Operationalizing Safeguards in National REDD+ Benefit-sharing Systems

Lessons on effectiveness, efficiency and equity

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Operationalizing safeguards in national REDD+ architectures remains a major challenge in most REDD+ countries, particularly in the area of benefit sharing. Effective, efficient and equitable outcomes of REDD+ require effective, efficient and equitable implementation of safeguards.

READ THIS BRIEF IF…

- You are designing safeguard policies and practices
- You want to learn about conceptualizing REDD+ safeguards in REDD+ national architectures
- You are interested in understanding the links between REDD+ safeguards and benefit sharing mechanisms
- You want to understand how to identify the highest risks for realizing effective, efficient and equitable outcomes within REDD+ benefit sharing mechanisms and where safeguards need to be in place.

KEY MESSAGES

- Safeguards implementation will require priority setting inside national REDD+ architectures.
- Benefit sharing is a key element of national REDD+ architectures, and its implementation will require adherence to safeguards to ensure that contextual, procedural and distributive equity are considered.

- Learning from challenges facing the measurement, reporting and verification (MRV) of carbon indicates that a stepwise approach is needed to operationalize safeguards.
- Steps forward should include a risk assessment for priority setting, a review of existing (and accessible) data, and improved assessment and reporting of safeguards through establishment of robust datasets and inclusion of feedback loops.

THE PROBLEM

It remains unclear for most countries how to operationalize the Warsaw Framework on Safeguard Information Systems (SIS) in national REDD+ architectures (Jagger et al. 2014). We suggest steps forward for the operationalization of REDD+ safeguards in relation to benefit-sharing mechanisms (BSM).

Benefit sharing is the distribution of direct and indirect net gains from the implementation of REDD+. It includes direct benefits (monetary gains or increased availability of forest ecosystem services and goods) as well as indirect ones (e.g. improved governance infrastructure provision) (Luttrell et al. 2013).

The proposed steps are based on a number of case studies that the Center for International Forestry Research (CIFOR) and partners have carried out in Latin America, Africa and Asia since 2009, in the context of CIFOR's Global Comparative Study on REDD+. In the examples presented, we will focus on safeguarding equity implications.

Three key dimensions of equity are: 1) contextual equity—the conditions embedded in the social and political context that put some people or groups at a disadvantage, a typical example being gender discrimination; 2) procedural equity—the level of representation, participation and equal say in decision making processes; 3) distributive equity—the distribution of costs and benefits of policies and actions among stakeholders (McDermott et al. 2012).

STEP 1. IDENTIFYING HIGH-RISK AREAS IN BSM WITH PARTICULAR LINKAGES TO SPECIFIC SAFEGUARDS

Countries face enormous complexity when linking BSM to SIS. The reasons for this complexity are that country realities for BSM are highly diverse with different institutional pathways established, and different BSM funding instruments used, often in parallel. This situation requires the operationalization of safeguards in a way that is relevant to individual country contexts, and raises the need for prioritization.

Lessons from earlier benefit sharing experiences (Pham et al. 2013) indicate a number of high-risk areas for BSM that might be useful in prioritization:

- risks related to the objectives of BSM, e.g. the rationales used in identifying beneficiaries
- risks related to unclear and insecure land tenure
- risks related to representation, including elite capture
- risks related to horizontal and vertical information sharing and governance
- risks related to financial practices (embezzlement, corruption, etc.).

REDD+ safeguards, when appropriately operationalized, should be able to help mitigate these risks.

Risks related to objectives: Discourses on 'who should benefit'

One example of risks related to objectives of BSM in REDD+ are the different discourses on who should benefit. These discourses have different implications for BSM design and incorporate trade-offs, such as effectiveness and efficiency vs. equity. Effectiveness and efficiency refers to the goal of emission reductions, while equity refers to 'who has the right to benefit'. Luttrell et al. (2013) identified six of these discourses:
- benefits should go to actors with legal rights related to carbon emission reductions ('legal rights' rationale)
- benefits should go to those who reduce emissions ('emission reductions' rationale)
- benefits should go to forest stewards ('stewardship' rationale)

- actors incurring costs should be compensated ('cost-compensation' rationale)
- benefits should go to effective facilitators of implementation ('facilitation' rationale)
- benefits should go to the poor ('pro-poor' rationale).

Choosing one of these objectives as the design principle for BSM has strong implications for which type of safeguard is required, in terms of governance, rights, social benefits, etc. In turn, social safeguards would bring in legal grounds for the support of some of those rationales, such as the pro-poor rationale. For example environmental safeguards and safeguards protecting the rights of indigenous people could support the stewardship rationale (Luttrell et al. 2013).

Risks related to representation: Examples from six countries

Safeguarding procedural equity in implementing BSM mainly concerns decision-making procedures. Evidence from recent studies strongly indicates that decision making, and discussions on REDD+ and benefit sharing, are dominated by powerful groups (e.g. government agencies and donors) with limited participation of vulnerable and marginalized groups (e.g. customary users, indigenous groups) (Babon and Gowae 2013; Che Piu and Menton 2013; Indrarto et al. 2012; Di Gregorio et al. 2013; Dkamela 2011; Jagger et al. 2012; Mpoyi et al. 2013; Müller et al. 2014; Paudel et al. 2013). In Vietnam, Pham et al. (2014) identified a dominant role of government agencies in REDD+ policy making, and limited political space for non-state actors (e.g. nongovernmental and civil society organizations) to exert an influence on the final policy outputs. In such a case, the information needed for an SIS would require data on participation and representation in policy events, as well as in policy networks.

Risks related to unclear tenure, financial procedures and elite capture: An example from Cameroon

The Cameroon case study highlights implications for procedural and distributive equity in BSM. Assembe-Mvondo et al. (2013) observed two main benefit-sharing mechanisms: 1) a decentralized forestry taxation system; and 2) land fees. However, in both, risks are clearly related to institutional path dependencies (e.g. colonial rules) in the process of establishing land tenure, the top-down approach to establishing a governance system for the distribution of forest fees, and a lack of transparency in the fee-distribution process (Assembe-Mvondo et al. 2013, 2014). For SIS, information is needed on rule setting and participation, as well as on actual fee distribution—in short, following the money.

STEP 2. UNDERSTANDING CRITERIA AND INDICATORS FOR ASSESSING SAFEGUARDS IN BENEFIT-SHARING MECHANISMS

To ensure effectiveness, efficiency and equity (3Es) in BSM design and implementation, criteria and indicators are needed to assess whether the 3Es are actually achieved. These criteria and indicators can then be linked to one or a number of REDD+ safeguards. While it is good to have more than one safeguard linked to a BSM criterion, to triangulate information for assessment, there is also a need for careful design to deal with trade-offs among the safeguards. SIS must be capable of dealing with multiple, and in part overlapping, assessments from different areas, as shown with example criteria and indicators in Figure 1. For SIS to be capable of dealing with these issues, the introduction of minimal criteria (e.g. at least 2 out of 4 indicators) has to be in place.

Identifying what constitutes a set of criteria and indicators to assess the 3Es in BSM, how to measure what by whom, and what needs to be done to ensure information flows inside the SIS will be central to operationalizing safeguards.
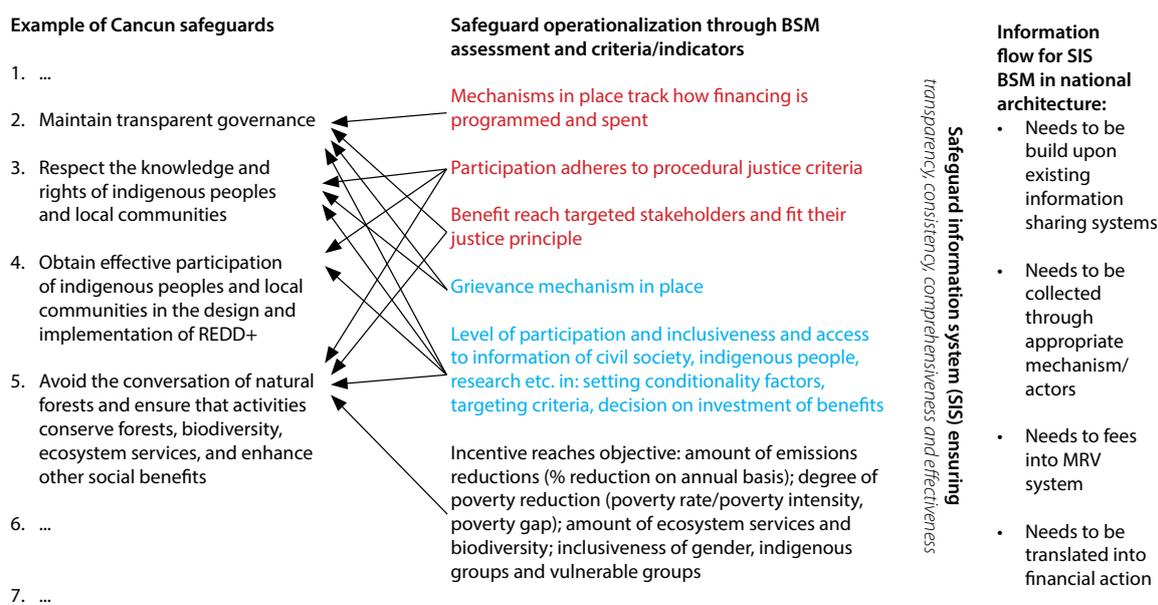
Example of Cancun safeguards

1. ...
2. Maintain transparent governance
3. Respect the knowledge and rights of indigenous peoples and local communities
4. Obtain effective participation of indigenous peoples and local communities in the design and implementation of REDD+
5. Avoid the conversation of natural forests and ensure that activities conserve forests, biodiversity, ecosystem services, and enhance other social benefits
6. ...
7. ...

Safeguard operationalization through BSM assessment and criteria/indicators

Mechanisms in place track how financing is programmed and spent

Participation adheres to procedural justice criteria

Benefit reach targeted stakeholders and fit their justice principle

Grievance mechanism in place

Level of participation and inclusiveness and access to information of civil society, indigenous people, research etc. in: setting conditionality factors, targeting criteria, decision on investment of benefits

Incentive reaches objective: amount of emissions reductions (% reduction on annual basis); degree of poverty reduction (poverty rate/poverty intensity, poverty gap); amount of ecosystem services and biodiversity; inclusiveness of gender, indigenous groups and vulnerable groups

Safeguard information system (SIS) ensuring transparency, consistency, comprehensiveness and effectiveness

Information flow for SIS BSM in national architecture:
- Needs to be build upon existing information sharing systems
- Needs to be collected through appropriate mechanism/actors
- Needs to fees into MRV system
- Needs to be translated into financial action

Figure 1. Mapping BSM criteria and indicators to Cancun safeguards (adapted from Wong et al. 2014)

CONCLUSION: OPERATIONALIZING AND REPORTING INFORMATION ON SAFEGUARDS FOR BSM

The case studies above provide a clear indication of the challenges in operationalizing safeguards and transparency of information flows for future SIS. In most cases, there will be a lack of robust criteria and indicators for assessing BSM design implications for safeguards, a lack of robust data, and a lack of rigorous methods to obtain data. In addition, problems with the standardization of methods are expected, including high costs for 'ground truthing' due to specific local contexts. This will all sound familiar for most readers, as these are characteristics of challenges already seen and widely discussed in relation to setting emission reference levels. Building on lessons from MRV of carbon in REDD+ (Herold et al. 2012), we suggest a stepwise approach for safeguards operationalization and the setup of SIS:

1. Conduct risk assessment to identify priority areas in country-specific BSM design
2. Develop safeguard criteria and indicators through analysis of available data:
   • Review of REDD+ discourses to identify country-specific objectives for REDD+ BSM
   • Review of legal frameworks and identification of gaps

• Analysis of existing BSM practices and lessons
• Identification of existing information sharing systems.

It will be key to improve assessment and reporting of safeguards through establishment of robust datasets and inclusion of feedback loops, including continuous review of risk areas, as these may change over time.

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