

Reducing Emissions from Deforestation and Forest Degradation (REDD+) – What is Behind the Idea and What is the Role of UN-REDD and Forest Carbon Partnership Facility (FCPF)?

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Background and purpose: Although greenhouse gases related with the Land Use, Land Use Changes and the Forestry (LULUCF) represent approximately 15-20% of all greenhouse gases emissions to the atmosphere, afforestation/reforestation projects of Kyoto protocol related Clean Development Mechanism (CDM) represents only 0.75% of all CDM projects. All these facts prompted re-negotiation of climate change policy to include Reducing Emissions of Deforestation and forest Degradation (REDD+) in compliance carbon trading in the Post-Kyoto protocol. To help implementing the REDD in developing countries, two main multilateral readiness programs were established, the UN one (UN-REDD+), and the Forest Carbon Partnership Facility (FCPF), which was created by the World Bank. This paper describes the main idea behind REDD+ mechanism, the roles of UN-REDD and FCPF in creating REDD+ national policies and what are the challenges and main obstacles in successful implementation of REDD+.

Material and methods: Review of the existing literature like reports and publications related to REDD+ in general, as well as related with UN-REDD and FCPF roles in REDD+ implementation in sub-national, national and supra-national policies.

Discussion and conclusion: For successful implementation of REDD+ it is necessary to deal with the problems of governance (weak institution, corruption, lack of transparency and participation) that are common present in most of the tropical countries involved in REDD+. The implementation of an effective REDD+ mechanism will need an improved capacity building and law enforcement. The analysis of UN-REDD and FCPF program reveals large overlapping, especially in current phase of

capacity building. At present, it seems that UN-REDD maintains a more social oriented approach, while FCPF focuses more on carbon sequestration projects.

Keywords: Climate change, deforestation, REDD+, UN-REDD, FCPF, tropical countries

INTRODUCTION

To cope with the climate change, and to limit the future increase of global temperature below 2°C [1], it is necessary to dramatically reduce the emissions of greenhouse gases to the atmosphere, particularly the anthropogenic carbon dioxide (CO₂).

At the global level emissions of greenhouse gases (GHGs) related with Land Use, Land use change and Forestry represent about 15-20% of global CO₂ emissions [2], so forestry is third sector after energy (25.9%) and industry (19.4%) regarding contribution of GHGs emissions to the atmosphere [1]. Although deforestation and forest degradation are one of the biggest sources of emissions of greenhouse gases and preservation of the forest is very important in fighting the climate change, there has not been any significant improvement there. Certified Emission Reductions (CER; i.e. "carbon credits") coming from forestry projects are potentially available through projects of Clean Development Mechanism (CDM) under the United Nations Framework Convention on Climate Change (UNFCCC) Kyoto protocol. However, such projects are limited only to Afforestation and Reforestation projects (A/R) [3]. Because of their complexity, high transaction costs and uncertainty out of 4200 CDM projects, only 32 (0.75%) are A/R project [4].

All these facts prompted re-negotiation of climate change policy to include REDD+ in compliance carbon trading in the near future, by recognizing tropical forests as the valuable assets and this way increase the prospect for sustainable management and protection of forests. On 9th Conference of the Parties (COP) in Milan in the year 2003, the first two years process of Reducing Emissions of Deforestation (RED) mechanism was initiated [5]. On COP 11th in Montreal the Papua New Guinea and Costa Rica's governments requested that "agenda related with Reducing Emissions of Deforestation in developing countries approaches to stimulate actions" The negotiations started on 13th section of Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC) in Bali in 2007 where second D was added and Reducing Emissions of Deforestation and forest Degradation (REDD) was defined. Since this activity the discussion about REDD had evolved until REDD+ was created on the COP 14th in Poznan, Poland in 2008 [6]. In addition, in REDD+ forest conservation, sustainable forest management and carbon stock enhancement were included [7] (Box 1).

Box 1

Situation on the carbon credit market

Many mechanisms were created in goal to reduce the emissions of greenhouse gases, and to mitigate the global climate change. Some of these mechanisms that are actual on the markets are Payment for Environmental Services (PES), including carbon credits markets, where there are two different systems of markets; 1) Compliance (regulated) Emissions Trading Schemes (ETS): like Clean Development Mechanism (CDM), Joint Implementation (JI), EU ETS; and 2) Voluntary carbon market schemes that are beyond regulations, for ex. Voluntary Carbon Standards (VCS), Plan Vivo, Climate, Community and Biodiversity Alliance (CCBA) and Carbon Fix. In compliance schemes regarding forestry carbon projects only CDM A/R (Clean Development Mechanism Afforestation/Reforestation) projects are valid for now, and in voluntary markets forestry projects that include A/R, REDD (Reducing Emissions from Deforestation and forest Degradation) and SFM (Sustainable Forest Management) can be certified for carbon offsets [23].

MATERIALS AND METHODS

Materials and methods we used for this article were analysis and review of existing literature like reports and publications related to REDD+ in general, as well as related with UN-REDD and FCPF roles in REDD+ implementation in sub-national, national and supra-national policies. After the analysis and review of the literature we answered to the questions related with REDD+; like what is the main idea behind REDD+, what is role of UN-REDD and FCPF and why they were established, and what are the main similarities and differences between these two programmes.

What is the main idea behind REDD+?

According to the Stern Review, reducing deforestation is the "single largest opportunity for cost-effective and immediate reductions of carbon emissions" [8]. The added + in REDD signifies that the role of conservation, sustainable management of forest and enhancement of carbon stock in developing countries are recognised and included. The idea of REDD+ is that not only financial help would be given to stop deforestation and degradation, but also to conserve and to increase forest carbon stocks through sustainable forest management, through tree planting and rehabilitation of forest land [9]. Like this, the countries with sustainable forest management, that are already protecting their forest can also profit from the REDD financial benefits.

Many developed countries see REDD+ as an attractive option in gain part of their reduction targets through investing in REDD+ projects, while for developing countries REDD+ represents an additional income and a source for supporting and financing sustainable forest management and this way reduce the poverty [7]. Market based REDD+ would be only available in countries that fully implemented forest governance reforms. Suitable policies on forest tenure, use and management rights, and also benefit-sharing mechanism would be mandatory before the issue of carbon credits [10]. These measures should provide successful implementation of REDD+ in developing countries.

If the post Kyoto agreement fails to act against the deforestation and degradation, the future of the forest, especially tropical ones will be in high risk, together with climate change mitigation. So the next agreement should provide financial incentives for countries rich with forests, and provide Payment for Environmental Services (PES) directly to the local people [11].

UN-REDD and FCPF – What is their role?

To help implement the REDD+ in the sub-national and national programs, if it will be the part of the after-Kyoto protocol, two main multilateral readiness programs were established, UN-REDD+ and Forest Carbon Partnership Facility (FCPF). The aim of both of these two programs is to prepare the countries for REDD+ implementation, so they appear overlapping, but they maintain some remarkable differences (Box 2).

UN-REDD was established by collaboration of three UN agencies, UNEP, UNDP and FAO. UN-REDD is a multi-donor trust that provides funding with an aim in significantly reducing global emissions from deforestation and forest degradation in developing countries. Initially nine tropical countries from Africa, Asia and Latin America were chosen like pilot countries for UN-REDD Programme, which supports the capacity building of national governments to be ready to prepare and implement national REDD strategies, of course with involvement of all stakeholders [12] (Figure 1).

Box 2

Other REDD+ related multilateral funds

Forest Peoples Programme (FPP) is an international organisation that operates in tropical countries and it tries to make better connection between policy makers and forest people. Through capacity building, advocacy and practical projects FPP supports forest people to deal directly with the outside factors that shape their lives [24]. Forest Peoples Programme supports the rights of peoples who live in forests and depend on them for their livelihoods. They base their work on subjects as environmental governance, climate and forests, legal and human rights and responsible finance.

Congo Basin Forest Fund (CBFF) was launched in June 2008 with a grant of £100 million from the governments of the UK and Norway to develop the capacity of the people and institutions of the Congo Basin to preserve and manage their forests [25]. It accepts proposals from NGOs and governments to develop projects related with sustainable management of the forest, included projects elated with climate change mitigation.

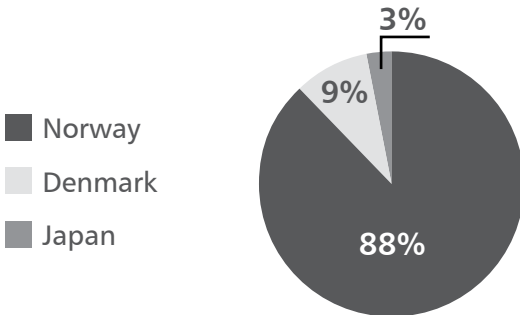


FIGURE 1
Donors by countries for UN-REDD program (in total 97.67 USD mn, according to: <http://www.climatefundsupdate.org/listing/un-redd-programme>)

The other program, The Forest Carbon Partnership Facility (FCPF) is a World Bank program that was created to help and assist developing countries in tropics to reduce emissions of deforestation and forest degradation. This program has two main objectives, like UN-REDD it has objective of capacity building for REDD+ readiness, and the second aim is to test a program regarding incentive payments in some pilot countries [13] (Figure 2).

The main differences and similarities between these two programmes

Behind the idea of FCPF and UN REDD mechanism is a support of activities regarding REDD+ and to

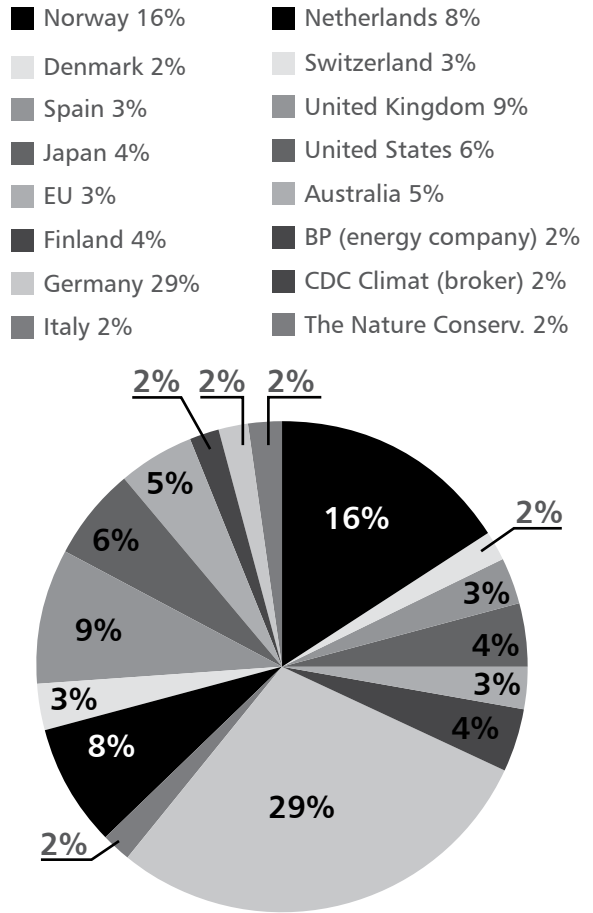


FIGURE 2
Donors by countries and organisations for FCPF program (in total 320.57 USD mn, according to: <http://www.climatefundsupdate.org/listing/forest-carbon-partnership-facility>)

help developing countries in reducing their emissions from deforestation and forest degradation. Also the idea behind both mechanisms is to work on multilateral basis with donors and REDD+ countries and that the REDD+ is an efficient way to mitigate the climate change [14]. Also both institutions work closely with UNFCCC, to support implementation of UNFCCC decisions. One of the main differences is that UN-REDD is seeking consensus and raising awareness of importance to include REDD+ into compliance market [15] while FCPF provides practical insights and knowledge generated from the FCPF's pilot implementations and carbon finance experiences to all interested entities [16]. Also there is a difference regarding decisions which countries can enter in REDD+ scheme like pilot countries, and a difference regarding the number of countries involved in the pilot scheme.

While UN-REDD is purely capacity building programme, for FCPF readiness is just the first part of

their project, later they would focus more on Carbon Fund projects [17]. Indeed UN-REDD focuses on capacity building regarding readiness, while FCPF uses readiness only like first step to the carbon funding. Also there is a different view between these two initiatives, while UN-REDD, like a part of UN, is a non-profit organisation, FCPF like a part of World Bank is an investor oriented programme (Table 1).

TABLE 1
The main similarities and differences [17]

	UN-REDD	FCPF
Activites supported	<ul style="list-style-type: none"> Country Programs Global Program 	<ul style="list-style-type: none"> The Readiness Mechanism Carbon Finance Mechanism
Conditions and eligibility requirements	<ol style="list-style-type: none"> Request for quick start action Existing collaboration with UN partners in related areas for rapid progress Emission reduction potential 	<p>REDD countries are selected based on their submission of a Readiness Plan Idea Note (R-PIN) and in accordance with the following criteria.</p> <ol style="list-style-type: none"> Relevance of the country in the REDD context Quality of the Readiness Plan Idea Note Geographic and biome balance
Consultations with non-government stakeholders	<p>Indigenous Peoples (IPs) and Civil Society (CSOs) are represented on the 19 seats of the Policy Board of the UN-REDD Program by the seat for Indigenous Peoples (IPs) and the seat for Civil Society (CSOs). In addition, there are 29 observers at Policy Board.</p>	<p>The country-led Readiness process will include an intensive stakeholder consultation process designed to:</p> <ol style="list-style-type: none"> Inform relevant stakeholders Identify affected stakeholders Involve key national and international scientific and political stakeholders
Uptake and projects supported	<p>Partnerships with 29 countries in total, 13 of which have received funding allocations for National Programmes, as of May 2011</p>	<p>37 countries have signed an participant agreement and 17 of these have received an assessment of their R-PP proposals.</p>

DISCUSSIONS AND CONCLUSION

Some of the main challenges regarding implementation of REDD+ on national level is related with the tropical countries political background. How most of the tropical countries with significant forest resources

have problems of weak institutions, corruption, weak enforcement of laws and lack of transparency to create a credible REDD+ scheme there is a need of capacity building, law enforcement and strengthening of the governance [18]. REDD+ mitigation mechanism should have a credible system for Measuring, Reporting and Verifying (MRV) changes in carbon forest stock, which each country should set its own [7]. To properly develop and implement REDD+ mechanism there is still a need to resolve many challenges. The most important challenges are: a) Monitoring, reporting and verification for national inventory purposes, b) Capacity building, law enforcement and governance strengthening, including land tenure and c) Minimizing the perverse incentives [19]. There is also a need for high quality of national baseline and greenhouse inventories, for clear data about land use and land use changes, especially regarding degradation and deforestation, in aim to establish baselines.

The analysis of UN-REDD and FCPF programs reveals how they are largely overlapping especially in the current phase of building capacity. They have common donors, strategies and some countries benefit of both. Anyway the UN-REDD seems to maintain a more social oriented approach while the presence of carbon fund suggest a natural financial approach by the World Bank. The presence of these two initiatives seems to be related strongly to the need of both the institutions to be included in REDD+.

Both the programs have been challenged from different point of view but especially in the involvement of indigenous people and local community. Forest and European Union Resource Network (FERN) published a report where they reveal how the initiative was launched with a top-down approach without any consultation with civil society or organisation [20]. FERN in its document "Cutting corners" [21] concludes that FCPF process has been rushed "with little or no consultations with indigenous people, local communities or civil society organisations, and failed to meet the Bank's own standards". Respond to these critics were the series of regional consultations organised by World Bank, but anyway FCPF is still largely criticized by different NGOs for the poor involvement of people. Also there were critics related with UN-REDD Framework Document [22], related with its social approach. All these critics have to be taken in consideration by both sides to facilitate the implementation of REDD+.

REDD+ shouldn't be seen only as a tool to reduce GHGs emission, but also as a tool to preserve the forest and their biodiversity, and as a tool to provide and increase the sustainable income to the people living from the forest that are sometimes amongst the world's poorest people, for instance by Payment for Environmental Services (PES), So the goal of the REDD+ is to act like a mechanism that would help prior to decrease CO₂ emissions and global poverty and at the same time save and improve the biodiversity and ecosystems services.

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