



Summary and conclusions

REDD wine in old wineskins?

Frances Seymour and Arild Angelsen

Introduction

The purpose of this book is to synthesise what we know about ‘what works’ to reduce deforestation and forest degradation. Bringing together what we know is important for REDD+ policy makers, practitioners and other stakeholders as they begin to realise REDD+ in national policies and on the ground.

As this book amply illustrates, drawing on existing experience to inform the first generation of REDD+ policies, programmes, and projects presents a paradox. We have learned many lessons about forest conservation and management, but most are lessons about what has *not* worked. The challenge now is to build on experience but to avoid repeating the mistakes of the past.

Trying to realise a new REDD+ paradigm of forest management using existing policies and institutions would be like putting new wine in old wineskins. In the same way that fermenting new wine will burst old wineskins, REDD+ initiatives that are truly transformational will not fit in ‘business as usual’ structures and practices. In this summary we bring together key messages for REDD+, particularly regarding the dilemmas posed by the imperative

to manage tradeoffs among the various sources of risk to the success of REDD+.

Key lessons and dilemmas

REDD+ must be new ... but build on what has gone before

Efforts to address deforestation and degradation over the last few decades have been disappointing (Chapter 4). Because of this background, REDD+ must inspire confidence that the effort will be successful this time. Perhaps the biggest difference between REDD+ and earlier initiatives is that it will be performance based. International donors, funds or markets will, eventually, pay national and local endeavours based on results. This 'payment for performance' approach gives national governments an incentive to implement REDD+ effectively and efficiently.

Another way in which REDD+ departs from previous initiatives is in the scale envisaged. The potential volume, geographic scope and time scale of financing to reduce deforestation and degradation would be unprecedented if ambitious global emission reduction targets are agreed. While no one asserts that 'trees grow on money', several of the approaches described in this book have not had as much impact as they could have, in part because of limited funding. For example, short-term funding for integrated conservation and development projects (ICDPs, Chapter 18), inadequate financing for more efficient cooking stoves (Chapter 19) and too little funding for training in reduced impact logging (RIL, Chapter 20) meant that these initiatives fell short of expected impact.

The combination of performance-based payments and significant anticipated funding could reverse the political economy of deforestation and create the political will for a transformation in national policies that affect forests. But proponents of change face institutional arrangements and governance practices that are poorly equipped to deal with REDD+ challenges, such as influencing and coordinating all sectors that affect forests, targeting funding flows, controlling corruption in administering finances and facilitating meaningful stakeholder participation in programme design and implementation.

A key dilemma for those planning to implement REDD+ is whether to create wholly new institutions to manage it or to use existing ones. Many countries have, or are considering setting up, REDD+ national funds to manage the large sums of international REDD+ finance they anticipate. These national funds may be modelled on conservation trust funds (CTF, Chapter 6). The various options for REDD+ national architecture will make tradeoffs among political legitimacy, efficiency, accountability, transparency and co-benefits (Chapter 5).

Creating new institutions takes time and can be politically difficult, while using existing institutions risks business as usual mindsets and practices. As with other dilemmas presented below, the right answer will depend on national circumstances, and consideration of risks and tradeoffs. As countries choose different paths, analysis of their experiences will illuminate the circumstances under which existing institutions can be deployed for new roles, and when new ones should be created.

REDD+ requires targeted interventions ... and broad sectoral coordination

To successfully implement REDD+, institutions will have to take on new or expanded roles. New ways of collaborating across sectors, stakeholder groups and levels of government will be needed to design programmes and projects, to make sure policies are coherent and to link reporting mechanisms across scales (Chapter 9). National REDD+ institutions must make upward and downward linkages: transferring funds from the national to the local level, managing incentives (both policy measures and payments) and channelling information from the local to the national and international levels (Chapter 2).

REDD+ approaches must also stimulate and coordinate action across various agencies and stakeholder groups. Perhaps the most innovative aspect of REDD+ compared to past approaches is that countries will need to look 'beyond the canopy' and consider all policies and institutions that affect forest carbon stocks. Many chapters in this book show that REDD+ approaches confined to the forestry sector alone would be insufficient. Everything we know about the drivers of deforestation and degradation suggests that REDD+ policies and measures will need to go beyond the forestry sector (Chapter 10). This means integrating national development planning, budgeting and regulation across sectors in an unprecedented way.

Such broad policy reforms require effective coordination across sectors. And yet forest-specific agencies and regulations have been mostly ineffective in influencing decisions in agriculture, energy, infrastructure and industrial expansion that affect forests. Measures that only apply to the forestry sector are unlikely to be successful and will need to be applied more broadly, for example, by reforming the wider judicial system efforts to combat corruption (Chapter 13).

As a result, REDD+ must be cast in the overall framework of improving governance in a country. There is an opportunity for the REDD+ community to effectively tap into experiences from other sectors. Systematically harvesting lessons learned from successful and unsuccessful institutional reform initiatives outside the forestry sector is thus an important component of a future research agenda. Another area for further study is how REDD+ initiatives can best be

integrated into broader national climate change mitigation and adaptation strategies, including nationally appropriate mitigation actions (NAMAs) and national adaptation programmes of action (NAPAs).

REDD+ must be transformational ... in a world where change is incremental

Several chapters suggest that REDD+ must not only take a new approach and work at a different scale from previous efforts but must also be transformational. The need for dramatic change is particularly evident in the case of forest tenure and rights (Chapters 11 and 12). Moving ahead without first reforming tenure runs the risk of reducing the effectiveness, efficiency and especially equity of REDD+ implementation. The tenure characteristics of most forest frontiers – where there are no legitimate forest stewards able to defend *de facto* exclusion rights – mean that payment for environmental services (PES) schemes have limited applicability for REDD+ implementation (Chapter 17).

On the other hand, taking a strict ‘no rights, no REDD+’ stance risks missing out on ‘no regrets’ REDD+ interventions. ‘No regrets’ interventions could include policies to reduce demand for land and forest products that indirectly drive deforestation and degradation (Chapters 10 and 12). REDD+ initiatives could also be used to accelerate reform. For example, REDD+ funds could be used to reinforce existing rights, by combining PES schemes and enforcement measures to help indigenous communities consolidate *de jure* recognition of rights into *de facto* control over their land.

The national institutions that will be dealing with REDD+ are often characterised by varying degrees of corruption (Chapter 13). Large REDD+ revenues flowing into national coffers will create new opportunities for rent-seeking behaviour. Many countries will need to put in place policies and practices to ensure transparency, accountability and efficient spending of REDD+ revenues. This means they should set up monitoring, reporting and verification systems for flows of money as well as carbon.

However, these changes will not happen overnight, and REDD+ proponents will have to balance the risk of losses because of corruption against the risk of lost opportunities because of excessive caution. And, REDD+ could be instrumental in catalysing reform, as in the case of forest tenure. Greater international scrutiny, involvement of national ministries of economy and finance and provision of publicly available information on carbon stocks and flows of funds could speed up the introduction of mechanisms to promote transparency and accountability.

National REDD+ thus requires moving forward on three fronts simultaneously: first, getting started on fundamental change agendas, while accepting that

these are likely to be long-term efforts; second, exploiting the political will and finance associated with REDD+ to speed up reforms already underway; and third, moving ahead with ‘no regrets’ initiatives where possible, for example, where reform of forest tenure is ongoing, but with appropriate safeguards, including the free, prior and informed consent of affected communities.

REDD+ needs policies ... but the bias is toward projects

The first generation of REDD+ initiatives includes a large and expanding population of diverse site-specific projects, while most national-level strategies are still at the early stages of planning, consultation, and institution building. Efforts to design and implement REDD+ policies – especially those that address drivers of deforestation and degradation outside the forestry sector – remain in their infancy.

This differential pace results in a mismatch between the emphasis on experimentation at the subnational or project level and the stress on national approaches in international negotiations (Chapter 21). Policy reforms (e.g., in agriculture and energy sectors), and transformational change in such areas as tenure reform, will be critical to REDD+. Yet site-specific demonstration projects cannot by nature ‘demonstrate’ these broader changes.

The forces that drive the project approach are strong: both public and private financing agencies prefer the project approach because they have more control and they can showcase the direct impacts of their funding photogenically. Other REDD+ proponents, such as national and international NGOs, have also gravitated to the project approach, in which they have long experience. Initial surveys of the first generation of pilot projects suggest that many are simply old wine in new REDD+ wineskins: existing projects or approaches that have been rebranded as ‘REDD+’ to attract new finance. Further, policy changes will likely continue to lag behind project development in part due to political challenges that usually confront such changes.

Nevertheless, 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 the local level (Chapter 21). However, we cannot assume that the aggregate effect of projects will somehow be enough to catalyse transformation at the national level. Many of the national reforms that are needed are qualitatively different from what can be achieved in a pilot project. Without more attention to fundamental policy and institutional reforms, countries could begin to equate REDD+ implementation with pilot projects, a concept that would be hard to shake loose.

Two approaches can address this dilemma. First, ‘landscape level’ initiatives implemented at a scale larger than pilot projects could provide early experience in how to integrate low carbon development strategies into land use planning at municipal, district or provincial levels. Second, programmatic initiatives – such as community-based management of degraded forests – could move ahead while more politically contentious policies are debated. In any case, the interdependence of national policy change and local action provides an important topic for further analysis.

Promising REDD+ approaches ... but no silver bullets

In the Introduction, we noted that many (if not most) previous policies and interventions to conserve and better manage forests have had disappointing outcomes. They were badly designed, paid little attention to the broad forces of deforestation or implementation was hampered by weak capacity, inadequate local involvement or corruption. But evidence also suggests that improving the design and implementation of approaches that have already been widely tested will reap benefits.

Protected areas may be more effective in conserving forests than previously thought (Chapters 10 and 18), and should become part of the REDD+ toolkit. The effectiveness of protected areas could be enhanced by taking on board lessons learned from complementary ICDPs (Chapter 18). Policies that decentralise forest management need to be redesigned to become more legitimate, effective and equitable. Community forest management (CFM) is no panacea for forest conservation, but some evidence suggests that forests managed by communities store more carbon, and that CFM can be a cost effective way to manage forests (Chapter 16).

The expansion of agriculture into forest areas could be eased by spatial targeting of agricultural policies to areas that are not forested (Chapter 15). Within the forestry sector (as conventionally defined) there are policies and practices available that could reduce forest emissions: RIL techniques, control of wildfires, incentives for restoring degraded land, and taxes and market instruments to improve forest management (Chapter 20). Old-fashioned command-and-control approaches may still have a role, for example to control harvesting from natural forests (Chapter 19). In some contexts, sustainable extraction could be managed by local users, if their right to exclude outsiders is backed up by relevant authorities.

Much attention has been given to payments for environmental services (PES) schemes for implementing REDD+. And, conceptually, cascading international payments for reducing forest emissions into a national PES scheme is the most straightforward solution, as payments directly incentivise and compensate for the changes in land use necessary to achieve REDD+

objectives. In the medium to long term, PES schemes are likely to be the implementation instrument of choice. However, the conditions for effective PES are rather stringent, for example carbon rights holders (forest owners) must be able to exclude other users and this is seldom the case on forest frontiers (Chapter 17). Thus, countries will probably need to go through a readiness phase for PES before wide-scale implementation.

All told, there are a number of promising approaches for achieving REDD+ objectives. Some have a better-than-average track record and there are clear lessons as to how they can be improved. However, not one – not even PES – is a silver bullet. In each country, policy makers will need to put together a mix of policies and approaches that tackle the drivers of deforestation and degradation in their particular national circumstances. As experience accumulates, further research can illuminate which combination of approaches is most effective, efficient, and equitable under particular conditions.

REDD+ must be national ... but success is local

National REDD+ strategies face the challenge of combining national coordination and policy coherence with meaningful local involvement in implementation. However elegant the policy solutions or programmes devised at the national level, whether REDD+ succeeds or fails will depend on how institutions actually lead and coordinate across sectors and stakeholder groups, how they transfer funds, and how they mediate and satisfy the interests of various stakeholders, especially those who control what happens locally on the ground. Chapter 17 identifies appropriate institutions as the critical condition for successful PES schemes, but this could also apply more generally to REDD+ efforts.

Because REDD+ initiatives must be coordinated at the national level, there is likely to be tension between retaining control centrally and devolving authority and responsibility to local governments and communities. Community monitoring of forest emissions is one of many ways to vertically integrate REDD+ implementation (Chapter 8).

Lessons learned from a decade of forest decentralisation indicate that genuine devolution of authority for making decisions is rare (Chapter 14). Experience also cautions that decentralisation will not automatically lead to less deforestation and degradation, or to more equity. National minimum standards for managing forests and protecting rights are necessary, regardless of the scale of implementation. And yet involving local officials in making rules and sharing benefits, and making those officials downwardly accountable will be critical to REDD+ success.

The literature on successful community forest management (CFM) is highly relevant to REDD+ initiatives at the local level (Chapter 16). Secure tenure and the ability to exclude others are important, as is community involvement in designing the rules. In turn, the rules must be simple, locally enforceable, and include accountability. However, Chapter 16 also cautions that, aside from institutional design, many factors in CFM success are exogenous, suggesting that externally supported interventions should be targeted to areas where they are likely to work.

REDD+ is urgent ... but can not be rushed

The imperative to implement REDD+ as quickly as possible derives from the urgent need to reduce emissions from all sources to avoid catastrophic climate change, and to capture the forest-based mitigation potential before it disappears with disappearing forests. To the extent that REDD+ also supports other objectives by delivering co-benefits – including adaptation to climate change, poverty reduction and conservation of biodiversity – REDD+ takes on the urgency of those agendas as well.

But, as many chapters make clear, constraints are holding back the pace of REDD+ implementation, despite the urgency. Global negotiations have not resolved many issues related to the scope, scale, funding, performance indicators and MRV systems of REDD+ (Chapter 2). Many of the details of the global architecture for REDD+ are likely to take several years to work out, which means that the full implications for individual countries will be uncertain for some time to come. REDD+ proponents who move too quickly face the risk that their assumptions about the shape of the regime and volume of funding may prove wrong; those who move too slowly risk missing opportunities for earlier and larger emissions reductions and associated financial flows.

A second constraint to moving REDD+ forward quickly at the national and subnational levels – and perhaps the most significant – is that transforming how forests are managed will, in many cases, require protracted political negotiation (Chapter 3). A transparent and inclusive process to resolve conflicts among various stakeholders will be necessary to arrive at a shared vision for REDD+, a vision that is in fact and perception legitimate in the eyes of domestic winners and losers and the international community. Moving too quickly without confronting the need for change could risk attempting to build REDD+ on the existing forest management paradigm (akin to putting ‘new REDD+ wine in old wineskins’). Announcing bold targets and empowering new institutions without consultation and constituency building risks rearguard action by vested interests to undermine the new initiative.

A third constraint on the pace of REDD+ is that the conditions for successful REDD+ implementation do not currently exist in most countries. This

means that policy makers and practitioners must pay careful attention to the timing and sequencing of interventions. An emerging consensus around a phased approach – moving from a readiness phase, to one in which policies and measures are implemented, to full, performance-based implementation – offers a framework of eligibility and support, and allows countries to move through the phases as quickly as possible.

Specifically, there is a risk that performance-based payments will begin too early. Until reference levels have been negotiated and MRV systems are in place for monitoring emission reductions and removals, it will be impossible to link payments to outcomes, risking low or no additionality ('hot air'). For example, credible claims for reduced degradation or stock enhancement will require repeated ground-level inventories (Chapter 8). Equally, it is essential that MRV systems for finance are in place before significant volumes of revenue begin to flow. Without mechanisms for transparent allocation, independent audit and other mechanisms of accountability in place, the risk of misallocation of resources and corruption will be high.

We know a lot ... but need to be learning while doing

A constraint to REDD+ implementation results from the paradox mentioned at the beginning of this chapter: we know much more about what does not work in reducing deforestation and degradation than about what does work. Few forestry sector interventions have been subject to rigorous impact assessments. As a result, much more research lies ahead before REDD+ policy makers and practitioners will have access to comprehensive knowledge about 'what works' under a variety of circumstances. For each of the dilemmas described in the sections above, there is a corresponding research agenda to further understand the risks and tradeoffs.

A related dilemma is how much REDD+ effort and investment should be focused on moving ahead with 'best bets' (what we think is most likely to work based on what we currently know), and how much should be invested in long-term, rigorous analysis to confirm or challenge conventional wisdom. Clearly, it will be important to document and disseminate the early results from the first generation of REDD+ projects so that midcourse corrections can be made as quickly as possible.

The landscape of first generation REDD+ projects is highly diverse (Chapter 21). And, as described in Chapter 22, these projects will need to collect baseline data and monitor progress over the life of the project and beyond to measure to what extent the interventions have had the expected effects on rates of deforestation and degradation, as well as on local livelihoods, biodiversity or governance. BACI (before and after, control and intervention) methods to

measure impact offer a systematic approach to assessing project outcomes and allow for comparative analysis across sites.

In addition, the global community of REDD+ policy makers and practitioners could learn much from attempts to formulate and implement national strategies and policies that are truly transformational in nature. In the same way that project-level initiatives should be subjected to rigorous impact assessment, at least as much effort should be devoted to evaluating the effectiveness, efficiency and equity of REDD+ policies under various conditions. As it is the transformational nature of the REDD+ implementation agenda that is truly new compared to past approaches to addressing deforestation and degradation, the opportunities for generating insights from rigorous comparative analysis should be large indeed.¹

Realising REDD+: What are the prospects?

Past attempts to conserve and better manage forests offer plenty of reasons to be pessimistic about the success of REDD+. Why should we believe that success is more likely this time?

First, although a large share of the REDD+ action will be more of the same, it also includes genuinely new elements. International and national payments will increasingly be linked to performance and measureable results, thus altering incentives for all stakeholders in a way that has never before been attempted on a national scale.

Second, sections of the international community have demonstrated a strong willingness to pay for REDD+. More funding is likely to come from public sources and, perhaps, from selling REDD+ credits in international carbon markets, depending on the conclusion of the UNFCCC agreement and decisions by the European Union and individual countries on the inclusion of REDD+ credits as offsets. The volume of finance could be sufficient to tip the balance of the political economy of forest management from one that drives deforestation and degradation to one that supports conservation and restoration.

Third, many developing countries are demonstrating a strong will to tackle the problems of deforestation and forest degradation, and to make REDD+ part of low carbon economic development. This match between international 'willingness to pay' and national 'willingness to play' is essential for the success of REDD+, in both the negotiation and implementation arenas.

¹ CIFOR is coordinating the Global Comparative Study on REDD that looks at the first generation of REDD+ activities at national and subnational levels. For more information, see <http://www.cifor.cgiar.org/>.

Fourth, many organisations and individuals are watching REDD+, and are alert to potential negative consequences for effectiveness, efficiency and equity. Private sector actors are also sensitive to the risks to their reputations associated with involvement in REDD+. More than in the past, this scrutiny should help to limit mismanagement of REDD+ funds and corruption, and provide early warning of adverse impacts on vulnerable communities and ecosystems.

Finally, the seriousness of climate change and the magnitude of the adaptation challenge are becoming increasingly evident. National and global policies are likely to increase their focus on effective action to reduce emissions, and countries and domestic players seen to hinder progress will lose legitimacy. The multiple benefits at all levels to be gained from better management of the world's forests are bound to increase political pressure for effective, efficient and equitable implementation of REDD+.

Taken together, the analyses presented in this book provide evidence for cautious optimism that REDD+ can indeed be realised in national institutions, policies and actions on the ground.

