

# Chapter 5

## Governance for REDD+, forest management and biodiversity: Existing approaches and future options

*Coordinating lead author: Constance L. McDermott*

*Lead authors: Harro van Asselt, Charlotte Streck and Samuel Assembe Mvondo*

*Contributing authors: Amy E. Duchelle, Constanze Haug, David Humphreys, Mari Mulyani, Chandra Shekhar Silori, Regan Suzuki, Fariborz Zelli, Simone Frick, Marco Lentini, Harisharan Luintel and Cleber Salimon*

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**Abstract:** The chapter examines the evolution of REDD+ governance and identifies policy options to increase synergies among REDD+, the sustainable management of forests and biodiversity conservation. REDD+ emerged at the international level as a point of convergence across the ‘institutional complexes’ of forests, climate and biodiversity. This convergence attracted the engagement of a wide range of institutions in REDD+ activities, which together have drawn on three primary sources of authority to influence REDD+ rule-making: government sovereignty, contingent finance and voluntary carbon markets.

Intergovernmental processes, which represent the primary articulation of governmental authority at the global level, have generated few binding commitments to the sustainable management of forests or biodiversity due to conflicting country interests. These efforts instead have favoured normative guidance, monitoring and reporting, and legality verification initiatives that reinforce sovereign authority. Bilateral and multi-lateral finance initiatives have exerted ‘fund-based’ authority through the application of operational safeguards protecting indigenous and local communities and biodiversity, but limited funding and low capacity of REDD+ countries to absorb those funds have constrained their influence. Finally, non-state actors have developed voluntary certification schemes for forest and carbon as a ‘fast track’ approach to elaborating more substantive international standards for environmentally- and socially-responsible forest practices. While the small size and voluntary nature of markets for forest carbon have greatly constrained the impact of these approaches, this could change if a significant regulatory market for REDD+ develops.

Furthermore, the governance of REDD+, forest management and biodiversity is pluralistic, involving multiple institutions and actors. Efforts to promote REDD+ safeguarding at the international level exist in tension with national sovereignty and local autonomy. This complexity is taken into consideration in the suite of policy options provided in this chapter, which suggest the need to draw on a range of institutions and approaches and to consider how together they influence the balance of power and incentives across actors and scales.

## 5.1 Introduction

REDD+ interventions occur within a broader multi-level *governance*<sup>1</sup> landscape that shapes *forest* and *biodiversity* outcomes. This chapter examines existing and potential governance and policy approaches for REDD+, and how they complement or contradict efforts to sustainably manage forests and conserve biodiversity in a manner that enhances social cohesion and welfare. This includes an analysis of the emergence of REDD+ within a broader landscape of international, national and local governance, and the insights this provides regarding which actors and institutions are best positioned to integrate multiple objectives into REDD+.

As observed in Chapter 4, understanding the socio-political context of REDD+ rule-making is critical for understanding how various REDD+ interventions are likely to play out in ‘real world’ settings. While Chapter 4 focused on the socio-economic dynamics of forest and land use and their implications for REDD+, this chapter looks at REDD+ interventions and their interplay within broader governance contexts.

Our analysis builds upon a growing body of literature on the governance of REDD+. Due to the newness of REDD+ and lack of empirical data on its effectiveness, much of this literature has focused on learning lessons from forest governance (e.g. Angelsen et al., 2009; Kanowski et al., 2011), on identifying normative principles for good or effective governance (e.g. Sikor et al. 2010; Lyster, 2011) and, increasingly, on examining case studies of early REDD+ interventions (Angelsen et al.,

2012). Common to these studies is the awareness that the design of REDD+ is an inherently political act (Skutsch and McCall, 2010; Thompson et al., 2011), involving different actors with different interests and ideas vying for the authority to write the rules (Angelsen et al., 2012). However, while much of this past literature is cognizant of the power dynamics inherent in REDD+ decision-making, there is a lack of analyses that ground discussion of policy options for REDD+ in the consideration of which actors and institutions hold the power to achieve particular desired outcomes. Such grounding is critical for examining policy options that serve environmental and social objectives which lie outside the core framing of REDD+ as a mechanism for reducing forest *emissions*. As discussed in Chapter 4, where these objectives are treated as peripheral to emissions reduction, there is much uncertainty about how they might be addressed. The emphasis of this chapter is thus on what can, and cannot, be done at different scales, by which actors, to create an integrative REDD+.

Section 5.2 focuses at the international level, examining the emergence of REDD+ in the climate regime and evolving options for international governance of REDD+, forest management and biodiversity. Section 5.3 considers the intersection of international governance with national and local agendas, and conflicting pressures for international standardisation, sovereignty and local autonomy, illustrated by case study boxes from the Congo Basin, Indonesia, Nepal and Brazil.

<sup>1</sup> All terms that are defined in the glossary (Appendix 2), appear for the first time in *italics* in a chapter.

## 5.2 International governance

There is a wide and growing array of international institutions of relevance to the governance of forests, *carbon* and biodiversity. This phenomenon of institutional diversity in international environmental governance has sparked an ever-increasing body of literature about the ways in which institutions interact, the consequences of interactions, and ways of managing those consequences (e.g. Young, 1996; Rosendal, 2001; Stokke, 2001; Oberthür and Gehring, 2006; Oberthür and Stokke, 2011). Informed by this literature, we adopt the term ‘institutional complex’ to refer to the cluster of institutions associated with a specific issue area. International institutions of potential relevance to REDD+ range from those focused on the environment to those related to trade and human rights. Our emphasis is on institutions focused on the substantive areas of ‘forests’, ‘climate’ and ‘biodiversity’, and their overlap with REDD+, which essentially forms a ‘sub-complex’, as portrayed in Figure 5.1 below.

### 5.2.1 A brief history of international forest, climate and biodiversity governance, pre-REDD+

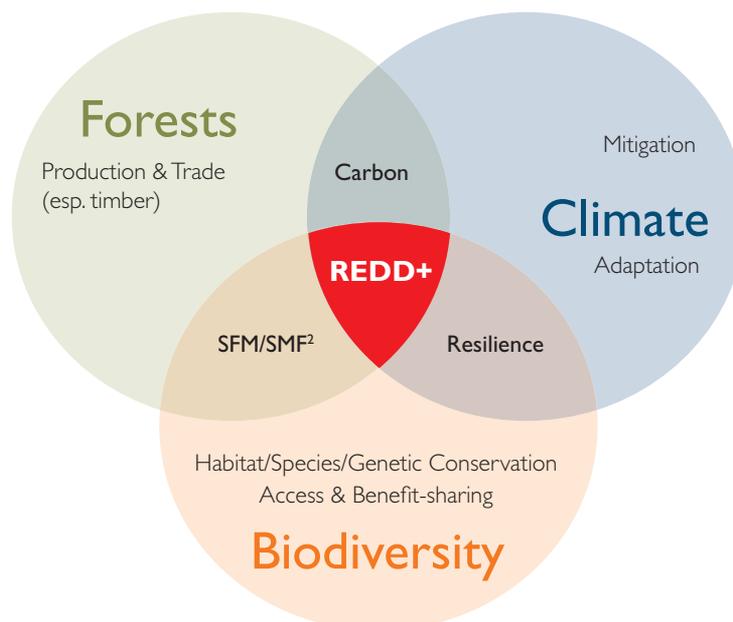
Early beginnings of the international institutional complex on forests can be traced back to 1946, with the launch of a global forest inventory by the Food and Agricultural Organization of the United Nations (FAO). The

FAO’s monitoring efforts contributed to growing global awareness of tropical forest loss, which in turn spurred two intergovernmental tropical forest initiatives in the 1980s – the International Tropical Timber Organization (ITTO) and the Tropical Forestry Action Plan (TFAP). While agricultural expansion, not forest production, was the leading cause of tropical *deforestation* (Geist and Lambin, 2002), both ITTO and TFAP had little mandate to reach beyond the forest sector. Instead, their focus was on ‘*sustainable forest management*’ (SFM), a broad concept encompassing timber production, biodiversity conservation, livelihood concerns and other complementary objectives. The exclusive focus of both ITTO and TFAP on tropical forests also meant that participating tropical countries were reluctant to make commitments to forest conservation in the absence of similar commitments from temperate and boreal countries (Humphreys, 2006). This led to proposals to launch a global forest convention at the 1992 Earth Summit in Rio de Janeiro.

At the Earth Summit, divergent country interests prevented consensus on a global forest convention. However, two other conventions were adopted that are of central relevance to the climate and biodiversity complexes – the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD). In comparison to the scope of forest negotiations, the UNFCCC’s focus on stabilising atmospheric *greenhouse gas* concentrations is quite narrowly defined – arguably facilitating intergovernmental

Overlapping institutional complexes of core relevance for REDD+, forest management<sup>2</sup> and biodiversity<sup>3</sup>

Figure  
5.1



<sup>2</sup> The phrase ‘sustainable forest management’ (SFM) is commonly used within the forest complex while the term ‘sustainable management of forests’ (SMF) is used within the biodiversity and climate complexes.

<sup>3</sup> The sub-themes in grey text list the issue areas that have emerged as major foci in each institutional complex. The list is neither exhaustive nor are most issues exclusive to a particular complex.

consensus. The Kyoto Protocol, adopted in 1997, operationalised this objective by specifying binding emission reduction commitments for industrialised countries for the period 2008-2012. The 2011 climate conference in Durban arguably softened the ‘firewall’ between developed and developing country commitments in view of a future climate agreement, referring to “mitigation efforts by all parties” (UNFCCC, 2012a: para. 7), but it remains to be seen how a new burden-sharing under an agreement that is applicable to all parties will translate into practice (e.g. Rajamani, 2012).

The scope of the CBD straddles that of the forest and climate change processes. Its core objectives are: 1) the conservation of biodiversity, 2) the sustainable use of its components, and 3) the fair and equitable sharing of benefits from the utilisation of genetic resources (Article 1 CBD). Agreement on the third objective on benefit-sharing was crucial to securing the support of tropical forest countries, giving them the opportunity to gain revenue from the commercial exploitation of their biodiversity. The benefit-sharing objective was also supported by non-governmental organisations (NGOs) who wished to see some of the commercial benefits from biodiversity exploitation flowing to the community level (McNeely et al., 1995). Non-governmental organisations have been active participants in the CBD, and a driving force behind its core strategies (Arts, 1998), which include soft targets for expanding protected areas, arresting species loss and access to, and benefit sharing of, the utilisation of local and *traditional knowledge*. However, governments have generally not backed these aspirational goals with legally binding commitments. Parties are asked to establish their own priorities, in this case via National Biodiversity Strategies and Action Plans (NBSAPs) that translate global goals into nationally/appropriate actions.

While the CBD thus remained limited in its authority to command government action, its efforts were bolstered by various scientific initiatives which were launched with major NGO involvement. These include the International Union for the Conservation of Nature’s (IUCN) Red List of Threatened Species, established in 1963, and the World Database on Protected Areas, first launched as an independent non-profit venture in 1988. The initiatives support the assessment of progress towards the global targets and country reporting called for under the CBD.

As the institutional complexes for climate and biodiversity thickened, intergovernmental forest negotiations entered into a period of relative stalemate. Factors impeding agreement on a forest convention included differences in the negotiating power of a country’s domestic timber industry, differences in country dependence on international trade, and disagreement as to whether developed countries should transfer finance and technology to tropical forest countries in exchange for conservation commitments from the latter (Humphreys, 2006). As a result, countries varied in their willingness to relinquish sovereign authority on forest management to an expanding array of international norms for sustainability (Dimitrov, 2005). Non-governmental actors were initially supportive of a convention but later withdrew support for

fear that countries with powerful timber industries would dominate the process resulting in low standards for forest protection (Humphreys, 1996).

Hence, intergovernmental forest negotiations have generated exclusively ‘soft law’, that is agreements on non-legally binding principles and processes, such as the 1992 ‘Forest Principles’, Chapter 11 of Agenda 21 on deforestation, and the 200+ proposals for action produced by the Intergovernmental Panel on Forests (IPF) and its successor, the Intergovernmental Forum on Forests (IFF) (Humphreys, 2006). These processes have also institutionalised a system of National Forest Programmes that, like the CBD’s NBSAPs, are intended to encourage countries to establish their own national goals and priorities. In addition, the United Nations Forum on Forests (UNFF) – which succeeded the IPF and IFF – adopted a Non-Legally Binding Instrument on All Types of Forests in 2007, reflecting general principles and points of convergence among all participating countries. Although these efforts may provide normative pull, as well as facilitate coordinated global monitoring and reporting, the degree to which they do so depends profoundly on their (voluntary) uptake within individual countries.

The slow pace and limited commitments sparked the launch of an alternative approach that turned to markets as a potential source of international authority (Cashore et al., 2004). In 1993, several NGOs and a collection of timber buyers and retailers launched the Forest Stewardship Council (FSC) as a non-state, market-driven instrument designed to incentivise sustainable forest production through the green labelling of timber products. The FSC was created after the ITTO had declined to implement a labelling scheme, indicating the ongoing conflict among interests in the forest sector. As further evidence of conflicting interests, competing national certification schemes emerged in the following years, supported by forest producers’ associations in Europe, North America and elsewhere (Auld et al., 2008). Each of these schemes has developed its own set of standards for SFM, highlighting the contested nature of the concept. Many schemes are now consolidated under the Programme for the Endorsement of Forest Certification (PEFC - also see Chapter 4).

By the 2000s, the issue of ‘illegal logging’ began to re-energise intergovernmental negotiations, this time at a regional level. The sub-global scale of these efforts, and their focus on legality rather than sustainability, has been heralded as a major breakthrough, due to the smaller number of negotiating parties, the restricted scope but expanded scale and the promise to strengthen rather than undermine national sovereignty (Bernstein et al., 2011). Tackling illegal harvesting is attractive to several actors: environmentalists see it as a means to reduce the environmental damage of logging practices and to promote more responsible global consumption; host governments see it as a means to strengthen sovereignty and increase tax revenues; the legal timber industry sees it as a means to increase their competitiveness.

Subsequently several regional processes emerged strengthening forest governance in Africa, Asia and Eurasia. The EU Forest Law Enforcement, Governance and

Trade (FLEGT) process integrated supply-side efforts to stem illegal logging with demand-side measures aimed at restricting the imports of illegal timber products into the EU. This was to be achieved through bilateral ‘Voluntary Partnership Agreements’ (VPAs) between the EU and participating developing countries. Currently six VPAs have been signed<sup>4</sup>. The effectiveness of these VPAs in reforming forest governance as well as their impact on the sustainability of forest practices remains to be seen.

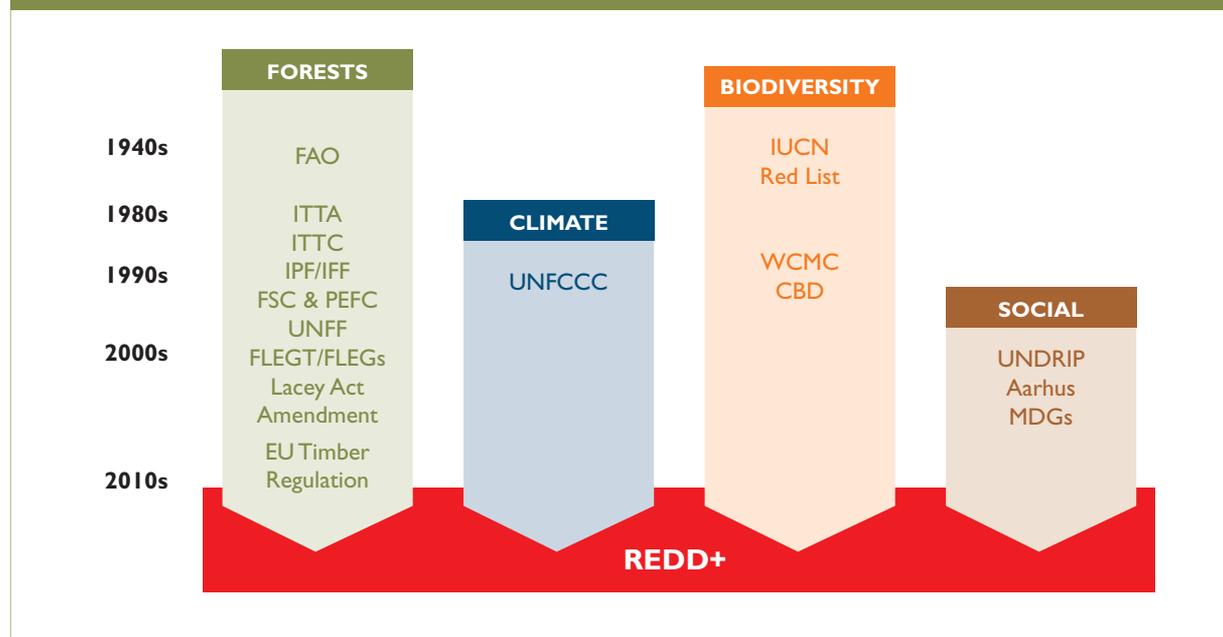
Around the same time, many governmental and non-governmental actors were sharpening their focus on the ‘social’ dimensions of international governance. The 1998 Aarhus Convention established norms for public participation in environmental issues. In 2000, the UN Summit addressed international concern for rising global income disparities by adopting eight Millennium Development Goals (MDGs) including non-binding targets to eradicate extreme poverty. In 2007, the UN General Assembly adopted the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). UNDRIP enshrined the principle of ‘free, prior and informed consent’ (FPIC), which asserts the right of indigenous peoples to block activities that impact their traditional lands and practices. While providing strong normative signals, UNDRIP is a non-legally binding declaration subject to national interpretations, and lacking intergovernmental mechanisms for enforcement. Nevertheless, these initiatives together strongly legitimate and institutionalise the integration of social concerns into environmental rule-making.

Figure 5.2 provides a summary timeline of the key institutional developments in the forest, climate, biodiversity and social arenas.

The sum of these evolving instruments, agreements and processes emerging at different scales and involving different actors amounts to a fairly comprehensive, overlapping and sometimes conflicting international governance complex (McDermott et al., 2011). Notably, early efforts at international coordination were largely concentrated in intergovernmental processes. Within this sphere of ‘government-based’ authority, disagreement on the appropriate balance of priorities for forest management and biodiversity in particular, precluded agreement on binding commitments and favoured instead actions with potential to enhance sovereignty, including global monitoring, national-level planning, target-setting (usually voluntary) for the more narrowly defined objectives (e.g. emissions, protected areas) and legal enforcement. In general, enforceable commitments have been achieved more readily for the singular goal of emissions reductions than for the broader and less readily measured goals of sustainability and biodiversity conservation. Non-governmental organisations, seeking to push international standards for forest management and biodiversity protection beyond government willingness to do so, have pursued certification as a voluntary market-based approach. Certification aims to draw power and authority from market demand for environmentally- and socially-‘responsible’ forest products. By-passing government resistance, NGO-driven certification schemes were able to create relatively stringent requirements, but have been subject to competition from conflicting industry-driven schemes. Meanwhile, the reach of certification’s influence is limited by a lack of market demand in developing countries.

A summary timeline of the key institutional developments in the forest, climate, biodiversity and social arenas

Figure 5.2



<sup>4</sup> [http://www.euflegt.efi.int/portal/home/vpa\\_countries/](http://www.euflegt.efi.int/portal/home/vpa_countries/) [Accessed on: 2 July 2012]. The six countries are Cameroon, Central African Republic, Ghana, Indonesia, Liberia and Republic of Ghana.

### 5.2.2 The emergence and proliferation of REDD+ governance

REDD+ emerged within the UNFCCC as a mechanism to create financial incentives for contributing to *mitigation* of forest-related greenhouse gas emissions by developing countries. This emphasis on financial incentives was central in overcoming initial barriers to the inclusion of forests in the climate institutional complex. It also spurred a further proliferation of actors, institutions, and sources of authority engaged in international forest and biodiversity governance, as will be seen from the following historical account.

Allowing industrialised countries with emissions reduction commitments to use land-based greenhouse gas removals to offset their emissions was hotly contested during the negotiations on (and following) the Kyoto Protocol. The concern was that accounting for forest carbon would relieve pressure on these countries to reduce fossil fuel emissions. In addition, there were a range of technical concerns, such as problems of permanence (the risk of forest loss and reversal of climate benefits), *leakage* (the risk of displacing forest loss in one region to another region) and carbon accounting (difficulties in accurately measuring changes in forest carbon stocks) (Noble and Scholes, 2001). It was agreed that industrialised countries could use land-based removals as offsets up to a certain limit. In addition, under the Clean Development Mechanism (CDM), industrialised countries were allowed to use offsets through *afforestation and reforestation* projects they supported in developing countries. However, reduced (or avoided) deforestation was not included in the CDM. Many NGOs and some indigenous groups were dismayed at this outcome, fearing that the design of the CDM, which focuses solely on the carbon sequestration role of forests, would run counter to the conservation of biological diversity (Streck and Scholz, 2006).

At the eleventh Conference of the Parties to the UNFCCC in 2005, Papua New Guinea and Costa Rica retabled the discussion by presenting options for reducing emissions from deforestation in tropical countries under a post-2012 climate regime. Negotiations led to several decisions on REDD+, the most important of which (so far) has been the Cancun Agreements (UNFCCC, 2011). The Cancun Agreements establish that participation in REDD+ is voluntary and national government-driven, unlike the project-level CDM. In this way, REDD+ would first and foremost be governed, implemented and measured at the national level. Such a national approach appeared to mitigate concerns around leakage and accounting that plagued forest negotiations around the CDM, as it would capture the domestic (if not the international) displacement of emissions.

Further contributing to developing country support, the '+' in REDD+ has been added to reflect the inclusion of forest conservation, forest management and forest carbon stock enhancement. This move was critical, first, to denote that REDD+ is concerned with the broad range of forests goods and services and not just carbon and, second, to gain the support of countries with constant

or increasing forest cover such as China and India (Potvin and Bovarnick, 2008). REDD+ was to occur in three phases to accommodate differing country capacities, starting with national planning and 'readiness' (phase 1), followed by the implementation of national strategies (phase 2) and, eventually, full accounting against national reference scenarios (phase 3) (see Figure 5.3). Finally, activities would depend on developed countries providing adequate financial and technical support throughout all phases, which in phase 3 means providing financial incentives to developing countries for the reduced emissions measured in changes of forest carbon against national baseline or reference (emission) levels.

In addition to addressing a range of concerns relating to sovereignty, accounting and finance, the Cancun Agreements addressed social and environmental issues of central importance to many NGOs and other actors. Specifically, Appendix I of the text contains language on social and environmental 'safeguards' that must be respected whilst implementing REDD+ activities (see Box 5.1, Section 5.2.3). The Appendix echoes objectives from the various multilateral processes discussed above, ranging from addressing the drivers of deforestation, to governance, poverty alleviation, participation, indigenous rights, the conversion of forests to *plantations*, and biodiversity conservation. However, and as discussed further in Section 5.2.3.1, it remains unclear what constitutes adequate safeguarding or how countries will be held accountable for achieving it.

Despite the relative progress in REDD+ negotiations, there are many issues that remain undecided and vague, such as: rules for establishing REDD+ baselines of performance (reference levels); monitoring, reporting and verification (MRV); and international accountability for safeguarding. Moreover, regardless of progress made in the negotiations, the lack of stable, predictable sources of finance for REDD+ threatens its longer-term viability (Streck and Parker, 2012).

While international negotiations drag on, decision-making on REDD+ has proliferated beyond the UNFCCC to multiple arenas, from the preparation of 'guidance' notes for REDD+ under the CBD, to the emergence of a voluntary carbon market for REDD+ projects, to various multilateral and bilateral initiatives outside of the global climate regime. The patterns of this proliferation offer clues as to what types of international institutions beyond the UNFCCC – intergovernmental, private, regional, bilateral, etc. – may carry authority to address different dimensions of REDD+ (Korhonen-Kurki et al., 2012).

Given the basic logic of REDD+ as a financial incentive mechanism, financial institutions and the power and liability they hold, have emerged as a new and core source of rule-making for REDD+ actions, which we refer to as 'fund-based' authority. In particular, several global, multilateral financing initiatives have played a key role in supporting REDD+ 'readiness' activities in over 40 countries. One of these, the World Bank's Forest Carbon Partnership Facility (FCPF), was launched at the 2007 session of the UNFCCC Conference of the Parties in Bali to help countries prepare for REDD+, and to provide technical and scientific support with respect to issues such as MRV

and the achievement of ‘multiple benefits’. The FCPF is a partnership of developing and developed country governments that also includes private sector representatives and NGOs. It serves the dual goal of building capacity for implementing REDD+ in developing countries through the establishment of national monitoring systems, management systems and stakeholder consultation arrangements (through its Readiness Fund), and testing the feasibility of performance-based payments through pilot activities (through its Carbon Fund). Another World Bank initiative, the Forest Investment Programme (FIP), also seeks to build capacity, and aims to support national policies and measures to implement REDD+. In 2008, the UN-REDD programme was created by three UN agencies – FAO, UNEP and UNDP – to complement the efforts of the FCPF and bilateral initiatives (UN-REDD, 2008). UN-REDD supports REDD+ readiness activities, strengthening governance and stakeholder participation and supporting local capacity-building. A large focus is on MRV, using FAO expertise and its networks in 194 member countries. In addition to these new funding initiatives, existing financial mechanisms have also included REDD+. For instance, the Global Environment Facility (GEF) has started to address REDD+ in its fifth replenishment, in part in response to developments in the UNFCCC (GEF, 2010). Although the roles of the GEF (phases 1-3) and FIP (phase 2) are clear in theory, their relevance for stakeholders on the ground remains to be clarified (Hardcastle et al., 2011). The Congo Basin Forest Fund and the Amazon Fund are two examples of regional funding mechanisms for forest protection and sustainable management that are administered by regional banks according to their own rules and procedures.

In addition to multilateral initiatives, individual donor governments have become active. Norway, in particular,

has concluded bilateral agreements with Brazil, Guyana and Indonesia, promising large REDD+ payments dependent on demonstrated reductions of deforestation from agreed reference levels. The country thus plays a pioneering role in testing phases 2 and 3 of REDD+ implementation.

These various initiatives are governed by laws and policies including, in the case of the multilateral financial institutions, distinct sets of environmental and social ‘safeguards’ to protect their investors from risk. By making funding contingent on meeting these safeguards, they hold the power to enforce them. Unlike for the UNFCCC, the challenge for these initiatives thus lies less in the definition of enforceable safeguards but rather in the limited capacity of recipient countries to meet the requirements and ‘absorb’ the funds available in a timely manner (Nussbaum et al., 2009) - a problem exacerbated by the overlap of requirements across financing institutions.

Figure 5.3 shows that the different initiatives seek to cover activities in each of the three REDD+ phases, although most of the funding so far has targeted phase 1 – and to a lesser extent phase 2 (Agrawal et al., 2011), while no country has yet reached phase 3.

Coordination among the multilateral funding initiatives has improved over time (Hardcastle et al., 2011) and takes place, for instance, through coordinated responses to proposals for funding, and the joint provision of supporting services to the (interim) REDD+ Partnership. The latter is an intergovernmental platform established at the Oslo Climate and Forest Conference in May 2010, which is seen as a forum for knowledge-sharing and learning on REDD+.

In parallel with these financing arrangements and their overlapping requirements, other actors, including sub-national governments, have been active promoting

**Potential financial support for three phases of REDD development**  
(adapted from Hardcastle et al., 2011)

**Figure 5.3**



<sup>1</sup> Thematic Programme on Reducing Deforestation and Forest Degradation and Enhancing Environment Services

<sup>2</sup> Norway's International Climate and Forest Initiative

market-based approaches for incentivising and governing REDD+. One notable trans-sub-national initiative is the Governors' Climate and Forests Task Force, which brings together 16 states and provinces from Brazil, Indonesia, Mexico, Nigeria, Peru and the United States. The Task Force seeks to link REDD+ activities in tropical forest countries to recently adopted climate change legislation in California, thereby paving the way for a regulated REDD+ carbon market (Agrawal et al., 2011).

Meanwhile, conservation and development NGOs, as well as the private sector, have started to implement a host of REDD+ pilot and demonstration activities on the ground. A recent review counts at least 100 such demonstration activities globally (Cerbu et al., 2011). Echoing strategies in the forest sector, NGOs have become increasingly involved in developing environmental and social standards and schemes for certifying REDD+ projects and the carbon credits associated with them (Merger et al., 2011). All of these efforts bear evidence to the emergence of market-based governance as a significant source of authority steering REDD+ activities.

In sum, REDD+ emerged in the intergovernmental arena – i.e. the UNFCCC – with its main focus on reducing emissions, coupled with requirements to monitor and report on very broadly defined 'safeguards' echoing other intergovernmental agreements. Fund-based and voluntary market-based institutions have stepped in with operationally-defined safeguards. These respond either to concerns about investor risk or to the desire to promote particular environmental and social values. The former are addressed through the institutions' authority to withhold funds, while incentives such as greater market share or price premiums for certification seek to stimulate desirable REDD+ activities.

### 5.2.3 Options to synergise climate, forest management and biodiversity objectives at the international level

This section delves in more detail into the governance mechanisms adopted by the evolving REDD+ initiatives discussed above, and examines existing and potential approaches for integrating forest management and biodiversity objectives. The analysis is organised around the three key spheres of authority that shape international forest, climate, biodiversity and REDD+ governance to date: governmental (based on sovereign authority), fund-based (rooted in direct control of financial flows) and market-based (rooted more diffusely in market demand). While each of these spheres is analytically separate, they interact in important ways within and across institutions. For example, governments may exert fund-based authority through the conditional provision of finance for REDD+. The analysis therefore identifies the primary source of authority driving different approaches, while acknowledging that no single source operates in isolation.

#### 5.2.3.1 Governmental authority

Drawing on our historical analysis above, intergovernmental processes are likely to contribute to synergies

among climate, forest management and biodiversity objectives through three primary pathways: 1) the provision of (mostly voluntary) normative guidance, including a limited number of narrowly/defined targets; 2) catalysing and coordinating monitoring and reporting; 3) legal trade restrictions aimed at reinforcing within-country legal compliance (e.g. FLEGT).

#### Normative guidance

Under the UNFCCC, social considerations, biodiversity and forests are covered in Appendix I of the Cancun Agreements in the form of guidance and safeguards. The guidance acknowledges goals of other international forums by calling on countries to take into account the multiple functions of forests and other *ecosystems* (echoing the UNFF) and to implement REDD+ in the context of sustainable development and reducing poverty (echoing the MDGs). It also spells out seven safeguards that should be promoted and supported when undertaking REDD+ activities (Box 5.1).

Like the guidance text, these safeguards also reiterate and/or mirror goals and mechanisms from other intergovernmental processes, including national forest programmes under the UNFF, governance (forest law enforcement and governance (FLEG) processes, respect for the rights of indigenous peoples (UNDRIP), participation (Aarhus Convention) and the conservation of biodiversity (CBD). Decisions taken by all of these different institutions carry normative relevance, if not legal force. Among them, the CBD has been particularly pro-active in developing guidance for REDD+, even though this guidance has not been formally solicited by the UNFCCC (van Asselt, 2012; see Annex B for details on the content of this advice). Researchers and activists have also pointed to the significance of the application of UNDRIP's FPIC as a prerequisite for all REDD+ activities (Anderson, 2011). Regional-level processes can also provide synergies, whether through regional coordination of REDD+ activities or through complementary efforts such as FLEGT (see Annex C for an example from Central Africa). However, while there appear to be many opportunities for

#### REDD+ Safeguards (UNFCCC, 2011: Appendix I, para. 2)

Box  
5.1

- Consistency with the objectives of national forest programmes and relevant international conventions and agreements;
- Transparent and effective national forest governance structures;
- Respect for the knowledge and rights of indigenous peoples and members of local communities;
- Full and effective participation of relevant stakeholders;
- Consistency with conservation of *natural forests* and biological diversity;
- Actions to address the risks of reversals;
- Actions to reduce displacement of emissions.

these intergovernmental processes to work together, the different actors and interests involved to date show limited cross-sectoral cooperation (Rayner et al., 2011).

### Defining appropriate national monitoring and reporting systems

The Cancun Agreements request developing countries engaging in REDD+ to develop a national forest monitoring system and a system for providing information on how the various safeguards listed in the decision are being addressed and respected throughout the implementation of REDD+ activities, taking into account national circumstances and capacities, recognising national sovereignty and legislation and relevant international obligations and agreements, and respecting gender considerations (UNFCCC, 2011). The same decision also requests the UNFCCC Subsidiary Body for Scientific and Technological Advice to develop a work programme, including on guidance for establishing such information systems on applying safeguards.

In keeping with a country-driven approach, the UNFCCC has thus far not linked its safeguard text with international performance standards or mechanisms for verification. Given the broad scope and political implications of the safeguards, evidence from past intergovernmental processes suggests it is unlikely that countries will agree to binding commitments that limit their sovereignty on these issues (e.g. Lee et al., 2011). Instead, and consistent with past processes, the emphasis has been placed on country-designed monitoring and reporting (UNFCCC, 2012c). Monitoring and reporting of REDD+ safeguards is likely to be integrated into the new process for international consultation and analysis that will be required of the biennial update reports on emission trends from developing countries. This may spur some degree of standardisation and the possibility of independent monitoring. However, without internationally-enforceable performance thresholds it will be up to individual countries to define adequate performance. Therefore, even if countries reached consensus on independent monitoring, it would be restricted to verifying information rather than evaluation.

### Legal trade restrictions

The increasing participation of countries in Africa, Asia and Latin America in FLEGT and other illegal logging initiatives suggests that intergovernmental agreement may be relatively easily attained for measures aimed at strengthening the ability of participating countries to enforce their own laws (in the case of developing countries) and/or protect their industries (in the case of developed countries). Reinforcing these trends is a growing number of timber procurement policies that require governments in importing countries to verify the legality or sustainability of the timber they purchase. Likewise, the recent expansion of the Lacey Act in the US and the passage of the EU Timber Regulation are new policies that prohibit imports of wood products produced in violation of the rules of their country of origin. Governments have also shown interest in applying similar legality measures to key agricultural crops driving deforestation – e.g. palm

oil and soy (e.g. UK, 2004). For those countries reliant on exports to the US or EU, these kinds of initiatives may help reinforce existing laws protecting forests, biodiversity and local communities. However, such approaches may do little to incentivise countries where domestic or other foreign markets are the primary drivers of deforestation, and/or which lack robust environmental and human rights laws. Furthermore, if proof of legality creates a significant barrier to trade, then countries may be incentivised to lower their environmental standards to ease verification requirements and improve their global competitiveness.

### 5.2.3.2 Fund-based governance

Linking implementation of safeguards to the allocation and distribution of REDD+ finance is arguably the most powerful lever for asserting international priorities for co-benefits under REDD+ for several reasons: 1) it provides direct financial incentives for compliance with safeguards; 2) financiers are motivated to define and implement safeguards due to legal and political liabilities for the adverse impacts of their investments; 3) financiers are free to withhold incentives when agreed terms and conditions are not met; and 4) contingent finance respects national sovereignty since recipients may voluntarily choose to accept or reject such finance. It is therefore not surprising that entities concerned about biodiversity lobby for REDD+ funds to target biodiversity in addition to carbon (Venter et al., 2009).

The choice of the financing instrument determines the extent and nature of criteria that can be attached to REDD+ financing. So far, the UNFCCC has not made any explicit decision on the modalities of REDD+ finance, although all parties decided in 2011 that “results-based finance provided to developing country Parties that is new, additional and predictable may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources” and that “appropriate market-based approaches [...] to support results-based actions by developing countries” (UNFCCC, 2012b: paras. 65-66) could be developed. This disperses financial risks and responsibilities so that the articulation of safeguards requirements may continue to vary by institution.

To date the most important financing modalities that are discussed for REDD+ include:

- The payment for readiness measures, including building MRV frameworks, stakeholder consultation, national strategy development (phase 1);
- The payment for policy implementation, including governance reforms, but also programmes to address drivers of deforestation (phase 2);
- The payment-for-results at the national level measured against national reference (emissions) levels (phase 3);
- Payments for demonstration projects or ‘nested’ forest carbon projects that may include payment for emission reductions at the project level.

The last two financing options could be managed through a ‘fund-based’ REDD+ system, but also through a link to carbon markets. Whatever the mechanisms for REDD+

finance, the exclusive focus of REDD+ payments on carbon has spurred fears that it will motivate the prioritisation of carbon over other values. It has therefore been suggested that the modalities of REDD+ finance could separate payments for biodiversity from payments for reduced emissions, making use of non-carbon financing (Grainger et al., 2010). The objective would be to expand the pool of potential funding sources (Bekessy and Wintle, 2008; Ebeling and Fehse, 2009; Harvey et al., 2010).

Separate biodiversity payments would, however, pose an additional burden for REDD+, requiring separate rules on design, impact assessment and payments. It will also be difficult to single biodiversity out among the many additional social, policy and environmental benefits that REDD+ should yield. It may be more feasible to consider biodiversity within the criteria that define eligibility for results-based payments (phase 3). The consideration of biodiversity and other co-benefits of REDD+ could be made a condition for multilateral and bilateral REDD+ funding. Payments could be linked to the compliance of REDD+ implementation with national planning decisions, including broader environmental outcomes. Where the conditions of finance follow a national prioritisation of area and *habitat* protection, it strengthens rather than challenges national sovereignty. As discussed in Section 5.3, this may be attractive to governments but may generate conflict with local communities and internationally-agreed objectives.

The allocation of finance to forest conservation is of particular relevance for ‘high forest, low deforestation’ countries. The definition of rules that ensure that such countries are eligible for REDD+ and the inclusion of protected areas in REDD+ could facilitate long-term gains for both mitigation and conservation by preventing deforestation from being displaced into areas that are not currently threatened (Harvey et al., 2010). Again, however, international and national demands for protected areas may be viewed as conflicting with local livelihood production and local autonomy (also see Chapter 4).

In the absence of authoritative decisions about finance under the UNFCCC, multilateral funding programmes such as UN-REDD and the FCPF have developed *de facto* methodologies for integrating biodiversity and other safeguards into REDD+ readiness (phases 1 and 2). Potentially, such programmes could provide preferential funding for multi-benefit policies (phase 2) and help in the development of systems to monitor biodiversity impacts alongside carbon MRV systems (also see Chapter 3, Section 3.4).

UN-REDD adopted its Social and Environmental Principles and Criteria (SEPC) in 2012 (UN-REDD, 2012). Grounded in international treaties, conventions and best practice guidance within the broader UN system, the SEPC are meant to assist in the evaluation of potential social and environmental impacts of national REDD+ strategies and to support countries in putting the UNFCCC safeguards into practice. The SEPC framework consists of a minimum standard risk assessment and mitigation framework, and an assessment of impact magnitude. The minimum standards ensure that the implementation of

REDD+ does not lead to social or environmental harm. The assessment of impact magnitude aims at providing guidance for designing, implementing and managing REDD+ programmes in a way that minimises social and environmental risks, and maximises multiple benefits for climate, sustainable development and conservation (Moss and Nussbaum, 2011). It is still unclear how, and under what authority, UN-REDD will monitor and enforce compliance with these standards.

The FCPF greatly exceeds UN-REDD in terms of the total pledged and potentially available funds for REDD+. The World Bank is a financially powerful actor linked with politically accountable governments, and prior to REDD+ had developed its own safeguarding system in response to past international controversies over major Bank projects (McDermott et al., 2012; World Bank, 2011). Its safeguards are designed to avoid, mitigate, or minimise adverse environmental and social impacts of all Bank projects, and are accompanied by monitoring and enforcement systems. The Bank will supervise the continued compliance of Bank-financed REDD+ readiness activities with its safeguard policies throughout the FCPF process.

In addition, countries participating in the FCPF are required to complete a ‘Strategic Environmental and Social Assessment’ (SESA). The SESA allows for the incorporation of environmental and social concerns into the national REDD+ strategy process and ensures that the FCPF readiness activities comply with World Bank policies during the strategic planning phase. 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 programme design, investment selection and, ultimately, management plans. The application of the SESA does not pre-empt the application of Bank safeguards and procedures on Bank-financed REDD+ activities in the future.

Concerns about diverging safeguards and sustainability requirements among UN-REDD, the FCPF and their financial partners have spurred the development of a ‘Common Approach’, which is meant to ensure that the various actors implementing these programmes use the same set of safeguards (FCPF, 2011). In addition, the FCPF and UN-REDD are working together on guidelines for stakeholder engagement (FCPF and UN-REDD, 2011). Still, there are important differences. McDermott et al. (2012) note that the safeguards under the FCPF can be characterised as ‘risk-based’, emphasising economic valuation of risks to minimise costs, whereas UN-REDD’s safeguard policies are more ‘rights-based’, focused on the rights of local and indigenous communities but lacking in mechanisms for monitoring and enforcement.

In contrast to the multilateral UN-REDD and FCPF, the significant quantities of bilateral aid, thus far critical for REDD+, lack the same degree of institutional standardisation. While this reduces their global transparency, it

also facilitates faster and more flexible flows of finance, highlighting tensions between international standardisation and more informal and rapidly adaptable approaches.

### 5.2.3.3 Market-based and hybrid governance

As discussed above, there has been considerable international resistance to the inclusion of most REDD+ activities in existing regulated carbon markets. Under the UNFCCC, only afforestation and reforestation activities via the CDM are eligible. Meanwhile the largest regulated market, the EU emissions trading scheme, has excluded credits from forestry projects (European Commission 2004: art. 11a, para. 3b). Nevertheless, smaller national and sub-national markets are developing, such as the new cap and trade programme under the California Air Resources Board. The California programme includes plans to allow the use of REDD+ credits to offset emissions, and is working with other sub-national governments in several countries on accompanying environmental and social requirements (Diaz et al., 2011).

While regulated trade in REDD+ credits is nascent and its future uncertain, a relatively small but growing voluntary market for forest carbon has developed as a form of *payment for ecosystem services (PES)* (Diaz et al., 2011). Within these voluntary carbon markets, certification is playing an increasing role as a ‘fast-track’ approach to setting standards for forest management and biodiversity.

#### Certification

The sale of REDD+ credits in voluntary markets sparked private efforts to develop environmental and social standards for REDD+, much in the same way certification schemes in the timber sector developed the first international standards for sustainable forest management. There has been a proliferation of such standards, with two emerging as market leaders: the corporate-driven Verified Carbon Standards (VCS) that focus exclusively on verifying saleable emissions credits, and the NGO-driven Climate, Community and Biodiversity Alliance (CCBA) that focuses on biodiversity and social co-benefits (Diaz et al., 2011). Unlike forest certification which has been limited in its market penetration, the vast majority of REDD+ carbon credits sold recently have been certified to environmental and social standards (Diaz et al., 2011), suggesting certification is becoming a necessity for market access. Thus, in the case of REDD+ project-level activities, certification provides an important mechanism for integrating social and biodiversity objectives that already carry significant market authority (Merger et al., 2011).

#### Hybrid (public/private) standards

REDD+ projects currently cover only a minute fraction of the tropical forest areas and lack the full scalability necessary for national-level REDD+ under the UNFCCC. Non-governmental actors including the CCBA and CARE International have therefore spearheaded a national-scale

standard-setting effort known as the REDD+ Social and Environmental Standards (REDD+ SES). The REDD+ SES is a multi-sectoral approach to allow countries to design national-level REDD+ programmes that generate significant social and environmental co-benefits.<sup>5</sup> The standards are developed and tested in close cooperation with several national and sub-national governments that have volunteered to implement and test the REDD+ SES. Currently, the standards are piloted in Brazil (State of Acre), Ecuador, Indonesia (Central Kalimantan), Nepal and Tanzania.

The standards go beyond safeguarding against harm to provide a comprehensive framework to assist countries to design, implement, and assess the social and environmental aspects of their REDD+ programme, supporting and complementing the requirements of mandatory safeguards. The REDD+ SES consists of principles, criteria and indicators, and a process of monitoring, reporting and verification through multi-stakeholder assessments. A set of principles provide the key objectives that define high social and environmental performance of REDD+ programmes. One of the principles stipulates that REDD+ programmes should maintain and enhance, among others, biodiversity and *ecosystem services* (Moss and Nussbaum, 2011). The REDD+ SES standards are notable in their high level of prescription and strong emphasis on local rights and benefits. However, as with UN-REDD, it is still unclear by what authority and what mechanisms they would be monitored and enforced. This has led some researchers to hypothesise an inverse relationship between the environmental and social stringency of safeguard requirements and the accountability for enforcing them (McDermott et al., 2012). Further research will be required to assess how this varying balance between stringency and accountability affects performance, i.e. will lower standards with formal enforcement mechanisms outperform higher standards without such mechanisms, or vice versa?

### 5.3 National and local governance

The previous sections highlighted the tension at the international level between global governance—via intergovernmental (normative/legal), finance-based and market-based processes – and national sovereignty. This section examines within-country dynamics that stress tensions between sovereignty and local autonomy, and considers how international influence affects this balance. Many policy documents on REDD+ emphasise the need for formalising land tenure and for adopting rational systems for planning and monitoring. Such developments could facilitate international investments (e.g. Eliasch, 2008; Vatn and Vedeld, 2011), and indeed resemble long-heralded strategies for international development (Easterly, 2009). However, it is important to consider the historical and political contexts of the REDD+ countries, for whom REDD+ may appear as yet another attempt at foreign

<sup>5</sup> See for more detail: <http://www.redd-standards.org/> [Accessed on: 2 July 2012]



Participation in social impact monitoring, REDD+ Pilot project, Kilwa, Tanzania; Photo © Adrian Martin

control and the favouring of Western science and rationalism over traditional knowledge and governance (e.g. Scott, 1998).

This section begins with a brief historical overview of trends in national forest governance and their intersection with REDD+, illustrated by case study boxes from the Democratic Republic of the Congo (DRC), Indonesia, Nepal and Brazil. This is followed by a summary of key lessons to be learned from this overview. It then

concludes with a review of options identified in the literature to synergise climate, biodiversity and the sustainable management of forests through national instruments.

### 5.3.1 National and local governance, and intersections with REDD+

Over the last few centuries and until recently, the trend in many developing countries has been towards consolidation and centralisation of state control over forest resources, initially by colonial governments and later by newly independent states aiming to strengthen their claims over the forest frontier and promote economic development (Scott, 1998). In keeping with this vision, many governments have recognised the clearing of forests as a means to claim land rights, have sponsored resettlement programmes that transplant farmers into remote forested areas, and have granted large-scale concessions for timber, mining and other extractive industries. Resources have been limited and politics contentious, preventing the formalisation of land claims amidst conflicts among indigenous peoples, local settlers and extractive industries. This has fuelled tenure insecurity across much of the forest frontier contributing to poverty and the marginalisation of rural populations (e.g. Rudel et al., 2009; Kanninen et al., 2007; Chapter 4).

The rise of international environmentalism in the mid twentieth century in many ways reinforced priorities for state control. In particular, the expansion of state-managed protected areas and national laws for species and habitat protection further alienated local populations from legal access to subsistence livelihoods (e.g. Hughes, 2006). As highlighted in Box 5.2, such environmental policies, up to and including REDD+, have often been added on top of extractive agendas – creating conflict among government ministries and failing to achieve effective conservation.

#### The intersection between REDD+ and land use policy in the DRC

Box  
5.2

The Democratic Republic of the Congo (DRC) lies within the Congo Basin forests, the second largest tropical forest area after Brazil. Its rich biodiversity is linked to its large land mass and to a variety of physical and climatic conditions. The country, with the support of the World Bank, undertook to implement a National Forestry and Environmental Conservation Programme, adopted before its REDD+ process. However, implementation of the programme has been hampered by the absence of a sustainable and coherent land use policy instrument, leading to numerous overlaps and conflicts between protected areas, mineral exploration, forest and agricultural concessions. Meanwhile in January 2009, the Ministry of the Environment, Nature Conservation and Tourism began work on REDD+ readiness with the support of UN-REDD and the FCPF. In attempts to synergise REDD+ with the DRC's broader conservation efforts, the pre-existing National Forestry and Environmental Conservation Programme has been partially incorporated into the country's REDD+ strategy. However even if REDD+ succeeds in bringing increased funding for the DRC's conservation programmes, positive effects on biodiversity conservation are likely to be minimal without an accompanying transformation of the DRC's land tenure systems. The granting of mining concessions provides a clear case in point. According to Mertens and Belanger (2010), the Mining Register recorded 5,729 mining permits, including 463 operation permits in 2008. Some of these mines are located inside or on the periphery of classified forests. The total area covered by permits is 98 million hectares, representing 42 percent of the territory, and this area appears to be growing. For example, permission has recently been granted for hydrocarbon exploration inside the Virunga National Park. Furthermore, large-scale agricultural and road construction projects are linked to this trend. China and the DRC have signed a contract worth more than USD 9 billion for the construction of roads and railways infrastructures for mining extraction (Putzel and Kabuyaya, 2011). While in theory such expansion of infrastructure could be done in an environmentally sensitive way, there is a clear absence of an inter-ministerial coordination platform in DRC to minimise land tenure and land use conflicts across the agriculture, forest, mining, and public works sectors. Unless these conflicts are resolved in advance, the national REDD+ implementation process may increase the chaos and accelerate biodiversity loss.

While attempts to assert national control over environmental conservation have thus been frustrated by conflicting interests and inter-ministerial conflict, an increasing number of governments over the past few decades have begun to pursue decentralisation programmes (Colfer and Capistrano, 2005; Phelps et al, 2010). A host of factors has driven this trend, including the fall of authoritarian regimes, increasing national debt and structural adjustments (curtailing resettlement programmes and cutting government budgets), and growing awareness of the potential for community-driven resource management to deliver both social and environmental benefits (see Chapter 4). In some countries, such as Nepal, Mexico and Papua New Guinea, decentralisation has involved an extensive handing over of management, resource and/or land rights to local communities. It is now estimated that roughly 22 percent of developing country forest area is under some degree of community control (Molnar et al., 2010). This trend has also affected government approaches to protected areas, leading to the designation of ‘community protected areas’ particularly in the buffer zones of national parks. The case study from Indonesia provides a positive example of such an approach, which has since received support as a ‘REDD’ project (Box 5.4).

The analysis of Meru Betiri may highlight the potential of community participation in protected areas management to produce optimal ‘win-win’ solutions for REDD+, biodiversity and other co-benefits. Meanwhile, in Indonesia and elsewhere the expansion of protected areas is being put forward as the core national level strategy for integrating biodiversity and REDD+. At the national level in Indonesia, such strategies appear to be accompanied by centralised policy-making and target-setting, supported and encouraged by international REDD+ donors (see Box 5.3).

### Indonesia’s national REDD+ strategy

Box  
5.3

Indonesia drew massive attention when its President committed, conditional upon international support, to reduce the country’s greenhouse gas emissions by 41 percent by 2020, and in response, the Government of Norway committed USD 1 billion to support REDD+ in Indonesia. A national strategy is currently undergoing final drafting by the REDD+ Task Force, and has included biodiversity issues as a priority. For example, “the improvement of the sustainability of biodiversity” is stated to be part of the scope of REDD+ activities (REDD+ Task Force, 2012). The strategy goes further by stressing that forests which have a high concentration of carbon and biodiversity will become protected areas, with strong emphasis on the improvement of forest governance for REDD+ and the synergy between different types of laws which aim to conserve biodiversity, forests and natural resources, and to regulate their exploration, development and exploitation.

The case of Nepal (Box 5.5) illustrates how national commitments to expand protected areas as part of a REDD+ strategy have raised concern among some local populations that REDD+ could thereby undermine locally-driven sustainable management of forests.

While protected areas may be a favoured REDD+ biodiversity strategy for some national government actors, other governmental and non-governmental actors operating at the project level have focused efforts on market-based payments for ecosystem services (PES) and other economic incentive mechanisms (also see Chapter 4, Section 4.5.2). In Brazil, sub-national state governments have played a key role in spearheading such approaches,

### The intersection of REDD+ and community buffer zone management in Indonesia

Box  
5.4

Despite Indonesia’s commitment to conserving its biological resources through the establishment of national parks, during the reform period of the late 1990s-early 2000s, rates of deforestation inside Meru Betiri National Park were unprecedented (Casson et al., 2006). The park lost approximately 2,500 hectares of forest during this period as companies and small-scale farmers competed for remaining forestland. However, as the park’s biodiversity came under threat, an interesting experiment in the buffer areas of the forest provided valuable lessons.

Curahnongko village is located in the buffer zone of Meru Betiri National Park and beginning in 1994, Lembaga Alam Tropika Indonesia (LATIN), the Forest Department of Bogor Agriculture University and the villagers of Curahnongko established and maintained a seven-hectare demonstration plot to cultivate medicinal plants and promote agroforestry practices (Aliadi, 2010). While other parts of the park were being devastated, the community-managed demonstration site remained intact. In an effort to stem rates of deforestation, Meru Betiri Park authorities approached LATIN to replicate the demonstration sites with reforestation activities on plots throughout the park. In 2001, 3,500 households from five villages (Curahnongko, Andongrejo, Sanenrejo, Wonoasri and Curahtakir) were recruited to participate in a forest rehabilitation programme. By 2004, some 2,250 hectares of land that had previously been encroached upon had undergone reforestation efforts. In total, 104 community forestry-farmer groups in cooperation with local NGOs were responsible for initiating the planting of 23,027 seedlings (Aliadi, 2010).

While the communities remained without formal rights to the forestland, the livelihood benefits they were able to secure through agroforestry and the cultivation of medicinal plants amongst others were sufficient to incentivise them to play a critical role as forest stewards. The relationship between park authorities, local communities and supporting NGOs has evolved such that in 2010, the ‘Meru Betiri National Park – Reducing Emissions for Deforestation and Degradation+’ (MBNP-REDD+) pilot project was launched in 58,000 hectares of Meru Betiri National Park, including 4,000 hectares of the ‘rehabilitation’ lands under the management of the local communities (ITTO, 2010).

### Protected areas and REDD+ in Nepal

In Nepal, the principal approach to biodiversity conservation and related governance is protected areas. Of the country's 20 protected areas (Khatri, 2010), 16 parks are under government management. In terms of the geographical area coverage, 62 percent of all protected areas are co-managed with support from the local communities living in and around them. However, protected area-based conservation approaches have drawn criticism due to their failure to secure effective participation of dependent communities in their planning and management. Lack of effective consultations during their establishment, including with respect to FPIC, and unclear tenure rights for the local communities living in the buffer zones have raised questions on the rhetoric and reality of participatory protected area management in the country (Budhathoki, 2011).

Further, in the context of REDD+, the current approach of protected area-based biodiversity conservation is seen by many, including by community forest user groups, as an approach to reconsolidate control over previously devolved forests. Such concerns have been shared by local stakeholders and civil society organisations during the implementation of the grassroots capacity building for REDD+ projects in Nepal by RECOFTC (Regional Community Forestry Training Centre) in partnership with FECOFUN (Federation of Community Forest Users, Nepal - Bhandari et al., 2012). To some extent, such concerns are also based on the substantial increase in the coverage of protected areas over the years. While in 1975, protected areas covered 4,376 km<sup>2</sup> of the country's forests, currently, this network has grown to a total of 34,186 km<sup>2</sup> of forest area, about 23 percent of the total territory of Nepal. These developments are interpreted as renewed interest by the government in national forests (Bushley and Khatri, 2011). By monetising forest carbon, the market value of forests, including those previously considered marginal, may further incentivise the central government to increase control over forest lands.

### REDD+, biodiversity conservation and forest management in Brazil

Acre's State System of Incentives for Environmental Services (SISA) was initiated by the state government and passed into law in 2010 (Law 2308/2010). The system focuses on the conservation and recuperation of seven environmental services: 1) carbon sequestration and enhancement of stocks through forest conservation and management; 2) natural scenic beauty; 3) socio-biodiversity; 4) water and hydrological services; 5) climate regulation; 6) appreciation of cultures and traditional ecological knowledge; and 7) conservation and recuperation of soils (Government of Acre, 2010). The SISA is based on Acre's policy for the valuation of environmental assets, which involves recuperation of degraded lands (through reforestation and revitalised agricultural production) and valuation of standing forests (through forest management, certification of sustainable rural properties and payments for environmental services). It is the first state law to highlight the provision of a variety of environmental services, including biodiversity. One specific biodiversity conservation strategy included in SISA is the planned creation of protected areas along the BR-364 highway to buffer against the negative impacts of imminent further road development. This action is based on lessons learned from past deforestation in the eastern part of the state, where many municipalities have more than 50 percent of their area deforested (Salimon and Brown, 2009). Biodiversity monitoring in SISA will likely be facilitated through the use of the extensive Rainfor permanent plot network already in place and through the close relationship between environmental researchers and decision-makers in Acre.

Another example of state-level innovation is *Cotriguaçu Sempre Verde* in northwest Mato Grosso, which is led by the 'Instituto Centro de Vida', The Nature Conservancy, an affiliate of the National French Forest Service (ONF-Brazil) and the state environmental secretariat. The forest sector in the municipality of Cotriguaçu is dominated by the existence of perverse incentives that encourage illegal logging due to difficulties that producers face in obtaining official harvest permits (IFT and ICV, 2010). To address this challenge, project proponents entered into collaboration with the 'Instituto Floresta Tropical' to create PRODEMFLOR (Forest Management Development Programme) in the REDD+ project area. The goal of PRODEMFLOR is to promote *reduced impact logging* in Cotriguaçu through voluntary, written agreements with small to medium-sized timber companies. Timber producers who sign onto PRODEMFLOR are required not only to improve their forest management practices, but also to commit to increased transparency in their operations. In exchange, the companies receive training in forest management and support in applying for official harvest permits. Under the PRODEMFLOR umbrella, proponents provide reports from remote sensing analyses and field assessments associated with specific forest management plans to highlight aspects that would aid or impede the companies in obtaining harvest licences. All costs of the pilot phase of PRODEMFLOR are subsidised by external project donors with the idea that timber companies will eventually cover these costs to acquire harvest licences more easily. If successful, PRODEMFLOR has the potential to expand to other Amazonian municipalities and evolve into a system that will track and attest to the sound origin of timber for the regional industry to encourage forest conservation through sustainable timber production.

suggesting their attractiveness as a means to capture benefits at a local scale (Box 5.6).

### 5.3.2 Conclusions from national and local analyses

Several inferences can be drawn from the above analyses. First, the framing of REDD+ as a national-level incentive system under the UNFCCC, while necessary to gain the support of Parties to the Convention, has generated local concerns about recentralisation and the loss of local livelihoods and autonomy. The multivalent, fragmented and inconclusive nature of the international REDD+ complex has created space for considerable local innovation but does little to ensure desired environmental and social outcomes. Meanwhile there is substantial risk that the assertion of international authority through REDD+ finance could redirect attention away from previously successful non-REDD+ activities and worsen existing social imbalances and conflict.

The Brazil and Nepal cases illustrate how some countries have been active and effective in promoting forest conservation through efforts pre-dating and/or largely independent of international REDD+ funding. This finding suggests that ‘country-driven’ efforts, as emphasised within the UNFCCC, are crucial. Likewise, several of the case studies emphasise the importance of local, community-level engagement and buy-in. As is evident from the Nepal case study (see Box 5.5), national and local objectives do not always match, highlighting the challenges inherent in reaching an aspirational goal of widespread, multi-scale acceptance of REDD+.

Actions labelled explicitly as REDD+ form just one small part of a larger forest and biodiversity governance complex (e.g. land tenure regimes, community-based governance, national park systems). Rather than begin with the question of how to make REDD+ work for biodiversity, the question might be better framed as how to achieve the sustainable management of forests and biodiversity conservation more broadly – whether through REDD+ or other means in a manner that is socially and politically informed.

### 5.3.3 Options to synergise climate, forest management and biodiversity objectives through national instruments, and their intersection with local forest governance

In light of the above analysis of how REDD+ is currently unfolding at national and local levels, this section critically reviews the existing literature on ways to improve the incorporation of forest management and biodiversity objectives into national REDD+ strategies and measures (see also Annex A for a brief overview of the opportunities and risks of such an incorporation). The instruments

are divided into data collection and information gathering, policy, regulatory and finance (incentive) measures.

As discussed in Chapter 4 on REDD+ ‘trade-offs’, the governance of carbon, forest management and biodiversity has profound implications for local social welfare. While an assessment of social safeguards is beyond the scope of this chapter, the following analysis highlights how particular policy approaches differently empower global, national or local actors in REDD+ decision-making.

#### 5.3.3.1 Information and data collection

Creating approaches 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 maximise benefits, and ensure that actions taken are not harming people, ecosystems and wildlife (Lee et al., 2011). In order to understand long-term effects, information collection must be repeated and a system of continuous monitoring as well as a periodic review of a country’s REDD+ policies put in place. Considering the existing obligations to collect and report information under various international agreements and programmes, options for leveraging existing data and systems include (adapted and expanded from Lee et al., 2011):

- Building on forest inventory reporting. For example, considering additional indicators to forest inventories, such as number of plant/animal species and the extent of ecological networks, to ensure that REDD+ actions also deliver co-benefits.
- Using remote sensing data that is aimed at assessing carbon stock changes for monitoring of multiple benefits; this will also help to ensure consistency of data sets used.
- Using existing data sets, for example on soils, run-off and precipitation, 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, Peru is considering possible indicators, such as: jobs created, family income statistics and food security for forest dwellers.<sup>6</sup>
- Systematically collecting information generated by voluntary carbon projects, environmental impact assessments, and other privately-collected information.
- Centrally collecting, analysing and storing information gathered under multilateral agreements and regional programmes, such as the CBD, UNFCCC and the Ramsar Convention on Wetlands. For example, NBSAPs or criteria for SFM contain elements relevant for biodiversity and REDD+ (CBD, 2012).
- Taking into account the scarcity of data and lack of capacities in many countries, Gardner et al. (2012) have proposed a tiered approach to biodiversity monitoring that is partially analogous to the Intergovernmental

<sup>6</sup> Readiness Preparation Proposal (R-PP) submission to the FCPF

Panel on Climate Change's guidance on tiered-emissions reporting, in which lower tiers can provide a realistic starting point for countries with fewer data and lower technical capacities.

- Community-based monitoring of carbon, forest management, biodiversity, etc. (Fry, 2011).

The last of the above recommendations refers to approaches particularly well suited to engaging local communities, potentially involving methodologies that contribute to their understanding and empowerment. As illustrated by the case study from Nepal (Box 5.5), there is otherwise a risk that REDD+ as a mechanism will be applicable only to those with technical or scientific understanding, thereby losing the substantial knowledge, as well as buy-in, of local communities some of which have served as effective long-term forest stewards.

### 5.3.3.2 Planning and strategy

Data on forest management and biodiversity, if gathered in a manner meaningful both to policy-makers and to their stakeholders, can inform interested parties about the potential trade-offs and synergies of pursuing particular REDD+ strategies and/or broader low-carbon development strategies. Rather than creating entirely new monitoring systems, their integration into existing planning tools may help to reduce the overall costs and build a more coherent REDD+ policy framework.

Spatial analysis allows the identification of areas of high ecological value and biodiversity, potential leakage areas and areas of important ecological connectivity (CBD, 2011). It also helps identify gaps in existing networks of protected areas, of ecosystems and habitats that are under-represented and require particular attention and protection (Paoli et al., 2010). Such gap analyses can inform decisions about classification or re-classification of forested land, including the cancellation of concessions and re-classification of land to forbid conversion, the restricting of forest management practices, and the extension of a network of protected areas.

However, the decision of how to prioritise forest management and biodiversity objectives relative to other values, such as local livelihoods or economic production, is ultimately a political one. Evolving international principles of 'good governance' (as articulated e.g. in the Aarhus Convention) emphasise the need for broad-based participation in determining priorities for land use, and in designing socially acceptable means to achieve them. Otherwise plans for habitat and species conservation may fail to be implemented, as illustrated in Box 5.2 on tenure conflicts in the DRC.

### 5.3.3.3 Policies and measures

Based on the broad directions formulated in REDD+ strategy and planning documents, governments can take various measures to sustainably manage forests and protect biodiversity in the context of REDD+, as well as to increase effective coherence and consistency among

measures aiming at forest management, mitigation and *adaptation* in the land use and forest sector, and biodiversity protection. In addition, following is a (non-exhaustive) list of policy options to ensure biodiversity protection in the context of REDD+:

- Legal reform: The clarification of land tenure, land use and relevant rights (to forests, carbon, biodiversity) (Swan and McNally, 2011); improved legal coherence across forest, mining and agricultural sectors; and improved enforcement of existing laws may be more important to sustainable forestry and biodiversity conservation than new policies.
- Community management: Strengthening the legal framework for customary forestland tenure and management practices can empower local communities as effective stewards of forest carbon stocks and biological diversity in the longer term (Swan and McNally, 2011).
- PES: The development of legal frameworks to govern payment for ecosystem service schemes could increase the market value of these services while simultaneously addressing biodiversity and social welfare (Greiber, 2009).
- The adoption of explicit national targets for ecosystem and species protection across the full range of native ecosystem types and biogeographic sub-regions (Paoli et al., 2010).
- The use of context-appropriate strategies to incentivise conservation in areas with high forest cover and low deforestation rates, in particular if they have high biodiversity value (Harvey et al., 2010).
- Within forests of identical carbon stock, the prioritisation of REDD+ implementation in those of greatest biodiversity value and which contribute most to landscape connectivity (Harvey et al., 2010).
- The establishment of protected areas is usually motivated by ecological concerns (as well as, in some cases, social concerns), and they are therefore also likely to provide non-carbon benefits (Lee et al., 2011). Natural forest carbon stock enhancement activities under REDD+ could also promote broad-scale *forest landscape restoration*, thus significantly expanding forest quality and quantity across the tropics (Swan and McNally, 2011).
- Governments may also directly forbid or mandate certain actions, including particular forest management practices (Swan and McNally, 2011). Investors and other entities that engage in specific REDD+ programmes or projects can be held accountable for the impact of their activity through strategic environmental assessments (SEAs) and environmental impact assessments (EIAs). They would also have to comply with relevant safeguards, which mandate no-harm as well as taking action to maximise benefits.

All but the last of these identified options emphasise national-level authority and scientific and 'technical' assessment, from target-setting, to rational land use zoning, to enhanced regulation and enforcement. In light of the analysis in Section 5.3.1, such approaches may in some

cases prove conflictive and risk contradicting effective locally-driven solutions. This highlights the importance of holistic thinking that integrates biodiversity goals within a broader framework of good governance.

#### 5.3.3.4 Finance and incentives

Countries could also structure particular incentives to ensure the protection of biodiversity in addition to REDD+:

- A single payment system that combines carbon and biodiversity benefits. Countries could adopt a PES system that involves financial arrangements with private landholders or communities to protect ecosystem services. Such a PES system has the added benefit 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 (Lee et al., 2011).
- Incentivise or require biodiversity safeguards in carbon markets. Countries could support the use of FSC, CCBA or other standards to certify and market carbon offsets. The use of carbon markets can be seen as a special case of PES focusing on greenhouse gas regulation. The compliance with particular biodiversity safeguards can be included in the eligibility and approval criteria of forest carbon projects. In this case, verification of results could be part of the evaluation of a project's climate and biodiversity benefits according to the regulatory criteria and the project's monitoring plan. Surveys have also confirmed that buyers of carbon credits are willing to pay a premium for carbon credits that meet high social or environmental standards (Neeff et al., 2009).
- Adopt a separate, parallel biodiversity incentive system. Adoption of a separate payment system that gives communities, landowners, project developers, etc. (as appropriate) access to additional (non-REDD) finance in cases where they deliver biodiversity benefits in addition to emissions reductions.
- Support existing efforts already proven to generate positive biodiversity outcomes. As evident from the national and local-level analysis in this chapter as well as in Chapter 4, the best balance of environmental, social and economic objectives may sometimes be achieved without external finance or through finance that supports existing governance systems that are already achieving desired synergies.

As discussed in Section 5.3.1, sub-national governments and non-governmental actors have been instrumental innovators of PES approaches to REDD+. For example the SISA system in Acre State (Box 5.6) resembles the first approach suggested above. It is as yet unclear what the most appropriate role is for national governments in such cases - i.e. the appropriate balance of national standardisation and legalisation, and flexibility for sub-national and voluntary innovation. Meanwhile some non-governmental stakeholders, as illustrated in Box 5.5 on Nepal, are concerned that the monetisation of forest values will lead to the alienation of forest resources from local



FSC certified Mpingo (*Dalbergia melanoxylon*), Kilwa, Tanzania.  
Photo © Adrian Martin

and subsistence users. Hence in some cases the greatest synergies may be achieved through no action, and/or finance expressly designed to support existing governance systems. Appropriate financing of REDD+ requires more than the funding of new institutions, policies and incentive schemes, but rather the careful consideration of how REDD+ finance interplays within the broader socio-political landscape.

## 5.4 Conclusions

This chapter has examined the emergence and evolution of REDD+ within the broader landscape of climate, forest and biodiversity governance, and the lessons this holds for developing environmentally and socially synergistic policies. A diverse institutional complex has developed to govern REDD+ that draws variously on three major sources of authority: (sovereign) governmental, fund-based and market-based. Each source offers different opportunities and constraints.

Intergovernmental negotiations have drawn on governmental authority to produce relatively widespread agreement on the singular goal of emissions reductions, but few binding commitments regarding sustainable management of forests and biodiversity conservation. These latter objectives have been addressed through broad normative guidance, commitment to monitoring and reporting, and activities such as timber legality verification that reinforce state sovereignty. The development of internationally-standardised safeguards for forest management and biodiversity has occurred primarily through fund-based and market-based initiatives. Fund-based REDD+ activities enable financial institutions to make payments contingent on compliance with their own operational standards,

relatively less constrained by market competition or the need for intergovernmental consensus. However, their impact is reduced by the limited quantity of funds available, and the limited capacity of REDD+ countries to meet diverse operational requirements and absorb funds.

Market-based approaches to REDD+ are currently restricted to voluntary markets, where certification has offered a 'fast-track' means for NGOs and other actors to develop ambitious environmental and social standards for PES projects. While many of these projects link payments only to carbon, they could extend to other ecosystem services such as biodiversity or even livelihood provision. However the small size of voluntary markets, and the proliferation and competition among certification schemes, significantly constrain their impacts. The scale of market standardisation could increase if REDD+ is included in state-based 'cap-and-trade' systems, but with unknown effects on environmental and social requirements.

Efforts to promote REDD+ safeguarding at the international level may either complement or constrain national sovereignty and local autonomy. National governments play a key role in designing and implementing

country-appropriate legal reforms, but suffer from lack of capacity and competition among ministries. International support may facilitate country-led efforts and/or heighten conflict by favouring particular ministries or actors. Likewise, international and national REDD+ efforts may empower local communities to act as stewards of biodiversity via community-based tenure arrangements, or constrain local autonomy through the expansion of strictly protected areas. Table 5.1 below summarises these findings.

Taken as a whole, it is clear that the integration of forest management, biodiversity, and social and political concerns into REDD+, has thus far involved a diverse array of institutions and policies drawing on different sources of authority. Given the power struggles and inherent trade-offs involved, REDD+ governance is likely to remain pluralistic and contested. As observed in the previous GFEP report (Rayner et al., 2011), the most effective way forward may be to better understand, embrace and engage with this complexity rather than attempt to impose singular solutions.

**The potential role of different sources of authority in supporting different governance strategies for REDD+ safeguards**

Table  
5.1

	Governmental		Fund-based (national and project-level)	Market-based (project level)
	International	National		
Legal reforms	Trade restrictions on illegal products, public procurement policies (e.g. EU Timber Regulation, Lacey Act)	Improved legal coherence, tenure reform, tax incentives, enforcement	Operational policies/safeguards	Legality certification
Community mgmt	General normative guidance	Tenure reform/ decentralisation	Operational policies/safeguards	Timber/NTFP/ Carbon certification
Legality verification	Partnership agreements to stem illegal trade; e.g. FLEGT VPAs	Legality assurance schemes	Operational policies/safeguards	Legality certification
PES	Rules for carbon trading	(New) legal frameworks for PES	Operational policies/safeguards	Carbon/Biodiversity certification
Biodiversity/ social standards	General normative guidance	EIAs, SEAs, Biodiversity laws	Operational policies/safeguards	Timber/NTFP/ Carbon certification

Strong leverage points
  Lesser leverage points

## Annex A

### Opportunities and risks for biodiversity under REDD+

This annex summarises the opportunities and risks related to addressing biodiversity over the three phases. While the focus of the table is on biodiversity, the concepts also apply to other objectives associated with the sustainable management of forests.

Biodiversity and phases of REDD+ implementation		Table A.1
	Opportunities	Risks
Phase 1 Readiness	Integrate biodiversity in early planning processes and MRV systems. Build capacity to identify risks and synergies for biodiversity conservation.	Failure to consider biodiversity in the readiness phase may be hard to mitigate as this phase will establish the basic systems and tools to implement REDD+.
Phase 2 Policy Implementation	Identify policies and measures that display 'win-win' synergies. Conduct strategic assessments to avoid adverse impacts of REDD+ measures. Include biodiversity in stakeholder consultations.	Adverse effects on biodiversity of REDD+ policies and measures focused primarily on carbon. Ineffective policies. Fragile states may not be able to protect sensitive ecosystems and focus on protecting carbon-rich forests.
Phase 3 Payments-for-results	Protection of biodiversity can be a payment condition / a premium can incentivise additional measures.	Data may be incomplete or erroneous. Fragmentation of the system through multiple and conflicting donor requirements.
Demonstration projects	Demonstration projects may test results-based payments that incorporate biodiversity.	Most demonstration projects are driven and implemented by private actors; coordinated regulation of these projects may be difficult.

## Annex B

### Guidance from the CBD for integrating biodiversity into REDD+

The protection of biodiversity defines the core mandate and objective of the Convention on Biological Diversity (CBD). While not concerned with REDD+ *per se*, the CBD seeks to ensure that biodiversity is given due consideration in the implementation of international and national policies. The CBD also re-groups (or 'bundles') knowledge and expertise around biodiversity impact and monitoring. In the context of REDD+, the CBD can inform biodiversity safeguards and formulate indicators for the design, implementation and continuous monitoring of REDD+.

As concrete guidance for parties involved in REDD+, the second CBD Ad Hoc Technical Expert Group (AHTEG) on biodiversity and climate change developed basic recommendations to support Parties in their efforts to implement REDD+ in a way that is supportive of CBD provisions. The AHTEG recommendations led to a number of decisions at the tenth CBD Conference of the Parties (COP), which provide, among others, a mandate to the Executive Secretary (without preempting future decisions of the UNFCCC) to provide advice on appropriate safeguards for biodiversity; identify possible indicators to assess the impacts of REDD+ on biodiversity and assess potential mechanisms to monitor impacts on biodiversity from these and other ecosystem-based approaches for climate change mitigation measures.

Based on the results of the AHTEG, the CBD COP adopted guidance on ways to conserve, sustainably use and restore biodiversity and ecosystem services while contributing to climate change mitigation and adaptation, thus supporting the implementation of REDD+ safeguards (Decision X/33, paragraph 8). This guidance refers to, among others: the implementation, as appropriate, of improved land management, reforestation and *forest restoration* prioritising the use of native communities of species, to improve biodiversity conservation and associated services while sequestering carbon, and limiting the *degradation* and clearing of native *primary* and *secondary forests*; the execution of strategic environmental assessments (SEAs) and environmental impact assessments (EIAs) that facilitate the consideration of all available climate change mitigation and adaptation options; or the consideration of incentives to facilitate climate change related activities that take into consideration biodiversity and related social and cultural aspects (Decision X/33).

The CBD could also complement REDD+ safeguards, in particular where they fall short of considering particular biodiversity risks, such as the risk of afforestation in areas of high biodiversity value. The guidance on afforestation, reforestation and forest restoration provided by the CBD in paragraph 8(p) of Decision X/33 could fill this gap, to cover the possibility that activities considered as part of 'enhancement of forest carbon stocks' under REDD+ serve to reduce biodiversity (CBD, 2011). Similarly the risks of displacement of deforestation and forest degradation to areas of lower carbon value and

high biodiversity value are not adequately covered under the emerging UNFCCC rules, and it would be helpful to consider the ecosystem approach in this context (CBD, 2011).

Of further relevance is the CBD's Expanded Programme of Work on Forest Biological Diversity (Decision VI/22, annex) and the new Strategic Plan for the Convention for the period 2011 to 2020 (Decision X/2). The Expanded Programme of Work consists of 130 measures that are to be implemented in accordance with national priorities. Relevant measures include those that control forest fires, improve forest governance and promote sustainable management of forests. The success of REDD+ will also determine the feasibility of the targets formulated in the Strategic Plan (CBD, 2011).

When it comes to concrete monitoring and data collection, the CBD Secretariat has also been requested, in Decisions IX/5 and X/36, to further enhance report streamlining based on the Collaborative Partnership on Forests' (CPF) Task Force on Streamlining Forest-related Reporting, and to investigate whether there are inadequacies in forest biodiversity reporting and monitoring, with the objective of further improving the biodiversity component of the Global Forest Resources Assessment and other relevant processes and initiatives. The CBD also has a programme of work on protected areas (POWPA - Decision VII/28) that contains multiple objectives with time-bound targets. As part of this work programme, parties were guided to execute a gap analysis of their protected area system by the end of 2006. The results of this exercise, as well as other elements of the POWPA, are relevant in the context of REDD+ planning.

The CBD complements the UNFCCC also in defining indicators for biodiversity assessments, and social and environmental impact evaluation. Biodiversity impacts and impacts on indigenous and local communities due to REDD+ activities should be compared against the most likely scenario in the absence of REDD+ activities (CBD, 2012). Pursuant to Decision X/33 paragraph 9 (h), proposed indicators for the possible monitoring of the contributions of REDD+ to the objectives of the CBD are understood to comprise impacts on biodiversity, and on the traditional knowledge and customary sustainable use of indigenous and local communities (Articles 8(j) and 10(c) of the Convention). In 2012 the CBD's Executive Secretary proposed a number of biodiversity and policy indicators (describing on the one hand, the state of biodiversity and ecosystems, and on the other, providing information on the full and effective participation of indigenous and local communities and the involvement of biodiversity experts) (CBD, 2012). The indicators are divided into global indicators ready to be implemented, global indicators that need further elaboration, and national and other sub-global indicators.

## Annex C: Regional governance in REDD+ and FLEGT processes: the case of COMIFAC

The Central African Forests Commission (COMIFAC) is a regional organisation of the ten states in the forests of the Congo Basin. The groundwork for COMIFAC was laid in the 1999 Yaoundé Declaration by the Central African Heads of State for the 'Conservation of the Congo Basin' and formalised in the 2005 Brazzaville 'Treaty on the Conservation and Sustainable Management of Forest Ecosystems in Central Africa'. COMIFAC provides an example of the opportunities and challenges of regional coordination within both REDD+ and FLEGT processes.

COMIFAC is involved in REDD+ mechanisms in two ways. Firstly, at the political level, from 2005- 2011, COMIFAC countries submitted seven requests to the Subsidiary Body for the Scientific and Technological Advice of UNFCCC. These submissions related notably to: funding sources; field of application; methodological and technical questions; reference scenarios and scale. During the Copenhagen COP (2009), COMIFAC countries underscored their need to strengthen their technical capacity for monitoring forest cover and carbon stock. This position has been recalled during the Joint Declaration of Intent on REDD + in the Congo Basin published during the Durban COP. Secondly, at the ground level, COMIFAC is administrative supervisor of two REDD+ projects: i) The 'Regional REDD Capacity Building Project' with the support from the World Bank/GEF; and ii) The new regional initiative project on REDD+ which will help ten Central African countries to set up advanced national forest monitoring systems. This latter forestry project will be managed jointly by the COMIFAC and FAO in close collaboration with the Brazilian National Institute for Space Research. The Congo Basin Forests Fund, launched by the Governments of Norway and the United Kingdom through the African Development Bank is funding the initiative with EUR 6.1 million. This project will reinforce regional capacity and allow COMIFAC countries to strengthen their cooperation in the forestry sector, in particular with regards to their capacities to provide transparent and reliable data and information on forests.

Another example of COMIFAC involvement in global forest processes is the FLEGT support project for the six timber producing countries of the Congo Basin, implemented under COMIFAC with the financial support of the European Union. To date, FLEGT has focused primarily on Voluntary Partnership Agreements with individual countries, but greater participation of COMIFAC may be critical for providing accurate data on transboundary trade flows and the related traceability of the timber exchange.

In sum, COMIFAC as a regional coordinating body could play an important role in both REDD+ and FLEGT processes, but it remains to be seen how such coordination will work in practice. There is much untapped potential for regional intergovernmental actions to support global initiatives on biodiversity conservation, forest management and REDD+ and their national ownership.

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