



MOVING REDD+ BEYOND CARBON NON-CARBON BENEFITS AT COP 19 AND BEYOND

REDD+ has the potential to contribute to a range of social, environmental and governance benefits. While greenhouse gas emission reductions (or “carbon benefits”) have been the main focus in REDD+ discussions, there is growing recognition that delivering Non-Carbon Benefits (NCBs) will be crucial to achieving carbon benefits that are permanent - and so, crucial to the long-term success of REDD+ programmes. These benefits go beyond the safeguards required for REDD+ and enhance the potential positive relationships between carbon and biodiversity, livelihoods and governance. While the REDD+ safeguards exist to ensure that REDD+ both does no harm and, in fact, achieves some positive benefits, NCBs ensure that emission reductions are sustainable over time, and they are valuable in their own right. Priority should therefore be given to REDD+ activities that maximize NCBs.

NCBs can take on many forms. They potentially include: improving the security of land tenure, ensuring effective procedural rights and complaint and dispute resolution mechanisms, regulating water, conserving soil, providing forest foods and other non-timber forest products, and supporting sustainable livelihoods. Defining, incentivizing and monitoring these tangible, non-carbon benefits are essential for achieving lasting carbon emission reductions through REDD+. The UNFCCC has taken the first step by incorporating NCBs into the REDD+ negotiations, and The Carbon Fund of the Forest Carbon Partnership Facility (FCPF) also incorporated NCBs into its Methodological Framework. During COP 19 in Warsaw, negotiators must take more concrete steps to move REDD+ beyond carbon by setting out a clear programme of work.

In this briefing, The REDD+ Safeguards Working Group (R-SWG) provides Parties with a set of concrete recommendations on NCBs for their work towards COP 19 in Warsaw. In previous R-SWG briefings, discussion papers and research, we have highlighted why NCBs are so central to the success of REDD+ and how NCBs, as well as safeguards, are crucial to achieving sustainable and permanent emission reductions in the forest sector.¹ The following pages provide you with background for our recommendations as well as questions for further discussion.

Summary of Recommendations

1. At the international level, countries should agree to a core set of criteria by which NCBs can be recognized. Over time, this international guidance could include the development of methodologies for certain types of benefits, depending on national-level priorities.
2. National REDD+ strategies, programmes and plans should clarify which NCBs are particularly relevant to the national context. This must be done with the full and effective participation of indigenous peoples and local communities.
3. In order to create the right enabling conditions for delivering NCBs, the UNFCCC should use NCBs as a basis for determining funding priorities and risk, in addition to promoting ex-ante financing for NCBs.
4. UNFCCC decisions on REDD+ incentive structures should give Parties the opportunity to pursue “composite” approaches for incentivizing NCBs alongside emission reductions.
5. The UNFCCC should recognize and promote existing processes to monitor NCBs, using safeguards information systems (SIS) as a start.
6. Particular attention should be paid to participatory community-based systems, and the full and effective participation of indigenous peoples and local communities must be ensured throughout.

Specific Recommendations for COP 19 in Warsaw:

SBSTA should:

- Agree to develop **criteria to define NCBs**, which are capable of being applied *flexibly* at national level;
- Agree that existing systems should be used for monitoring NCBs, building on the SIS as a basis, and explicitly recognize relevant systems and promote synergies between them; and
- Agree that further guidance on monitoring should be developed over time.

The Work Programme on REDD+ financing under the COP should:

- Acknowledge that incentives for NCBs are important to achieving long-term sustainability of emission reductions; and therefore, such incentives will be needed throughout all phases of REDD+;
- Agree that a country's commitment to, and progress towards, achieving NCBs will be a valuable indicator in determining risk and questions of prioritization; and,
- Encourage further work among REDD+ countries and donor countries on how incentives for NCBs should be incorporated into REDD+ financing, including results-based funding.

¹See R-SWG papers. Additional Guidance on REDD+ Safeguards Information Systems (<http://www.scribd.com/doc/113736314/Additional-Guidance-on-REDD-SIS>), 14-25 May 2012; REDD+ Finance and Safeguards (<http://www.scribd.com/doc/113736317/Briefing-Paper-on-REDD-Finance-and-Safeguards>), 30 August - 5 September 2012; Providing Incentives for Multiple Benefits: Linking Finance, Results and Safeguards (<http://www.scribd.com/doc/113749200/Providing-Incentives-for-Multiple-Benefits-Linking-Finance-Results-and-Safeguards>), 26 November - 7 December 2012; Recommendations for Doha (<http://www.scribd.com/doc/113982787/Recommendations-for-Doha>), 26 November - 7 December 2012; Non-Carbon Benefits in REDD+: Providing Incentives and Addressing Methodological Issues (<http://www.scribd.com/doc/143905103/Non-Carbon-Benefits-in-REDD-Providing-Incentives-and-Addressing-Methodological-Issues>), 3-14 June 2013.

Moving REDD+ Beyond Carbon: Background and Context ²

REDD+ was originally proposed in the context of climate change mitigation due to the significant potential that forests have for sequestering carbon.³ However, forests, particularly natural forests, have a variety of functions, including providing and enhancing biodiversity, protecting watersheds, and supporting traditional livelihoods. Recognizing and incorporating such multiple benefits into any incentive structure is critical to the success of REDD+.⁴

Ensuring a human rights-based approach to REDD+ is essential. The Cancun Agreements explicitly recognize that UNFCCC Parties are obligated to fully respect human rights, including the rights of indigenous peoples, in all climate change-related decisions and actions. Thus REDD+ finance must be framed by a human rights-based approach and access to results-based finance - whether for carbon or non-carbon results - must be dependent on countries putting in place the elements necessary to achieve this.⁵

The focus on multiple benefits in the context of results-based REDD+ is gaining momentum in international policy circles. In December 2012, Parties to the UNFCCC agreed to explore “ways to incentivize non-carbon benefits” and to discuss related methodological issues. The Carbon Fund of the Forest Carbon Partnership Facility (FCPF) also incorporated NCBs into its Methodological Framework. Both fora explicitly distinguish between carbon benefits and NCBs.

Although Parties to the UNFCCC have recognized the importance of NCBs in REDD+, there is still much to be decided. COP 19 in Warsaw presents an opportunity to drive much-needed conceptual and technical work on NCBs. The purpose of this brief is to set forth a vision for REDD+ that acknowledges and incentivizes NCBs, and to provide specific recommendations for COP 19. In addition, we outline the key issues that need to be explored further through analytical work, discussions and negotiations. We have also identified questions to guide such discussions. These fundamental issues include: (1) defining NCBs; (2) designing an incentive structure for NCBs; and, (3) monitoring NCBs.

Defining Non-Carbon Benefits

While there is a general understanding of what NCBs are - positive social, environmental and governance outcomes from implementing REDD+ - there is currently little guidance at the international level to support individual countries in determining which particular benefits should be recognized as part of their own REDD+ programmes. To facilitate discussions on incentivizing NCBs and methodological issues related to NCBs, further clarity on what NCBs entail will be needed at the international level. At the same time, it is clear that NCBs can vary significantly from country to country and that agreeing upon a precise definition might be difficult. Therefore, international guidance on NCBs should be capable of being applied across different national contexts while providing some level of international consistency.

Developing a common set of criteria for what countries may consider benefits that are nationally applicable would provide flexibility while maintaining coherence across contexts. Possible criteria could include: that the NCB is sufficiently connected to a forest function, implementing REDD+ safeguards, or addressing drivers of deforestation and forest degradation; that the REDD+ programme has the potential to positively contribute to said benefit; and that the benefit can be monitored in some form. In addition, as countries begin to identify NCBs that are most relevant in their national contexts, there will be opportunities to agree on methodologies for certain cross-cutting types of benefits. Those methodologies could provide guidance or best practices for ensuring and monitoring such benefits.

In the context of understanding what NCBs are, there is an undeniable relationship between the UNFCCC REDD+ safeguards and NCBs. This is in part due to the fact that the safeguards go beyond a “do no harm” approach and include benefits that countries should achieve. They are core *minimum* requirements that exist to ensure that REDD+ does no harm (i.e. to mitigate against the potential negative consequences of REDD+ on livelihoods and biodiversity) and achieves some positive benefits. They apply across national contexts and their robust implementation is a core requirement for obtaining results-based finance.⁶ While NCBs could build on safeguard requirements, they differ in that they provide benefits that are additional to the safeguards and thus should be incentivized. Their relevance will vary depending on specific national circumstances.

There are also natural connections between NCBs and addressing drivers of deforestation and forest degradation. Effectively dealing with the drivers is likely to result in NCBs like improved ecosystem services and the development of alternative livelihoods.

Recommendations

- At the international level, countries should agree to a core set of criteria by which NCBs can be recognized. Over time, these criteria could include the development of methodologies for certain types of benefits, depending on national-level priorities.
- National REDD+ strategies, programmes and plans should clarify which NCBs are particularly relevant to the national context. This must be done with the full and effective participation of indigenous peoples and local communities through broad and inclusive national processes. It must be based on the internationally agreed-upon criteria for recognizing NCBs (as per the previous recommendation). The plans should further outline how NCBs link to implementing safeguards and addressing drivers of deforestation and forest degradation.

² The background section of this paper is prepared by Rainforest Foundation Norway and Center for International Environmental Law, with input from the R-SWG

³ See UNFCCC REDD homepage: <http://unfccc.int/methods/redd/items/7377.php>

⁴ UN-REDD Policy Brief on Multiple Benefits, 1, http://www.un-redd.org/Newsletter33/Policy_Brief/tabid/106660/Default.aspx

⁵ For further background on the need for a human rights-based approach, see R-SWG Briefing Paper, “No Safeguards, No Results, No Finance”, also produced for the UNFCCC Results-Based Finance Workshop, Bonn, 21-22 August 2013.

⁶ For recommendations on safeguards and results-based finance, see R-SWG Briefing Paper, “No Safeguards, No Results, No Finance”.

Questions to guide further discussion:

- What kinds of NCBs are countries considering as part of REDD+ schemes? Are there some benefits that stand out and could be addressed in more detail at the international level?
- Recognizing the relationship between safeguards, NCBs, and addressing drivers of deforestation and forest degradation, what kinds of methodological or technical guidance might countries benefit from?
- As an input to the discussion on incentive structures (to avoid creating perverse incentives), how is safeguards implementation being financed and promoted at the national level?

Incentivizing Non-Carbon Benefits

Incentivizing NCBs will be critical to the long-term sustainability of REDD+. A financial incentive structure solely based on emissions reductions will be insufficient to deliver permanent results. For instance, if a REDD+ program does not contribute to improving forest governance and providing secure land tenure in a manner that ensures procedural rights in decision-making processes, then it is more likely that a forest area generating emission reductions will eventually succumb to drivers of deforestation and forest degradation, such as illegal logging. NCBs should be incentivized throughout *all* phases of REDD+. This includes the results-based phase and it is critical that the concept of results includes NCBs. It is also important to note that the most appropriate incentive structures are likely to change throughout the phases. Thus, as discussions on incentivizing NCBs and associated methodological issues progress, it is important to fully explore and assess a range of possible incentive structures, including non-financial incentives.

Ex-ante payments for specific NCBs could be one way of providing a kind of "sustained investment"⁷ in creating the enabling conditions for reducing deforestation and forest degradation. Such payments would be directed towards the development of appropriate policies and measures, such as to address drivers of deforestation and forest degradation. This approach might be particularly interesting for countries with high forest cover and low rates of deforestation.

Delivering NCBs could further be incentivized by associating progress towards NCBs with favorable risk ratings and/or priority access to results-based REDD+ funding. A strong commitment to and progress towards clearly defined NCBs will demonstrate that a country is creating an enabling environment for REDD+ emission reductions that are sustainable in the long term. This should be reflected in risk ratings that could form the basis, e.g., for access to funds through multilateral channels, or for determining the amount of emission reductions that would need to be buffered for non-permanence purposes.

There are different approaches for results-based REDD+ payments. The "composite" approach has the advantage of ensuring sustained incentives for NCBs. Thus, it creates the enabling conditions for the long-term sustainability and permanence of emission reductions. A composite approach places neither carbon nor NCBs as the primary category. Instead, the payments are calculated from an assessment of performance on a number of indicators - carbon being one among a set of carbon and non-carbon indicators. This approach differs fundamentally from a narrow conception of REDD+ as "carbon only." It takes a more holistic approach to achieving transformational change in the forest sector.⁸

In some national contexts, a composite system where certain NCBs could serve as proxies for exact measurements of deforestation and forest degradation could potentially serve to simplify MRV requirements and thus reduce costs. The approach does however bring up a number of questions around pricing and assessment of NCBs, and requirements for different sources of finance, which merit further work. UNFCCC decisions on REDD+ incentive structures should therefore ensure flexibility for REDD+ countries and donor countries to develop such composite approaches.

Recommendations

- In order to create the right enabling conditions for delivering NCBs, the UNFCCC should promote ex-ante financing for NCBs, as well as using NCBs as a basis for determining funding priorities and risk.
- UNFCCC decisions on REDD+ incentive structures should give Parties the opportunity to pursue "composite" approaches for incentivizing NCBs alongside emission reductions.

Questions to guide further discussion:

- What additional research or technical analysis is needed to further explore the incentive structures referenced above?
- How do existing bilateral and multilateral arrangements incentivize NCBs throughout the phases of REDD+, and what can be learned from these experiences?
- Are there other options that offer better ways to incentivize NCBs?

Monitoring Non-Carbon Benefits

Regardless of the incentive structure involved, including NCBs in REDD+ incentive structures necessitates some method of monitoring to determine whether NCBs are being achieved through REDD+ activities. Negotiators at the UNFCCC need to consider the extent of monitoring that will be needed, the level at which guidance or methodologies for such monitoring

⁷ Karsenty, Tulyasuwan, Ezzine de Blas, 2012. *Financing options to support REDD+ activities - Report for the European Commission*. CIRAD Agricultural Research for Development.

⁸ See "REDD+: An incentive structure for long-term performance", paper prepared for the UNFCCC session in Bangkok, October 2012.

should be developed, and the best approaches for conducting monitoring at the national level. These issues are closely linked to questions of how NCBs linked with incentive structures. Numerous systems exist or are in the process of being developed that could be drawn on to monitor NCBs. For monitoring to be effective, these existing systems will need to be built on in a coordinated way.

Countries are already developing safeguards information systems (SIS) using existing processes as well as national forest monitoring systems. These systems will likely generate the majority of information needed to demonstrate achievement of NCBs. In addition, countries may already have reporting systems in place for international agreements that monitor the same kinds of benefits. For example, national-level monitoring and data collection under the Convention on Biological Diversity and reporting under various international human rights agreements could serve to show the status of biodiversity and rights protection in a given country. Moreover, systems developed to monitor forest governance could provide information on governance-related benefits. In this way, countries can use and improve upon existing structures to monitor NCBs, rather than developing new and more costly systems. It should be noted that those countries that are using the REDD+ Social and Environmental Standards to monitor social and environmental performance of their REDD+ programmes would have an advantage since the principles and criteria used to define nationally specific indicators address NCBs as well as safeguards.

It is also necessary to recognize the role that communities can play in monitoring NCBs. Community-based monitoring has proven particularly successful in some contexts.⁹ There are lessons to be learned in how best to facilitate such processes at the national level. Community involvement in monitoring has the added benefit of increasing participation in and awareness of REDD+.

Recommendation

- The UNFCCC should recognize and promote existing processes to monitor NCBs, using safeguards information systems as a start. Methodologies for attaining certain types of benefits could be developed over time to provide guidance on how different monitoring systems and/or country level indicators can provide relevant information at the international level.
- Particular attention should be paid to participatory community-based systems, and the full and effective participation of indigenous peoples and local communities must be ensured throughout.

Questions to guide further discussion:

- Which existing in-country systems are best suited for reporting on NCBs, and how can these be utilized?
- What level of monitoring would be needed to provide confidence for payments?
- Should monitoring be activity based or outcome-based (i.e. do you monitor progress in land rights reform, or actual changes in land claims brought before national courts)?



REDD+ SAFEGUARDS
WORKING GROUP



Asia Indigenous Peoples Pact (AIPP) | Asian Indigenous Women's Network (AIWN) | Ateneo School of Government (ASoG) | BirdLife International | Center for International Environmental Law (CIEL) | Centro Mexicano de Derecho Ambiental (CEMDA) | Climate Justice Programme (CJP) | David Shepherd Wildlife Foundation (DSWF) | Federation of Community Forestry Users, Nepal (FECOFUN) | Forests of the World | Greenpeace | HuMa (Association for Community and Ecology-Based Law Reform) | Indigenous Livelihoods Enhancement Partners (ILEPA) | The Orangutan Project (TOP) | Naturvernforbundet (Friends of the Earth Norway) | Nepal Federation of Indigenous Nationalities (NEFIN) | NGO Coalition for Environment (NGOCE) | Rainforest Foundation Norway (RFN) | Tebtebba (Indigenous Peoples' International Centre for Policy Research and Education) | Wetlands International

Please contact REDDSWG@yahoo.com for questions, comments and suggestions.

These will be referred to relevant working group members.

⁹ See R-SWG 2013 Bonn briefing on *Providing Incentives and Addressing Methodological Issues: Non-Carbon Benefits in REDD+*