



Forest Carbon Partnership Facility

2a. Lessons Learned from R-PPs: Advancing the Sustainability of REDD+ Strategies

Continuing the PC9 TAP Discussion

[EARLY ROUGH DRAFT OF PRESENTATION]

Tenth Meeting of the Participants Committee (PC10)

Berlin, Germany

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Finding the Storyline . . .



- **Humans communicate via stories: How the hunting party found the bison herd; The new challenges just ahead.**
- **We try to find the country storyline of how REDD+ might be sustainable over time and against competing pressures:**
- **What is starting to work, and what needs more effort . . . To begin to integrate REDD+ into development?**

Oslo PC Meeting Discussion re Sustainability of REDD+

- TAP presentation at PC9 in Oslo sparked debate: How can countries design REDD+ to be effective, lasting, and transformational?
- Institutions which do not exercise much budgetary or political clout are being expected to lead major changes in rural development, which can be challenging
- Cross-sector cooperation can be a stumbling block for R-PP implementation, since vested economic & political interests can frustrate REDD+ programs
- Country capacity constraints to advance REDD+ are significant
- Land tenure and carbon ownership need analysis and action plans.

Endogenous REDD ... and Exogenous REDD

Thesis of This Presentation:

- *REDD+ is likely to be about finding new ways to help resolve the relationship between:*
- *Lands, socioeconomic variables, and policies that agencies and communities in the forest sector traditionally manage (“**endogenous REDD**”)*
- *And the lands and policies in other sectors they do not manage, but that drive deforestation and REDD implementation (**exogenous REDD**).*

Presentation Built Around Two Themes

- **Theme 1: The Drivers of Land Use Change Drive REDD+**
- **Theme 2: Designing REDD programs to improve the probability of the eventual sustainability of REDD+**

Theme 1: The Drivers of Land Use Change Drive REDD+

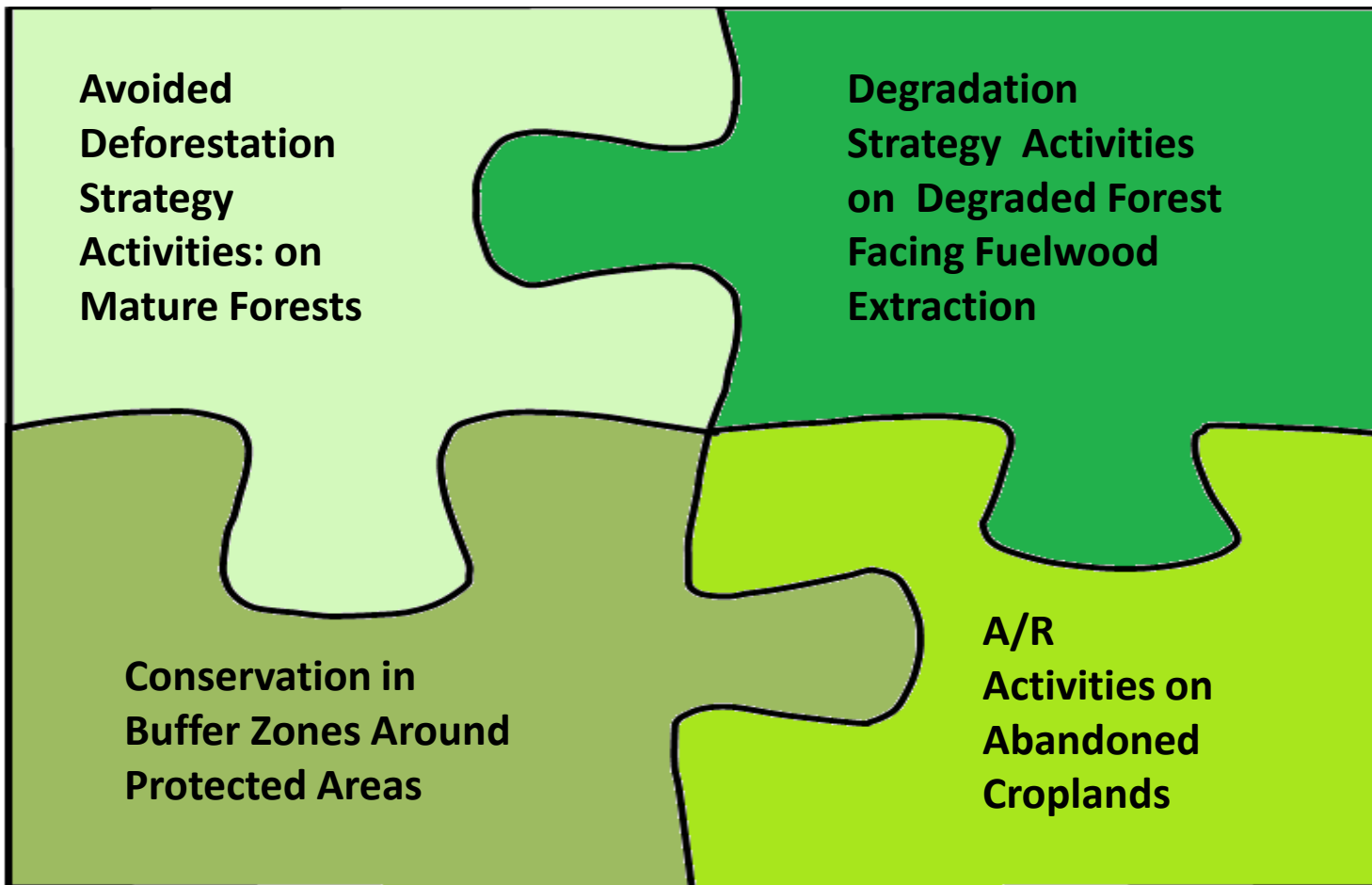
- **Simply put: Drivers of deforestation, degradation and enhancement or conservation of carbon stocks drive the REDD+ process**
- **Land user behavior often follows their land use and resource extraction patterns, and economic interests**
- **Thus, REDD strategy needs to:**
 - **Include most major drivers of deforestation**
 - **Be designed to influence behavior of the various drivers of deforestation**
- **The REDD Implementation Framework needs to begin to address regulations, improved clarity about ownership of carbon, land tenure and rights pertinent to REDD+**
- **The MRV system design needs to be capable of measuring changes in the drivers critical to the reference level, and how lands and governance change with the introduction of the REDD strategy**

Institutional Arrangements Need to Follow the Drivers of Deforestation and Other Lands Uses

- Countries' R-PPs largely describe how they are currently organized to address forest sector management. . .
- While they detail the drivers of deforestation often outside of their control.
- Exogenous drivers include: gold mining, (e.g., Guyana, DRC); commodity crop expansion for soy or oil palm or biofuels (e.g., Indonesia, Ghana, Panama); logging or hydro or energy transmission concessions (e.g., Cambodia, CAR); infrastructure extension; and immigration
- Thus, institutional arrangements reported in component 1a often do not directly match the drivers.
- Failure to address a driver will result if the agency or stakeholders of a non-forest driver are not represented in the organizational chart and day-to-day functioning of REDD strategy.

R-PPs Tend to Focus on Forest Sector Lands and Programs . Now REDD Management & Strategy Need to Expand to Key Lands

Will REDD+ require wall-to-wall planning for the land base? Or can a country select only deforestation, or only D + D?, and not address all 5 REDD+ activities? Can REDD strategy succeed if they only address a few?



Theme 2: Designing REDD programs to improve the eventual sustainability of REDD+

- We have not asked countries to address sustainable development (SD) directly.
- But implementation of REDD and its sustainability over time is likely to depend on true integration of REDD into SD sector plans, and local carbon development plans.
- Development faces many challenges, and sees only modest successes.
- Potential Approach to Address Issue: How to find lessons learned & promising approaches discovered for other purposes . . . and rapidly adapt them for the context and key issues of REDD+ . . . While fortifying generally weak institutions?

Using the 4 Pillars of Sustainable Development to Assess the Sustainability of REDD+ Proposals

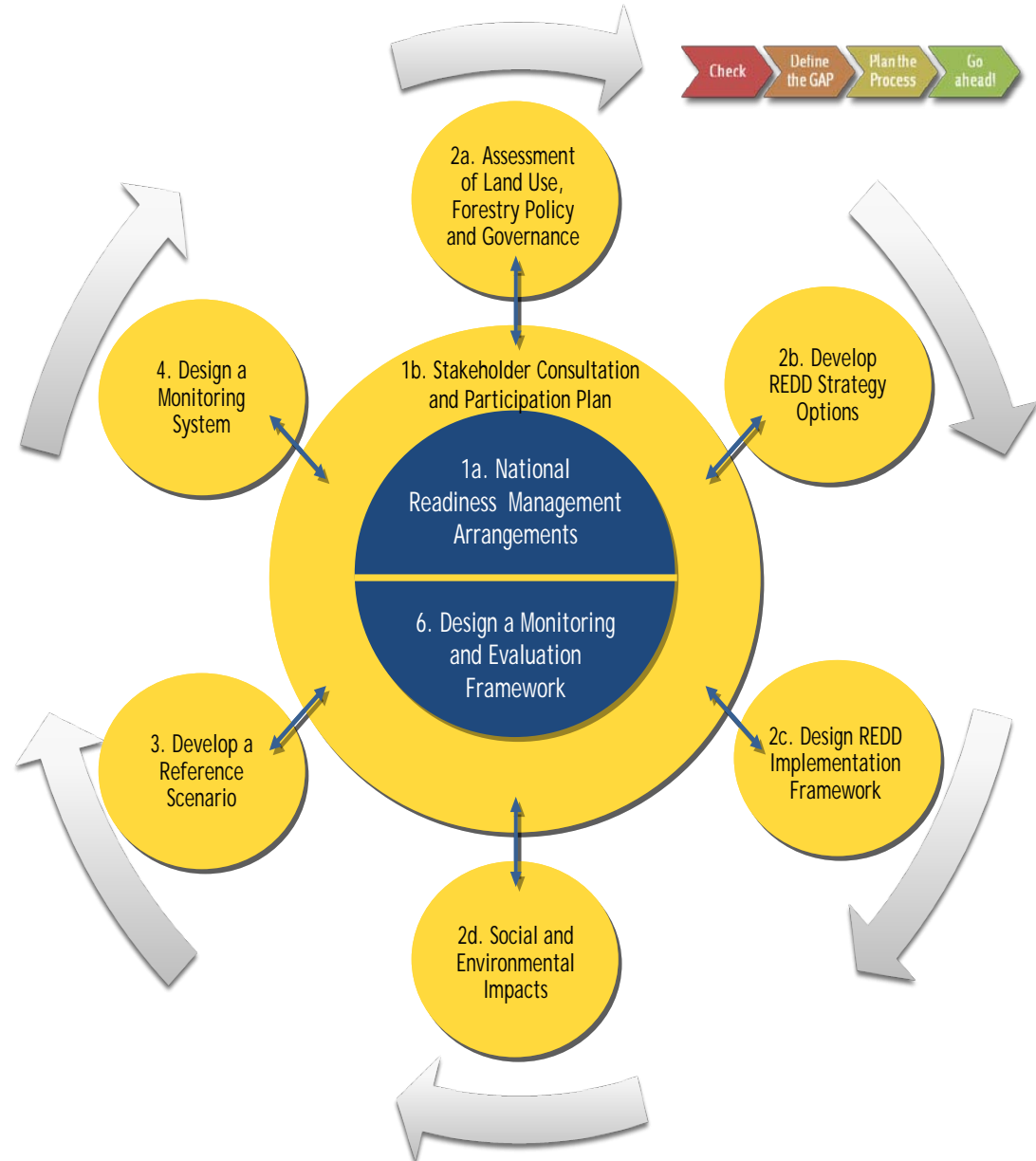
4 Pillars:

Institutional

Social

Economic

Environmental



Institutional Arrangements: (1) Essential Features for the Design and Implementation of Successful REDD+ Programs

- **Institutions which do not exercise much budgetary or political clout are being expected to lead major changes in rural development**
- **Thus, REDD+ dedicated cells are only a start.**
- **Potential Approach: Need high-level, cross-ministry real coordination to make tough policy decision trade-offs.**
- **E.g.: DRC high-level event this October brought major ministers together to compare views on REDD+**

Institutional Arrangements: (2) Engaging Institutions Whose Activities are Responsible for Deforestation

- **Countries' R-PPs have largely describe loose coordination with a few non-forest sector institutions in their national readiness arrangements.**
- **Past experience in the effectiveness of the participation of such multi-ministry organizations is not clear from the R-PPs.**
- **E.g.,: Would an agricultural ministry agree to not provide tax benefits for biofuels production? Would it eliminate an existing benefit?**
- **Would an energy ministry adjust its location of hydro dam to reduce devegetation emissions ?**
- **Potential Approach: Countries need to provide convincing evidence, or undertake early pilot activities, to show that actual coordination is feasible and effective. Or, that something new is being tried.**

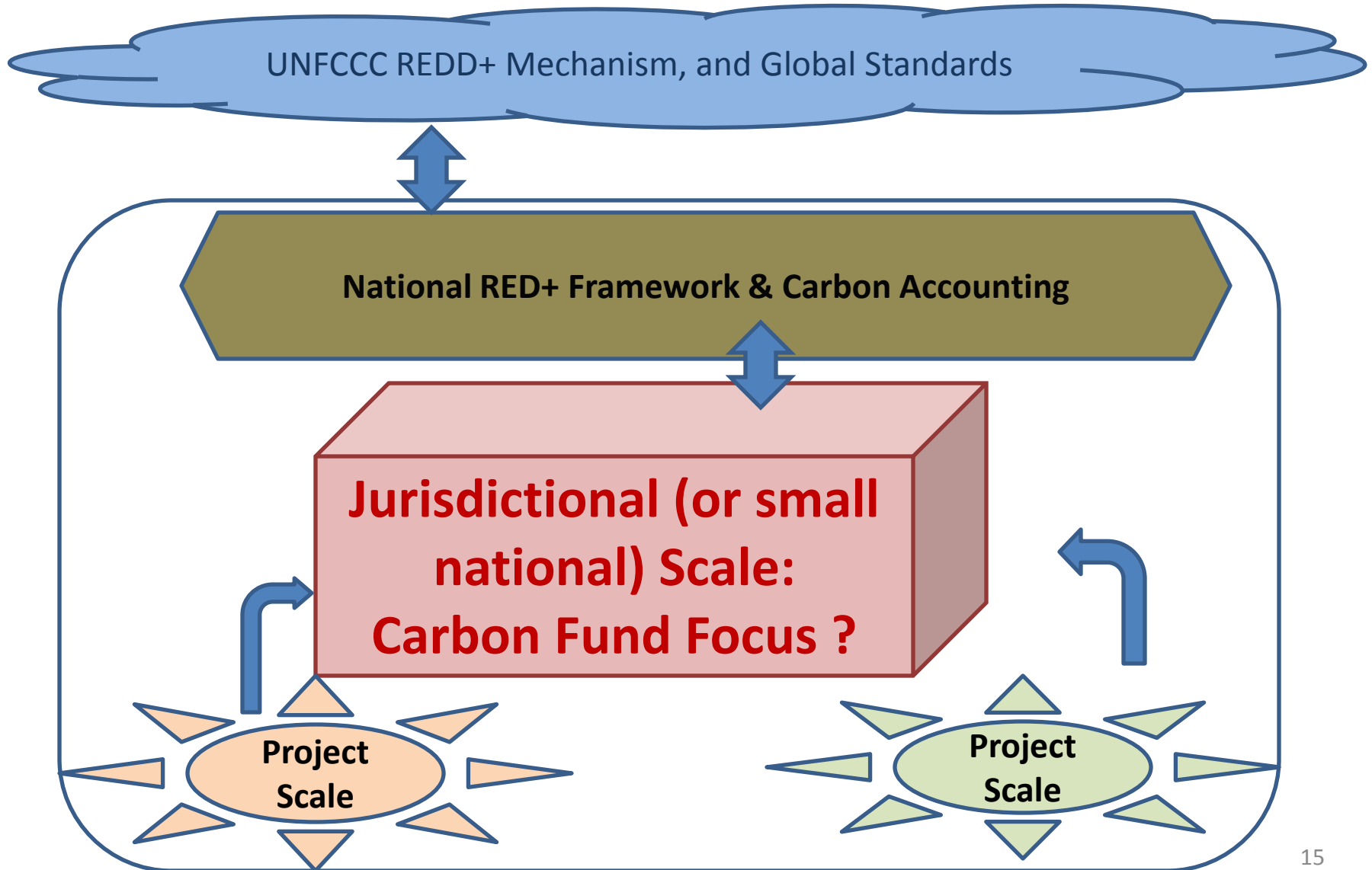
Institutional and Social Arrangements: (3) Land Tenure and Carbon Ownership Issues Need Strategic, Accelerated Attention

- Most countries' R-PPs do not produce strong analyses of the links between governance, law enforcement; and the causes of deforestation. E.g., excisions from the forest estate; and perverse policies which can lead to forest loss.
- Some countries, e.g., Mexico, have well-defined land tenure systems; many other countries don't. How will REDD+ program be affected in such countries?
- E.g., Indonesia's President just made major commitments to advance resolution of land tenure issues in a speech in a Governor's Task Force meeting in Kalimantan.
- Potential Approach: Countries need early strategic assessment of land and tree tenure and rights concerns, to develop work plan to advance high-priority activities (for a decades-long issue)

What is the Most Effective Scale in a Country To Focus REDD+ Management?

- Countries largely began with national focus . . . But may need to evaluate the appropriate scale for institutions and actions to be successful.
- Jurisdictional-scale REDD+ is emerging as a compromise between a high level of political authority and capacity, and the ability to effect change on the ground.
- E.g.: Governors Task Force focus on states like Acre in Brazil, Chiapas in Mexico
- E.g., VCS jurisdictional REDD+ methodology in development
- Potential Approach: Conduct serious assessment of the right scale for early action – tho it may mean shifts in power and funding

Potential Carbon Fund Scale: Midway Between National and Project?



Institutional Arrangements (4):

Capacity Building for REDD+ is Underrepresented in the R-PPS to Date

- **Capacity needs are hinted at throughout R-PPs, but are seldom formally funded or listed in work plans.**
- **Components 3 (RLs) and 4 (MRV) usually are developed by foreign experts, and require significant country capacity to be built – often not addressed**
- **E.g.: DRC & soon Rep. of Congo have created a REDD University to train hundreds of stakeholders in REDD concepts and methods**
- **Potential Approach: Comprehensive capacity building programs are needed in each country. Work plans should be included in R-PPs, or during the R-PP implementation process**

Environmental Pillar: (1) Envir. Evaluations are Essential for Ensuring Success of REDD Programs

- R-PP includes Component 2d for due diligence for social and strategic environmental impacts assessment. Most R-PPs refer to using the World Bank's SESA program for this assessment.
- However, TAP reviews suggest many participating countries are hampered by the general weakness of land-use planning -- which would have created the framework against which future impacts could be assessed.
- Potential Approach: R-PP implementation needs to build capacity to train and implement SESA and ESMF – and not just list them.

Environmental Pillar: (2) Evaluations are Essential for Ensuring Success of REDD Programs

- **R-PP includes Component 4a and 4b to address environmental monitoring systems and multiple benefits, impacts and related governance issues.**
- **The multiple environmental benefits can include items such as biodiversity conservation, watershed protection, soil protection. These are positive for a REDD program but can be negative for a REDD+ afforestation and reforestation program.**
- **Most R-PPs have focused extensively on the carbon MRV component and asked for a large share of the funding. But the monitoring of non-carbon variables is generally not very well developed. Most RPPs have no clear methodologies for monitoring the impacts of policy and governance changes, biodiversity and socio-economic benefits**
- **Similarly, the coverage of R-PP MRVs lacks focus on the drivers of deforestation and degradation.**
- **Potential Approach:**

Budget Requests Need to Align with REDD+ Strategy Requirements and Current Capacity Gaps – But Don't Yet

- **R-PP budgets devote extensive funding to 1a, institutional arrangements**
- **Why so much funding devoted to MRV?**
- **Pilot projects often listed as large % of budget, with little detail. Is this to move funds to the subregions now, to show funding is possible for REDD?**
- **Capacity building is often poorly funded.**

R-PP Budget Analysis Could Be Illuminating

Component	1 st 5 R-PPs	Middle 5 R-PPs	Recent 5 R-PPs
1a			
1b+1c			
2			
3			
4			

Economic Pillar: Costs and Benefits are Critical for Ensuring REDD+ Support to Affected Communities (*Social*)

- Application of market-based instruments (e.g., concept of PES) has been addressed in some countries (e.g., Vietnam, Mexico, Costa Rica).
- Vietnam also proposed defining and costing low emission development strategies in the context of REDD, and an assessment of costs and benefits of alternative National REDD+ Programme options.
- Liberia R-PP has a good table on the costs and benefits of different strategic options (see next slide, which tries to create a rational economic framework for strategy selection; it is an example of an approach, not a factual statement about the figures)
- Example of assessment approach (e.g., Ethiopia)
- Potential Approach:

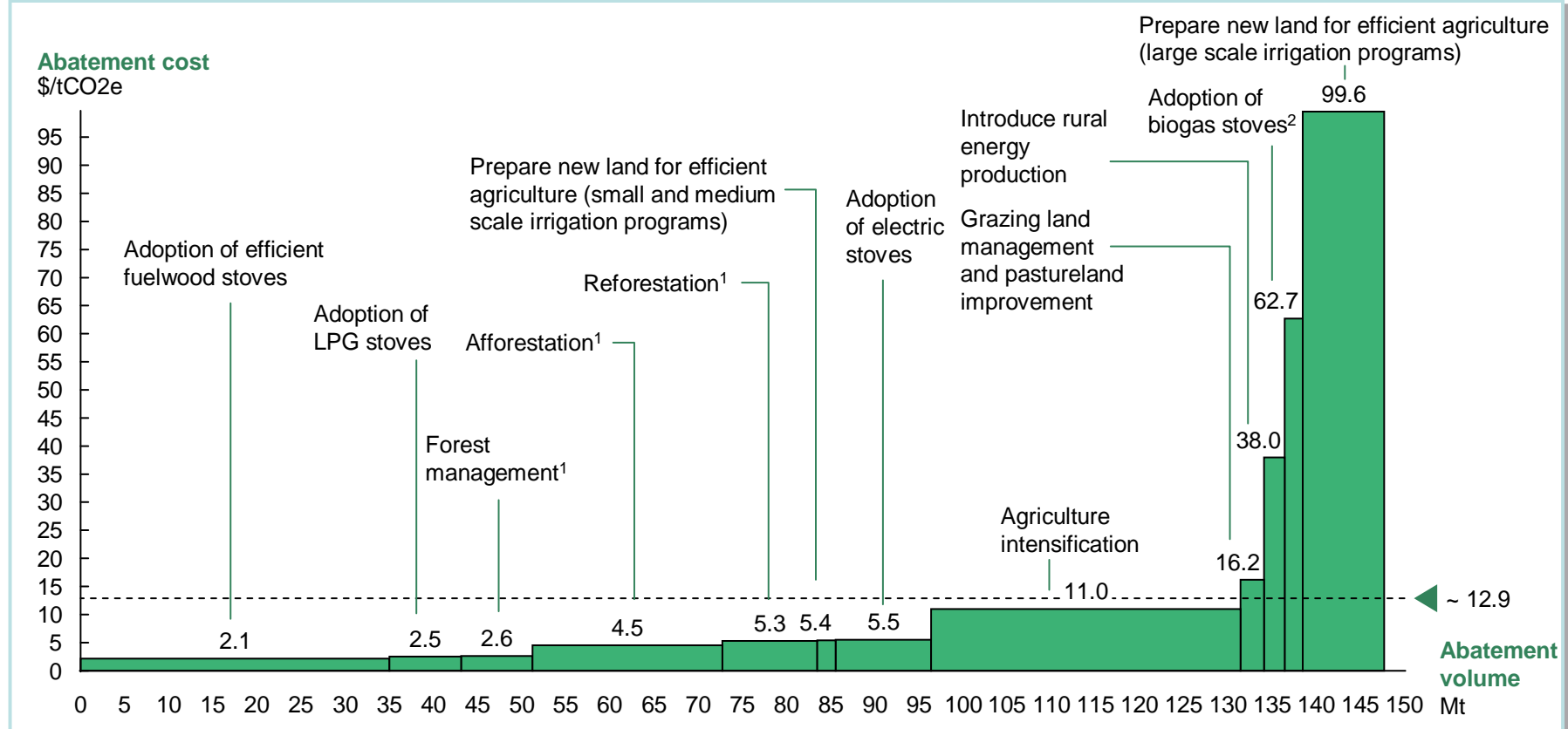
LIBERIA: SUMMARY OF ESTIMATED COSTS (\$) AND EXPECTED BENEFITS (TONNES CO2) AND BREAKEVEN PRICE OF CO2 PER TONNE TO COMPENSATE COSTS OF FOREGONE OPPORTUNITIES

FORESTRY SECTOR	Costs (\$ /yr)	CO2 reductions (t/yr)	Breakeven CO2 price (US\$/t CO2)
1) Raising commercial logging standards over total area of 2.3 Mha;	Cost effective (zero incremental cost)	1.47Mt (at 0.64 t/ha/yr)	Any price
2) Reducing area footprint of commercial logging			
(i) To 1.6 Mha ;	\$36.33M value added and \$17.29M tax revenues	1.85Mt	\$9.35 (taxes only); \$28.99 (taxes +value-added)
(ii) To 1.0 Mha ;	\$67.47M value added and \$32.11M tax revenues	3.43Mt	\$9.38 (taxes only); \$29.05 (taxes +value-added)
3) Regulating and managing chainsaw logging	Cost effective (zero incremental cost)	3.0Mt (33% increase in recovery rates)	Any price
4) Integrating of Conservation and Protected Areas into REDD and acceleration of the timeline for extra 0.894Mha)	\$2.23M protection costs (at \$2.38/ha/yr)	1.77Mt (at reduced deforestation rate by 0.375% and base level 527t/ha)	\$1.26
5) Enhancement of carbon sink in degraded forest areas (category 3.2) over an assumed area of 0.894Mha)	\$2.23M protection costs (at \$2.38/ha/yr)	0.88Mt (enhancement at annual rate of 0.375% from degraded level of 50% of base level 527t/ha)	\$2.53

Ethiopia: Example of quantifying REDD-plus Strategy Options, one of many aspects of the REDD+ strategy decisions

Overall, there is more than 145 Mt abatement potential in 2030 from strategy options in forestry

2030 technical abatement potential



Note: The curve presents an estimate of the maximum potential of all technical GHG abatement measures below for the selected levers if each measure was pursued aggressively, starting with the most affordable measures. It is not a forecast of what role different abatement measures and technologies will play. These are preliminary numbers, more precise figures can be determined once pilot projects are completed.

¹ Assuming A/R abatement potential comes from its usage as conservation areas. If the areas will be used for plantation forestry, further research/analysis is need to calculate the abatement potential

Linkage of R-PP to Satisfying SD Needs: Summary and Conclusions (1)

- **Current R-PP External Review Template asks how the four SD criteria are being addressed – institutional , social, economic and environmental Institutional:**
- **Request and responses to the R-PP template focus extensively on institutional issues, and to a lesser extent on the other three criteria.**
- **Among many institutional challenges, the most difficult one is engaging non-forest ministries and other institutions in coming up with regulations, laws, implementation schemes etc. for minimizing deforestation drivers.**
- **REDD+ legislation and regulations: each country will need both, but little work to date evident in R-PPs.**
- **Comprehensive capacity building programs are needed in each country. Work plans should be included in R-PPs, or during the R-PP implementation process**

Linkage of R-PP to Satisfying SD Needs: Summary and Conclusions

Social and Environmental:

- Social issues affected by lack of precision in land tenure boundaries and ownership are not well addressed in most R-PPs
- Social and environmental impacts are covered in the R-PP but countries are hampered in this by the general weakness of land-use planning, which would have created a framework for assessing future impacts.

Economic:

- A key constraint to sustainability of REDD+ is lack of a clear path to predictable funding for REDD+ implementation.
- Most proposals have very limited coverage of economic benefits and costs particularly whether and how local communities would be affected.
- Registry: important for transparent tracking of funds and carbon from REDD activities; but little work to date.

Thank you for your attention

