

20 Nov 2012

Performance-Based REDD+ and the Role of Non-Carbon Benefits

The provision of finance for the results-based phase of REDD+(Phase 3) should be based on carbon – that is, monitored, reported and verified emissions reductions or increases in sequestration relative to agreed levels, conditional upon the achievement of safeguards.¹ Credible carbon accounting is the defining characteristic of a mechanism that ‘Reduces Emissions from Deforestation and Forest Degradation’ (REDD+), putting it on an equivalent footing with mitigation efforts in other sectors. Linking payments to emissions reductions also helps to ensure that support for Phase 3 REDD+ is additional to current development assistance. **The UNFCCC should clearly define payments for REDD+ results as payments for emissions reductions (tons of GHGs reduced per year) achieved while meeting the safeguards.** This will result in a clear, effective and efficient mechanism.

One of the attractions of REDD+ is the opportunity to simultaneously contribute to climate change mitigation and to incentivize the protection and conservation of natural forests and their ecosystem services and to enhance other social and environmental benefits (sometimes referred to as non-carbon benefits, co-benefits, or multiple benefits). Examples include improved governance, livelihood security, enhanced well-being for indigenous peoples and local communities, improved water quality, and biodiversity protection. Many of the social and environmental benefits are explicitly included within the REDD+ mechanism, at a minimum those established by the safeguards in the Cancun REDD+ decision, 1/CP.16. As such, safeguards are a prerequisite for REDD+ carbon performance (and the associated results-based financing). A results-based approach to REDD+ phase three in no way diminishes the importance of social and environmental benefits, and they should be part of all phases of REDD+. For this reason, it is important that a variety of sources of financing are used to ensure safeguards are incorporated into the first two phases of REDD+, and a sufficiently high carbon price is used to compensate for results, which includes meeting the safeguards.

Second, achieving social and environmental benefits beyond minimum safeguards will likely make Phase 3 REDD+ more successful and durable. For example, resolving land tenure disputes, improving forest governance or providing clean water will increase the success of a national REDD+ program. Therefore, these beneficial actions will be (indirectly) rewarded under a REDD+ carbon-based payment because they will result in more emissions reductions, and will address perceived or real program risks.

¹ Phase 2 demonstrations should similarly be focused on this approach, in order to properly pilot Phase 3.

Conservation International, Environmental Defense Fund,
National Wildlife Federation, The Nature Conservancy,
Union of Concerned Scientists

20 Nov 2012

Third, REDD+ countries would have flexibility in how they use results-based payments and could use them to support social and environmental benefits and other nationally appropriate actions needed to achieve the country's REDD+ goals.

It is important to note that REDD+ readiness funding also provides significant support for social and environmental benefits. The approach to REDD+ taken in 1/CP.16 therefore also provides considerable support for social and environmental benefits in Phases 1 and 2.

In general, social and environmental benefits that go above and beyond those embedded in carbon-based Phase 3 REDD+ can and should be paid for by separate mechanisms designed for that purpose. A REDD+ mechanism based solely on carbon payments should not preclude any REDD+ country and donor separately agreeing to achieve and fund additional benefits. For example, a country may access the Adaptation Fund or adaptation window of the Green Climate Fund for adaptation benefits. Other potential sources of funding include biodiversity funding, ODA, and PES mechanisms. REDD+ countries should use their REDD+ Strategies to determine which funding mechanisms are most appropriate. In light of these and other possibilities for supplementary funding, countries should consider designs for their REDD+ systems that facilitate the robust measurement of social and environmental benefits (perhaps through the Safeguard Information System and other monitoring efforts) as well as the equitable distribution of any related revenues.