



The main drivers of deforestation are well-known. Yet the complexity of underlying factors is hard to tackle.

Photo: Jörg Böhling

Benefits beyond carbon – fifteen years of REDD+

In times of large forest fires in the Amazon, Indonesia and Central Africa, continuously high deforestation rates in the tropics, and climate change becoming ever more evident, it seems like REDD+ – the mechanism for payments for reducing emissions from deforestation and forest degradation under UNFCCC – is not delivering on its promise. REDD+ has indeed not met the high hopes it raised of reducing deforestation and increasing reforestation in terms of speed and effectiveness. Yet, almost 15 years since REDD+ was initially introduced, it is time for a more differentiated appraisal.

By Ute Sonntag and Jürgen Blaser

At the beginning, the REDD+ concept (see Box) was seen as a simple and captivating novel approach for forest-rich developing countries to receive results-based payments for avoided deforestation while at the same time demonstrating an active contribution to climate change mitigation. Looking back, the mechanism was at the heart of applying the principle of common but differentiated responsibilities of developing and developed countries for climate change mitigation, which today is codified in the Paris Agreement in its Article 5.

In its initial phase, REDD+ was mainly driven by project developers in the so-called voluntary markets. Often in cooperation with NGOs, they invested in the protection of particular specific forest areas with the intention of selling emission reduction certificates. Financing mainly came from private sector companies that anticipated a compliance market where large polluters would need to offset their emissions at the source beyond the internal obligations. The high expectations on

REDD+ is an instrument created by the United Nations Framework Convention on Climate Change (UNFCCC) in 2005. It is defined as “Policy approaches and positive incentives on issues 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”.

REDD+ led to a variety of projects, generally at sub-national or local level. But after a while, it became obvious that without clear national strategies and a functioning framework in place, project-level interventions have very limited influence on underlying drivers of deforestation and a high risk of just displacing destructive practices to other forest areas.

As the anticipated compliance market has not materialised to date, Official Development Assistance (ODA) financing has been the only sizeable source of funding for REDD+, and

has shaped the large-scale national or jurisdictional REDD+ approach.

The first step. How to become “REDD+-ready”

But before becoming eligible for results-based payments (RBP) for avoided deforestation, a country needs to meet several conditions. Not “only” does it need to effectively counteract deforestation drivers, but it must follow a rigid methodology as well. Being “REDD+ ready” includes inter alia a thorough analysis of the current forest situation, the elaboration of a National REDD+ Strategy that is widely recognised in the country by all relevant stakeholders, a National Forest Monitoring System, a Forest Reference Emissions Level (a benchmark to measure emission reductions from deforestation, calculated as average emissions from deforestation during a historical reference period), and a functioning Social and Environmental Safeguards Information System.

Specific programmes (see Box on the right), such as the Forest Investment Programme (FIP) of the World Bank or the UN-REDD Programme supported, in addition, pilot investment and policy actions to further improve the countries' capacities to implement the defined REDD+ strategy. Complementarily, ODA funds for results-based payments like the Amazon Fund in Brazil, the Carbon Fund of the Forest Carbon Partnership Facility (FCPF) or the German REDD for Early Movers Programme, were set up as bridge funding and large pilots for a global REDD+ financing mechanism. In 2018, under the Green Climate Fund (GCF), a pilot programme for results-based payments was set up which could transition into the most important REDD Fund based on ODA.

However, while there was significant progress in readiness – about 40 countries have submitted their national Forest Reference Emissions Level to the UNFCCC to date – effectively reducing deforestation proved much more challenging than anticipated.

Too many obstacles, ...

REDD+ has not proven to be a sufficient financial and political incentive to steer forest and land use towards more sustainability and hence lower emissions. Naturally, a price of five US dollars (USD) per ton of CO₂e (carbon dioxide equivalent – a measurement for a certain amount of greenhouse gas that describes the amount of CO₂ that would have the same global warming potential when measured over a specific timescale) has limited weight in economic decisions. Such a price is currently offered in the multilateral RBP funds and corresponds, as an example, to about 2,000 USD for not deforesting one hectare of tropical forest. Yet, even a higher price cannot substitute a clear political will that prefers long-term visions over short-term gains. Sadly, in most REDD+ countries, powerful political and economic – often vested – interests still favour deforestation and forest degradation, combined with continuously weak law enforcement for forest protection and persecution of environmental crimes.

The main drivers of deforestation – palm oil in Southeast Asia, cattle and soy in the Amazon basin, basic needs of an expanding population and mining in the Congo Basin – were identified with ease. Yet, the complexity of underlying factors such as land speculation dynamics, contested land tenure, internal power struggles, insufficiently transparent or non-existent governance is hard to tackle. Expectations of

PROGRAMMES AND INITIATIVES

The **BioCarbon Fund Initiative for Sustainable Forest Landscapes** of the World Bank has been operational since 2013 and provides funding of 350 million USD for activities to reduce deforestation as well as for results-based finance.

The **Cancún REDD+ Safeguards** were adopted by the signatories of the UNFCCC in 2012. They provide a set of seven political, social and environmental principles for REDD+ preparation, implementation and monitoring. They are meant to protect people and the environment from potential harm and enhance positive benefits of REDD+. Each REDD+ country is obliged to report to UNFCCC how these Safeguards are being addressed and respected.

The **Carbon Fund** – currently operational until 2025 – provides results-based financing of Emission Reduction Programmes (ERP). As of today, 18 countries are accepted to the portfolio with an ERP to reduce deforestation or to increase their forest carbon stocks, RBP (results-based payments) reaching an average of up to 50 million USD. The development of these ERP has shown to be more complex than initially anticipated.

The **Forest Carbon Partnership Facility (FCPF)** of the World Bank is a multilateral financing facility for piloting REDD+. Its total financial volume amounts to 1.3 billion USD in 2019. Through its Readiness Fund, FCPF supports 45 countries in creating a framework for implementing REDD+ in a participatory process.

The **Forest Investment Programme (FIP)** of the World Bank runs from 2009 to 2028, with a total volume of 753.9 million USD, to support 23 countries in their REDD+ implementation activities.

The **Green Climate Fund (GCF)** is the central climate funding instrument of the UN Convention on Combatting Climate Change

(UNFCCC). It provides finance for projects and programmes in developing countries that contribute to mitigation of or adaptation to climate change. Signatory states have committed to mobilise 100 billion USD per year for these purposes, from 2020 onwards. The pilot programme for results-based REDD+ finance of the GCF was introduced in 2017 and currently holds 500 million USD. So far, Brazil and Ecuador have been accepted with their proposals to GCF. In the long run, it is foreseen that GCF replace interim programmes such as the FCPF or the REDD for Early Movers programme.

The **REDD for Early Movers (REM) Programme** funded by Germany, Norway and the UK rewards forest and climate protection pioneers by compensating for emission reductions from deforestation. The programme is jointly implemented by Germany's KfW (financial cooperation) and GIZ (technical cooperation). REM currently operates four country components in the Brazilian states of Acre and Mato Grosso, in Colombia and in Ecuador. Apart from rewarding emission reductions, REM promotes sustainable development. Indigenous peoples and other forest dwellers are explicit target groups of the REM programme – at least 60 per cent of the payments goes directly to small farmers, women and indigenous and local forest-dependent communities. The benefit-sharing programmes were designed with the local stakeholders and comprise grievance mechanisms and management systems for social and environmental risks. By June 2019, KfW had paid 127 million euros of results-based finance to Brazil, Ecuador and Colombia.

The **United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme)** was launched in 2008 by three UN Organisations (FAO, UNDP and UNEP). It supports national REDD+ readiness processes with a total volume of 320 million USD in 65 countries.

receiving “REDD+ benefits” were overrun by the financial and institutional investments to be made for achieving results and corresponding payments. Along with contradicting political agendas and insufficient land governance in terms of planning, regulation and titling, this situation has so far impeded the urgently needed transformational shift. Successful developments and promising steps are still fragile and

can be threatened anytime by short-sighted political decisions, as recent developments in Brazil illustrate, putting in question the permanence of achieved REDD+ results.

Reforming national policies and laws that conflict with the social and environmental goals of REDD+ would be central to its effective implementation. National REDD+ strategies in

REDD+ has helped, albeit in a modest way, to make conservation and sustainable use of tropical forests financially more attractive for communities and forest users.

Photo: GIZ/ Raphael Linzatti



many countries involve forest, environmental and sometimes agriculture institutions at national level. Yet, this is not enough. REDD+ implementation must coordinate and streamline commitments from a wider range of government sectors such as ministries of finance, infrastructure, mining, transport, water and education, to name just a few. Decentralisation is equally important, but has been neglected so far. As forest destruction and conservation ultimately take place on the ground, REDD+ implementation needs political buy-in at regional and local level. Bottom-up action plans have to fill each REDD+ strategy with life. Fiscal incentives for municipalities and communities, sound regulatory frameworks rewarding climate-smart agriculture and transparent monitoring systems are promising means.

... but driver of many positive developments

Yet in spite of all challenges and much criticism from various stakeholders, REDD+ efforts have not been in vain. A holistic view on what has been achieved can actually leave us quite optimistic. For one thing, a different and more emancipatory approach to ODA funding – from input- to results-based payments – has been found and piloted, inspiring donors to earmark considerably more funds than ever raised for the forest sector before: since 2009, yet with different starting dates and until today, 1.3 billion USD in the FCPF, 753.9 million USD in the FIP, 350 million USD in the BioCarbon Fund, 320 million USD in UN-REDD, 312.5 million euros in REDD for Early Movers (REM) and 500 million USD for an initial REDD+ Fund in the GCF in 2018. Even if this has not been enough to reduce deforestation and degradation or plant new forests, it has made path for eye-level negotiations on ODA funding incentivising the aspiration of common goals.

Furthermore, REDD+ has advanced and improved transparency on the state of forests and in the land use sector in the form of forest mapping, forest inventories and independent monitoring, conducted in many tropical countries for the first time. Further, REDD+ put a foot into the door of intersectoral cooperation at national levels, also involving broad participation from civil society for identifying a common vision through the elaboration of a national REDD+ strategy. In many countries, it was a first for environment and agriculture ministries, joined in some countries by transport, mining, water and other ministries, and civil society, to start a dialogue with the aim to



Thanks to REDD+, indigenous peoples and local communities have influenced high-level UN negotiations.

Photo: UNFCCC

harmonise planning and activities along a common low-deforestation goal. Many of the national climate change strategies (the so-called NDCs – nationally determined contributions under the Paris Agreement) refer strongly to the role of forests and the implementation of the national REDD+ strategies. The concept of safeguards experienced a breakthrough by applying it in the REDD+ readiness process and has – despite or even because of numerous errors and lengthy processes – sensitised a broad range of stakeholders to the importance of taking care that well-intended activities and investments actually do no harm and deliver co-benefits. Through the process, an often backward-looking forest sector was taken out of its lethargy and confronted with new types of decision-making with regard to forestry and land use planning.

From a rights perspective, REDD+ has contributed significantly to advancing the social inclusion agenda at international scale as well as in many tropical countries.

With the visibility REDD+ has given to them as crucial stakeholders and rights holders, indigenous peoples and local communities (IPLC) have been able to elevate themselves and their concerns to the national and international climate agenda in an unprecedented way. Their traditional role as forest stewards has finally found recognition and is valued. Indigenous representatives have participated and influenced high-level UN negotiations ever

REDD+ BENEFIT SHARING DESIGNED WITH AND FOR INDIGENOUS PEOPLES

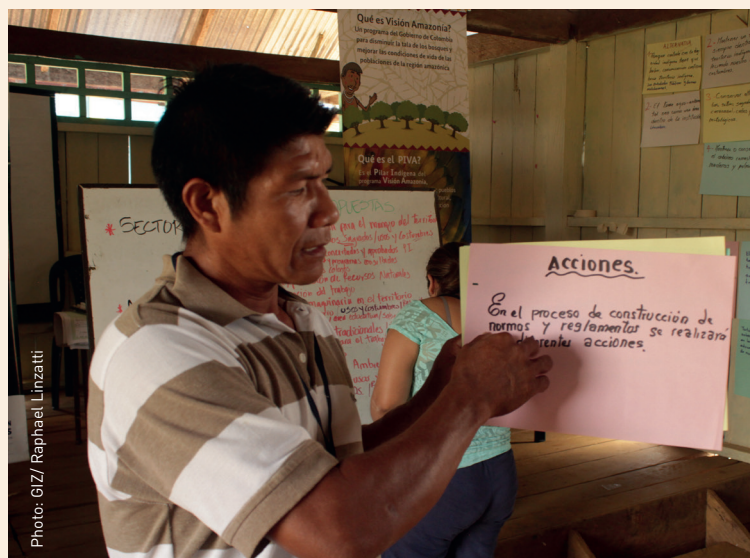


Photo: GIZ/Raphael Linzatti

Data records from around the world demonstrate significantly low deforestation rates on recognised Indigenous Lands, even compared with protected areas. Thus, strengthening land and use rights and subsequently of territorial management could be a valuable investment into effective forest conservation.

The REDD for Early Movers (REM) programme sets its focus on benefit sharing through self-constructed and self-governed indigenous programmes. In Colombia (see Photo) and Mato Grosso, Brazil, large consultation processes were organised in order to shape indigenous benefit-sharing schemes: Through existing platforms of representation such as the National Organisation of Indigenous Peoples of the Colombian Amazon (OPIAC) and the Mato Grosso Federation of Indigenous Peoples and Organizations (FEPOIMT), over 900 respectively 1,500 local representatives participated in the decision whether and under which conditions they take part in REM. They drafted investment priorities and selection criteria for project proposals as well as legitimate decision-making arrangements. While the indigenous component in Mato Grosso is still in its preparation phase, in Colombia, the first ten projects have already promoted about 10,000 indigenous families in the first year of benefit sharing.

since, fuelling debates on climate justice and alternative pathways of human-nature co-existence and inspiring social movements all over the world. The value of traditional knowledge has become indispensable to the discourse on sustainable natural resource management.

At national scales, REDD+ processes guided by the UNFCCC-Cancún Safeguards as well as additional requirements and guidance of development partners such as the World Bank/Forest Carbon Partnership Facility (see Box on page 13), UNDP and the German Federal Ministry for Economic Cooperation and Development (BMZ) have opened up new and strengthened existing spaces of participation and representation. Multi-stakeholder platforms, networks and inclusive governance or advisory bodies have enabled a more direct dialogue of IPLC's and women's organisations with Governments, created opportunities to raise voices, stand for their rights and influence policy processes. Indigenous and women's delegates sit at national and subnational political tables as fully recognised stakeholders.

The massive investment of REDD+ countries, civil society organisations and development partners in capacity building has catalysed the ability of IPLC to make use of the arising opportunities. Apart from understanding REDD+, local organisations and representatives have improved their mobilising, and self-organising and negotiating skills. In some countries, indigenous leaders even highlight that, through encounter and continuous practice of collaboration, mutual recognition of different perspectives and trust have increased

between governmental officers and indigenous representatives.

So through a back door, REDD+ has reopened a dialogue on the rights agenda of historically marginalised peoples and communities, reaching from rights to social inclusion, over safeguarding potentially harmful activities, towards specific issues as their long-neglected tenure rights demands. Vice versa, IPLC's and women's perspectives have condensed in REDD+ policy and programming design and implementation in many cases. The concrete – and in some cases already well-heard – proposal by some of the most critical stakeholders of the effective conservation of the world's forests is a broader vision of REDD+ beyond carbon benefits, as a promising way of addressing poverty and social exclusion.

Future challenges and ambitions

In sum, REDD+ has evolved through practice and broad inclusion, and by setting ground rules for more equitable action in the forest sector. It has helped, albeit in a modest way, to make conservation and sustainable use of tropical forests financially more attractive for communities and forest users. Well beyond forests, REDD+ has turned out to be a catalyst for empowerment and rights of marginalised groups. Fully applied, it has the potential to contribute significantly to many Sustainable Development Goals. Nevertheless, the ultimate challenge remains, as the empowered stakeholders depend on standing forests. In 2014, the New York Declaration on Forests

set clear goals: halving deforestation by 2020 and reducing it to zero by 2030. It is a sad reality that we are not on track to reach these targets. Translating plans and intentions into concrete policy action and reaching commitments at all levels, including deforestation-free supply chains, are overdue.

REDD+ is not the silver bullet to save the Earth's forests, nor can it guarantee to keep global warming in check. Yet it is potentially one important element towards such an end. REDD+ has incentivised countries and helped to recognise the role of forests in its climate change and wider sustainable forest development agenda. Way beyond, REDD+ has set important grounds – comprehensive country-based strategies, rules and processes – for concrete and multi-layered actions. It is understood that complementary measures and investments in sustainable land use are required. REDD+ accompanied by additional economic incentives, broader discourses, new actors and unprecedented policy coalitions may be able to move domestic policies away from the business as usual trajectory and help to reach the pathway towards a sustainable future of humankind.

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