

»» REDD+: rewards for preventing deforestation – how successful is the concept?

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Loss of tropical forests

In 2019 alone, an area of tropical forest as large as Bavaria and Lower Saxony was lost. According to information from the World Resources Institute, that was the third-largest loss since satellite-based data collection began in 2001.

The focus of the general public has been drawn to this drastic development mainly due to the forest fires in the Amazon which have been increasing for some time. However, deforestation has also increased in other tropical regions of the world to some extent. Important drivers are the conversion of forests into agricultural areas and grazing land, removal for lumber, mining and infrastructure measures like the construction of roads and urban expansion due to population growth.

Forests and the Paris climate goals

Nevertheless, forests have great significance, not least for the achievement of the Paris Agreement climate goals: in addition to oceans, they act as an important carbon sink because they capture and store carbon. Conversely, deforestation and degradation of forests are responsible for 11% of global greenhouse gas emissions. According to information from the Intergovernmental Panel on Climate Change (IPCC), the goal of limiting global temperature increase to 'well below' 2 degrees Celsius will only be achievable if emissions from deforestation and degradation are reduced and coupled with reforestation measures.

The logic behind REDD+

To this end, the international community agreed on the REDD+ approach. Its aim is to avoid and reduce deforestation. Funds are only disbursed if projects are successful on the basis of clearly documented saved carbon emissions. The

conditions and the methodological rules and regulations for results-based payments for REDD+ achievements were defined in what is known as the 'Warsaw Framework' in 2013 and formalised in the Paris Agreement as an international climate financing instrument.

Current status of implementation

The results-based payments are currently mainly made with public funds, which in turn come from bilateral programmes and multilateral funds. The first results-based disbursements were from the Brazilian Amazon Fund and the REDD Early Movers (REM) pilot programme supported by Germany and Norway.

The largest multilateral financing source is the Forest Carbon Partnership Facility (FCPF), which the World Bank manages and which has 18 programmes for emissions reduction currently in the pipeline. The Green Climate Fund also approved a pilot programme for results-based payments in 2017. The BioCarbon Fund, also managed by the World Bank, is also paving the way for several of these types of programmes. All of these initiatives have something in common: after years of preparation during which they primarily defined the overall conditions and respective sets of rules, they are now beginning to provide compensation for results.

Success factors

These multilateral REDD+ initiatives are thus still at the beginning of operative implementation, and their success will only be seen once the first disbursements begin. However, previous experience suggests:

- REDD+ will be successful if a national or sub-national approach is followed. In addition to the mentioned pro-

grammes, there is a variety of privately financed REDD+ projects at local level that are not achieving the desired extensive reduction in deforestation.

- Also, REDD+ will be effective if results-based payments are embedded in coherent national policy reforms such as the soy moratorium or the introduction of the Environmental Rural Registry (CAR) in Brazil.
- At the same time, policy measures for forest conservation need to be implemented across all sectors (agriculture, mining, etc.) to address the drivers of deforestation instead of simply limiting them to only the environmental sector.
- However, the current situation in Brazil shows that, without political will and measures for implementing regulatory policies, we will not see success in the fight against deforestation. REDD+ on its own is not a sufficient mechanism for forest conservation; it requires sustainable forest management that highlights the value of the forest as a whole.

So carbon compensation through REDD+ is often referred to as the 'icing on the cake' by experts. It is not a panacea for climate change but is by all means an important instrument, provided that the right overall conditions prevail.

REDD+ could also be boosted in conjunction with the carbon markets, which are currently being developed. Because these are potential sources of additional financing that mobilise private capital and can create additional incentives for partner countries by offering a higher price per tonne of carbon. ■