

Two decades of forest conservation through REDD+ – a critical review

REDD+ negotiations under the UNFCCC between 2005 and 2015 raised high expectations for effectively addressing the ongoing destruction of forests in developing countries. REDD+ was hailed a paradigm shift for the global efforts to mitigate greenhouse gas emissions while providing a powerful means, as well as finance, to achieve key sustainable development goals and curb the loss of terrestrial biodiversity.

By Till Pistorius

Addressing forest destruction has been on the global environmental policy agenda for decades. At the end of the 20th century, nearly 13 million hectares of forests were lost per year, mostly in developing countries. Forests harbour significant terrestrial biodiversity and provide a plethora of ecosystem services, but the focus of the United Nations Framework Convention on Climate Change (UNFCCC) to address global greenhouse gas (GHG) emissions as a driver for anthropogenic climate change put one specific ecosystem service into focus: the role of forests as large pools for carbon that either become a source of emissions if destroyed, or act as sinks for already emitted CO₂ if they are effectively protected or restored.

The forest transition theory illustrates how the growth of less developed economies is typically coupled with vast overuse of natural resources. Numerous examples, including Germany and many other industrialised countries, provide

empirical evidence to corroborate the theory. Most emissions result from the conversion of forests into agriculture (industrial and subsistence); other key drivers include mining and infrastructure, uncontrolled forest fires, degradation through illegal logging and fuel wood consumption. While drivers and underlying causes of forest destruction vary according to the local context, the consequences are similar, and the natural capital depreciates significantly as biodiversity and vital ecosystem services vanish.

Eventually, after decades of advanced industrialisation, forest covers are tending to stabilise at low levels and increase again; prominent examples include Germany, Costa Rica, Puerto Rico, South Korea, China and Vietnam. However, rehabilitation and restoration measures after stabilisation of the forest cover are very costly and take decades. The success of reverting forest destruction depends on many factors, such as the local degree of environ-

mental destruction, persisting pressures on the ecosystem, political will, technical capacities and financial resources. It is thus uncertain if forest functionality can be restored.

The concept of REDD+ – and how it developed in the UNFCCC negotiations

Even before the Kyoto Protocol was ratified, discussions had started on actively integrating developing countries in a post-Kyoto climate agreement – without comprising their right to economic development, the UN principle of “common-but-differentiated-responsibilities” (CBDR) and national sovereignty.

In 2003, Brazilian scientists presented a simple financial compensation mechanism for developing countries that successfully avoided deforestation against agreed baselines. The concept was aligned with UN principles and was included in the post-Kyoto agenda be-



In Central Kalimantan, vast expanses of forest have been destroyed to facilitate mining for gold – first by major corporations, then by the local communities, and finally by the poorest of the poor – immigrants from Java.

Photo: Till Pistorius

cause of its apparent potential for leveraging significant GHG emission reductions in countries facing high rates of forest destruction. In 2005, the first technical UNFCCC discussions focused on “reduced emissions from deforestation (RED)”. Subsequently, the scope was broadened to include avoided emissions from forest degradation, sustainable management of forests as well as afforestation and reforestation – ultimately subsumed under the acronym REDD+. The rationale was to accommodate varying national circumstances of potentially benefiting Parties: countries with high remaining forest cover, those that are in the middle of their forest transition and those which already focus on reversing forest loss. This broadening of scope sacrificed the idea of a simple technical approach based on remote sensing and proxies. It instead requires complicated measuring, reporting and third-party verification (MRV), as well as sophisticated monitoring systems which still only exist in very few countries. Further negotiations focused on safeguards, reference levels, MRV and monitoring systems (as a basis for payments against agreed baselines), non-carbon benefits, drivers and coordination of support.

REDD+ negotiations were often described as the “grease that lubricated the negotiations”, especially in Copenhagen, Denmark, in 2009, arguably saving the negotiation process from failure – it was the agenda item that most Parties wanted to see realised. One unintended side effect was that this rendered REDD+ an attractive chip for some Parties to bargain on other topics. In 2013, the Parties finally celebrated the conclusion of the so-called Warsaw Framework on REDD+, encompassing all decisions made until then.

What the negotiations failed to agree – who is footing the bill?

One key question during the entire negotiations focused on how to mobilise the billions of US dollars needed to compensate successfully avoided emissions? It became clear that different forms of support and funding amounts were needed, as most countries lacked the required technical and institutional capacities. Initial technical and financial support focused on the first phase of REDD+ (the “readiness phase”). Also for the second phase of REDD implementation (“implementing national strategies”), limited funding was provided – notably through Norway’s bilateral agreements, the multilateral Forest Carbon Partnership Facility (FCPF) Carbon Fund (operational since 2011) and its 15 jurisdictional

pilot programmes (50 million USD each), and Germany’s REDD Early Movers Program (REM). After Paris, the Green Climate Fund (GCF) also provided a funding envelope of 500 million USD for 2017 until 2022. To this day, however, hardly any funding has been available for fully implemented national programmes (the third phase of “results-based finance”). Discussions on market-based versus non-market approaches led to no conclusion except for that funding “should come from a variety of public and private sources”. After almost a decade of technical negotiations, the word “mechanism” disappeared in 2014 given the far-reaching institutional implications of this term. It was only thanks to Brazil’s insistence that REDD+ activities even made it into the Paris Agreement (cf. article 5).

In summary, despite much ready support, the funding promise of a “mechanism” for results-based REDD+ finance under the UNFCCC has not materialised. Almost a decade after the adoption of the Paris Agreement, this crucial issue is still unresolved.

Where REDD+ stands today

Since 2015, enthusiasm for REDD+ and forest landscape restoration (FLR) has notably decreased, as if the reducing forest loss had been achieved with the conceptual development of REDD+. Regrettably, the rates of forest loss are still alarming, and REDD+ implementation at scale is pending. Global forest-related targets, e.g. those of the UN New York Forest Declaration of 2014 to stop net loss by 2030 and revert through FLR, will not be met. Recent studies also show how climate change, extreme weather and fires are significant new drivers of further forest degradation and resulting emissions.

Undeniably, much has been achieved. Despite unclear attribution to REDD+, the Forest Resource Assessment of the UN Food and Agriculture Organization (FAO) of 2020 and the Global Forest Watch platform show that global deforestation rates have decreased. Global awareness of how important forests are for climate change mitigation, adaptation, biodiversity and livelihoods is unprecedented, as are efforts to restore forest ecosystems. In the wake of the REDD+ readiness support, many countries have taken significant steps to develop effective land use policies, key institutions and forest governance. This has constituted progress towards establishing the elements needed for upscaling implementation. Parties also submitted national reference levels to the



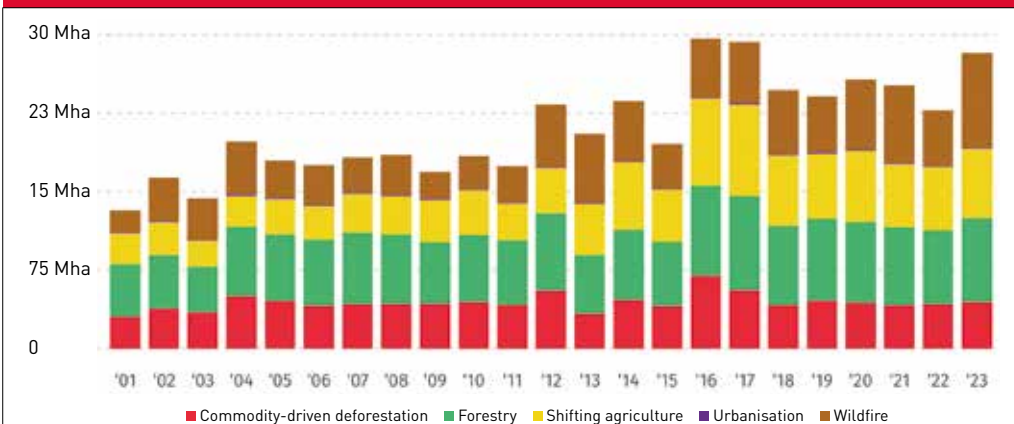
A tree in Calakmul Biosphere Reserve at Yucatán Peninsula, one of the largest protected areas in Mexico.

Photo: Iara Alonso/ UN REDD

UNFCCC in the hope that funding would eventually materialise. However, despite efforts for enhanced coordination, the support of key bilateral development cooperation partners, the FCPF and the UN-REDD programme remain fragmented and sub-optimal. Ultimately, most countries would still not be able to fully implement REDD+ as designed in the Warsaw Framework. The lack of finance and incentives is one important factor, but the challenges to advance readiness and roll out implementation at scale were also largely underestimated – for example concerning cross-sectoral land use governance, institutional capacities, technical requirements and persisting political will at all policy levels.

While public support for forests declined, unexpected funding came after 2015 – from the private sector. The so-called Voluntary Carbon Market (VCM) showed significant growth, based on voluntary corporate commitments to reduce unavoidable emissions, e.g. under the Science-based Target Initiative (SBTi). Verra is a non-profit foundation based in the USA that provides the leading standards for privately financed nature-based VCM projects, especially the Voluntary Carbon Standard (VCS). Under the VCS, next to other project types, there is also a methodology for certifying

Global annual tree cover loss by dominant driver (in millions of hectares)



Note: The methods behind this data have changed over time. Be cautious comparing old and new data, especially before/after 2015.

Source: www.globalforestwatch.org

REDD projects (only avoided emissions from deforestation and forest degradation). However, this is in parts at odds with government-led national or jurisdictional programmes as negotiated under the UNFCCC. This approach has also borne a significant risk of over-crediting, for instance because of a lack of guidance on how to define conservative and robust forward-looking baselines that do not encourage results amounting to little more than hot air.

While REDD projects for the VCM do not reflect what was intended under the UNFCCC, they have partly filled the funding and implementation gap described above. Public scrutiny recently revealed considerable issues with some REDD projects and led to significant criticism, raising doubts among many stakeholders and investors. One major criticism related to REDD projects certified according to the old VCS methodology was

over-crediting through inflated baselines, i.e. the threat of deforestation was deliberately overestimated in order to generate additional credits. Verra has responded with revised methodologies, but the prospects for such projects remain unclear.

Other institutions, however, are making efforts to combine the original idea of state-led jurisdictional programmes with credits sold to the private sector, e.g. the Art Trees standard that is developing its first programmes in Guyana, Ghana and Vietnam. Just like Verra's VCS, Art Trees will certify emission reductions and, through certification, make them tradable in different emission trading schemes for the private sector. While there are differences, VCS and Art Trees share a common focus on enabling private sector finance for forest conservation to compensate the notable absence of public funding for REDD+ by governments.

Outlook

The impacts and threats of tipping points are well-known, but forests remain under pressure. Addressing forest conservation and restoration has declined in the global political priority list. Consequently, the options for mobilising public finance for forest protection and restoration are even worse today than when the forest finance debate was postponed to better times.

Despite all the design weaknesses of REDD+ and challenges associated with implementation – no matter whether at national level, in publicly financed jurisdictional programmes or via the VCM – REDD+ is the best and only means the global community could agree on to save the remaining intact forests, and to restore degraded lands. Unfortunately, there are no realistic alternatives for conserving forests, and it took 20 years to agree on the approach. Criticisms, even when justified, tend to overlook that climate change is a race against time, and that the state of play is dire. Thus, decisions to reject REDD+, rather than moving forward with implementation and improvements over time, imply accepting the loss of further forests and the prolonged fuelling of climate change.

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A call for action to protect agricultural lands

In discussing the factors negatively impacting food security and the livelihoods of the rural poor, one phenomenon is often neglected: the loss of agricultural land through urban sprawl and development. Building on experience from Ghana, our author calls for considering agriculture in spatial development plans.

By Peter Asare-Nuamah

Like in many developing economies, agriculture forms the mainstay of Ghana's socioeconomic development, having contributed to gross domestic product, employment, foreign income as well as food security since independence. Despite competition from other sectors,

particularly the service sector, in recent times, agriculture continues to play a crucial role in Ghana's development. The country's ability to halve hunger and tackle poverty under the Millennium Development Goals (MDGs) has largely been attributed to robust interventions

and development in agriculture. The sector is the main source of livelihoods among smallholder farmers and rural communities. Any threat to agriculture seriously jeopardises the food security of this population, which, while largely constituting the poor and vulnerable,