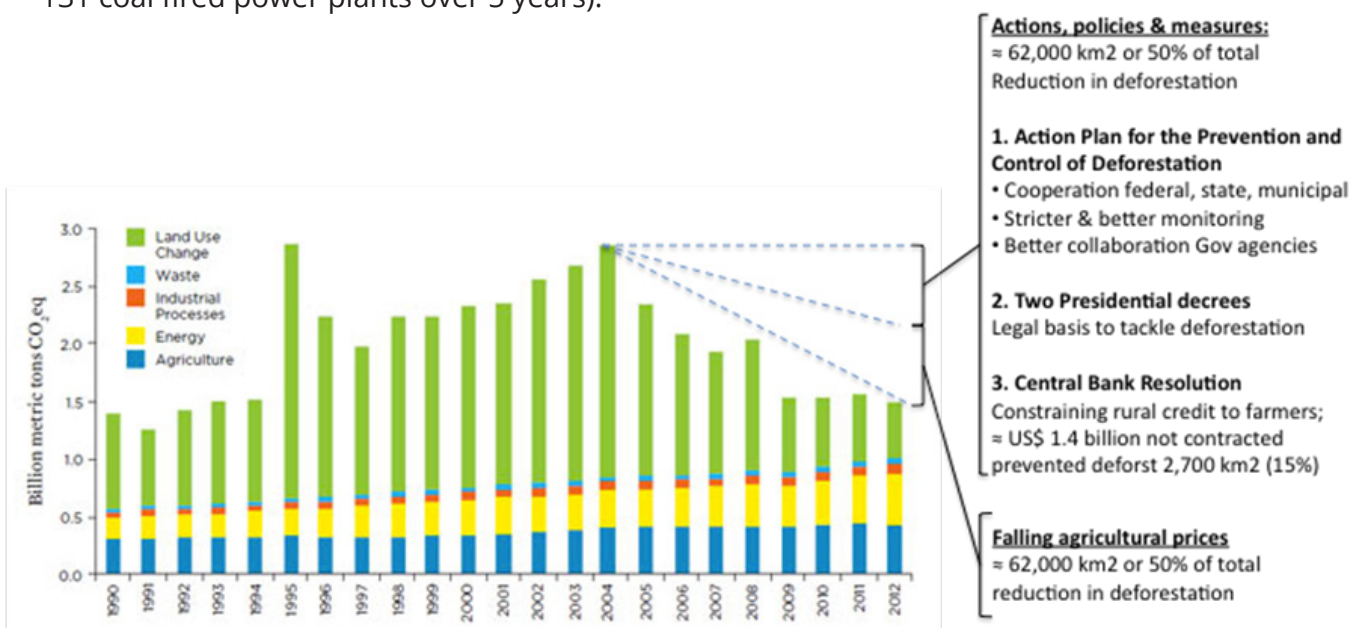


Figure 9.4 A COMBINATION OF POLICIES AND MEASURES COUPLED WITH FAVOURABLE EXTERNAL CONDITIONS HAS LED TO SIGNIFICANT REDUCTION IN DEFORESTATION IN THE BRAZILIAN AMAZON BETWEEN 2000 – 2011 - source: UN-REDD Programme



Subsidies, taxes, import/export tariffs, constraining credit or equity are all indirect economic and financial tools that can either add or reduce pressure to convert forests regardless of how they are structured.

Figure 9.5 presents the example of agricultural subsidies in Indonesia and Brazil. The main elements in this graphic are:

- I. Subsidies for agriculture are orders of magnitude greater than REDD+ finance as shown in examples of Indonesia and Brazil in figure 9.5;
- II. Fiscal & policy incentives supporting agricultural development were not designed with REDD+ in mind;
- III. The enabling environment is crucial for REDD+ including supply chain sustainability and zero net deforestation commitment.

■ Figure 9.5 AGRICULTURAL SUBSIDIES VERSUS REDD+ FINANCE IN BRAZIL AND INDONESIA - source: ODI, 2014

More analysis is required to understand how the various individual subsidies in the timber, palm oil, soy and other soft commodity supply chains contribute to deforestation.

LEVEL 3: EXTERNAL FACTORS THAT AFFECT DEFORESTATION / FOREST DEGRADATION

Even if there is a price or value on forest carbon and even if policies and measures (PAMs) are implemented by countries that tackle the drivers of deforestation and forest degradation, it is important to be aware of external factors that are difficult to influence, but can affect forests in a significant way.

Two contrasting examples include:

- I. When agricultural commodity prices for crops such as soy drop, it dis-incentivizes farmers from encroaching into forests further because their revenue drops with falling prices;
- II. In a similar fashion if prices for palm oil, soy and other crops rise, it encourages farmers and others to clear more land because of potential increased revenue with increasing prices (as shown in figure 9.6).

External factors include: exchange rates, sovereign credit ratings and debt, international market price of (soft) commodities and fossil fuel prices. These factors are context specific and need to be understood in the context of each country.

Some external factors can be/are (partly) influenced by governments, such as a country's exchange rates which can be affected by central banks' monetary policy. For example, if the currency of a soft commodity producing country drops against the currency of an important consumer country, it becomes relatively cheaper to export, which in turn can add pressure to convert forests. In a similar fashion, if the currency of a soft commodity producing country appreciates because of overall substantial economic growth, it can actually reduce the pressure on forests as the crops produced become relatively more expensive for consumer countries to buy.

Crop prices have a 'positive correlation' with deforestation rates in the Brazilian Amazon, meaning that higher/lower prices for crops correspond to higher/lower deforestation rates, as shown in Figure 9.6. By contrast this relationship is less clear with regard to other agricultural activities such as livestock.

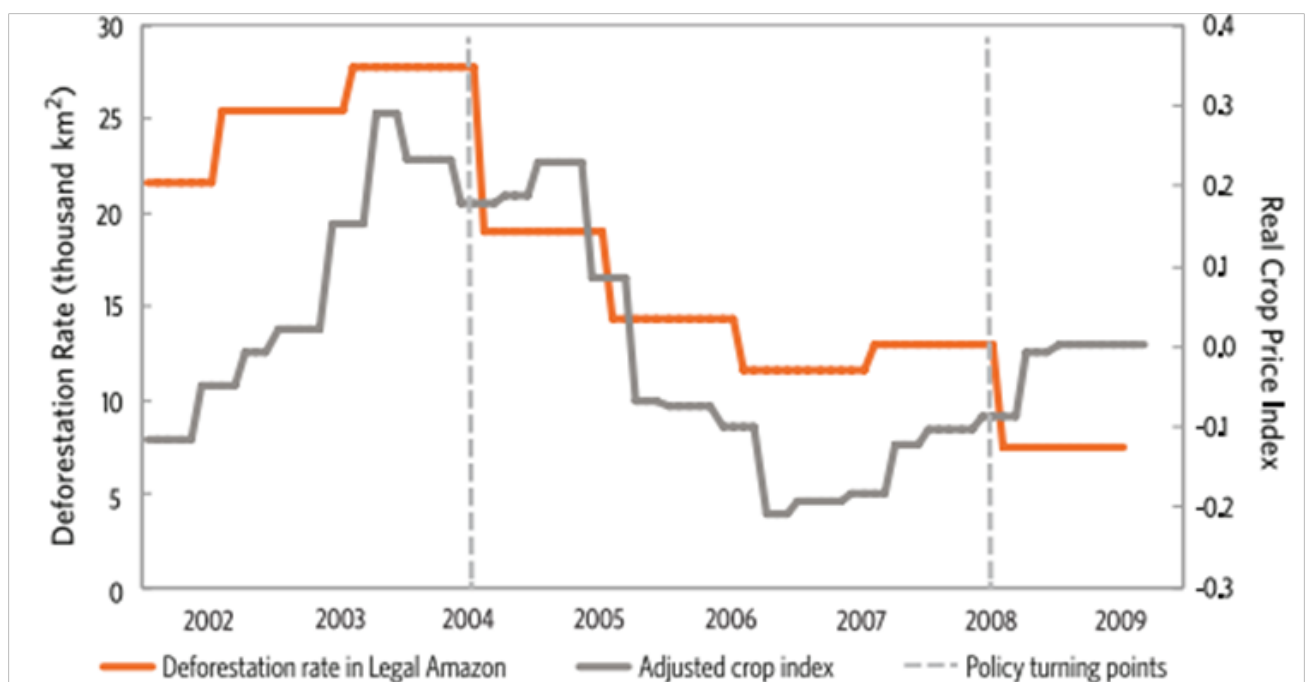


Figure 9.6 DEFORESTATION RATES COMPARED WITH WHEAT PRICES IN LEGAL AMAZON - source: Assuncao et al., 2012¹



REFLECTION POINT

Think of a policy or measure which could be used to address each level of economic driver of deforestation.

This section briefly presented how economic and financial factors can influence deforestation and forest degradation. The following section will concentrate on how policies and measures for REDD+ implementation can be financed.

¹ <http://climatepolicyinitiative.org/wp-content/uploads/2012/03/Deforestation-Prices-or-Policies-Working-Paper.pdf>

GLOBAL SIZE OF REDD+ FINANCE

UNEP estimates in a report by the International Resource Panel that about US\$30 billion per year will be needed for results-based payments from 2020 (UNEP, 2014)².

Aggregate pledges and investments from both the public and private sectors to date are significant, at more than US\$9.8 billion for the period between 2006 and end of 2014 (Norman and Nakhooda, 2015)³, which is below the UNEP estimate of USD 30 billion/annum. Norway, USA, Germany, Japan and the UK have provided about 75% of total funding. About 89% of the funding comes from public sources with the remaining 11% from the private sector (including foundations).

Figure 9.7 gives an overview of the type of finance provided divided between;

- I. Multilateral;
- II. Bilateral;
- III. Private sector; and
- IV. Unknown.

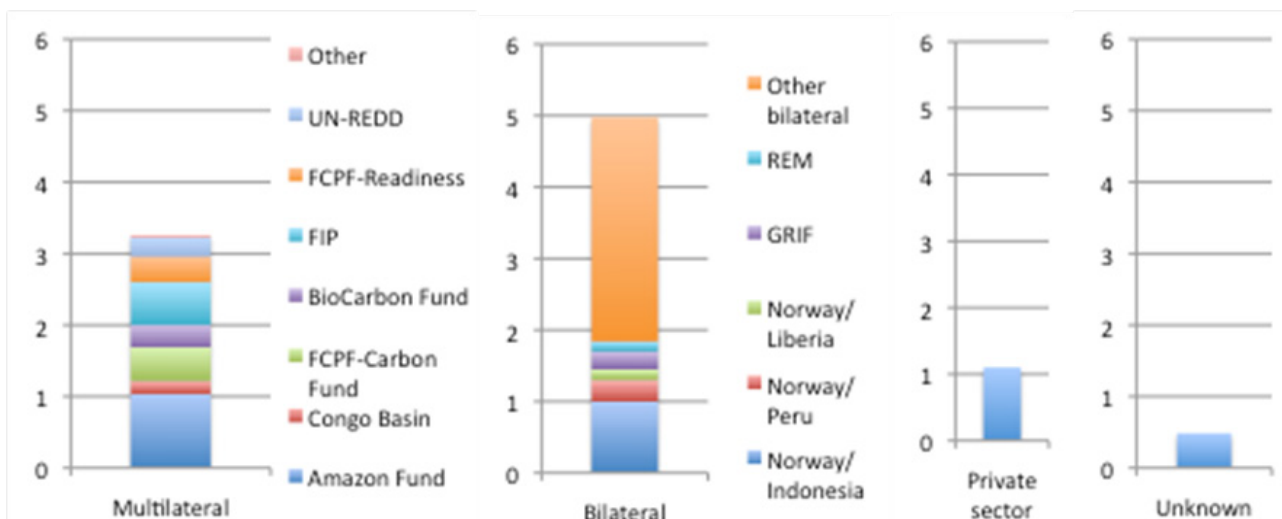


Figure 9.7 OVERVIEW CUMULATIVE REDD+ FUNDING PLEDGED BY DONOR COUNTRIES BETWEEN 2006-2014 (IN US\$ BILLION) - source: Adapted from Norman and Nakhooda (2015).

Brazil and Indonesia together receive 35% of allocated funding out of a total of 80 recipient countries. Liberia and Tanzania are the most significant recipients of REDD+ finance in

REFLECTION POINT

Does your country receive REDD+ related finance?

² UNEP, 2014. Building Natural Capital

³ <http://www.cgdev.org/publication/state-redd-finance-working-paper-378>

Africa, while Peru and Guyana are the most important ones in Latin America (after Brazil). Besides international support for REDD+, the scale of domestic sources to reduce emissions from deforestation is also growing. According to Streck and Parker (2012)⁴, about US\$10 billion/year is allocated in terms of domestic funding, with the largest share allocated by the Chinese government. Mexico and Ghana have respectively allocated US\$433 million and US\$39 million domestically, which accounts for 43% and 37% of total REDD+ finance for these countries.

In terms of domestic funding, REDD+ can potentially support the implementation of Intended Nationally Determined Contributions (INDCs). The forestry sector is an important piece of Chile's INDC, for example, because of its critical contribution to mitigate greenhouse gas (GHGs) emissions both domestically and internationally. It is for this reason that Chile, through the Ministry of Agriculture and specifically with the National Forestry Corporation (CONAF) has decided to accelerate the implementation of forestry programs aimed at GHG mitigation. The National Strategy for Climate Change and Vegetation Resources has been developed for this purpose.

FROM READINESS TO IMPLEMENTATION: STRUCTURING A REDD+ FINANCE PLAN

A financing plan for REDD+ forms a key element in moving from Readiness to implementation. This section takes a brief look at the interplay between financing and implementation, as shown in Figure 9.8, and introduces the “why”, “what” and “how” of REDD+ implementation at national level. Important elements that a country needs to take into consideration at this point include:

- What policies and measures (PAMs) it will prioritize based on the intended effect of tackling either the direct and/or underlying drivers of deforestation in order to achieve REDD+ results;
- What are the financial needs for implementing these PAMs? Some PAMs may not require upfront capital such as changes in fiscal instruments. Other actions do require upfront capital, such as incentivizing smallholders to remove and replant crops (e.g. palm oil trees) that have higher yields per hectare. The Forest Investment Programme⁵ (FIP), a US\$785 million funding window of the US\$8.1 billion Climate Investment Funds⁶ (CIF), is an example of a facility meant to financially support countries with results-based actions (phase 2);
- The possibility of generating REDD+ finance upfront (ex ante) to cover costs, and what sources of REDD+ results-based finance are available assuming that the PAMs will yield the intended tCO₂ reduction or removal of forest carbon;
- What institutional, legal and other arrangements need to be put in place to unlock REDD+ finance?



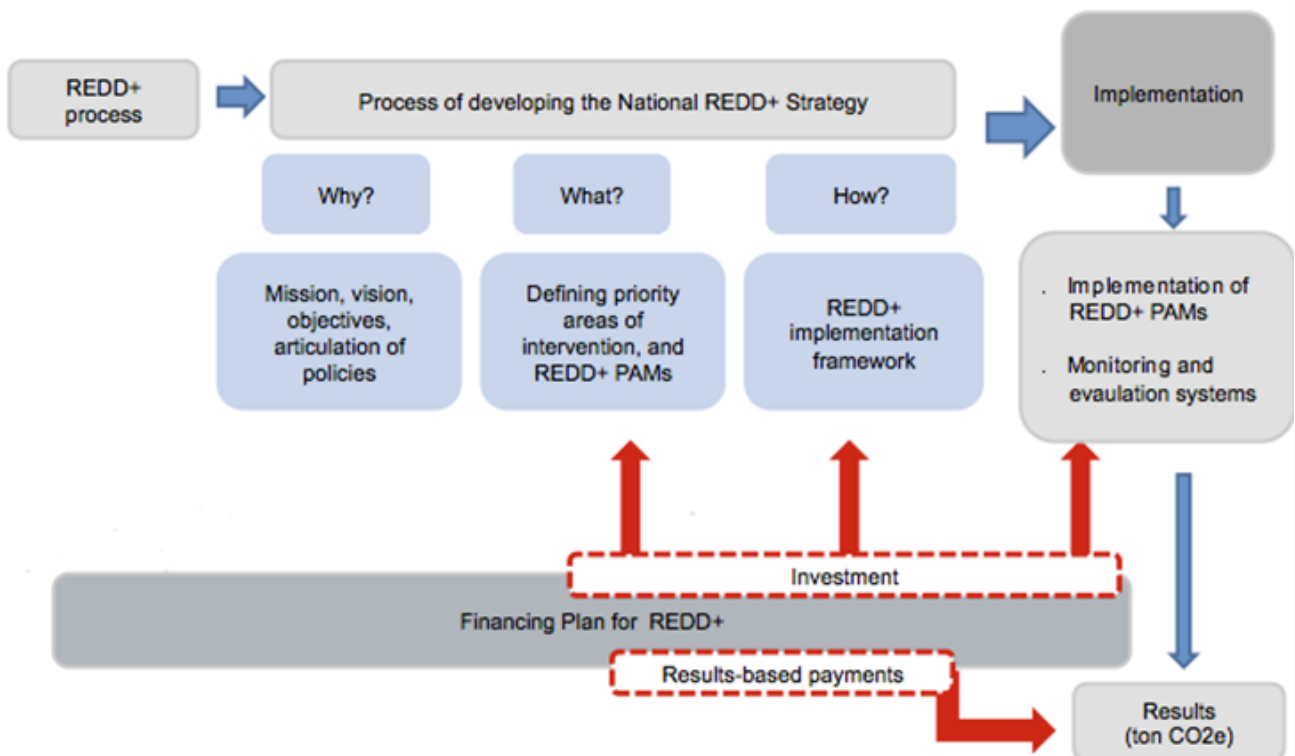
REFLECTION POINT

Do you remember the 4 readiness elements that countries need to develop in order to receive results-based payments?

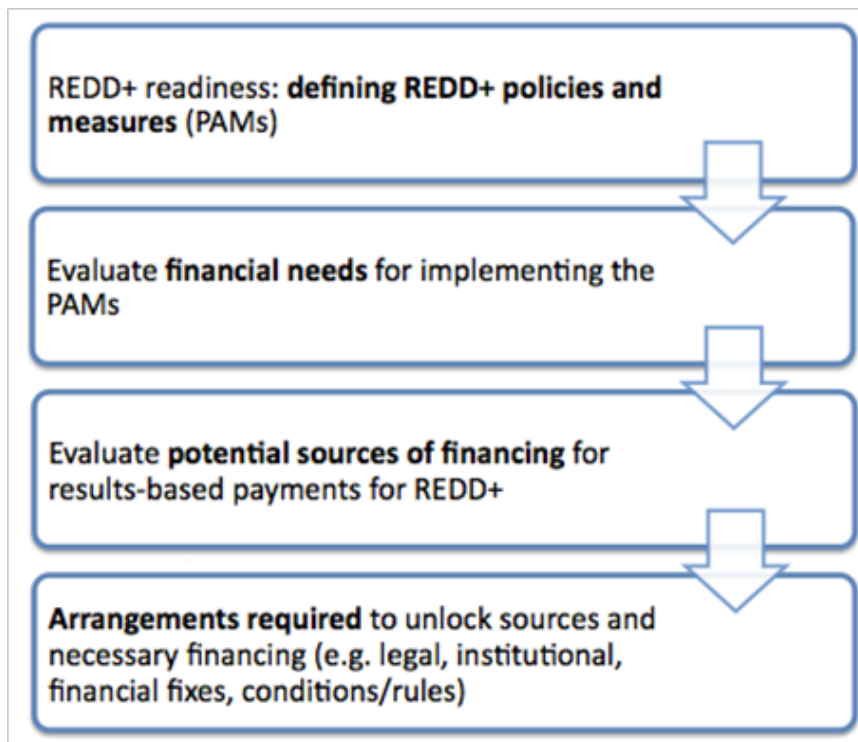
4 http://www.cifor.org/publications/pdf_files/Books/BAngelsen120107.pdf

5 <http://www.climateinvestmentfunds.org/cif/node/5>

6 <http://www-cif.climateinvestmentfunds.org/>



■ Figure 9.8 STEPS TO KEEP IN MIND WHEN MOVING FROM REDD+ READINESS TO IMPLEMENTATION - source: UN-REDD Programme



■ Figure 9.9 CONNECTING FINANCIAL NEEDS TO IMPLEMENT PAMs WITH POTENTIAL SOURCES OF FUNDING AND ARRANGEMENTS - source: UN-REDD Programme

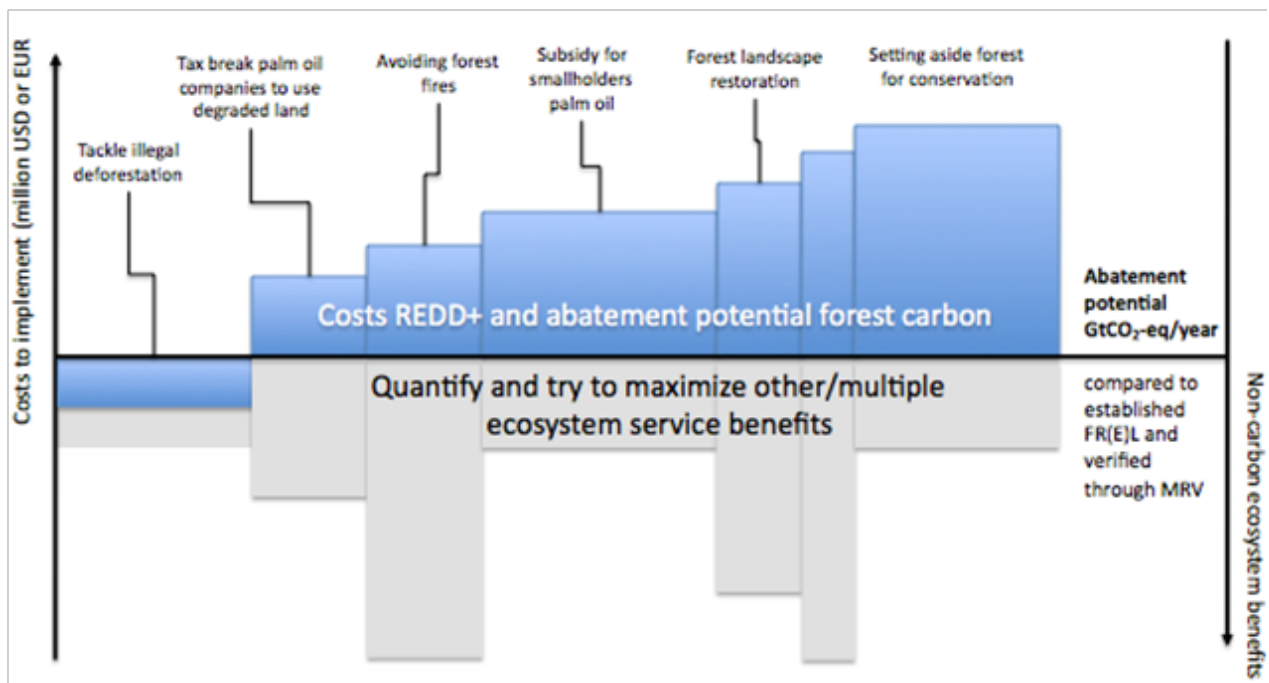
Figure 9.9 illustrates the process of connecting potential funding to implement PAMs with potential sources of funding, including the arrangements required to release those funds, while Figure 9.10 provides the “abatement potential” (how much tCO₂ is a country likely to reduce or remove given the uncertainty) of different PAMs, portrayed on the x-axis against costs of implementation on the y-axis.

The potential types of PAMs shown in Figure 9.10 are for **illustrative** purposes only. The following discussion focuses on the example of tackling illegal deforestation as a potential policy or measure that a country may choose to implement. From a cost perspective this may involve hiring more forest rangers in order to reduce the chance of illegal deforestation happening. This by itself implies a cost for the government. However, bringing the timber industry into legality could also constitute tax revenue, which could (partly) offset the costs of tackling illegal deforestation. The costs (monetary) and benefits (abatement potential) can be established for other potential policies and measures as well, even only as a rough estimate in order to make informed decisions what policies and measures to implement. Lastly, besides the costs and carbon benefits, it would be very helpful to also try to maximize the non-carbon ecosystem benefits (in terms of water regulation potential, etc).



REFLECTION POINT

What are the PAMs found in Figure 9.10 which could be, or are, implemented in your country?



■ Figure 9.10 THE POTENTIAL OF POLICIES TO REDUCE FOREST-CARBON EMISSIONS
- source: UN-REDD Programme

FINANCIAL SOURCES OF REDD+ AND ARCHITECTURE TO CHANNEL FUNDS

As shown previously, public bilateral and multilateral sources of finance have provided the largest part of REDD+ finances so far. The Green Climate Fund (GCF) is expected to be an important source of climate change finance in the years to come, including for REDD+. On 20 November 2014 US\$9.3 billion was pledged by various governments to the fund. Another important source of funding might come from the private sector, depending on the incentive framework that a government puts in place to unlock private finance by creating new market mechanisms. Figure 9.11 presents an overview of the REDD+ Finance landscape.

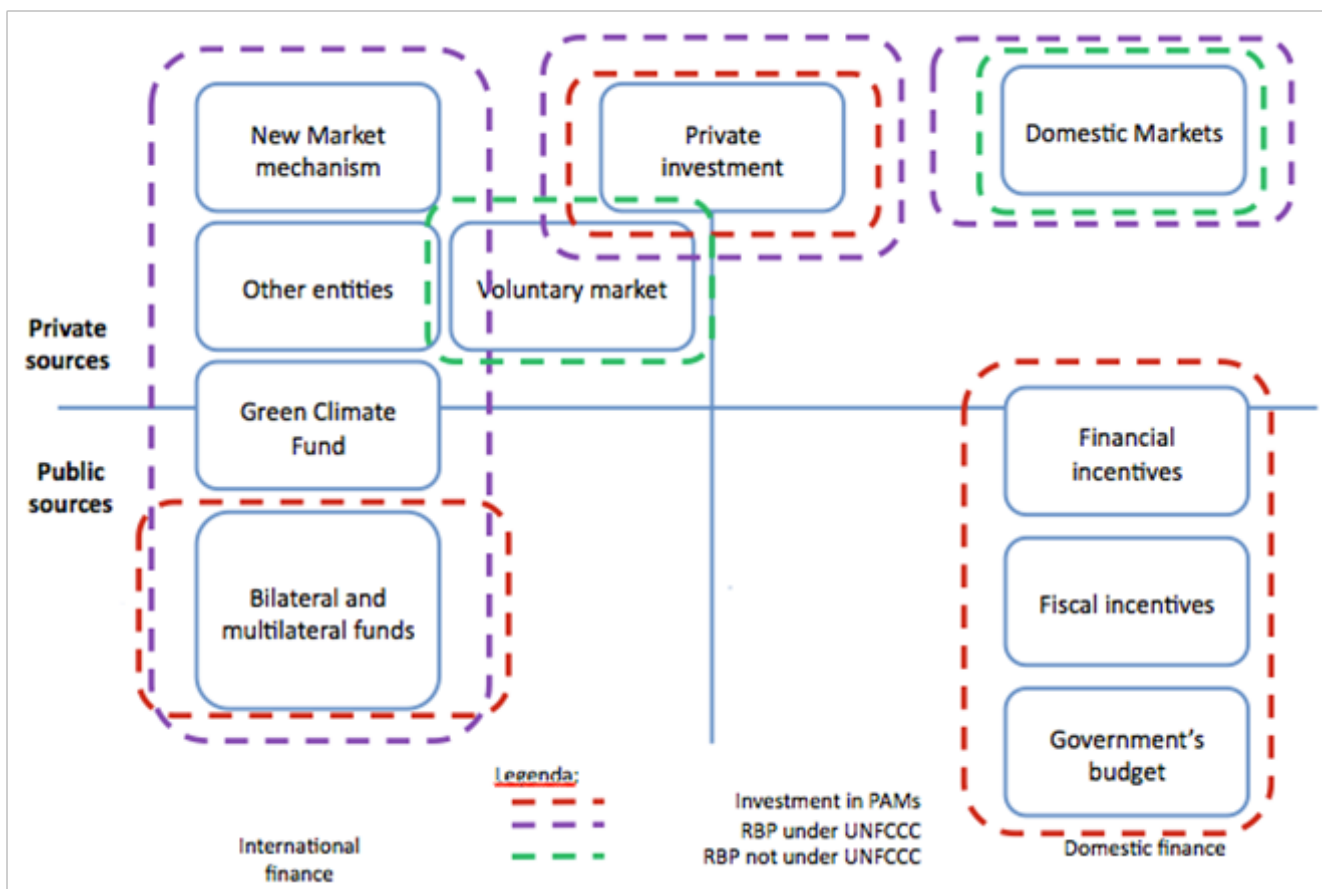


Figure 9.11 OVERVIEW OF POTENTIAL PUBLIC AND PRIVATE SOURCES OF REDD+ FINANCE FOR INVESTMENT IN PAMs AND FOR RESULTS-BASED PAYMENTS (UNDER THE UNFCCC) - source: UN-REDD Programme

The Green Climate Fund⁷ and the REDD Early Movers⁸ (REM) Programme are discussed in Box 9.12 in order to provide a bit more insight what these entail and how they are structured before moving to the steps that countries can consider when building the financial arrangements for REDD+.

⁷ <http://www.gcfund.org/about/the-fund.html>

⁸ <http://theredddesk.org/markets-standards/germanys-redd-early-movers-programme>

■ Box 9.12 GREEN CLIMATE FUND AND REDD EARLY MOVERS

THE GREEN CLIMATE FUND (GCF)

The GCF was created to receive and channel resources for climate change mitigation projects, policies and activities. So far it has managed to mobilize about US\$10 billion. Land use is one of the four windows that have been created as abatement mechanism to reduce greenhouse gas emissions. The logic framework for results-based payments/finance (RBP/RBF) is based on the UNFCCC Warsaw Framework or "REDD+ rule book".

The GCF is an operating entity of the UNFCCC's financial mechanism. Recipient countries can submit funding proposals through National Designated Authorities (NDAs). Recipient countries will be allowed direct access through accredited sub-national, national and regional implementing entities they propose and set up as long as these implementing entities fulfil certain fiduciary standards. The modalities of access remain to be agreed. GCF funds can also be accessed through multilateral implementing entities, such as accredited multilateral development banks (e.g. African Development Bank and others) and UN agencies (e.g. UNDP).

A private sector facility will also be established that allows direct and indirect financing by the GCF for private sector activities. National Designated Authorities, which can object to private sector activities, are to ensure that private sector interests are aligned with national climate policies.

REDD+ EARLY MOVERS PROGRAM (REM)

The German REDD Early Movers Programme (REM) is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by the KfW Development Bank and the Gesellschaft für Internationale Zusammenarbeit (GIZ). The REM programme promotes forest conservation and is designed to strengthen performance-based payments for demonstrated emission reductions and provides accessible bridging finance for countries, which have already taken independent action towards mitigating climate change.

It aims to assist in closing the funding gap by supporting REDD+ early actions – financing for "early movers". REM supports emission reduction efforts achieved at a national, sub-national or biome level. One of the eligibility criteria is that a subnational or biome approach is integrated in national strategies and aligned to policies to reduce deforestation and associated emissions.

It includes both payment modalities for investment or capital requirements upfront (ex ante) as well as payments for results (ex post). Some of the countries and entities that have been supported include:

- Acre State- payment made for emissions reductions verified in 2012. In the next 4 years, Acre will continue to be supported for reducing 8 MTCO_{2i};
- Colombia and Ecuador: Letter of intention signed at COP20, which is in the process for setting an agreement

Countries face various options when deciding how to identify, generate and manage REDD+ funds. They may consider:

- I. If they will use existing arrangements or create new ones;
- II. If they create new ones, what shape will they take;
- III. Whether governments can use budgetary systems, extra-budgetary, market-based instruments or a combination of all of these.

These are highlighted in three steps below:

STEP 1 – WHAT ARE THE NEEDS OF THE COUNTRY?

- What sources of funding are expected to be mobilized;
- What are the kind of disbursements considered (reimbursable or not, size of disbursements);
- Who will be the beneficiaries (households, communities, companies, government, NGOs, aid agencies);
- Is there need for intermediaries;
- What will be the type of projects that will be supported (capacity building, policy reform, investments in productive activities, carbon).

STEP 2 – ASSESSMENT OF EXISTING ARRANGEMENTS

- How the modalities ensure coordination with national policies?
- Are the modalities transparent?
- Where the funds come from?
- Disbursement capacities (to whom, what size, what sort of payment)?
- How efficient the procedures are (complexity, length of procedures, VfM)?
- How effective the modalities are (earmarking, carry-overs, multiyear budgets, ring-fencing, leakage, additionality, permanence)?
- Co-benefits.

STEP 3 – ASSESSMENT OF THE ARRANGEMENTS THAT CAN BE CREATED

- The explanation for a specific shortcoming in the modalities described;
- Can the existing modality be adapted;
- Or should a completely new structure be created;
- What are the cost/time implications of either decision?

■ Box 9.13 PROVIDING INCENTIVES FOR PRIVATE SECTOR INVESTMENT

Clear regulatory framework: the regulatory framework of a country needs to articulate key roles and responsibilities of all key actors;

Economic incentives: to redirect finance away from carbon intensive/high forest impact investments to an alternative model that decouples productive activities from forest impacts economic incentives such as tax breaks, subsidies or carbon payments/payments for environmental services are likely needed;

Timeframe: consistent policies over a longer timeframe are needed to encourage private businesses to invest for change.



INDIA'S FISCAL TRANSFER FORMULA FOR STATE ALLOCATIONS INCLUDES FOREST COVER

Kissinger, G., 2015. Fiscal incentives for agricultural commodity production: Options to forge compatibility with REDD+. UN-REDD Programme Policy Brief Issue #07.

ISSUE

India's fiscal transfer formula for state allocations includes forest cover India has 69.7 million hectares of forest. There are important pressures on these forests, particularly from extraction and fodder. While India is preparing for REDD+, and considering UN-REDD and FCPF participation to leverage resources for capacity building for implementation, the country is moving ahead to directly address the perverse incentives that impact forests by reconfiguring their intergovernmental transfer system.

ACTION

Types of fiscal incentives and where in the supply chain: India's intergovernmental fiscal transfer system is the mechanism by which the central government distributes the net proceeds of taxes back to states. As significant amounts of forestland are utilized and managed at local scales, for example, in Panchayats and Gram Sabhas, fiscal policies and decisions at these scales are important. India's intergovernmental fiscal transfer system previously did not include a way to recognize the fiscal implications of natural resource and forest management decisions.

Reason for intervention:

India's 14th Finance Commission recognized the perverse incentives that state and local governments had to undervalue and mismanage forests, and observed that declining revenue from forests was a concern to some states, due to the implementation of the National Forest Policy.

Evaluation of trade-offs:

As the Commission was charged with considering the need to balance management of ecology, environment and climate change consistent with sustainable economic development, the Commission concluded:

India's intergovernmental fiscal transfer: formula for state allocations includes forest cover

"Forests and the externalities arising from them impact both the revenue capacities and the expenditure needs of the States. We have noted that there is a need to address the concerns of people living in forest areas and ensure a desirable level of services for them. At the same time,

it is necessary to compensate the decline in the revenues due to existing policy prescriptions. In our view, forests, a global public good, should not be seen as a handicap but as a national resource to be preserved and expanded to full potential, including afforestation in degraded forests or forests with low density cover. Maintaining a green cover, and adding to it, would also enable the nation to meet its international obligations on environment related measures. We recognise that the States have to be enabled to contribute to this national endeavour and, therefore, we are designing our approach to transfers accordingly."

Action taken to reverse or reform fiscal incentives:

India took action on two fronts:

1. Increasing the amount of revenue allocated to states by 10%, and
2. Assigning a 7.5% weight to forest cover in the allocation formula of revenue going to states.

The criteria and weights in the new allocation formula are as follows:

India's intergovernmental fiscal transfer: formula for state allocations includes forest cover

Table: Criteria and Weights

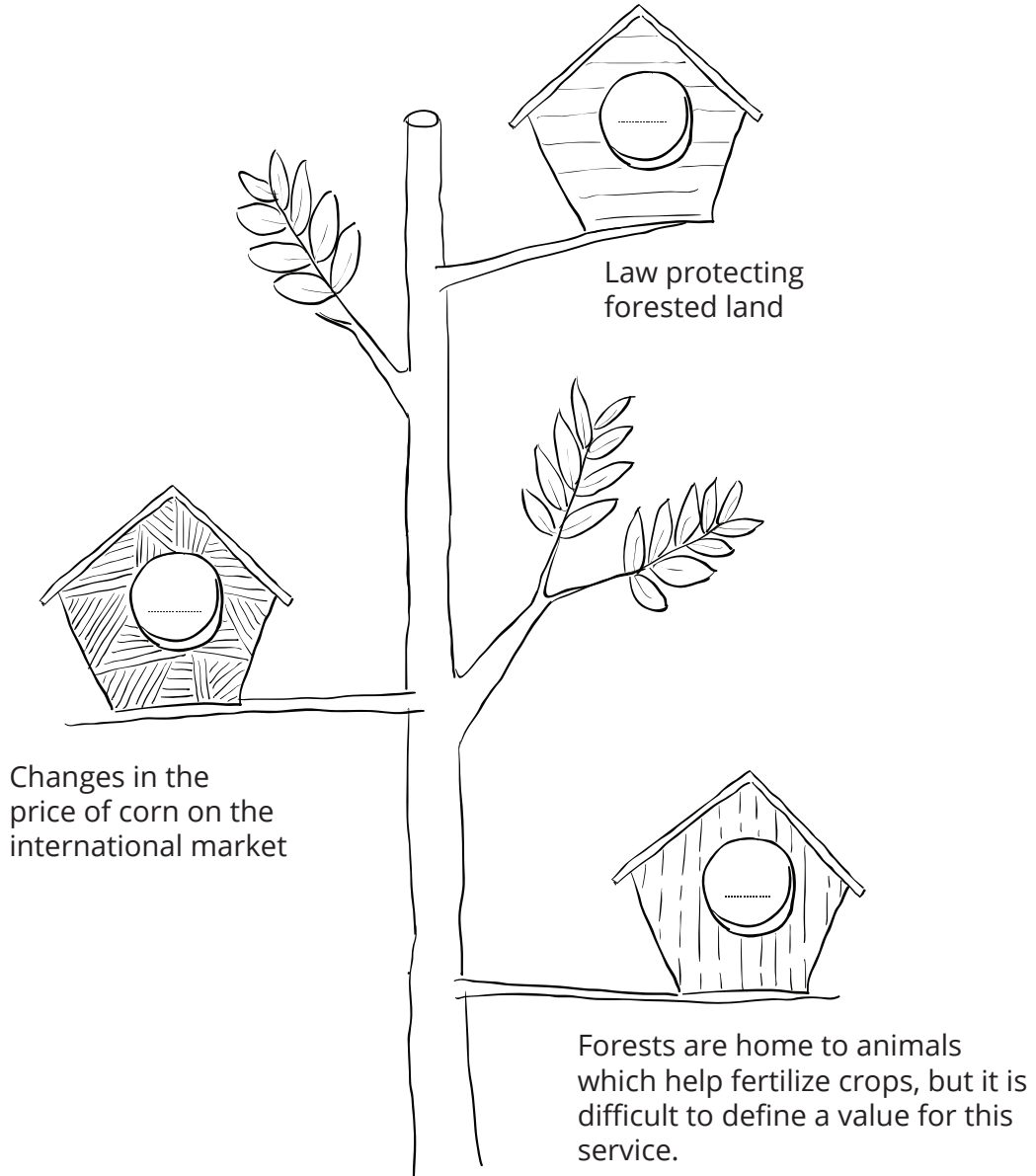
CRITERIA WEIGHT	%
Population	17.5
Demographic Change	10
Income Distance	50
Area	15
Forest Cover	7.5

IMPACT

The percentage weight allocated to forest cover is expected to deliver \$6 billion a year to Indian states. This works out to roughly \$120 per hectare per year and is competitive with agriculture production earnings, thus providing economically viable support to states seeking to grow their agricultural output without clearing forests.

 **EXERCISE 17**

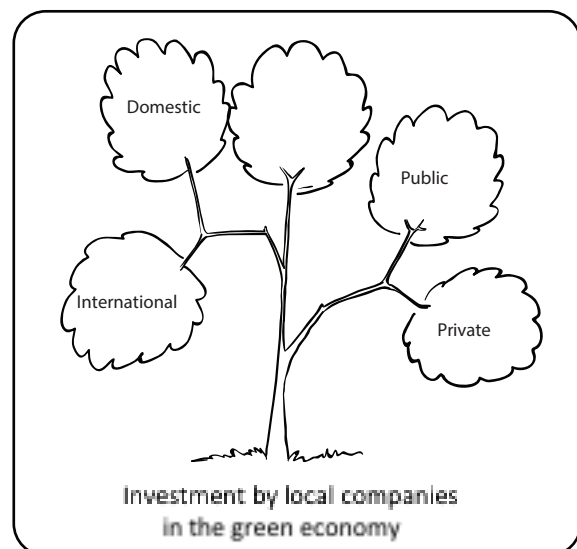
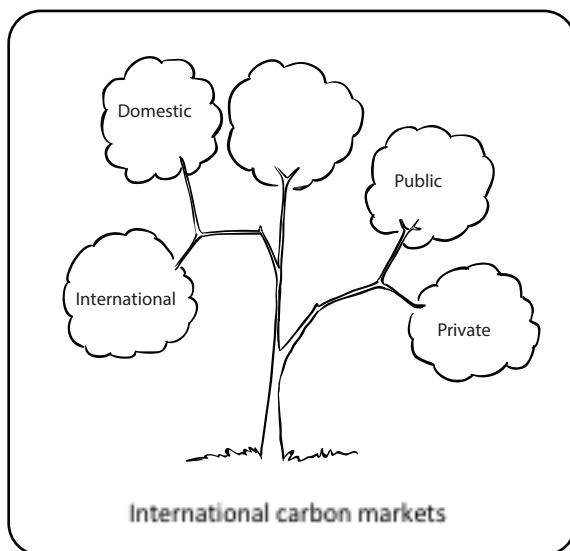
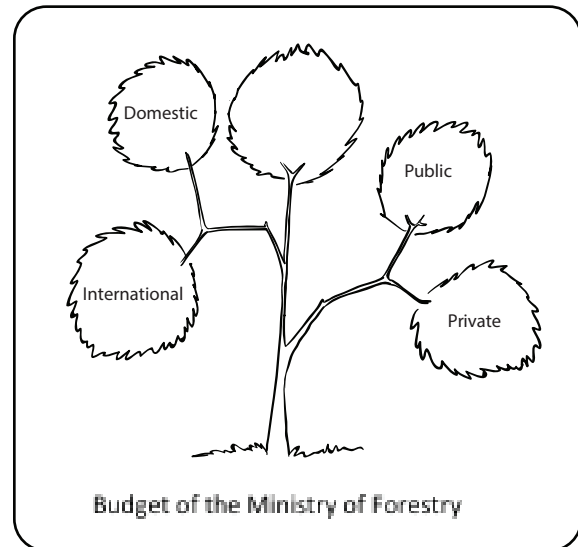
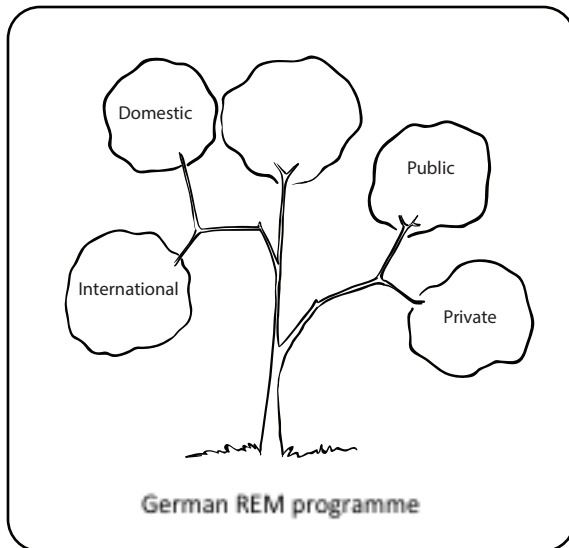
Decide if the following economic factors are related to
(1) carbon price,
(2) direct or indirect drivers, or
(3) external factors.





EXERCISE 18

Define if the following sources of funds are Private or Public, and Domestic or International.





KEY MESSAGES OF THIS CHAPTER

- REDD+ is a concept to financially reward developing countries for their verified emission reductions or removals of greenhouse gases compared to a forest reference emission level or forest reference level (FREL/FRL) that complies with relevant safeguards.
- REDD+ is an integral part of this economic transition and its results-based financing approach has the ability to act as a catalyst for countries to transition to a low-carbon economy.
- The broader perspective of REDD+ finance also includes understanding and addressing the economic and financial drivers that currently contribute to deforestation, as well as assessing the effect of (changing) deforestation rates on gross domestic product (GDP) in order to build a 'government and business case' to transition to a Green Economy.
- It is important to distinguish between funding and finance in REDD+.
- The primary focus of the UN-REDD Programme is to successfully support partner countries to achieve all elements of REDD+ readiness to enable them to move to implementation and ultimately for developing countries to receive results-based finance/payments.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

10

APPROACHES FOR ALLOCATION OF INCENTIVES

THIS MODULE WILL DISCUSS THE APPROACHES TO ALLOCATION OF INCENTIVES, ALSO CALLED BENEFITS SHARING SYSTEM, AS A WAY TO INCENTIVISE STAKEHOLDER ACTIONS.



THE MODULE INCLUDES SECTIONS ABOUT:

- What is an incentive allocation system
- What are the key principles to follow when establishing an incentive allocation system
- Issues to address in an incentive allocation system



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

WHAT IS AN INCENTIVE ALLOCATION SYSTEM (IAS)?

Incentive Allocation Systems (IAS) are structures which can be used by a country in order to incentivize stakeholders to adopt behaviors which are aligned with the national REDD+ objectives. It can also be known as “Benefit Sharing Systems” or “Benefit Distribution Systems”. The term “IAS” might be the most appropriate, in order to avoid potential confusion with “multiple benefits” which is a very different issue, and to reduce the risk of assumption that a project-based approach is proposed. Also, the term “benefits” implies a reward for actions already undertaken; but an alternative approach is to provide investments for future action. The term “Incentives” captures both views.

INCENTIVES

In the case of REDD+, incentives are Policies and Measures (PAMs) which are designed to encourage specific actions from stakeholders. There are different types of incentives:

- Direct incentives e.g. cash transfer, participatory management, etc.
- Policy and governance incentives e.g. tenure clarification, agricultural intensification, etc.

Incentives can be considered as investments in order to get emission reductions (ER), or can take the form of a redistribution of Results-Based Finance (RBF) gained from measured ER.

IAS UNDER THE UNFCCC

There is no UNFCCC guidance or requirement for countries to design and implement an approach for allocation of incentives. Only one COP decision relates to allocation of incentives:

1/CP.16; Appendix 1; para 2(e)

“... actions referred to in paragraph 70 of this decision [i.e., the 5 REDD+ activities] are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits”

Note that this does not imply that results-based finance must be used to provide incentives to stakeholders. However most countries appear to have decided that this is a logical approach, and the demand for guidance on incentive allocation systems is high.

Not all PAMs need to be associated with incentives to stakeholders. Indeed, some PAMs may be effective by eliminating “perverse incentives” or direct subsidies promoting forest destruction. This is addressed in **Module 9: REDD+ Finance**.

Although COP guidance is lacking, an IAS which is non-transparent, or which allocates incentives to parties not directly engaged in reducing emissions is probably not going to satisfy the Green Climate Fund or donors that Cancun safeguards are being “addressed and respected”. More information on Safeguards can be found in **Module 8: Safeguards**.



REFLECTION POINT

Other than cash, what incentives do you think would work most effectively to encourage local communities to adopt behaviours that align with REDD+ objectives?

CHARACTERISTICS OF AN IAS FOR REDD+

A system for IAS for REDD+ should be:

- **Effective:** the incentives serve to reduce emissions from forests and to promote removals by forests to the maximum extent feasible.
- **Efficient:** the incentives reduce emissions (and promote removals) in such a way as to minimize costs (while being consistent with a rights-based approach).
- **Equitable:** the incentives are shared in a manner that is fair and equitable, particularly for the benefit of the most vulnerable

Ways to ensure the IAS presents those three characteristics are presented in the following sections of the module. As a contribution to countries addressing and respecting the Cancun safeguards, the IAS for REDD+ should also:

- **Ensure** the full and effective participation of all relevant stakeholders (Decision 1/CP.16, Appendix 1, paragraph 2[d]);
- **Empower** transparent and effective national forest governance structures (Decision 1/CP.16, Appendix 1, paragraph 2[b]);
- **Engender** respect for the knowledge and rights of indigenous peoples and members of local communities (Decision 1/CP.16, Appendix 1, paragraph 2[c]).

EFFECTIVENESS

The incentives should be made available at the optimal time, in the optimal amount and in the optimal form to effectively promote the desired actions and ensure sustainability of the results or maintain the desired actions. The time, amount and form need to be clearly defined and understood by both recipients of incentives and those providing incentives, and are subject to (negotiation and) agreement between parties – this consultation and negotiation process is similar to the process required for Free, Prior and Informed Consent (FPIC), which is detailed in **Module 11: Public Awareness and Stakeholder Engagement**.

OPTIMAL TIME

Some incentives can be provided before results are obtained, as an investment, and to establish good will; others can be viewed as rewards for successful actions. Since results-based finance comes only after results have been verified, some initial investment is required – subsequently this can be reimbursed from results-based finance. Some bilateral agreements, such as Germany's REDD+ early Movers programme (REM) can also pay for past results.

OPTIMAL AMOUNT

They also need to be adequate to stimulate and maintain the desired actions. Consideration of opportunity costs may provide some help, but the definition of the amount of the incentive should not be viewed as a simple arithmetic exercise. In-kind incentives are complementary to financial incentives. Finally, some incentives can be non-financial and adequate; for example, improved access to extension services, or improved tenure security.

OPTIMAL FORM

The incentive's form also needs to be clearly defined and understood by both recipients of incentives and those providing incentives – subject to (negotiation and) agreement between parties. Stakeholders will have preferences, and if the incentive is provided in a form that does not meet their preferences, effectiveness is adversely affected. For example, in Viet Nam a survey of stakeholders in Lam Dong province revealed that there was a preference non-cash incentives¹, as such, providing a mix of incentives between cash and in-kind might be key.

EFFICIENCY

In a national REDD+ Programme, there are certain operational elements, such as National Forest monitoring Systems (NFMS – discussed in **Module 5: National Forest Monitoring Systems**) and Safeguards Information Systems (SIS – discussed in **Module 8: Safeguards**) that carry recurring costs. These costs, which are essentially “fixed” as they are independent of the volume of emissions reductions secured, may need to be covered from results-based finance. This will limit the amount of results-based finance available to be used in the provision of incentives, so a system to allocate incentives needs to be financially efficient. Financial efficiency can be promoted by using financial institutions as service providers. For example, the Amazon Fund uses the Brazilian Development Bank (BNDES) to administer the incentive system.

Administration costs can be reduced by avoiding the need for the funds to transit through several institutions before reaching their final destination (a “cascade” of funds from the national, to state/provincial, to district/local levels, for example). A cascade also increases risks of corruption. The system also needs to be institutionally efficient, especially for links between reporting, decision making and delivery. If a report indicates that a milestone has been reached, which triggers the delivery of an incentive, the affected stakeholders need to receive that incentive promptly in order to remain engaged and committed.

EQUITY

The system needs to incentivize fairly. Those undertaking comparable interventions and achieving comparable results should receive comparable incentives, irrespective of social position, ethnicity, gender, or any other social parameter. Without clear equity, social tensions will increase and stakeholders will cease to be engaged. This, in turn, requires transparency – agreed incentives negotiated with different stakeholder groups should be public knowledge.

¹ REDD+ compensation packages in Lam Dong Province, Vietnam Assessing the preferences of forest communities <http://pubs.iied.org/pdfs/G03699.pdf>

Equitability can be defined in different ways:

- On the basis of “rights” (but rights to what?);
- On the basis of costs incurred in implementing policies and measures;
- On the basis of results achieved (but difficult and costly to measure at a scale that is relevant to allocation of incentives).

As women and men use forests and engage in differing economic activities, consideration of gender when defining and sharing REDD+ benefits is critical. However, women may be disadvantaged or marginalized in traditional or formal processes, particularly land tenure, which can lead to them to having unequal access to information and legal processes, or not being involved in decision-making processes on benefit sharing mechanisms and structures. Women may also be excluded from REDD+ benefits due to weak right to land and trees, or simply not have a bank account.

Some questions to ask, and help guide this work:

- Is the land tenure and resource use system equitable with regards to gender?
- Is there transparency with regards to financial transfers to and within communities?
- Is there a strong national law on gender in environmental/social impact assessments?
- Is there a fair and accessible system to address grievances and conflict?



REFLECTION POINT

Do women have the same legal rights to resources as men?

Answer the four above questions for your country. Do you think women would have equal access to REDD+ benefits?

DESIGN OF AN IAS

Given the principles presented above, the design of an IAS should address seven important issues, which are listed below.

ISSUE 1: WHO QUALIFIES TO RECEIVE INCENTIVES?

Answering this question requires properly addressing the equity issue between those who incur costs, those who have rights to the forest and those who deliver results. If qualification is on the basis of rights, it is important to understand that the UNFCCC does not require the definition of carbon rights, since reporting on emission reductions is at the national level and the responsibility of the country.

In Vietnam, there are 7 categories of forest “owners”. All are considered eligible for incentives except for the Armed Forces.

ISSUE 2: ON WHAT BASIS SHOULD DECISIONS ON ALLOCATION OF INCENTIVES BE MADE?

In theory, this could be based on performance in terms of emission reductions/removal enhancements. However, it would be immensely expensive to measure emission reductions/removals at a scale relevant for allocation of incentives – the costs would probably exceed results-based payments received. Therefore an alternative measure of performance is needed. A measure based on inputs is far easier to assess and can be assumed to be related to emissions reductions/removals.

ISSUE 3: HOW WILL THE DATA FOR DECISIONS (EITHER INPUT-BASED OR OUTPUT-BASED) BE COLLECTED, ANALYZED, AND SHARED?

To promote efficiency, costs of data collection, analysis and results dissemination should be kept low. The role of participatory data collection should be considered. For some types of data collection, self-reporting with spot checks may be most efficient. For example, communities may self-report areas of bare land planted, or person-hours of forest patrolling, but forest authority may be responsible for checking accuracy of reported data.

ISSUE 4: WHO WILL MAKE THE DECISIONS, BASED ON THE COLLECTED AND ANALYZED DATA?

In order to ensure transparency and to avoid risk of corruption, the decisions cannot be made by stakeholders who are potentially eligible for incentives. Therefore, if there is some type of committee or board to make decision, members of this committee or board (and the organizations they may represent) should not be eligible for incentives.

ISSUE 5: HOW WILL THE TYPE OF INCENTIVE (MONETARY; VARIOUS TYPES OF NON-MONETARY) BE DECIDED?

In order to promote effectiveness, stakeholders should be able to indicate preference in the type of incentive since they will respond more positively to incentives that match their wishes. Type of incentive should be consistent among similar stakeholders. A registry may be required to maintain a record of incentives to be provided (and conditions to be met in order for them to be provided). This registry should be available for inspection and verification, at least by the stakeholders themselves.

ISSUE 6: HOW WILL THE INCENTIVES BE DELIVERED?

This of course depends on the nature of the incentives. In order to promote efficiency, existing mechanisms may be available for delivering monetary incentives – for example, many countries have experience of conditional cash transfers in the health and education sectors. Stand-alone REDD+ “funds” should not be the default choice.

Other types of incentives will require different mechanisms. Technical support incentives (for example, agricultural intensification and alternative livelihood options) may be delivered through specialist governmental or non-governmental agencies.



REFLECTION POINT

What existing mechanisms does your country have in place that could be used to deliver incentives?

ISSUE 7: HOW WILL THE SYSTEM BE MONITORED?

Monitoring of performance, used to trigger the delivery of incentives, is part of the role of the NFMS (addressed in module 5). Variables used to assess performance of eligible recipients of incentives should be integrated into the NFMS. Monitoring of the delivery of incentives (in accordance with conditions recorded in the registry) should be the role of the REDD+ management agency.

Figure 10.1, below, depicts a hypothetical IAS, and Table 10.2 demonstrates how each of the seven principles discussed above are addressed in this hypothetical system.

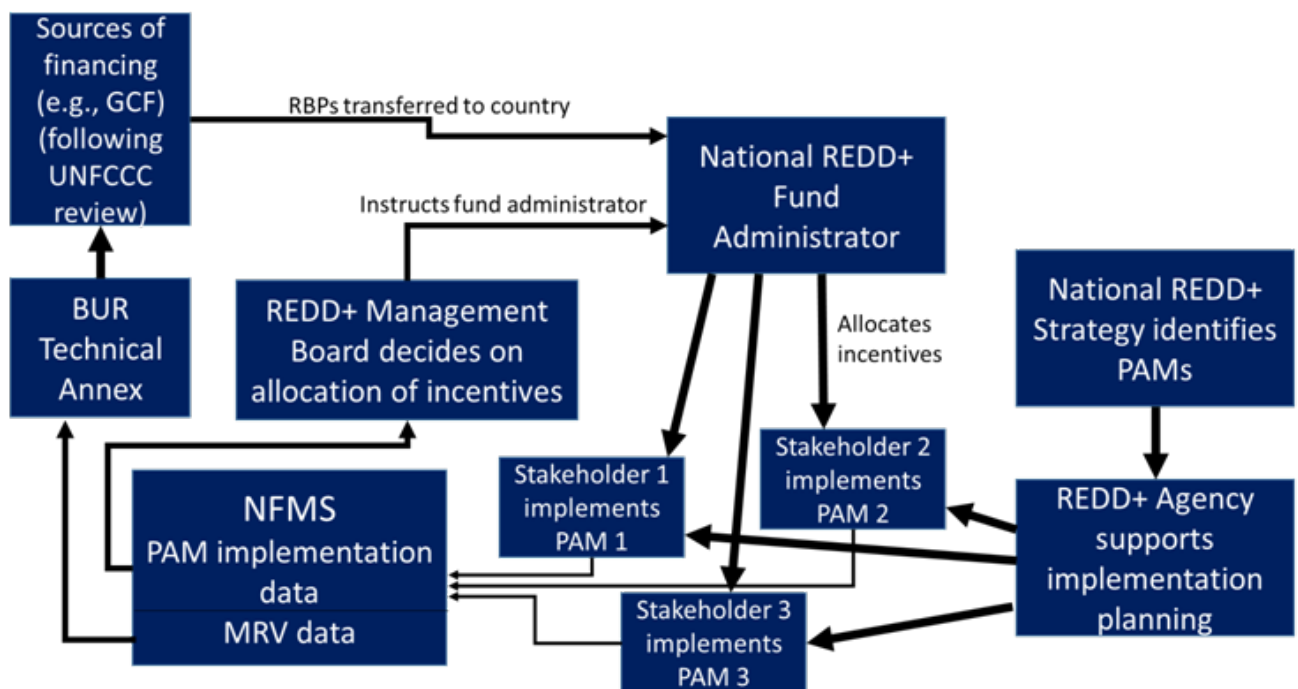


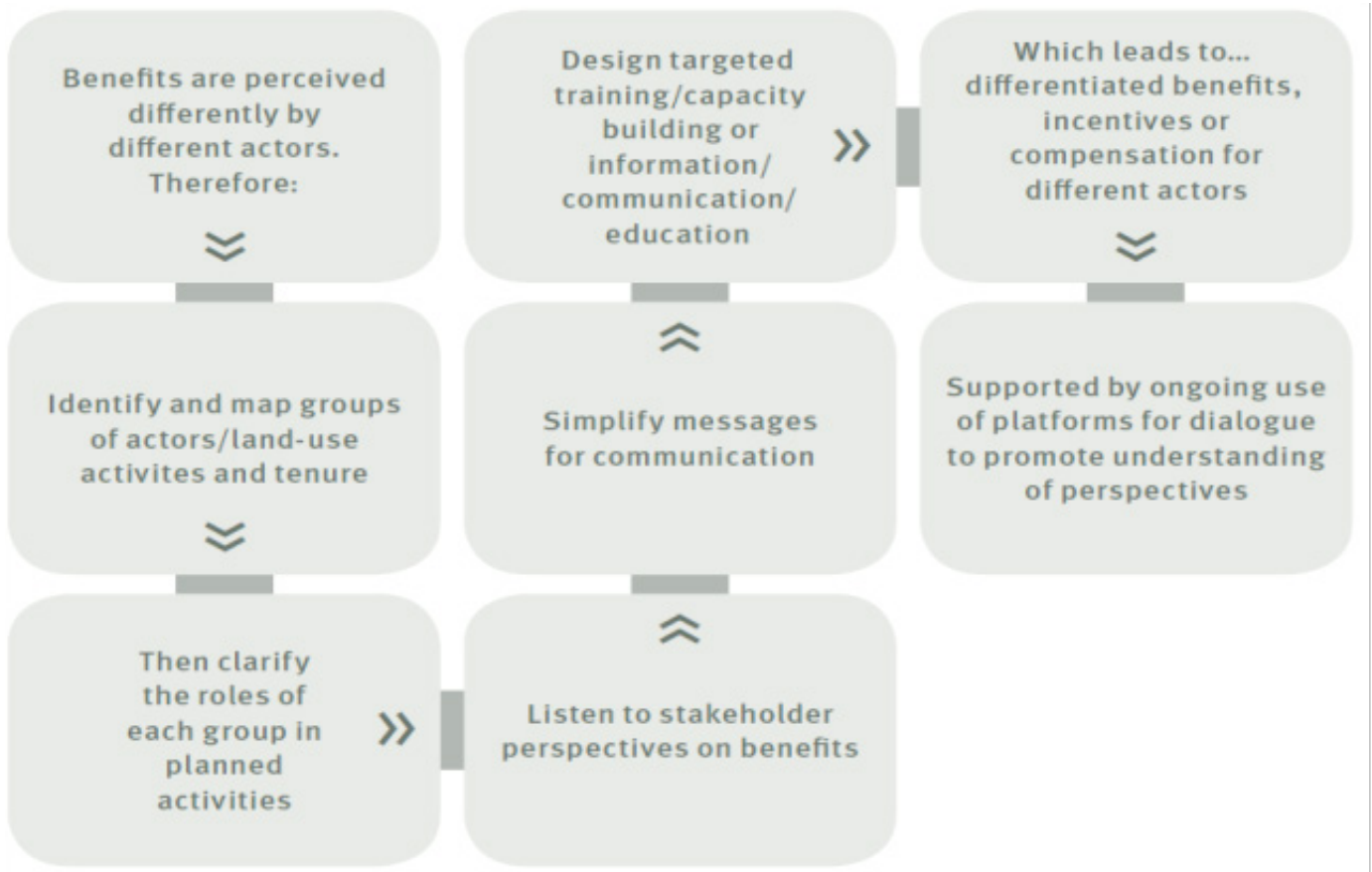
Figure 10.1 EXAMPLE OF AN IAS STRUCTURE - source: UN-REDD Programme

Table 10.2 SEVEN PRINCIPLES OF IAS, AND HOW THESE ARE ADDRESSED IN FIGURE 10.1

PRINCIPLE	HOW IT IS ADDRESSED IN THE EXAMPLE
1. Who qualifies to receive incentives?	Implementation planning supported by the REDD+ Agency identifies stakeholders to be involved in implementing specific PAMs
2. On what basis should decisions on allocation of incentives be made?	NFMS data is submitted to the REDD+ Management Board
3. How will the data for decisions (either input-based or output-based) be collected, analyzed, and shared?	Responsibility of the agency(ies) responsible for the NFMS
4. Who will make the decisions, based on the collected and analyzed data?	REDD+ Management Board
5. How will the type of incentive (monetary; various types of non-monetary) be decided?	REDD+ Agency supporting implementation planning
6. How will the incentives be delivered?	National REDD+ Fund Administrator delivers funding to entities identified in implementation planning to be responsible for delivering agreed incentives
7. How will the system be monitored?	Through reports of the REDD+ Agency, REDD+ Management Board, and National REDD+ Fund Administrator

IMPORTANCE OF PARTICIPATORY PROCESSES IN DESIGN OF SYSTEMS TO DELIVER REDD+ INCENTIVES

Design of incentive allocation systems that are effective, efficient and equitable, and that satisfy the seven principles discussed above, is a complex process that requires consultation and communication with a broad range of stakeholders. Figure 10.3 below presents a process which could be used to ensure that the design process is appropriately participatory. The process begins by recognizing that different stakeholder groups have different perceptions, and the need to understand these differences in order to develop a common vision through training, awareness-raising, and the establishment of platforms for on-going consultation. More information on participatory processes can be found in **Module 11: Public Awareness and Stakeholder Engagement**.



■ Figure 10.3 A METHODOLOGY FOR DESIGNING INCENTIVES - source: The Forest Dialogue (TFD): Country Options for REDD+ Benefit-Sharing; Insights from TFD's Multi-Stakeholder Dialogue Initiative (2014)

EXAMPLES OF EXISTING SYSTEMS TO DELIVER REDD+ INCENTIVES

Despite an enormous amount of debate, there are as of yet few examples of REDD+ allocation of incentives systems, even in voluntary market projects. There are however, many examples of relevant systems in the Payments for Ecosystem Services (PES) and Sustainable Forest Management (SFM) programmes.

Many of the examples are lacking in one or more of the 7 key issues described previously. For example:

- Participatory identification of the nature of incentives is rare – often the incentives are defined by government (and are often cash-based)
- Monitoring of performance may be weak or absent
- Equity is poorly defined and applied
- Decision-making is opaque

THINGS NOT TO DO

An analysis of lessons learned from early attempts to implement REDD+² include four indications relevant for allocation of incentives:

- DO NOT assume what motivates political leaders and other key stakeholders to change behaviour without a careful analysis and understanding of the context.
- DO NOT offer largely results-based finance to low-capacity countries, jurisdictions or local stakeholders and expect them to perform.
- DO NOT look to REDD+ payments or corporate supply chains as the sole solution to the problem.
- DO NOT underestimate the problem of political and bureaucratic capacity and turnover in countries.

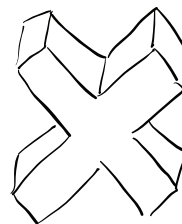
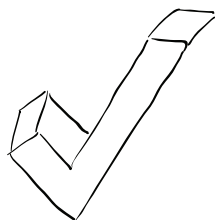
² Early Lessons from Jurisdictional REDD+ and Low Emissions Development Programs” by Greg Fishbein and Donna Lee (World Bank and The Nature Conservancy), http://www.nature.org/media/climatechange/REDD+LED_Programs.pdf



EXERCISE 19

Is the following statement true or false?

An Incentive Allocation System (IAS) can also be known as a “Benefit Sharing System” or “Benefit Distribution System”.





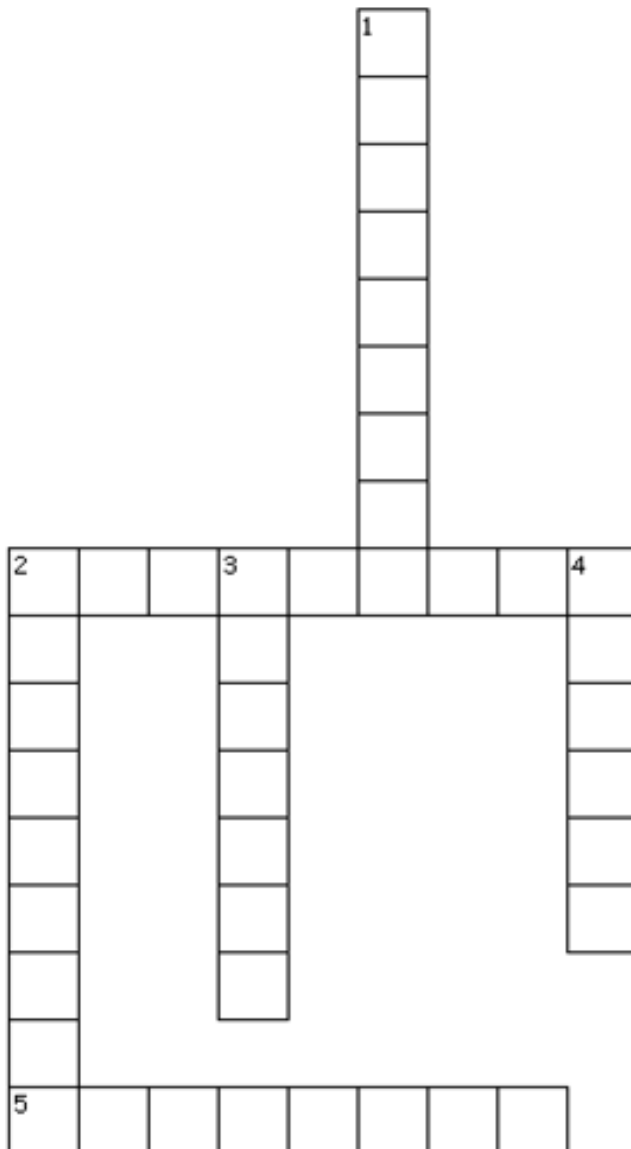
EXERCISE 20

Characteristics of an IAS for REDD+ (The numbers in brackets refer to the letters in each answer).

Across

2 - (9) The incentives serve to reduce emissions from forests and to promote removals by forests to the maximum extent feasible.

5 - (8) _____ respect for the knowledge and rights of indigenous peoples and members of local communities.



Down

1 - (9) The incentives reduce emissions (and promote removals) in such a way as to minimize costs (while being consistent with a rights-based approach).

2 - (9) The incentives are shared in a manner that is fair and equitable, particularly for the benefit of the most vulnerable.

3 - (7) Transparent and effective national forest governance structures.

4 - (6) _____ the full and effective participation of all relevant stakeholders.



ANSWERS EXERCISE 20

Across answers

2 Effective
5 Engender

Down Answers

1 Efficient
2 Equitable
3 Empower
4 Ensure



KEY MESSAGES OF THIS CHAPTER

- Incentive Allocation Systems (IAS) are structures which can be used by a country in order to incentivize stakeholders to adopt behaviours which are aligned with the national REDD+ objectives.
- There is no UNFCCC guidance or requirement for countries to design and implement an approach for allocation of incentives.
- Incentives and Allocation Systems should be effective, efficient and equitable.
- The design of an IAS should address seven important issues.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

11

INTRODUCTION TO STAKEHOLDER ENGAGEMENT

THIS MODULE DESCRIBES THE IMPORTANCE OF STAKEHOLDER ENGAGEMENT IN REDD+ PROCESSES, AS WELL AS TOOLS AND ENTRY POINTS TO PROMOTE STAKEHOLDER ENGAGEMENT.



THE MODULE INCLUDES EXPLANATIONS ABOUT:

- What is meant by a stakeholder in the context of REDD+
- What is the rationale for stakeholder engagement in REDD+
- How to engage stakeholders in REDD+ activities
- What Free, Prior and Informed Consent is in the context of REDD+
- What Grievance Redress Mechanism is in the context of REDD+



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

WHO OR WHAT IS A STAKEHOLDER?

In the context of REDD+, stakeholders are individuals or groups which have a stake, interest or right in the forest that will be affected either negatively or positively by REDD+ activities. While the list below is not exhaustive, and may vary from country to country, some examples of stakeholder groups include:

- **Relevant government agencies;**
 - Once a commitment has been made towards REDD+ outcomes, the government becomes pivotal in making sure that the country is able to follow Convention guidance;
 - REDD+ contains both technical and policy-related issues, cutting across multiple sectors, and between national and sub-national levels. Sustainable REDD+ activities often require collaboration across and between different ministries such as, among others, finance, planning, agriculture, land, natural resources or forestry;
- **Private sector entities;**
 - Actors in the following sectors can be relevant to REDD+: agriculture, timber, mining, infrastructure, and forest carbon, in other words, those sectors with a potentially high impact on the dynamics of land use and land use change;
- **Civil society organizations (CSOs);**
 - The United Nations defines CSOs as non-state actors whose aims are neither to generate profits nor to seek governing power. CSOs unite people to advance shared goals and interests. REDD+ must ultimately come from within and be owned by a country and its citizens. CSOs therefore have vital roles to play as participants, legitimizes and endorsers of government policy and action, as watchdogs of the behaviour of other public and private REDD+ stakeholders, and as collaborators in REDD+ efforts;
- **Indigenous peoples (women, men and youth);**
 - In recognition of the diversity of indigenous peoples, the United Nations does not have an official definition, and instead lists criteria to describe indigenous peoples. Fundamental to the identification of indigenous peoples is the criterion of self-identification. Indigenous peoples have historical and intricate relationships with their lands, territories and resources. REDD+ efforts as such, need to recognise that forests have multi-functional values and roles for indigenous peoples;
- **Forest-dependent communities;**
 - The UN-REDD Programme's Guidelines on Free, Prior and Informed Consent defines forest-dependent communities as those that would not satisfy the criteria listed for indigenous peoples. However, it recognises that these communities may also have economic and non-economic relationship with the forests, and be impacted by the ecosystem functions the forests provide, such as clean water;
 - Formal and informal forest users (women, men and youth). FAO defines formal forest users as those explicitly acknowledged by the state and which may be protected using legal means or de jure rights. Conversely, informal forest users are those that lack official recognition and protection;

- **Smallholders;**
 - FAO defines smallholders as those who owns, manages or uses forests or have limited resource endowments, which are considered “small” compared to others in their region.

These last four groups and individuals are those with potentially the most to gain or lose through REDD+.



REFLECTION POINT

Can you think of any other groups associated with forests in your own country that might be considered stakeholders?

WHAT IS THE BASIS FOR STAKEHOLDER ENGAGEMENT IN REDD+?

WHAT DOES THE UNFCCC SAY ABOUT STAKEHOLDER ENGAGEMENT?

The importance of stakeholder engagement is ingrained within the various UNFCCC decisions: Decision 4/CP.15 (2009) in Copenhagen, Decision 1/CP.16 (2010) in Cancun, Decision 12/CP.17 (2011) in Durban, and Decision 15/CP.19 (2013) in Warsaw. In particular, Paragraph 71 of Decision 1/CP.16, also known as the Cancun Agreements, requests countries to have the following elements in place for REDD+ implementation, and to access results-based payments or results based finance:

- A national strategy (NS) or action plan (AP) (discussed in Module 4);
- A national forest reference emission level (FREL) and/or forest reference level (FRL) (discussed in Module 6);
- A robust and transparent national forest monitoring system (NFMS) for monitoring and reporting of the five REDD+ activities (discussed in Module 5);
- Safeguard information system (SIS) (discussed in Module 8).

As is shown below, there is a clear reference to stakeholder engagement of the inclusion of specific stakeholders in decisions pertaining to all the above-mentioned elements.



■ Figure 11.1
DESIGN ELEMENTS OF READINESS FOR REDD+
IMPLEMENTATION - source: UN-REDD Programme

NATIONAL STRATEGY OR ACTION PLAN

UNFCCC Decision 1/CP.16, para 72 (Cancun) requests developing country parties:

*“when developing and implementing their national strategies or action plans, to address, inter alia, the drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of Appendix I to this decision, **ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities**”*

(Note: our emphasis).

SAFEGUARDS

UNFCCC Decision 1/CP.16, Appendix I (Cancun) states the following:

- Safeguard (b) recognizes the importance of "transparent and effective national forest governance structures, taking into account national legislation and sovereignty" ;
- Safeguard (c) specifies "respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples" ;
- Safeguard (d) focuses on "**the full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities**, in actions referred to in paragraphs 70 and 72 of this decision" ;
- Safeguard (e) specifies that "actions are consistent with the conservation of natural forests and biological diversity, ensuring that actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits."

PRIVATE SECTOR AND OTHER STAKEHOLDER ENGAGEMENT IN DRIVERS

UNFCCC Decision 15/CP.19 (Warsaw):

“Encourages Parties, organizations and the private sector to take action to reduce the drivers of deforestation and forest degradation;”

“Also encourages all parties, relevant organizations, and the private sector and other stakeholders, to continue their work to address drivers of deforestation and forest degradation and to share the results of their work on this matter, including via the web platform on the UNFCCC website. “

SAFEGUARD INFORMATION SYSTEMS (SIS)

UNFCCC Decision 12/CP.17 (Durban):

This summary of information, drawn from the Safeguard Information System (SIS) "...should take into account national circumstances, **recognize national legislation and relevant international obligations and agreements**, respect gender considerations, and:

- I. Be consistent with the guidance identified in decision 1/CP.16, appendix I
- II. Provide transparent and consistent information that is **accessible by all relevant stakeholders** and updated on a regular basis;
- III. Be transparent and flexible to allow for improvements over time;
- IV. Provide information on how all of the safeguards are being addressed and respected;
- V. Be country-driven and implemented at the national level;
- VI. Build upon existing systems, as appropriate.

MONITORING AND REPORTING

Decision 4/CP.15 (Copenhagen)

The preamble sets the frame by "Recognizing the need for full and effective engagement of indigenous peoples and local communities in, and the potential contribution of their knowledge to, monitoring and reporting of activities".

Further, para. 3 operationalizes this commitment and "Encourages, as appropriate, the development of guidance for effective engagement of indigenous peoples and local communities in monitoring and reporting".



REFLECTION POINT

Does your country have these elements in place?

To what extent were these elements based on strong stakeholder engagement?

■ Box 11.2 WHY IS STAKEHOLDER ENGAGEMENT IMPORTANT IN REDD+?

The various decisions of the UNFCCC listed in the section above recognise that REDD+ is complex, multi-faceted, and cuts across many sectors beyond forestry.

To put it simply, the nature of REDD+ could exacerbate negative social and environmental risks such as:

- Turn natural forests into plantations;
- Lead to inequitable benefit sharing;
- Cause land speculation, land grabbing and land conflicts;
- Facilitate elite capture of international funds;
- Worsen existing inequalities (e.g., gender).

For indigenous peoples and forest-dependent communities, in particular it could mean being:

- Excluded from decision-making;
- Excluded from their customary lands and prevented from pursuing traditional forest-based livelihoods and spiritual practices.

Therefore, in order for REDD+ to be catalytic and contribute to national development objectives, it requires engagement with different stakeholders at different times for different purposes. This could lead to the following opportunities:

- Improve forest management, governance and enforcement;
- create space for authentic and equitable engagement and decision-making;
- Increase food security through strengthened traditional livelihoods and generation of additional resources for indigenous peoples (including women, men and youth) and forest dependent communities;
- Shape private sector operating models as well as explore public-private collaborations that contribute to achieve REDD+ results;
- Incorporate knowledge from indigenous and non-indigenous forest dependent communities in managing natural resources.

In summary, full, effective and equitable stakeholder engagement in REDD+ can promote:

- Relevance, improving the validity of REDD+ readiness and implementation;
- Ownership, increasing the chance of acceptance for REDD+ strategy and implementation;
- Accountability, improving forest governance;
- Relationships, constructively avoiding and managing conflicts and building new relationships;
- Innovation, encouraging innovative ways to decouple economic growth from unsustainable resource use.



REFLECTION POINT

Can you think of an instance where the inclusion of indigenous peoples in the decision-making process has ensured a better decision was taken?

Why do you think it's so important for National Strategies or action plans to especially consider the needs and rights of indigenous people?

STAKEHOLDER ENGAGEMENT AND NATIONAL STRATEGIES OR ACTION PLANS

Under the UNFCCC, countries are required to develop a NS/AP to describe how emissions will be reduced and/or how forest carbon stocks will be enhanced, conserved and/or sustainably managed.

For this to succeed, national-level policy reforms and measures that tackle the main drivers of deforestation and forest degradation are essential to efficiently catalyse, coordinate and support subnational efforts and public and private actors, as well as to ensure the coherence of policies and measures.

So what are the key issues at stake? A national strategy or action plan that is not developed through full, effective and equitable participation of stakeholders could, for example:

- Put the sustainability of interventions for REDD+ activities at risk because of minimal national ownership;
- Fail to accurately identify all the drivers of deforestation;
- Increase the risks of grievances, and affect subsequent implementation;
- Negatively impact indigenous peoples' and forest dependent communities' rights to lands, territories, resources, and procedures;
- Fail to benefit from beneficial traditional management and knowledge practices, including among women, men and youth;
- Fail to understand the underlying motivations of private sector behaviour and an identification of the obstacles for change, leading to limited effectiveness to reduce emissions.

STAKEHOLDER ENGAGEMENT AND REDD+ SAFEGUARDS

With these possibilities in mind, the Cancun Agreements covering REDD+ safeguards have been designed to minimise the risks and maximise benefits from a country's implementation of REDD+ activities. Stakeholder engagement is embedded as a safeguard, most tangibly in safeguard d) "the full and effective participation of relevant stakeholders, in particular IPs and local communities,...", but also in safeguards b) and c). More importantly, stakeholder engagement itself, through creating enabling conditions for a participatory process, will need to underpin a country's approach to developing accountable, transparent and effective safeguards.

Box 11.3 summarises the seven safeguards. Please refer to **Module 8: Safeguards** for more information on the REDD+ safeguards and the UN-REDD's conceptual framework for support on country approaches to safeguards.

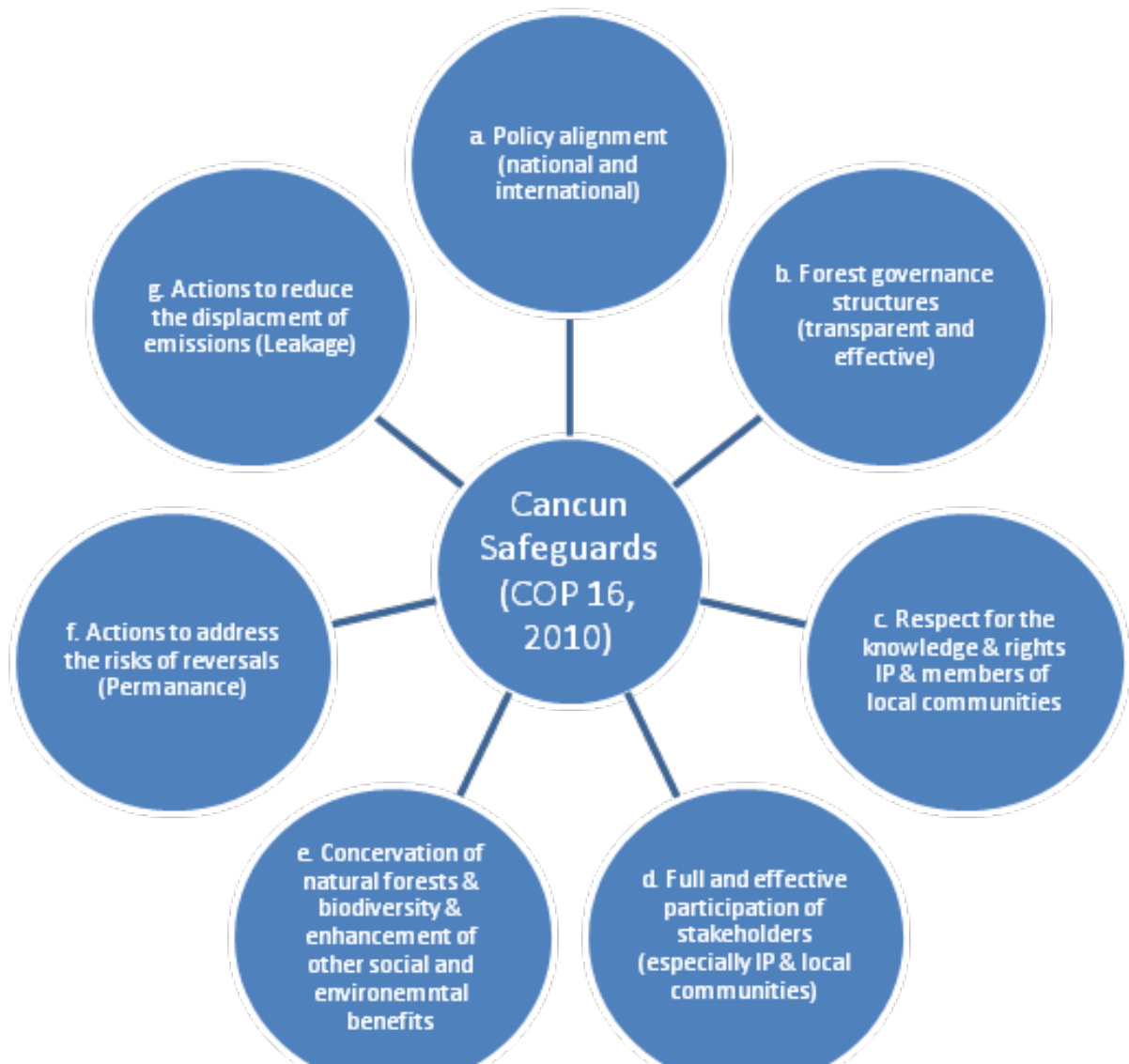
■ Box 11.3 RECAP OF SAFEGUARDS FRAMEWORK FROM MODULE 8

The framework proposed by UN-REDD builds on what is in UNFCCC decisions and is intended to provide help to countries in determining how to respond to these agreements.

The framework first helps to define what a country approach to REDD+ safeguards might look like (i.e. the main components) which, in the UN-REDD Programme view, can be helpful for countries to better understand the outcomes they might be aiming for. It can be thought of as having two core components that ensure social and environmental risks from REDD+ are reduced and that benefits are enhanced:

1. Addressing and respecting safeguards through the implementation of relevant policies, laws and regulations (PLRs): These PLRs establish the 'content' of the safeguards – in other words, what needs to be adhered to in the implementation of REDD+ activities.
2. Safeguard Information System (SIS): A safeguard information system (SIS) is defined here as the collection and provision of information on how REDD+ safeguards are being addressed and respected throughout implementation of REDD+ activities.

Along with these two core components - and supporting them - are the various formal and informal institutions and processes and procedures needed in order to design and implement effective approaches to safeguards. Institutions, for example, will play a role in ensuring the fair and effective design of the REDD+ safeguards approach, the implementation of PLRs, and the operation of the SIS. Processes and procedures include aspects that may not be captured in formal PLRs, such as consultation processes, strategic assessments and information dissemination and communication. This also will include, for example, data collection and analysis that may be needed to address and respect the safeguards (e.g., defining and mapping the natural forests). Another example of a process that may be a potentially integral component of national approaches to safeguards is a national-level grievance mechanism. The second part of the framework helps to define the main considerations and steps in developing a country approach to safeguards.



■ Figure 11.4 REMINDER: THE SEVEN REDD+ SAFEGUARDS
- source: UNFCCC Decision 1/CP.16, Appendix I (Cancun)

One of the key initial steps to ensure that all seven Cancun safeguards are addressed is to clarify them in the country context. Each safeguard can be further broken down into core components or associated key issues that will help to determine if a country has addressed and/or respected the safeguard.

The key issues highlighted below are specifically related to stakeholder engagement, and is not exhaustive.

Safeguard (b) recognizes the importance of "transparent and effective national forest governance structures..." Here, relevant stakeholder engagement issues include:

- Transparency and access to information equitably among all stakeholders;
- Rule of law and access to justice and effective remedies for women, men and youth;
- Systems for feedback, oversight and accountability.

Safeguard (c) specifies "respect for the knowledge and rights of IPs and ... local communities, by taking into account relevant international obligations ... noting that the UNGA has adopted the UNDRIP". Here, relevant stakeholder engagement issues include:

- Defining IPs and local communities;
- Respecting "knowledge" and cultural heritage;
- Rights to land, territories and resources, self-determination, compensation, benefit-sharing, free, prior and informed consent (FPIC, covered in more detail below).

Safeguard (d) focuses on "the full and effective participation of relevant stakeholders, in particular IPs and local communities, in REDD+ actions." In this case relevant stakeholder engagement issues include:

- Legitimacy and accountability of representative bodies;
- Participatory mechanisms for consultation, participation and consent;
- Access to justice and grievance mechanisms.

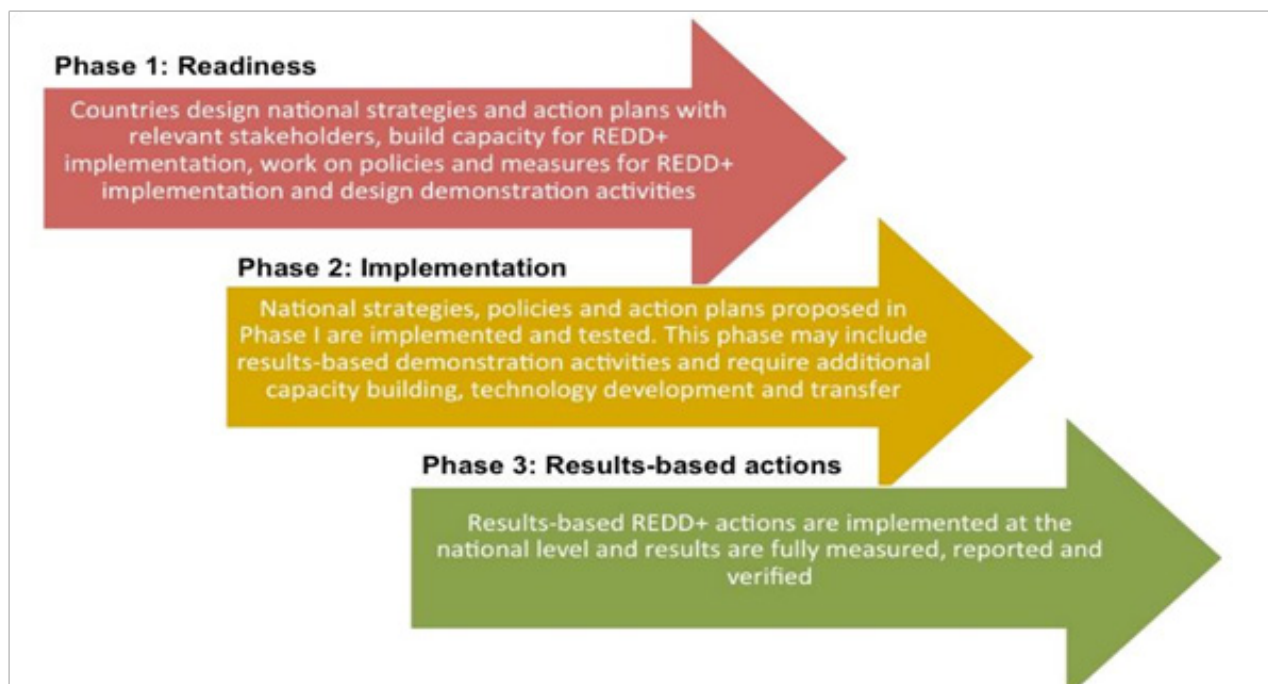


REFLECTION POINT

What is the role of Safeguards and Safeguard Information Systems (SIS – see module 8) in relation to ensuring stakeholder engagement?

STAKEHOLDER ENGAGEMENT AND REDD+ IMPLEMENTATION PHASES

As was covered in **Module 2: Understanding REDD+ and the UNFCCC**, UNFCCC Decision 1/CP.16 (Cancun) recommended that "... the activities undertaken by Parties [...] should be implemented in phases...". As a reminder, these phases are illustrated in Figure 11.5.



■ Figure 11.5 PHASES OF REDD+ ACTIVITIES - source: UN-REDD Programme

Stakeholder engagement is fundamental to the success of all three phases of REDD+. Within the Readiness phase it is important to create and strengthen enabling conditions that will result in continuous stakeholder engagement in REDD+ implementation leading to results-based actions at both national and sub-national levels. In all three phases, stakeholder engagement includes dealing with issues such as:

- Access to procedural rights;
- Access to, and distribution of information;
- Legitimate representation bodies or platforms;
- Access to participation and capacity to participate;
- Systems for decision-making;
- Access to justice and grievance mechanisms.

With specific reference to indigenous peoples and local communities, their substantive rights to the following need to be established:

- Lands, territories and resources;
- Self-determination;
- Compensation;
- Benefit-sharing;
- Participation;
- Free, prior and informed consent.

Here are some entry points where these enabling conditions can potentially be established:

- Through representation on the REDD+ Steering Committee or equivalent;
- By strengthening existing or traditional platforms for engagement and representation among and between different stakeholder groups, e.g., multi-stakeholder platforms;
- Build capacity for self-selection processes for IPs, forest-dependent communities and civil society organisations;
- Build capacity of indigenous peoples and local communities, including women, men and youth, to implement and/or monitor demonstration activities;
- Set aside funds for indigenous people and civil society organisations to design and manage their own activities;
- Carrying out Strategic Environmental and Social Assessments (SESA) of the proposed policies and measures for REDD+ implementation;
- Enabling joint land use planning and territory demarcation between different government agencies, as well as with indigenous and non-indigenous forest-dependent communities.

■ Box 11.6 WHAT IS THE DIFFERENCE BETWEEN CONSULTATION, PARTICIPATION AND STAKEHOLDER ENGAGEMENT?

Stakeholder engagement typically refers to processes and methods employed to increase the level of participation, leading to decision making, ownership and implementation (see figure below).

Consultation and participation are often used interchangeably. As the figure below illustrates, consultation is one among many types of engagement, typically as a means to exchange information and views. While ranked higher on the participation scale than information sharing, it does not usually confer any form of decision-making. Full and effective participation therefore implies increasing opportunities as well as capacity to be involved in direct decision making.

USEFUL TOOLS FOR STAKEHOLDER ENGAGEMENT

There are a number of tools that are useful when carrying out a stakeholder engagement process. This section looks at a number of these.

STAKEHOLDER MAPPING AND ANALYSIS

Stakeholder Mapping and Analysis is a useful tool which can be used to identify who should be engaged in relation to REDD+, and to what extent.

It usually considers two components, interest and influence. Depending on the desired outcomes, stakeholder mapping and analysis can be as broad or as narrow as needed; and can be used to identify stakeholders at all levels.

The findings from the mapping and analysis may be used to:

- Identify key government ministries that will need to be engaged;
- Identify other key stakeholder groups and their representative institutions;
- Develop plans to address the issues of legitimate representation bodies or platforms;
- Assess where access to substantive rights of IPs and local communities need to be strengthened;
- Develop a consultation and participation plan.

GENDER ANALYSIS

A gender analysis (conducted either as a separate analysis or as part of a larger socio-economic study or stakeholder analysis) is ideally carried out during programme design to identify national policies and strategies and the local context in which stakeholders operate, around various REDD+ activities.

Such an assessment would also analyse the stakeholders' (including women, men and youth) roles, needs, priorities and opportunities within their given socio-economic and political context.

Depending on scope and depth, it would also help identify the gender-defined differences in access to and control over resources, power dynamics between women and men, and different social, economic, and political inequalities and opportunities faced by women and men in areas potentially and/or affected by any particular strategy or intervention. It would also provide sex disaggregated baseline data for monitoring.

■ Box 11.7 GENDER SENSITIVE REDD+

It is crucial to ensure gender sensitivity around any stakeholder engagement processes. Women and men's specific roles, rights and responsibilities, and knowledge of forests, shape their experiences differently. Socio-economic, political and culture barriers can limit women, youth and other marginalised groups' ability to participate equally in consultations or in decision-making (e.g. lower literacy rates, ability to speak openly in meetings, etc.)

Thus, there needs to be explicit and deliberate efforts in stakeholder engagement processes to ensure it is wide reaching, as well as ensures active presence, participation, and equitable engagement of women, men and youth from various stakeholder groups in all phases of REDD+. This requires both means and opportunity for active and sustained engagement that extends beyond attendance at meetings and consultations to also include capacity building, knowledge exchange and engagement in REDD+ national processes and projects.

As the UN-REDD Guidance Note on Gender Sensitive REDD+ highlights (p.12):

"Inclusive and equitable stakeholder participation, as well as ensuring that REDD+ processes are gender sensitive, are crucial elements in implementing effective and efficient REDD+ strategies, and more broadly, achieving sustainable development. In particular, meaningfully capturing the views, experiences and priorities of both men and women in REDD+ activities at all stages, including in REDD+ readiness, has been identified as a main contributor to success."

CAPACITY BUILDING NEEDS ASSESSMENT (CBNA)

CBNA is intended to identify the core individual and institutional competencies, encompassing knowledge, skills and abilities that key stakeholder groups should possess to engage effectively in REDD+.

CBNA should build on the findings from the stakeholder mapping and analysis and any gender assessment, particularly those related to the prioritized stakeholder groups.

Results from CBNA could complement the communications strategy by identifying what information is needed and when, and how it should be best communicated.

Box 11.8 CONSIDERATIONS WHEN ASSESSING THE STAKEHOLDERS' CAPACITY TO PARTICIPATE

- What types of knowledge, skills and abilities are needed to engage in the different phases of REDD+?
- What knowledge, skills and abilities already exist among different stakeholder groups, for example, traditional knowledge among indigenous peoples to manage natural resources? How and where will it be integrated into the REDD+ processes?
- What are suitable and effective ways to build knowledge, skills and abilities among different stakeholder groups?



REFLECTION POINT

Does your organisation have sufficient capacity to ensure stakeholder engagement? Are there any skill gaps? What capacities should be developed?

COMMUNICATION AND CONSULTATION

Is important to make sure that the difference between consultation and communication is understood. Figure 11.9 shows how these two activities fit within the different possibilities for engagement.

Degree of Participation	Types of Engagement	Description
<p>HIGH</p> <p>LOW</p>	Empowerment	Transfers control over decision making, resources & activities
	Joint decision making	Joint collaboration with shared control over a decision
	Collaboration	Joint activities without decision making authority and control
	Consultation	Two-way flow of information & exchange of views
	Information sharing	One-way flow of information

Figure 11.9 FIVE TYPES OF ENGAGEMENT BASED ON DEGREE OF PARTICIPATION
 - source: Adapted from the UN-REDD Guidelines on Free, Prior and Informed Consent, January 2013

It is important to note that awareness-raising and sharing information is not consultation, but is part of communication. However, communication is critical to an effective REDD+ consultative process.

Communication strategy should clearly:

- Identify desired outcomes;
- Identify different target audiences and dissemination channels;
- Identify key messages and adapt to different target audiences;
- Adopt different types of tools; printed, audio-visual, performing arts, etc.

■ Box 11.10 SOME CONSIDERATIONS WHEN DEVELOPING COMMUNICATIONS MATERIALS

- What is the literacy level of different stakeholder groups, in particular indigenous peoples and forest dependent communities?
- Is information about REDD+ adapted to the audience's knowledge and ability to understand?
- Is this information packaged in a culturally and contextually appropriate manner?
- Are there provisions for stakeholders to obtain further clarification of the information or materials presented?



REFLECTION POINT

Does your organisation have a communication strategy established? Who is the main target of the strategy?

CONSULTATION AND PARTICIPATION PLANS

A consultation and participation plan brings together results from the stakeholder mapping and analysis, gender analysis and capacity building needs assessment, to:

- Identify the expected outcomes and objectives of engagement;
- Identify, assign and segregate types of engagement for different key stakeholder groups;
- Determine tools and activities to engage;
- Identify steps to strengthen the self-selection of legitimate representation bodies and the decision making process, where necessary.

■ Box 11.11 PRINCIPLES OF CONSULTATION, PARTICIPATION AND CONSENT - source:
Adapted from the Joint FCPF and UN-REDD Programme Guidelines
on Stakeholder Engagement in REDD+ Readiness

Effective stakeholder engagement requires consultation, and participation carried out in good faith. Each of these is underpinned by important principles:

PARTICIPATION

Full participation focuses on ensuring all relevant groups are represented and free to express their ideas and opinions. The consultation process should include a broad range of relevant stakeholders at the national, sub-national and local levels. The diversity of stakeholders needs to be recognised. In particular the voices of indigenous, forest-dependent and vulnerable groups (e.g. women, youth, poor and ethnic minorities) must be heard. Consultations leading to giving or withholding consent in relation to REDD+ should refer to the UN-REDD Programme Guidelines on Free, Prior and Informed Consent (FPIC), which is developed based on, among others, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), International Labour Organization Convention No. 169. The Legal Companion to the UN-REDD Programme Guidelines on FPIC is a non-exhaustive compendium of existing international law and emerging state practice which affirms that indigenous peoples have the right to effective participation in the decisions, policies and initiatives that affect them, and that FPIC is a legal norm that imposes duties and obligations on the States (please refer to section on FPIC).

MUTUAL UNDERSTANDING

Mutual understanding implies that different stakeholders are willing to listen to and discuss different groups' interests, opinions and needs. They do not necessarily have to agree with other groups' opinions, but at least have listened to and understood these different perspectives. More often than not, there are different power relations among stakeholders that need to be addressed to ensure full participation.

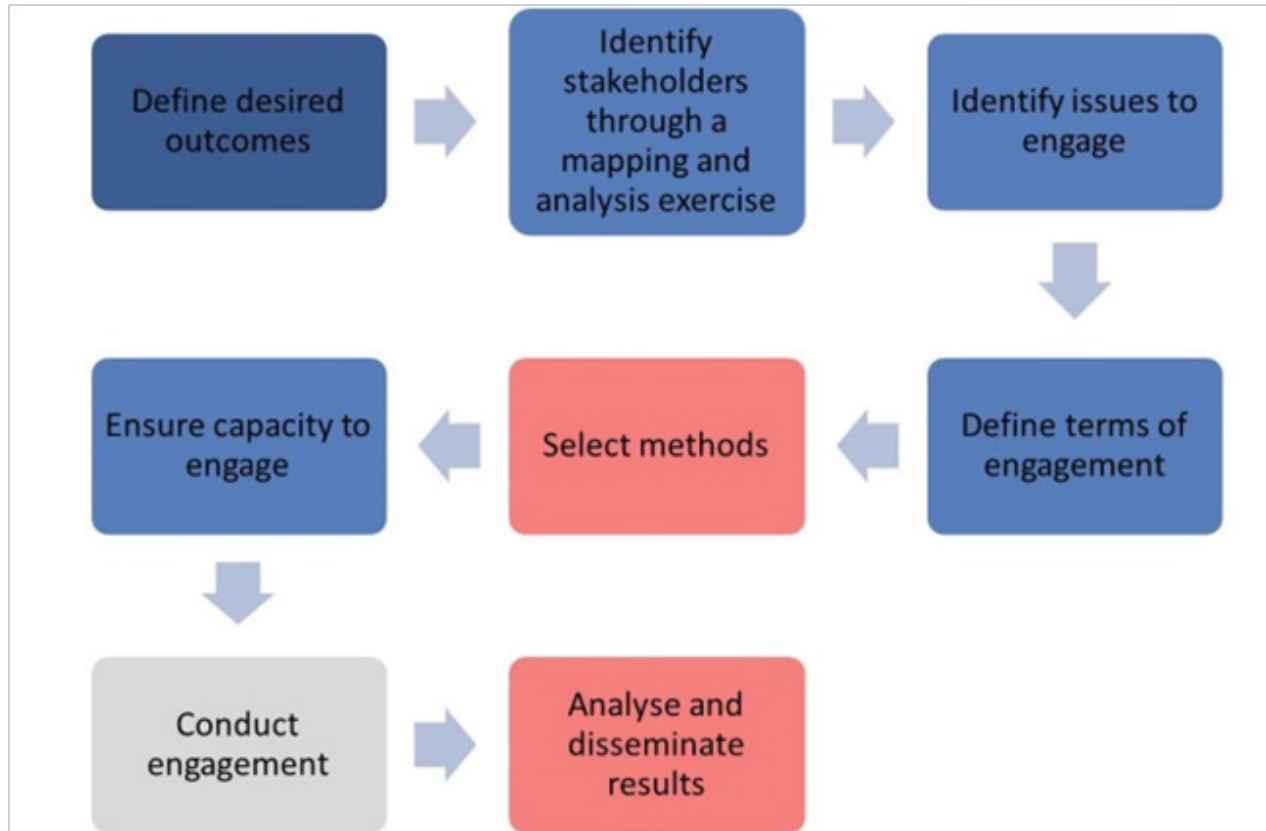
SHARED RESPONSIBILITY

Shared responsibility is the key to developing and ensuring sustainable agreements. This is likely to take place only when there is full participation and mutual understanding, leading to a willingness to engage and implement identified solutions. Agreements identified will be based on a full understanding of a capacity to implement the agreements.

INCLUSIVE SOLUTIONS

Inclusive solutions are the result of open and balanced negotiations of different interests, opinions and needs among different stakeholders. These solutions build on what each stakeholder group is willing to trade off in return for an agreed set of actions with well-defined roles and responsibilities. Solutions that are linked to planning and gender equitable decision-making processes will be more sustainable in the long run.

The "Joint FCPF and UN-REDD Programme Guidelines on Stakeholder Engagement in REDD+ Readiness" suggest the steps found in Figure 11.12 for the consultation and participation process. The steps are not linear and may be iterative, and reordered depending on the country contexts. More information on each of these steps can be found in the aforementioned document.



■ Figure 11.12 STEPS FOR A CONSULTATION AND PARTICIPATION PROCESS
 - source: Joint FCPF and UN-REDD Programme Guidelines on Stakeholder Engagement in REDD+ Readiness, with a focus on the Participation of Indigenous Peoples and Other Forest-Dependent Communities, April 20, 2012

DEFINE THE DESIRED OUTCOMES OF CONSULTATIONS

A good consultation and participation process is one that is carefully planned, has a clear mandate, and articulates the objectives and desired outcomes of the consultation. This should be placed in the context of overall REDD+ readiness, clarifying why the consultation was considered necessary, how it fits within the broader scope of planned activities, and how the outcomes will be used towards expected REDD+ readiness activities.

IDENTIFY STAKEHOLDERS

The consultation planners need to identify the groups that have a stake/interest in the forest and those that will be affected by REDD+ activities. Stakeholder mapping and gender analysis are useful tools for this purpose. It is important to ensure that the process of selecting stakeholders is transparent so that all interested parties may participate and that all stakeholders are provided with equal opportunity to engage and contribute to outcomes. Where appropriate, particular attention needs to be given to the inclusion of IPs and other forest-dependent communities, women and other marginalized groups. Should decisions need to be made, then legitimate representatives of stakeholder groups should be identified and their mandate ascertained.

DEFINE THE ISSUES TO CONSULT ON

The key issues should broadly correspond to the desired outcomes identified in the first step that can be related to R-PP components and/or the components of the UN-REDD National Programme Document.

DEFINE THE TERMS OF THE CONSULTATION

Ideally, any consultation should be guided by a clear elaboration of the process and elements of the consultation. All stakeholders should know how the consultation process will be conducted and how the outcomes of the consultation will be used, including the rights and responsibilities of the different stakeholders. These terms should be understood and agreed upon by all stakeholders.

SELECT THE CONSULTATION AND OUTREACH METHODS

The most effective consultations are custom-designed to place and purpose and provide for adequate budgets and human resources, including expert facilitation. A variety of stakeholder engagement methods can be used for consultations to allow for bottom-up participation and ensure that information is rigorously gathered and fairly presented, such as workshops, surveys, and focus groups. When consulting with IPs, the selected methods and time should respect their customary practices.

ENSURE THAT STAKEHOLDERS HAVE SUFFICIENT CAPACITY TO ENGAGE FULLY AND EFFECTIVELY IN CONSULTATIONS

Certain stakeholders may require capacity building or training in advance of a consultation to ensure that their understanding of the issues and ability to contribute are sufficient; this need should be identified in the terms of the consultation. Results from a CBNA will be useful to inform the types and contents of capacity building exercises.

CONDUCT THE CONSULTATIONS

Consultations should be held in accordance with the terms of the consultation as agreed upon and any deviations from this should be discussed with and agreed upon by stakeholders. Consultation planners should be aware of power balance and gender dynamics between stakeholders, and be prepared to introduce measures to address emerging issues during the consultations.

ANALYZE AND DISSEMINATE RESULTS

The findings from every consultation should be analyzed, reported and discussed with representative stakeholder groups. It is important that the data analysis feeds back into the decision-making process. On completing a consultation: develop a report or findings; acknowledge key issues raised during consultations and respond as appropriate; and describe how the outcomes of the consultation process will be incorporated into REDD+ strategy and programs.

■ Box 11.13 CONSIDERATIONS IN DESIGNING AN EFFECTIVE CONSULTATION AND PARTICIPATION PROCESS

The consultation and participation process should occur voluntarily. Timely information dissemination at all levels and in a culturally appropriate manner is a pre-requisite to meaningful consultations. Information should be easily accessible and available to all stakeholders (including women, youth, and marginalised groups). Stakeholders should have prior access to information on the proposed consultation activities before the design phase of activities that may impact them. Sufficient time is needed to fully understand and incorporate concerns and recommendations of local communities in the design of consultation processes.

Some guiding questions to consider:

- Are meetings held at a time where both women, youth and men can participate (with consideration given to whether men only or women's only meetings are necessary)?
- Are there provisions to address grievances, disputes or complaints?
- Are consultations with indigenous peoples being carried out through their own existing processes, organizations and institutions, e.g., councils of elders, headmen and tribal leaders?

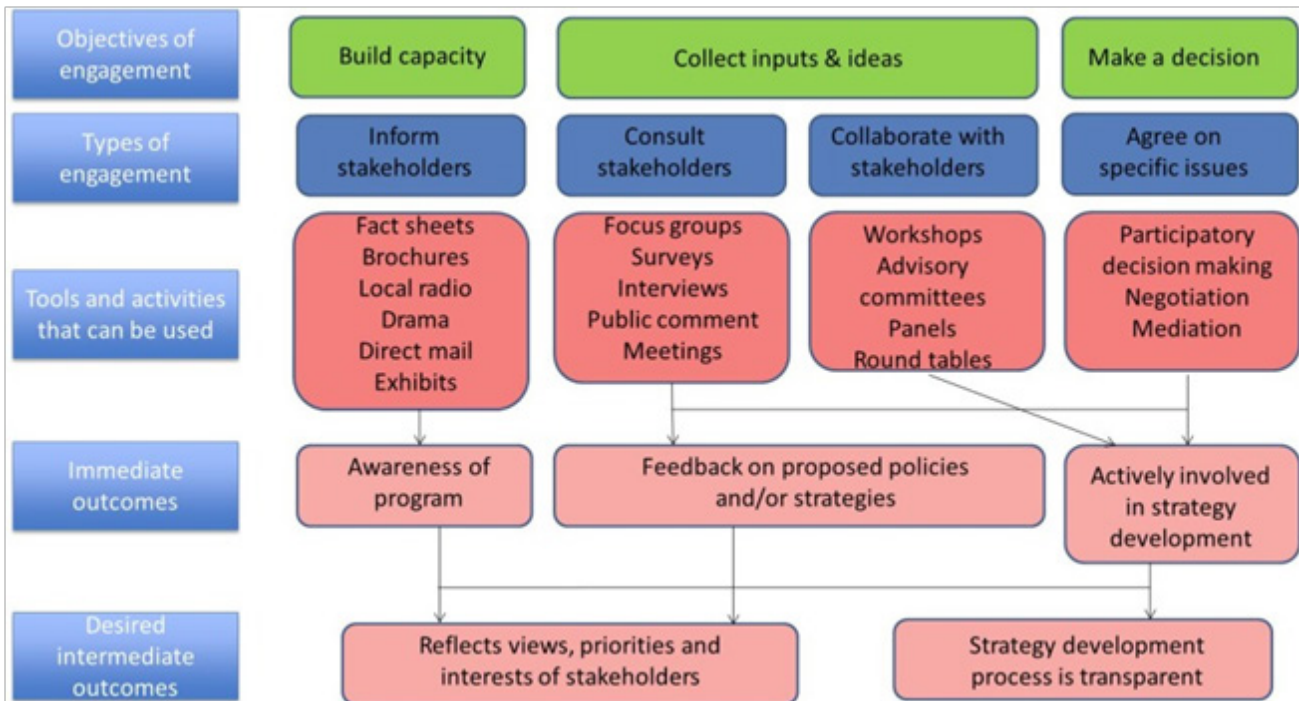


REFLECTION POINT

Have you designed a consultation and participation process before? What were the lessons you have learnt?

Figure 11.14 shows how these steps can be implemented.

The objectives for engagement serve to achieve the immediate and desired intermediate outcomes of the programme. Upon identification, the types of engagement, as illustrated in Figure 11.9, will be informed by the results from stakeholder mapping and analysis. Correspondingly, suitable communications tools such as printed materials and media, and activities are determined.



■ Figure 11.14 IMPLEMENTATION OF A PARTICIPATION OR CONSULTATION PROCESS - source: Adapted from “Consultation, Participation and Communication for REDD+ Readiness” presented during Forest Carbon Partnership Facility Workshop on Capacity Building for Social Inclusion in REDD+ Readiness, 30 April to 3 May 2013, Bangkok, Thailand.

FREE, PRIOR AND INFORMED CONSENT

A key component of effective stakeholder engagement and consultation is free, prior and informed consent (FPIC). FPIC is a norm or standard that supplements and is a means of effectuating substantive rights of indigenous peoples such as the rights to: property, participation, non-discrimination, self-determination, culture, food, health, and freedom against forced relocation. As stated by the Committee on Economic, Social and Cultural Rights, States are required to respect “free, prior and informed consent of indigenous peoples in all matters covered by their specific rights.” This includes REDD+ activities and/or policies that may have an impact on their lands, territories and/or livelihoods. Consent is a collective “Yes” or “No” through a decision-making process which is:

- **Free** from coercion, intimidation or manipulation;
- **Prior**, before any authorization or commencement of activities, with time for consideration;
- **Informed**, people having all relevant information needed to make a decision.

WHEN IS FPIC REQUIRED?

The specific characteristics of the consultation procedure that is required will necessarily vary depending upon the nature of the proposed measure and the degree to which it may impact underlying rights. It should be noted that every element which requires collaboration or consultation with, or input from any stakeholder must respect the principles of FPIC.

The UN Declaration on the Rights of Indigenous Peoples (UNDRIP) recognizes several situations in which the State is under an obligation to not just seek, but secure the consent of the indigenous peoples concerned. Particularly relevant to the UN-REDD Programme, States must consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to:

- Relocating an indigenous population from their lands;
- Taking “cultural, intellectual, religious and spiritual property”;
- Causing “damages, takings, occupation, confiscation and uses of their lands, territories and resources”;
- “Adopting and implementing legislative or administrative measures”;
- Approving “any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources”.

Relevant UN monitoring bodies have also interpreted a number of binding conventions and treaties, including the International Covenant on Civil and Political Rights (ICCPR) (1976), the International Covenant on Economic, Social and Cultural Rights (ICESCR) (1966) and the Convention on the Elimination of all Forms of Racial Discrimination (CERD) (1965) as affirming that the States must secure consent from indigenous peoples through their own freely identified representatives or institutions, more generally with respect to any decisions “directly relating to their rights and interests” and in connection to: mining and oil and gas operations (extraction of subsurface resources); logging the establishment of protected areas; construction of dams; development of agro-industrial plantations; resettlement; compulsory takings; and any other decisions affecting the status of their land rights.

For more on international human rights instruments as well as international jurisprudence and evidence of State practice on, please refer to the associated Legal Companion¹ of the UN-REDD Programme Guidelines on FPIC.

The UN-REDD Programme has developed a non-exhaustive checklist, based on existing international law, including ILO 169, and emerging state practice, to support partner countries in thinking through whether or not an activity will require FPIC in the context of their REDD+ work.

1 The Legal Companion can be found at the following address: http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=8792&Itemid=53

■ Table 11.15 CHECKLIST FOR APPRAISING WHETHER AN ACTIVITY WILL REQUIRE FPIC
 - source: UN-REDD Programme Guidelines on Free, Prior and Informed Consent, pp.26-27)

PRINCIPLE	YES/NO
1. Will the activity involve the relocation/resettlement/removal of an indigenous population from their lands?	
2. Will the activity involve the taking, confiscation, removal or damage of cultural, intellectual, religious and/or spiritual property from indigenous peoples/forest dependent community?	
3. Will the activity adopt or implement any legislative or administrative measures that will affect the rights, lands, territories and/or resources of indigenous peoples/forest-dependent community (e.g., in connection with the development, utilization or exploitation of mineral, water or other resources)?	
4. Will the activity involve mining and oil and/or gas operations (extraction of subsurface resources) on the lands/territories of indigenous peoples/forest-dependent community?	
5. Will the activity involve logging on the lands/territories of indigenous peoples/forest-dependent community?	
6. Will the activity involve the development of agro-industrial plantations on the lands/territories of indigenous peoples/forest-dependent community?	
7. Will the activity involve any decisions that will affect the status of indigenous peoples'/forest-dependent community's rights to their lands/territories or resources?	
8. Will the activity involve the accessing of traditional knowledge, innovations and practices of indigenous and local communities?	
9. Will the activity involve making commercial use of natural and/or cultural resources on lands subject to traditional ownership and/or under customary use by indigenous peoples/forest-dependent community?	
10. Will the activity involve decisions regarding benefit-sharing arrangements, when benefits are derived from the lands/territories/resources of indigenous peoples/forest-dependent community?	
11. Will the activity have an impact on the continuance of the relationship of the indigenous peoples/forest dependent community with their land or their cultures?	

FPIC AND FOREST DEPENDENT COMMUNITIES (FDC)

The UN-REDD Programme Guidelines of Free, Prior and Informed Consent (2013) acknowledge the right of forest-dependent communities to effectively participate in the governance of their nations. To ensure this, at a minimum the Guidelines require States to consult forest-dependent communities in good faith regarding matters that affect them with a view to agreement.

Appreciating that international law, jurisprudence and State practice is still in its infancy with respect to expressly recognizing and requiring an affirmative obligation to secure FPIC from all forest-dependent communities, the Guidelines do not require a blanket application of FPIC to all forest-dependent communities.

That said, the Guidelines soberly recognize that, in many circumstances, REDD+ activities may impact forest-dependent communities, often similarly as indigenous peoples, and that the circumstances of certain forest-dependent communities may rise to a threshold such that it should be seen as a requirement of States to secure FPIC when an activity may affect the communities' rights and interests.

The Guidelines require States to evaluate the circumstances and nature of the forest-dependent community in question, on a case by case basis, through among others a rights-based analysis, and secure FPIC from communities that share common characteristics with indigenous peoples and whose underlying substantive rights are significantly implicated.



REFLECTION POINT

Does your country make provisions for free, prior and informed consent when it engages with indigenous peoples? How does it work?

DEALING WITH GRIEVANCES

The introduction of REDD+ in participating countries is likely to have a significant impact on the dynamics of conflicts over forest resources, and on land, oil, gas, minerals and other valuable resources in forested areas. Applying robust social and environmental safeguards and following effective and gender responsive stakeholder engagement processes should reduce the risks of complaints or conflicts related to REDD+. Also, the Strategic Environmental and Social Assessment (SESA) process has been designed to proactively assess risks and help with the design of management plans, when it is inevitable that there will be potential adverse impacts and trade-offs will be needed.

However, even with good planning, unanticipated impacts and conflict may still arise, so mechanisms need to be in place to manage and respond to grievances from affected people.

A national feedback and grievance redress mechanism needs to be effectively available, and if necessary strengthened, as part of the country's REDD+ institutional arrangements. Such a mechanism needs to be available to REDD+ stakeholders from the earliest stages of Readiness Preparation Proposal (R-PP) implementation in order to facilitate handling of any request for feedback or complaint by any REDD+ Readiness stakeholders, with particular attention to providing access to geographically, culturally or economically isolated or excluded groups.

Once established or strengthened, effective Grievance Redress Mechanisms (GRMs) can help REDD+ countries accomplish several objectives in both the Readiness and Implementation phases:

- **Identify and resolve implementation problems in a timely and cost-effective manner:** As early warning systems, well-functioning GRMs help identify and address potential problems before they escalate, avoiding more expensive and time consuming disputes;
- **Identify systemic issues:** Information from GRM cases may highlight recurring, increasingly frequent or escalating grievances, helping to identify underlying systemic issues related to implementation capacity and processes that need to be addressed;
- **Improve REDD+ outcomes:** Through timely resolution of issues and problems, GRMs can contribute to timely achievement of REDD+ objectives;
- **Promote accountability in REDD+ countries:** Effective GRMs promote greater accountability to stakeholders, positively affecting both specific activities and overall REDD+ governance.

WHAT IS A GRIEVANCE REDRESS MECHANISM² AND WHAT IS ITS PURPOSE?

Definition: GRMs are defined as organizational systems and resources established by national government agencies (or, as appropriate, by regional or municipal agencies) to receive and address concerns about the impact of their policies, programs and operations on external stakeholders. The stakeholder input handled through these systems and procedures may be called “grievances,” “complaints,” “feedback,” or another functionally equivalent term.

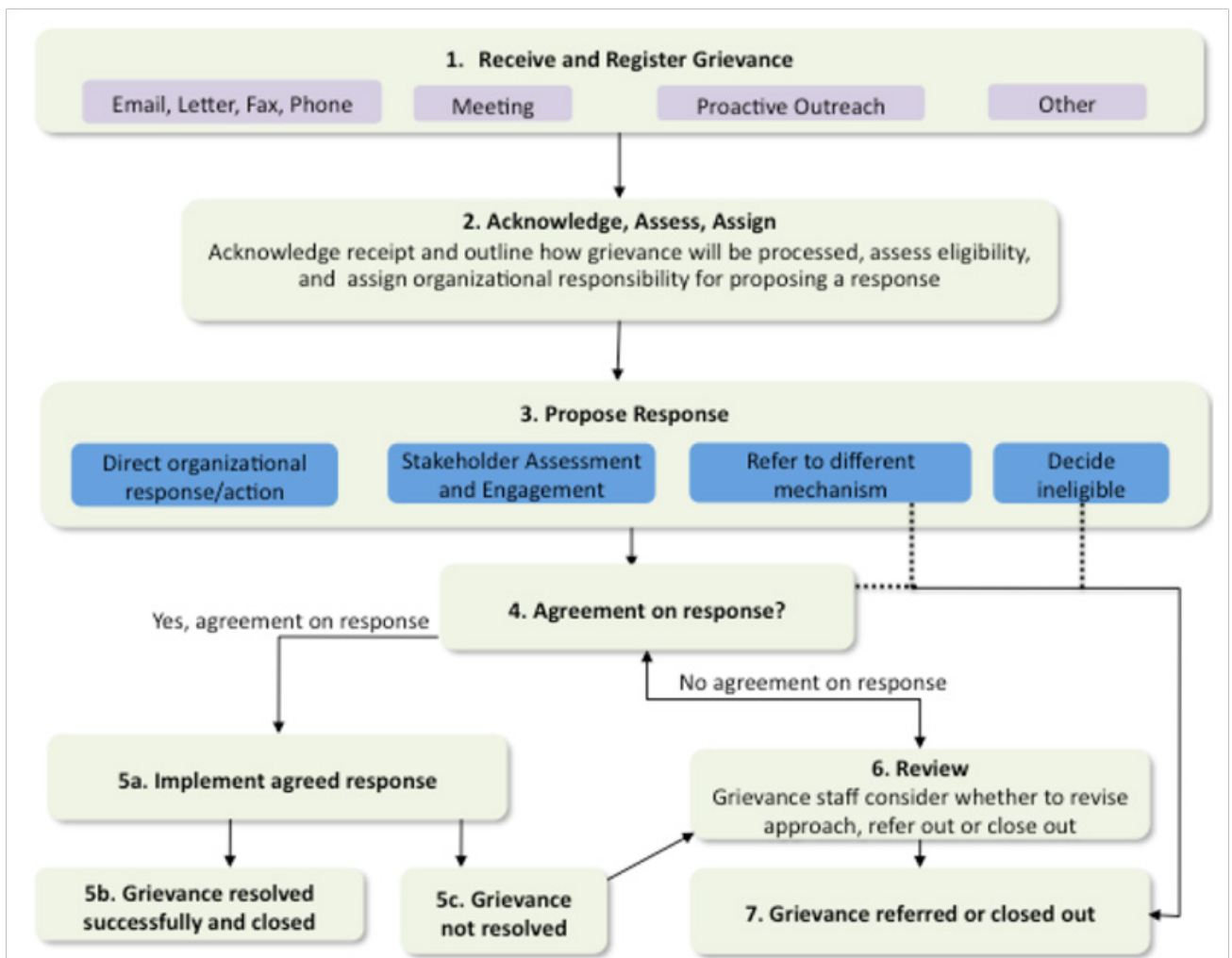
GRMs are intended to be accessible, collaborative, expeditious, and effective in resolving concerns through dialogue, joint fact-finding, negotiation, and problem solving. They are generally designed to be the “first line” of response to stakeholder concerns that have not been prevented by proactive stakeholder engagement. GRMs are intended to complement, not replace, formal legal channels for managing grievances (e.g. the court system, organizational audit mechanisms, etc.). Stakeholders always have the option to use other, more formal alternatives, including legal remedies. It is important to emphasize that national GRMs are not intended to replace the judiciary or other forms of legal recourse. The existence of a GRM should not prevent citizens or communities from pursuing their rights and interests in any other national or local forum, and citizens should not be required to use GRMs before seeking redress through the courts, administrative law procedures, or other formal dispute resolution mechanisms.

2 For more information on Establishing and Strengthening GRMs:
http://www.unredd.net/index.php?view=document&alias=14201-joint-fcpfun-redd-guidance-note-for-redd-countries-establishing-and-strengthening-grievance-redress-mechanisms-1&category_slug=national-grievance-mechanisms-3390&layout=default&option=com_docman&Itemid=134%20

Purpose: GRMs act as recourse for situations in which, despite proactive stakeholder engagement, some stakeholders have a concern about a project or program’s potential impacts on them. Not all complaints should be handled through a GRM. For example, grievances that allege corruption, coercion, or major and systematic violations of rights and/or policies, are normally referred to organizational accountability mechanisms or administrative or judicial bodies for formal investigation, rather than to GRMs for collaborative problem solving.

REDD+ countries are expected to establish or strengthen GRMs based on an assessment of potential risks to forest-dependent communities and other stakeholders from REDD+ programs and activities. Since the purpose is to provide an accessible, rapid, and effective recourse for these stakeholders, it is essential to design and implement the GRM in close consultation with them.

International partners that are directly involved in REDD+ implementation should also be closely involved in GRM design and implementation. It may be appropriate, and in some cases necessary, for those international partners to participate directly in resolving grievances arising from activities they support, within the framework of the GRM itself and/or directly through their own mechanisms.



■ Figure 11.16 THE STEPS INVOLVED IN A GRIEVANCE RESOLUTION MECHANISM - source: FCPF/UN-REDD Guidance Note on Establishing and Strengthening GRMs, May 201 d.

Detailed explanation for each step is available through UNDP³.



REFLECTION POINT

Does your country have grievance redress mechanism(s)? If yes, how does it work? If not, why not?

ENGAGING WITH THE PRIVATE SECTOR

Engagement with the private sector can occur in different ways, that range from government adoption of policies and measures that contribute to transforming private sector operating models to the identification of possible public-private collaborations that contribute to achieve REDD+ results. There are some practical issues which need to be taken into consideration when working with the private sector.

A “perception gap” can exist in the understanding of the same issues between public and private sector actors. This perception gap can be addressed through the convening of public-private dialogues that can contribute to informing the development of REDD+ programmes and strategies. Many private sector actors in key economic sectors still have a limited understanding of REDD+ and about its potential implications on their operating models.

By engaging with private sector actors it may also be possible to understand what some of the main factors behind “business-as-usual” private sector behaviour are and identify how REDD+ interventions can help shape private sector operating models to become more sustainable.

It is also possible to work with private sector “champions”, who can contribute to REDD+ objectives by for example:

- Improve commodity purchasing policies to align with REDD+ objectives;
- Reduce financing to activities contributing to deforestation or forest degradation.

CONCLUSION

To conclude, it is important to remember that the quality and degree to which the principles of consultation, participation and consent are applied determines the likelihood of a successful REDD+ implementation with enhanced and gender equitable benefits to the affected peoples and communities.









³ <http://www.undp.org/content/dam/undp/library/corporate/compliance-and-dispute-resolution/Joint-FCPF--UN-REDD-Programme-Guidance-Note---Establishing-and-Strengthening-Grievance-Redress-Mechanisms-EN.pdf>

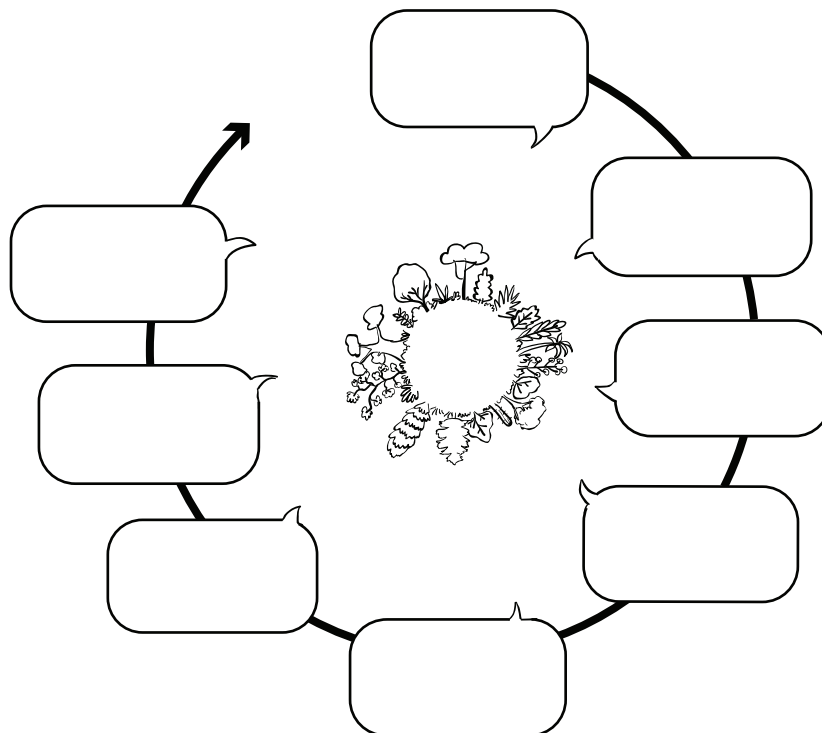


EXERCISE 21

It is important to note that awareness raising and sharing information is not consultation, but is part of communication. However, communication is critical to an effective REDD+ consultative process. The “Joint FCPF and UN-REDD Programme Guidelines on Stakeholder Engagement in REDD+ Readiness” suggest following these steps in the consultation and participation process

Put the steps in the correct order. Draw the associated pictograms in the wheel below.

- | | |
|---|--|
|  Define desired outcomes |  i.d. issues to engage |
|  Conduct engagement |  Ensure capacity to engage |
|  Analyse and disseminate results |  Select methods |
|  Define terms of engagement |  Identify stakeholders etc. |





EXERCISE 22

Fill in the blanks

F_____ from coercion, intimidation or manipulation

P_____ before any authorization or commencement of activities,
with time for consideration

I_____ stakeholders having all relevant information needed to
make a decision

C_____



KEY MESSAGES OF THIS CHAPTER

- In the context of REDD+, stakeholders are individuals or groups which have a stake, interest or right in the forest that will be affected either negatively or positively by REDD+ activities;
- The importance of stakeholder engagement is supported by various UNFCCC decisions;
- Stakeholder engagement is embedded specifically as a safeguard, but also plays a critical role in creating enabling conditions for a participatory process, which is needed to underpin a country's approach to developing accountable, transparent and effective national REDD+ strategy;
- There are a number of tools that are useful when carrying out a stakeholder engagement process, such as stakeholder mapping and analysis, gender analysis, capacity building needs assessment, consultation and participation plan, communications plan;
- Free, prior and informed consent (FPIC) is one of the key components of effective stakeholder engagement;
- A national feedback and grievance redress mechanism needs to be effectively available, and if necessary strengthened, as part of the country's REDD+ institutional arrangements.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES

12

GOOD GOVERNANCE

THIS MODULE PRESENTS ONE THE IMPORTANCE OF GOOD GOVERNANCE IN THE REDD+ PROCESSES.



THE MODULE INCLUDES EXPLANATIONS ABOUT:

- Governance under the UNFCCC REDD+ decisions
- Governance factors underlying drivers and barriers to (and potential of) “+” activities
- Good governance to develop successful and effective national REDD+ strategies and policies and measures
- Accountability mechanisms to monitor policies and measures (PAMs)
- Strengthening governance to implement NS/AP and PAMs
- Governance safeguards
- Managing REDD+ funds



WHAT DO YOU ALREADY KNOW ABOUT THIS TOPIC?

GOVERNANCE UNDER THE UNFCCC REDD+ DECISIONS

DEFINITION

Like so many hot buzzwords, governance has come to mean different things to different people. The concept of governance is a dynamic construct in which many people and actors have a say.

Although numerous attempts have been made to define governance, and mostly good governance, it is hard to capture all its importance, dimensions and dynamics in a single and succinct definition. However, governance is generally described to encompass the interaction of laws and other norms, institutions, and processes in a society; how decisions are being made; as well as how and if responsible actors or decision-makers are held to account (if at all). The term Governance describes how:

- A Society (people) organises how it lives together;
- It deals with different interests and opinions, which are grounded in norms and values;
- It deals with the distribution of resources;
- This is translated into rules, regulations, institutions and conditions which uphold a peaceful and mutually beneficial existence for all members of society.

Governance also encompasses who:

- Has the power to make decisions that affect natural resources and natural resource users and how those decisions are made;
- Has the power and responsibility to implement those decisions and how those decisions are implemented;
- Holds - or is held - accountable, and how, for implementation.

The Human Rights agenda provides the basis for the UN governance principles. The United Nations has worked on a definition on democratic governance for the Post 2015 Development Agenda¹. However, there is no universal definition which would be applicable to all people, societies and cultures equally, so a common understanding and the priority to focus on domestic action is more important. Therefore good governance is often simpler to understand through its key principles, which include:

- Rule of law;
- Transparency and access to information;
- Accountability;
- Respect for rights;
- Participation / inclusiveness;
- Performance / effectiveness;
- Consensus seeking;
- Capacity;
- Anti-corruption;
- Gender equality.

¹ The Post-2015 Development Agenda refers to a process led by the [United Nations](#) that aims to help define the future global development framework that will succeed the [Millennium Development Goals](#).



REFLECTION POINT

What is the difference between governance and government?

GOVERNANCE IN THE UNFCCC TEXT

In all the 13 UNFCCC Decisions which relate to REDD+, from Bali to Warsaw, the word 'governance' is only mentioned in one: Decision 1/CP.16, "The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention", which:

*"Requests developing country Parties... to address, inter alia, the drivers of deforestation and forest degradation, land tenure issues, **forest governance issues**, gender considerations... ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities (paragraph 72)*

"When undertaking the activities referred to in paragraph 70 of this decision, the following safeguards should be promoted and supported:

a. *... **Transparent and effective national forest governance structures**, taking into account national legislation and sovereignty; (Appendix 1, paragraph 2 [b])"*

While the word itself is only mentioned twice, the concept of good governance is actually captured in the first four of the seven Cancun safeguards:

- Consistency with national forest programmes and international conventions;
- Transparency and effectiveness,
- Respect for knowledge and rights;
- Full and effective participation.

The concept of good governance and its principles is moreover necessary to address and respect the remaining three safeguards:

- Prevent conversion of natural forests and conserve biodiversity;
- Ensure social and environmental benefits;
- Address risk of reversals and reduce displacement of emissions.

A more in depth discussion on safeguards can be found in **Module 8: Safeguards**.

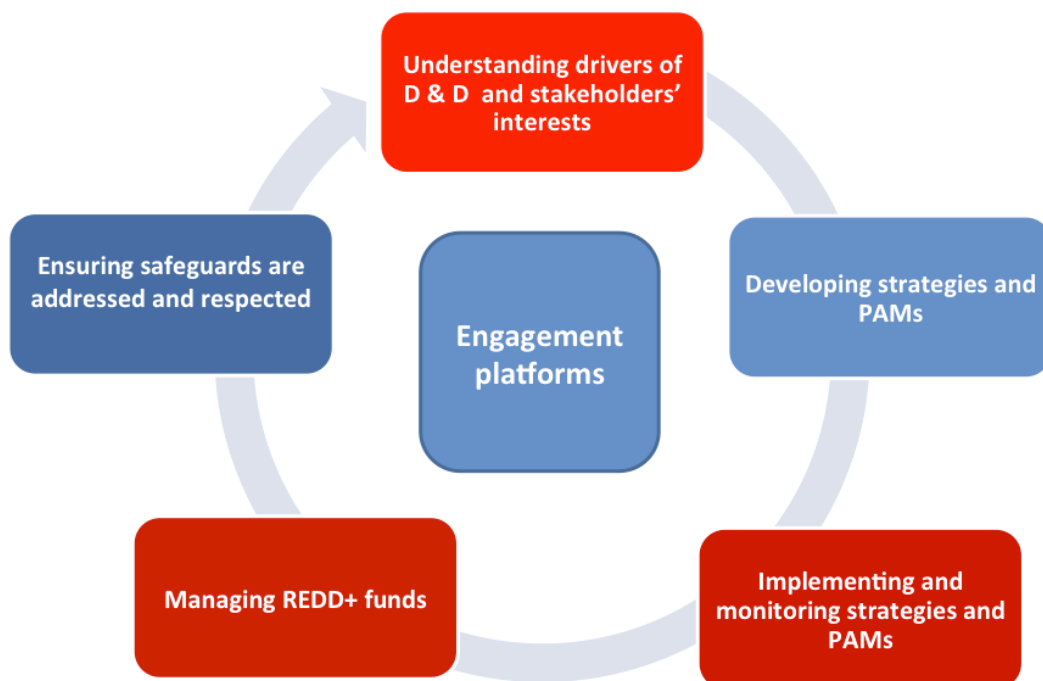
Box 12.1 FOREST GOVERNANCE

While there is no official definition, forest governance includes all the standards, processes, institutions, and people that control how humans interact with forests, including the law and the agencies that create or implement the law (or other norms).

GOOD GOVERNANCE AND REDD+

Governance principles as outlined in the previous section are important for a country to “govern”, or manage, its REDD+ process and a key feature contributing to the sustainability of REDD+.

Therefore, good governance principles are applied at multiple levels (global/international, national, sub-national/state, province and local) but also adhered to throughout the different steps of REDD+ implementation. In summary, good governance for REDD+ can create an enabling environment for “governing” the REDD+ process successfully, helping ensure inclusive and meaningful participation during decision making, and promote equity, fairness, transparency and justice during all phases of REDD+.



■ Figure 12.2 IMPORTANCE OF ADDRESSING GOVERNANCE IN REDD+ PROCESSES
- source: UN-REDD Programme

Figure 12.2 shows when to address governance issues in a national REDD+ process.

- I. To understand the underlying factors that may drive certain drivers of deforestation and forest degradation, or impede effective conservation, sustainable management of forests and enhancement of forest carbon stocks;
 - For example, governance analytics can point to weak enforcement capacities and corruption that lead to illegal logging;

- II. To develop successful and effective national REDD+ strategies and policies and measures;
 - For example, how governance weaknesses and strengths can inform the feasibility of certain measures to address drivers;
- III. To implement and monitor strategies and policies and measures;
 - For example by enhancing the institutional and collaborative capacity of REDD+ implementing national agencies, or for allowing for participatory monitoring of the effectiveness, efficiency and sustainability of such policies and measures, as well as to allow for adjustment of implemented PAMs that are not working according to the intended outcome;
- IV. To ensure that safeguards are addressed and respected;
- V. To manage REDD+ funds in a transparent and accountable manner, to avoid corruption risks such as undue influence, fraud or embezzlement.



REFLECTION POINT

What would your key concerns be to lead this process based on the principles of good governance – from design, through implementation of strategy and PaMs and eventually when results-based payments are received?

What measures can be taken to ensure meaningful participation of stakeholders?

What would be key to ensure policy coherence and avoid conflicting policies across ministries?

How can REDD+ be institutionalized in a sustainable manner, so that it is not vulnerable to political change or individual turn-over?

■ Box 12.3 CROSS-CUTTING ISSUES

Throughout this module a number of issues cut across several steps of a REDD+ process.

PARTICIPATORY GOVERNANCE

Just as important as “governance analytics” is the need to consult, engage and collaborate with relevant stakeholders at various strategic stages. Public participation, supported by transparency and access to justice, is one of the most recognized principles of sustainable development. Since the United Nations Conference on Environment and Development in 1992 there has been consistency in international legal instruments dealing with the environment and socio-economic development, that active ‘participation’ by affected groups and civil society is not only desirable but necessary if sustainable development objectives are to be met.

Stakeholders can be grouped into government or public sector, civil society, private sector, the general public and consumers, and the external community, such as international financial institutions. They can also be rights-holders such as property owners, women, indigenous peoples and tribal groups, communities or individuals that hold traditional or formally recognized usufruct (and/ or other) rights to land or resources that will be affected by the decisions being made. As the REDD+ decisions place specific emphasis on the full and effective participation of indigenous peoples and local communities, this should be a priority issue for participatory governance. A more in-depth discussion on stakeholder engagement can be found in **Module 11: Public Participation and Stakeholder Engagement**.

GENDER EQUALITY

Actions can be taken at various steps to promote gender responsive REDD+ processes and good governance approaches. These actions can involve undertaking a gender analysis of drivers and/or an assessment of gender gaps/inequalities in policies, decision making, local practices and cultural norms; ensuring the active and equitable participation of women, youth, as well as other marginalized groups in consultations/ workshops/ trainings; fully integrating gender equality and women's empowerment considerations in the development and implementation of a REDD+ Strategy; and developing and undertaking gender sensitive monitoring and reporting activities (e.g. use of gender indicators and sex disaggregated data). Such activities can be achieved through mobilizing gender expertise throughout the REDD+ process, including in planning, implementation and monitoring and reporting.

ACCESS TO INFORMATION

Effective participation by civil society and indigenous stakeholders, as well as effective cross-sectoral coordination is underpinned by access to and exchange of information. This pertains to all aspects of the development, design, implementation and monitoring of a national REDD+ strategy.

LEGAL FRAMEWORKS

Effective legal and regulatory frameworks are a key factor in the successful implementation of REDD+. Legal and regulatory provisions that are supportive of REDD+ objectives ensure that REDD+ requirements are addressed in a coherent way and in line with international provisions. For example, effective legislation that clarifies tenure and access rights to natural resources may help reduce pressure on forest resources and reduce dispute risks during the implementation phase. In preparing for REDD+, countries may seek to build upon or adapt their existing policies, laws and regulations, possibly through the adoption of new texts, in order to establish national and/or sub-national legal frameworks supportive of REDD+.

GOVERNANCE FACTORS UNDERLYING DRIVERS AND BARRIERS TO (AND POTENTIAL OF) “+” ACTIVITIES

As seen in **Module 3: Drivers of Deforestation and Forest Degradation**, preparing for effective and efficient REDD+ implementation requires strong analytical foundations on which countries can build their vision for REDD+, and make informed and strategic decisions that will shape a critical pathway to implement that vision.

In order to implement REDD+ activities effectively, countries should seek to understand and address the direct and related indirect drivers of deforestation and forest degradation (DDFD). They should also understand the dynamics of and barriers to forest conservation, enhancement of forest carbon stocks and sustainable management of forests.

Indirect drivers’ (also called ‘underlying causes’ or ‘driving forces’) can be related to international drivers (e.g. markets, commodity prices), national factors (e.g. population growth, domestic markets, national policies, fiscal framework, but also governance) and local circumstances (e.g. change in household behaviour).

Similarly, barriers to the ‘+’ activities of REDD+ (forest conservation, enhancement of forest carbon stocks & sustainable management of forests), refer to the various obstacles to the implementation of these activities. Barriers may be very diverse, and include governance weaknesses such as lack of participation, corruption, inappropriate legal frameworks, weak enforcement of existing laws etc.

Identification of the various agents of deforestation and forest degradation is also key to in-depth analysis of drivers and barriers. It may for example be useful to map various decision-makers and other influential actors, such as customary or decentralized administrative authorities, and the formal or informal ways in which they impact the drivers

■ Box 12.4 UNDERSTANDING DRIVERS AND BARRIERS FROM A GOVERNANCE LENS

- What governance deficits facilitate deforestation and forest degradation, and create barriers to conservation, sustainable management of forests and enhancement of carbon stocks?
- What governance enablers facilitate good forest stewardship and land use planning?
- How are these governance factors evolving?

■ Box 12.5 THE HUMAN RIGHTS-BASED APPROACH

The Human Rights-based approach (HRBA) is a process which applies a number of core principles aimed at ensuring the full enjoyment of human rights by pointing on both procedural and substantive rights. The HRBA points to both procedural and substantive rights:

Procedural rights refer to, for example, right to participation, right to Free, prior and informed Consent (FPIC), right to representation or development..

Substantive rights refer to, for example right to lands, territories, and resources.

The failure to apply both procedural and substantive rights are governance weaknesses that can affect drivers and + activities.

and their incentives and barriers to change their current practice. This mapping may be done for example through an “institutional and context analyses” (see Annex 1).

Activities to analyze drivers and barriers also need to be conducted in a participatory and gender sensitive manner in order to ensure that they are accurate and have ownership from a broad range of stakeholders. This includes ensuring: a complete understanding of stakeholders’ rights; access to information; recognition of livelihood and subsistence activities of stakeholders that may be significantly impacted by REDD+ management decisions. Lack of participation also often results in a lack of a gender perspective, detailed in the next section.

Studies² and processes to understand the “governance factors of drivers and barriers” could help countries understand the likelihood and potential impacts of current practices and future risks and benefits. Example of governance related underlying drivers and barriers are highlighted below.

LACK OF PARTICIPATION

The UNFCCC text recognizes the need for the full and effective participation of relevant stakeholders, but specifically indigenous peoples and local communities, and the need to deal with them as separate relevant stakeholders, because they may have poorly recognised rights related to the use and ownership of forests and are more vulnerable to being left out of decision-making processes. This is why the REDD+ decisions emphasise the full and effective participation of these groups and make note of the UN Declaration on the Rights of Indigenous Peoples, which includes reference to the right to Free, Prior and Informed Consent (FPIC). This reflects a core concept of the Human rights-based approach (see box 12.5) and a key aspect of good governance, i.e. the promotion of the interaction between state actors and citizens, including equitably women and men, who are able to exercise their legal rights, address their interests and have them mediated with dialogues with state actors. But, equally important, examining participation – or lack of - can help understand the underlying cases of deforestation and forest degradation, including corruption, illegal forest conversion, forest ownership and access rights. A more in depth discussion on participation can be found in **Module 11: Public Awareness and Stakeholder Engagement**.

An example of the lack of deliberative and inclusive process can be seen in the case of Nepal as a factor enhancing the four main drivers identified at the national level, i.e. illegal logging, encroachment, fuelwood collection and roads (see Figure 12.6).

In another example from Malawi, it has been found that Traditional Authorities that are mandated to protect forest reserves under customary law are not accepted by formal government structures. This leads to conflict between these actors, resulting in corrupt practices and contributes to DDFD.

² These studies can be stand alone or included in broader studies on drivers and barriers that take into account other underlying causes

Policy, governance and tenure underlying causes of drivers of deforestation ³				
	Illegal logging	Encroachment	Fuelwood collection	Roads
Poor transparency and corruption	Corruption induces over harvesting to meet interests of all involved parties; officials often blind eye	Bribing influences distribution of land titles by the Land Commission officials; land mafia often encourages people to capture land and benefit from illegal transactions	Brick factories, hotels and other commercial consumers of fuelwood bribe officials	Corruption encourages use of heavy machines instead of labour based approach; lack of information undermines monitoring and public scrutiny
Weak law enforcement	Organised criminals make life threats to Department of Forestry (DFO) staff, whose capacity to respond is weak; political interference, weak judiciary system leads to impunity	Weak DFO capacity to monitor and evacuate illegal settlers, who are often backed by political parties	Weak DFO capacity to monitor and check unsustainable harvesting	Weak enforcement of Environmental Impact Assessment and other environmental standards

■ Figure 12.6 COUNTRY EXAMPLE OF DDFD DRIVEN BY POOR PARTICIPATION - NEPAL
- source: www.tinyurl.com/nepal-drivers-redd

GENDER PERSPECTIVE

The UNFCCC text Decision 1/CP.16, paragraph 72, refers to the need to address, inter alia gender considerations when developing national REDD+ strategies (see text box 12.7 for gender terms). When identifying drivers and governance enabling factors to address these drivers, gender-differentiated roles, actions and perspectives should be considered. This means the roles, actions and perspectives of all stakeholders, including women, men and youth. This is particularly important for women as they are often the primary users of forests.

There are many reasons why a gender perspective is important to understand and address drivers and barriers.

First, the lack of gender perspective has been shown, for example to be a barrier to conservation or reforestation.

In Kenya for example, local men involved in planning a fuelwood tree planting project assumed that women would fulfil their traditional role of providing water for seedlings. After the seedlings were distributed, the men discovered that the women were unwilling to do the extra hours of water-collecting required by the project. Furthermore, the women were not particularly interested in the trees designated to be planted. The failure to consult women in the planning phase of the project meant that their concerns were ignored. Not surprisingly, they were indifferent to its success, and the seedlings died for lack of water. However, the second phase of the project incorporated women's interests by providing the trees they preferred. They then agreed to help, and this time the project was successful³.

3 USAID, located http://pdf.usaid.gov/pdf_docs/PNACP513.pdf

■ Box 12.7 GENDER TERMS

Gender Equality: The equal rights, responsibilities and opportunities of women and men and girls and boys. Equality does not mean that women and men will become the same but that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female. Gender equality implies that the interests, needs and priorities of both women and men are taken into consideration, recognizing the diversity of different groups of women and men. Gender equality is not a women's issue but should concern and fully engage men as well as women.

Source: UN Women Concepts and Definitions on Gender Mainstreaming, available at <http://www.un.org/womenwatch/osagi/conceptsanddefinitions.htm>

Gender Mainstreaming: The process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.

Source: United Nations Economic and Social Council Agreed Conclusions, 1997/2, available at <http://www.un.org/womenwatch/osagi/intergovernment>

Conversely, it has been shown that a higher proportion of women participants in local institutions of forest governance is related to significantly greater improvements in forest conservation⁴. In addition, women's practices such as traditional agroforestry systems and tree planting can help identify barriers to sustainable management of forests or reforestation.

Second, the analysis of drivers of deforestation and degradation (as well as barriers to conservation) can be enriched by information known by local communities and indigenous groups, especially women and youth within them, through their forest patrolling and monitoring activities, or even through their gathering of plants or fuelwood.

Therefore, these groups can also be an informative source of knowledge in identifying drivers of deforestation and forest degradation around their communities, as well as a resource in identifying corresponding possible solutions. Understanding the varying roles played by men and women can enable a more accurate analysis of the problem — who is driving deforestation, why, where and how — and also help identify potential solutions. This can help formulate governance interventions that are applicable and relevant at both national and local levels.

⁴ Agarwal, B. "Gender and Green Governance: The Political Economy of Women's Presence Within and Beyond Community Forestry" 2010

■ Box 12.8 GENDER AND TENURE

With relation to tenure, in many instances women are not given enough formal control over land even though they access and use many products (firewood, non-timber forest products). As reported by a female participant in Malawi consultations on Governance shortcomings for REDD+ in May 2015, "It's a motivation issue. We are assuming the same roles but are not formally accepted. If men run away to seek better economic opportunities outside the community to substitute the family, we are left behind doing exactly the same work without formal recognition. How can this be? The same applies to national replanting schemes. We are very active in maintaining them while our male colleagues have run away long time ago."

Finally, given various social, economic and cultural inequalities and legal impediments, particularly within the forest sector, women and often other marginalized groups, such as the poor, youth, handicapped, etc., within many societies continue to experience ongoing exclusion that limit their ability to fully participate, contribute to and benefit from REDD+ action. More specifically, these inequalities can also lead to them having unequal access to information and legal processes; not being involved in decision-making on benefit sharing mechanisms and financing structures; and being excluded from REDD+ benefits due to weak rights to land and forests.

As women typically rely more on forests than men do, and that rural women engage in multiple economic activities that are key to the survival of households, it is therefore critical that deliberate, explicit and meaningful efforts are taken to ensure REDD+ governance systems and programmes are inclusive, fair and mainstream gender both in policy and in practice. In fact, promoting sustainability of and building long-term support for REDD+ processes is often connected to its ability to demonstrate and distribute corresponding benefits equitably and fairly⁵.

The UN-REDD Vietnam Programme Gender Analysis⁶ noted that there was a continuing need to transform gender relations and foster women's empowerment by recognizing, supporting and rewarding women's roles in forest management and protection. It also noted that strategies to address the identified gaps in the analysis should be based on the notion that women are not victims, but rather powerful agents of change, due in strong part to their roles as stewards and managers of forest resources.



REFLECTION POINT

Could you think of an example where gender inequality could be an indirect cause of deforestation or forest degradation? Or alternatively, where women's enhanced participation has contributed positively to enhanced conservation, management of forests or forest carbon stocks?

5 UN-REDD Programme (2013). UN-REDD Programme (2013). Guidance Note on Gender Sensitive REDD+. Retrieved from http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=11824&Itemid=53

6 Hyperlink : [UN-REDD Vietnam Programme Gender Analysis](#)

WEAK ENFORCEMENT CAPACITIES AND CORRUPTION THAT LEAD TO UNSUSTAINABLE OR ILLEGAL LOGGING

Characteristics of ‘effective’ governance structures” generally includes enforcement of laws. Failure to enforce laws include both capacity and governance issues. For example, bribes between illegal loggers and forest managers, and/or collusion with direct involvement of government officials facilitating forest degradation are commonly identified causes of illegal forest activities. In Indonesia, although the 2014 Indonesian Forest Governance Index report in a slight improvement on cases of forestry crimes being filed in court compared against the low number of cases that are then investigated, and even fewer resulting in a conviction, there is clearly a connection between weak law enforcement capacity and continued corrupt practices allowing perpetrators to operate and continue deforestation at an undesirable speed⁷.

- In Kenya, for example, the 2013 REDD+ Corruption Risk Assessment has highlighted how governance issues corruption has historically contributed to deforestation and degradation;
 - The difficulties of the Kenya Forest Services in promoting forest conservation and managing relocation of people they deemed as “squatters”;
 - The risks of county governments using community forest lands as “open land” that can be used for patronage purposes;
- Corruption suspected in the allocation of forested areas to biofuel, oil or mining companies (causing deforestation) without restrictions to limit environmental impact too lenient and eventually ignored;
- Bribes between illegal loggers and forest managers, and/or collusion with direct involvement of government officials facilitating forest degradation;
- The lack of capacity of Charcoal Producer Associations (CPA)s to check the origin and source of charcoal, and acceptance of fraudulent documentation as CPAs depend on licensing for their funding;
- In Panama, weakness of forest management institutions and conflicts between institutions, institutional bureaucracy and poor transparency and corruption are among the identified underlying drivers of deforestation through commercial and fuelwood extraction⁸;
- In Nepal, as seen in Figure 12.9 below, poor transparency, corruption and law enforcement were also highlighted as catalyzing direct drivers.

These issues are often exacerbated by limited extension of services (due to low financial and human capacity), that lead to unenforced laws and regulations and often open up opportunities for illegal activities.

7 The Executive Summary of the 2014 Indonesian Forest Governance Index is available here: <http://tinyurl.com/FGI-Indonesia2014>. A “multi-door approach”, put in place to allow for harder punishment perpetrators of forest crimes through sanctions according to different laws was established to address this issue.

8 “Programa de las Naciones Unidas para el medio ambiente - Pnuma Proyecto ONU-REDD+ Panama”

Policy, governance and tenure underlying causes of drivers of deforestation ⁵				
	Illegal logging	Encroachment	Fuelwood collection	Roads
Poor transparency and corruption	Corruption induces over harvesting to meet interests of all involved parties; officials often blind eye	Bribing influences distribution of land titles by the Land Commission officials; land mafia often encourages people to capture land and benefit from illegal transactions	Brick factories, hotels and other commercial consumers of fuelwood bribe officials	Corruption encourages use of heavy machines instead of labour based approach; lack of information undermines monitoring and public scrutiny
Weak law enforcement	Organised criminals make life threats to Department of Forestry (DFO) staff, whose capacity to respond is weak; political interference, weak judiciary system leads to impunity	Weak DFO capacity to monitor and evacuate illegal settlers, who are often backed by political parties	Weak DFO capacity to monitor and check unsustainable harvesting	Weak enforcement of Environmental Impact Assessment and other environmental standards

■ Figure 12.9 COUNTRY EXAMPLE OF CORRUPTION AND LAW ENFORCEMENT-RELATED DRIVERS - NEPAL - source: www.tinyurl.com/nepal-drivers-redd

WEAK TENURE RIGHTS

In addition to procedural rights (see box 12.5), substantive rights such as tenure rights are important to consider in analyses of drivers. UNFCCC decisions state that “when developing (phase 1) and implementing (phase 2) of their National strategies and actions plans, countries are requested to address, inter alia, land tenure issues⁹.”

While secure tenure creates a sense of ownership and can serve as an incentive to protect forests and invest in their sustainable management, the opposite tends to be true as well: weak tenure security often results in poor management and loss of the resource. Clear enforceable rights of exclusion are a key element of forest tenure that allows the rights holder to resist outside interference. Likewise, clear and secure tenure increases accountability since the rights holder is also the bearer of responsibility, and has been found to reduce certain drivers¹⁰.

9 D1/CP.16, para 72

10 World Resources Institute and the Rights and Resources Initiative “Securing Rights, Combating Climate Change: How Strengthening Community Forest Rights Mitigates Climate Change.”

■ Box 12.10 VOLUNTARY GUIDELINES

UN-REDD encourage its partner countries to refer to the Voluntary Guidelines on the Responsible Governance of Tenure of Lands, Fisheries, and Forests (VGGT). The VGGT are a set of internationally accepted standards which were endorsed in May 2012 by more than 130 countries and provide guiding principles for analyzing and reforming their tenure systems under REDD+. This internationally-accepted document provides the benchmarks and a vision for countries to work towards good governance of tenure. The VGGT:

- Recognize and respect all legitimate tenure rights and the people who hold them;
- Safeguard legitimate tenure rights against threats;
- Promote and facilitate the enjoyment of legitimate tenure rights;
- Provide access to justice when tenure rights are infringed upon;
- Prevent tenure disputes, violent conflicts and opportunities for corruption.

Honduras and Guatemala have for example recognized the need to strengthen tenure systems as part of their REDD+ readiness process.

In many UN-REDD partner countries, customary tenure rights over forests are an important consideration. Customary use rights may be understood as the access, control and use of land according to long-standing principles, values, customs and traditions, including seasonal or cyclical use, which operate outside the formal legal system. These rights are associated with traditional land administration institutions and customary law that define how rights are allocated and protected. When forest land that is considered under a National REDD+ Strategy is customarily owned or occupied, e.g. when there is overlap of logging or agricultural concessions and illegal logging on customary lands, the full participation of customary landholders is essential.

In Sri Lanka, stakeholders are examining the link between proposed strategies under REDD+ and the links to and implications for tenure, as a first step in gaining a better understanding of the issues within the context of REDD+. In Cambodia, REDD+ stakeholders were involved in piloting a new tool for mapping community tenure called Open Tenure. This tablet-based application is used by the community members themselves to record their tenure rights, with data stored on a web-based server. For a list of countries undertaking assessments of their land tenure systems to inform the development of REDD+ policies and measures, see Annex 1.



REFLECTION POINT

Do you have an example of how weak tenure or customary use rights aggravate a specific driver of deforestation or degradation, or constitutes a barrier to conservation, sustainable management of reforestation activities?

LACK OF TRANSPARENCY IN THE ISSUANCE OF PERMITS

Lack of transparency can lead to misinformation and abuses, that themselves exacerbate certain drivers of barriers to conservation or enhancement activities.

In the Philippines¹¹, risks identified through a Corruption Risk Assessment for REDD+¹² were related to illegal issuance of permits (resource utilization permits, cutting permits and small scale mining permits) by local chief executives, the municipal council and congressional representatives as well as local government units. These were deemed most important in terms of both likelihood and impacts on drivers.

Similarly, in Indonesia¹³, it was shown that forest licenses can play a role to regulate high forestry and land sector emissions in Indonesia, not only because of the 52 million hectares covered by licenses, but also for governance reasons. First, because when licensing takes a long time and is deemed too costly (in terms of time lost as well as formal and informal fees), people or companies applying for the license may attempt to recuperate those costs by exploiting the forest under their current license without abiding by the established standards, or outside of the authorized areas or range of activities. Second, because informal fees can allow licenses to be granted in areas such as protected forests or conservation forests, in violation of regulations. An in-depth evaluation of the regulations on the online forest permit system allowed to point to a) weaknesses that allow permits to be granted inappropriately, which for example results in a higher number of plantation permits or such permits granted in inappropriate areas, thus contributing to deforestation and b) systemic strengths (such as online automated systems at the national level that reduce face to face interactions and thus opportunities for bribes), which could be expanded to provincial and district levels.

WEAK, INCOMPLETE OR CONFLICTING LAWS

“Effective” governance also relates to the enhancement of laws and regulations related to governance and the sustainable use of forests, the lack of which can enhance drivers. This may, for example, start with identifying inconsistencies in terminology relevant to forestry matters and gaps and overlaps between sectoral laws is important. Actions to address drivers or barriers to + activities can be affected by definitions of words and terms such as forests, forest conservation, trees, deforestation, ecosystem services, etc., so it is important to make sure that this terminology is harmonised. To remedy this situation, legislators may adapt existing definitions or include new ones in national laws.

For example:

- In Myanmar the Ministry of Environmental Concern and Forestry’s Forest Department defines land with trees outside the legal forest estate as “Public Forest Land” whereas the Agricultural Department defines the same land as “Vacant, Fallow and Virgin Land”;
- In Mexico, the term ‘environmental services’ was redefined to emphasize the relationship of their benefits with the functionality of the natural ecosystem and the individuals settled in the territory. In addition, it is now recognized that environmental services are

11 Hyperlink : www.tinyurl.com/philippines-redd-cra

12 Op cited

13 www.tinyurl.com/indonesia-redd-permits

- regulated by the Forest Sustainable Development Law;
- Honduras carried out various reforms to solve land categorization conflicts between the Law on Forestry, Protected Areas and Wildlife, the Agrarian Reform Law and the Law on the Protection of the Coffee Activity¹⁴;
- In Nepal, conflicts between the Forest Act (1993) and the Local Self Governance Act (LSGA, 1999) have led to negative environmental consequences including deforestation and forest degradation. The LSGA gives certain rights to local governments to prepare and implement forest management plans and imposes various taxes on forest products whereas the Forest Act invests such rights in the District Forest Officers (DFO) and local communities.

COORDINATION

“Effective governance” also relates to having adequate institutions and administrative frameworks. Conversely, a lack of coordination between different state agencies may result in ineffective application of measures that affect drivers of deforestation and degradation. For example, in Viet Nam and Lao PDR forest agencies are responsible for administrative fines (minor infractions) while major crimes are the responsibility of the prosecution service, but they have no incentives to take action.

Another example lies in a lack of coordination with enforcement bodies. If the police, public prosecutors office or the Judiciary are not informed about challenges, they cannot be part of the response. The exclusion of such bodies often doesn’t happen on purpose but is rather caused by lack of information and business as usual.

GOOD GOVERNANCE TO DESIGN AND FINE TUNE NATIONAL REDD+ STRATEGIES AND REDD+ POLICIES AND MEASURES

DESIGNING “ENABLING PAMS”

PAMs are discussed in depth in **Module 7: Policies Actions and Measures**. In the same way that drivers may be divided into ‘direct’ and ‘underlying’ drivers for practical purposes, they may be split into ‘direct’ and ‘enabling’ interventions. Enabling interventions may target underlying drivers, such as capacity building, land use planning and, of relevance here, governance programmes.

Examples of “enabling governance PAMs” include:

- Strengthening of forest law enforcement (for example through joint patrolling, better trainings on collective evidence, increase sanctions when acts of malpractices are detected, training public prosecutors to improve the prosecution of offences in the forestry and wildlife sectors¹⁵, improvement in coordination between enforcement agencies¹⁶);

14 “Ley de Protección a la actividad cafetalera”, adopted by Decree (decreto 199-95).

15 Illegal Logging and Related Trade: The Response in Ghana - See more at: <http://capacity4dev.ec.europa.eu/public-flegt/document/illegal-logging-and-related-trade-response-ghana#sthash.PaWAWZ9I.dpuf>

16 Ibid (Ghana. See also Indonesia Multi Door Approach to Tackle forest Crime)

- Improvement of tenure security, including of indigenous peoples' lands and women's and men's land use and access rights;
- Improvement of transparency to reduce undue influence when forest licenses or permits are issued.



REFLECTION POINT

Can you think of an example of an “enabling governance PAM” in your country? Would it affect more than one direct driver? Which additional benefits would this “enabling governance PAM” bring about?

PRIORITIZING “FEASIBLE” POLICIES AND MEASURES

In **Module 7: Policies and Measures**, the “multi-dimensional selection process for PAMs” was presented. A Ministry or entity in charge of REDD+ needs to engage in multi-dimensional decision analysis and weigh different options against each other to determine trade-offs for each option on the table and to clearly assess benefits and risk. Some of these dimensions refer to governance, such as:

- Governance barriers and opportunities,
 - Will there be political resistance to a certain measure if some corrupt actors stand to lose;
 - Should a particular PAM be preferred (in the first iteration of a national REDD+ strategy) over another if the existing law or regulation it builds on has been in the past exceptionally transparent and accepted or opaque and poorly enforced;
 - Does a PAM under consideration rely on a clear legal framework or are there loopholes to address first?

What degree of local communities' knowledge, skills and participation is needed to implement one “labour intensive” PAM versus another? Policy coherence: for example, when fiscal subsidies that enhance forest loss, such as those to the palm oil or timber sector, conflict and overwhelm the potential financial support provided to reducing deforestation¹⁷. This can sometimes result from a lack of oversight from designated national institutions, such as parliaments.

What has been the engagement to date of political decision makers in the REDD+ design and decision process? Comprehensive assessments and studies (i.e. stakeholder mapping (see stakeholder engagement module), cost benefit analysis, social impact assessments) are important to be available for the decision-making (see example in text box 12.9).

STRATEGICALLY ENGAGING WITH THE RIGHT AGENTS /PARTICIPATORY DECISION-MAKING

Strategic engagement of the appropriate agents (both civil society or cross sectoral ministries) is key again here to develop the most appropriate set of REDD+ policies and

¹⁷ UNEP-FI, forthcoming

measures. The actors here may be the same as those consulted during the drivers analysis process, but their interest and commitment will be higher, or their opposition stronger, as the design and fine tuning process could lead to the design of actions that has effects and consequences on their own institutions. Here again, such engagement is predicated on some governance principles:

- A basic legal framework must exist: appropriate legal frameworks can institutionalize policies and actions that can enable cross-sectoral policies and commitments, as well as the right for indigenous peoples and civil society participation in public affairs, and a right to access to public information. At times this may necessitate legal reform, especially when the current legal frameworks puts a barrier to cross-sectoral coordination, especially regarding institutional mandates. Traditional authorities and laws should be considered as well. In any decentralized system of forest governance, legislation and guidelines that clearly define property rights and management responsibilities are crucial for effectively integrating cross-sectoral demands on forests;
- Access to information: a critical question is whether stakeholders have the information, as well as skills, capacity and tools to effectively participate in discussions and decision-making. For example, statistics on subsidies that have an impact on forests may be known by the Ministry in charge of agriculture, but not shared with the Ministry/ Department of Forestry, making the fiscal incentives reform all the more complex;
- Institutional arrangements, such as the interaction between the legislative, judicial and executive, is important.

■ Box 12.11 PRIORITIZING ACTIONS BASED ON ACTORS' ANALYSES

Country Y has decided that the first iteration of its national REDD+ strategy would focus solely on deforestation caused by cattle (beef) ranching, one of the major drivers in the country. Several policy options are contemplated such as a) removing tax incentives and subsidies intended to support expansion of beef production; b) providing training and financial support to more intensive production based on improved breeds, feeds, pastures and animal health; c) removing land titling schemes that encouraged deforestation by allowing expropriation of "under-utilized" forest lands and awarding farmers and ranchers legal ownership of lands that they have cleared and occupied ; and/or d) discouraging road construction and improvement in most forest areas*.

Complementing a cost analysis, an institutional analysis of the actors (cattle ranchers, Ministry of Agriculture, Land, Trade or Infrastructure**) who need to be engaged and supportive of each of these reforms and the possible political barriers will help the country's REDD+ team in this choice.

*Examples extracted from <http://www.fao.org/3/a-a0262e.pdf>

**In another country Z, where the selected activity is reducing degradation originating from timber and fuelwood collection, major actors to engage would be forest-dependent communities, with particular attention to be paid to the roles of women as agent of change

STRENGTHENING GOVERNANCE TO IMPLEMENT NS/AP AND PAMS

While it is initiated with the design and fine tuning of policies and measures, further institutional strengthening may be needed to promote performance effectiveness, i.e. the effective implementation of policies and measures. This can entail, for example:

CAPACITY DEVELOPMENT FOR INSTITUTIONS IMPLEMENTING REDD+, NOT ONLY IN TERMS OF KNOWLEDGE BUT ALSO HUMAN RESOURCES AND TRAININGS

Certain policies and measures will need more “boots on the ground”. Indonesia is for example strengthening its law enforcement on forest crimes through a multi-pronged approach, and training a number of stakeholders, from forest guards to the judiciary, to apply this approach. Elsewhere, strengthening the ability of existing indigenous organizations to monitor REDD+ forest activities may prove one of the most cost effective detection and enforcement measures.

STRENGTHENING COLLABORATIVE CAPACITIES TO IMPROVE IMPLEMENTATION

Strengthening capacities can happen at different levels:

- I. Functional capacities, i.e. management capacities needed to formulate, implement and review policies, strategies, programmes and projects¹⁸. In other words, these are the cross-cutting capacities needed to ‘get things done’;
- II. Technical capacities, i.e. are those associated with particular areas of expertise and practice in specific sectors or themes;
- III. Collaborative capacity, i.e. having a clear vision and strategy to enable collective thinking, adaptive planning, and implementation beyond money, personnel, skills, and equipment. Collaboration between different agencies, for example including public agencies and the private sector, can encourage sustainable investments by sharing risks and rewards, providing loans and credit, or providing needed capacity building. Collaboration may range from provision of information to another organization; sharing of personnel; collaboration on joint research projects with other stakeholders; collaboration on joint grant or funding proposal; creation of an interagency taskforce; signing a MOU; and sharing and permitting or regulating activities. New institutional arrangements may be needed to support better collaboration between sectors.



REFLECTION POINT

Once a suitable regulatory system or legal framework is in place to appropriately deal with REDD+ implementation, what is the best way to ensure this is implemented?

For a particular ministry or, indigenous peoples’ group or civil society organization, can you provide an example of how capacities needed to design policies and measures, are different from capacities needed to implement them?

ACCOUNTABILITY MECHANISMS TO MONITOR POLICIES AND MEASURES

Accountability mechanisms, or the obligation of decision-makers to take responsibility for their actions, is supported by systems that can be understood as a continuum with two systems at each end: regular feedback systems, and grievance and redress mechanisms. Monitoring PAMS is essential for accountability systems, as it allows for adjusting those that are not working according to the intended outcome and/or that have unintended negative impacts on stakeholders.

18 UNDP (2008) Capacity Development – Practice Note [<http://www.undp.org/content/undp/en/home/librarypage/capacity-building/capacity-development-practice-note/>].

REGULAR FEEDBACK SYSTEMS

Regular feedback systems can be made possible by platforms described in Text box 2, participatory social impact analysis and policy audits, or social audits to assist in monitoring and improvement¹⁹, paired with government public and timely responses (positive or negative) to suggestions emanating from these processes.

As REDD+ policies and measures seek to induce positive shifts in current practice and use of forest resources, countries will need to monitor those shifts, i.e. evaluating if the legal, administrative and financial means have produced the expected effects and meet the ultimate objectives²⁰. This is different but complementary to the objectives of a National Forest Monitoring Framework. Safeguards (see section below) are another way to ensure accountability.

WHAT TO MONITOR?

Module 7: Policies and Measures discussed tracking implementation. Supporting countries to tracking implementation of PAMs would empower national governmental and non-governmental actors to monitor their performance (see box 12.12), including:

- Their relevance: whether the objectives of the PAMs cover the multiple dimensions of the issues
- their usefulness: examine if the intervention has had not only the expected results, but also examine collateral effects, including negative ones;
- Their internal coherence: are different PAMs with the same objectives complementary or redundant;
- Their external coherence: are the PAMs aligned with and contributing to the country's national development strategy, or other sectoral PAMs, including governance and fiscal measures;
- Their strategic relevance or efficacy: can the results be attributed to the PAM, or are they a "happy coincidence";
- Their cost-effectiveness: are costs reasonable compared to other PAMs implemented concurrently? Are efforts (inputs, resources) needed for results to be delivered;

Box 12.12 THE DIFFERENCE AND COMPLEMENTARITIES OF MONITORING

Monitoring shifts in public policies and the National Forest Monitoring Systems are different, but related, activities. On the one hand, a NFMS seeks to monitor the impact of demonstration activities or REDD+ policies and measures in terms of their effectiveness (in terms of tCO₂e or biophysical proxies);, on the other hand, monitoring shifts in policies is about monitoring what can be described overall as their performance. Indicators in the latter are not carbon-based, although efforts should be made to draw a causality chain between performance and effectiveness. More information on NFMSs can be found in module 5.

19 See UNDP Guidance note <http://www.undp.org/content/dam/undp/library/Democratic%20Governance/OGC/dg-ogc-Fostering%20Social%20Accountability-Guidance%20Note.pdf>, and A practical Guide to social audits <http://www.pogar.org/publications/ac/books/practicalguide-socialaudit-e.pdf>

20 http://ec.europa.eu/smart-regulation/evaluation/index_en.htm

- Their sustainability over time: are policies and measures embedded sufficiently that they will be able to survive changes in government? Can they be sustained without external funding;
- Their capacity building component: have the PAMs allowed to enhance the capacities of the institutions implementing them.

WHO MONITORS PAMS?

Depending on the country context, a range of approaches can be used to monitor PAMS:

- **REDD+ national steering bodies**, boards or agencies are the primary actors to monitor the effectiveness of PAMS. They can be supported in this task by either Multi-stakeholder platforms (including indigenous peoples, civil society, REDD+ agencies and donors) or governmental or non-governmental bodies with more independence from the national REDD+ decision-making process, for example through social audits;
- **Government oversight bodies**, such as Court of Accounts (Brazil), or more specific bodies such as Anti-Corruption Agencies, play a role in monitoring different aspects of the performance of PAMS;
- **Parliaments** have a role to play in ensuring the coherence between one policy and another from another sector;
 - As the lawmaker, a parliament is responsible for debating and ratifying legislation that would govern a national REDD+ program. For example, parliaments can ensure that fiscal incentives such as subsidies to the palm oil sector does not dwarf parallel efforts to reduce deforestation caused by palm oil plantations;
 - Parliamentarians, when legitimately elected representatives of the people, can provide a forum for the concerns of diverse social actors (including indigenous peoples, local communities and CSOs), and can ensure that their concerns are reflected in the law-making and budget allocations processes;
 - Parliaments have a unique role when it comes to oversight of the national REDD+ process, both related to the financial and the legislative process. By adopting and monitoring state budgets, Parliaments serve as a check on executive power, and can help ensure the transparent, equitable and accountable management of the REDD+ funds in a country.



REFLECTION POINT

Given the governance structure of your country, who do you think should be in charge of monitoring PAMS in your country? What mechanisms could support or complement this?

What could the role of the judiciary be in REDD+ for accountability systems?

ENABLING CONDITIONS FOR EFFECTIVE MONITORING OF PAMS

As seen above, effective monitoring of PAMS depends upon access to timely and relevant information as well as appropriate legal frameworks, which can institutionalize policies and actions to support monitoring.

GRIEVANCE AND REDRESS SYSTEMS (GRM)

Grievance and redress systems i.e. fair, transparent and accountable organizational systems and resources established by national government agencies to receive and address concerns about the impact of their policies, programmes and operations on external stakeholders, including women, men and youth. The stakeholder input handled through these systems and procedures may be called “grievances,” “complaints,” “feedback,” or other terms.

GRMs act as recourse for situations in which stakeholders have a concern about the organization’s actual or potential impacts on them²¹. GRMs can be the first line of response to stakeholder concerns that have not been prevented by proactive stakeholder engagement or effective safeguards. GRM are discussed in more detail in **Module 11: Public Awareness and Stakeholder Engagement**.

SAFEGUARDS

The Cancun safeguards, UNFCCC Decision 1/CP.16, Annex I, paragraph 2, embody the principles of good governance and prescribe good governance arrangements in the application of actions and policies and measures in the national strategy/action plan as defined by a government and throughout REDD+ implementation. Information on how countries address and respect these safeguards is generated (Safeguard Information System), and a summary of this information is required by the UNFCCC to qualify for results based payments. See **Module 8: Safeguards**.

A country approach to safeguards provides a framework for addressing and respecting safeguards in a way that is consistent and harmonious with national policy goals, and builds on existing governance arrangements. At a minimum, REDD+ countries are asked, when undertaking the five REDD+ activities, to promote and support the Cancun Safeguards. A country approach operationalizes the safeguards through three core elements:

- I. Policies, laws and regulations (PLRs) which define, on paper, what needs to be done in order to support REDD+ activity implementation of REDD+ actions in a manner consistent with Cancun (and other) safeguards, i.e. how safeguards are being addressed. PLRs can also include corporate environmental and social responsibility policies, industry standards and customary norms of indigenous peoples and local communities depending on the country’s legal system;
- II. Institutional arrangements - their mandates, procedures and capacities to ensure that the relevant PLRs are actually implemented in practice and outcomes are demonstrated, i.e. how safeguards are being respected. Such arrangements are typically institutionalized within public, private or civil society sectors, but may also involve arrangements to strengthen the individual capacities of citizens, including, including indigenous peoples and local communities, to implement and enforce relevant PLRs; and
- III. Information systems which collect and make available information on how REDD+ safeguards are being addressed and respected throughout REDD+ implementation.

21 SUN-REDD/FCPF approach to Establishing and Strengthening National Grievance Redress Mechanisms. Available at: http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=11841&Itemid=53

The Durban decision on safeguards provided for a summary of information, and the UNFCCC Warsaw provided clarity on timing and frequency of such submission, i.e. after the start of implementation of activities and in line with national communications (and voluntarily through the UNFCCC REDD+ Web platform).

ASSESSMENT OF BENEFITS AND RISKS OF POLICIES AND MEASURES WITHIN THE RUBRIC OF THE CANCUN SAFEGUARDS

An assessment and identification of risks and benefits of the policies and measures (for example using the UN-REDD Benefits and Risk Assessment Framework (BeRT) tool presented in **Module 8: Safeguards**) identified by the government should be undertaken and include a determination of how the countries PLRs already address and mitigate risk or promote benefits. This assessment, which can be iterative, can bring out the gaps and can inform decisions on which actions to include in a REDD+ Strategy.

For example, Cancun Safeguard (b) is about transparent, effective forest governance and sovereignty. If this safeguard were to be 'unpacked' or 'clarified' in a country context it could cover issues such as

- Access to information;
- Accountability ;
- Land tenure;
- Equitable distribution of benefits (overlaps with Safeguards (b) and (c));
- Enforcement of the rule of law;
- Adequate access to justice, including procedures that can provide effective remedy for infringement of rights, and to resolve disputes (i.e., grievance mechanisms) (NB: overlaps with Safeguard (c));
- Gender equality ;
- Coherency of national/subnational legal, policy and regulatory framework for transparent and effective forest governance;
- Corruption risks ;
- Resource allocation/capacity to meet institutional mandate;
- Participation in decision-making processes (overlaps with Safeguards (c) and (d)).

An assessment of the policies and measures would generate questions such as:

- Will the candidate REDD+ actions/PAMS generate and share relevant and timely information (i.e. financial information, information about decision-making processes, bidding and procurement processes, etc.) with stakeholders in the appropriate language and format?
- Will it set up new, or enhanced existing forest organizational decision-making structures, with clear and defined roles and responsibilities?
- Will it be monitored against a set of clear, measurable and time-bound targets?
- Is it framed and codified by legal/regulatory systems that are provided the means to be enforceable? And can it create and apply appropriate sanctions?
- Can it be safeguarded against corruption risks through additional specific detection, prevention and sanction measures?
- Does it have the appropriate capacities (individual, institutional, collaborative, financial capacities) to be effectively implemented?
- Does it have adverse impacts on gender equality and/or the situation of women and

girls?

- Does it equitably impact women, men and youth's abilities to participate in design, implementation and/or to access to opportunities and benefits? Or affect stakeholders, including women, men and youth's abilities to use, develop and protect natural resources?

At the same time, an analysis of the existing policies, laws and regulations would also need to be considered, and gaps ascertained, for example through the following questions for the same safeguard.

- Are the PLRs or other measures in place to provide access to timely relevant and usable information about REDD+ actions, establish organizational decision making structures, and evaluate the effectiveness of REDD+ actions on a regular basis;
 - *For example: information allowing the monitoring of the discrepancies between the volumes of allowed timber and the volumes actually sold at auctions to help point to irregularities that drive forest degradation through illegal logging or the presence of clear and realistic forest management target and objectives to monitor whether goals are achieved and take corrective action, if not;*
- Do they include or propose approaches to ensure the accountability of bodies representing stakeholders;
 - *For example, systems to help promote trust and participation of local stakeholders in REDD+ activities, such as reforestation efforts by local communities, including both women and men;*
- Can they prevent, detect, and sanction abuses of power and corruption in the implementation of REDD+ actions;
 - *For example for example, a multi-door approach to fighting forest crimes including illegal logging, as developed by Indonesia to help address illegal logging by utilizing several legislation (for example, an anti-money laundering legislation, forest legislation and anti-corruption law) to bring together intelligence and strengthen cases and sentences for those who have committed forest crimes.*

COUNTRY EXAMPLES OF GOVERNANCE ANALYSES FEEDING INTO THE COUNTRY'S APPROACH TO SAFEGUARDS:

- In the Philippines, the top two risks of the Philippines REDD+ Corruption Risk Assessment²² were related to illegal issuance of permits (resource utilization permits, cutting permits and small scale mining permits) by local chief executives, the municipal council and congressional representatives as well as local government units. These were deemed most important in terms of both likelihood and impact on drivers, and are now integrated into the development of the country's safeguards policies laws and regulations;
- In Bhutan, the REDD+ corruption risk assessment²³ is intended to inform the development of the country's approach to the Cancun safeguards, especially on safeguard 2b, as it relates to governance strengths and weaknesses in commercial timber production and rural timber supply, illegal logging and forest crimes, and decentralization & community forestry;

²² www.tinyurl.com/philippines-redd-cra

²³ www.tinyurl.com/bhutan-redd-cra

- In Nigeria, the linkages and coordination between the availability of robust governance data (through Nigeria’s PGA work) and the country’s work on developing a Safeguards Information System have been carefully considered by ensuring that key stakeholders are being kept informed on the developments and availability of potentially relevant SIS data, which eventually may feed into governance related components of the nationally developed SIS. Nigeria has through extensive stakeholder consultations prioritized the following four governance challenges: broad and informed participation of REDD+ stakeholders; community organizing and cohesion in REDD+ implementation; harmonization of policy and legal framework for REDD+; and transparency and accountability of the REDD+ process and finance;
- In Vietnam, a PLR gap analysis was undertaken to provide options, priorities, milestones and recommendations on REDD+ safeguards in Vietnam. 60 potential PLRS would support the effective implementation of the Cancun Safeguards, but these exist on paper and practical effectiveness has not been assessed. For example, with respect to Safeguard b) – ‘transparent and effective national forest governance structures, taking into account national legislation and sovereignty’ - access to information was seen as a gap and the LEP No. 55/2014/QH13 and the 2013 Draft Law on Access to Information is seen to be a way in which to address this gap.



REFLECTION POINT

What principles of good governance or particular issues would you highlight for your country under safeguard b (“transparent and effective forest governance”)?
What existing governance information system in your country could provide valuable information for information on REDD+ safeguards?

MANAGING REDD+ FUNDS IN A TRANSPARENT, EQUITABLE AND ACCOUNTABLE MANNER

Considering transparency and accountability risks and opportunities when designing and managing REDD+ funds has shown to decrease the risks of conflicts with stakeholders - by managing expectations on fund accessibility for example - and increase donors’ confidence, and hence the potential for Fund capitalization.

Appropriate legal frameworks, by institutionalizing policies and actions that can have an impact on REDD+ implementation can create financial incentives to address drivers of deforestation and degradation.

A number of generic good practices in REDD+ fund management arrangements have been highlighted²⁴.

24 See, among others : Global Witness 2012 « Safeguarding REDD+ Finance » ; UNDP 2013 “Background Note on UNDP’s support to Countries on REDD+ Finance and National REDD+ Funds” as well as the feedback provided to the UN-REDD Secretariat by its Policy Board Members

TRANSPARENCY

- The Fund operates with a clear set of minimum fiduciary standards (with specific criteria for assessment and procedures for addressing shortfalls);
- Financial accounts, donor contributions and expenditures are made publically available in a timely and accessible manner. In particular, sufficient data is available to easily determine the reconciliation of disbursement and payments;
- Usage of the publically available information is monitored to ensure that it reaches the intended stakeholders.

PARTICIPATION AND DECISIONS TO GOVERN REDD+ FUNDS

- Documents are circulated with agreed upon deadlines and publicly available in the appropriate languages, and regular open information sessions are held with civil society to keep an open dialogue;
- There is a balance of power between donor and recipient countries in the decision-making process to disburse funds, with representation or other accountability mechanism from civil society organizations, indigenous peoples and local communities;
- The Fund has clear guidelines on conflicts of interest in its by-laws to prevent individual in the governance structure and their family from receiving economic gains by requiring proper disclosure, refraining from voting and sanctioning breaches; and to prevent conflicts of interest resulting from the roles played by the same entity (e.g. a Ministry voting when authorizing payments to itself).

OVERSIGHT, COMPLAINTS AND REDRESS

- Responsibilities for managing and monitoring corruption risks⁸³ are clear and provided capacities to operate without fear of retribution;
- An official independent investigative body provides clear oversight over financial management and deals with allegations of fraud, misuse and other corrupt practices;
- Internal and external independent financial, performance and impact audits are regularly conducted;
- Preventive systems (including capacity building, spot checks, and careful monitoring) are emphasized; sanctions are applied fairly and appropriate;
- Complaints and redress systems are accessible and may be used by groups as well as individuals.

EQUITY

- Definitions of REDD+ beneficiaries expanded to include indigenous groups, communities, women, or youth, who not have customary ownership over land and the resources on the land or do not own land, but may have use rights over the resources as well as play either a direct or indirect role in forest management and use. Vietnam's REDD+ gender analysis cited above highlighted a gap in equity in fund design, governance and management;

²⁵ Including, but not limited to trainings, per diems, salaries, vehicles, recruitment processes, travels, overheads, etc. See page 145 of UNDP 2013

- Those who participate in forest conservation & REDD+ activities are rewarded, through equitable benefit sharing (benefits understood here as both monetary and non-monetary benefits, including up-front payments, milestone payments, royalties, institutional capacity building, education and training). The UN-REDD Vietnam Programme Gender Analysis (2013) found that, among other findings, that women have struggled to gain access to benefits from payment for ecosystem services and community forestry projects, of which can in part be accountable to the fact that they lack land ownership and rights⁸⁴.

COUNTRY EXAMPLES

A number of national REDD+ Funds have integrated considerations on transparency and accountability in selecting the modalities for receiving REDD+ funds and/or designing their REDD+ fund management systems. For example:

- DRC has integrated in the Operational Manual of its National REDD+ Fund a number of measures related to proactive information disclosure, detection, reporting and sanction of misuses. For example, the Technical Committee that submits advices and recommendations includes civil society experts, the review of proposals is characterized by a double blind process where the identity of the reviewers is kept anonymous to avoid collusion, a financial micro evaluation of implementing entities is undertaken by a third party, and a multi-channel complaints mechanism is established;
- Brazil's Amazon Fund is generally considered as demonstrating high standards of transparency and accountability. The Brazilian Economic and Social National Development Bank was entrusted with managing the funds for its ability to meet high standards of transparency and accountability through strong financial management capacities. Very high transparency on disbursement has been observed. Observers have however noted that robust fiduciary standards have made it more difficult for small organizations to access the Fund. Civil society representatives are active in the Multi stakeholder Guidance Committee (COFA) which is also composed of federal and state representatives. Monitoring and transparency are one of the eight principles against which project proposals are screened. The transparency of applications received and the projects being funded has increased substantially over time, in part as a result of guidance by COFA;
- The Congo Basin Forest Fund allows sub-national and local entities direct access to funds; when combined with stringent financial safeguards, this is considered an effective way to reduce risks of misallocation at national level.

26 The concept of carbon right is not covered at length here, since countries do not need to address this issue to access results-based payments for REDD* under the UNFCCC. Project-based approach to REDD+, however, require that countries define carbon ownership. Furthermore, results-based payment initiatives such as the FCPF carbon fund require that ER-Program entities be able to demonstrate title to emission reductions and transfer such titles to buyers. Note that there are challenges with operationalising the approach to rights over emission reduction since assessing emission reductions at a scale corresponding with land ownership may be technically very challenging and prohibitively expensive, except perhaps in countries of limited size or in countries where tenure is already well-defined.

ANNEX 1: TOOLS AND APPROACHES

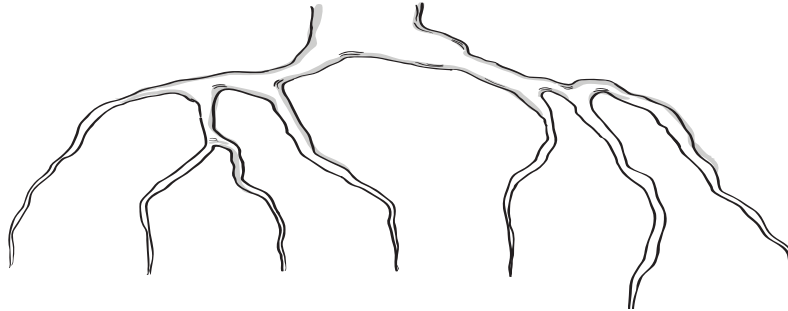
Various tools can be used to assess how well each component performs against each element describe in Figure 12.2, for example:

TOOLS AND APPROACHES	EXAMPLES IN (COUNTRY) (INDICATE WORK COMPLETED BY MAY 2015)	SUITABLE /ADAPTABLE TO						
		ANALYSING GOVERNANCE CAUSES TO DRIVERS	DESIGNING PAMS	IMPLEMENTING PAMS	MONITORING PAMS	ADDRESSING SAFEGUARDS	RESPECTING SAFEGUARDS	MANAGING REDD+ FUNDS
Institutional and context analysis	Argentina, Cote d'Ivoire, Honduras, Panama, Paraguay		✓	✓				
Participatory governance assessment	Nigeria, Viet Nam, Indonesia	✓	✓					
Corruption risk assessment	Kenya, Bhutan, Philippines, Nepal, Peru	✓	✓			✓		✓
Social audits for PAMs	Not piloted yet				✓			
Gender analysis	Papua New Guinea Vietnam Sri Lanka Cambodia	✓	✓	✓	✓			
Legal assessments	Mexico, Kenya	✓	✓					
Tenure assessment	Pakistan, Tunisia, Malawi, Benin, Vietnam, and Sri Lanka	✓	✓					
Assessment of existing GRMs	Suriname, Cambodia, Panama, Paraguay				✓			
CAST	Costa Rica, Mexico, Vietnam and Zambia		✓					
BeRT	Republic of Congo, Peru				✓	✓	✓	



EXERCISE 23

Link the main components of Good Governance on the Left to the 7 Safeguards for REDD+.



Transparency and access to information

Accountability

Respect for rights

Participation

Performance effectiveness

Rule of law

Gender equality

Consensus seeking

Responsiveness to feedback

Coordination

Capacity

a) Policy alignment (national & international)

b) Transparent and effective Forest governance

c) Knowledge & rights of indigenous peoples & local communities

d) Full & effective participation of relevant stakeholders, in particular IP & local communities

e) Natural forest, biodiversity, social & environmental benefits

f) Address risk of reversals

g) Reduce displacement of emissions



EXERCISE 24



The following are some of the key principles of good governance, but they have been scrambled. Unscramble the letters and take the letters in parenthesis to get the secret word.

ATACBICUONITLY
 WFOR LU ELA
 CANITPROIPIAT
 ECPRREOFMNA
 FRTHEER PSI SCTORG
 QGNYEE EDRAULT
 UCOT-RRNNAITPOI
 RPEYTRAACNNS

A () _ _ N _ _ _ _ _
 _ U _ _ _ F _ () _
 () _ _ T _ _ _ A _ _ _
 _ E _ _ _ _ () _ C _
 _ _ S _ () _ _ O _ _ _ _ S
 _ _ _ D _ _ _ _ () L _ _ _
 _ _ () _ - _ OR _ _ _ _ _
 _ _ _ N _ _ A _ _ _ ()

Answer: _ _ _ _ _



KEY MESSAGES OF THIS CHAPTER

- As there is no universal definition of good governance that would be applicable to all people, societies and cultures equally it is simpler to understand through its key principles, such as participation, transparency, accountability, coordination and rule of law;
- Governance principles are important for a country to “govern”, or manage, its REDD+ process and a key feature contributing to the sustainability of National REDD+ Strategies;
- Governance principles can be applied to understand the underlying factors that sometimes enable certain drivers of deforestation and forest degradation, or impede effective conservation, sustainable management of forests and enhancement of forest carbon stocks; to develop successful and effective national REDD+ strategies and REDD+ policies and measures; to implement and monitor these strategies, policies and measures; to ensure that safeguards are addressed and respected; and to manage REDD+ funds in a transparent and accountable manner, thus avoiding corruption risks such as undue influence, fraud or embezzlement.



WHAT FURTHER QUESTIONS DO YOU HAVE ABOUT THIS TOPIC?



NOTES



NOTES

A large white rectangular area intended for taking notes, occupying most of the page below the header.

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CHAPTER 5 - NATIONAL FOREST MONITORING SYSTEMS (NFMS) FOR REDD+

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Software Tools

There are a number of software tools to support these guidelines and which can be used to help countries implement NFMS methodologies and calculate greenhouse gas emissions.

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- [Benefits and Risks Tool \(BeRT\)](#)
- [Support to countries on REDD+ safeguards](#)

Español

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- [Herramienta del Programa ONU-REDD para el Enfoque sobre salvaguardas a nivel de país \(CAST\)](#)

Français

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Stakeholder Engagement Resources

Global

- Lessons learned on community participation in REDD+ - proceedings from joint UN-REDD/World Bank/GIZ workshop (2013):
 - [Input Paper I: National REDD+ Processes Participation and consultation standards, guidelines and country experiences](#)
 - [Input Paper II: African Region What does it take to make local consultation a success?](#)
 - [Input Paper III: Asia Pacific Region What does it take to make local consultation a](#)

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- [Input Paper IV: Latin American Region What does it take to make local consultation a success?](#)
- [A Draft Framework for Sharing Approaches for Better Multi-Stakeholder Participation Practices](#) (2011)

Regional/Country Lessons Learned

- [Strengthening Indigenous Peoples Capacities for their Informed Participation in the Design and Implementation of a REDD+ Mechanism in Peru](#) [short report] (2014)
- [UN-REDD Lessons from Targeted Support to Peru on Indigenous Peoples](#) [video] (2014)
- [Asia-Pacific Lessons Learned: CSO IP Representative Selection \[Cambodia – lessons learned brief\]](#) (2013)
- [Free, Prior and Informed Consent for REDD+ in the Asia-Pacific Region: Lessons Learned](#) (2012)

Guidelines

- [Joint Guidelines on Stakeholder Engagement \[FCPF/UN-REDD\]](#)
- [UN-REDD FPIC Guidelines](#) and [FPIC Legal Companion](#)
- [FCPF/UN-REDD Programme Guidance Note for REDD+ Countries: Establishing and Strengthening Grievance Redress Mechanisms](#)

CHAPTER 12 - GOOD GOVERNANCE

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Guidance

- Staying on Track; Tackling Corruption Risks in Climate Change (2010) ([English](#) / [Français](#) / [Español](#))
- E-learning module: [Building Integrity in REDD+](#) (2014)
- Ensuring Inclusive, Transparent and Accountable National REDD+ systems: the Role of Freedom of Information: Executive summary (November 2012)([English](#) / [French](#) / [Spanish](#))
- [Guidance on Conducting REDD+ Corruption Risk Assessment](#) (2013)
- UN-REDD support & country examples on LEGAL PREPAREDNESS for REDD+: Available at: http://www.unredd.net/index.php?option=com_docman&view=download&alias=13691-legal-preparedness-english-13691&category_slug=legal-and-regulatory-frameworks-for-redd-1267&Itemid=134
- [Ten simple slides on Freedom of information for REDD+](#) (2013)

- [PGA Fast Facts](#) (June 2013)
- PGA pilot overview (June 2013)
- Frequently Asked Questions about PGA - [English](#)
- Viet Nam Gender Analysis report (2013)
- [Short information note: Implementing Gender-sensitive Effective and Sustainable REDD Strategies](#) – Spanish: [Implementación de estrategias de género eficaces y sostenibles de REDD+](#)
- [Business Case for Mainstreaming Gender in REDD+ UN-REDD Programme - December 2011, SPANISH](#)

Country-specific studies and reports

- Local governance, anti-corruption and REDD+ in Latin America and the Caribbean (2011) ([English](#) / [Spanish](#))
- [Understanding drivers and causes of deforestation and forest degradation in Nepal](#) (2014)
- The [2014 Indonesian Forest Governance Index](#)
- [Results from the Philippines REDD+ Corruption Risk Assessment](#) (Executive Summary, 2013)
- [A Corruption Risk Assessment for REDD+ in Kenya](#) (2013)
- [Towards Better Forest Governance for REDD+ in Indonesia: An Evaluation of the Forest Licensing System](#) (2015)
- [Sharing National Experiences in Strengthening Transparency, Accountability and Integrity for REDD+](#) (2013, showcasing DRC, Kenya, Nepal and the Philippines)
- Legal Analysis of Cross-cutting Issues for REDD+ Implementation: Lessons Learned from Mexico, Viet Nam and Zambia” (UN-REDD/FAO, 2013). Available at: http://www.un-redd.org/Newsletter37/Legal_Analysis_Publication_Launch/tabid/106156/Default.aspx

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