



Making REDD Work for the Poor: The Socio-economic Implications of Mechanisms for Reducing Emissions from Deforestation and Degradation

Policy Brief – on behalf of the Poverty Environment Partnership¹

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Reducing Emissions from Deforestation and Degradation (REDD) is a crucial building block for a post-2012 climate regime. Furthermore, REDD presents a tremendous opportunity to jointly address climate change and rural poverty, while sustaining ecosystem services and conserving biodiversity. However, in order to maximize the contribution of REDD to sustainable development, more attention must be paid to the interests of all stakeholders, especially rural people who live in and depend upon forest ecosystems. Forests support the livelihoods of several hundred million of the poorest people around the world. New initiatives to address climate change by conserving forests and other ecosystems must be based on a solid understanding of their social impacts, as well as the potential environmental benefits.

Protecting ecosystems for local livelihoods and global benefits

Over the past century, humankind has altered and degraded its natural environment more than at any other time in history. This ecological crisis is a direct threat to the survival of the world's biological diversity and is undermining the ecosystem services upon which all societies ultimately depend. Human economic activity has reached such a scale that it is disturbing the global climate system, leaving us all increasingly vulnerable to extreme weather events, desertification, sea-level rise and other adverse effects. Meanwhile poverty and insecurity continue to afflict billions of people around the world, despite concerted and sustained efforts to foster economic and social development.

Within this context, the prospects of jointly addressing concerns about climate change, biodiversity loss and poverty by Reducing Emissions from Deforestation and Degradation (REDD) have attracted growing attention from the international environment and development communities. Deforestation and the degradation of terrestrial ecosystems are believed to account for up to 25% of anthropogenic greenhouse gas emissions. In addition to mitigating climate change, REDD appears to offer a range of other benefits, including the conservation of biodiversity and ecosystem services, as well as a new and sustainable source of income for rural communities, as the stewards of biological carbon stocks.

Rural communities and REDD

Incentives for developing countries to conserve carbon in natural biomass are currently limited to a narrow range of forestry activities, not including the avoidance of deforestation or land degradation. However, as part of negotiations of a post-2012 global climate change regime, there is increasing discussion of the possibility of creating new incentives for REDD. As the debate evolves, concerns are growing that insufficient attention is being paid to the interests of the rural communities who live in and depend upon the carbon-rich ecosystems that REDD initiatives would aim to conserve.

¹ This document does not necessarily represent the views of all PEP member agencies. For more information, see: <http://www.povertyenvironment.net/pep/>

Forests support the livelihoods of several hundred million people, including some of the poorest communities in the developing world. REDD could offer significant new resources for sustainable forest management and conservation. To be effective, however, REDD initiatives must be driven not only by their potential climate and other environmental benefits but also by consideration of how they will affect rural communities.

The linkages between deforestation, development and poverty are complex and context-specific. Weak governance and institutional capacity in some countries, as well as inadequate mechanisms for effective participation of local communities in land use decisions, could seriously compromise the delivery of both local and global benefits and the long-term sustainability of REDD investments.

A pro-poor approach to REDD

The success of REDD will ultimately depend on how well it contributes to the development needs of forest-dependent communities. Hard-won lessons from years of experience in the agriculture and forest sectors, in nature conservation and the global carbon market, can all help guide the design of more equitable and effective REDD mechanisms. The biggest challenges may be governance issues, such as weak rural land tenure regimes, limited access by vulnerable groups to investment finance, markets and information, and capture of benefits by local or national ‘elites’.

Community-based and participatory approaches can help overcome such hurdles, although their high initial costs can make them difficult in practice. In the long-run, however, efforts to enlist community support for REDD should reduce costs and risks and increase total benefits. Such an approach can also enhance coherence between REDD and other environmental and development efforts. Some further principles and practical actions for effective, pro-poor REDD are outlined below.

Capacity building and incentives at the national level:

- Ensure equitable cost and benefit-sharing with local communities and design financial flows from national to local levels accordingly
- Facilitate the active participation of vulnerable stakeholders
- Recognize and strengthen local community and indigenous rights to access, sustainably use and trade in forest goods and ecosystem services
- Consider the full range of forest ecosystem services, alongside carbon sequestration
- Strengthen incentives for integrated conservation and development actions, building on pro-poor forest governance reform processes, e.g. Forest Law Enforcement and Governance actions
- Reduce ‘perverse’ subsidies and other policies that encourage deforestation and land-use activities leading to greenhouse gas emissions
- Ensure that REDD does not reduce access of rural communities to essential infrastructure and services
- Mainstream REDD in wider land-use plans and poverty reduction strategies
- Strengthen the capacity of government and civil society organizations to plan, implement and monitor pro-poor REDD
- Explore ways to reduce transaction costs through partnerships between public agencies, small-scale land users and other stakeholders
- Undertake regular social impact assessments of REDD initiatives

Information and policy at the international level:

- Raise awareness of the important linkages between REDD and poverty reduction, targeting development organizations, carbon market participants and host-country governments
- Seek consensus on the principles, criteria and indicators for pro-poor REDD, including for example voluntary standards for pro-poor REDD projects
- Develop tools to anticipate, monitor and address the social impacts of REDD initiatives, drawing on previous efforts to address the social impacts of protected areas, carbon offset projects, forest and agricultural policy, rural infrastructure, etc.
- Test alternative financial mechanisms to support pro-poor REDD, e.g. matching private finance with public funding or linking REDD to microfinance schemes
- Promote REDD initiatives that exploit the synergy between mitigation and adaptation to climate change and other environmental objectives, ecosystem services, biodiversity, water, etc.