

Training Workshop on Payments for Ecosystem Services (PES) and Reducing Emissions from Deforestation and Degradation (REDD+)

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Key policy issues for PES and REDD+

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1. PES Allowed by Law?

- PES may be prohibited by Constitution or law
 - May be banning on selling ecosystem services, as a public good that is held on behalf of all
- If *sale* of ES credits prohibited, may nevertheless be legal to contract to provide *services* that restore, conserve, ES



2.1. Tenure challenges



- Tenure rules determine:

- WHO can use
- WHAT resources
- For HOW LONG
- Under what CONDITIONS

LAND TENURE

Legal or customary relationship of an individual or group with respect to land and other natural resources.

- Common Tenure Challenges

- Land title not validly vested in local users
- Land use arrangements poorly defined or recorded
- Unclear who has rights to ES revenue or whether transfer is permitted

- Existence of secure long-term use rights is an essential precondition for PES

2.2. Rights in Ecosystem Services



- Rights to sell ecosystem services credits generally must be implied from laws that are not directly applicable, because there are few official rules that explicitly allocate ecosystem services rights
 - e.g. need to develop specific REDD+ legislation
- Need to clarify multiple user rights
 - e.g. distinction between rights to carbon or benefits that flow from carbon versus the rights to the carbon credit itself or the title to the carbon emission reductions
- For REDD+, Security of land tenure alone is insufficient in realizing Emission Reductions. Need to clarify and incorporate forest, tree and carbon tenure.

2.3. Customary rights



- **Customary tenure arrangements** : complex structures based on local social conventions and traditions, vary across regions within a country and also over time. Statutory law \neq Customary law
- Customary rights *may* provide sufficient legal certainty, depending upon the circumstances. However, a lack of formal tenure rights exposes project participants and potential buyers to **higher risk of challenge or conflict**.
- Prevailing tendency in tenure reform is to incorporate customary tenure rights in statutory law. Need for **context-specific knowledge to inform national tenure reform processes**.
- Risk that **land tenure regimes may not transition fast enough** but important to avoid a rushed tenure reform that could lead to badly informed reforms that deepen inequalities rather than prevent them.

3. Application of existing law and responsible institutions



- To understand how the existing policy, legal, and regulatory frameworks (environmental, water, forestry laws) apply to PES project
- Who should be the key regulatory authorities?
 - Departments or Ministries Agriculture, Environment, Forestry / Climate change office
 - Need to strengthen institutional capacities to manage ES projects and establish links with international buyers (e.g. carbon).
 - E.g. REDD+: Need for a clear coordination mechanism to ensure that efforts to address REDD+ are effectively coordinated by different state agencies, civil society, private sector and communities. (Uganda RPP: through the national multi-actor RPP Steering Committee)
- Accountability and transparency should be enhanced.
- Pitfalls: conflicting laws or regulations, overlapping or conflicting authorities

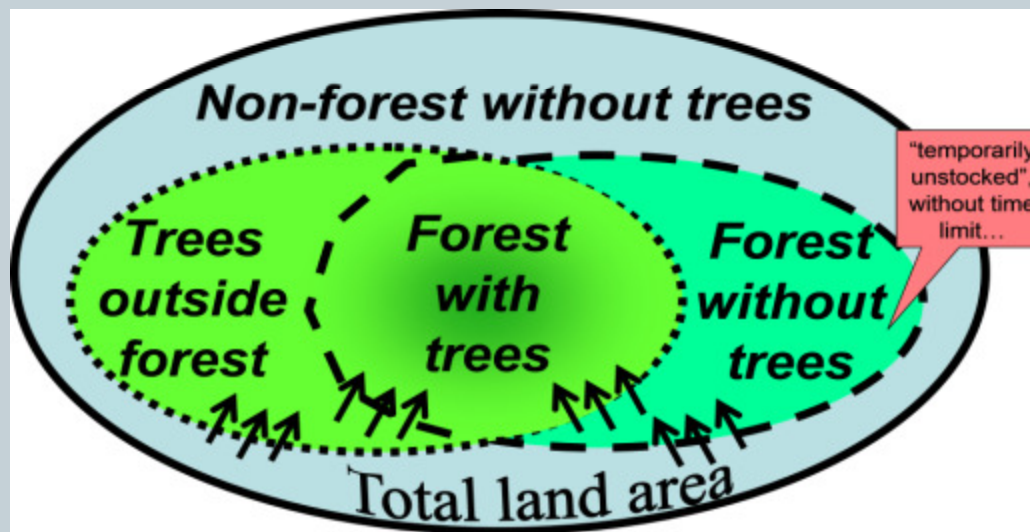
4. Relationship Among National / Subnational /Project Level Activities



- What is the appropriate subnational level (for example, council, district, provincial)?
- Specify how subnational and/or project level activities will relate to national baseline crediting, including:
 - What activities will be deemed to have contributed to the achievement of national-level goals?
 - How will credits earned at a national level be allocated to (and as among) subnational or project-level activities?
- How (if at all) can project participants or participants in subnational activities be compensated independently of overall national performance?

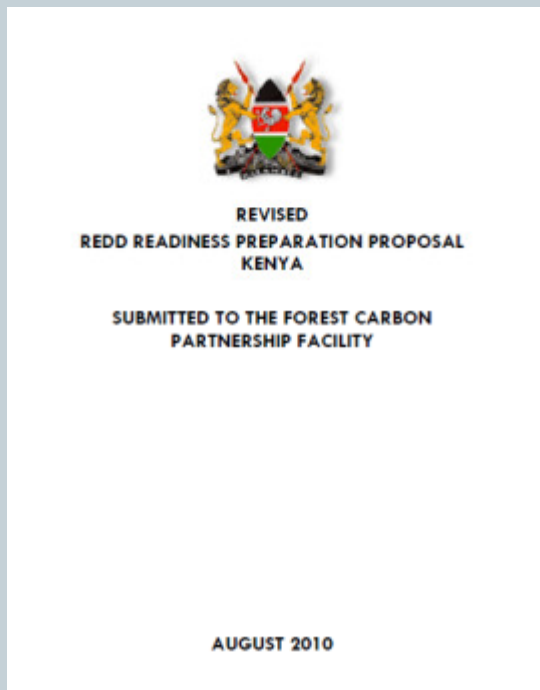
5. Definitions

- Clarity need around definitions of key terms such as "forest", "deforestation", "permanence", "crediting" etc, consistent with internationally agreed definitions.



What is a forest? When do trees become a forest?

Purpose of the Readiness Preparation Plan (RPP)



- The FCPF seeks to build the capacity of developing countries in subtropical and tropical regions for REDD, and to prepare them to take advantage of incentive mechanisms currently under development
- To assist a country lay out and organize the steps needed achieving 'Readiness' to undertake activities that reduce emissions from deforestation and forest degradation (REDD), in the specific country context.
- To provide a framework for a country to set a clear roadmap, budget, and schedule to achieve REDD Readiness.

Policy issues covered in the REDD RPP



Country and Date of R-PP	Total Readiness Plan
	US\$
Argentina, FCPF, 2010	9,201,000
Cambodia, FCPF, 2011	10,905,000
Central African Republic, 2011	5,570,000
Columbia, 2011	14,837,000
Costa Rica, 2010	4,349,350
Democratic Republic of Congo, 2010	22,652,000
Republic of Congo, 2011	13,165,000
Ethiopia, 2011	14,115,000
Ghana, 2010	6,904,000
Guyana, 2010	5,835,000
Kenya, 2010	9,702,500
Laos, 2010	23,327,000
Liberia, 2010	3,758,000
Madagascar, 2010	5,553,720
Mexico, 2010	39,589,000
Nepal, 2010	7,654,500
Nicaragua, 2011	6,707,000
Peru, 2011	12,635,536
Suriname, 2009	21,250,000
Tanzania, 2010	11,489,500
Uganda, 2011	5,181,000
Vietnam, 2011	8,709,000

Source: R-PPs on the website of the FCPF

- Preparation of a brief assessment of land use, forest policies and governance in the forest area;
- Preparation of a consultation and outreach plan on the national REDD strategy;
- Design of a social and environmental impact analysis methodology for the REDD strategy;
- Design of a national REDD strategy;
- Estimating investment and capacity building requirements for -implementing the REDD strategy

Analysis of how land and forest tenure are treated in selected R-PPs



- In many R-PPs, there is awareness of the problems with weak tenure and its links to REDD+ readiness but lack of a strategy for action (WRI, Goers et al. (2011)).
- Need for concrete steps and milestones for dealing with tenure issues.
- It is likely that designing tenure reform will, for most countries, be a cumbersome and costly process.