

Promoting Non-carbon Benefits in REDD+ Actions

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1. REDD+ as a tool for sustainable land use

Placing REDD+ within a broader (inter)national and subnational framework of policies and instruments for sustainable land use can contribute to the long-term sustainability of the interventions.

REDD+, as agreed upon under the UNFCCC (disregarding the source of support, e.g. market, non-market, public, private, etc.), focuses on reducing carbon emissions while safeguarding other social and environmental values. Results are to be measured and expressed in tonnes of CO₂-equivalent per year.¹ However, REDD+ also represents a tremendous opportunity to explicitly seek additional benefits and ensure that emissions reductions are not isolated from other ecosystem services.²

Effective forest conservation may require broad thinking, such as on how to promote holistic approaches that reconcile forest conservation and land-based economic activities such as agriculture. A *landscape approach* could provide an appropriate scale to integrate carbon and non-carbon aspects of REDD+. A landscape can be understood as a contiguous area, intermediate in size between an “ecoregion” and a “site”, with a specific set of ecological, cultural and socio-economic characteristics distinct from its neighbours.³ Such an approach could assess how carbon and non-carbon benefits can be enhanced through the transformation of land-based economic activities toward sustainable land-use systems, including through REDD+.

¹ Decision 14/CP.19, “Modalities for measuring, reporting and verifying.” <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf>, paragraph 4.

² Visseren-Hamakers, I.J., Gupta, A., Herold, M., Peña-Claros, M., Vijge, M. (2012). Will REDD+ work? The need for interdisciplinary science to address key challenges. *Current Opinion in Environmental Sustainability* 4(6): 590-596.

³ WWF (2002). The landscape approach, <http://awsassets.panda.org/downloads/po11landscapeapproach.pdf>

Experience has shown that REDD+ works most effectively when inserted in a broader framework of policies and mechanisms for sustainable land use. Some of the most successful examples of REDD+ implementation to date (e.g. Acre state in Brazil) have embraced REDD+ as a tool in a broader toolkit.⁴ In other words, REDD+ should promote policy integration (see Case Study 1).

Case Study 1 – Placing REDD+ within broader policy frameworks: The case of Acre state, Brazil

The state of Acre, in Brazil, has shown one of the most advanced experiences of REDD+ implementation to date. Acre is a state of about 800,000 people and 152,581km² of area – nearly the size of Suriname – lying in the heart of the Amazon. It maintains 86 per cent of its original forest cover, and it has managed to reduce its deforestation rate by 71 per cent between 2003 and 2012.

Since 2010, Acre has had an Environmental Service Incentives System (SISA, in Portuguese), which includes a mechanism for incentivizing activities that help keep forests standing, the ISA Carbon Programme. This programme monitors forest-cover change and utilizes several instruments (e.g. technical assistance and rural extension, investments for conservation initiatives, eco-labelling) to finance a transition towards low emissions. It is designed to use both funds and carbon credits generated through avoided deforestation and reforestation/afforestation activities. By 2013 it had secured more than 50 million USD in funds. Overall, it has been estimated that, in addition to forest conservation, 30,000 rural properties (most from smallholders) are benefitting from the programme.

Key lessons from Acre's experience include, crucially, the need to cushion REDD+ actions within a broader legal and institutional framework (SISA, in that case), and the focus on transforming production systems in order to deliver multiple environmental and socio-economic benefits.

In order to help deliver other environmental and socio-economic benefits in addition to emission reductions, REDD+ needs to be well tailored into those broader sustainable land-use strategies, as well as to be implemented in complete compliance of the Cancun safeguards.

2. Why recognize non-carbon benefits (NCBs)?

Recognition and targeting of non-carbon benefits in REDD+ policy and initiatives can help ensure the permanence of carbon stocks and create broader environmental, social and governance benefits.

Forests do much more than sequester and store carbon – they perform a large number of ecosystem services such as providing clean water, habitats for species, and cultural services. Forests are particularly key to biodiversity conservation and local livelihoods. Biodiversity provides the basis of ecosystem goods, such as food, fuel and fibre, and changes in biodiversity can affect the supply of ecosystem services. As such, efforts to conserve forests may secure a broad range of benefits in addition to carbon emission reductions, i.e. *non-carbon benefits* (NCBs). Earlier UNFCCC COP

⁴ Enright, A. (2014). Models for incentivising multiple benefits: Options for the Lam Dong Provincial REDD+ Action Plan. SNV. <http://www.snvworld.org/redd>; and WWF (2013). Environmental service incentives in the state of Acre, Brazil: Lessons for policies, programmes and strategies for jurisdiction-wide REDD+. WWF-Brazil. http://wwf.panda.org/what_we_do/footprint/forest_climate2/publications

decisions⁵ have made clear that REDD+ actions need to be consistent with biodiversity conservation and seek various social and environmental benefits. Parties have recognized NCBs as “*crucially important for the long-term viability and sustainability of REDD+ implementation*”.⁶

The concept of NCBs goes beyond that of safeguards, in recognizing that REDD+ activities should not only “do no harm”, but should explicitly “do good”. NCBs may include the maintenance and enhancement of various ecosystem services, the promotion of sustainable local economic development and improvements in governance (e.g. land tenure or participatory decision-making arrangements). Such benefits may reduce the risk of reversals and thereby help ensure the *permanence* of forest carbon stocks and emission reductions. Therefore, NCBs should be actively pursued.

Many NCBs, such as land tenure reforms and the enhancement of local institutional capacity, are actually *enabling conditions* (preconditions or factors that need to be in place to produce transformational changes) for REDD+ implementation. They are ideally promoted and implemented through finance for phases I and II of REDD+. Land tenure reforms and the enhancement of local institutional capacity can also be viewed as nonfinancial options for incentivizing NCBs. Securing tenure and land rights, and promoting gender-inclusive participation in REDD+ decision-making and benefit sharing can help to ensure that different rights-holders can access the benefits that accrue from those conditions.

Further clarity and explicit recognition of NCBs in UNFCCC REDD+ deliberations would mean they can be more clearly targeted in REDD+ actions and implementation at the domestic level. Moreover, there might be trade-offs between carbon and non-carbon benefits of REDD+ activities that need to be considered in light of the broad range of roles that forests play in a particular context.⁷ As implementation of REDD+ will involve various social agents at different scales, REDD+ will need to develop context specific management strategies that take into account community heterogeneity and institutional complexity. As different community members value and have knowledge about different biodiversity resources and forest ecosystem services, it will be important that forest management strategies and benefit sharing take these differences into consideration. A forest that is richer in biodiversity and which helps sustain local livelihoods will be given preference over one that stocks more carbon only if NCBs are clearly recognized and explicitly targeted at the national and/or local level.

3. How to incentivize NCBs?

NCBs may be best incentivized at domestic levels, adjusted to national circumstances, and through *transformational* approaches that use REDD+ incentives to change land-use activities within and nearby forests.

⁵ See Decision 1/CP.16, “The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention.” <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf>, Appendix I.

⁶ FCCC/CP/2013/5, “Report on the workshop of the work programme on results-based finance to progress the full implementation of the activities referred to in decision 1/CP.16, paragraph 70”, <http://unfccc.int/resource/docs/2013/cop19/eng/05.pdf>, paragraph 56.

⁷ Visseren-Hamakers, I.J., McDermott, C., Vijge, M., Cashore, B. (2012). Trade-offs, co-benefits and safeguards: Current debates on the breadth of REDD+. *Current Opinion in Environmental Sustainability* 4(6): 646-653.

The Warsaw decision on REDD+ finance explicitly “recognizes the importance of incentivizing non-carbon benefits for the long-term sustainability” of REDD+ activities.⁸ While we echo this importance, as stated above, it is probably not viable (or adequate) to have international guidance on each and every conceivable NCB. This could overburden developing countries, and the diversity of NCBs and lack of comparable measuring units prevents us from having a uniform system to assess them under the UNFCCC.

Nevertheless, there are several options for countries to incentivize NCBs at national and subnational levels, where they may also be able to adjust them to their local priorities and circumstances. Some options may include the following:

- 1) A *premium* approach, as done in voluntary market certification at the project level, where there would be larger payments to REDD+ activities that deliver NCBs;
- 2) A *priority, eligibility or quota* approach, where REDD+ activities that deliver NCBs are given priority or special eligibility to finance, possibly under a minimum quota system (e.g. 50 per cent of support earmarked to actions that deliver NCBs);
- 3) *Non-bundled additional payments or compensation*, whereby performance on NCBs is incentivized separately, i.e. through separate payments/funds for biodiversity or water benefits, governance reforms, etc.;
- 4) *Bundled additional payments or compensation*, i.e. additional support for NCBs are made as part of a “package” of results that include carbon emission reductions. This is similar to the premium approach but would allow for different ways of valuing and compensating for NCBs.⁹

Each of these options may have weaknesses and strengths. For instance, a “wildlife premium”¹⁰ could help conserve biodiversity, particularly charismatic megafauna. However, that would risk creating a two-class system for REDD+. It could also end up creating “green islands” by leaving the drivers of deforestation and forest degradation unaddressed, simply redirecting them to other areas. That said, in the case of the Mexican national payment for ecosystem service (PES) programme, the eligibility and prioritization system allowed the forest agency to target the payments to the most important areas in terms of water, biodiversity, poverty alleviation, etc.¹¹ Experience reveals that the best results are achieved when NCBs are pursued through *transformational* approaches, i.e. using REDD+ to help tackle drivers of forest loss and ignite structural changes in the land-use activities within and nearby forests.¹² In such cases, charismatic megafauna may well work as magnets for broader conservation efforts which REDD+ can reinforce (see Case Study 2).

⁸ Decision 9/CP.19, “Work programme on results-based finance to progress the full implementation of the activities referred to in decision 1/CP.16, paragraph 70.”

<http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=24>, paragraph 22.

⁹ REDD+ Safeguards Working Group (2013). Non-Carbon benefits in REDD+: Providing incentives and addressing methodological issues.

<http://www.greenpeace.org/international/Global/international/briefings/forests/2013/NCBs.pdf>; and Rey, D., Swan, S. and Enright, A. (2013). A country-led approach to REDD+ safeguards and multiple benefits. SNV – The Netherlands Development Organisation, Ho Chi Minh City.

¹⁰ See Nepal (2014). Nepal’s ER-PIN to FCPC Carbon Fund.

<https://www.forestcarbonpartnership.org/sites/fcp/files/2014/February/Nepal%20ER-PIN%20CF9.pdf>

¹¹ Muñoz-Piña, C., Guevara, A., Torres, J.M., Braña Varela, J., 2008. Paying for the hydrological services of Mexico’s forests: analysis, negotiations and results. *Ecological Economics*, 725-736.

¹² WWF (2014). Building REDD+ for People and Nature: from lessons learned across Indonesia, Peru and the Democratic Republic of Congo to a new vision for REDD+.

http://wwf.panda.org/what_we_do/footprint/forest_climate2/publications

Case Study 2 – WWF's Tigers Alive Initiative

Tiger numbers have seen a massive decline during the 20th century, with numbers dropping as low as 3200, and range shrinking by up to 93% during that time. A Global Initiative of the WWF, the Tigers Alive Initiative (TAI) strives to create and support the conditions necessary for a doubling of tiger number of tigers (TX2) during the 2010-2022 period. It aims to achieve this through a variety of channels, such as continued pressure at the highest political levels, combating poaching on every front through the Zero Poaching initiative, and planning for the long-term viability of tiger landscapes.

The TAI is a natural partner for future REDD+ activities. For one, tiger range overlaps with some of the most threatened and carbon-dense forests in the world, particularly in Southeast Asia. Due to the biological realities of tiger conservation, the TAI has also devoted significant focus and expertise towards combating habitat fragmentation, helping to preserve the large continuous blocks of forested landscapes that are prioritized for REDD+ funding. It has also worked to satisfy some of the enabling conditions for REDD+, such as through institutional capacity development at the local level and the empowerment of local communities.

Through its strong efforts collecting a variety of landscape data in its priority areas, the TAI can also potentially provide the baseline data that might be required to reliably monitor an NCB component. The TAI is also working towards an accurate tiger census throughout the entirety of its range by 2016. Additionally, the TAI has developed a robust tool that sets basic criteria or minimum standards for the effective management of reserve areas containing tigers. Known as Conservation Assured | Tiger Standards (CA|TS), they are adaptable to a variety of species besides tigers and could be useful in monitoring non-carbon benefits. An indication of its utility, (CA|TS) recently entered into a formal partnership with the IUCN Green List of Protected Areas.

The TAI dedicates one of its three goals exclusively to securing the long-term viability of tiger landscapes, thus ensuring the permanence of forest carbon stocks. With their goals clearly aligned, the TAI can partner with those planning REDD+ projects. In this way, REDD projects can be enhanced and expedited, while at the same time providing further sustainable financing streams for high-profile tiger conservation activities.

4. How to assess NCBs?

Countries can make use of existing methodologies and of lessons learned from the implementation of domestic policies and/or other international commitments (e.g. the CBD) in order to assess NCBs in REDD+ actions.

Assessing NCBs can be a more complex task than assessing carbon emission reductions. There are several different NCBs that require their own assessment methods, and they cannot all be simplified into a single measurable unit such as tonnes of CO₂-equivalent per year. Moreover, demonstrating that socio-economic and governance improvements indeed are caused by REDD+ activities may pose additional challenges. However, there are tested ways to address these methodological issues. Some ecosystem services and biodiversity resources are invaluable to communities' livelihoods decision frameworks and economic analysis of these may not be appropriate. Therefore, assessment of NCBs should be carried out through an interdisciplinary approach that takes into account plural forms of value articulation. Furthermore, countries can take advantage of the efforts they are embarking on to gather data and information for their national forest monitoring systems and MRV to collect additional information related to NCBs, such as biodiversity benefits.

Many countries *already* assess NCBs in the context of their domestic policies and other international agreements such as the Convention on Biological Diversity (CBD) or the Indigenous and Tribal Peoples Convention (C169) under the International Labour Organization. Countries' efforts to implement and report on these other conventions can offer lessons for, and potentially be streamlined with, assessment of NCBs under REDD+. For instance, many of the CBD Aichi Targets on Biodiversity¹³ could be pursued through REDD+ actions *if the latter prioritize biodiversity-rich forests*. Similarly, lessons could be learned from the methodologies applied for developing the National Biodiversity Strategies and Action Plans that ensue from the adoption of the Aichi Targets. Streamlining would build synergies, reduce transaction costs of implementation and generate internationally accepted standards. The CBD and its Parties are also monitoring progress toward the Aichi Targets, which could provide important information for REDD+.

Furthermore, the assessment of NCBs does not have to be uniform across all countries, nor must it necessarily be quantitative. It may combine quantitative and qualitative indicators, such as species richness, household income, (reduced) number of land conflicts, and local perceptions on the cultural services performed by the forests conserved. In addition, some NCBs may be more relevant than others in different contexts, and countries may wish to focus more on those that they consider most important.

Recommendations for Actions on NCBs

Countries could:

At national and/or subnational levels

- Build policy frameworks and incentive structures in the context of sustainable land-use where REDD+ could be integrated, rather than operate in isolation;
- Seek synergies between the implementation of REDD+ and of other commitments (e.g. Aichi Biodiversity Targets) for the assessment of NCBs;
- Look for complementarity among incentives for NCBs and other approaches and local conservation initiatives, such as compensation mechanisms for ecosystem services.

At the international level

- Share information, best practices, and lessons on how countries address and incentivize NCBs, through the UNFCCC's REDD+ web platform, and through the REDD+ Partnership;
- Ensure international support in the form of finance, technology transfer, and capacity enhancement to scale-up successful initiatives that deliver both carbon and non-carbon benefits, and to promote new ones;
- Strengthen the link between the UNFCCC, as the "home" of REDD+, and the CBD to harmonize the implementation of REDD+, through the organization of joint meetings and workshops which should include Parties' focal points for both Conventions.

¹³ Notably targets 5, 7, 11, 14 and 15. See Miles, L., Trumper, K., Osti, M., Munroe, R., and Santamaria, C. (2013). REDD+ and the 2020 Aichi Biodiversity Targets: Promoting synergies in international forest conservation efforts. UN-REDD Policy Brief 05.

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