

# A country-led approach to REDD+ safeguards and multiple benefits

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## Key messages:

### ONE

**A multiple benefits approach constitutes a no-regrets approach to REDD+.** Multiple benefit expectations and safeguard requirements are not burdensome add-ons to a REDD+ climate change mitigation mechanism, but the best business case – more benefits for the same cost - to achieve sustained climate change mitigation results.

### TWO

**Three broad complementary strategies are available to developing countries** to meet, or exceed, international commitments on REDD+ safeguards: strengthening country safeguards systems; mainstreaming into national policies and subnational plans; and introducing economic incentives for multiple benefits.

### THREE

**Country-led processes that build upon existing country systems are essential** foundations for a national safeguards response: building on the existing legal, institutional and compliance frameworks that regulate, implement and demonstrate environmental and social performance within and across sectors.

### FOUR

**Realising national multiple benefit objectives requires mainstreaming** of environmental and social considerations into REDD+ actions at the operational level of subnational planning and mainstreaming of REDD+ into broader sustainable development strategies.

### FIVE

**A range of economic and policy incentives for multiple benefits are available** to national REDD+ programmes. Governments and the private sector have important roles in providing economic incentives through REDD+ for multiple benefits.

## REDD+ multiple benefits: risks, opportunities and strategies

REDD+ focuses on reducing carbon emissions yet the potential social and environmental risks and opportunities posed by the implementation of REDD+ activities have been acknowledged at the international level. The response from the Parties to the UNFCCC<sup>1</sup> to address these risks and opportunities has been the development of safeguards to be applied to all REDD+ activities.<sup>2</sup>

The success and legitimacy of REDD+ depends on its potential to deliver multiple social and environmental benefits, such as the conservation of biodiversity, the maintenance and enhancing of ecosystem services and the provision of livelihood benefits for rural poor communities. The multiple benefits are more than just a desirable bonus from REDD+, they constitute the enabling environment to achieve (and be compensated for) sustained emission reductions.<sup>3</sup>

Delivering multiple benefits through REDD+ provides an opportunity to contribute to broader sustainable development. By adopting a 'no-regrets' approach that focuses on multiple benefits beyond carbon, REDD+ implementation can contribute to national priorities other than just reducing emissions, such as poverty reduction, sustainable development and green growth strategies. Such an approach should reduce the risk and enhance the potential to deliver tangible and significant benefits, regardless of the form and scale of a future international REDD+ mechanism.

Countries have various existing policy tools and measures at their disposal to ensure that REDD+ serves as a means for the realisation of multiple benefits in a cost-effective manner. Three broad, complementary strategies have been identified for developing countries to fully operationalize, or exceed, international commitments on REDD+ safeguards: 1) strengthening country safeguards systems; 2) mainstreaming into national policies and subnational plans; and 3) introducing economic incentives for multiple benefits.

## Strengthening country safeguards systems

A country's existing legal, institutional and compliance frameworks comprise the means of fully operationalizing international REDD+ safeguards at the national level. The legal framework comprises national policies, laws and regulations that define and regulate the effective implementation and compliance with the safeguards adopted by the country. The institutional framework constitutes the organisations responsible and the procedures for implementing and enforcing the legal framework. The compliance framework encompasses the elements that demonstrate compliance with the legal framework: monitoring and information system(s); grievance and redress mechanism(s); and non-compliance mechanism(s) (Figure 1).

Initiatives to create national and subnational safeguard systems have been implemented in Acre (Brazil), Mexico, Indonesia and Vietnam (Box 1). While the means and options to strengthen existing safeguard systems will vary between countries, there are generic steps that may be useful for countries to consider in instigating a national response to international safeguard commitments (Figure 2).

### BOX ONE

#### Vietnam – an example of the country safeguard system in action

In 2012 Vietnam's sub-technical working group on REDD+ safeguards, chaired by the Vietnam REDD+ Office, reviewed the three major international safeguard frameworks presented for national REDD+ programme application: the World Bank safeguards; UN-REDD Social and Environmental Principles and Criteria; and the REDD+ Social and Environmental Standards. As Party to the UNFCCC, Vietnam acknowledges the safeguards agreed in Cancun, 2010, as taking supremacy above all other policy commitments on REDD+ safeguards. On this basis, Vietnam, with support from SNV, elected to take a country-led approach by commissioning the crucial first step of a policy, legal and regulatory gap analysis of existing national ordinance against the Cancun safeguards. This analysis is informing development of a safeguards roadmap for the 2012 National REDD+ Action Programme.

The country safeguard system could be applied to the national REDD+ strategy alone. Alternatively, the system could be broadened to apply to an entire sector, such as forestry. In its most comprehensive form, a country safeguard system would serve as a cross-sectoral framework for environmental and social performance across all land-based sectors - forestry, agriculture, domestic energy, etc. – which is consistent with High Level Fora on Aid Effectiveness (especially those convened in Paris and Accra) that have placed considerable emphasis on the need for countries to develop their own national, cross-sectoral safeguard systems. The three options of scope can be arranged in sequential order - starting from a REDD+-specific, to a single sector, through to a cross-sectoral system - as a phased approach to developing a comprehensive country safeguard system for land-based economic activities, catalysed by REDD+.

To ensure that a country safeguard system is developed and implemented efficiently, and avoids duplication of efforts, synergies with other safeguard-related processes in country should also be explored, e.g. Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreements (VPAs), private sector commodity certification schemes (such as the Forest Stewardship Council for timber) and other multilateral REDD+ readiness initiatives (Forest Carbon Partnership Facility, REDD+ Social & Environmental Standards and the UN-REDD Programme).

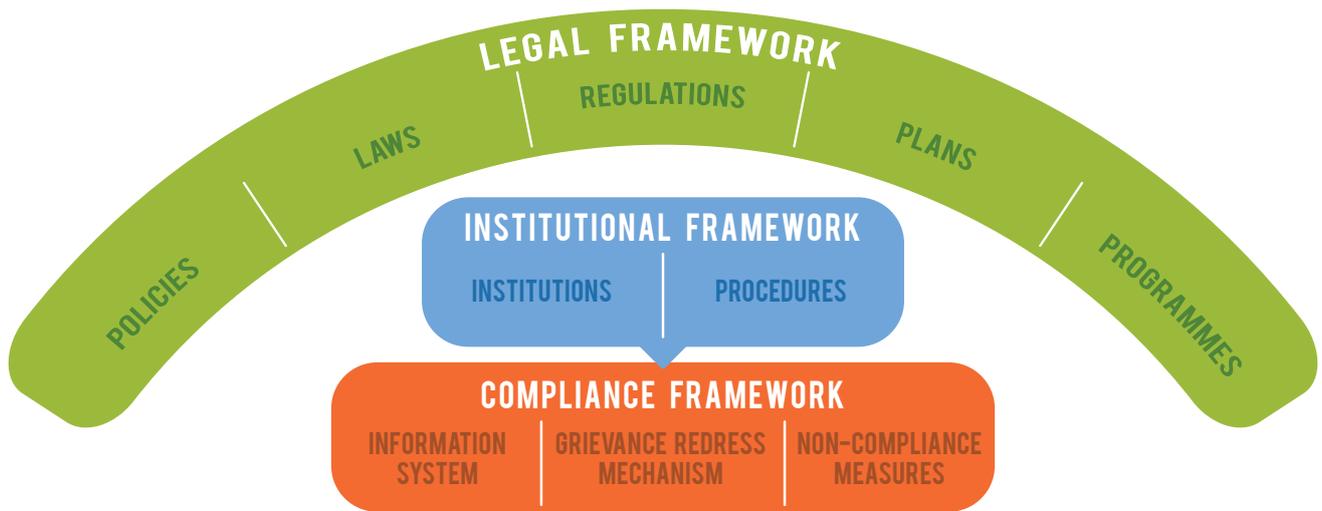


Figure 1 The main elements of a country safeguards system



Figure 2 A stepwise approach for developing a country safeguards system

### Mainstreaming into policies and plans

A second strategy, complementing the country safeguards system approach, is the mainstreaming of multiple benefit objectives into national policies and subnational plans, together with the mainstreaming of REDD+ (including safeguard provisions) into broader sustainable development strategies ('two-way' mainstreaming). Policy coherence between national REDD+ programmes and other broader socio-economic strategies, such as sustainable development, climate change or green economic growth policies, will greatly improve the effectiveness of a national REDD+ programme and achieve multiple benefits.

Clear policy statements in the national REDD+ strategy seeking to link economic development with social and environmental sustainability create the necessary basis for promoting a multiple benefits approach to REDD+. Within national REDD+ programmes, the selection of specific policies and measures comprising the national strategy will determine the environmental and social outcomes of REDD+.

## BOX TWO

### Mainstreaming multiple benefits into subnational planning - SNV in the field

SNV's REDD+ programme is developing guidance on LEDP processes together with approaches on how to mainstream multiple benefits into these planning processes. Two complementary approaches to mainstreaming are being developed and tested. In Indonesia, a spatial analysis-based commodity siting tool is being developed and tested to assist both public and private sector identify areas for sustainable palm oil expansion. In the REDD+ pioneering province of Lam Dong in Vietnam, a simple participatory environmental and social assessment (and monitoring) methodology is being devised to influence the selection and siting of activities under the Provincial REDD+ Action Plan, currently under development.

To realise a national REDD+ strategy's multiple benefit objectives, environmental and social considerations also need to be mainstreamed into REDD+ actions at the operational level of subnational planning. This means adopting a landscape-level, or ecosystem, approach to facilitating land use choices and negotiating trade-offs in terms of economic, environmental and social returns from productive landscapes through low-emission development planning (LEDP) (Box 2). Analytical tools for mainstreaming multiple benefits, into either national strategies or subnational plans, include participatory social and environmental impact assessments; spatial analysis and economic valuation of these benefits.

## Applying economic and policy incentives

Finally, economic and policy incentives can also play an important role in the delivery of multiple benefits under REDD+. Measures aimed at incentivising the delivery of multiple benefits, within a national REDD+ programme, may include removing barriers to multiple benefits (e.g. up-front costs), providing additional financial incentives (e.g. price premiums) or providing the right market conditions to ensure benefits beyond carbon can be realised. A wide range of economic policy models to incentivise multiple benefits are available (Box 3).

Governments play an important role in providing economic incentives to encourage REDD+ activities that deliver multiple benefits. Existing 'supply-side' government initiatives may already provide a framework for providing economic incentives for multiple benefits, and could be linked to REDD+. For example, building on domestic payment for ecosystem service (PES) schemes could offer opportunities for co-financing through REDD+. On the 'demand side', foreign governments may also be an important source of co-financing for multiple benefit delivery. Initiatives such as debt-swaps for biodiversity conservation, for example, illustrate how foreign governments could be attracted to co-finance REDD+.

Harnessing the ingenuity and economic clout of the private sector to leverage transformative investments into sustainable integrated landscape packages could incentivise multiple benefits outcomes at scale. The innovative application of positive economic incentives by national governments could stimulate private sector investment into more sustainable production systems through such instruments as: improved capital access (credit lines, funding streams, soft loans); climate change insurance products; co-financing through public-private partnerships (PPPs); together with the removal of perverse incentives such as chemical fertiliser subsidies.

## BOX THREE

### Economic instruments for multiple benefits available to national REDD+ programmes

- a) **Price premiums** - which would offer larger payments to REDD+ activities that deliver multiple benefits, such as biodiversity conservation.
- b) **Frontloading payments** - without changing the total amount, to enable the supplier of REDD+ services to make up-front investment in activities that favour multiple benefits.
- c) **Risk mitigation discounts** - (downward adjustment in risk scores) for emission reductions that deliver multiple benefits.
- d) **A stock-flow approach** - to carbon accounting used as a mechanism to divert REDD+ funding from areas with high historical emissions to areas with low historical emissions.
- e) **Earmarking REDD+ 'taxes'** – as a way for governments to ensure that agencies and actors responsible for delivering multiple benefits receive some funding under REDD+.

## Conclusion

Developing countries pursuing REDD+ readiness are presented with the technical and political challenge of operationalizing international REDD+ safeguards. Much of the discourse at the international level and deliberations within countries on how to address the safeguards have focused on: a) the role of multilateral REDD+ readiness initiatives, and how to deal with their different safeguards frameworks; and b) the development of national 'safeguard information systems'. The three complementary strategies to operationalizing safeguards presented here are offered as a comprehensive framework to advance the safeguards debate and provide guidance to REDD+ countries struggling with how to move forward with REDD+ safeguard commitments at national and subnational levels.

Breaking down how a REDD+ country could achieve multiple benefits, and meet international safeguard requirements - through country safeguard system components, mainstreaming mechanisms and economic and policy incentive structures - is hoped to stimulate governments to adopt country-led processes. These processes should build upon the existing frameworks, systems and capacities, rather than rely on entirely novel REDD+ architecture for safeguards and multiple benefits. As such, the strategies presented here should contribute further to a no-regrets approach: developing countries don't work for REDD+, but use REDD+ to work for them. REDD+ should be utilised to contribute to and reinforce a country's existing sustainable development policy commitments.

Multiple benefits, and the international safeguards commitments made to protect and promote them, should not be perceived as burdensome add-ons to the core business of carbon accounting and distribution of benefits from REDD+. The argument for any developing country to adopt a multiple benefit approach to REDD+ is twofold. Firstly, it makes REDD+ a more cost-effective and attractive proposition: more benefits for the same cost. These benefits would make welcome contributions to the country's sustainable development efforts, irrespective of compensation for emission reductions, i.e. a no-regrets approach to REDD+. Secondly, the success and legitimacy of REDD+ in terms of ex-post emissions reduction results is dependent upon environmental and social integrity of national REDD+ programmes. A carbon-only approach to REDD+ won't work.

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1 United Nations Framework Convention on Climate Change

2 UNFCCC Decision 1/CP.16, FCCC/CP/2010/Add.1 Appendix 1, paragraph 2

3 Swan, S. & R.G.H McNally (2011). High Biodiversity REDD+: Operationalizing Safeguards and Delivering Environmental Co-Benefits. SNV – The Netherlands Development Organisation, Hanoi