



# Linking local REDD+ experiences to national REDD+ strategies

Perspectives of REDD countries in Africa



A South-South Exchange in Hawassa, Ethiopia



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Hawassa, Ethiopia – April 28-May 1

## 1. Introduction

The United Nations Framework Convention on Climate Change (UNFCCC) and other bodies have recognized that national REDD+ systems will be best developed through a phased approach, broadly defined as: (1) capacity building, with development of national REDD+ strategies, forest inventories, reference levels, and MRV systems; (2) national policy implementation, and demonstration through pilot projects or programs, which may include payments for performance; and (3) crediting and payments for verified emission reductions, with potential sales on global carbon markets.

REDD+ countries have consistently expressed interest in receiving technical support to develop REDD+ strategies. Therefore, to date, the FCPF, UN-REDD and many other international REDD+ funds have focused primarily on Phase 1, building capacity in forest countries to develop the technical and policy infrastructure needed for effective implementation of REDD+ at the national level.

In a recent FCPF / UN-REDD Country Needs Assessment, however, countries across Africa, Asia and Latin America consistently expressed a need for more REDD+ pilot projects that offer testing, learning, and help to create buy-in from communities, local and central governments. While the FCPF Readiness Fund does not support on-the-ground pilots, national level REDD+ policies and strategies are complemented by the direct support being provided by other partners to implement such pilots. These pilot projects are generating lessons from failures or successes on types and effectiveness of interventions for addressing the drivers of deforestation and forest degradation including engaging local level stakeholders, benefit sharing mechanisms, improving livelihoods, participatory monitoring and evaluation. Such learning provides insights for other pilot projects as well as for national level REDD+ strategy development and implementation.

There have been efforts to assess and review pilot projects, but to date there has been no concerted or systematic effort to link lessons from such on-the-ground activities to the preparation of national-level REDD+ strategies. At recent regional exchanges on benefit sharing through videoconferences organized by Facility Management Team of the FCPF, REDD+ countries restated their interest in face-to-face, South-South exchanges on lessons from local initiatives, where stakeholders involved on the ground in implementation could share evolving knowledge and experiences from pilots directly with policymakers.

For this reason, the FCPF is facilitating regional exchanges of experiences and lessons evolving from REDD+ pilots, and how such lessons can support countries in assessing options for technical, legal, and financial elements of future national REDD+ strategies. The principal objective of such workshops is to strengthen REDD+ countries' capacities to design an efficient and effective REDD+ strategy and implementation framework, and guidance on how best to incorporate knowledge from initiatives on the ground into a national strategy.

The **Forest Carbon Partnership Facility (FCPF)** is a partnership of 36 REDD+ country participants and 18 financial contributors, plus observers. It is comprised of two funds:

- The **Readiness Fund** (currently about US\$258 million) supports participating REDD+ countries develop the necessary policies, strategies and systems to address drivers of deforestation and forest degradation.
- The **Carbon Fund** (currently about US\$390 million) aims to purchase Emissions Reductions (ERs) from five programs of significant scale.

## 1.1. Description of workshop

On April 29 to May 1, an exchange on “Linking Local REDD+ Projects to National REDD+ Strategies in Africa” was held in Hawassa, Ethiopia in collaboration with Ethiopia’s Ministry of Agriculture, the Oromia Forest and Wildlife Enterprise (OFWE) and Farm Africa. The meeting included a range of stakeholders from 13 REDD+ countries (Brazil, Cameroon, DRC, Ethiopia, Ghana, Indonesia, Kenya, Liberia, Madagascar, Nigeria, Republic of Congo, Tanzania, and Uganda), including representatives from national and local governments, delivery partners, civil society, and members of the private sector.

The agenda included presentations of seven pilot projects led by government, civil society (international conservation organizations and local NGOs) and the private sector. Discussions of the projects focused on how each is tackling drivers of deforestation, linkages with national REDD+ processes, and the challenges and lessons learned from such projects. Those presented included:

1. Ethiopia: Sustainable Land Management Program
2. Madagascar: Corridor Ankeniheny Zahamena (CAZ) REDD project
3. Kenya: Kasigau Corridor REDD+ Project
4. Indonesia: Berau REDD Demonstration Project
5. Tanzania: Making REDD Work for Communities and Forest Conservation in Tanzania
6. Democratic Republic of Congo: Ecomakala
7. Ethiopia: Humbo Assisted Natural Regeneration

Presentations were also provided on the development of national REDD+ frameworks by officials from Indonesia and the DRC, and on efforts in Brazil at the national, state, and project levels. The presentations included updates on the status of national REDD+ strategies, the development of REDD+ standards, and key challenges associated with the management of REDD+ activities and projects at multiple levels (including project, subnational, national) within the countries.

A day was also reserved for a field visit to a Participatory Forest Management (PFM) site in Dodola Woreda on the northwest edge of the Bale Mountains. This area has been selected for development of a REDD+ pilot project under the VCS standard, which is now under preparation. Participants had the opportunity to learn from the local government and cooperative, community members, and NGOs (Farm Africa, SOS Sahel) about how PFM has successfully changed practices in the region to protect forests while benefitting the communities.

Key discussion points from the presentations, discussions, and field trip during the 3-day workshop are summarized in the sections below.

## 1.2. Status of national frameworks vs. pilot projects

**Pilot projects and programs in most REDD+ countries are far ahead in testing implementation of REDD+ relevant interventions compared to the development of national REDD+ frameworks.** National REDD+ strategies, including legal and institutional frameworks and the development of national policies and measures, are in very early stages in most African countries. The advancement of pilots, however, range from those that have reached full implementation—including the generation of carbon credits being sold in international markets—to those in early stages of development. Figure 1 below illustrates a small sample of pilots (i.e. those presented at the workshop); many more are under development or being implemented.

Figure 1: Range of pilot projects presented at the workshop

Name/Country	Size of project	Status
Humbo/Ethiopia	2,800 ha	Has generated CDM credits, sold to BioCF (165,000 ERs to 2017); payments to communities
Kasigau/Kenya	Phase I: 30,169 ha Phase II: 169,741 ha	Has generated VCS/CCBA credits, sold to voluntary market; payments split between land owners, communities, and project developers
CAZ/Madagascar	371,000 ha	Project Document completed and in process of validation with VCS; ERPA contract with BioCF; expects to reduce 9M tons CO2 over 30 years
Berau/Indonesia	2,200,000 ha	In development and demonstration phase; complex jurisdictional (district) program, began in 2008
TFCG <sup>1</sup> /Tanzania	373,200 ha	In development and design phase; intends to submit project documentation for VCS and CCB validation
EcoMakala/DRC	545,200 ha	Officially selected by the DRC as a REDD+ pilot; original project was not based on forest carbon, but has delivered (reforestation) results. Building on this experience, will be developed into a REDD+ program
Bale/Ethiopia	500,000+ ha	In development and design phase; Project Development Document (PDD) being prepared for VCS validation

**Forces that drive project approaches are strong.** Public agencies, particularly donors, tend to prefer to finance projects because they can showcase the direct impacts of their funding. The private sector also prefers to finance at project scale where oversight can be more easily managed, and where risks and return on investment are clearer. Other REDD+ proponents, such as national and international NGOs, have also gravitated to the project approach, in which they have long experience.

**The slow development of national REDD+ frameworks presents challenges for pilots.** While pilots are moving ahead, they face barriers and limitations to what they can accomplish and there is still a need to develop national REDD+ strategies. To assist pilots, for example, national governments can provide guidance on benefit sharing, clarity on carbon rights or responsibilities for managing credits, or create national registries. Without such policy, legal and management frameworks, there are complex challenges for pilots to, for example, sell Emission Reductions into voluntary markets.

**The pursuit of pilot projects or programs can be valuable to informing the development of national REDD+ strategies and frameworks.** The experiences of pilot projects can provide lessons for national policies by pointing to the most critical institutional and legal reforms that will be needed to implement REDD+ at multiple scales effectively. In addition, as one participant noted, “projects can serve as a reality check” for national policies. Section 3 further elaborates specific areas where participants noted the types of lessons that could be learned by such pilots to inform national REDD+ strategies.

**The development of national frameworks should proceed in parallel with encouraging pilots.** One participant asked, “What is the right sequencing between the development of pilot projects versus a national framework?” Concerns were raised over how to ensure consistency across pilot projects in the absence of a basic framework. There is an inherent tension between promoting consistency, while

<sup>1</sup> The Tanzania Forest Conservation Group (TFCG) is the project developer for “Making REDD work for communities and forest conservation in Tanzania”.

allowing pilots to progress in testing approaches in order to inform the development of national standards. That said, workshop participants agreed that both levels should proceed in parallel, while finding ways to communicate and inform each other. In addition, many felt that the national government should not discourage the progress of pilots while national REDD+ frameworks are being developed but instead support such programs and clarify which are “official” pilots that will feed into national policy.

**Currently few REDD+ projects in countries are directly connected to, or “nested” into, national programs**, although most countries are open and interested in creating a nesting framework. Some countries have officially designated particular programs as “national pilots”, and have created platforms to ensure such pilots provide input into national discussions on a REDD+ framework. Other countries (such as Indonesia) have also created voluntary standards and guidance for REDD+ projects. Section 2 further elaborates the specific role of national governments, as discussed by participants in the workshop.

Figure 2: Extent of pilot projects being pursued within selected countries

Country	Number of projects/programs	Status
Democratic Republic of Congo (DRC)	6 projects officially designated, plus other initiatives by NGOs and (international) private sector	The 6 designated government pilots are in early stages and designed to test a variety of approaches to tackling a range of drivers of deforestation and forest degradation; a CDM A/R project has been registered (Ibi Bateke). The DRC has initiated development of a subnational program that would “nest” 2 projects, one funded by the Congo Basin Forest Fund and an independent private sector project.
Tanzania	9 projects officially designated as national REDD+ pilots	Pilots are testing various approaches with particular emphasis on ensuring adequate attention to local needs for livelihoods, information and investing in capacity building for local communities to address the drivers of deforestation and forest degradation.
Kenya	4 projects	4 projects have been validated under the CCB standard, and two projects by VCS. Kenya is currently considering creating a jurisdictional pilot program.
Ghana	7 projects officially designated as national REDD+ pilots	7 pilots have been selected as ideas and approaches worth testing; they range from managing cocoa production landscapes to bee-keeping and woodlot development.
Madagascar	3 projects	All projects seeking VCS validation. Some have sold credits in voluntary markets.
Brazil	At least 21 projects and 5 states	The Government is keeping track of projects and has intervened in specific cases, but does not recognize any initiative as “official” due to the lack of legal authority to do so. Four projects have been validated by VCS and 2 by CCB.
Indonesia	At least 36 projects ongoing; 11 provinces	The Government is keeping track of projects and provides voluntary guidance, but does not designate them as “official pilots”; provincial level programs, however, are officially designated as pilots in Indonesia’s national REDD+ strategy

**There is increasing interest in jurisdictional approaches.** Given the challenges of implementing at national scale, countries are increasingly discussing and considering REDD+ programs for jurisdictions (whether administrative subnational boundaries or large eco-regions or biomes) as an initial step and level of intervention to pursue in the near term. This is particularly true where subnational governments have authorities over land management. Many feel that programmatic initiatives at the subnational level, such as community-based forest and land management, can move ahead while more politically contentious issues are debated at the national level. Such ‘landscape level’ initiatives allow for implementation at a scale larger than pilot projects and can provide early experience in how to integrate land use planning at municipal, district or provincial levels into low carbon development strategies. Such demonstration activities can also bring together various stakeholders directly impacting land use, such as communities, private sector companies and the local government to test approaches that could be replicated at the national level.

Finally, it has been noted that **there is a mismatch between the emphasis on experimentation at the subnational or project level and the stress on national approaches in international negotiations.** Concerns were also raised that the emerging international rules around REDD+ (e.g. UNFCCC, VCS) may be too cumbersome for developing countries to comply with, creating barriers for their participation in REDD+ similar to what occurred under the CDM, where regulations are too complex and therefore costly. In addition, it was noted that not all projects have been helpful to national processes—and, in some cases, damaging when not coordinated with the national government and/or not initiated with appropriate safeguards and regard for local communities.

## 2. Roles and Responsibilities of National Governments vs. Pilot Projects

Many discussions at the workshop focused on the different roles and responsibilities of national governments versus pilot projects. It was clear from discussions that projects can fulfill specific roles that governments cannot – particularly related to local implementation, day-to-day management, and knowledge of local community needs. However, at the same time, policy reforms—for example, in the agriculture and energy sectors—and transformational changes in areas such as tenure reform and spatial planning, will be critical to REDD+ and need to be tackled at the national level. Site-specific demonstration projects cannot by nature ‘demonstrate’ these broader changes. Below are specific areas that participants suggested could be played by the project and national levels.

### 2.1. Pilot project roles

**Investing in activities that address the causes of deforestation.** Many of the drivers of deforestation and forest degradation in Africa are local—for example, shifting cultivation, grazing, firewood collection, charcoal production, small-scale logging and timber harvesting, expansion of small farms for subsistence, illegal small-scale mining. As such, projects can invest in, and test approaches to providing alternative livelihoods, energy needs, or building materials to test ways in which such drivers can be tackled in the context of economic development for local communities. For example:

- The project in Tanzania is reducing fuel wood extraction by promoting efficient cooking stoves, reducing agricultural expansion through increased productivity, and promoting conservation agriculture. In addition, it is engaging in village land use planning, including reaching consensus

on village and village forest reserve boundaries. It is also providing training for beekeeping, and a savings and loan scheme.

- The EcoMakala project in eastern DRC was able to successfully reduce charcoal and firewood demand, the main driver of deforestation and forest degradation in the region, by promoting tree planting with local communities, improved stoves, use of chardust, and increased law enforcement. The project provides incentives through payments based on hectares planted and survival rate, not on measurement of carbon.
- The Ankeniheny-Zahamena Corridor project in Madagascar developed a strategy using “conservation incentive agreements” with local communities, for reducing deforestation in the areas with the highest threats. Through these agreements direct incentives are provided for communities to be involved in conservation through a combination of direct payments to individuals doing conservation work, namely participatory ecological monitoring, patrolling activities and through community development projects.

**Working directly with communities and providing day-to-day management at a local level.** A permanent, physical presence within or near to the project area was mentioned as one key to success of projects—for **communication, capacity building, technical support, compliance and enforcement of rules, and monitoring**. Participants noted the role that such local management can play to help communicate the “whole package of benefits” (beyond carbon payments) that REDD+ activities can provide. Such local management can also: **provide support for conflict management, ensure equity in benefit sharing and distribution, and build trust and buy-in for environmental stewardship**.

- Wildlife Works, the proponent of the Kasigau Corridor REDD+ Project (Kenya), has its operation located within the landscape including many technical personnel and a full-time community engagement team. The purpose of this strategy is to ensure that the communities have the opportunity to work in a collaborative approach with Wildlife Works, and the wider national institutions. The presence of a full-time team in the landscape helps to demonstrate the active role of REDD+ activities in providing tangible benefits to community members. This also ensures that beneficiaries of the project have an open, active window for airing their grievances in the event of a conflict.
- The Tanzania project established and tested a model of trial REDD payments to community members. It was found that payments of small cash dividends to individuals were effective at promoting involvement and contributing to livelihood improvements. It was found that women were especially responsive and that the receipt of payments for their children and dependents led to increased motivation for a reduction in activities associated with deforestation. The system required a local presence as it aimed to promote the importance of accountability in the villages through the involvement of all adult community members in decisions over revenue distribution and ensure equitable access to REDD+ benefits.

**Creating alternative livelihoods.** A recurring theme of the discussions was the importance of REDD+ activities to include alternative livelihoods for local communities. Particularly where drivers are local, pilot projects can test alternative, income generating activities that can benefit local populations, while discouraging actions that degrade the forest frontier.



- The Kasigau Corridor REDD project in Kenya generates around \$800,000 annually paid out in wages to local community members for activities, including daily ranger patrols and carbon and biodiversity monitoring. In addition, the project has established a number of livelihood activities such as organic greenhouses and nurseries to grow citrus trees and other cash crops, ecotourism, an eco-charcoal line using sustainable pruning techniques, and an “ecofactory” which produces organic cotton clothing for export to the US and Europe which employs over 150 people.
- The Ankeniheny-Zahamena Corridor project in Madagascar aims to give local communities an alternative to activities that lead to deforestation, particularly slash and burn rice agriculture. “Conservation Incentive Agreements” (a type of Payments for Ecosystem Services scheme) are paired with a small grants program, which includes ecotourism, nursery management for reforestation activities, wages for patrols, fishing, and improved farming and farming alternatives.

**Providing capacity building at a local level.** Projects can contribute to the building of knowledge and technical capacity among local stakeholders, including communities, government and civil society to protect forests. Many projects use community monitoring and teach members of local villages to monitor forest boundaries, use GPS units to take measurements in carbon plots, or to be rangers to enforce protected areas.

- The Humbo project in Ethiopia required teaching communities to view the land not as open access, but as protected, community-managed land use under clearly specified rules. It also required institutional development, including organizational efforts to incorporate communities as government approved cooperatives with by-laws. Additional capacity building and technical support for such cooperatives is still needed to eventually turn over management (including financial management) functions from World Vision to the local communities.

## 2.2. National government responsibilities

**Designing the national REDD+ strategy.** National strategies can help to define the roles and responsibilities of various actors, including different ministries/agencies within the government, as well as local government, civil society, and the role of pilot projects. REDD+ strategies should include the identification of drivers, both local and national, and solutions for tackling them. Several specific elements of REDD+ strategies are elaborated below, additional ones mentioned during the workshop include:

- Creating an enabling environment for achieving REDD+, including promotion of private sector engagement;
- Enhancing knowledge and technical capacity of local governments and communities involved in pilot projects;
- Protecting the interests of local and marginalized people;
- Ensuring consistent information and communication about REDD+ across stakeholders and vertically on different levels;
- Participating in international climate negotiations.

**Providing legal and policy frameworks for implementation.** In order to achieve large-scale systemic reforms to effectively reduce deforestation and forest degradation, national level interventions are



essential. Legal and policy frameworks can provide and help to frame such actions. Such frameworks, however, will need to be integrated with existing laws, policies and development strategies of the country. Several specific examples discussed during the workshop include:

- Tenure reform; it was noted that project-level interventions to address tenure encounter substantial obstacles if they do not have national backing;
- Spatial planning, which is often required at multiple scales including landscape, regional, and sometimes even at a trans-boundary level;
- An approach to handling carbon rights, particularly at the demonstration phase, and how such rights might be integrated into a future national accounting system;
- Fiscal incentives, for example the Ethiopian Government exempted cooperatives from income tax which supported the Humbo project;

**Creating standards/norms for REDD+ activities.** Such standards could include social and environmental safeguards (e.g. SESA, ESMF<sup>2</sup>), methodologies for estimating and reporting emissions (e.g. MRV<sup>3</sup> and other inventory-related systems), or other technical issues (e.g. methodological requirements, options, and approval processes for the development of reference levels).

- Indonesia has released a national document titled “Guidance for Demonstration Activities in Indonesia” and the Indonesia Ministry of Forestry has developed national standards for carbon accounting, such as standards for ground-based measurement and estimation of carbon stocks (e.g. allometric equations, guidance for field measurement) and methodologies for building reference levels. The Indonesia REDD+ Task Force is also developing, in a participatory way (with civil society, local governments, indigenous peoples, etc.), a framework for safeguards, called “PRISAI”, which has 10 principles each with criteria and indicators.
- The DRC is currently considering how to “nest” projects into a jurisdictional program. Initial ideas on how to ensure consistency include: using similar sources of data to the extent possible, ensuring transfer and consolidation of information among various levels, and “framing” at the national level methodologies for data collection, reference level construction, and MRV.
- Given the number of REDD+ projects in Madagascar’s eastern humid forests, the country, through its national REDD Technical Committee, decided to establish an eco-regional reference emissions level for the whole ecosystem. This scenario will be established by a consortium including all project developers in the region. Once established, the government will formally request projects to adopt that scenario, resulting in a coherent approach to all projects in the region, and could be the first piece of a national REL for the country.
- The Government of Ghana has established guidance for REDD+ demonstration projects. The Government initiated a call for proposals for REDD+ pilots and a selection committee shortlisted projects based on established criteria. Seven pilots have been selected to serve as demonstration activities. Up front financing for the projects, however, is posing a challenge for implementation.

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<sup>2</sup> Strategic Environmental and Social Assessments are prepared by countries in the FCPF Readiness Fund, which includes development of an Environmental and Social Management Framework.

<sup>3</sup> MRV is a term used within the UNFCCC to denote “measurement, reporting and verification”.

**Monitoring overall REDD activities.** This includes responsibility for the national forest monitoring system and national GHG inventory and National Communication as required by the UNFCCC. Such monitoring could also include creation of a registry system (which provided certification or authorization of nested projects or programs), providing a reporting mechanism for pilot projects and/or any local monitoring of carbon, the monitoring of safeguards and co-benefits, etc.

- The DRC is developing systems to monitor: (i) the implementation of REDD+ activities, (project monitoring & evaluation and information on safeguards); and (ii) forest carbon through a Monitoring, Reporting and Verification (MRV) system. Three complementary tools are under development:
  - a. The National Forest Monitoring System is designed to generate and share statistics and location of deforestation and to record forest carbon emissions and removals. Already partially up and running, it will gather data from the satellite land monitoring system (TerraCongo), the national forest inventory and the greenhouse gas inventory, and will be linked to the National REDD+ Registry.
  - b. A National REDD+ Registry aims to centralize and sharing information on funding flows and implementation of REDD+ (including generation of carbon credits). It will allow the supervision of REDD+ projects and initiatives and be the key tool in the approval procedure for REDD+ projects and other REDD+ investments to ensure eligibility criteria and social and environmental safeguards standards are met.
  - c. “Moabi” is an independent and complementary tool which will allow, through a network of international, national and local partners, whether institutional or from the civil society : (i) the independent monitoring of REDD+ implementation (verification of data from the national REDD+ registry) and illegal activities; and (ii) the collection and consolidation of information on drivers of deforestation.
- In response to the UNFCCC decision that requests countries to provide information on how safeguards are being addressed, the Ministry of Forestry has coordinated a multistakeholder process to develop a system for providing information on safeguards in REDD+ implementation.
- Monitoring of REDD+ activities in a country may also include helping local communities to negotiate terms with project developers. Particularly where capacity is low, or there is a poor understanding of REDD+ at the local level, the national government can seek to ensure that the interests of such communities are fairly treated by project proponents.

**Promoting broad sectoral coordination.** Project case studies show that REDD+ approaches cannot be confined to the forestry sector alone. Government can work on policies and strategies that are cross-sectoral, and will need to understand impacts of actions that affect multiple sectors. To successfully implement REDD+, institutions may have to take on new or expanded roles or find new ways of collaborating across sectors, stakeholder groups and levels of government to design programs, ensure policies are coherent, and to link reporting mechanisms across scales. This also means integrating national development planning, budgeting and regulation across sectors.

- Ethiopia’s Sustainable Land Management Program is a cross-sectoral approach that recognizes that land degradation in the country is a multi-dimensional problem that requires coordination among various stakeholders and government agencies. It is supported by the Ethiopian Strategic Investment Framework developed with Ministry of Agriculture, which coordinates efforts, harmonizes approaches, and provides alignment across various agencies.

**Promoting coordination more broadly, including creating vertical linkages from the national to local levels.** In the early stages of developing national REDD+ frameworks, prior to creating a more formal regulatory structure, this could simply mean enhancing and channeling information exchange among local, national, and international levels—for example, creating space for pilots to exchange ideas among themselves and/or with the national government (e.g. conducting consultations between project developers and government officials involved in national “REDD+ readiness”). The national government can also help stakeholders create a common understanding of ‘where we are’ before making decisions on ‘where we can go’ or ‘how to get there’. Such communication will assist the development of a future REDD+ framework with broad ownership by multiple constituents.

- In Tanzania, the process of developing a national REDD+ strategy and coordinating all activities related to REDD+ is led by a National REDD Task Force. The Task Force is supported by the Institute of Resource Assessment of the University of Dar Es Salaam and five Technical Working Groups (TWGs) to assist in gathering data and information for the development of the National REDD+ Strategy and Draft Action Plan. *The TWGs work at both the national and sub-national level and channel information from local stakeholders active in REDD+ planning at the local level.* Furthermore, there are plans to establish a REDD+ Trust Fund whose role will be to consolidate and distribute REDD+ funds to different stakeholders at the national and sub-national level. At the sub-national level the Regional Administrative Secretariat serves as a link between Ministries and the Task Force and District Councils. At the district and municipal level, Environmental Committees and Natural Resource Offices, established under the 2004 Environmental Management Act, will coordinate activities.

**Helping to secure funding for REDD+ activities, including pilots at the subnational or project level.** National governments often have higher visibility and access to funding instruments and organizations, including donor governments, multilateral institutions and other international organizations.

- For example, the DRC Ministry of Environment has helped the EcoMakala project – an official pilot under the national readiness process – to secure funding for the project from the African Development Bank.

### 3. Opportunity: How pilot projects can inform national frameworks

Initiatives to address deforestation and degradation in the past have generated mixed results. Therefore, participants agreed that REDD+ should learn and build from previous and ongoing experiences, particularly those occurring within the country themselves and those with proven success. Specific ways in which participants agreed that pilot projects can inform national REDD+ strategies included:

**Providing lessons on how to tackle drivers of deforestation.** This includes what types of incentives can change behavior, land management strategies beyond the forest sector, and ways to provide alternative livelihoods. For example:

- The Sustainable Land Management Program (SLMP) in Ethiopia has demonstrated increases in agricultural productivity, improved household sustainable practices at the homestead and



farmland level, increased “greenness” of the landscape, and increased knowledge of best management practices.

- The EcoMakala project has demonstrated how to provide a sustainable source of energy for the local population of Goma, reduce rural poverty and provide protection for Virunga National Park. Working in a challenging, post-conflict environment, the project has been able to reforest thousands of hectares using a simple results-based system (based on hectares reforested, an example of a “carbon proxy”) and has shown how incentive payments to local communities *based on ex-post results* (versus guaranteed ex-ante assistance) can be an effective tool for forest protection.

**Knowledge of transaction costs.** Opportunity cost, used in many global analyses of the potential of forests to mitigate climate change, often do not accurately reflect the actual costs of successfully changing practices at the local level. Pilot projects can provide this information, including detail on economic models that work, knowledge of initial investment costs, and other needs—such as what enables private sector investment. Such information can also provide information about the costs to local communities of forest protection, and what is needed (for example, in terms of payments for environmental services, or alternative livelihoods) to offset such losses.

- The Humbo project in Ethiopia required seed funding to comply with complex CDM criteria. A Japanese company helped to pay for the initial costs (of developing a Project Document, etc.). However, while initial costs were high, over time the costs reduced dramatically particularly with the use of community monitoring. It was noted that the project “tipped the balance” – and now of communities see it in their interest to maintain the landscape.
- For its Project Document (PDD), the Ankeniheny-Zahamena Corridor carbon project developed an economic model showing its management cost over the life of the project, based on past activities’ costs, investments and future projections. Through this, there is increased understanding of the costs of promoting community-based activities targeted at reducing deforestation, such as the promotion of revenue-generating activities, intensification of agriculture and forest patrolling led by communities. There is also information on the costs of the enforcement activities by the national government, including government surveillance of the area and law enforcement. Finally, there is knowledge of costs related to validating, monitoring and verifying carbon credits. Such information could be a reference for scaling up similar community management programs in the country.
- In Indonesia, many of the ongoing projects are generating data on how to address main drivers of deforestation. For example, the Kalimantan Forest Carbon Partnership Project is testing and providing data on the rewetting of peatlands to avoid peat fires.

**Building confidence in, and informing, the sustainability of actions.** Local experiences and success at tackling the drivers of deforestation can provide knowledge of what works and, in particular, what is likely to result in longer-term success and permanent changes to rates of deforestation. Proven success is also critical to encouraging additional investments and willingness to scale up.

- According to the Deputy Director of Oromia Forest and Wildlife Enterprises, the “experience with participatory forest management (PFM) gives us confidence that it is possible to protect the forest through community management”. PFM started in Ethiopia with the support of NGOs

such as Farm Africa and SOS Sahel as early as 1999, and in the Bale mountain region 12 years ago and currently covers 744,000 hectares of forest managed by 192 forest management cooperatives. This long-standing experience provides a strong foundation upon which a REDD+ project is now being launched in the Bale ecoregion.

- Long-term investment in social capital is a critical component of success. This “intergenerational” investment in the landscape has been a key to success in the Kasigau Corridor REDD+ project. The project proponent, Wildlife Works, was working in the landscape for more than 10 years before initiation of the REDD+ activities. This social capital investment has been a key factor in the success as the proponent was able to “bank on” the established trust incurred during the years leading up to the project.

Additional areas in which participants noted a role for projects include:

- Providing transparency on delivery of benefits, particularly where there is mistrust of government authorities in relation to the use and disbursement of money;
- Identifying key capacity gaps, through on the ground experience;
- Providing lessons on managing leakage;
- Identifying needs related to creating an enabling environment for the private sector.

## 4. Remaining challenges

While there have been successes with pilot projects, many are still in the early stages and facing a number of challenges. Similarly, national governments face difficulties managing multiple activities and different scales within the country. Several challenges highlighted during the workshop are summarized below.

**Operating in an uncertain environment.** A lack of clarity at the international and national level can make decision making difficult for both project developers and national governments. These uncertainties include:

- **Lack of clarity on a future international REDD+ mechanism.** Details of how a future mechanism might operate, what the rules for eligibility might be, and what funding will be available remains an ongoing challenge.
- **Whether a country will have a national-level crediting system.** Projects and/or subnational programs often proceed without knowing how emission reductions that have been achieved might fit within a future national system, how nesting might occur and whether they will meet future national requirements.
- **Unclear carbon rights and benefit sharing.** Most countries, including those represented at the workshop, have not yet provided a clear legal basis for carbon rights, nor guidance to pilot projects and programs on benefit sharing.

**Need for predictable funds and “patient capital”.** The current lack of market demand for REDD+ emission reductions, and unknown future demand, has stymied many pilot projects that could provide useful inputs into a national process. In addition, for project developers, particularly where efforts to

create value beyond carbon, for example new non-timber forest products (requiring capital stock) or agricultural products (requiring time for new planting), the return on investment may take years and often available capital is at prohibitively high rates and short time horizons.

- In Ghana, a pilot that hopes to generate income from non-timber forest products (such as essential oils) and an ecotourism site, as well as create a learning center to allow scaling up through outgrower schemes, is currently hampered by a lack of available capital—particularly at reasonable rates for longer time horizons (e.g. when it may take 7 to 10 years to see returns). Local banks currently only lend for one year at a time at rates as high as 5% per month. An important factor to consider, however, when it comes to the distribution of revenue, is governance and transparency. Some communities have been reluctant to engage with community development projects given their mistrust for village government authorities in relation to the use of money.

**Capacity building at both the local and national level remains a significant gap.** A common refrain during the workshop was the need for capacity building at all levels. This includes a range of needs from training for outreach to communities to research on the feasibility of non-forest products. The linkage to national research institutions was also noted as an area in need of strengthening.

**Slow fund disbursement.** Access to funds from multilateral instruments sometimes requires multiple hurdles that slow disbursement. In addition, the creation of national funding systems has been slow (although are underway in several countries). Project scale funding, particularly bilateral project funding and in some cases voluntary market funding for projects, has proven to be more agile.

- The Amazon Fund (Brazil) is one of the few national funding systems that is operational. It currently has up to \$700 million in committed finance of which \$220 million (for 35 projects) has been approved and \$74 million has been disbursed.
- The FCPF has also had a slow disbursement rate of REDD+ Readiness funds, for reasons including complex fiduciary policies, lack of experience in recipient countries with financial management and procurement protocols, high turnover of staff within REDD+ focal agencies, and the sheer nature of readiness activities (e.g. analytical studies and workshops which are slow disbursement activities, as opposed to physical investments on the ground).

**Knowledge from the ground is not being consistently collected, analyzed and transformed into policy at the national level.** The link between activities at the local scale and how that can inform and provide guidance for policies at the national level is largely not done in a systematic way in countries.



## 5. Conclusions

In the final session of the workshop, a number of reflections were provided on the overall discussions and are summarized below.

**Linking pilots to national processes: challenge or opportunity?** While the discussions appeared to suggest there are currently more challenges than opportunities in implementing REDD+ at multiple levels, one participant reminded the group that opportunities are inherently embedded in the challenges highlighted—and this should not be forgotten. For REDD+ to be successful, a paradigm shift needs to occur in approaches to management of resources that are more holistic, not just across sectors but that also requires cooperation among multiple actors at various levels (project to national).

**REDD cannot be implemented by the private sector, government, or civil society alone.** Most found the elaboration of roles and responsibilities of different actors—including national government, local governments, private sector, civil society—useful, while also stressing the importance of not just defining roles, but coordinating among all groups. Pilots may be more agile in testing diversified approaches, but still need the cooperation from national government to do so.

**Better communication is needed.** This applies to a variety of levels, including within national policy processes, consistent messaging at the national and subnational level, as well as bottom up communication to inform subnational and national processes. Most agreed that the dialogue at the workshop was timely, important and would be useful to convene such discussions more frequently, both in a regional setting, but also domestically within REDD countries among key constituents. Learning from one's own country and what is being implemented was noted as particularly important. Engaging national research institutions was also mentioned.

**Projects can serve as reality check for what is feasible.** Local REDD+ programs can test the practical aspects of actions and find simplified approaches for effective implementation. Successful pilots will also help to translate actions into policies. In addition, pilot projects are critical for demonstrating to local constituencies that REDD+ is real, and goes beyond REDD+ Readiness activities (studies, analysis, consultations, etc.).

That said, **the international trend is currently towards jurisdictional programs.** Most countries—including Indonesia, Brazil and Ethiopia—are moving in the direction of large-scale pilots that focus on administrative units or eco-regions, at an economy of scale that helps to manage transaction costs and leverages the ability of governments (whether national or subnational) to develop policies and measures to support REDD+ outcomes.

**The private sector can play a key role.** Better convergence between policy makers and the private sector is required. There is a strong need for economic models that work and are sustainable. The private sector can help to inform such models. Private sector land initiatives can also act side by side with community land initiatives, and serve as the “anchor” project, engaging nearby communities, for example in outgrower schemes. The private sector can also provide not only market access but also technical expertise.

**There is a need to both inform, and be informed by, international negotiations.** There is a challenge for REDD+ to find convergence between the emerging global framework with realities on the ground.

For example, nationally countries are striving to keep things simple and practical. Some minimum level of national guidance is needed for projects to operate with consistency. To meet international obligations, however, more stringent regulations are being designed, and will likely be required to ensure environmental integrity. Middle ground where the two strike a balance will determine the future effectiveness of REDD and its success.

Finally, it was noted that while everyone hopes for implementation at scale, **transformational change takes time, and is measured in years not months**. It is important for all stakeholders, including donors, to recognize this and set and manage expectations accordingly—including a willingness to make long-term commitments to REDD+ programs, and consider long-term strategies (e.g. tax incentives, strengthening legal frameworks, making institutional changes, enabling long-term investments).

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