

SUBMISSION BY THE REDD+ SAFEGUARDS WORKING GROUP, THE ACCRA CAUCUS, AND MEMBERS OF THE INDIGENOUS PEOPLES' CAUCUS ON THE METHODOLOGICAL ISSUES RELATED TO NON-CARBON BENEFITS RESULTING FROM THE IMPLEMENTATION OF REDD+ ACTIVITIES

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It is widely accepted that REDD+ will need to provide a wide range of social, environmental and governance benefits to achieve permanent greenhouse gas emission reductions at scale. The provision of such non-carbon benefits (NCBs) is crucial for several reasons. Quality emission reductions are more likely to be sustainable over time if they are achieved through policies and laws focused on structural reforms that deliver a broad range of benefits, and if they are designed through inclusive multi-stakeholder processes. Moreover, on-the-ground experience shows that the provision of NCBs such as secure land tenure is an effective way of protecting forests from a wide range of drivers of deforestation and forest degradation.¹

¹ One example is found in the Peruvian Amazon where titling of indigenous territories protects and increases forest cover. Another example is in Nepal, where the national policies value participatory and joint monitoring where government, civil society and local groups work and learn together. See, Hvalkof, Søren (2012). "Privatization of land and the indigenous community: Tenure, titling and the social contract in Latin America," Pgs. 141-183. A further example is found in Bujang Raba Community in Jambi, Indonesia, where the allocation of village forest licenses in 5 villages helped the economy of communities by providing them with non-timber forest products and fulfilled the energy need of communities and at the same time increased forest cover by forest enrichment. See, Conservation Community Indonesia Warsi, Bujang Raba: Supporting life and livelihood. These examples are backed up by a broad literature on community rights in forest management, see, e.g.: Barsimantov J, Kendall J (2012) Community forestry, common property, and deforestation in eight Mexican states. *Environment and Development* Vol. 21 (4): 414-437; Chhatre A, Agrawal A (2009) Trade-offs and synergies between carbon storage and livelihood benefits from forest commons. *PNAS* Vol 106 (42): 17667–

Parties now acknowledge that NCBs are a critical part of REDD+ activities and are “crucially important for the long-term viability and sustainability of REDD+ implementation.”² At COP 19 in Warsaw, Parties recognized “the importance of incentivizing non-carbon benefits for the long-term sustainability of the implementation of [REDD+] activities.”³ The importance of NCBs is also highlighted by other REDD+ initiatives, such as the UN-REDD Programme and the Forest Carbon Partnership Facility (FCPF), and by UN bodies such as the Convention of Biological Diversity (CBD).

Nevertheless, there are still methodological issues related to NCBs that need to be addressed. The UNFCCC will need to resolve how to define, incentivize, monitor and report on NCBs. Guidance on specific methodological issues is already being discussed and developed in a number of fora. The UNFCCC, as the institution providing the overarching framework for REDD+, should develop principles and guidance that may assist policy makers and multilateral implementing institutions. The UNFCCC must consider national level experiences when developing the necessary methodological guidance at the international level. Such methodological guidance must recognize, respect and promote community-based monitoring and information systems in a way that ensures indigenous peoples’ traditional knowledge, customary laws, governance and community-based forest management practices.

In response to SBSTA’s invitation,⁴ the organizations listed above submit these views on the methodological issues related to NCBs for SBSTA’s 40th session.

An Integrated Approach to Incentivizing NCBs

Incentivizing NCBs is critical to the long-term sustainability of REDD+ implementation. There are several approaches to incentivize NCBs in REDD+.⁵ We support an integrated, “composite” approach, where NCBs are fully integrated into REDD+ implementation rather than treating NCBs as an add-on, or ‘premium’, with separate co-benefits. The composite approach calculates payments based on a holistic assessment of the performance of a number of indicators, including carbon and other social,⁶ environmental and governance benefits, rather than framing carbon as the primary category. This approach ensures that NCBs are a fundamental part of overall REDD+ incentive structures, incentivizing NCBs in all phases of REDD+ by providing the incentives that are appropriate to each phase.

In the initial phases of REDD+, NCBs should be used as a basis for prioritizing funding. NCBs could also be used as a basis for determining risk of non-permanence, leading to higher requirements for buffering emission reductions (for example by putting reductions in a

17670; Naughton-Treves L, Alix-Garcia J, Chapman C (2011) Lessons about parks and poverty from a decade of forest loss and economic growth around Kibale National Park, Uganda. *PNAS* 108(34): 13919-13924; Nelson A, Chomitz KM (2011) Effectiveness of Strict vs. Multiple Use Protected Areas in Reducing Tropical Forest Fires: A Global Analysis Using Matching Methods. *PLoS ONE* 6(8): e22722; Persha L, Agrawal A, Chhatre A (2011) Social and Ecological Synergy: Local Rulemaking, Forest Livelihoods, and Biodiversity Conservation. *Science* 331:1606; Robinson BE, Holland MB, Naughton-Treves L. 2011. Does secure land tenure save forests? A review of the relationship between land tenure and tropical deforestation. CCAFS Working Paper no. 7. CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS).

² Document FCCC/CP/2013/5, paragraph 56

³ Decision 9/CP.19, paragraph 22

⁴ Document FCCC/SBSTA/2013/3, paragraph 48, cf. Decision 1/CP.18, paragraph 40

⁵ For an overview, see REDD+ Safeguards Working Group (2013) “Moving REDD+ Beyond Carbon: Non-Carbon Benefits at COP 19 and Beyond.” <http://reddplussafeguards.com/?p=852>.

⁶ Social benefits include cultural and spiritual values and benefits.

reserve account) for projects not providing NCBs at levels that would increase the likelihood of achieved emission reductions being permanent over time.⁷ The UNFCCC should furthermore promote ex-ante financing for NCBs and create the right enabling conditions for their delivery. Finally, performance in environmental, social⁸ and governance aspects of REDD+ should be incorporated into performance-based payments through this “composite” approach.

In practice, countries are likely to use various approaches for incentivizing NCBs. For example, the FCPF Carbon Fund has already decided to use the provision of NCBs as part of the criteria by which funding should be prioritized between proposed Emission Reduction Programs.⁹ The variety of approaches to incentivizing NCBs increases the need for a common understanding of what are NCBs and how related methodological issues may be addressed. It is imperative, therefore, that the UNFCCC provides guidance to facilitate such an understanding. Such guidance would also be valuable as input in the development of guidance and indicators for result areas and performance measurement in the Green Climate Fund, contributing to increased consistency between various financing instruments for REDD+.

Criteria for Defining NCBs

To work out methodological issues, there needs to be greater clarity at the international level on how to define NCBs. Given the nature of NCBs, the *particular* benefits to be prioritized will likely vary across national contexts and are thus best defined through participatory and inclusive multi-stakeholder processes at the national level. Currently, however, there is little guidance to support individual countries in determining which benefits should be recognized. The international approach to defining NCBs should be flexible enough to accommodate different national circumstances while at the same time providing the necessary baseline understanding of NCBs to ensure consistency in methodological issues and incentive approaches. They should also be defined within a human rights framework, including respect for and recognition of the rights of indigenous peoples’ and local communities’ rights to lands, territories, natural resources, self-determination, culture, and participation, among others. Indigenous People’ rights ensured by international treaties and conventions like UNDRIP and ILO 169 should be the basis for defining NCBs at the national level.

In our view, it would be most useful for the UNFCCC to define a set of common international criteria for the types of nationally defined NCBs that may be recognized at the international level. Such criteria will provide a framework within which specific NCBs may be defined through participatory, inclusive, multi-stakeholder processes at the national level, as well as a benchmark for what characteristics nationally-defined NCBs would need to have in order to be recognized internationally.¹⁰ The national-level process for defining and prioritizing the most relevant NCBs must ensure the full and effective participation of indigenous peoples and local communities.¹¹ The REDD+ Social and Environmental Standards (SES) and Brazil’s

⁷ Bucki, Michael, “Pricing Risks in REDD+: Encouraging social, environmental and governance progress through carbon payments and buffering rates,” 2013

⁸ See footnote 6

⁹ FCPF Resolution CFM/2012/4/1, paragraph (VI)

¹⁰ See REDD+ Safeguards Working Group (2013) “Back to Basics on REDD+ Safeguards and Finance,” pg. 7 [http://reddplussafeguards.com/reddplus_safeguards/wp-content/uploads/2013/11/R-SWG_COP_19_Warsaw - Back to Basics_4Nov13_Final.pdf](http://reddplussafeguards.com/reddplus_safeguards/wp-content/uploads/2013/11/R-SWG_COP_19_Warsaw_-_Back_to_Basics_4Nov13_Final.pdf)

¹¹ See REDD+ Safeguards Working Group (2013) “Moving REDD+ Beyond Carbon,” pg. 2 <http://reddplussafeguards.com/?p=852>

Social and Environmental Principles and Criteria (SEPC)¹² provide two examples of existing processes that define such broad NCB criteria. They can provide a basis from which to draw lessons and specific recommendations at the UNFCCC level.

Suggested elements for common international criteria include, *inter alia*:

- Going beyond the minimum requirements of the Cancun Safeguards¹³ in enhancing biodiversity, strengthening recognition of the rights of indigenous peoples and local communities, and strengthening forest governance
- Contribution to the permanence of emission reductions and the long-term sustainability of REDD+ at the national level
- The potential for the NCB to effectively address specific drivers of deforestation and forest degradation, for example through improved forest governance and recognition of land tenure in accordance with international instruments of human rights and the rights of indigenous peoples
- Contribution to synergies with relevant climate change adaptation objectives
- The possibility for monitoring and reporting on the NCB in a robust manner

UNFCCC Guidance on Monitoring and Reporting of NCBs

Regardless of how NCBs are defined and incentivized, there will need to be a system for monitoring the extent to which NCBs are achieved. Therefore, SBSTA should provide international guidance on approaches to monitor and report on NCBs. In so doing, flexibility will need to be maintained to accommodate the different types of NCBs that may be identified in each national context. While identifying relevant inputs and outputs to monitor is a nationally-specific exercise, international guidance and existing obligations should direct REDD+ countries in their efforts to monitor NCBs.

The full and effective participation of indigenous peoples and local communities must be ensured throughout monitoring and reporting processes at all levels. The UNFCCC should recognize the important role that communities can be—and already are—playing in monitoring NCBs and the importance of participatory community-based monitoring systems. At COP 15, parties recognized "the need for full and effective engagement of indigenous peoples and local communities" in monitoring and reporting on all aspects of REDD+; and, they encouraged the development of guidance for such engagement.¹⁴

Community involvement in monitoring has the added benefit of increasing participation in and awareness of REDD+. ¹⁵ Community-based monitoring and information systems have proven particularly successful in some contexts. For example, in Nepal, Community Forest User Groups have established a system of community-based monitoring and have operational plans and constitutions that incorporate provisions for regular forest and governance monitoring by communities. Communities have even elaborated their own indicators to

¹² See REDD+ Safeguards Working Group (2013) "Back to Basics on REDD+ Safeguards and Finance," pg. 7 [http://reddplussafeguards.com/reddplus_safeguards/wp-content/uploads/2013/11/R-SWG_COP_19_Warsaw - Back to Basics_4Nov13_Final.pdf](http://reddplussafeguards.com/reddplus_safeguards/wp-content/uploads/2013/11/R-SWG_COP_19_Warsaw_-_Back_to_Basics_4Nov13_Final.pdf)

¹³ Decision 1/CP.16, Appendix I, paragraph 2

¹⁴ Decision 4/CP.15, preambular paragraph 5, and paragraph 3.

¹⁵ Grace Balawag's statement at the 38th sessions of the Subsidiary Bodies to the UNFCCC at the International Indigenous Peoples' Forum on Climate Change, Bonn, Germany June 2013

monitor social development.¹⁶ Lessons learned from those experiences should inform international-level guidance.

Because countries are already developing Safeguard Information Systems (SIS) and National Forest Monitoring Systems (NFMS), the UNFCCC should recognize and promote these processes already under development. They are likely to generate much of the information necessary for demonstrating achievement of NCBs. Countries can use and improve upon these existing processes to monitor NCBs, rather than developing new and more costly systems. The REDD+ SES provides a notable example.

The REDD+ SES initiative developed its standards and guidance through an extensive, multi-year, multi-stakeholder process. It provides a comprehensive framework for monitoring social and environmental performance of REDD+ programmes, and a potential model for developing SIS. It should be noted that countries participating in the REDD+SES would have an advantage since the principles and criteria used to define nationally-specific indicators address NCBs as well as safeguards. The FIP, meanwhile, has been setting up the DGM in pilot countries¹⁷ to work with communities to collect and process information and lessons learned from pilot projects. These systems could improve REDD+ implementation and monitoring of NCBs in REDD+ schemes.¹⁸

Additionally, countries may already have reporting systems in place for international agreements that monitor the same kinds of benefits. National-level monitoring and data collection under the Convention on Biological Diversity could show the status of biodiversity. Similarly, a country's reporting under various international human rights agreements could demonstrate NCB-related rights protections in a given country, while systems developed to monitor forest governance, such as the Profor/FAO Framework,¹⁹ could provide information on governance-related benefits.

Recommendations for SBSTA

- Agree on a core set of criteria for what could be identified as NCBs at the national level and recognized internationally. The following criteria are of particular importance:
 - Going beyond the minimum requirements of the Cancun safeguards in contributing to enhancing biodiversity, recognition of the rights of indigenous peoples and local communities and strengthening forest governance;
 - Increasing the permanence and sustainability of emission reductions;
 - Addressing drivers of deforestation, for example through improved governance and land tenure;

¹⁶ See REDD+ Safeguards Working Group (2013) "Non-Carbon Benefits in REDD+: Providing Incentives and Addressing Methodological Issues." <http://reddplussafeguards.com/?p=855> See also presentation by Oudel, KC, Dangi, Resham, "National Experience with REDD Plus in Nepal," March 2011, <http://www.cbd.int/doc/meetings/for/wscbredd-apac-01/other/wscbredd-apac-01-nepal-en.pdf>; See also REDD+ Safeguards Working Group (2013) "Non-Carbon Benefits in REDD+: Providing Incentives and Addressing Methodological Issues," pg. 5 <http://reddplussafeguards.com/?p=855>

¹⁷ There are eight pilot countries: Brazil, Burkina Faso, the DRC, Ghana, Indonesia, Lao PDR, Mexico and Peru.

¹⁸ Imperatives for REDD+ Sustainability: Non-carbon benefits, local and indigenous peoples, pg. 21, citing Climate Investment Fund, November 29, 2011, Design for the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities to be established under the Forest Investment Program

¹⁹ Framework for Assessing and Monitoring Forest Governance, Profor / FAO 2011. See <http://www.fao.org/forestry/governance/monitoring/71390/en/>

- Synergies with relevant adaptation objectives;
 - Potential to monitor and report on the NCB
- Agree that existing systems should be used to monitor NCBs, building on the Safeguards Information Systems (SIS) as a basis and using the National Forest Monitoring System (NMFS) as a source of data.
- Ensure that the information hub established in Warsaw²⁰ will accommodate information on NCB results and incentives.
- Explicitly recognize relevant existing systems and guidance (such as the REDD+ SES and FIP DGM) and promote synergies between them.
- Promote capacity building on these international criteria in developing countries in order to leverage existing systems and practices for monitoring NCBs
- Recognize and ensure the important role of participatory and inclusive community-based monitoring systems, and ensure the full and effective participation of indigenous peoples and local communities throughout.

²⁰ Decision 9/CP.19, paragraph 9