

Making REDD+ cross-sectoral: why, how, and what are the potential socio-economic impacts?



Women gathering
firewood near Virunga
National Park, DR Congo

Source: <http://www.britannica.com/EBchecked/media/123358/Women-gathering-firewood-near-Virunga-National-Park-Democratic-Republic-of>

DISCLAIMER

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INTRODUCTION

REDD+ countries are starting to develop national level REDD+ strategies and policies, and the movement of REDD+ from pilot projects to national scale design and implementation means that the inter-linkages between forests and other sectors is becoming increasingly important. Implementing REDD+ requires countries to effectively address the drivers of deforestation and forest degradation (DD), many of which are outside the forest sector, therefore national level REDD+ strategies and their implementation will need to be cross-sectoral in their approaches.

KEY POINTS

- The need for REDD+ to coordinate and involve sectors beyond forestry is becoming increasingly important. National level REDD+ policies and programmes will need to address drivers of deforestation and forest degradation that are outside of the forest sector. To ensure national ownership and political sustainability, REDD+ will also need to contribute to the objectives of other key economic sectors.
- The agriculture and energy sectors are very important sectors to consider because of their role in deforestation and forest degradation and because they are key drivers of development.
- A range of complementary policy approaches will be needed to effectively implement REDD+ in a way that also achieves sustainable development objectives. This highlights the need for extra-sectoral coordination and ownership of national level REDD+ strategies.
- To maximise synergies between sectors, and in light of significant uncertainties posed by climate change, an adaptive governance framework will be necessary.
- Cross-sectoral coordination will also be important for considering equity and the socio-economic impacts of national level REDD+ strategies. These impacts will need to be explored and mitigated through careful policy design and distribution of REDD+ revenues.
- The harmonisation of agricultural, energy and forest sector policies and objectives will have implications for a much larger group of people than just forest dependent communities and Indigenous Peoples. Policy makers should therefore think more broadly than the forest dependent poor to design equitable REDD+ strategies.

The agriculture sector is the most important sector driving DD, and the energy sector is closely linked to forests in most developing countries through the widespread dependence on traditional biomass fuel for energy in Africa and Asia, and the increasing competition for land between biofuel feedstock production and forests, mainly in Asia and Latin America. The success of REDD+ will therefore be heavily dependent on harmonisation of REDD+, agricultural and energy objectives.

WHY SHOULD REDD+ LOOK BEYOND FORESTS?

There is growing recognition of the need for REDD+ to address drivers of deforestation coming from sectors such as agriculture. To ensure national ownership and political sustainability, REDD+ will also need to contribute to the objectives of other key economic sectors.

The agriculture and energy sectors are key sectors in driving development. Agriculture has a very important role in driving rural economic development, where most of the poorest people live. Similarly, access to reliable and affordable energy has been shown to be key in driving growth and development. For REDD+ to fit within countries' broader development strategies, maximising synergies with these key sectors will be essential.

This policy brief is based on two recent REDD-net papers which outline key policy options that may be applicable for REDD+ and also meet agriculture and energy sector objectives. The papers also highlight key socio-economic tradeoffs of these policy options that will need to be considered and mitigated in the design of equitable REDD+ policies.

HOW COULD POLICIES IN OTHER SECTORS BE USED TO ACHIEVE REDD+ OBJECTIVES?

To achieve the multiple objectives of agriculture, energy and REDD+, large-scale land use planning will be essential to identify priority areas for REDD+, agricultural production, and forests for other uses, for example biomass energy production. To date this has proven notoriously difficult to undertake and implement effectively, given the politics behind many land use decisions, however cross-sectoral coordination and 'win-win' outcomes at the national level will be extremely difficult to achieve without effectively implemented and enforced land use plans. Based on this process, location-specific policies can be developed.

AGRICULTURE

In formulating policy options to address the drivers of deforestation, and also ensuring that REDD+ meets sustainable development objectives, it is important to

delve deeper into the drivers of deforestation. Different groups of actors within each sector have very different motivations, constraints and inter-linkages with forests, and therefore different effective and equitable REDD+ policy options. For example commercial agriculture is the main driver of deforestation in Asia and Latin America, which has a very different production model, and therefore underlying causes of deforestation, compared with small-scale and subsistence agriculture in those areas (Graham and Vignola 2011). Location-specific, as well as production model-specific policies will therefore be most appropriate in achieving the multiple objectives of REDD+.

Intensify commercial agriculture away from forest frontiers

In areas away from forests, intensification using 'climate smart' and labour intensive methods enables increases in productivity, while also drawing labour away from forests. This will need to be accompanied by restriction of further extensification into forest areas to ensure that REDD+ objectives are met.

Intensify small scale and subsistence agriculture

Increasing agricultural productivity using 'climate smart' methods for all small scale and subsistence farmers will enable farmers to increase their productivity and meet household food security objectives where extensification is likely to be restricted by REDD+.

Promote and support agroforestry

The use of trees in agricultural production systems for example woodlots, perennial tree crops, or using trees in improved fallow cycles, is an effective way increase tree and forest cover in agricultural systems as well as providing bi-products of particular benefit to smallholders e.g. wood fuel, fodder, diverse food products.

Create payments for ecosystem services schemes

Payments to landholders for maintenance of existing forests is likely to be a useful policy instrument for those areas that have been identified as REDD+ priority areas and in which agricultural expansion is to be discouraged or limited by regulation.

Support public sector agricultural research and development

Public sector funded research and development, as well as extension services, will be needed to ensure that productivity gains benefit small-scale and subsistence farmers. This will be essential to ensure that agricultural productivity grows at a rate commensurate with population growth, enabling REDD+ to be a politically feasible and realistic land use option within countries.

Reform trade and other policies that encourage agricultural production on forested land

International trade rules that promote products produced in 'forest friendly' areas would be beneficial to provide additional impetus for other policies discussed, including land use planning. These types of trade rules or standards have been introduced in the EU and US for biofuel feedstock production.

Provide appropriate agricultural extension services and support

For commercial agriculture, extension services and support (including subsidies, tax concessions and grants) should be eliminated for operations in forest and forest frontier areas, providing a direct incentive for commercial agriculture to move or expand in areas away from forests. For small-scale and subsistence farmers support should be maintained in all areas (including forest and forest frontier areas) to ensure that farmers can take advantage of new agricultural techniques and technologies to improve productivity e.g. agroforestry, and access PES schemes.

Targeted expansion of transport networks

Improving transport networks in areas away from forests that have been identified for commercial agriculture intensification can contribute to economic growth in these areas, reducing migration to forest areas.



Clearing for commercial agriculture, Matto Grosso, Brazil

Doug Morton/Goddard Space Flight Center

ENERGY

To achieve energy sector and REDD+ objectives at the local level, particularly in areas where the inefficient and unsustainable use of wood fuel is driving deforestation and degradation, a suite of complementary supply and demand side policy measures will be needed to ensure that incentives are aligned towards more sustainable management of natural wood fuel resources, increased supply of plantation grown wood fuels and more efficient production and use of biomass wood fuels.

Supply side measures

Encourage sustainable management of natural wood fuel resources by local people

Sustainable management of wood fuel resources could be pursued through a range of policy options and institutional arrangements including devolution of forest rights to local communities contingent on sustainable management of resources. It may also include harvesting quotas or stumpage fees as part of a sustainable management plan, however these have proven very difficult to enforce without devolution of rights and management responsibilities to the community level.

Commercialise the wood fuel sector

Legalising and formalising the sector may also be used to incentivise more sustainable management. Tax and other revenues generated by the sector could be invested in sustainable management.

Improve charcoal production efficiency

Increasing the use of mud, brick or steel kilns through subsidies or tax incentives to improve production efficiency in the charcoal sector, thereby reducing the amount of wood needed for charcoal production.

Encourage the establishment of wood fuel plantations

Incentivising land owners to establish plantations to increase the supply of sustainably managed wood fuel.

Demand side measures

Facilitate rural electrification and fuel switching

Encouraging the use of biofuels for cooking, in combination with rural electrification using renewable technologies to reduce the demand for wood fuels.

Promote and support improved cook stoves

Promotion and distribution of improved efficiency cook stoves. This helps to reduce the gap between demand and sustainably harvested supply, especially while plantations are being established.

Harmonising energy sector and REDD+ objectives at the global level requires much greater coordination between biofuel policies and targets and REDD+. Because international demand for biofuel is driving production in most countries (with the exception of Brazil), international solutions are likely to be required in addition to nationally based solutions, which will be the same as for commercial agricultural production e.g. effective land use planning, intensification in appropriate areas in combination with regulation of agricultural expansion.

International environmental standards

Sustainability criteria for biofuel feedstocks imposed by international markets (e.g. US and EU) can be used to ensure that biofuel feedstock is not grown on recently forested areas. REDD+ countries could also unilaterally adopt these standards for all biofuel production to reduce competition between forests and feedstock production regardless of final market.

Voluntary certification

Certification under stakeholder roundtables that include sustainability criteria for the production of biofuel feedstocks may provide some incentive for producers to reduce their impacts on forests.

WHAT ARE THE POTENTIAL SOCIO-ECONOMIC IMPACTS OF DOING THIS?

Location-specific agricultural policies to direct commercial agriculture into areas away from forests (e.g. reducing support for agriculture and restricting expansion in forest frontier areas, targeting transport links) is likely to reduce the agriculturally driven economic development in forest frontier areas. Facilitating migration to new growth areas in order to take advantage of new employment opportunities will be needed to ameliorate these impacts, as will support for alternative income generating enterprises that do not involve deforestation (e.g. NTFPs and ecotourism) in forest frontier areas. The scale of these potential impacts makes an inclusive, participatory process for land use planning even more of an imperative.

The disaggregation of policy measures based on agricultural production models provides a means of mitigating some of the potential social impacts of these policies, recognising the role of small-scale and subsistence agriculture in local level food security and the livelihoods of many of the poorest. This includes ensuring extension programs target all small-scale and subsistence farmers to increase their uptake of new technologies (e.g. agroforestry), have access to technologies to improve productivity and participate in schemes such as PES.

The reliance of the poor on wood fuel for energy and as an important income source, means that many of the policy measures discussed have a potentially large impact on the poor, particularly those reliant on 'open access' natural wood fuel resources to meet basic energy needs. The way in which the policy options are implemented will also determine their impacts on the poor. For example achieving sustainable management of natural forest resources by coupling sustainable management with local control of forest resources will have different impacts compared with central government using a 'command and control' approach to sustainable forest management. Similarly mandating the use of efficient kilns for charcoal production, compared with providing soft loans, tax breaks or subsidies to encourage their adoption will have different impacts on the poor. To ensure that REDD+ is equitable, these potential impacts need to be explored and mitigated through the design of REDD+ policies as well as in the design of REDD+ revenue distribution mechanisms.

The potential socio-economic impacts of reducing competition between biofuel feedstock production and forests are more limited. Expansion of biofuel feedstock production into forested areas is often justified by the economic contribution of the industry to rural livelihoods. However, this contribution is often overstated and depends heavily on the model of production and feedstock grown. Realising rural development benefits from biofuel feedstock production usually requires targeted government policies and support and therefore is unlikely to be heavily impacted by redirection of feedstock crops to non-forest areas. Impacts may however arise if small biofuel feedstock producers

are not able to afford certification processes under the various sustainability criteria, reducing their access to export markets.

THE WAY FORWARD FOR REDD+

The range of policy approaches necessary to effectively implement REDD+ in a way that also achieves sustainable development objectives, highlights the need for cross-sectoral coordination and ownership of national level REDD+ strategies.

To maximise synergies between sectors, an adaptive governance framework will be necessary due to the uncertain impacts of climate change on carbon sequestration, the changing nature of land use pressures and the multiple objectives to be achieved in REDD+ countries (including agricultural production, access to energy and REDD+). These uncertainties mean that at the national level, objectives for REDD+ and the other sectors will be subject to change, and decisions will need to be able to adjust to these.

This paper demonstrates how important this cross-sectoral coordination will be, not only for effectiveness, but for considering equity in national level REDD+ policies, and ensuring that potential socio-economic impacts of these policies are explored and mitigated through careful policy design and in the distribution of REDD+ revenues. The harmonisation of agricultural, energy and forest sector policies and objectives will have implications for a much larger group of people than just forest dependent communities and Indigenous Peoples, the current focus under the UNFCCC safeguards for REDD+ activities.

Countries will need to implement REDD+ in a much more coordinated and holistic way in order to more effectively address the drivers of deforestation, however this paper highlights the potential socio-economic impacts of doing this, and encourages policy makers to think more broadly than the forest dependent poor when thinking about equity in REDD+.

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FURTHER READING

- Graham, K. and Vignola, R. 2011. REDD+ and agriculture: a cross-sectoral approach to REDD+ and implications for the poor. REDD-net. Available at <http://redd-net.org/themes/redd+-and-other-sectors>
- Graham, K. 2011. REDD+ and energy: a cross-sectoral approach to REDD+ and implications for the poor. REDD-net. Available at <http://redd-net.org/themes/redd+-and-other-sectors>

FOR MORE INFORMATION ABOUT REDD-NET VISIT: WWW.REDD-NET.ORG

REDD-net is an international knowledge forum for southern civil society organizations through which they can access information about efforts to Reduce Emissions from Deforestation and forest Degradation, share their own experiences and help to build pro-poor REDD projects and policies. REDD-net is funded by Norad.

