Linking Local REDD+ Experiences to National REDD+ Strategies

Jakarta, Indonesia
June 2 to 4, 2014

Contents

1. Introduction

In a FCPF / UN-REDD Country Needs Assessment, countries across Africa, Asia and Latin America 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 on interventions tackling deforestation, engaging stakeholders, improving livelihoods and testing benefit sharing mechanisms. Recognizing the significance of experiences from pilots, the FCPF decided to facilitate regional exchanges of experiences and lessons evolving from REDD+ pilots, and how such lessons can support countries in developing national REDD+ strategies.

The first workshop was held in Hawassa, Ethiopia in April 2013. A second, on which this report is based, was held in Jakarta, Indonesia on June 2 - 4, 2014 in collaboration with Indonesia's Ministry of Forestry. The meeting included a range of stakeholders from 11 REDD+ countries from Asia and Africa (Bhutan, Cambodia, Ethiopia, Fiji, Indonesia, Kenya, Lao PDR, Nepal, Papua New Guinea, Thailand, Zambia), including representatives from national and local governments, civil society, research organizations, and the private sector.

Presentations were provided by those involved on the ground in implementing pilot projects, as well as policymakers working on national level strategies. Discussion on projects focused on how each is tackling drivers of deforestation, linkages with national REDD+ processes, and the challenges and lessons learned from such projects. Presentations also 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.

Figure 1: National REDD+ frameworks and projects/ jurisdictional programs presented

National REDD+ framework presented	Local project or jurisdictional program **presented**
Cambodia	Oddar Meancheay
Ethiopia	Oromia State Bale Mountains REDD+ Project
Indonesia	Berau, East Kalimantan Sustainable Landscapes Partnership (3 districts in North Sumatera)
Kenya	Kasigau Corridor REDD+ Project
Nepal	ICIMOD REDD pilots in 3 watersheds (Ludikhola in Gorkha District, Charnawati in Dolakha District, and Kayar Khola in Chitwan District)
Vietnam	Lam Dong province
Zambia	Eastern province

In addition to presentation and discussions in Jakarta, participants visited the Center of International Forestry Research (CIFOR) and were presented recent research on REDD+ from a Global Comparative Study of 23 jurisdictions pursuing REDD+ in 14 countries. Participants had the opportunity to discuss with CIFOR the latest findings. Key discussion points from the presentations, discussions, and field trip during the 3-day workshop are also summarized in this report.

2. REDD+ Success at National and Local Levels

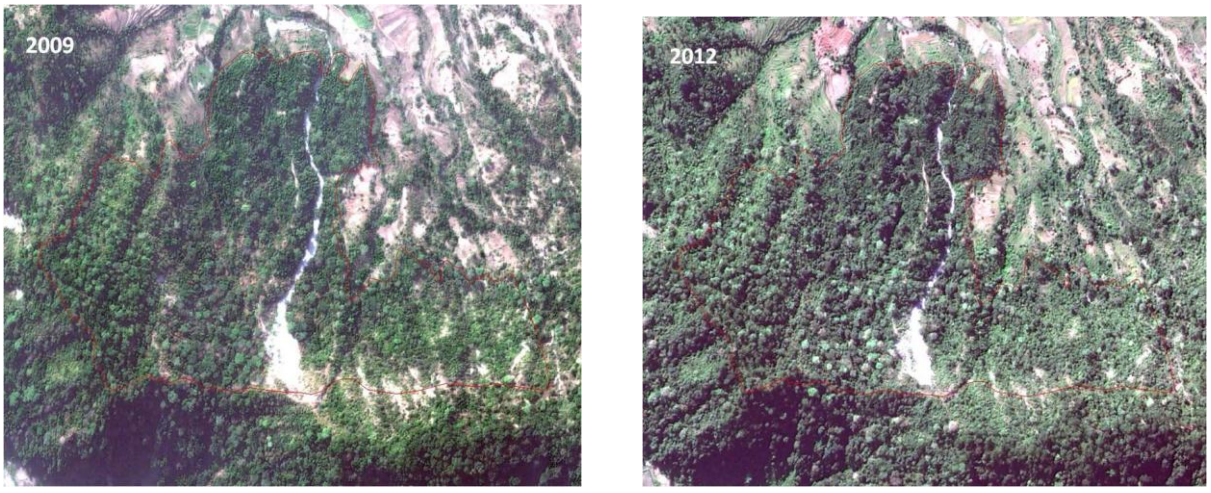
REDD+ is elevating standards for forest and land management at the national level. Presentations provided by seven countries on progress being made on national REDD+ strategies illustrated how, at the national level, REDD+ has elevated standards and provided a new lens for considering sustainable forest and land management. All the countries have gone through a process to identify and prioritize drivers of deforestation and forest degradation, and many have developed robust analytic studies to inform national strategies in other areas, for example analysis of legal and institutional frameworks to support REDD+, the value of co-benefits, and/or social and environmental strategic assessments (SESA).

Countries are also developing forest monitoring systems to measure, report and verify forest cover change and forest-related emissions (i.e. MRV systems), allowing a better understanding of forest dynamics, including over a historic period. These systems will also enable quantified benchmarks for success once reference (emissions) levels are established.

In addition, countries have created consultation mechanisms to involve stakeholders in policy processes and get early input in the design phase of REDD+ strategies. Furthermore, most countries are involving subnational (e.g. provincial, district, and down to village chiefs and traditional structures) governance units in REDD+ strategy design and implementation, creating vertical linkages from the national government to local level governing units.

Meanwhile, REDD+ demonstration activities at the local level have proven that REDD+ can work. For example, the presentation by ICIMOD (Nepal) of its 3 pilot REDD+ activities illustrated a measured enhancement of forest cover change and forest carbon stock in the past 3 years (see Figure 2). Wildlife Works' Kasigau Corridor project in Kenya has not only created verified carbon credits and sold them on the voluntary market, but also created hundreds of local jobs for community members.

Figure 2: Changes in forest cover in one of ICIMOD's REDD+ pilot projects

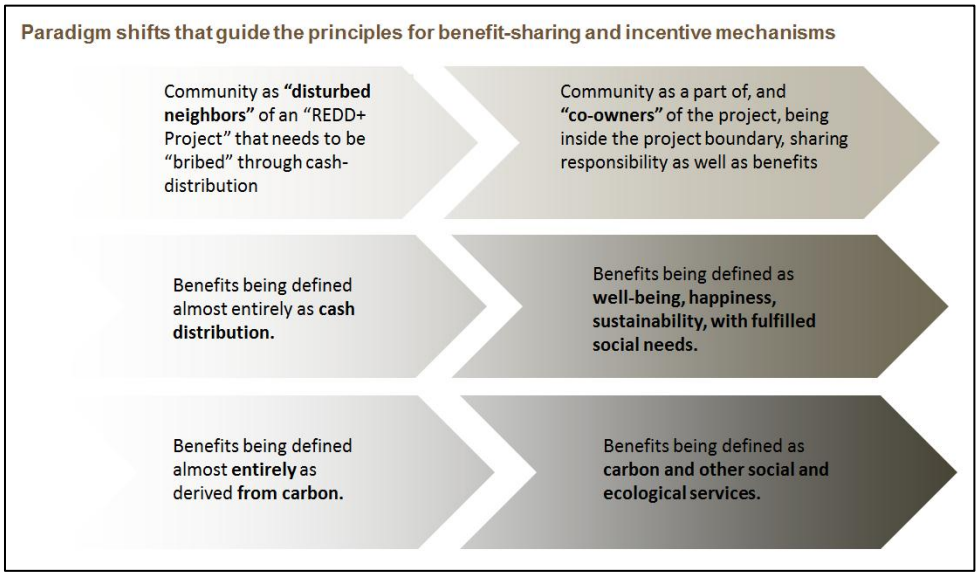


Source: Nepal (ICIMOD) presentation at workshop, *Linking local pilot initiatives to support national strategy development*, (June 2014)

3. Transforming the Concept of REDD+ Beyond Carbon

One common theme throughout the workshop was the shift in thinking about REDD+ from a pure carbon financing mechanism and cash payments to a means to achieve a broad set of benefits including well-being, sustainability, biodiversity, ecosystem services and livelihood improvements. One presenter suggested that, emission reductions themselves may be seen as the co-benefit, and the main benefit of REDD+ was improved livelihoods, enhancement of biodiversity and ecosystem services and overall land management. Indonesia's REDD+ Agency calls this a paradigm shift (see Figure 3).

Figure 3: Indonesia's REDD+ Agency's concept of REDD+ benefits



Source: Indonesia's presentation at workshop, *REDD+ Management Agency: Operational Strategy 2014-2015*, (June 2014)

The economics of REDD+. One reason why there is a need to shift from seeing REDD+ only through a carbon finance lens is because the economics of forest protection, in some circumstances are not advantageous according to recent CIFOR studies. One lesson from the many pilot projects in Indonesia is that low economic incentives are one of the key barriers to successful implementation. For example, the value of oil palm is around USD $200 per hectare per month. Therefore, other interventions will be needed and may be the primary means to reduce GHG emissions. ICIMOD suggested that awareness raising can make a difference—according to a survey of farmers in Nepal, preferences for Community Managed Forests with (or without) grazing land, mixed agriculture and infrastructure was different than calculations of the net present value of such options.

One breakout group discussed, and agreed, that REDD+ Strategies should move towards the ecosystem component and be broader than carbon. In particular, the value of water was discussed at length, i.e. the importance of taking care of upstream sources and filtration by forests to allow downstream use. Also discussed were the linkages to national priorities such as energy supply, water resources, tourism, agriculture and fisheries.

Finally, several participants agreed that even though consideration of other benefits was important and moving REDD+ beyond carbon was critical for success, countries should not forget about the potential of

forest-related actions to contribute to global mitigation efforts, and how the early incentives from REDD+ could go far in sustaining forest protection. Several countries noted how their REDD+ strategy contributes to multilateral environmental agreements.

4. Integrating REDD+ into Landscape Approaches

There was some confusion about what a landscape approach means and how such an approach might relate to REDD+ efforts within a country. Or, alternately, how REDD+ actions may be integrated into landscape-scale, or landscape-based, approaches.

What is a "landscape approach"? In recent years, the terms landscape approaches, sustainable landscapes and integrated landscape management are being used more often in the REDD+ community. There is no internationally agreed definition of such terminology and the literature and communities of practice sometimes differ when describing what these concepts mean. However, there are typically at least three common elements when such terms are used:

1. agreed multiple objectives about land uses and its benefits;
2. cooperative management at landscape scale and multiple levels; and
3. a multi-stakeholder participatory process.

A landscape can be a geographical area of any size—from small to very large. It requires institutions that will consider options for the landscape and set priorities. The aim of a landscape approach is to contribute to sustainable development and support actions to curb climate change.

Landscape approaches in the context of REDD+. Participants discussed what it meant to take a landscape approach to REDD+ and generally agreed that it was based on a recognition that drivers of deforestation are often outside the forest. In most countries, there is a shift from demand for trees (e.g. logging for timber) to demand for land (e.g. to grow crops, expand urban areas, access mines, etc.). In a global comparative study being done by CIFOR of 23 jurisdictional REDD+ programs, they have found the main sources of pressure on forests are agriculture, energy needs, timber and mining. This was validated by presentations at the Jakarta workshop (see Figure 4). As such, the area of intervention needs to be broadened beyond the forest and encompass agents of change.

Figure 4: Drivers of deforestation and forest degradation within and outside the forest sector

Jurisdiction	Forest sector	Agriculture	Energy	Other
Oromia State	Illegal logging	Subsistence agriculture, livestock production	Fuel wood collection	Fire, settlements, infrastructure development, mining
Eastern Province, Zambia	Illegal logging	Subsistence and commercial (cotton, tobacco) agriculture	Charcoal production	Population growth, immigration (due to strong wildlife tourism industry)
OM, Cambodia	Timber harvesting for local use; illegal logging	Conversion to cropland	Fuel wood gathering	Forest clearing for land sale, settlement, forest fires
Kasigau Corridor, Kenya		Swidden agriculture	Illegal charcoal production	Intense commercial biodiversity poaching

ICIMOD watershed projects, Nepal		Agricultural expansion, livestock over- grazing	Fuel wood for residential use	Settlement, infrastructure development, forest fire
SLP in northern Sumatra, Indonesia	Logging activity, legal and illegal	Expansion of oil palm and rubber plantations; small-scale agriculture		Large-scale and artisan gold mining, population growth, lack of land use access rights

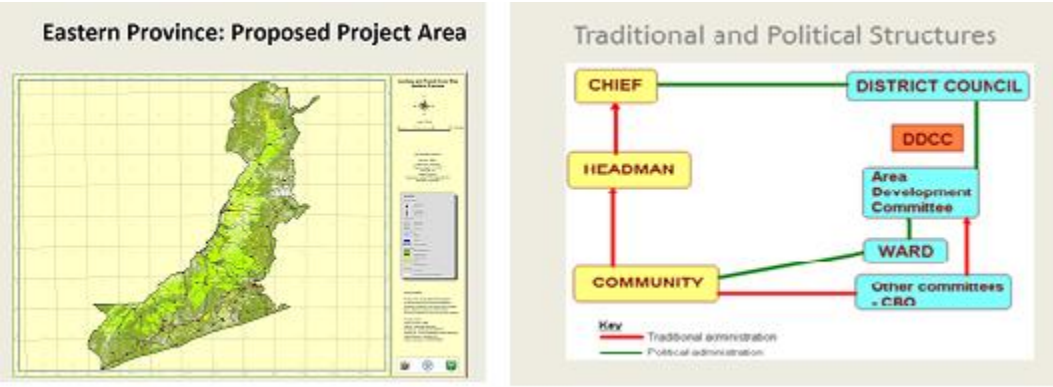
It was recognized that a single sector approach would be unlikely to be successful in protecting forests, and that countries need to combine REDD+ with other initiatives to work. Multi-sector intervention strategies must be designed.

- For example, Nepal's early ideas on intervention strategies includes improved forest management and conservation, expansion of alternative energy sources, improved management of grazing lands, diversifying livelihood options, forest fire control and management and intensifying plantation in private and degraded lands.

Choosing a boundary for a landscape approach. When identifying and scoping the area for a REDD+ landscape approach, countries should identify the drivers of deforestation and forest degradation—e.g. agriculture, poverty alleviation, energy sufficiency—and also the agents for change, and ideally encompass this in the boundary of the program. However, at the jurisdictional level, there is the question of whether an eco-region or administrative boundary is more appropriate. The benefits of an eco-region are that drivers will be similar and measurement/monitoring also simplified (by similar biophysical features, forest/land use strata, drivers of deforestation as well as social/economic characteristics). However, governance structures and authorities to enact change may exist and be easier to manage if an administrative boundary is chosen.

- For example, Zambia has chosen an Administrative boundary for its jurisdictional pilot program versus an ecosystem landscape because: (a) the boundaries are well defined; (b) ease of defining roles and responsibilities within existing mandates; (c) takes into account traditional and political responsibilities (see Figure 5 below); and (d) safeguards and benefit sharing are easier to define.

Figure 5: Zambia has chosen Eastern province for its jurisdictional landscape program, taking advantage of existing traditional and political structures



Source: Zambia's workshop presentation, *Development of a National Strategy to Reduce Deforestation*, (June 2014)

Requirements of taking a landscape approach. One of the breakout groups discussed several of the needs/requirements to make a landscape program work, and agreed that:

- Coordination among stakeholders with different interests is needed, i.e. getting buy-in and participation from multiple stakeholders;
- Such coordination may require involvement by a more powerful body to integrate various parties' efforts (e.g. Prime Minister's Office, Ministry of Finance);
- At the same time, however, line Ministries are needed for implementation and have capacities that must be recognized;
- There are also technical requirements, including a consistent database of information including common maps, forest inventory, and MRV systems shared by multiple parties;.
- Enforcement is also very important to ensure any shared plan is followed.

Key challenges associated with taking landscape approach. The same breakout group discussed a number of specific challenges in implementing a landscape approach to REDD+:

- Some parties are reluctant, including to share data across different interests;
- A landscape approach may require revision of existing policies to align with a new and evolving concept of REDD+;
- Multiple policies are needed for implementation, and such policies must be harmonized;
- Alignment must also occur among the multiple stakeholders that are expected to contribute to REDD+, including to ensure funds are used more efficiently and achieve maximum benefits;
- Benefit sharing across a broad base of stakeholders and impacted parties;
- Transboundary issues were raised, particularly where the ecosystem crosses borders.

Questions were also raised regarding how to provide incentives and encourage those outside the forest to contribute to emission reductions, when we are measuring the performance within the forest. A related question was whether, in a landscape-based REDD+ program, if performance outside the forest should also be measured (e.g. agricultural intensification, plantations, etc.). Finally, it was agreed that given the complexity of landscape approaches, it could be done in stepwise manner, integrating various drivers, stakeholders, and activities over time.

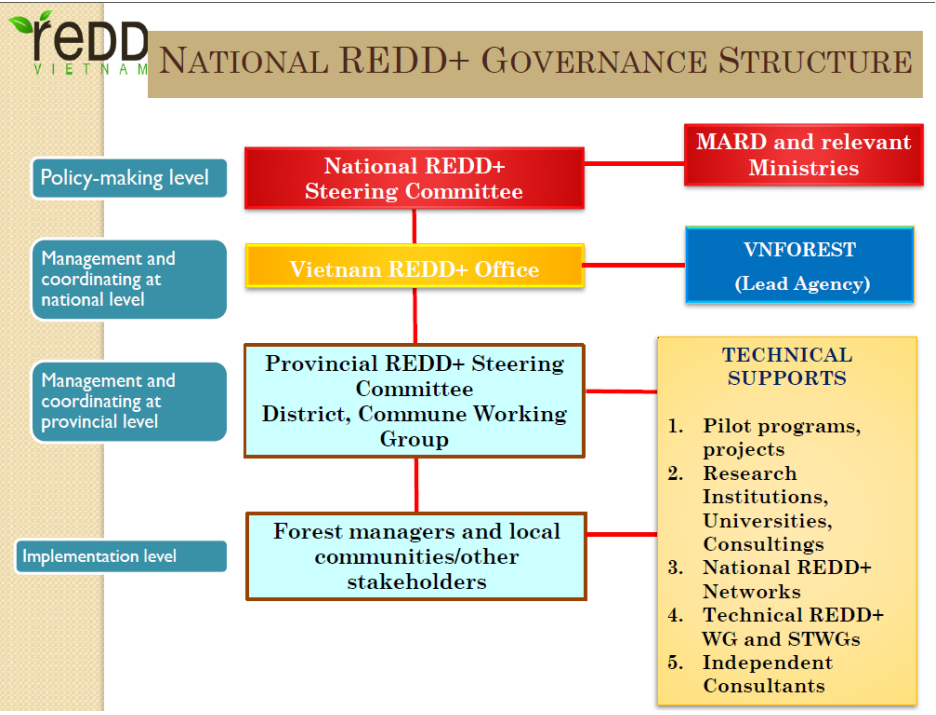
5. Building Institutions for REDD+ Implementation

Institutions differ by country. Most countries presented the institutional structure for REDD+ implementation and policymaking in their respective country. The structures differed based on national circumstances, however, some common elements included:

- A coordinating body, for example a REDD+ Agency (Indonesia), REDD cell (Nepal), National REDD+ Steering Committee (Vietnam);
- Stakeholder forum(s) to provide input into REDD+ policymaking;
- A technical working group to manage issues such as MRV, reference (emissions) levels, etc.;
- Subnational level units, for example a Provincial-level committee (see Vietnam and Nepal examples below in Figure 6)

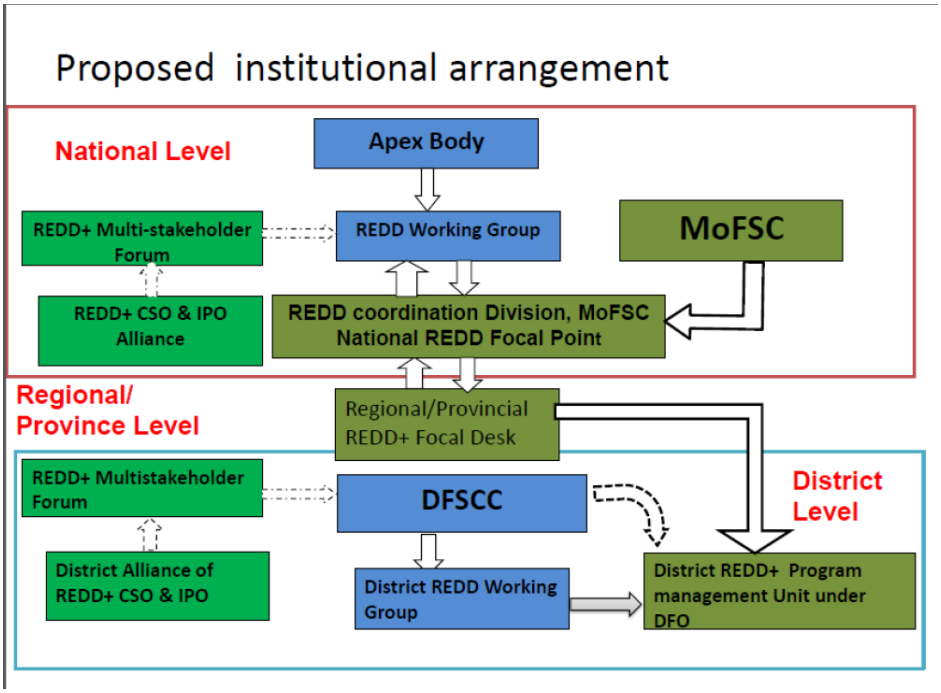
Two examples that were presented, which have such elements, include Vietnam and Nepal's respective governance structures for the design and implementation of national REDD+ strategies (see Figure 6 and Figure 7).

Figure 6: Vietnam's governing structure for REDD+



Source: Vietnam's workshop presentation, *Viet Nam's Experiences on National REDD+ Strategy to Pilot Projects*, (June 2014)

Figure 7: Nepal's institutional arrangements for REDD+



Source: Nepal's workshop presentation, *An Update on REDD+ Strategy Development in Nepal*, (June 2014)

Institutions matter. In several discussions, the need for a strong political agency, or champion, was noted as critical to making REDD+ work. In particular, strong institutions are needed for cross-sectoral cooperation, including a landscape approach. At the same time, the need for key ministries with operational capacities to feel ownership of a REDD+ strategy was also noted. It was also mentioned by several participants that strong institutions are needed to work with, and coordinate, multiple donors whose requirements may not be aligned, nor match a country's needs.

It was also considered important to find the best entity for operational management. This may or may not be at the national level. For example, in Indonesia there is an effort to increase and establish multiple Forest Management Units (KPH) and structures.

6. Challenges Facing REDD+

6.1. Community engagement

Providing livelihoods is a priority. Many participants underscored the need to effectively prioritize and communicate the non-carbon benefits (or co-benefits, and used these terms interchangeably) of REDD+. A break out group discussion focused on what such non-carbon benefits would be and how to identify them. The group agreed that for many rural people and forest dwellers, livelihood improvement would be the most important consideration to emphasize while developing and implementing a REDD+ strategy. This could be done in a variety of ways, including through:

- Supporting and expanding community-run small businesses such as beekeeping, coffee, spices, medicinal plants, and agroforestry; with emphasis on cooperatives.
- Building on and levering existing government small business support programs such as nurseries, improved seeds, marketing support etc.
- Using nationally or locally available funds or national PES mechanisms, which emphasize local livelihoods.

In addition, cooperation with other sectors and the communities around those sectors was discussed. REDD+ planners and governments should take an integrated approach to livelihood improvement by cooperating with major sectors like agriculture and energy to increase the odds of success. Such coordination could be done through cross-sectoral institutions set up to manage REDD+ at the national level (such as a coordinating entity).

Engaging communities to determine priority non-carbon benefits. Participants agreed that identification of specific REDD+ co-benefits should be based upon the participation and inputs of all relevant stakeholders at national and subnational levels. Many countries were represented in the breakout group, and participants agreed that priority co-benefits differ from country to country, and even community to community. For example, Fijian citizens place high importance on clean water, whereas Nepalese communities may value biodiversity.

Participants also highlighted best practices for engaging at the community level. In determining non-carbon benefits to target in a particular REDD+ program, existing customary practices must be incorporated. National REDD+ strategy should align with and strengthen such customary practices at the local level. While conducting consultations to identify co-benefits, it was advised to identify indicators of co-benefits and develop the monitoring framework so that it can be tracked how REDD+

has been able to attain those benefits. It is even better to develop such indicators that have community agreement, and to develop community management action plans to maximize such benefits.

6.2. Engagement of the private sector

Participants agreed that private Sector engagement is important for the success of REDD+. REDD countries are starting to engage private sector and several emerging examples of private sector engagement were shared at the workshop.

What different roles does the private sector play in REDD+? There are several entry points for private sector engagement in REDD+. With regard to REDD+ and the creation of emission reductions (or forest carbon credits), on the supply side, the private sector includes project developers (e.g. Wildlife Works) and investors in REDD+ projects or programs (e.g. the Althelia Fund). On the demand side, the private sector may be purchasers of emission reduction credits (e.g. Microsoft, and others with corporate social responsibility policies or trying to reduce their carbon footprint).

The private sector also includes a range of companies that impact forests and/or communities that depend on forests, e.g. logging or mining companies, agricultural producers, infrastructure developers or companies involved in non-timber forest products. The private sector may be promoters of green commodity supply chains, for example Ghana's cocoa sector, palm oil producers in Indonesia, consumer goods companies that buy palm oil, paper, etc.

Benefits of private sector engagement. The private sector—in particular developers of forest carbon projects—can help to develop capacity on technical issues (e.g. MRV, reference levels), provide financial support for interventions that result in emission reductions, provide an understanding of implementation opportunities and challenges, and help create an understanding of REDD+ issues in the national context. The private sector has also had success in building strategic partnerships—with other private sector, government and NGOs.

There are companies that perceive the benefit of engaging in REDD+ not just as a business prospect, but are committed to protection of natural resources, creating new livelihoods and contributing to a country's development agenda. An example is the Wildlife Works project in Kenya, whose model focuses on generation of options that provide sustainable livelihoods for communities as a means to addressing drivers of deforestation.

Reducing risk to enable private sector engagement. The private sector will always calculate risk before engaging in a project. Participants recognized that lack of enabling policies, clear guidelines and regulations for REDD+ programs and uncertainty in demand for REDD+ emissions reductions are major constraints for the engagement of the private sector. The private sector also sees risks in conflicting land use policies. Some specific areas that could help create confidence for private sector engagement were highlighted:

- A well-articulated national REDD+ program which provides the vision for long term, stable, consistent policies on REDD+ that are integrated into a strategy for a Green Economy;
- Frameworks for green accounting, or green certification systems, to reduce the risks for engagement of private sector and also enable easier financing for businesses;
- Robust regulatory frameworks;

- Measures such as reduced tax incentives and/or subsidies, prioritizing areas for REDD+ implementation;
- Design of clear and concise communication messages about carbon benefits, and more importantly about a national vision on climate change, including REDD+;
- Sharing risks through leveraging multiple financing streams (nationally and internationally)—for example, by providing access to funds to co-finance programs that support the REDD+ agenda.

Another constraint that was discussed is that REDD+ requires capacity to understand its technical aspects. With exception to developers of forest carbon projects, there are very few private sector entities that have such technical knowledge at this time. Governments need to engage in a dialogue on REDD+ and provide messages that resonate with companies to enable active private sector participation.

6.3. Land tenure

Land tenure is the most challenging issue for REDD+. Early results from CIFOR's Global Comparative Study of 23 REDD+ projects suggest that land tenure conditions remain the most challenging factor for REDD+. In particular, inconsistent *de jure* (legal) versus *de facto* (actual) tenure conditions co-exist, while there is competition for land for different uses and incoherent decision-making between central and local governments. This results in REDD+ becoming conflict-prone. At the village level there are unclear borders, which risk an unclear division of liabilities and benefits. CIFOR's model shows that tenure security is a necessary (but insufficient) condition for the effectiveness of REDD+. The interest of those holding the rights to the land, or forests, need to be aligned with forest management or REDD+ objectives.

Several presentations from participants also noted problems of land tenure or clear land use boundaries. The Sustainable Landscapes Partnership (northern Sumatra) cited lack of clarity or certainty around land use access rights as a key challenge. One pilot in Papua New Guinea is also trying to map village boundaries and finding contested areas. Some participants questioned whether clear de jure (or legal, on paper) land use rights were needed if there was de facto clarity and understanding of traditional or customary systems in place.

7. Providing Guidance to Projects

Mismatch between progress at the project level versus development of national REDD+ policies and strategies. In many countries, the development of pilot projects has moved at a pace that does not match the slower and more deliberate policymaking on REDD+ at the national level. Often such pilots are developed by NGOs or the private sector separately, not in cooperation with each other or with the national government. Despite this challenge, and notwithstanding the "carbon cowboys" that were problematic in the earlier days of REDD+, most countries believe that demonstration activities have an important role in providing lessons learned and transfer of knowledge.

Kenya offered examples of benefits and challenges of integrating projects into a national strategy formulation. There are about seven REDD+ (or REDD+ related) projects in Kenya, mostly supported by NGOs with the exception of the Wildlife Works Kasigau Corridor project; all have evolved in the absence of an enabling national policy, or a legislative and institutional framework.

Creating national standards, or guidance, for REDD+ projects and subnational programs. A representative from Indonesia provided its experiences in managing more than 50 REDD+ projects in the country. One challenge is that the diversity of forest and socio-economic in various parts of the country has led to a diversity in approaches to REDD+ pilot projects. While recognizing this challenge, the government has created a national standard for REDD+ demonstration activities to minimize such differences. The national standard:

- Considers international guidance, e.g. from the UNFCCC and the IPCC, as well as third party standards (VCS, CCBA) current in use in the voluntary REDD+ carbon market;
- Has created an official definition for REDD+ "demonstration activities";
- Provides a set of "General Conditions" such as: supportive of the National Action Plan for Reducing Greenhouse Gases, have a financing plan or clear and adequate investment, have a benefit and risk sharing plan, and have a secured location, among others.
- Provides a set of specific conditions, including administrative and technical conditions (e.g. REL/RL, safeguards, MRV, etc.).

Other participants agreed with the need for the national government to provide such guidance, were interested in Indonesia's experience, and are considering developing similar standards for their countries.

8. Conclusions

REDD+ should look beyond carbon for inspiration. Too much focus has been on methodologies for carbon measurement and accounting, instead of how to improve community welfare, livelihoods and other non-carbon benefits. Community engagement is essential in identifying those benefits that a REDD+ program should target.

REDD+ is increasingly being integrated into landscape approaches. Multi-sectoral land use planning is seen by many programs as a critical element. This is out of a recognition that most of the drivers of deforestation and forest degradation are outside the forest sector—so in order for a REDD+ strategy to be successful, other sectors must be engaged. But this engagement remains a challenge for many countries.

Land tenure and economics remain key challenges. Land tenure remains the foremost challenge for REDD+. Second to land tenure is the economics of REDD+. Whether there will be carbon markets for REDD+ emission reductions remains uncertain and prices matter. That said, opportunity costs in some cases (such as potential palm oil plantations) are exceedingly high and impossible to be met by any realistic carbon price. Therefore, a REDD+ program may need to be combined with other initiatives (e.g. biodiversity, ecosystem services) in order to work. In addition, while many countries have designed REDD+ strategies, funding for implementation remains a key challenge.

Drivers are linked with livelihoods. Therefore, the success of a REDD+ program will depend on its ability to create alternatives for local and forest-dependent communities. Most successful projects at the local level (e.g. ICIMOD pilots in Nepal, the Wildlife Works project in Kenya) spend most of their funds improving livelihoods, including job creation in skilled labor and opportunities for women and the poor. Employment can be created in unexpected, innovative sectors (i.e. not just the forest sector)—for example, the Kasigau project has started a T-shirt factory on site.

South-south learning exchanges are useful. Further exchange of experiences, particularly among practitioners, was encouraged by participants. It allows newer REDD+ countries, eager to learn, to do so from countries that are father along. More case studies of practical experiences (versus global studies) are encouraged, as would be visits to project sites.

REDD+ is a long-term proposal and process. One challenge is the benefits of a REDD+ program are accrued over the long-term, but the costs must be paid now. As an example of the time it takes to develop a REDD+ program, Nepal began formulating its R-PIN in 2008, established a REDD Cell in 2009, developed its R-PP by 2010, created its National REDD+ Strategy framework in 2012, submitted its ER-PIN in 2014 and expects to have an ER Program Document by 2015. This timeline is typical of a country pursuing a national REDD+ program, but seeking to pilot a results-based demonstration program at the subnational level.

More can be done to engage the private sector, which will ensure sustainability of forest protection in the longer term. Challenges of implementing REDD+ programs are significant and engaging the private sector in the national dialogue on REDD+ and climate change can help create the enabling environment for the sustainability of these programs. REDD+ is a long-term commitment and participants emphasized the need for stakeholders to think through viability of programs for sustainability, which would go beyond the lifetime of the trading of emission reduction credits under any specific mechanism/fund.

Finally, we should be realistic about what REDD+ can achieve. REDD+ is neither cheap, nor quick. The premise of REDD+ can seem simple, but its implementation is inherently complex. The extent to which a REDD+ program can simplify and manage expectations appropriately, the more likely a REDD+ program is to be successful.