Maximizing the Co-benefits of REDD-Plus Actions

Discussion paper for a Regional Expert Workshop supported by the German International Climate Initiative, September 27-29 2011, Subic, Philippines

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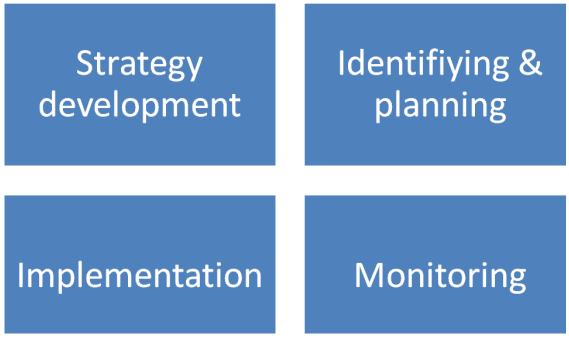
1. Introduction

Since UNFCCC COP-16 in Cancún, promoting co-benefits and safeguards of REDD+ are high on the international climate change agenda. Parties have been requested to share their views on guidance for systems that provide information on how safeguards are addressed and respected, including characteristics, design, provision of information, and potential barriers. By October 2011, 38 countries plus the EU and its member states submitted their views to the UNFCCC secretariat[2].

Figure 1:
Four dimensions of safeguarding co-benefits



The objective of the regional expert workshop on 'Maximizing the Co-benefits of REDD-plus Actions', organized by the International Climate Initiative[3] (ICI) of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) in collaboration with the Department of Environment and Natural Resources Government (DENR) of the Philippines, was to collaborate on these issues and to contribute to discussions under the forthcoming UNFCCC COP-17 in Durban in December 2011. It brought together representatives of 11 REDD+ demonstration activities and provided a platform for discussions on opportunities and constraints concerning REDD+ co-benefits and safeguards. Participants exchanged knowledge gained by ICI projects at different levels and enhanced South-South cooperation. To capture the views of demonstrations activities on safeguarding REDD+ co-benefits, a questionnaire (see Annex 1) has been developed and sent out to the ICI projects in August 2011. The questionnaire addresses four dimensions of safeguarding co-benefits (figure 1), which are further explored by the background paper. 12 projects shared their views and lessons learnt. Their responses were aggregated, analysed and presented during the workshop. In corresponding sections, this background paper presents some of the key observations in boxes.

Although the insights presented in this discussion paper might be inconclusive and need to be balanced with the views of other stakeholders, they flag the need to reach all relevant stakeholders to build an effective policy framework that facilitates both carbon and non-carbon benefits of REDD+ activities.

The first part of the paper (section 2) briefly introduces the status quo of discussions on safeguards and co-benefits on the multilateral level. Section 3 frames co-benefits expected from implementing REDD+. To avoid negative impacts, safeguards have to become an integral part of REDD+ strategy development, activity planning (section 4.1 and 4.2) and implementation (section 5). Furthermore, securing co-benefits and safeguarding negative impacts requires robust monitoring frameworks and information systems (section 6).

2. Context in the UNFCCC negotiations

'Reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks', or REDD+, is a continuously evolving concept being developed under the UN Framework Convention on Climate Change (UNFCCC). Many countries expect discussion under the UNFCCC to result in a mechanism that will help to finance the collective and agreed goal of "slowing, halting, and reversing forest cover and carbon loss" through results-based incentives for measured, reported and verified emission reductions from forest protection.

[2]The submissions are available at: http://unfccc.int/documentation/submissions_from_parties_in_2011/items/5901.php
[3] See http://www.international-climate-initiative.com

Beyond its contribution to climate change mitigation, the impacts of REDD+ are seen as ambiguous. While REDD+ opponents flag inherent socioeconomic and environmental risks, promoters expect REDD+ to stimulate a broad range of co-benefits for biodiversity conservation and development. At the UNFCCC Conference of the Parties (COP-16) in December 2010, countries agreed to an initial framework for REDD+ action established by the so-called Cancún Agreements (FCCC/CP/2010/7/Add.1) that includes specific guidance and "safeguards" for the implementation of REDD+ policies, programs, and other activities. Agreed guidance includes: (i) taking into account the multiple functions of forests and other ecosystems; (ii) implementation in the context of sustainable development and reducing poverty; and (iii) consistency with adaptation needs of the country. Countries also agreed that when undertaking REDD+ activities, seven "safeguards" should be promoted and supported (FCCC/CP/2010/7/Add.1, App. I, para2). These can be summarized as follows:

a) Consistency with the objectives of national forest programs and relevant international conventions and agreements;
b) Transparent and effective national forest governance structures;
c) Respect for the knowledge and rights of indigenous peoples and members of local communities;
d) Full and effective participation of relevant stakeholders;
e) Consistency with conservation of natural forests and biological diversity;
f) Actions to address the risks of reversals;
g) Actions to reduce displacement of emissions.

In sum, countries recognized that REDD+ provides benefits for mitigating climate change as well as important non-carbon or so-called co-benefits[4]: biodiversity conservation, adaptation, ecosystem services, livelihoods for local communities, and broader economic benefits. The mitigation potential of REDD+ and its co-benefits are framed as positive impacts. However, countries are aware that REDD+ activities that prioritize mitigation potential might cause negative impacts, which have to be addressed as inherent socioeconomic and environmental risks. The Cancún Agreements, seeking to avoid these risks and to promote non-carbon benefits, created "safeguard"[5] provisions that should be promoted and supported when undertaking REDD+ related actions. The countries also agreed to promote the "full and effective" participation of key stakeholders, in particular indigenous peoples and local communities. Finally, it is generally recognized that REDD+ activities can provide benefits to local communities and enhance equity through well-designed benefit-sharing mechanisms. This background paper explores options to safeguard the co-benefits of REDD+. A quick summary of these non-carbon benefits are described in section 3.

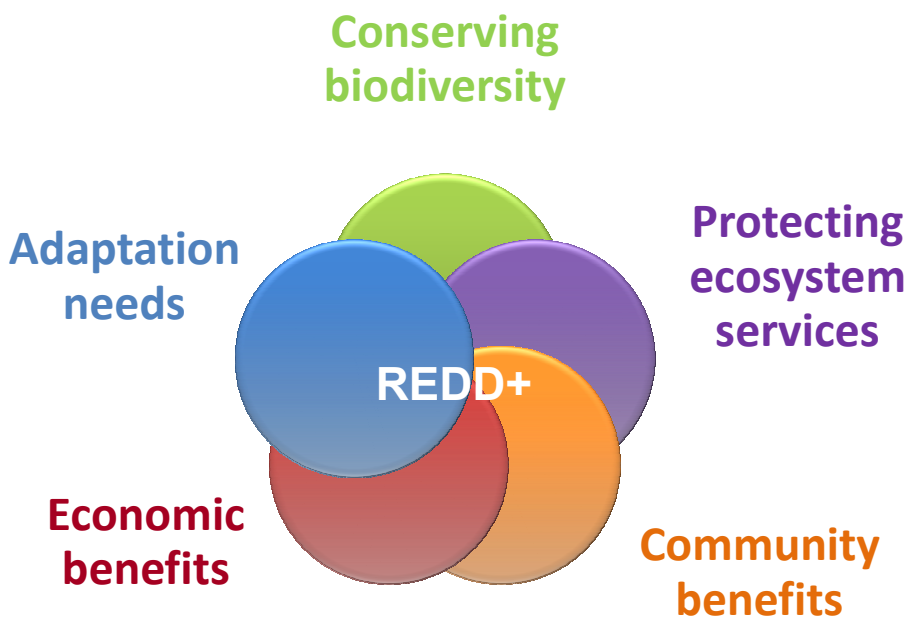
[4]The UNFCCC decisions do not explicitly introduce the concept of co-benefits, while the COP of the Convention on Biological Diversity (CBD) encourages parties and observers to "*enhance the benefits for, and avoid negative impacts on biodiversity from* [REDD+]" (decision X/33 CBD).

[5]The concept of "safeguards" can be confusing, as the term is used in different contexts. Under the UNFCCC, in relation to REDD+ activities, "safeguards" refer to a list of recommended principles and actions (see Annex I: Appendix I, para 2) to be "promoted and supported". Within the World Bank, however, safeguards refer to as a set of very discreet operational policies and procedures that ensure a "do no harm" approach to project management. Countries which are part of both processes will need to be aware of these different requirements and apply them, as appropriate.

3. Overview of REDD+ co-benefits

Being implemented at different levels, REDD+ is expected to generate a wide range of co-benefits in five areas (figure 2). However, positive and negative impacts could occur at the same time and have to be addressed with different policy instruments (Chapter 4).

Figure 2: REDD+ co-benefits



Conserving biodiversity. Implementation of REDD+ strategies can offer important synergies for biodiversity conservation. According to a CIFOR study, 96% of REDD+ "readiness" activities occur in countries with at least medium levels of biodiversity.[6] Most countries pursuing REDD+ activities under the UNFCCC are also parties to the Convention on Biological Diversity, and therefore should ensure policy coherence given their commitments under both conventions. REDD+ strategies could therefore strive to maximize biodiversity benefits. Also, if pursued as a safeguard, countries should ensure that creation of new incentives for REDD+ actions do not harm biodiversity.

Protecting ecosystem services. Timber and non-timber forest products form the economic basis of forest dependent communities or even national economies. The provision of ecosystem services has shaped the development of human settlements and agriculture over centuries. Climate change and unsustainable land-use practices are putting the stability and health of forest ecosystems at risk. Protecting forests and sustainable forest management through REDD+ can increase forest resilience and ecosystem stability maintaining essential ecosystem goods and services over time[7]. Trade-offs between forest resilience and development needs might occur when food security has to be balanced with land-use restrictions to maintain the stability and health of forest ecosystems.

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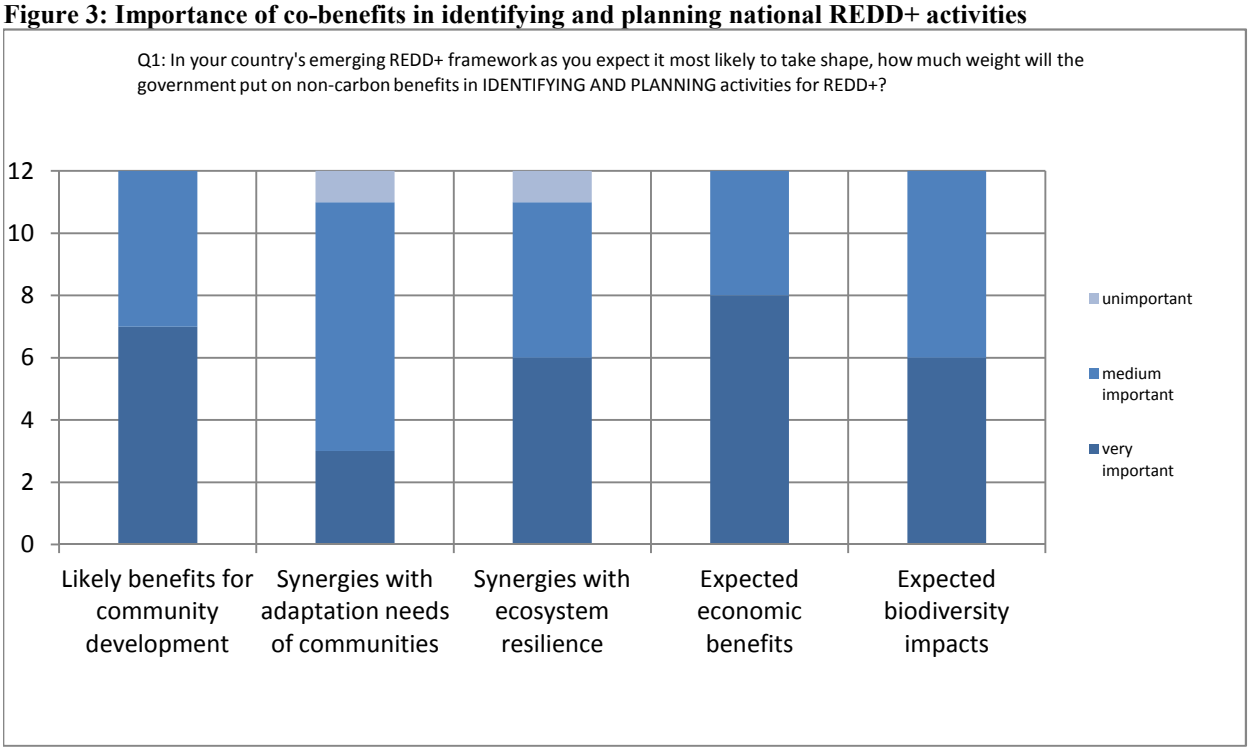
[6] CIFOR: "Emerging REDD+ A preliminary study of demonstration and readiness activities"

[7] Thompson, I., Mackey, B., McNulty, S., Mosseler, A. (2009). Forest Resilience, Biodiversity, and Climate Change. A synthesis of the biodiversity/resilience/stability relationship in forest ecosystems. Secretariat of the Convention on Biological Diversity, Montreal. Technical Series no. 43.

Adaptation needs. Forests play a vital role in helping with adaptation to climate change. For example, mangrove forests can protect coastal areas against an array of negative climate change impacts. Beyond, they are pivotal for the productivity of marine fauna. The Cancún Agreements cite that adaptation "must be addressed with the same priority as mitigation"; that countries should plan, prioritize and implement adaptation actions, and build resilience of ecological systems; and that REDD+ activities should be consistent with the adaptation needs of the country.[8] For these reasons, countries should ensure that considerations to maximize adaptation and ecosystem benefits are integrated into REDD+ planning and design.

Figure 3: Importance of co-benefits in identifying and planning national REDD+ activities



Source: Responses ICI projects, Sept. 2011

Figure 3 shows that among the 12 ICI projects which participated in the survey in preparation for the workshop, it is mostly perceived that governments target biodiversity, socioeconomic, and economic benefits in identifying and planning REDD+ activities. However, synergies with adaptation needs and ecosystem resilience seem to play a less important role in framing national REDD+ strategies. Beyond that, 36% of the ICI projects identify co-benefits management and monitoring as one of the project's main foci, 64% consider it relevant amongst other topics (Questions 3a and 15a of the questionnaire, cf. Annex 1). Surprisingly, potential synergies between REDD+ and potential adaptation needs do not seem to play a prominent role in most of the pilot projects. A few consider improving forest resilience and stabilizing water flow regulation as relevant.

Economic benefits. UNFCCC negotiations and early funding commitments have raised expectations that REDD+ could generate a substantial, new financial income stream for developing countries. According to the Cancún Agreements, REDD+ actions should be undertaken in accordance with national development priorities; be consistent with national sustainable development needs and goals; and be implemented in the context of sustainable development and reducing poverty, while responding to climate change.[9]

[8] UNFCCC Cancún Agreements – Decision 1/CP.16, para 2(b). 14(a) and (d) and Appendix I, para 1(h)
[9] UNFCCC Cancún Agreements - Decision 1/CP.16, Appendix I, para 1(e,f,g)

Community benefits. If designed well, REDD+ actions should enhance the livelihoods of local communities. Furthermore, they should strive to enhance equity through well-designed benefit sharing mechanisms that help sharing both responsibilities and benefits, protecting and providing livelihoods of local communities, and strengthening the rights and interests of indigenous peoples. Under the UNFCCC, countries have recognized that "the needs of local and indigenous communities should be addressed when action is taken to reduce emissions from deforestation and forest degradation in developing countries".[10] The Cancún Agreements also note that the United Nations General Assembly has adopted the UN Declaration on the Rights of Indigenous Peoples.

4. REDD+ strategy and activity planning

The extent to which REDD+ will achieve climate plus other policy goals, including positive non-carbon impacts, as well as avoid negative outcomes, depends strongly on the way activities are designed and implemented. There is, however, no "one size fits all" approach, and therefore countries will need to integrate policy options that work best in their specific context. Below are several policy options and activities, most of which require robust participation from multiple sets of stakeholders in order to optimize their effectiveness, and to maximize positive non-carbon impacts. They are divided into options for: (i) high-level REDD+ strategy development, and (ii) planning of REDD+ activities.

4.1 Policy options for high-level REDD+ strategy development

Integrating REDD+ into broader National and Low Carbon Development Strategies
Programs are unlikely to be sustainable unless they are integrated into a country's broader development agenda. If REDD+ aims to enhance economic benefits and reduce poverty and inequity, national strategies must be coordinated within broader economic development and poverty reduction plans. Some countries are also pursuing "low carbon development strategies" or "green grown strategies" alongside REDD+ strategies, and where such broader economy-wide climate strategies exist or are being created, REDD+ actions should be integrated within those frameworks. This also gives REDD+ strategies the important opportunity to be reflected in, and influence, a government's fiscal policies.

Integrating REDD+ activities into these broader frameworks may require information related to opportunity costs of land uses and macro-economic impacts of specific actions. Development of planning and optimization tools[11] for decision makers to understand trade-offs between different land-use decisions can be helpful in this regard—and ensure positive socio-economic impacts. Finally, countries will need to develop information systems to share and integrate data (e.g. cadastral information, forest monitoring) across various stakeholders, levels of government, and offices with various ministries that share interests in economic development, natural resource management, and REDD+.

Use of FPCF/UN-REDD guidance for multi-stakeholder participation and application of safeguards
Many countries are in the process of developing national REDD+ frameworks and strategies that will set the course for REDD+ activities in the future. For this reason, those developing REDD+ strategies should ensure that affected stakeholders are adequately consulted early in the formulation process to maximize benefits, mitigate risks, and ensure compliance with relevant international obligations. Both the World Bank based Forest Carbon Partnership Facility (FCPF) and UN-REDD require countries to develop a consultation and participation process for the development of REDD+ strategies, and to ensure ownership, transparency, and

[10] COP-14 (Poznan), Decision 1/CP.14
[11] Practically, we are talking about developing or adjusting already existing social accounting matrices and corresponding economic modeling frameworks being used in development planning at the national level. IFPRI provides a tool for these efforts (Lofgren et al. 2002), available at: http://www.ifpri.org/publication/standard-computable-general-equilibrium-cge-model-gams-0.

dissemination of information about the country's REDD+ readiness process. They also require development of a mechanism for addressing grievances and to resolve conflicts.

> *"Guidelines on Stakeholder Engagement in REDD+ Readiness"*[12] is a joint document published by the FCPF and UN-REDD that can help countries establishing consultative mechanisms to include key stakeholders in REDD+ design and decisions. It outlines principles for effective participation and consultation, operational guidelines, and practical "how to" guidance on planning and implementing consultations.
>
> Countries in the FCPF are also required to create a *"Strategic Environmental and Social Assessment"*[13] (SESA). The SESA is based on an analysis of risks, as well as consultations with stakeholders, and aims to ensure compliance with applicable World Bank safeguards by integrating key environmental and social considerations into REDD+ strategies at the earliest stage of decision-making.

The REDD+ Social & Environmental Standards

Developed by the Climate, Community, and Biodiversity Alliance (CCBA) and CARE, the REDD+ Social & Environmental Standards (REDD+ SES) Initiative aims to build support for government-led REDD+ programs[14].The REDD+ SES Standards consist of principles, criteria and indicators that define the necessary conditions to achieve high social and environmental performance. They provide a framework for monitoring, reporting and verifying social and environmental performance using a multi-stakeholder assessment process and support the design, implementation, and assessment of the social and environmental impacts of government-led REDD+ programs. Currently, the standards are piloted in Brazil (State of Acre), Ecuador, Indonesia (Central Kalimantan), Nepal, and Tanzania. CCBA also provides a mechanism for monitoring and reporting on how safeguards are addressed and how social and environmental benefits of REDD+ projects have been delivered[15].

Policies to respect the rights and leverage the knowledge of indigenous peoples

In many countries, indigenous peoples have unique knowledge of lands they occupy, on how to manage that land, and sometimes unique rights to land and natural resources that should be respected. The best policy option that ensures this knowledge is utilized is multi-stakeholder participatory processes that ensure effective indigenous peoples participation, such as those outlined above. Sensitivity to language barriers as well as transportation and other resource challenges is also important.

Indigenous peoples also face risks that REDD+ policies could negatively impact their traditional practices and livelihoods. One option to meet this particular challenge is for countries to create a REDD+ specific policy on how to apply "free, prior, informed consent" (FPIC) to REDD+ decision making and implementation. Many countries taking REDD+ actions have publicly supported the UN Declaration on the Rights of Indigenous Peoples, which says they should "*consult and cooperate in good faith*" with relevant indigenous peoples in order "*to obtain their free, prior and informed consent before adopting and implementing legislative or administrative measure that may affect them*" or "*prior to approval of any project affecting their lands or territories and other resources*".[16] Country contexts differ and national laws will frame the way that FPIC rights can be claimed.[17]

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[12] http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/May2011/FCPF%20UN-REDD%20Stakeholder%20Guidelines%2005-18-11.pdf

[13] The Common Approach to Environmental and Social Safeguards can be found at: http://www.forestcarbonpartnership.org/fcp/node/310 and within the R-PP template and its Annexes.

[14] Further details on the REDD+ SES Initiative can be found at: http://www.redd-standards.org/

[15] Further details on the CCBA standards can be found at: http://www.climate-standards.org/

[16] UN Declaration on the Rights of Indigenous Peoples, Articles 19 and 32.

[17] Oxfam Guide to FPIC: http://www.oxfam.org.au/resources/filestore/originals/OAUs-GuideToFreePriorInformedConsent-0610.pdf

Implementing equitable benefit (and responsibility) sharing systems

The success and sustainability of any REDD+ strategy ultimately depends on whether benefits are created for local communities, and if they are fairly distributed. There is no one size fits all benefit sharing mechanism. For example, Vietnam has identified—learning from their experiences with payments for ecosystem services (PES) systems—that there is not even one system that will work for the whole country, but that each province or sub-national area may have specific requirements. Benefit sharing systems should include both monetary and non-monetary values that are created by REDD+ programs.

ICI Project activities maximizing co-benefits

Pilot activities, such as ICI projects, that implement a broad array of activities can inform the development of national REDD+ frameworks. In particularly, the analysis of carbon rights, biodiversity surveys, studies on free, prior, and informed consent (FPIC), and the design of benefit sharing schemes are being conducted in several countries to prepare the country for maximizing REDD+ non-carbon benefits.

4.2 Policy options for planning of REDD+ activities

Use of integrated spatial/forest landscape land-use planning

Countries will need to understand the costs and benefits of particular land management decisions in order to make wise policy decisions. In particular, countries should work to maximize both carbon and non-carbon benefits by targeting and optimizing interventions in areas with high-value returns in multiple areas: carbon, biodiversity, ecosystem services, and socio-economic benefits. In order to do so, however, countries will require information that may not yet be available. To participate in a future REDD+ mechanism, countries will need improved data on carbon stocks. In addition, and in order to integrate non-carbon values of forests, countries should improve their biodiversity inventories and integrate information such as high conservation value areas, ecosystem connectivity, current usage of land (both formal and informal), areas suitable for improved productivity of needed agricultural products, areas under concessions, and areas of degraded lands that could relieve pressure off forests[18].

Policy consistency across different sectors

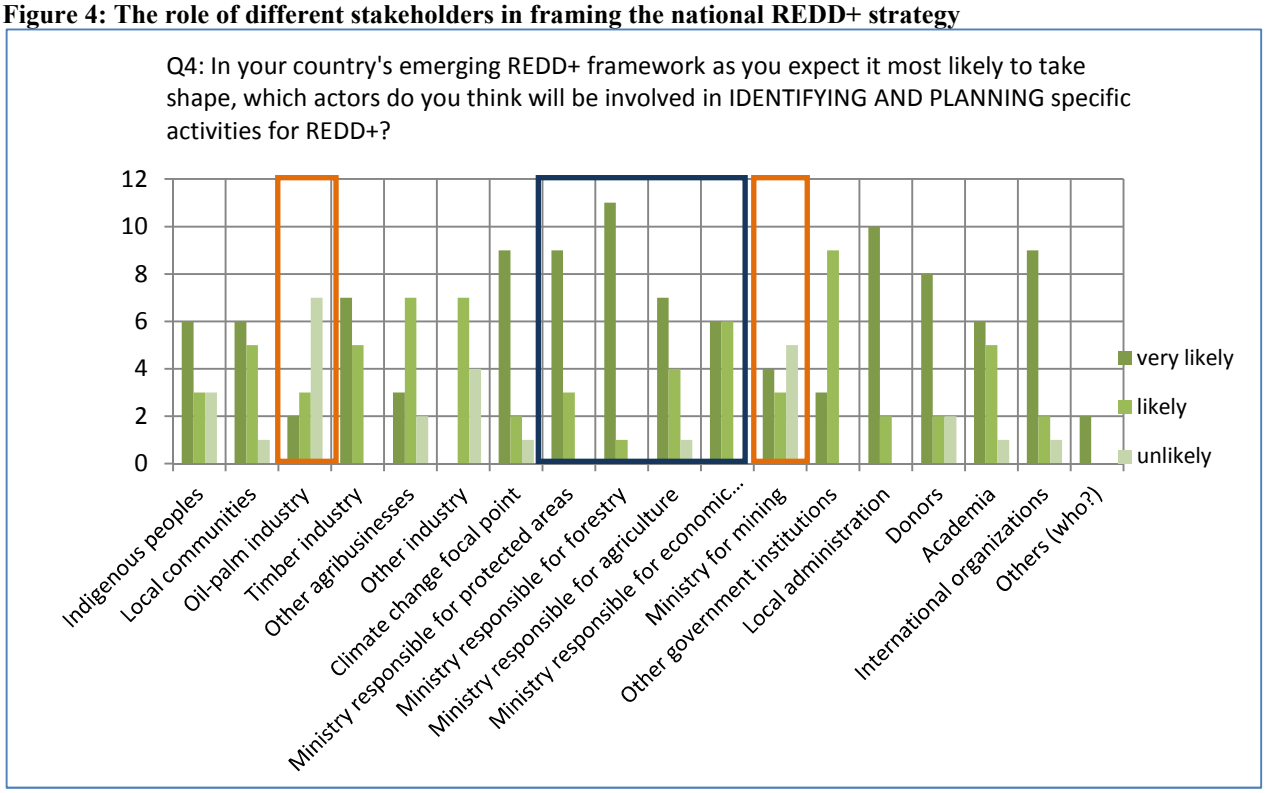
Ultimately, REDD+ carbon benefits and co-benefits will only materialize at the national level if all relevant sectors and ministries coordinate their policies driving land-use and land-use change. While REDD+ is still considered as a policy option for the forest sector or environment, it is in fact aiming at an integrated land-based carbon management approach which requires policy consistency across agriculture, mining, infrastructure, rural and urban development. Setting-up high-level inter-ministerial REDD+ policy committees could be a first step to balance the competing needs of different sector policies.

Use of assessment frameworks/approval criteria

As mentioned earlier, countries participating in the FCPF are required to complete a "Strategic Environmental and Social Assessment" (SESA). One output of the SESA is the development of an "Environmental and Social Management Framework" (ESMF) for managing and mitigating the potential environmental and social impacts and risks related to policy changes, investments, and carbon finance transactions in the context of future REDD+ implementation. The ESMF will establish principles and criteria for policy and program design, investment selection, and ultimately management plans.

[18] The Biodiversity Indicator Partnership (http://www.bipindicators.net/indicators) provides a comprehensive indicator framework to integrate these aspects.

Figure 4: The role of different stakeholders in framing the national REDD+ strategy



Source: Responses ICI projects, Sept. 2011

Developing mechanisms, processes or regulations for participatory planning of REDD+ activities is amongst the main foci or relevant to almost all ICI projects. 50% of the projects are applying carbon-standards (e.g. CCB) and focus on developing an MRV and policy frameworks to be established by laws as well as forest and land-use policy. According to the perception of the ICI projects, the involvement of stakeholders in the design of REDD+ activities at the national level seems to be unbalanced (figure 4). While almost all projects consider it likely or very likely that main direct beneficiaries such as focal ministries (environment, forests, agriculture, planning, marked blue), local administrations, timber industry, and donors will be involved in the design of REDD+, key stakeholders responsible for the drivers of deforestation (oil-palm industry, ministry for mining, marked orange) appear less engaged. Interestingly, the ministry of finance does not seem to be on the radar as a key stakeholder in most countries, although it conceivably could play a role in setting up financial benefit sharing mechanisms. In more than two third of the countries, indigenous and local communities are likely to get involved.

Overall, the perception of stakeholder involvement in REDD+ implementation shows almost the same patterns as with regards to framing the REDD+ strategy: While focal ministries and forest-dependent stakeholders take a lead, private sector and some key ministries, e.g. the ministry of finance, are not getting involved. Multi-stakeholder bodies at different implementation levels, land-use planning, FPIC, and national committees are considered to have the means to facilitate the participation of active stakeholders. Surprisingly, commodity round tables focusing on the involvement of key sector industries (mining, agriculture) are not mentioned. The projects are aware of the asymmetric stakeholder involvement, however, they seem to focus their efforts on stakeholders already actively participating in REDD+ when preparing the country for participatory planning in REDD+

Application of World Bank or UN social and environmental safeguards

Countries involved in either World Bank or UN trust funds (FCPF, UN-REDD, Forest Investment Program, or the Global Environment Fund) will have to apply relevant World Bank and/or UN safeguards—for

example operational policies and procedures related to indigenous peoples, involuntary resettlement, natural habitats, environmental assessments, and forests—to REDD+ projects that are funded by those agencies. These safeguards could also be extended to self-funded activities, or activities funded by other donors.

5. Policy options for implementation and implications for safeguards and co-benefits

There are many potential policy options to reduce net GHG emissions from forests, and likely no one "silver bullet" that a country should pursue. REDD+ strategies should, instead, consider the right mix of policies that manage and diversify risks, consider multiple funding streams, and offer the best chance of success. Several possible options are listed below.

Direct incentive payments: Direct "pay for performance" options can take several forms. While transfers, subsidies, or prize premiums are widely being used in agriculture, payments for ecosystem services are emerging all around the world to stimulate the sustainable use of natural resources. A PES system involves financial deals with private landholders or communities to protect ecosystem services. It has the added benefits of valuing ecosystems and compatibility with Participatory Forest Management, and can provide an alternative to, or be combined with, national-scale financing systems or carbon market options. For some countries, PES may be one of the priority policy approaches for REDD+ due to the stronger performance of financing incentives than traditional funded conservation programs.[19] The use of carbon markets can be seen as a special case of PES focusing on greenhouse gas regulation. Performance-based payments to land-owners can either be financed establishing carbon markets or through other multilateral and national funding mechanisms. Such mechanisms would be consistent with the Cancún Agreements, which suggest countries will start with building REDD+ strategies, but evolve into "*results-based actions that should be measured, reported and verified*" (FCCC/CP/2010/7/Add.1, para 73).

Collaborative or participatory forest management: As with REDD+ planning and strategy development, broad participation in REDD+ implementation will lead to more effective results that will maximize co-benefits. Collaborative or participatory forest management is an evolving approach that brings together the diverse interests and skills of government agencies, forest managers, conservation and social development organizations, and communities in a partnership that can lead to sustainable and equitable management of forest resources.[20] Other types of participatory management include:

> ***Community-based forest management.*** Community management has been found to be particularly effective in reducing forest degradation and ensuring socio-economic benefits for communities. This is true particularly in the Asia-Pacific region, where countries already have a regulatory framework for community forestry in place.[21]
>
> ***Community-company partnerships*** could be explored for potential areas that can strengthen co-benefits of REDD+ programs. For example, private sector interest in certified "sustainable" products or supply-chain management (particularly where agriculture is the key driver of deforestation) should be leveraged into partnerships that can support biodiversity protection and improvements in local livelihoods, alongside improving the predictability of commodity supply.

Maintaining or creating new protected areas: A study in 2010 stated that promoting indigenous lands and protected areas (PAs) offers one of the most effective, practical, immediate - and potentially cost-effective -

[19] FCPF/UN-REDD publication: "REDD+ Benefit Sharing: A comparative assessment of three national policy approaches".
[20] RAFT: Collaborative Forest Management
[21] RECOFTC brochure: "Decoding REDD: Addressing and Assessing the Second D".

strategies to combat climate change.[22] The establishment of protected areas is usually motivated by ecological and social concerns, as areas of high conservation value or indigenous territories are particular targets of PAs, and are therefore likely to provide non-carbon benefits.

Changing laws and regulations: A number of countries, in their REDD+ strategies, are considering new laws and/or legal frameworks to support REDD+ efforts. These might include laws to clarify land tenure, clearly define relevant rights (to forests, carbon, and for local communities), better coordinate government action and clarify authorities related to REDD+ action, or to address the roles, rights and responsibilities of relevant stakeholders. Participatory processes are particularly important when creating new legal frameworks to maximize co-benefits and ensure the application of safeguards.

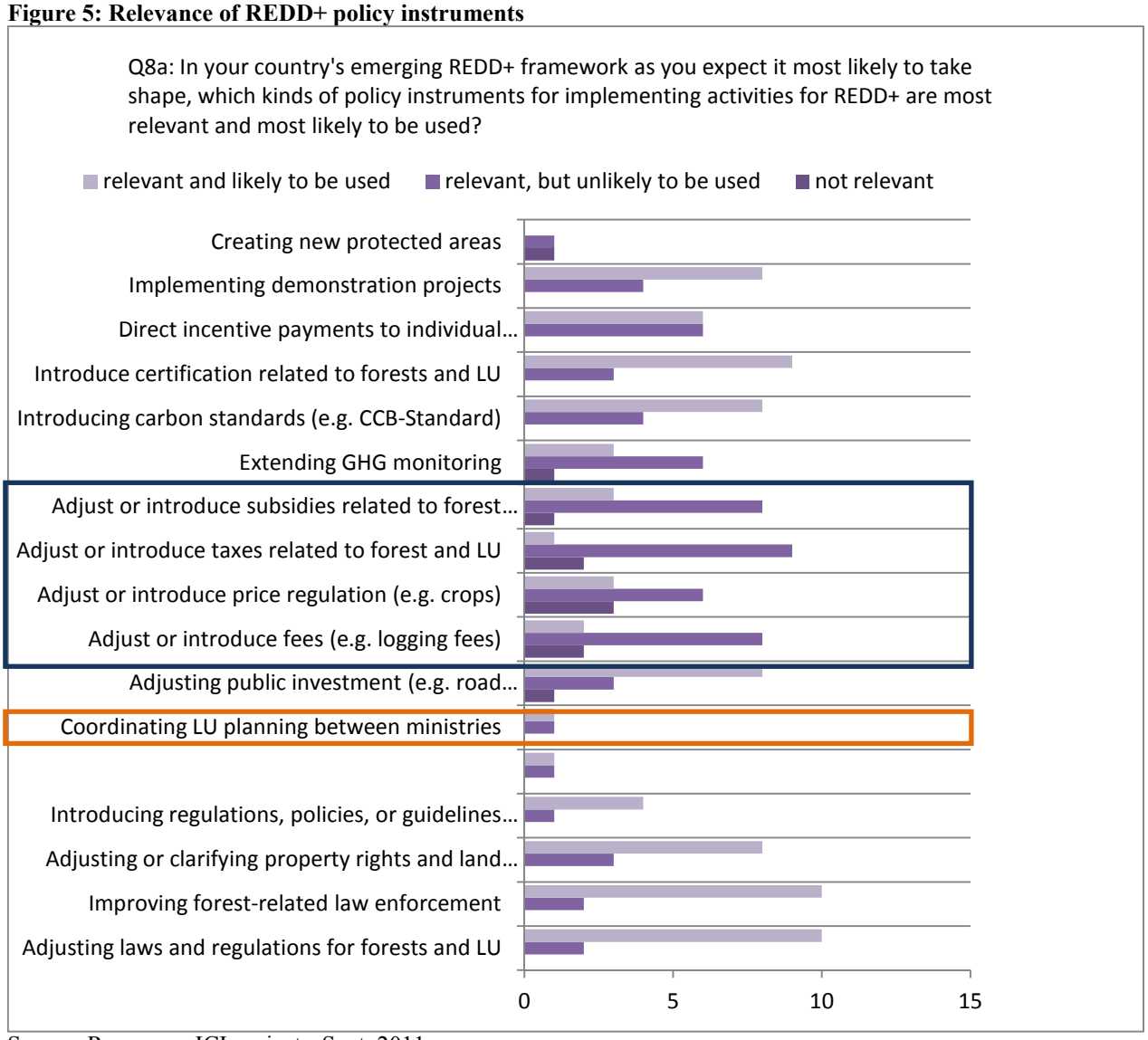
Improving enforcement of laws and regulations: Many countries pursuing a REDD+ strategy already have in place laws and regulations to prevent deforestation, but those are often poorly enforced. Illegal logging, encroachment, and widespread corruption can undermine the best REDD+ efforts. Options to combat these problems could include: engaging enforcement agencies (Interpol, regional entities, national law enforcement, the judiciary), developing cooperative enforcement (as illegal logging often occurs across borders), and ensuring better engagement of civil society (community-based law enforcement).

Implementing demonstration projects: Many countries are starting to identify "national demonstration projects" that can inform REDD+ strategies with on-the-ground or "proof of concept" experience. These can be implemented by a national government, a sub-national entity, or even the private sector in cooperation with local communities and landholders. The Cancún Agreements suggest that sub-national activities can be an interim measure to national level programs. In order to ensure consistency with a national level REDD+ program, one policy option for countries embarking on demonstration projects is to create a "nested approach". In such an approach, the national government sets up a national framework and a nation-wide monitoring system, and possibly even pursues policy reforms that can lead to verifiable emission reductions, but also allows the implementation of REDD+ activities at the sub-national or project level[23].

[22] http://www.worldwildlife.org/science/2010pubs/WWFBinaryitem15590.pdf

[23] Nested approach design options are further discussed in Chagas, T. et al. 2011: Nested Approaches to REDD+: An Overview of Issues and Options. Washington, DC: Forest Trends and Climate Focus

Figure 5: Relevance of REDD+ policy instruments



Source: Responses ICI projects, Sept. 2011

The projects' perspective on the relevance and likelihood of using certain REDD+ policy instruments shows some surprising aspects. Unlike in Africa and Latin America, creating new protected areas is not considered an option in South-East Asia (see figure 5). Instead, demonstration activities, forest or carbon certification schemes, as well as improving forest governance and regulations on carbon property rights, land tenure and public investment are prioritized. Remarkably, the projects perceive public finance instruments such as taxes, subsidies, or fees as being relevant, but unlikely to be used (blue rectangle). This seems to correspond to the marginal role of the ministry of finance as a REDD+ stakeholder. All projects consider inter-ministerial coordination of land-use, development, or sector planning as unlikely and not relevant to become part of the emerging policy framework (orange rectangle).

6. Monitoring systems for non-carbon impacts of REDD+

Monitoring systems that provide systematic collection of data are essential for effective decision and policy making, can enable effective implementation, guide management of resources, safeguard the environment and local communities, and provide transparency and accountability in the governance of forests and the multiple benefits they provide. For these reasons, the development of robust monitoring systems is an important REDD+ activity.

6.1 Status of international discussions on monitoring safeguards and non-carbon impacts

Under the UNFCCC, countries are required to report their greenhouse gas (GHG) emissions in National Communications; the GHG inventory contained therein is likely to form the basis of a requirement related to measuring, reporting and verifying (MRV) mitigation actions. There is currently no mandatory requirement for monitoring, reporting, or verifying non-carbon benefits and impacts. Countries sometimes loosely speak of creating "MRV systems" that include multiple benefits; it is unlikely, however, that international obligations under the UNFCCC will extend to full MRV of non-GHG impacts.

However, the Convention has recognized the importance of non-carbon impacts of REDD+ actions and in December 2010 agreed to a set of "safeguard measures" (as elaborated in Section 1). Parties to the Convention are currently in the process of developing guidance to create "*a system for providing information on how the [REDD+] safeguards are being addressed and respected*"[24]. Although the parties' views on how to establish such a safeguard information system necessarily differ, some common elements are emerging in the negotiations[25]. Several parties underlined that new information systems should build upon already existing reporting frameworks including UNFF, FAO, ITTO, and CBD, existing national systems for collecting and reporting information, and national forest monitoring systems. Several parties share the view that a safeguards information system should address the 7 core elements established by the Cancún Agreements (cf. section 2) but has to be framed within the national context. Given that such a system may require additional resources, it will most likely be implemented progressively as new financial and other resources are made available.

Consideration in international negotiations under the UNFCCC will be given this year to how countries, particularly those wanting to access financing for REDD+, should report to the UNFCCC on how they are addressing issues such as respect for the rights of indigenous peoples and ensuring the full and effective participation of relevant stakeholders, as well as on to what extend their REDD+ actions are consistent with the conservation of biodiversity, adaptation needs of the country, and reducing poverty.

In addition, countries that are participating in either the FCPF and/or UN-REDD programs are required to design integrated monitoring systems that include not only monitoring of GHG emissions, but that also address the multiple benefits and impacts of REDD+ activities. Most FCPF/UN-REDD member countries suggest they intend to, or are in the process of creating monitoring systems for the multiple benefits and impacts of REDD+, but have not yet done so. The World Bank and UN agencies, in fact, both caution that "key international policy decisions may affect this component, so a staged approach may be useful". In the meantime, however, *programs could consider piloting approaches that can inform future national monitoring systems for the multiple benefits of REDD+ activities*.

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[24] UNFCCC, decision 1/CP.16, paragraph 71(d).

[25] UNFCCC parties and observers have been invited by SBSTA (FCCC/SBSTA/2011/L.14) to submit their views on how to establish a safeguards information system, a MRV system, and reference (emission) level (REL) modalities. The submissions can be found at: http://unfccc.int/documentation/submissions_from_parties_in_2011/items/5901.php

6.2 Options for the development of monitoring systems for non-carbon impacts

Establishment of monitoring systems is essential to maximizing benefits of REDD+ and reducing negative impacts. Creating systems to systematically gather and report data on the impacts of REDD+ actions can inform a country's REDD+ strategy design, guide investments to specific areas and activities that maximize benefits, and ensure that actions taken are not harming people, ecosystems, and wildlife. The provision of information and improvement in policies should be a continuous and iterative cycle.

Co-benefits monitoring in ICI projects
More than two third of the ICI projects expect their countries to establish comprehensive monitoring systems that track carbon and non-carbon benefits . However, most of the countries are still at a very early stage in designing these comprehensive systems. Amongst other issues, the lack of human resources to establish a consistent carbon and non-carbon benefit monitoring system, the lack of policy consistence to capture those benefits and the design of benefit allocation schemes were identified by the survey as some of the key challenges projects are facing.

The challenge, however, is to reconcile the need for data with limited resources available. Working with existing monitoring schemes will therefore be most cost effective.[26] There are 10 international instruments in force relevant to forests and their co-benefits to which countries have reporting requirements.[27] Some options for leveraging existing data and systems include:

- Building on forest inventory reporting. For example, one country in Africa is considering additional indicators, such as number of plant/animal species, and extent of ecological networks to its forest inventory to ensure that REDD+ actions also deliver co-benefits.
- "Piggybacking" multiple benefits monitoring on remote sensing data that is used to assess carbon stock changes; this will also help to ensure consistency of data sets used.
- Using existing data sets, for example soils, run-off and precipitation measurements, to assess the effects of forest protection or reforestation on a watershed.
- Creating indicators for socio-economic benefits of REDD+ activities that build on national monitoring of socio-economic statistics. For example, one Latin American country is considering possible indicators, such as: jobs created, family income statistics, food security for forest dwellers.[28]

7. Conclusions

The review of available REDD+ strategy and activity planning tools shows that ample guidance already exists to operationalize the management of co-benefits and safeguards for REDD+. Similarly, as the workshop survey indicates, various readiness activities provide rich experience in addressing co-benefits and safeguards. However, there seem to be barriers for full knowledge sharing and replication of these experiences – particularly regarding bringing these experiences to international discussions. For instance, the current submissions to the negotiations on safeguards management do not reflect available experiences on the ground. Projects are therefore encouraged to make use of existing communication platforms, e.g. through the REDD+ Partnership or the UNFCCC REDD+ information sharing web platform. Furthermore, those involved in ICI projects should share their experiences with other ongoing REDD+ activities in their respective countries to develop common approaches.

[26] UN-REDD: Beyond Carbon, Ecosystem-based benefits of REDD+
[27] From the World Bank's Forest Sourcebook (p.255). Includes: UN Commission on Sustainable Development, UN Convention to Combat Desertification, UNFCCC, CBD, CITES, CMS, Ramsar, World Heritage Convention, UN Forum on Forests, and the International Tropical Timber Agreement (ITTA).
[28] Peru, R-PP submission to the FCPF

The survey delivered useful results regarding the level of participation in REDD+ strategy definition, planning and implementation. The results indicate that multi-stakeholder bodies at different implementation levels (participating in relevant activities such as land-use planning and FPIC) and national committees are considered viable means to facilitate the participation of active stakeholders. However, the involvement of stakeholders in design and implementation of REDD+ activities at the national level seems to be unbalanced. While focal ministries and forest-dependent stakeholders have taken the lead, the private sector and some key ministries, e.g. ministries of finance, agriculture, or mining, are not getting equally involved. Involving industries driving deforestation is key for identifying policy options to reduce the trade-offs between agricultural growth, forest and biodiversity protection, and socioeconomic equity. Along the same line, it is essential to involve the ministry of finance when designing incentive schemes targeting carbon and non-carbon benefits. Public finance instruments (taxes, price regulations, fees, and subsidies) also frame the decision of landowners on where and to what extent forest is converted into other land uses.

To effectively mainstream REDD+ safeguards and co-benefits management, cross-sectoral policy frameworks and planning processes should build on existing structures, mechanisms, monitoring and reporting requirements, keeping systems robust, simple, and cost-effective. Emerging MRV frameworks already provide a potential for synergies in monitoring biodiversity impacts at the level of GHG inventories and forest monitoring, although complementary and cost-effective options still need to be developed. Synergies between REDD+, adaptation needs and forest resilience are not yet fully integrated, neither at the level of demonstration activities nor in framing the national REDD+ strategy.

Finally, from the perspective of the ICI, the workshop significantly helped to

(i) provide conceptual clarification of terms such as co-benefits and safeguards among ICI stakeholders,
(ii) compile an overview of views different stakeholders and realities in the implementation of ICI projects;
(iii) identify the contribution of ICI projects to national REDD+ strategies;
(iv) communicate experiences and recommendations from the implementation of ICI projects into international discussions on REDD+, namely through “key messages” delivered to the REDD+ Partnership Meeting on 29 September 2011 in Panama;
(v) promote exchange of knowledge and experiences among ICI projects in Southeast Asia and the Pacific and support networking among various stakeholders;

The feedback provided and lessons learned are considered to strengthen the effectiveness of REDD+ action within the ICI.