

# REDD+ SOCIAL SAFEGUARDS AND STANDARDS REVIEW

FOREST CARBON, MARKETS AND COMMUNITIES (FCMC)  
PROGRAM



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Girl in Sumatra, 2004. Photo courtesy of Paula J. Williams.

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## **DISCLAIMER**

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# EXECUTIVE SUMMARY

## PURPOSE

Reducing Emissions from Deforestation and Forest Degradation (REDD+)<sup>1</sup> is an international approach that focuses on the roles of forests in mitigating global climate change. This report was prepared to help REDD+ implementers and policymakers understand and compare different approaches to social safeguards and standards for REDD+. It is not intended as a policy statement or policy guidance and does not represent the views of the United States Government or the U.S. Agency for International Development (USAID).

## THE IMPORTANCE OF ADDRESSING SOCIAL SAFEGUARDS AND STANDARDS WITH REDD+

With a potential to operate at very broad scales in developing countries, REDD+ may affect the lives of hundreds of millions of forest-dependent people. Approaches to avoid deforestation have been discussed under the United Nations Framework Convention on Climate Change (UNFCCC) for many years, and the non-carbon social and environmental dimensions of REDD+, such as the rights and livelihood development of indigenous peoples and local communities, as well as biodiversity conservation, are becoming increasingly prominent in the international REDD+ dialogue.

Much work on identifying and addressing the social dimensions of REDD+ has focused on different safeguards and standards. Although most REDD+ safeguards and standards are still “works in progress,” this review is a timely assessment of the situation on safeguards and standards, the “lessons learned” to date and considerations for future options.

## KEY FINDINGS

- **In terms of content, the clearest, most comprehensive and most rigorously worded REDD+ social standards are** those of UN-REDD and those of a few international multi-stakeholder platforms (i.e. the REDD+ Social and Environmental Standards, referred to as REDD+ SES) and the civil society (Brazilian civil society organizations and the Climate, Community and Biodiversity Standards (CCBS)). Most apply a principles, criteria and indicators approach;
- **In terms of process, the REDD+ SES initiative is very strong since** its principles, criteria and indicators have been generated through multi-stakeholder processes at the international level, and the criteria and indicators are then adapted through national multi-stakeholder processes to individual national contexts. This approach greatly increases local understanding of the issues while it simultaneously builds consensus and promotes ownership of REDD+ and its social standards. Moreover, it provides a framework for monitoring and reporting;
- **The UNFCCC, multilateral and bilateral safeguards are subject to inherent challenges:** the UNFCCC does not yet describe obligations and process in detail, which may reflect the nature of the political compromises needed to reach agreement; multilateral safeguards are being adapted from project level safeguards relevant across sectors to the context of REDD+; and, by-in-large bilateral donors have not historically vetted activities through public safeguard policies (though most have internal environmental and social policies to abide by);

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<sup>1</sup> The “+” in “REDD+” includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.

- **“Safeguard” policies and processes that only aim to minimize or prevent REDD+’s negative impacts do not go far enough on their own.** Standards that are clearly structured and nested at project, national and international levels, as well as strong but adaptable compliance mechanisms to ensure they are met, are also needed—particularly to deliver the benefits and opportunities presented by REDD+;
- **None of the existing systems of safeguards or standards reviewed covers the full range of social issues in REDD+.** At this stage, however, the priority should be focused on testing and learning from field experience, such as CCBS and REDD+ Social and Environmental Standards (REDD+ SES), to inform future revisions;
- **Simplicity in safeguards and standards will be the key to obtaining results,** and social (and environmental) standards employing “principles and criteria” offer the clearest logic for designers, implementers and participants of REDD+ at all levels; and
- **Safeguards and standards are integral to providing investor confidence and ensuring the viability of REDD+ in the future.** The assurances offered by safeguards and standards reduce risk to private and public sector investors by demonstrating efforts to document and mitigate the risk that social or environmental concerns might undermine the delivery of emission reduction benefits, or lead to the decline of social support for project activities.

## RECOMMENDATIONS

### Safeguards and Standards:

REDD+ needs both safeguards with independent grievance mechanisms and standards, which apply transparent monitoring mechanisms and consequences for non-compliance:

- Safeguard policies and processes need to be more explicitly linked with standards for design, implementation, and monitoring;
- Support is needed for follow-up work on UNFCCC safeguards and safeguard information systems (SIS) issues currently being addressed under the UNFCCC;
- Development of the international REDD+ architecture should prioritize standards that include monitoring and clear thresholds, with consequences for non-compliance; and
- REDD+ donors, particularly bilateral ones, can provide leadership on social (and environmental) standards in REDD+ by making them a priority in REDD+ programming and promoting them in international fora.

### Improving Safeguards and Standards, Piloting, and Promoting Best Practices:

Development partners need to collaborate to develop a common approach to social and environmental safeguards (policies) and standards, then disseminate and publically uphold them in order to establish socially responsible REDD+ as the international norm:

- Experience with piloting needs to be reviewed to identify strengths and weaknesses in the application of existing systems, and to use the findings to build on strengths and address weaknesses in order to identify and develop “best practices.” Other relevant piloting, reviews, research studies and capacity building on the application of safeguard and standards schemes should be supported;
- Internationally agreed-upon principles and criteria with nationally negotiated indicators, as being piloted in the REDD+ Social and Environmental Standards, need to be more broadly applied; and
- When a critical number of countries have engaged in this process and the revisions to the overall standards system have been made, the UNFCCC, REDD+ countries and other REDD+ institutions should consider adopting the best practices from these standards.

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# ACRONYMS

A/R CDM	Afforestation/Reforestation Clean Development Mechanism
ASB-ICRAF	ASB Partnership for the Tropical Forest Margins at the World Agroforestry Centre
AusAID	Australian Agency for International Development
AWG-LCA	Ad Hoc Working Group on Long-Term Cooperative Action under the Convention
BeRT	Benefit and Risks Tool (of UN-REDD)
BMZ	German Federal Ministry for Economic Cooperation and Development
BNDES	Brazil's National Development Bank
CBD	Convention on Biological Diversity
CCBA	Climate, Community and Biodiversity Alliance
CCBS	Climate, Community, and Biodiversity Standards
CDM	Clean Development Mechanism
CF	Carbon Fund
CIEL	Center for International Environmental Law
CIFOR	Center for International Forestry Research
COP	Conference of the Parties
CSO	Civil Society Organization
DCCEE	Department of Climate Change and Energy Efficiency
ERP	Emissions Reduction Program
ERPA	Emissions Reduction Payment Agreement
ER-PIN	Emissions Reduction – Project Idea Note
ESMF	Environmental and Social Management Framework (of FCPF)
EU	European Union
EU-ETS	European Union Emissions Trading Scheme
FAO	Food and Agriculture Organization (UN)
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FLEGT	Forest Land Enforcement Governance and Trade
FPIC	Free, Prior and Informed Consent
FPICon	Free, Prior and Informed Consultation
FSC	Forest Stewardship Council
GEF	Global Environment Facility
GTZ	German Agency for Technical Cooperation
IFCI	International Forest Carbon Initiative
IP	Indigenous Peoples
MDB	Multilateral Development Bank
MRV	Measurement, Reporting and Verification
NICFI	Norway's International Climate and Forest Initiative
NORAD	Norwegian Development Agency
NGO	Non-governmental Organization
ODA	Overseas Development Assistance
OP	Operational Policy
REDD+	Reducing Emissions from Deforestation and Forest Degradation, plus the role of conservation, sustainable management of forests and enhancement of forest carbon stocks
REDD+ SES	REDD+ Social and Environmental Standards
REL	Reference Emissions Level
R-PIN	REDD+ Proposal Idea Note



R-PP	Readiness Preparation Proposal
SBSTA	Subsidiary Body for Scientific and Technological Advice
SEPC	Social and Environmental Principles and Criteria (of UN-REDD)
SESA	Social and Environmental Strategic Assessment (of FCPF)
SIS	Safeguards Information System(s)
TOR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Program
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNEP	United Nations Environment Program
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Collaborative Programme on REDD
USAID	United States Agency for International Development
VCS	Verified Carbon Standard (previously Voluntary Carbon Standard)
WRI	World Resources Institute
WWF	World Wildlife Fund

# I.0 BACKGROUND

## I.1 THE POTENTIAL OF REDD+

Reducing Emissions from Deforestation and Forest Degradation (REDD+)<sup>2</sup> is a voluntary technical and financing instrument being developed internationally under the UN Framework Convention on Climate Change (UNFCCC). REDD+ potentially may provide significant cash incentives to developing countries to protect and expand their forests, relying on the function of forests as storehouses or sinks for carbon in the global carbon cycle to mitigate carbon emissions and thus climate change. Under discussion in the UNFCCC since 2005, REDD+ was officially adopted at the 16<sup>th</sup> UNFCCC Conference of the Parties (COP) in Cancun in 2010, and within the coming years a global REDD+ regime may become a reality. Since 2007, more than 50 developing countries have begun receiving assistance from the World Bank's Forest Carbon Partnership Facility (FCPF), the United Nations Collaborative Program for REDD (UN-REDD) and bilateral donors, such as Norway's International Climate and Forest Initiative (NICFI), as well as increasingly USAID, to prepare for REDD+. Through these mechanisms, millions of dollars are being pledged and provided to different countries over multiple years to design and put into place the complex array of policies, strategies, legislation, institutional arrangements and technical capacities that will be needed at the national level to run and regulate a payment-for-performance<sup>3</sup> scheme.

REDD+ can also be seen as the latest in a long series of international initiatives, such as Tropical Forest Action Plans (TFAP), participatory forestry, multi-stakeholder approaches and Forest Law Enforcement Governance and Trade (FLEGT), to address the enormous governance challenges of forest sectors of developing countries (Slunge et al. 2011). Addressing these social challenges is central to effectively implementing the full range of forest carbon compliance and voluntary market activities. In most developing countries, forestry is a contested domain in which conflict and corruption are rife and many stakeholders, including powerful commercial interests, government officials, local entrepreneurs and oftentimes marginalized forest-dependent peoples, compete for access to valuable land and resources in what is often a governance vacuum. The social and environmental consequences of this situation have been enormous and largely negative, and now this legacy of poor governance, poverty and social conflict are potentially serious obstacles to achieving lasting emissions reductions via REDD+. Strong safeguards and transparency in their implementation is essential to attract financing for REDD+, and will be crucial elements of enacting the transformational change required for effective REDD+ implementation.

## I.2 PURPOSE, METHODS AND STRUCTURE OF THE REVIEW

The United States Agency for International Development (USAID) commissioned this desk review in order to:

1. Generate information that will contribute to international debates on this topic by systematically reviewing and comparing various safeguards and standards in order to assess their relative strengths and weaknesses, and to draw "lessons learned" for future improvements; and
2. Provide information to USAID for its internal reflections on how to improve its own policies and procedures to enhance the social soundness of REDD+ initiatives.

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<sup>2</sup> The "+" in "REDD+" includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks, which promotes incentives for increasing sequestration of carbon in forests.

<sup>3</sup> "Performance" means proven reduction in greenhouse gas emissions, compared to what would have been expected under a "business as usual" scenario.

This review does not address specific United States Government agency safeguards, such as under the Millennium Challenge Corporation (MCC), the Overseas Private Investment Corporation (OPIC), and USAID does not have explicit social safeguards. The review does not purport to reflect the views or policy of USAID or the United States Government.

This review was conducted between September 2011 and January 2012, which is the period leading up to, and immediately following, the UNFCCC COP 17 held in Durban, South Africa. Issues of safeguards and safeguard information systems (SIS) were discussed during COP 17. Operationalizing safeguards for REDD+ and the SIS are the subject of continuing discussion and decisions and guidance on their implementation is still under development. Few have been applied in practice and there are many safeguard-related meetings on the calendar leading up to and following COP 18 in Doha, Qatar. This paper presents the situation up until the end of January 2012.

This report reviews the following safeguard and standard systems currently in use or under development for REDD+, as well as some additional standard and certification systems being applied in related spheres. Although all of these approaches treat social and environmental standards together, this review focuses only on their social components:

- **Multilateral approaches:** Proposed or in use under the UNFCCC; the World Bank safeguards as adapted for and expanded on by the FCPF, the Forest Investment Program (FIP), and the Global Environment Facility (GEF)<sup>4</sup>; and the approaches of UN-REDD;
- **Bilateral approaches**, as exemplified by Norway, Australia and Germany;
- **Non-governmental organization (NGO) initiatives:** The Climate, Community and Biodiversity (CCB) Standards, the REDD+ Social and Environmental Standards (REDD+ SES), the Human Rights-Based Safeguards developed by Indonesia's Civil Society Network for Climate Justice, and the Brazilian civil society initiative on social and environmental safeguards; and
- **Other relevant initiatives**, including the Clean Development Mechanism (CDM), the Convention on Biological Diversity (CBD), WWF's Forest Carbon Standard or "Meta-Standard," the Forest Stewardship Council's (FSC) forest management certification scheme, and the Fairtrade Small Producer Standards, are examined more briefly in Appendix 2 for lessons that can be applied to REDD+ safeguards and standards.

There is increasing concern regarding the fragmented and overlapping social safeguard and standard systems for REDD+. For example, while some safeguards or standards are designed for individual field projects, others target the national or global level, which requires a greater level of agreement and collaborative action, as well as political commitment and institutional and governance reforms at the national level. Some schemes focus on a narrow set of concerns, while others recognize the need for a fully integrated approach and attempt to encompass environmental, social and governance issues. Others see the importance of an integrated and comprehensive approach, but advocate minimalist standards due to fear that the transaction costs required would be unacceptable, or the political resistance would render them impossible to implement. No one standard has yet been established as the "uncontested single industry standard," which is confusing to stakeholders and particularly host country governments, where multiple REDD+ activities may run simultaneously and also are costly to donors. This trend threatens to lead to a "lowest common denominator" approach or to everyone doing their own thing, or to projects having to employ multiple standards at excessive cost in order to attract investment (Merger et al. 2010).

Although social standards are usually discussed together with environmental standards, this review focuses on social standards, or the social elements of joint standards. Many of the issues dealt with, as well as conclusions and recommendations, would apply equally for environmental standards. This analysis is based upon a desk review of the large emerging literature on social safeguards for REDD+ and related initiatives (see Appendix

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<sup>4</sup> It should be noted that in implementation these multilateral programs also must follow the safeguards of the multilateral development bank implementing partner.

1). It builds upon previous reviews of safeguards (Merger et al. 2010, Wood 2010, Moss and Nussbaum 2011, Murphy 2011) and other initiatives, such as the Rights and Resources Initiative Workshop on Safeguards in May 2010. The drafting of this paper was also coordinated with the USAID Forest Carbon, Markets and Communities (FCMC) program sponsored experts' workshop and public consultation on the Social Dimensions of REDD+ in Washington, D.C., from 17-21 October 2011, enabling those workshop discussions to contribute to the final draft of the paper.

### **I.3 KEY TERMS**

Different terms are used to label approaches to ensuring social soundness in REDD+, including safeguards, principles, guidelines, multiple benefits (also termed co-benefits) and standards. While these terms have quite different meanings, they are often used interchangeably or in combination, which tends to blur distinctions and generate confusion. The most frequently used terms are “safeguards” and “standards.”

- A **“safeguard”** is a mechanism, such as a policy or process, to prevent or mitigate identified risks. The term originated in the medical field and was later adopted by the multilateral development banks (MDBs) for use in planning and implementing the projects they fund to avoid “collateral damage” to people and the environment (CIEL 2010). To an extent, the safeguards mirror the social and environmental protections offered in international law, conventions and treaties to which the MDBs are not party. For some, the term “safeguard” has a somewhat negative connotation since it fails to communicate positive social, environmental and governance outcomes now expected from REDD+, and instead represents a minimum baseline. The UNFCCC and others, however, use safeguards to imply not only the avoidance of risks, but also the achievement of positive benefits. Safeguards often have no clear means of implementation and no level of performance is stipulated. There also typically are no routine inspection, no courts and no independent avenue through which to register complaints. The World Bank, for instance, relies primarily on its own internal Inspection Panels.
- **“Standards”** denote a defined and measurable level of performance that must be achieved in relation to a particular criterion, i.e., “do good.” Some standards, such as in certification schemes, are explicitly enforced through inspection or assessment of compliance, usually by an independent auditor. The assessment will result in an approval, qualification (certification) or disqualification (and possible penalty). The result will be registered and may be published. For complex issues, standards are usually structured hierarchically into a set of principles, criteria and indicators. A standard can relate to all or part of a process, or to an outcome, and can be a one-off assessment or repeated periodically. Standards can be voluntary (as REDD+ itself is voluntary) or mandatory (as with vehicle emissions standards). Some standards are graduated, with phased steps towards full compliance. A good standard will be developed through a participatory process involving relevant stakeholders. With reference to REDD+, a set of standards may relate both to the prevention or mitigation of a potential risk and so include “safeguards,” and also to the achievement of an opportunity and so include “multiple benefits.” Standards can discourage poor practice, encourage good performance, and importantly for investors, enable close comparison across project sites.

### **I.4 REDD+ SOCIAL OBJECTIVES: “DO NO HARM” AND “DO GOOD”**

While many stakeholders want to see REDD+ included in an international climate change regime, opinions differ about the objectives that should be pursued and the role of social and environmental standards to achieve them. Some argue strongly that the main aim of REDD+ is to tackle the overwhelming problem of climate change, not poverty. They feel that giving attention to poverty alleviation will only divert resources from the real challenges of tackling climate change. The focus should, therefore, be safeguards to avoid or mitigate risks and “do no harm” to the poor. Others point out that REDD+ will not succeed unless real benefits are delivered to the poor forest-dependent communities. From this perspective, poverty is a risk to

REDD+ and REDD+ derives much of its international legitimacy from its potential to improve the welfare of the forest-dependent poor and foster good governance and economic development in some of the poorest regions of the world. Some propose supporting “no regrets” activities, which are activities relevant to REDD+ that will be beneficial irrespective of the outcome of global negotiations on REDD+ financing, such as increasing land tenure security.

### **1.4.1 “Do No Harm” Risks**

Although the risks from REDD+ to forest-dependent people are still widely debated, there are emerging examples of what these risks might entail in different contexts<sup>5</sup>. In Indonesia, for example, the national forest estate accounts for 70 percent of the land area. Some 30-40 million indigenous people live in these forest areas and lack legal land rights (AMAN 2008). For decades, they have been disadvantaged, as their traditional lands—often too remote to be included in national development—have been leased out as concessions to commercial interests, for logging, mining or plantation development. The primary concern for these communities is that under a REDD+ regime a powerful investor will acquire a carbon concession and will exclude them from decision making or benefit sharing, limiting their access to forest products and where they can farm. In the worst case, they may be evicted from their lands. Evictions over recent years related to conservation and climate change mitigation have already happened in Nepal (K Giri, pers comm.) and in Kenya (REDD+ Monitor 2011).

### **1.4.2 “Do Good” Outcomes**

It also is not clear what will be the positive benefits of REDD+ for forest-dependent communities. By upholding the principles of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), applicable international conventions, and social standards, for example, indigenous peoples and local communities (including women, young people and marginalized groups) could obtain tenure rights to their traditional lands, including rights to the forest resources and carbon. Other positive benefits include receiving benefits from the sale of carbon credits and having a meaningful role in decision making processes.

## **1.5 PHASES AND LEVELS OF REDD+**

In Cancun, the UNFCCC agreed with the idea of REDD+ being implemented in three phases:

- Phase 1: a planning phase, often referred to as the “readiness” phase;
- Phase 2: the strategy implementation, capacity building and results-based demonstration phase; and
- Phase 3: results-based action phase that should be fully measured, reported and verified, sometimes referred to as the “full implementation” phase.

This phased approach has implications for the status, development and application of its social standards. Funding and payments for the initial activities constitute “readiness payments,” whereas that for the third phase is referred to as “performance payments.”

REDD+ development and implementation are taking place at different levels. Critical processes are currently taking place at the international level during the official UNFCCC negotiations. The technical details of an international REDD+ regime must also be agreed upon. In addition to carbon monitoring and financial

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<sup>5</sup> According to UN-REDD (2010), these real or perceived risks include the loss of traditional territories, natural resource rights, and ecological knowledge; the loss of tradition and rural livelihoods; social exclusion and elite capture in the distribution of benefits from REDD+; the creation of contradictory or competing national policy frameworks; and other benefits of forests traded off at the expense of maximizing the carbon benefits.

mechanisms, these details will include the social and environmental safeguards and the safeguard information systems (SIS).

At the national level, interested countries are preparing for REDD+. Delivering verifiable, as well as environmentally and socially just, emission reductions from deforestation and forest degradation at a national level, and not just a project level, is an enormous task given the needs for inclusive multi-stakeholder consultations, capacity building, demonstration activities and policy reform. In some countries, work may also be ongoing at the level of sub-national jurisdictions.

The first two phases are the “national pre-compliance” phases. While on an interim basis, much effort on REDD+ is at the project level, there is a great deal of national level preparation required, and social standards at the national level must reflect the longer term, policy and institutional issues of establishing a national REDD+ regime, such as potential changes in land tenure laws, establishing benefit-sharing schemes and distribution mechanisms. Ultimately, the social standards will have to comply, at a minimum, with those established by the UNFCCC. During “pre-compliance,” while the country proceeds with making the necessary reforms, REDD+ project social standards will continue to reflect project situations and various voluntary standards. Accounting (carbon and safeguards) and providing incentives takes place at the project level, through the voluntary markets and donor-brokered schemes.

To complicate matters, the three phases are not strictly sequential. Rather readiness, investment and performance-based payments may overlap considerably. The FCPF’s Carbon Fund is becoming active and several countries have started to submit their ER-PINs, although they have not completed readiness reforms. Early payments are seen as an additional incentive to countries to complete their reforms and REDD+ safeguards development may also be phased to reflect this evolution.

At the project level, in anticipation of successful REDD+ negotiations, a diverse range of stakeholders is coming forward as project proponents in anticipation of successful REDD+ negotiations to experiment with practical approaches to REDD+, including international conservation, development and/or indigenous peoples’ NGOs, international organizations, private investors, bilateral development donors and multilateral development banks (most working with local and national governments). In the absence of any agreed-upon social standards at the international level, some of these projects are employing existing voluntary standards, some are adapting other policies of their own into standards for their REDD+ work and others are creating or adapting their own policies for project implementation. All are aware that in the future to be eligible under the UNFCCC mechanism, their project may have to comply with UNFCCC safeguards and related regulations or else be limited to voluntary markets.

## **I.6 EFFECTIVENESS, EFFICIENCY, AND EQUITY**

Related to the issue of the objectives of REDD+ is concern about how the application of social safeguards and standards will affect the delivery of emissions reductions. Measures of effectiveness, efficiency and sustainability are common tools in the evaluation of many types of development projects, and Stern (2006) proposed the use of effectiveness, efficiency and equity in the assessment of climate change mitigation activities. Angelsen (2008, 2009) developed the “3E+” concept for application to REDD+. The “3E+” concept is explained and applied in this review to discuss the anticipated impacts of social standards on the delivery of emissions reductions.

## 2.0 REDD+ SOCIAL SAFEGUARDS AND STANDARDS

This section is a review of selected social safeguards and standards for REDD+. A brief overview of each system is provided. Table 1 provides a brief overview of the strengths and weaknesses of each system reviewed. A more detailed review of each system is located in Appendix 1. A few systems that are not strictly related to REDD+ are also reviewed in further detail to provide examples of how standards or safeguard principles can be implemented and enforced (see Appendix 2).

The following key existing safeguards and standard systems are included in this review (see Table 1 below for a brief comparison of strengths and weaknesses).

- **The UNFCCC Cancun Safeguards:** The UNFCCC REDD+ safeguards agreed upon in 2010 will be the default safeguards for international performance. Under the UNFCCC, REDD+ programs should be designed to uphold these safeguards as an absolute minimum performance requirement. The following two UNFCCC safeguards relate most directly to social issues: (1) respect for the knowledge and rights of indigenous people and local communities; and (2) full and effective participation of relevant stakeholders. Other UNFCCC safeguards also refer to social issues and the UNFCCC Decisions from Cancun include guiding principles for REDD+. However, the principles and safeguards are not hierarchically linked and their wording is generally weak. Nonetheless, the UNFCCC has called for safeguards to be “addressed and respected.” During the 2011 UNFCCC COP 17, safeguard information systems (SIS) were discussed and continued to be discussed in the 2012 COP 18 negotiations.
- **Use and Adaptation of World Bank Safeguards by the FCPF, the FIP and the GEF:** The FCPF’s approach to safeguards represents an adaptation of long-established World Bank project practices. The FCPF Charter Document and the Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners documents are the key policies that specify that the World Bank safeguards will be used. Two World Bank safeguards—Operational Policies and associated Bank Procedures—focus on relevant social issues concerning indigenous peoples (OP /BP 4.10) and Resettlement (OP/BP 4.12). For the FCPF, a participating country must also conduct a Strategic Environmental and Social Assessment (SESA), which should inform a country’s national REDD+ Strategy. An over-arching Environmental and Social Management Framework (ESMF) provides the framework for risk mitigation plans and is intended to ensure compliance with the safeguards. The Common Approach specifies that all delivery partners of the FCPF must use the World Bank safeguards and recourse mechanisms, as well as the SESA and ESMF. Delivery partners can use their own procedures only if they are equivalent to, or more stringent than, the World Bank standards. The Forest Investment Program (FIP) and the Global Environment Facility (GEF) have also adapted and built on these safeguards. The World Bank is now undertaking a two-year general review of their overall safeguards.
- **UN-REDD Social and Environmental Principles and Criteria:** UN-REDD utilizes a human rights-based approach to safeguards through its Social and Environmental Principles and Criteria (SEPC). The safeguards are intended for activities financed through UN-REDD, which only supports readiness activities. A Benefits and Risks Tool (BeRT) has been developed to help apply the SEPC (2011). Version 4 of SEPC was released in March 2012. UN-REDD also prepared Guidelines on

Stakeholder Engagement (with FCPF) and Seeking Free Prior and Informed Consent (2011), as well as Guidance for the Provision of Governance Information on REDD+ (2011). As with the FCPF system, the UN-REDD approach to social safeguards is evolving, as feedback is received and as lessons are learned.

- **Bilateral Donors: Norway, Australia and Germany:** As with USAID, none of the bilateral donors reviewed here has articulated a specific set of safeguards, operational principles or standards for their work in REDD+. To date, the donors have avoided explicit social policies or standards, especially insofar as they have agreed, in the Paris Declaration on Aid Effectiveness, to align with host country policies. Some default to their overseas development assistance (ODA) principles, even though their coverage of relevant issues is incomplete. In 2011, Germany adopted a general human rights-based policy for all its development work. Another strategy (applied by Norway in Indonesia) is to default to safeguards of other REDD+ delivery partners. Many donors pursue social issues related to REDD+ by providing grants to civil society and research organizations in host countries or by supporting consultative policy processes in host countries, but these are not necessarily grounded in a particular safeguard or standard system.
- **Climate Community and Biodiversity Standard (CCBS or CCB Standards):** The Climate, Community and Biodiversity Alliance (CCBA)<sup>6</sup> has developed the CCB Standards, which is a voluntary project-level social and environmental standard with which independently audited projects can demonstrate the social and environmental integrity of their activities from design through implementation. These standards were developed in response, in part, to the fact that the Verified Carbon Standards (VCS), used in many pilot forest carbon projects, were weak on social and environmental factors. The current version of the CCB Standards was introduced in 2008, and rules governing their use were published in 2010 (CCBA 2008, 2010). The CCB Standards are particularly strong on community benefits and reward outstanding performance through its “Gold Level.” Many projects have now been developed to meet both the VCS and CCB Standards.
- **REDD+ Social and Environmental Standards (REDD+ SES):** REDD+ SES have been under development since 2009 through an inclusive process engaging governments, NGOs, civil society organizations (CSOs), indigenous peoples (IP) organizations, international policy and research institutions, and the private sector, under the facilitation of CARE International and the CCBA. The initiative aims to develop clear, easy-to-follow, country-specific, national-level REDD+ standards for use by governments through a multi-stakeholder process to comply with the minimum official safeguards for REDD+ emerging from UNFCCC negotiations. At the same time, the initiative aims to define and build support for better social and environmental performance from REDD+ programs. The REDD+ SES Version 2 was released on 16 November, 2012, which streamlines and simplifies the standards based on feedback from their use in pilot countries. Work is ongoing to assess how the standards can be further improved, such as through attention to gender issues and linking their use with the World Bank and UN-REDD safeguards.
- **Brazilian and Indonesian Civil Society Initiatives:** In 2009–2010, civil society representatives led a multi-stakeholder process to develop social and environmental safeguards, with principles and criteria, for Brazil. This document is contributing to the national REDD+ debate. Moreover, Brazil’s National Development Bank (BNDES), which is managing the Amazon Fund, is using these safeguards as reference guidelines to complement the bank’s own Protocol. Indonesia’s Civil Society Network for Climate Justice (HuMa) has developed a proposal for Human Rights-Based Safeguards for use in climate adaptation, mitigation and REDD+.
- **Lessons from Other Initiatives:** The following initiatives outside of the REDD+ have social standards and safeguards that may offer valuable lessons to REDD+ processes.
  - **The Forest Stewardship Council (FSC) Standards** employ nationally adapted indicators to an international set of principles and criteria. They also offer a flexible and graduated approach to

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<sup>6</sup> CCBA is comprised of five NGOs, advised by three international research institutions, and supported by philanthropic foundations and corporations. Conservation International hosts the CCBA secretariat.



compliance, providing some incentives and—more importantly, time—for the complex business of attaining best practices.

- **Fairtrade certification** for small producers recognizes the importance of internal group governance issues, such as inclusive participation, equity, and transparent financial management, to achieving social objectives. It also provides support to producer groups to improve their performance in these areas.
- **The Convention on Biological Diversity (CBD)** has developed the Akwe: Kon Voluntary Guidelines, which focus on the assessment of the impacts of conservation projects on indigenous peoples. These guidelines prescribe local multi-stakeholder platforms for approaching indigenous issues. CBD also has an Indigenous Forum on Biodiversity, which enables indigenous groups to lobby the Convention directly when problems arise.
- **The WWF’s meta-standard** for carbon projects supports the idea of “drop out” criteria, i.e., serious infractions that will trigger the cancellation of a project.
- **The UNFCCC’s Clean Development Mechanism (CDM)** has social and environmental criteria for validation and verification of projects, which must be met before the projects can proceed.

**Table 1: Selected Strengths and Weaknesses of Safeguards and Standards Relevant to REDD+**

Standard/Safeguard	Strength	Weakness
UNFCCC Safeguards	Agreed under the UNFCCC	No hierarchical organization, weakly worded, no clear safeguard information system
World Bank Safeguards (FCPF, FIP, GEF)	Long-experience with WB Safeguards for projects, developing broader framework for REDD+ (SESA and ESMF)	Usage is structured for infrastructure projects, not governance processes; addresses few issues (IPs and resettlement)
UN-REDD Social and Environmental Principles and Criteria	Human rights based approach; tools developed to operationalize principles	No link to implementing, monitoring, verifying and enforcing safeguards
CCBS	Complements carbon standards; includes “Gold Level” performance	Social audits performed alongside carbon audits and often receive less attention
REDD+ SES	Broad inclusive framework that encourages nationally appropriate adaptation of standards; process-based	Relatively little implementation experience to date
Brazilian Initiative	Followed open consultative process	Gender, and governance of indigenous territories are not adequately considered
Indonesia HuMa	Allows for process to take place through REDD+ implementation	Appears costly to implement, and consideration of rights limited to forest-dependent and local communities
FSC Certification	Demonstrated interest from local stakeholders, government and private sector	Concerns that standards and grievance mechanisms not fully upheld
Clean Development Mechanism (CDM)	Well-used system of monitoring and verification & social and environmental criteria built in	Social issues have largely been overlooked to-date
WWF Meta Standard	Includes specific “drop-out” criteria	May be overly comprehensive

# 3.0 SOCIAL ISSUES IN REDD+

A range of social issues addressed in the existing safeguard and standard schemes are reviewed in this paper, including upholding international conventions and treaties, rights, benefits and poverty alleviation, governance, avoided involuntary resettlement and grievance mechanisms/access to justice, as well as if and to what extent they are addressed in each scheme. The following sections elaborate on the primary social issues included in the Table 2.

## 3.1 UPHOLDING INTERNATIONAL CONVENTIONS AND TREATIES

Many social issues included in the safeguards and standards for REDD+ have their foundations in, or are upheld by, international conventions and treaties. Where these are legally binding, party countries are obliged to uphold the articles in their own actions. Where these are not binding, such as with declarations, they are still considered to represent emerging norms for international behavior (CIEL 2011). Many treaties and conventions have annual reporting requirements, and some have international mechanisms to which complaints and appeals can be made if principles have not been upheld that offer models for potential mechanisms of redress for REDD+.

As a result of leadership from certain state parties and sustained pressure from NGOs, progress is gradually being made in establishing human rights protections in the international climate regime (CIEL 2011). Full implementation of international human rights instruments (see Table 3) may represent one of the most effective ways to pursue social safeguards for REDD+, although all countries are not yet signatories to many of these instruments.

### How addressed in the reviewed systems:

- Only four of the systems reviewed (the UNFCCC, the FIP, the GEF and the Brazilian civil society initiative) include specific reference to upholding these conventions in REDD+ and, even so, these references are cautiously worded, likely, in order that the provisions remain applicable to countries that are not parties to these conventions.

## 3.2 RIGHTS

### 3.2.1 Property Rights: Land, Trees and Carbon Tenure

Lack of secure land rights for forest-dependent people is broadly acknowledged to be an underlying driver of deforestation. At the same time, tenure insecurity makes REDD+ a potentially serious threat to peoples' livelihoods. Carbon markets will increase the value of forests and make them more attractive to private interests, and local people lacking secure tenure may be vulnerable to restrictions on their activities or to evictions. Some NGOs see REDD+ as an opportunity to rectify what they consider to be a longstanding social injustice and demand land tenure for forest-dependent peoples as a prerequisite for engaging in REDD+. Other observers worry that the requirement to resolve land tenure issues and titling of forest areas before a country can be declared "REDD+ market ready" will critically delay or lead to the abandonment of REDD+ programs (see USAID 2011 for further discussion).

**Table 2: Social Issues Addressed in Safeguards and Standards Systems**

Safeguards or Standards System ->  Social Issues in REDD+ upheld or addressed	UNFCCC	Multilaterals				Bilaterals			NGOs or Int'l. Organizations				Other					
		FCPF Readiness Fund	FCPF Carbon Fund	FIP	UN-REDD	GEF	Germany	Norway	Australia	CCBS	REDD+ SES	Brazilian CSOs	HuMa	CBD	WWF Meta-standard			
International Conventions	X		Will apply UNFCCC and FCPF Common Approach to assess safeguard component of candidate countries' "market readiness"	(x)	X	(x)	No specific REDD+ safeguards or standards, but diverse set of strategies and action plans touching on many issues			X	X	X	X	X	X			
Property Rights	(x)	X		(x)	X					X	X	X	X	X	X	X	X	X
Stakeholder Participation	X	X		X	X	(x)								X	X	X		X
• Right to information															X			X
• Representation		X			X									(x)			X	X
Indigenous Peoples' Rights	(x)	X		(x)	X	(x)							X	X	X	X	(x)	X
• Free Prior Informed Consent		X			X	(x)									X	X	X	
• Respect culture & indigenous traditional knowledge	X				X									(x)	X			
Gender	(x)				X	X							X	(x)				
Poor and Vulnerable Groups					X									X		X	X	
Equitable Benefit Sharing					(x)	X							X	X	X	X	X	X
Enhanced Livelihoods	(x)	(x)			X	X				(x)			X		X			
• Poverty alleviation													X					
• Climate change adaptation	(x)												X	X	X			
Avoided Resettlement		X				X				(x)			X	X		X	X	X
Recourse/Grievance Mechanisms		X				X							X		X			
Monitoring, Reporting		X													X			
Good Governance	X	X				X								X				
• Fiduciary integrity						X												
• Uphold national laws	X												X	X	X			X
• Labor standards											X							

Key: X = strong mention or relevance (x) = weaker mention or relevance

**Table 3: Selected International Human Rights and Other Related Conventions and Treaties and Their Relevance for Social Safeguards for REDD+**

Instrument	Year	Parties	Selected Rights Relevant for REDD+
Universal Declaration on Human Rights	1948	n/a	Property; culture; standard of living; liberty and security of persons.
International Convention on the Elimination of All Forms of Racial Discrimination	1965	174	Property; culture.
International Covenant on Civil and Political Rights	1966	167	Self-determination; livelihood; access to justice; participation in decision making.
International Covenant on Economic, Social, and Cultural Rights	1968	160	Self-determination, participation in cultural life; livelihood and adequate standard of living; + prohibits discrimination based on race.
Convention on the Elimination of all forms of Discrimination against Women	1979	102	Women's tenure rights.
International Labor Organization Convention on Indigenous and Tribal Peoples (No 169)	1989	22	Self-determination in development; cultural identity; livelihood and well-being; ownership of land and resources; access to justice; participation and informed consent.
Convention on Biological Diversity	1991	193	Sustainable traditional use of resources; equitable benefit sharing; access to information; livelihood.
Rio Declaration on Environment and Development	1992	n/a	Access to information; participation in environmental policy and decision making; access to justice.
(Aarhus) Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters	1998	41*	Right to a healthy environment; access to information, participation in decision making; access to justice.
United Nations Declaration on the Rights of Indigenous Peoples	2007	n/a	Self-determination; ownership and use of land and resources; FPIC; cultural identity; redress; participation in state decision making.

Source: Adapted from CIEL (2011) and Steni (2010). See publications for fuller treatment

Notes: Declarations are not treaties, and thus do not have Parties (signatories). They have universal application, so the number of Parties is "not applicable" (n/a).

\* mainly European signatories

Although upholding traditional property rights, which is demanded by most indigenous peoples' organizations (AMAN 2008, FPP 2011), is one of the primary factors driving the involvement of many international partners in REDD+, this process will not necessarily deliver the desired equitable sharing of benefits, improved livelihoods and poverty alleviation. Traditional societies are not necessarily egalitarian and inclusive and the reliance on traditional tenure systems may equate to elite capture of REDD+ benefits and exclude a large proportion of the population, particularly women and young people. Another issue is that in some countries, land tenure does not include tree tenure and in such cases communities may be secure in their territories and able to clear forest for agriculture, but may not have rights to manage and benefit from forest resources, or to prevent deforestation and forest degradation caused by logging by outsiders.

The rights to carbon credits are important because REDD+ credits and other carbon benefits will most directly accrue to whoever holds them. Carbon rights, however, represent a new concept that has yet to be clarified in most countries. The risk here is that some governments might attempt to separate carbon rights from tree and land rights (where these exist), and then sell or use them separately. Carbon owners may then attempt to restrict the use of the trees and land by people living there.

#### How addressed in the reviewed systems:

- The four NGO-generated standards all prioritize land rights. However, the FCPF, the FIP and UN-REDD only mention land rights of indigenous people, and UN-REDD only acknowledges these

rights by referencing international treaties. The UNFCCC Cancun Agreements call for countries to address land tenure issues in the development of their national REDD+ strategies, though do not explicitly mention tenure and property rights in the annex on safeguards.

### **3.2.2 Procedural Rights: Information, Stakeholder Participation and Justice**

Full and effective stakeholder participation at all stages in development has been a critical component of international development practice for several decades and is considered to be essential for achieving appropriate, necessary and successful development outcomes. More recently, participation has been championed as a key element of good governance and important in strengthening constituencies for policy reform and general democratic processes. So-called “procedural rights” include access to information, full and effective participation (including in decision making) and access to justice. These rights are articulated in the Rio Declaration, the Aarhus Convention and other international instruments, and they are relevant in all phases and stages of REDD+. At the local level and in design phases of projects, stakeholder participation is now standard practice. However, at national levels and throughout long processes, such as REDD+, full and effective stakeholder participation is a particular challenge and often draws controversy.

Procedural rights apply at all stages and levels of REDD+. Ensuring local participation at the local level is a common approach in many projects, particularly in donor-funded development initiatives. However, much work is needed to ensure that participation occurs in an equitable and effective manner. Even stakeholder groups that may be well organized can quickly become overloaded if they are asked to be involved in several processes in parallel (Moss et al. 2011). Furthermore, in the context of REDD+ negotiations, respect for procedural rights implies an obligation by national governments to proactively provide their citizens with timely and relevant information and opportunities for meaningful participation in decision making about REDD+. This kind of national discussion and debate does not commonly happen. Participation is not only important in the design or readiness phase of REDD+, but in the multiple decision points throughout REDD+ development.

#### **How addressed in the reviewed systems:**

- All of the safeguard and standards systems reviewed require the full and effective participation of stakeholders in REDD+, but they vary considerably in the extent to which they elaborate on this requirement. Some schemes are limited to the simple requirement of “full and effective stakeholder participation.” Others distinguish right-holders from stakeholders and require inter-generational and gender representation in participation, prior information to be provided in culturally appropriate and accessible formats adequate time for decision making and a recourse mechanism if participation protocols are not followed.

### **3.2.3 Rights of Indigenous Peoples**

Indigenous peoples are key stakeholders for REDD+ in many tropical developing countries since many groups inhabit forested areas and depend upon forests for their livelihoods. Worldwide, indigenous peoples representatives have been campaigning for decades for greater recognition and promotion of their rights, particularly regarding land and forest. However, as social groups with identities and ways of life that are often distinct from dominant groups in their national societies, they have often been marginalized or completely excluded in national decision making processes and economic development.

#### **How addressed in the reviewed systems:**

- Ten of the reviewed systems explicitly refer to indigenous peoples, but they vary extensively with how they treat the issue. HuMa specifies a “right to forest cultural values” while the UNFCCC safeguards

refer only to “respecting knowledge and rights” of indigenous peoples and merely cites the UNDRIP rather than incorporating any of its key measures. All ten systems require indigenous peoples’ participation. Through the World Bank’s Operational Policy on Indigenous Peoples, the FCPF (and thus the GEF and the FIP) requires respect for traditional land tenure and a process for acquiring statutory tenure. Other rights invoked in the FCPF safeguards include resources, culture and self-determination. The FIP has a special grants budget line dedicated to indigenous peoples. The CCB Standards and REDD+ SES do not exclusively target Indigenous People, but they have a progressive and comprehensive approach to the rights of all “indigenous peoples and local communities,” including people who are not dependent on forest resources, such as pastoralists or agriculturalists.

- For many countries, stringent international rules on the recognition of the rights of indigenous peoples are considered to be at odds with national sovereignty and such rules have been avoided to date in the UNFCCC safeguards. Another problem with a focus on rights of indigenous peoples is that the concept potentially excludes non-indigenous forest-dependent people, who may be equally legitimate stakeholders in REDD+. Often, it also assumes single cultural groups occupying discrete and exclusive territories, which in many countries (e.g. Vietnam) is rarely the case. Various systems, including the UNFCCC safeguards and REDD+ SES, now use the term “indigenous peoples and local communities” when discussing rights and participation.

### 3.2.4 Free, Prior Informed Consent (FPIC)

The concept of FPIC originated as an indigenous rights issue, first appearing in treaty-level text in the 1989 International Labor Organization’s Convention on Indigenous and Tribal Peoples in Independent Countries – 169,<sup>7</sup> and later in the CBD (1994) and various national government laws and mining sector guidelines. The 2007 UNDRIP increased the status of FPIC and reinforced the principle that no development, administrative or other intervention should take place in an area without acquiring FPIC from the indigenous peoples whose lands and livelihoods might be affected (Articles 19, 32). The UN Development Group Guidelines on indigenous peoples further reinforced the application of FPIC to the activities of United Nations agencies, including United Nations Development Program (UNDP), the Food and Agriculture Organization (FAO) and the United Nations Environmental Program (UNEP) (UNDG 2008). More recently, the International Finance Corporation of the World Bank Group adopted FPIC as a part of its Performance Standard for Indigenous Peoples.

#### How addressed in the reviewed systems:

- The application of FPIC to REDD+ has been the subject of intense debate and controversy. Eight of the systems reviewed require FPIC. The FCPF has only acknowledged full FPIC in its joint UN-REDD Guidelines for Stakeholder Engagement, but only in countries that are participating in UN-REDD and that have adopted the UNDRIP (paragraph 7). The FCPF interprets FPIC as Free Prior and Informed Consultation, which, through the application of their Operational Policies, they deem to be substantially equivalent to FPIC (paragraph 7). The FCPF applies World Bank OP 4.1, which substitutes FPIC with the concept of free, prior and informed “consultation,” leading to “broad community support” in their initial safeguards.<sup>8</sup> Under pressure from NGOs they have now agreed to FPIC in their joint Guidelines for Stakeholder Engagement with UN-REDD as of mid-2011. However, these guidelines are still only in draft form and their power to ensure compliance and redress is unclear.
- The UN-REDD has been an advocate of the use of FPIC, piloting its use in demonstration activities in Vietnam and Indonesia. Notable exclusions are UNFCCC, which mentions only full and effective

<sup>7</sup> Article 6 refers to the principle of free and informed consent in the context of relocation of indigenous peoples from their land.

<sup>8</sup> The International Finance Corporation (the private sector lending arm of the World Bank) has also recently revised its safeguards, and adopted FPIC, but somehow manages to stress that FPIC does not equate to veto power (paragraph 38). “The legitimacy of FPIC as a process requires agreement by the culturally appropriate decision making body within the Indigenous Peoples’ community. It does not require agreement by all community members and does not imply veto power.”

participation of Indigenous Peoples and local communities. It does, however, call for taking into account relevant international obligations, national circumstances and laws and cites UNDRIP.

- The right to FPIC extends as a collective right for indigenous peoples. For non-indigenous communities in representative democracies, decision making is the responsibility of publicly elected representatives and official bodies and laws on planning and other relevant matters apply. In many countries, however, representative democratic and governance processes generally are weak or non-existent. Extending the right to FPIC to local communities in these countries, therefore, would be a potentially sensible safeguard, particularly during the design phase.
- Generally speaking, representation under FPIC should defer to a community or people's own decision-making structures. One issue that may arise is that of representation in indigenous groups, as under customary arrangements women and young people may be seriously disadvantaged and have little or no voice. The above-mentioned FCPF/UN-REDD Guidelines on Stakeholder Engagement now recognize the need to ensure "appropriate representation."
- To some proponents, FPIC is considered to be a very powerful and useful instrument since there is an implicit veto that can effectively be applied if people perceive that an aspect of REDD+ threatens their rights or cultural identity. In this view, no other safeguards need to be specified. This same feature worries some proponents of REDD+: the FPIC principle could be used to block projects and programs, and at the very least, could substantially delay their progress.
- For REDD+, it is increasingly realized that FPIC will be an ongoing process rather than a single event and that sufficient time needs to be allocated for the careful management of awareness raising and engagement with communities, local authorities and other key stakeholders.

### **3.2.5 Marginalized Groups: Women, Youth, Other Vulnerable People**

Gender issues have been an important component of sustainable development thinking and initiatives for decades. The integration of gender issues began once development planners realized that the failure to appreciate the different roles, entitlements, needs, problems, knowledge and capacities of women compared to men, and the failure to actively involve women in development initiatives, was compromising development outcomes and exacerbating their poverty and low social status. There are now many global mandates calling for the integration of a gender perspective into environmental and poverty reduction efforts, and these should also apply to climate change. Yet gender has been largely neglected in REDD+.

#### **How addressed in the reviewed systems:**

- The UNFCCC makes only passing reference to gender, both in its main documents and in the REDD+ safeguards text. Of the systems reviewed, only UN-REDD specifically targets gender issues, and the program is currently developing Guidelines for Gender Mainstreaming in REDD+. The FIP only mentions gender. The REDD+ SES includes some new gender language in its second version and has initiated studies on the issue. Some systems group women with young people and other marginalized groups (i.e., the very poor, and the disabled) as people requiring special attention.
- The rights and participation of all marginalized groups need to be addressed. As mentioned above, the CCB Standards and REDD+ SES appear to approach gender through advocating rights of all marginalized groups, including youth, minorities, the very poor and disabled. The present lack of attention to gender in REDD+ should be used to call for more attention on the roles and rights of all marginalized groups.

### 3.3 BENEFITS AND POVERTY ALLEVIATION

The discussion of the benefits associated with REDD+ includes both “procedural aspects” regarding the equitable sharing of benefits and “consequential aspects,” which refers to the actual enhancement of livelihoods as a result of REDD+. The notion of the equitable sharing of REDD+ benefits is complicated by the need to define the total pool of benefits, the potential pool of beneficiaries and the costs involved. In addition to communities, there are concession holders, local government officials and others who are entitled to a share of the benefits. Project developers will expect a share of revenues to cover their costs, and the facilitators and transaction managers of the REDD+ process, including donor agency and NGO staff, consultants, certifiers, brokers and national government officials are the recipients of REDD+ funding. A particular challenge for REDD+ will be instituting transparent and accountable systems for managing and distributing REDD+ revenues and cash benefits. In addition, there are many potential non-cash benefits to share, including capacity building, social organization and the provision of environmental services. There is an unfortunate precedent, however, of allocating only the non-cash benefits to more marginalized groups.

Poverty alleviation has been the overarching objective of ODA donors since the late 1990s. Although much REDD+ funding draws on ODA budget lines, few REDD+ programs explicitly include poverty alleviation as an objective. UN-REDD includes the weak requirement to “ensure consistency with and contribution to national poverty reduction strategies and other sustainable development goals.”

#### How addressed in the reviewed systems:

- While all the systems reviewed mention livelihood benefits or rights, only four explicitly mention the equitable sharing of benefits. UN-REDD and the NGOs give livelihoods the most explicit attention. UN-REDD adopts a human rights approach, and specifies not only social and economic well-being but also political well-being as criteria for “enhanced livelihoods.” The UNFCCC, the FCPF and GEF mention livelihoods only tangentially. The CCBS and the Brazilian scheme specifically advocate work on adapting livelihoods to climate change, which represents a useful integration of mitigation and adaptation activities.
- Of the NGO systems reviewed, only the CCB Standards explicitly targets poverty alleviation, but only at their optional “gold level,” which reflects the challenges involved. Many non-cash benefits may be associated with REDD+, some of which may be more valuable than cash. Obtaining formal statutory land tenure for forest dwellers, for instance, could be one such REDD+ benefit. Similarly, improved governance, including the implementation of forest law, would be a positive benefit for many REDD+ stakeholders.

### 3.4 GOVERNANCE

Most of the social issues related to REDD+ are essentially governance issues. Respect for rights, transparency, access to information, accountability, rule of law, participation and equity all relate to the proper functioning of the forest sector, and more broadly to community, sub-national and national-level decision making. Governance includes other issues, such as professionalism, good law-making, policy coherence and cross-sectoral coordination, which are relevant to achieving effective REDD+. However, actual governance outcomes are less easily pursued through social safeguards and standards than social objectives.

REDD+, with its promise of substantial cash (and other) incentives, could make a real difference to governance. Governance reform could be approached in two ways, depending on context. The simpler approach, technically and politically, is to implement specific policies representing focused reforms in order to create the minimum enabling environment for REDD+. The more challenging approach is to try to use REDD+ to catalyze deeper transformational reforms, such as land tenure reform (CIFOR 2010).



#### **How addressed in the reviewed systems:**

- Certain elements of governance are mentioned. Five systems reviewed – UNFCCC, CCBS, REDD+ SES, the Brazilian initiative and WWF – stress the need to uphold national laws. UN-REDD cites the need for fiduciary integrity, and the Brazilian initiative cites the need to respect labor standards.

### **3.5 AVOIDED INVOLUNTARY RESETTLEMENT**

The issue of involuntary resettlement stems from MDB's and governments that have in the past supported numerous projects, such as big dams and the creation of national parks, which require the resettlement of thousands of households. The fear is that the increased value placed on forests through REDD+ will lead to appropriation of the areas by powerful interests and the eviction of populations living in them, in order to “protect the carbon.” Established resettlement policies (including relevant laws and regulations) require that involuntary resettlement is avoided or minimized. Where this is not feasible, displaced persons must be assisted in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

#### **How addressed in the reviewed systems:**

- Five of the systems reviewed - the FCPF, the FIP, UN-REDD, the CCB Standards and REDD+ SES - cover avoidance of involuntary resettlement.

### **3.6 GRIEVANCE MECHANISM AND ACCESS TO JUSTICE**

Safeguards often do not have dedicated mechanisms to ensure they are upheld and although standards are routinely assessed, there may be significant periods between assessments. It is important that each country have a well-publicized and accessible grievance mechanism through which stakeholders can have their concerns addressed, as well as an international-level mechanism. Although the requirement for a grievance mechanism will be included in an international system of standards, given the delays likely in getting such a system agreed to and operational, it is important that grievance mechanisms be established as soon as possible. A grievance mechanism also can be useful in alerting a REDD+ initiative about new problems or emerging issues, permitting timely action. If national and international mechanisms are linked, this learning can be shared. The very presence of a grievance mechanism will also promote the responsibility and accountability of project implementers and other REDD+ decision makers.

#### **How addressed in the reviewed systems:**

- The FCPF currently employs the World Bank's “Inspection Panel” with which stakeholders can lodge complaints, but these must be specifically about FCPF performance. The FCPF proposes, with UN-REDD, to establish national and international grievance redress mechanisms, although the timeline for this is unclear. Meanwhile, the UN's Resident Coordinator will receive complaints about UN-REDD in participating countries. Most bilateral donors do not have established grievance mechanisms (Damman 2011), although complaints can probably be made to Embassies. The REDD+ SES further specifies that legal advice should be available to assist communities in resolving disputes, particularly with external actors, like project proponents and the government.

# 4.0 DISCUSSION

This section discusses the following four aspects of the findings on safeguards and standards presented above: (1) the strengths and weaknesses of the reviewed systems; (2) safeguards and standards in different levels and phases of REDD+; (3) impact of standards on the effectiveness, efficiency and equity of REDD+; and (4) political considerations.

## 4.1 STRENGTHS AND WEAKNESSES OF THE REVIEWED SYSTEMS

### 4.1.1 Overview

The systems reviewed above show considerable variation in their scope, content and approach. No design encountered in this study covers the full range of social issues relating to REDD+; each has its strengths and weaknesses. There is no universal agreement on a compliance standard or a set of guidelines, and whether the objective should be to “do no harm” or “do good.” The variation also reflects the trade-off between comprehensiveness and rigor of systems, and the political acceptability, cost-effectiveness and practicality of their application and enforcement. Priorities have to be made and these differ from organization to organization, depending on political agendas or special interests, links to different stakeholder groups and issues or the complex and differing contexts from country to country. Few systems have been implemented and for many the design of safeguards and standards remains a “work in progress.”

- **The clearest, most comprehensive and rigorously worded systems** are those generated by national and international multi-stakeholder platforms (i.e., REDD+ SES), NGOs (i.e., the CCB Standards), civil society organizations (in Brazil) and those of UN-REDD.
- **The UNFCCC and the multilateral initiatives involve participant countries in the decision making.** In some cases, some safeguard provisions may require national reforms. Safeguards can also focus on “symptoms” and mitigation rather than addressing the underlying policy and governance failure that causes the problem. Mitigation actions also can focus on short-term measures to alleviate the symptom, which are often easier and faster than long-term reform.
- **The bilateral donors reviewed do not have an articulated set of safeguards and operational principles for their work in REDD+.** This situation may reflect the fact that REDD+ tends to be an *ad hoc* inter-ministerial/departmental initiative, involving two or more of the ministries for foreign affairs, environment and development. Some rely on existing aid policy. In some cases, the Paris Declaration on Aid Effectiveness, which obliges donors to align with host country policies, is cited. Another strategy (applied by Norway in Indonesia) is to default to safeguards of other REDD+ delivery partners. Behind this reluctance to promote safeguards appears to be the situation that with many developing country partners, any attempt by donors to impose conditionalities on their funding for REDD+ would meet with resistance and possibly jeopardize their programs. Some donors, such as Norway, attempt to pursue social issues indirectly through support to civil society.

### 4.1.2 Design

- **Structure:** The structure of a hierarchically nested set of principles, criteria and indicators used by the CCB Standards, REDD+ SES, Brazil and UN-REDD that progressively clarify the standard’s

requirements has a clear logic that makes it easy to understand and use. It is particularly strong in enabling broad international comparability of REDD+ projects and programs (through standardized principles and criteria) and adaptation to national context (through variable indicators). Only REDD+ SES explicitly requires national-level adaptation. The FCPF, however, has a more complex process for ensuring the delivery of safeguards.

- **“Do No Harm”:** Although the UNFCCC and the FCPF both refer to the opportunity and the practical need for delivering positive livelihood benefits to communities for “doing good”, they both *effectively* default to a “do no harm” approach to REDD+. The UNFCCC does this by using weak wording, reflecting the range of political compromises required to reach agreements. The FCPF does it through a complex set of methodologies that progressively dilute the “do good” element “Do no harm” approaches inherent in safeguards also risk a focus on “symptoms” and short-term mitigation actions rather than addressing the longer-term and more challenging policy and governance failures that underlie the problem.
- **“Do Good”:** UN-REDD, Brazil, the CCB Standards and REDD+ SES are all have specific criteria for “doing good” regarding human rights and livelihood improvements. In their REDD+ documentation, the bilateral donors tend to refer generally to their ODA objectives (including poverty alleviation, human rights good governance), but they have fallen short of including safeguards and multiple benefits as outcomes of their bilateral REDD+ programs.
- **Clear standard needed for comparison purposes:** Internationally, there needs to be a clear standard to enable comparison among countries and ensure individual “market readiness,” but there are sovereignty issues that arise when trying to impose this approach. The UNFCCC process illustrates the difficulties of working at the international level, as government representatives leading the negotiations, and countries jockeying to protect and promote their interests and to avoid the imposition of onerous obligations, sovereignty is perceived to be at stake.
- **Need for clarity:** The FCPF adapted the World Bank’s existing safeguard processes in order to comply with the World Bank lending policies. There has been some limited participation with this process on the part of host countries through the Participants’ Committee, and more recently through UN-REDD and the FCPF’s delivery partners. The resulting FCPF safeguard process is hard to understand and apply. Given the number of countries in which the FCPF is helping to shape REDD+, there should have been a process more tailor-made to REDD+ issues with broader-based participation and greater transparency at the international level.
- **National-level ownership:** There needs to be broad-based consensus, legitimacy and ownership of a country’s approach to REDD+, which a set of standards can represent. However, REDD+ programs often remain in the hands of government. Multi-stakeholder platforms for negotiations that involve all relevant stakeholders from government, local communities, the private sector and civil society are needed to develop national standards for REDD+. These multi-stakeholder processes also promote the wide dissemination of information on REDD+ and collective social learning and awareness-raising.
- **Multiple stakeholder process:** The REDD+ SES initiative developed a process that involves multiple stakeholders. At the international level, it has developed a credible standard that is consistent with the UNFCCC safeguards and promotes non-carbon benefits. At the national level, it tailors the scheme to individual country contexts by adapting the indicators using multi-stakeholder platforms. We await results of the current field-testing of the REDD+ SES system in pilot countries. Other independent multi-stakeholder approaches applied in Brazil and the Philippines (La Viña and Ang 2010) have shown that this approach is well-received, cost effective and produces good results with a high degree of legitimacy. Once a sufficient number of countries have piloted the nationally adapted indicators, results could be fed back to the international level to influence the UNFCCC process.

### 4.1.3 Content and Application

- **Wording:** The lack of precision in use of terms, as well as weak wording, leaves the safeguards systems open to interpretation and creates loopholes. The UNFCCC texts, for example, include weak terms, such as “promote,” rather than strong terms, such as “uphold” or “guarantee.” The FSC makes a point of defining its use of these kinds of words. For example, “shall” indicates a compulsory action, while “should” and “may” indicate permissible actions (FSC 2010).<sup>9</sup>
- **Upholding international human rights obligations:** International human rights obligations cover most of the issues relating to REDD+. Although the safeguards in the Cancun Agreements only weakly invoke international human rights obligations, the UNFCCC has already specifically noted the importance of considering human rights in climate change responses. International human rights obligations can thus be put to the service of REDD+, including but not limited to encouraging action on issues such as upholding Indigenous Peoples’ rights.
- **FPIC for local communities as standards:** The UNDRIP includes FPIC as a right of indigenous peoples. Strictly speaking, local communities are served through conventional democratic processes and local government. In practice, however, FPIC is challenging to apply particularly when local communities live side by side with Indigenous Peoples. Expanding FPIC to local communities may be very positive in terms of practicality and equity. FPIC is a particularly powerful safeguard, because it describes a process for engaging with and within local communities. FPIC should be considered across REDD+ initiatives, at all levels, as a standard.
- **Drop out criteria:** The WWF’s “Meta-Standard” includes explicit “drop-out criteria” to ensure that a project is not approved in the case of particular or severe negative social and environmental impacts, or process failures, such as when FPIC is not followed.
- **Graduated compliance:** A particularly useful concept for applying standards to initiatives in such a diversity of contexts, phases and levels as REDD+ is that of “graduated compliance,” where stepwise progression towards fulfilling all conditions is made over a specified period of time. The systems reviewed included several different approaches.
- **Links to other climate change initiatives:** The Brazilian Initiative specifically includes climate change adaptation as a component of enhanced livelihoods multiple benefits (Section 4.4), and to sustainable consumption of natural resources as part of a low-carbon development strategy. These inclusions bring coherence to national climate change strategies by linking mitigation, adaptation, and development efforts. CCBS also recognizes climate change adaptation as part of its “gold level.” The UNFCCC principles for REDD+ agreed at COP 16 to urge programs to promote it. At COP 17, there was increasing discussion about the need to link mitigation with adaptation and development issues.

### 4.1.4 Omissions, Gaps or Weaknesses

- **Data and analysis:** The CCB Standards call attention to the data quality and analysis that have gone into project design (local or national), especially on the socio-economic, social differentiation, land and resource use, and tenure situation in the project area. This issue is important and deserves incorporation into more systems, with reference to design, validation, and ongoing verification.
- **Internal community governance issues:** Social standards for REDD+ risk overemphasizing the importance of respecting Indigenous Peoples’ and local communities’ rights, without stressing their concomitant responsibilities. Over-reliance on upholding traditional practice, autonomy and self-determination of Indigenous Peoples as means to achieving social equity without reference to the

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<sup>9</sup> That said, more precise wording may be a “REDD+ herring,” because if there is a wish on the part of a national government not to comply, they won’t anyway.

problem that many indigenous groups themselves have regarding internal governance and equity — especially with regard to women and young people—could undermine both the effectiveness and equity of REDD+. A strong point in the Fairtrade system, but only mentioned very tangentially in the other systems reviewed, is their standards for internal community or group governance. To accompany the standards, Fairtrade has a program of capacity building for its groups, and a graduated system of compliance. UN-REDD’s Guidelines on Stakeholder Engagement mention ensuring “inter-generational and gender” participation, and raise the issue of “appropriate representation.” However, these do not appear to be incorporated into the principles and criteria. WWF’s meta-standard also provides guidance on legitimate representation among participating communities to avoid local elite capture. The CCBS above-mentioned criterion on ensuring data adequacy provides a good foundation for the necessary awareness and understanding, but does not go further.

- **Gender:** Gender has had a slow start in REDD+, and even UNFCCC does not mention gender in its charter. As discussed above, gender only enters as a specific concern in two of the safeguard and standard systems reviewed, UN-REDD and FIP, and only in UN-REDD does it find adequate expression in a specific requirement for gender equity and empowerment. Although REDD+ SES and CCBS do refer to “vulnerable groups,” and make it clear in various indicators and footnotes that this grouping includes women, the gender issue, after all these years, deserves higher priority. If there are conceptual and operational economies to be gained by treating vulnerable groups together, then the use of the term “women and other marginalized groups” may be the most effective for ensuring adequate attention is paid.
- **Defaulting to national or delivery partner policies:** The FCPF’s safeguard system permits program managers to default to the safeguard policies of the host country or to those of delivery partners, if they are at least as rigorous as the FCPF system. This arrangement poses a particular challenge due to fragmentation and confusion in safeguards and standards for REDD+; what is needed now is fewer, not more, options.

#### 4.1.5 Application, MRV and Compliance

- **Lack of experience with application:** A major constraint on the whole discussion of social standards for REDD+ is the lack of experience with their application. Only the voluntary CCBS are currently being applied to the design and validation of real REDD+ projects. It is important to review these experiences, as well as to experiment with, document and analyze the practicalities of using comprehensive social standards at project, sub-national and national levels.
- **Measurement, Reporting and Verification (MRV) and compliance:** For REDD+ social safeguards and standards to be effective, there must be means to ensure compliance through monitoring, reporting and verification, as well as by establishing consequences for non-compliance. These actions need to happen at project, national and, ideally, international levels regarding REDD+ design, implementation and ongoing performance. These processes should involve both government and non-state actors. Currently the CCBS is the only REDD+ social standard system that addresses MRV and compliance. The emerging work on SIS in the UNFCCC REDD+ discussions is promising but will face an uphill battle in developing strong MRV and compliance provisions.
- **International oversight mechanism:** Kelly (2010) concludes that of the options available, an international oversight mechanism would be more appropriate than either national enforcement or international courts and tribunals. Such a mechanism, perhaps modeled on the Enforcement Branch of the “Kyoto Compliance Committee,” would have several functions: (1) independently verify if and when a country becomes REDD+ “market ready” (especially with regard to social criteria, such as recognizing customary tenure); (2) respond to objections or petitions of stakeholders, including non-

state actors; (3) continuously monitor compliance and implementation of safeguards; (4) where appropriate, require remedial actions, or impose penalties (with REDD+, this might involve losing access to REDD+ compliance markets); and (5) report to the COP (Orellana 2009).

## 4.2 SAFEGUARDS AND STANDARDS IN DIFFERENT LEVELS AND PHASES OF REDD+

REDD+ is a complex undertaking with activities occurring at the international, national and project levels during three overlapping phases: readiness, reform and performance (at the national level) or design, establishment, and maintenance (at the project level). The systems reviewed include some guidance for all these levels of application, but focus primarily on the design/readiness phases. They reveal the varying requirements for social standards at these different levels and stages.

- **Project level:** At the project level, standards (i.e., the CCB Standards) are largely about ensuring socially and environmentally sound practical local action and outcomes. Standards provide developers with guidance on project design and provide a practical mechanism for checking (i.e., validating) that design before implementation begins, followed by verification. At this level, important considerations include whether or not safeguards (such as FPIC) have been upheld in the design process, whether accurate and adequate supplementary information has informed project design and whether the appropriate objectives, outputs and processes for the implementation of the REDD+ project are in place. Project standards will require the greatest level of primary data collection to demonstrate compliance. A good baseline also will be needed. Standards should be in place from the start, as retrofitting is difficult to do convincingly. Independent auditing is desirable, and there should be scope for suspending a project-level intervention from national REDD+ accounting if social standards are not maintained.
- **Sub-national level:** This level is particularly interesting and relevant for the development of REDD+ and its social standards, but very little has been accomplished to date. Experiments with REDD+ are currently taking place in localized projects, with project proponents attempting to apply safeguards and standards. However, REDD+ is ultimately about changing land use practices at the national level and translating social standards into a kind of social contract among stakeholders. In many countries (particularly larger ones), the sub-national level represents the spatial arena where the concrete action of REDD+ at the project level plays out in a political and administrative context of land use planning. It is the ideal level at which to experiment with the application of standards at a meaningful landscape scale, involving a fuller range of stakeholders in real-time strategic negotiation about REDD+.
- **National level:** Standards at the national level entail directing a country's REDD+ readiness activities and ensuring enabling environments, national legitimacy and a coherent strategy. Only then will standards demanded at the project level be achievable more broadly. Within the parameters set internationally, the national standards determine what kind of REDD+ program a country wants to develop. The design and incorporation of standards into National REDD+ Strategies and the work to establish them through the REDD+ Readiness Plans are also crucial. A critical point in any national REDD+ process is the determination of "market readiness." At this point, standards must be in place and an agreed-upon minimum compliance must be achieved. Safeguard information systems are likely to be central to developing and reporting on national safeguards in years to come.
- **International level:** Standards at this level are about creating a level playing field and enabling comparison among participating countries, as well as maintaining accountability to international investors, taxpayers and other stakeholders. The systems should create a clear "minimum performance level" that reflects a global consensus on what is acceptable. A critical process and event will be declaring a country as "market ready," and thereafter the systems must ensure ongoing market

compliance. Developing a national information framework that can effectively demonstrate implementation of all relevant safeguards will be a challenge.

- **UNFCCC architecture:** The architecture established by UNFCCC will be seen as the international “rules” for REDD+. Negotiations on social standards are important, but they are slow and somewhat abstract and likely to produce a weak outcome. Meanwhile, UN-REDD and particularly the FCPF are introducing their own safeguard systems across the range of countries where they work. Although these systems are only designed for use in their own programs, there is now pressure for these to be adopted more widely (i.e., the FCPF submission to the UNFCCC Subsidiary Body for Scientific and Technological Advice (SBSTA)). The REDD+ SES initiative also is working at a level that could influence this international process.

### 4.3 SAFEGUARDS AND STANDARDS AND EFFECTIVENESS, EFFICIENCY AND EQUITY

The problems addressed by REDD+ are inherently social (economic and political), and solutions need to be framed in a similar way. Issues such as the lack of land tenure for forest-dependent people and the lack of women’s participation in decision making often underlie the drivers of deforestation and must be addressed for REDD+ to succeed.

- **Effectiveness:** The effectiveness of REDD+ will depend on well-conceived and tested social standards. Furthermore, social standards promote practices that have been long accepted as part of the canon of rural development: full, inclusive and effective stakeholder participation (including in decision making); empowerment of women and other marginalized groups; respect of rights; attention to benefits and equity; pro-poor approaches; and good governance. All have been shown to improve the design, outcomes and sustainability of development interventions and they are often explicitly incorporated into a project’s objective or outputs. Sustainability is particularly important for REDD+, as it requires “permanence” in emission reductions. It may be possible to impose solutions on people in the short-term, but to induce and sustain behavior change for the long-term, solutions and incentives need to work for the people involved.
- **Efficiency:** There are costs to designing and implementing a standards system for REDD+ with respect to money, time and capacity, and some argue that these will reduce the competitiveness of REDD+ compared to other land uses. However, as discussed above, these costs are offset to some extent by increases in the effectiveness of REDD+. How the comprehensiveness of standards affects the cost of applying them needs to be better understood. Efficiency, in particular, highlights the need for the “standardization of standards,” and these can be designed to minimize the costs of compliance and third party auditing. Early investment in quality, including nesting standards at local, national and international levels, can reduce the overall costs in the long term.
- **Equity:** Social standards are explicitly intended to promote the “equity” issues of REDD+: benefit sharing, poverty alleviation and improved governance. Equity is often used interchangeably with “justice” in many discussions of REDD+, but the issues are more complex. Rather, they involve distributional, procedural and contextual dimensions, as well as its goals, targets and scales. Considerable attention to detail is required to determine the desired outcomes and ensure that they are delivered.

## 4.4 POLITICS OF SOCIAL SAFEGUARDS AND STANDARDS IN REDD+

REDD+ began as a seemingly straightforward concept of paying forest-rich developing countries to preserve forests with a heavy emphasis on developing methods for carbon accounting. It has become increasingly clear, however, that significant social, economic and political changes are needed for REDD+ to work in practice. Participating governments are now faced with the possibility of having to comply with international human rights instruments and reform their land tenure, forest governance, decentralization and development policies and practices—and to have these changes overseen and evaluated internationally.

- **Governance:** It is now clear that effective, efficient, equitable and sustainable REDD+ implementation is largely about governance. Political and business establishments in participating countries are faced with having the status quo overturned. It is hard to see how the funding for REDD+ will ever be enough to compensate these establishments for instigating and managing the changes that are so against their own interests while leaving some benefits for local land users whose behavior also has to change. REDD+ is voluntary and developing countries can simply withdraw from the process, possibly allowing voluntary “avoided deforestation” projects to proceed.<sup>10</sup>
- **The role of industrialized countries:** Industrialized country governments do not have the funding to make these transformational changes. Donor agencies have committed to the Paris Declaration on Aid Effectiveness,<sup>11</sup> and often have strong economic or political links to the same developing country establishments. Western governments also need to make transformational changes, but faced with regular elections and big deficits they are finding it difficult to commit to new emissions reductions targets. Indeed industrialized countries’ continued heavy exploitation of fossil fuels and slow movements to delink economic growth from carbon emissions threaten to increase rather than decrease greenhouse gas emissions.
- **Broad multi-stakeholder platforms:** With multiple checks and balances, broad multi-stakeholder platforms should be supported to permit a country’s government, civil society and the private sector to discuss equity and social justice issues of climate change and to collectively decide “what kind of REDD+ do we want?” Experience from Brazil and the Philippines indicate that this bottom-up approach is possible and powerful and promotes a good governance agenda. The REDD+ SES initiative is piloting national approaches in five countries and should be supported to expand into more countries, although a preliminary phase of civil society capacity building might be needed before this approach could move forward.

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<sup>10</sup> Indonesia has recently withdrawn from the Round Table on Sustainable Palm Oil (October 2011).

<sup>11</sup> Kelly (2010) argues that ample precedents exist in international law to allow for social standards in REDD+ and for providing mandatory minimum rights to non-state actors, without threatening the principle of national sovereignty. It is inconsistent for countries to comply with international environmental standards for REDD+, but to defer to national governments on social standards. United Nations principles, however, demand sovereign equality and non-intervention in domestic matters.



# 5.0 CONCLUSIONS AND RECOMMENDATIONS

## 5.1 CONCLUSIONS

REDD+ has the potential to operate at very broad scales in developing countries, affecting the lives of hundreds of millions of poor people and the health of forested ecosystems. The underlying challenges addressed by REDD+ are social, political and economic and solutions need to be similarly framed. “*Safeguards*” simply against REDD+’s negative impacts do not go far enough, yet the term is widely and uncritically used. “*Standards*” are clearly structured and nested at project, national and international levels and adaptable compliance mechanisms are needed to ensure they are met, particularly with regard to delivering the benefits and opportunities presented by REDD+. While REDD+ cannot cure all the socio-economic ills of participating countries, there are strong practical and moral imperatives to elevate its social concerns to the status of objectives, with an importance equal to that of emission reductions.

The implementation of safeguards and standards is crucial to providing public and private sector investors of the emission reduction and social and environmental viability of REDD+ activities. While a wide variety of standards and safeguards have emerged to fill this void, none of the existing systems of safeguards or standards for REDD+ reviewed here covers the full range of social issues in REDD+. However, at this stage, further effort should not be put into making the standards comprehensive. Rather, the priority should be on testing and learning field experience, such as through the application of the CCBS and REDD+ SES, to inform future revisions. Attention is needed in a range of REDD+ countries to understand and document how the existing standards are working in practice, to improve the designs and outcomes of local-level and sub-national-level initiatives and to inform national REDD+ strategies.

Key omissions in existing standards need to be addressed. Gender has been neglected in REDD+, and little attention is paid in general to the social differentiation and governance challenges within communities. A meta-standard on the relevance and quality of data and its analysis for social assessments is needed. Moreover, social and governance standards are closely related and should be integrated.

Simplicity in safeguards and standards will be the key to obtaining results, and social (and environmental) standards employing “principles and criteria” offer the clearest logic for designers, implementers and participants of REDD+ at all levels. An international standard should include agreed-upon “minimum compliance criteria” that must be met for a country to be declared “market ready” for a global REDD+ regime and payment-for-emission reductions markets. Progress beyond this minimum standard to full compliance could be phased, and a “gold standard” could be established, with exemplary social performance rewarded with higher-value credits. Independent verification of countries’ performance should be required periodically to ensure “market compliance,” and there should be a mechanism for suspending countries’ participation if this requirement is not met.

The politics of REDD+ cannot be ignored. Meeting the social standards established for REDD+ will require developing nations to radically transform governance systems and the status quo. While coherence at the international level is essential for the global regime, REDD+ must be addressed at the national level. The elaboration of national social (and environmental and governance) indicators for a set of international principles and criteria could be the catalyst of such national projects, as the REDD+ SES and Brazilian civil society initiatives are demonstrating.

Broad multi-stakeholder platforms should be supported to enable a country's government, civil society and private sector to discuss equity and social justice issues of climate change and collectively decide "what kind of REDD+ do we want?" Markets and the private sector can also play a role by sending clear messages about what kind of credits will or will not be acceptable.

The work to establish and uphold social and environmental standards will increase the initial costs of REDD+ at all levels and perhaps delay the start of payments-for-performance in individual countries. If well-conceived and implemented, however, the efficiency of REDD+ should increase over time. By reducing conflict and building upon positive development opportunities, there should be real benefits in effectiveness, equity and sustainability.

The FCPF may want to consider postponing payments through the Carbon Fund until international standards (with national indicators) have been elaborated on for assessing a country's market readiness.

## 5.2 RECOMMENDATIONS

REDD+ is well underway as an international climate mitigation strategy, with few new processes left to initiate. Most of the major developing countries participating in REDD+ are already involved in the FCPF or UN-REDD. Many donors, international organizations and NGOs are doing similar things, such as supporting elements of REDD+ readiness, funding NGOs and non-state actors and co-funding other donors' initiatives. The challenge now is about intervening strategically within existing processes, particularly those focused on social safeguards and standards.

### **Safeguards and Standards:**

REDD+ needs both safeguards with independent grievance mechanisms and standards, which apply transparent monitoring mechanisms and consequences for non-compliance:

- Safeguard policies and processes need to be more explicitly linked with standards for design, implementation, and monitoring;
- Support is needed for follow-up work on UNFCCC safeguards and safeguard information systems (SIS) issues emerging from the Durban COP 17 and the Doha COP 18;
- Development of the international REDD+ architecture should prioritize enforceable standards that include monitoring and clear thresholds, with consequences for non-compliance; and
- REDD+ donors, particularly bilateral ones, can provide leadership on social (and environmental) standards in REDD+ by making them a priority in REDD+ programming and promoting them in international fora.

### **Improving Safeguards and Standards, Piloting, and Promoting Best Practices:**

Development partners need to collaborate to develop a common approach to social and environmental safeguards (policies) and standards, then disseminate and publically uphold them in order to establish socially responsible REDD+ as the international norm:

- Experience with piloting needs to be reviewed to identify strengths and weaknesses in the application of existing systems, and to use the findings to build on strengths and address weaknesses in order to identify and develop "best practices." Other relevant piloting, reviews, research studies and capacity building on the application of safeguard and standards schemes should be supported;
- Internationally agreed-upon principles and criteria with nationally negotiated indicators, as being piloted in the REDD+ Social and Environmental Standards, need to be more broadly applied; and
- When a critical number of countries have engaged in this process and the revisions to the overall standards system have been made, the UNFCCC, REDD+ countries and other REDD+ institutions should debate adopting the best practices from these standards.

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# APPENDIX I KEY SAFEGUARDS AND STANDARDS REVIEWED

## I.0 THE UNFCCC

Since REDD+ is a global voluntary mechanism under the UNFCCC, the safeguards negotiated by the COP will be the international performance requirement that is applicable to the design, implementation, monitoring, verification and reporting of the social (and other non-carbon) aspects of REDD+ as implemented under the UNFCCC. Prior to the establishment of the global system, individual REDD+ activities should endeavor to uphold these safeguards as an absolute minimum performance requirement.

The roles of forests in climate change mitigation under the UNFCCC have been evolving since the introduction of the Clean Development Mechanism (CDM) in the Kyoto Protocol of 1998. The potential role of natural forests in mitigation was discussed in 2001 at COP 7 in Marrakesh as “Avoided Deforestation,” but was considered technically too problematic. The Afforestation/Reforestation CDM (A/R CDM), therefore, became the only forestry-related mechanisms for the Kyoto Protocol’s first commitment period (2005–2012). Nevertheless, work on the concept continued, as Papua New Guinea and Costa Rica officially requested it to be considered in the agenda of COP 11, which took place in Montreal in 2005. By the end of the meeting, “Reduced Emissions from Deforestation” (RED) emerged. At COP 13 in Bali (2007), the role of forest degradation in greenhouse gas emissions was recognized, thereby expanding the concept into REDD. A decision was also taken (Decision 2/COP 13) that mandated action by the Parties on REDD and established the Ad Hoc Working Group on Long-term Cooperative Action<sup>12</sup> (AWG-LCA) to carry it out, among the AWG-LCA’s other duties. The following year during the COP 14 in Poznan, the important roles of conservation, sustainable management and enhancement of carbon stocks was recognized, leading REDD to become REDD+.

At COP 16 in Cancun in 2010, REDD+ was officially adopted by UNFCCC as a mechanism to address climate change, and countries agreed to its scope and to the components and phasing of national REDD+ programs. Four core elements of any national program were defined: (1) National strategy or action plan; (2) National forest reference emissions level (REL) or forest reference level; (3) National forest monitoring system; and (4) Systems for providing information on safeguards (SIS).

As part of the REDD+ agreement, Parties also agreed to the set of guidelines and safeguards that would accompany national REDD+ implementation discussed below. At COP 17 in Durban (December 2011), two decisions were made regarding safeguards. First, the Subsidiary Body for Scientific and Technological Advice (SBSTA) provided some guidance on safeguard information systems,<sup>13</sup> noting that they should be transparent, flexible and country-driven, and called on the next meeting of SBSTA to provide further guidance. Second, the AWG-LCA included a section on REDD+ finance, which stated that safeguards apply no matter what modality of financing is utilized.<sup>14</sup>

<sup>12</sup> The Ad Hoc Working Group for Long-term Cooperative Action (AWG-LCA) was created by Decision 1/COP13 (The Bali Action Plan) with the objective of delivering implementation of the UNFCCC by the time of COP 15 in Copenhagen, in 2009, its mandate has subsequently been extended.

<sup>13</sup> Decision 12/CP.17 Guidance on systems for providing information on how safeguards are addressed and respected and modalities relating to forest reference emission levels and forest reference levels as referred to in decision 1/CP.16 <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf>.

<sup>14</sup> Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (2011) <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>.

## Content and Application

- **The development of social safeguard concepts:** The process of incorporating social safeguards concepts into REDD+ has also been gradual. Early debates on REDD were almost entirely related to the problems of permanence, leakage and MRV, which had kept avoided deforestation out of the Kyoto Protocol. While the Bali Action Plan (UNFCCC 2007) recognizes the possibility of multiple benefits, and the needs of Indigenous Peoples and local communities, the 11-point guidance on demonstration activities for REDD in the Annex of the Action Plan only mentions environmental safeguards.
- **Inclusion in COP 16:** After several years of work, REDD+ and its social (and environmental) safeguards were finally agreed to at the COP 16 in Cancun in 2010. Section III (C), Paragraph 70 of the report on the decisions encourages countries to implement REDD+; Paragraph 71 requests developing countries interested in REDD+ to develop: (a) a national strategy, (b) an emissions reference level, (c) an MRV system for emission reductions, and (d) “a system for providing information on how the safeguards referred to in appendix I to this decision are being addressed and respected throughout the implementation ...” Paragraph 72 (UNFCCC 2011):

*“72. Also requests developing country Parties, when developing and implementing their national strategies or action plans, to address, inter alia, the drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of appendix I to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities.”*

- **Multiple benefits:** In the referred to Appendix I, “Guidance and safeguards for policy approaches and positive incentives on issues relating to (REDD+) in developing countries,” the guidance in Paragraph 1 includes three points broadly relating to multiple benefits: that actions should be consistent with national sustainable development needs and goals (f) and adaptation needs of the country (h), and implemented in the context of sustainable development and reducing poverty (g). Paragraph 2 presents seven safeguards, two dealing broadly with governance issues, two with social safeguards, one with environmental safeguards and the final two with permanence and leakage.
- **Safeguard information systems (SIS):** The Decision of COP 16 instructed Parties to develop systems for providing information on how safeguards are addressed and respected. In June 2011, SBSTA issued the following guidance, regarding specific aspects to consider in developing the “safeguard information systems” or SIS (FCCC/SBSTA/2011/2/Appendix II): (a) characteristics; (b) design; (c) provision of information; (d) potential barriers, including barriers, if any, to providing information on addressing and respecting safeguards; and (e) other relevant issues. Sixteen countries, four international organizations, and 18 NGOs made submissions for consideration at COP 17 and the topic continues to be discussed at COP 18.

## 2.0 MULTILATERAL INITIATIVES

### 2.1 The Forest Carbon Partnership Facility (FCPF)

The FCPF is designed to prepare participating countries for global REDD+ markets and for its own Carbon Fund-based payment-for-results, at least until a global system is operational. The safeguards presented here apply only to the Readiness phase of FCPF. Different (though related) standards will apply to subsequent phases leading up to payments through the Carbon Fund. The FCPF was launched by the World Bank in December 2007 to act as a catalyst for public and private investment in REDD+, following the decision mandating action on REDD+ taken by UNFCCC at COP 13 in Bali. The FCPF is a partnership among country participants and donors, known as the Participants’ Assembly, and guided by a smaller group, the

Participants' Committee. Through two funds, the Readiness Fund and the Carbon Fund,<sup>15</sup> support is made available to a limited number of developing countries to conduct all the necessary preparations for REDD+ and then to begin selling their Emissions Reductions Credits. Currently the FCPF is providing support to 36 countries, but there are also 12 country candidates and one country selected to participate that has yet to sign a Participation Agreement.

The FCPF process begins with a formulation phase. An interested country applies to participate in the FCPF by preparing a REDD+ Proposal Idea Note (R-PIN). Countries accepted into the program then receive a grant of \$200,000 to prepare a REDD+ Preparation Proposal (R-PP), which sets out in detail all the technical, institutional, capacity building and governance work needed to get the country "ready for REDD+." If approved, the FCPF provides a grant of \$3.6 million to carry out the work in the R-PP and produce the REDD+ Readiness Package. The Readiness Package is seen as the "gateway" to the Carbon Fund. At the end of 2011, the FCPF released its long-awaited Readiness Package Content and Assessment Approach (FCPF 2011). Once countries have made considerable progress towards REDD+ readiness, they can submit an Emissions Reduction Program Idea Note (ER-PIN)<sup>16</sup> to the FCPF's Carbon Fund and become eligible for payments for verified emission reductions for programs at national or sub-national level (Dooley et al. 2010).

### Content and Application

- **Evolution of safeguard requirements:** The FCPF social safeguard requirements for REDD+ have been evolving since 2007, in response to feedback from partners, participants and NGOs. They derive from the World Bank's long-standing Operational Policies and Bank Procedures. The two primary documents mandating use of the World Bank safeguards for the FCPF are: (1) the FCPF Charter Document (May 2011); and (2) the Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners (June 2011).
- **Guidance and tools are provided in the following two sources:** (1) the Draft R-PP Template and Guidelines (v6, Nov 2011), including Terms of Reference for Strategic Social and Environmental Assessments (SESA); and (2) the Environmental and Social Management Frameworks (ESMF) and the R-Package Content and Assessment Approach (December 2011).
- **The key social commitments:** The FCPF's primary social commitments are set out in its founding Charter. However, this Charter was only issued in mid-2011 (IBRD 2011). It includes among the objectives of the FCPF a rather weak commitment to enhanced livelihoods (Section 2.1 (c)). According to the Charter's Operating Principles (Section 3.1 (d)), the FCPF must: "comply with the World Bank's Operational Policies and Bank Procedures, taking into account the need for effective participation of Forest-Dependent Indigenous Peoples and Forest Dwellers in decisions that may affect them, while respecting their rights under national law and applicable international obligations." While this statement appears to cover the issue, it leaves ambiguous the appropriate course of action in the very common situation where national laws and international obligations are in conflict.

### Applying Bank Safeguard Policies in the FCPF

If REDD+ were a field project being designed and funded through the World Bank, then these safeguards would apply in they normally would with a project. However, it was quickly realized that since the World Bank safeguards were developed for use with project-based lending, they were not appropriate for the kind of strategic planning processes involved in the FCPF, particularly with regard to its REDD+ Readiness phase. In response to the multi-sectoral, programmatic nature of REDD+ readiness (and the lack of investment

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<sup>15</sup> The Carbon Fund is capitalized by both governments and private entities and as of April 2011 contained \$100 million.

<sup>16</sup> ER-PIN format available at:  
<http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Aug2011/FCPF%20Carbon%20Fund%20ER-PIN%20v%201.pdf>.

projects on the ground), the FCPF has modified the approach by adopting the Strategic Environmental and Social Assessment (SESA).

- **The Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF):** The SESA is an integrated, cross-sectoral analytical and planning approach for safeguards,<sup>17</sup> to ensure that environmental and social concerns are integrated into the national REDD+ strategy process and that the FCPF readiness activities comply with applicable Bank safeguards. The SESA process is set out in the R-PP template and guidance. While the SESA relates to the safeguards during the development and implementation of “readiness” activities, the ESMF reflects a country’s framework for managing risk throughout implementation, and demonstrates compliance across the range of funding partners, primarily during the full implementation of a REDD+ strategy. The FCPF encourages countries to develop their ESMFs once activities and modalities for implementation are clear.
- **Guidelines for Stakeholder Engagement:** The FCPF and UN-REDD often work in the same countries but apply different approaches for engaging with national stakeholders, which can lead to confusion and costly repetition of discussions. In response, they jointly produced draft “Guidelines on Stakeholder Engagement in REDD+ Readiness.” The current version is dated April 2012. The Stakeholder Guidelines outline principles for effective participation and consultation, operational guidelines and practical “how-to” guidance on planning and implementing consultations. The guidelines are focused specifically on Indigenous Peoples and other forest-dependent communities.
- **Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners:** This document, published in June 2011, sets out in one place the FCPF process and applicable safeguards discussed above, for reference and use by its different delivery partners (FCPF 2011). It operates as a default to be used if the delivery partner’s own safeguards are less stringent, or “not substantially equivalent.” No guidelines or yardsticks are provided for making the assessment of stringency. The Approach is mandated by the FCPF Participants’ Committee and applies only to the REDD+ Readiness phase—the FCPF may rethink these when the Carbon Fund becomes active. The Approach is being piloted in five countries.
- **Guidelines for Establishing Grievance and Redress Mechanisms at the Country Level:** The “Common Approach for MDBs” document (FCPF 2011) states a requirement for REDD+ Country Participants to establish grievance, accountability and redress mechanisms at the national level for use in implementation of the REDD+ readiness grant. At the time of writing, however, the details were still only in draft. The document also requires Delivery Partners to establish their own accountability mechanism to address any claims that they have not complied with in their own policies. The proposed mechanism is internet-based, so its accessibility for forest-dependent groups—and therefore its applicability—is potentially very limited.
- **Readiness Package Content and Assessment Approach:** On 31 December 2011, the FCPF released its draft “Readiness Package Content and Assessment Approach” to aid in the process of determining when a country is sufficiently “REDD+-ready” to participate in the payment-for-performance system of the FCPF, the Carbon Fund. The FCPF anticipates that countries may be able to implement payment-for-performance within three to five years of commencing Readiness work. Although by limiting the standards to a set of nine, the FCPF intends to keep the system simple, each standard is elaborated into numerous elements so the process is quite complex. The four standards most pertinent to social issues of REDD+ are: (1b) Consultation, Participation, and Outreach; (2b) REDD+ Strategy Options; (2d) Social and Environmental Impacts; and (4b) Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards.

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<sup>17</sup> The current approach is set out in the R-PP template Version 5, December 2010. This template is still in draft form.

## 2.2 The FCPF's Carbon Fund

The Carbon Fund (CF) is the second of the FCPF's financing mechanisms, which was developed to ensure a source of payment-for-performance in emission reductions for eligible FCPF country participants before the UNFCCC international regime is established. The CF is governed by its own Participants' Committee, separately from the Participants' Committee of the Readiness Fund. The members are all the contributors to the CF. Currently, these include four country members—Norway, Germany, USA, and UK, as well as the European Commission and three private sector members—The Nature Conservancy, CDC Climate,<sup>18</sup> and BP. Currently, the CF contains \$ 215 million.

According to the original FCPF scheme, a country would complete its Readiness activities (in line with its R-PP) and submit its "R-Package" of readiness outputs to the Readiness Fund Participants' Committee to assess whether the country is "REDD+ market ready." It then would be eligible to propose an Emissions Reduction Program (ERP) to the CF for funding. The proposal takes the form of an Emissions Reduction Project Idea Note (ER-PIN), which might be assessed by the much more exclusive Carbon Fund Participants' Committee, or a technical advisory panel, or consultants (FCPF 2011). Although the REDD+ Readiness phase of the FCPF is only just underway, with Readiness Grants signed with only four countries, the CF was officially launched in June 2011. The goal is to fast-track up to five countries over the next three years that are considered to be well-advanced in REDD+ readiness to pilot the CF. The FCPF reassures critics that the intention is to inform, rather than pre-empt or replace a future UNFCCC system, through three years of testing and learning-by-doing.

### Content and Application

- **Draft R-Package Evaluation Standard:** The R-Package evaluation standard should be used to assess a country's "market readiness" for REDD+. A variation on this standard is likely to be used to identify those countries "well-advanced" with REDD+ readiness that will be selected to participate in the pilot of the Carbon Fund. The precise contents that the FCPF will require in an R-Package remain vague, possibly reflecting the diversity of participating country situations and R-PPs. In a presentation at an organizational meeting of the CF in May 2011, contents and assessment of the R-Package were discussed. It was proposed that countries should have to document five core elements: i) National REDD+ Strategy; ii) Implementation Framework; iii) MRV System; iv) REL/RFL; and v) Safeguards (FCPF 2011c). For safeguards, it is specified that the Cancun safeguards should be applied, using SBSTA guidance, as well as the "Common Approach for Multiple Delivery Partners," including the SESA and the ESMF. Assessment methods were not presented in any detail. It was suggested that readiness "is not a single point in time," but a continuum. For four of the core elements, it was not clear what criteria and standards should be used to define readiness. For the fifth, safeguards, the ESMF appeared to be included (FCPF 2011a), although the structure and content of the ESMF remains somewhat flexible to individual country circumstances.
- **ER-PIN Evaluation Standard:** The CF proposes a system for determining ER-PIN quality, based on UNFCCC principles, abstracting six "methodological framework elements" that deal with data quality, methods, consistency with national REL and MRV systems, measures to address risks of reversals (non-permanence), measures to address risks of displacement (leakage) and social and environmental benefits, i.e., livelihoods, biodiversity, etc. Each element will be assessed for quality and subject to a weighting system. Social and environmental benefits receive 15 out of 100 points. However, certain key UNFCCC principles are explicitly excluded: addressing drivers of deforestation, ensuring full and effective stakeholder participation and phased implementation (COP 16, Decision I, Section III C, Paragraphs 72 and 73, respectively).

<sup>18</sup> A subsidiary of the Caisse des Depots, a French "public interest" investment group. It specializes in climate investments. <http://www.caissedesdepots.fr/en/the-group/who-are-we.html>.

- **Safeguards:** The Carbon Fund and its safeguards are crucially important to the safeguards debate. It will be the first example of how REDD+ safeguard and multiple benefits systems are assessed and implemented. Moreover, the Carbon Fund requirements might become the *de facto* standards for the FCPF, and ultimately for all of REDD+.

## 2.3 The Forest Investment Program (FIP)

The FIP is a combined grant and concessional loan-based financing modality under the World Bank's Strategic Climate Fund. The FIP's goal is to initiate "transformational changes in the forest and other sectors affecting forest ecosystems" by catalyzing shifts in countries' approaches to forest management from business-as-usual to "a sustainable low-carbon growth path with multiple benefits." The FIP investments aim to respond directly to country priorities identified in national REDD+ strategies and action plans. It is being piloted in Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru.

### Content and Application

- **Key stated objectives of the FIP:** These include contributing to the livelihoods and human development of forest-dependent communities, including Indigenous Peoples and local communities, as well as to generate multiple benefits to sustain biodiversity and ecosystem services and enhance the adaptive capacity of forest ecosystems and forest-dependent communities. Integration of development benefits and upholding of safeguards are two of the six criteria against which programs and proposals are appraised (Climate Investment Funds 2010).
- **The FIP and livelihood benefits:** The FIP has the strongest statement of livelihood benefits of all the multilateral programs. It includes a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities, which has been designed through a series of regional and global stakeholder workshops. The specific social co-benefit objective is stated as "Demonstrable improvement in social and economic well-being of forest dependent communities, including poverty reduction, job generation, wealth creation, equitable benefit sharing, and acknowledgement of the rights and role of Indigenous Peoples and local communities" (Climate Investment Funds 2010).
- **Social safeguards:** As World Bank is the Trustee and Secretariat, the FIP has to adhere to the Operational Policies and Procedures set out above (4.1.2), but also has its own specific social safeguards statements:
  - a) Consistent with relevant international instruments, obligations, and domestic laws, FIP investments should be designed and implemented under a process of *public consultation*, with *full and effective participation of all relevant stakeholders on matters that affect their distinctive rights*, particularly including historically marginalized groups such as *Indigenous Peoples, local communities and women* (paragraph 34); and
  - b) FIP financed activities should, moreover, be *consistent with, and/or complement, national sustainable development plans* and be based upon *broad community support* and effective collaboration between Indigenous Peoples and local communities, government ministries, private sector and financial institutions in planning and implementing investment strategies (paragraph 35).
- **Procedures:** The FIP (unlike the FCPF) operates under a project modality, with objectives and safeguards first applied in project appraisal and approval and then monitored and evaluated against deliverables of the project. No specific procedures are set out for appraisal for these—those of the participating MDB are to be applied. To monitor and evaluate the contribution of projects and programs to sustainable development, a core set of indicators will be applied to FIP investments that are consistent with the FIP results framework, and proposals will have to show how this will be done.

## 2.4 The Global Environment Facility (GEF)

Established in 1991, the GEF now engages 182 member countries and is the largest funder of environmental projects in the world. Initially, the GEF was a program of the World Bank, employing UNDP and UNEP as implementation partners. At the Rio Earth Summit in 1994, however, it became an independent agency and a financial mechanism for the UNFCCC and the CBD. Between 2007 and 2010, the GEF began supporting REDD+ work through its sustainable forest management program. In late 2010, it announced a dedicated REDD+ program, as part of its 5<sup>th</sup> replenishment. The goal of the new program still strongly reflects the principles of sustainable forest management. There will be \$250 million available in core funding through the GEF, complemented by up to three times that amount through contributions from the GEF's focal areas on biodiversity, climate change and land degradation. The GEF is a delivery partner for the FCPF and also has a similar set of 10 implementing partners to the FCPF.<sup>19</sup> The GEF's activities related to REDD+ will focus on implementation, but readiness activities will also be considered.

### Content and Application

- **Safeguards:** Initially, the GEF stated that for its REDD+ work it relies on the safeguards of its implementing partner agencies. In anticipation of broadening its partnership to include another 10 agencies, however, the GEF crafted and published its own safeguard and gender mainstreaming policies in April 2011 for use across all its programming. The safeguards focus on avoiding negative social and environmental impacts and on promoting gender equity.
- **World Bank's Operational Policies:** The GEF also adopts seven of the World Bank's 10 Operational Policies: Environmental Assessment; Natural Habitats; Involuntary Resettlement; Indigenous Peoples; Pest Management; Physical Cultural Resources; and Safety of Dams. Of these, Environmental Assessment and Natural Habitats are obligatory for all agencies, but the application of the others depends on the kinds of project an agency wishes to implement.
- **Safeguard criteria:** For each safeguard, the GEF identifies criteria and establishes "minimum requirements." The criteria appear to be the same for each safeguard. There are three dealing with an agency's established policies in relevant areas, institutional capacity and adherence to the minimum requirements. New partner agencies will have to demonstrate to the GEF Accreditation Panel that their own policies and practices are sufficient to uphold these standards, but they will not have to follow to the absolute letter, the GEF safeguards. They are allowed to contract projects to other agencies, and it is unclear what standards they have to attain. Existing partner agencies will also be subject to such an assessment.<sup>20</sup>

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<sup>19</sup> World Bank, UNEP, UNDP, FAO, EBRD, IFAD, ADB, IADB, AfDB and UNIDO.

<sup>20</sup> <http://www.thegef.org/gef/sites/thegef.org/files/publication/REDDEnglish.pdf>.

## 2.5 UN-REDD

Like the FCPF, UN-REDD assists countries to prepare for a global compliance system for REDD+. Unlike the FCPF, however, its activities are limited to the REDD+ readiness or design phase. The UN-REDD Program was launched in 2008 as a collaborative initiative of three UN agencies: FAO, UNDP and UNEP.<sup>21</sup> Through national programs, UN-REDD supports developing countries to prepare for participation in REDD+ mechanisms. The program began with nine countries and currently (as of early 2012) supports activities in 14 countries,<sup>22</sup> with a total budget of \$59.3 million. In addition, 21 other developing countries receive indirect support, largely through participation in regional workshops and knowledge sharing facilitated by the program's interactive online workspace. Through the UN-REDD global program, guidance and standard approaches for REDD+ are being developed.

Under present arrangements, UN-REDD support does not extend beyond a readiness phase of about 18 months in each country. Each country can receive a Readiness Grant of up to \$5.6 million over 18 months. Funding is based on the preparation by the host country and approval by UN-REDD Board of a National Program Document. This approach is more or less equivalent to FCPF's R-PP. As discussed above, since late 2010 UN-REDD and the FCPF have been harmonizing their approaches, and they developed an R-PP – National Program Document joint format.

### Content and Application

- **Relevant documents:** Since 2009, UN-REDD has been working on its social (and environmental) safeguards and multiple benefits system, which has a primary aim to ensure that UN obligations and commitments are met in the REDD+ programs that it supports. The work is still in progress and its current status is found in the following documents: (1) UN-REDD Program Strategy 2011-2015 (February 2011); (2) Draft Social and Environmental Principles and Criteria (SEPC) Version 3 (September 2011); (3) Benefit and Risks Tool (BeRT) (October 2010); (4) Stakeholder Engagement Guidelines (with FCPF, May 2011); (5) MRV for Governance (background/concept papers, May 2010); and (6) Guidelines on Seeking FPIC.
- **The UN-REDD Program Strategy 2011–2015 (February 2011):** The Program Strategy guides the overall trajectory of the UN-REDD documents and recognizes the challenges of ensuring that design and implementation of the UN-REDD Program support is consistent with the overall REDD+ framework of the UNFCCC process. In particular, the strategy recognizes the importance of adhering to the emerging REDD+ safeguards and to the social and environmental safeguards of UN-REDD Program agencies. The Program Strategy states that as part of the delivery system for the work program, “the UN-REDD Program is developing a strategy for implementing social and environmental standards, together with an accompanying due diligence-style risk assessment tool.” To facilitate coordination, the risk assessment tool draws upon criteria from existing voluntary and minimum standard initiatives, such as REDD+ SES. When risk areas are identified, program activities will be revised or appropriate risk mitigation measures taken (UN-REDD 2011).
- **Draft Social and Environmental Principles and Criteria (SEPC) (Version 3, September 2011):** The SEPC was originally developed in 2010, as UN-REDD's overarching “safeguard and standards,” or “operating principles,” in anticipation of the UNFCCC Cancun safeguards. The first official draft, developed in collaboration between UNDP and UNEP, was released in March 2011 and drew upon a wide range of sources, including UN conventions, UNDP operational guidelines, the FCPF, the REDD+ SES and expert contributions from the Center for International Forestry Research (CIFOR) and the World Resources Institute (WRI). They reflect UN-REDD's responsibility to adopt a human

<sup>21</sup> Each agency takes the lead in providing technical assistance on different outputs of the program: FAO on the technical/carbon dimensions of REDD+, UNDP on the social and biodiversity issues and safeguards and UNEP on the communications.

<sup>22</sup> The 14 countries are Bolivia, Cambodia, Democratic Republic of the Congo, Ecuador, Indonesia, Nigeria, Panama, Papua New Guinea, Paraguay, The Philippines, Solomon Islands, Tanzania, Vietnam and Zambia.



rights-based approach, uphold UN conventions, treaties, and declarations and apply UN agencies' policies and procedures. The SEPC are now seen as "tools and guidance" intended to help the UN-REDD program to: (1) assist countries to formulate national REDD+ programs and initiatives for which they seek UN-REDD support; (2) review national programs prior to submission for a UN-REDD Policy Board decision on funding; and (3) assess national program delivery. Since Version 2 (June 2011), the SEPC are fully compatible with the UNFCCC Cancun safeguards.

- **The Benefit and Risks Tool (BeRT)**<sup>23</sup>: The BeRT was developed to facilitate the application of the SEPC. Released in December 2011, the BeRT evolved from UN-REDD's previous Social Principles Risk Assessment Tool (SPRAT, June 2010) and draws upon elements of the REDD+ SES, the WRI's Governance of Forests Indicators Toolkit and the One World Trust Accountability matrix. The BeRT is a decision-support tool that provides a structure for thinking through and assessing the complex and multi-dimensional issues of REDD+. For each of the 25 SEPC criteria, the BeRT provides primary and guiding questions and web links to additional resources to assist in the assessment of the national situation. The BeRT is currently in its first draft, and will be revised based upon the outcome of public consultation (during January 2012) and piloting in several countries.
- **Stakeholder Engagement Guidelines**: These guidelines were produced jointly with the FCPF and have been discussed above. These guidelines have replaced UN-REDD's own Operational Guidance on Engagement with Indigenous Peoples and Other Forest-Dependent Communities, for use in REDD+.
- **Guidelines on FPIC**: These guidelines were released by UN-REDD in December 2011. The Guidelines provide a normative, policy and operational framework for UN-REDD Program partner countries to seek FPIC, when appropriate, as determined by the partner country in consultation with relevant rights-holders. A human-rights based definition of FPIC is given that stipulates that FPIC should be sought not only by Indigenous Peoples but also all other forest-dependent communities. Policy issues discussed include when FPIC is required, who seeks consent, who gives consent, the outcomes and other obligations of program partner countries. It is stressed that FPIC is a process not an event, and that consent may be given or withheld.
- **Implementation of UN-REDD**: The implementation process is carried out by host countries. Internationally, the UN-REDD Program is governed by a Policy Board, which is responsible for oversight, strategic direction and financial allocations and should play an important role in safeguard issues. It is comprised of nine regional representatives from member countries, donors to the multi-donor trust fund, civil society organizations, Indigenous Peoples and representatives of the UN-REDD core organizations - FAO, UNDP and UNEP. Decisions are taken by consensus and are facilitated by two co-chairs. In addition, the board has various observers, including a civil society organization and an Indigenous Peoples' representative from each of the three regions, representatives of countries not currently members and the secretariats of the UNFCCC, the GEF and the World Bank, among others. An Independent Civil Society Advisory Group on Rights, Forests, and Climate Change also was established.

### 3.0 BILATERAL INITIATIVES

Bilateral donors are supporting numerous national REDD+ initiatives around the globe. Activities focus on supporting diverse REDD+ readiness activities and demonstration projects. A recent study by the Indonesia human rights and indigenous law NGO HuMa<sup>24</sup> reviewed the safeguard policies of bilateral donors supporting REDD+ in Indonesia. The next sections draw on this study and other sources to examine the

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<sup>23</sup> [http://www.unredd.net/index.php?option=com\\_docman&task=doc\\_download&gid=6352&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=6352&Itemid=53).

<sup>24</sup> Perkumpulan untuk Pembaharuan Hukum berbasis Masyarakat dan Ekologis, or Association for Pro-community and Ecology Legal Reform.

REDD+ programs of Norway, Australia and Germany in Indonesia, with particular reference to the statement and application of social and environmental safeguards and standards.

### 3.1 Norway's International Climate and Forest Initiative

Norway's International Climate and Forest Initiative (NICFI) is the world's largest bilateral program in support of REDD+. First announced at COP 13 in 2007, NICFI is run by the Ministry of the Environment<sup>25</sup> and is closely affiliated with the Ministry of Foreign Affairs and other institutions. The program promises to provide USD billions of support in selected countries for national-level readiness and payment-for-performance on emission reductions. NICFI operates two main program modalities world-wide: full bilateral REDD+ program leading to fund-based payment-for-performance (Indonesia, DRC, Brazil and Guyana) or targeted support (Vietnam, PNG, Tanzania, etc.). Norway is also active on the global level by supporting the REDD+ Partnership and by providing grants to civil society organizations, NGOs and research organizations through its Civil Society Support Scheme. Thus, any NICFI safeguards should apply to design and implementation of national-level REDD+ initiatives and to the global framework. The Norwegian Development Agency (Norad) is a directorate under the Ministry of Foreign Affairs, but its main role in NICFI is in managing the civil society grant scheme, providing technical assistance to the secretariat and managing the monitoring of NICFI.

#### Content and Application

- **Norway's position on social and environmental safeguards for REDD+:** Their position was first mentioned in the launch documents for NICFI in 2007. Although the overall goal of NICFI is to help establish a binding global post-Kyoto regime that ensures sufficient cuts in greenhouse gas to restrict global warming to less than 2° C, the program description stresses that NICFI's overarching objectives are poverty alleviation, social and economic development and environmental protection. Also, NICFI initially will operate as a fund-based financing mechanism.
- **Content of safeguards:** The NICFI program document recognizes the considerable challenges associated with REDD+, and it explicitly acknowledges the need to safeguard the interests and rights of Indigenous Peoples and forest-dependent communities and to ensure their participation. It also mentions as one of the key elements in any national REDD+ strategy: the "incorporation of sustainable development concerns, including opportunities for economic and social development for the local population, conservation of biodiversity and promotion of respect for local and Indigenous Peoples' rights."
- **NICFI's Bilateral Program with Indonesia:** This program provides insight into how they promote safeguard issues. Indonesia has longstanding and very contentious social and environmental problems relating to forestry and land use, particularly related to land tenure rights in forested areas. Since many forest communities lack formal rights and do not have organizations to represent them, they are concerned that they will be excluded from decisions regarding how REDD+ benefits are shared and possibly even forced off their lands. NICFI's work on safeguards in Indonesia takes place indirectly through other channels, including the Civil Society Support Scheme, which is managed for NICFI by Norad, international NGOs, foundations and research organizations. Importantly, the support scheme also supports capacity building among national NGOs for safeguards work. They, in turn, participate in national and international fora in which these issues are debated, and they challenge their government over policy and practice. NICFI also supports international efforts that raise awareness about the importance of safeguards.

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<sup>25</sup> There is a Ministry of the Environment and a Minister of Environment and International Development, but the Norwegian Development Agency (Norad) is a directorate under the Ministry of Foreign Affairs.

## 3.2 Australia's International Forest Carbon Initiative

The Australian government's REDD+ work takes place under its dedicated International Forest Carbon Initiative (IFCI) that was created in 2007. The IFCI is a five-year, AUD 200 million program that is run jointly by the Australian Agency for International Development (AusAID) and the Department of Climate Change and Energy Efficiency (DCCEE). Most of the work focuses on REDD+ through partnership agreements with Australia's two nearest neighbors, Indonesia and Papua New Guinea. The IFCI also provides support to multilateral initiatives (especially the FCPF and the FIP), NGOs and CSOs (such as the Clinton Initiative) and international research institutes (i.e., CIFOR).

In 2008, the Australian government signed the Indonesia-Australia Forest Carbon Partnership (IAFCP). The IAFCP focuses on strategic policy dialogue, development of MRV systems for carbon and on increasing forest carbon in two demonstration activities, one in Kalimantan and the other in Sumatra. The demonstration activities are intended to result in enhanced livelihoods for local people, but the IAFCP includes no specific work on developing or testing safeguards for REDD+.

### Content and Application

- **Safeguards:** Neither AusAID/DCCEE nor the IFCI, which they jointly manage, has made a specific statement about safeguards for its work in REDD+. AusAID, however, has several general policies for its ODA work under its “cross-cutting themes”, which apply to REDD+. These derive much of their content from World Bank safeguards.
- **The demonstration project and safeguards:** The demonstration project in Central Kalimantan illustrates how Australia approaches the content and application of safeguards. In the design document for the Kalimantan Forest Carbon Partnership, for example, there is no reference to safeguards or standards. Rather, it states that the project must achieve “Compliance with Policies on Cross-Cutting Issues,” which deals explicitly with the following four issues: Gender and Social Equity, Environment, Child Protection and Anticorruption. Guidelines for achieving Gender and Social Equity are provided. In addition, there are 16 “Key Principles and Approaches” for implementation, only one of which relates to social safeguards.
- **Gender and Indigenous Peoples:** Throughout the Central Kalimantan design document, there is considerable attention given to gender issues. Indigenous Peoples, however, are not mentioned.<sup>26</sup>
- **Land tenure:** A footnote in the Central Kalimantan design document revealed AusAID's approach to land issues: “Clear land tenure laws cannot be made a precondition of project development, because no projects would then ever be developed or they would all be developed in the same handful of places. Rather, the projects themselves can be made the instrument of change, where community management rights are first given to local people in a step-wise process to full land tenure” (HuMa).
- **Multiple benefits:** Multiple benefits are mentioned explicitly in the text as “intended contributions” to: (1) demonstrate how investment in avoided deforestation can provide communities with equitable, predictable and sustainable benefits; and (2) establish appropriate and effective mechanisms for making incentive payments that promote poverty reduction and support sustainable livelihoods for forest-dependent communities. In both cases, however, the project only commits to “trialing approaches.”
- **Monitoring:** The Central Kalimantan document prescribes the preparation of a fully elaborated monitoring plan with accompanying tools that should focus on selected priority issues, including social, economic and environmental impacts. However, there are no explicit outcomes or

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<sup>26</sup> This lack of mention of indigenous peoples perhaps reflects the fact that most of the population are from one indigenous group. It may also relate to the fact that Australia was one of four countries (USA, Australia, Canada, and New Zealand) that voted against the UNDRIP, and “removed any references to rights of indigenous peoples and the UNDRIP” from the UNFCCC COP 14 text.

performance indicators related to these issues in the design framework and no mention of any consequences if the intentions are not fulfilled or the guidelines are not followed.

- **Delivery:** AusAID delivers a majority of its aid program through consulting companies that are not regulated in a manner to promote and protect human rights in the delivery of development contracts for the Australian government (HuMa 2010). Despite these risks, safeguards are being addressed in the field. FPIC is being carried out and aiming to result in clear village agreements. This project may demonstrate how to address safeguards on the ground without directly confronting host countries on policy issues.

### 3.3 Germany's International Climate Initiative

Germany has been supporting REDD+ in developing and newly industrialized countries and transition economies through its bilateral development program (\$ 156 million until 2010) and International Climate Initiative (\$ 105 million until 2010). It does not, however, have a dedicated REDD+ program. The majority of German funds support bilateral projects and programs implemented with individual countries or regional organizations, with technical cooperation provided by the German Agency for International Cooperation (GIZ) and NGOs. The focus is on readiness, including REDD+ strategy development, capacity building, forest governance reforms and demonstration activities. The program also attempts to maximize multiple benefits for biodiversity. Main bilateral programs include Indonesia, Brazil, Bolivia, Lao PDR, Vietnam and Ecuador. The International Climate Initiative also supports the FCPF and the REDD+ Partnership.

#### Content and Application

- **Safeguards and standards:** Germany does not have a specific set of safeguards or standards for its climate change and REDD+ work. However, existing policies on Overseas Aid must be complied with by all involved agencies (i.e., the German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ and the German Development Bank (KfW)). Within BMZ there is a Program Office for Social and Ecological Standards, which focuses on helping partner countries to improve standards but does not impose conditionalities on aid itself (BMZ and GTZ 2009).
- **Implementation:** In Indonesia, HuMa (2010) made a preliminary assessment of safeguards in REDD+ implementation for the two German programs that include REDD+ activities: FORCLIME (2008–2014) and Merang REDD+ Pilot Project (MRPP 2008–2011). The FORCLIME project document was found to emphasize broad-based participation and the upholding of traditional rights, including specific attention to land titling. However, the implementing organization expressed reluctance to implement tenure reforms, citing the delays that would be incurred. The MRPP was found to involve local communities during implementation rather than during the planning or evaluation processes, as well as to focus on technical and economic issues without addressing issues of rights over forest resources.

### 3.4 Civil Society Initiatives

#### 3.4.1 Climate Community and Biodiversity (CCB) Standards

The Climate, Community and Biodiversity Alliance (CCBA) is a partnership among NGOs, research institutions and corporations with the specific objectives of developing and promoting rigorous standards for evaluating “multiple-benefit,” land-based carbon projects. The Climate, Conservation and Biodiversity (CCB) Standards of the CCBA are used primarily by project proponents and auditors for design and validation purposes, as well as by investors as part of due diligence. Governments also use the CCB Standards to understand and assess projects within their jurisdiction. The Standards can be applied to any kind of project

(agriculture, forestry, other land use; compliance or voluntary) that generates net reductions in greenhouse gases. However, they focus specifically on the certification of social and environmental safeguards and co-benefit standards. They do not result in the issuance of emissions reduction certificates and, therefore, need to be combined with a carbon accounting standard, such as the VCS.

The first draft of the CCB Standards was launched in 2004 and has been field tested in several countries. It was revised in 2005 and the first official version was released. The second version, based on intervening years of experience, was issued in late 2008 (CCBA 2008). The revised version streamlined the original version of the assessment from 17 compulsory and optional “concepts” with their accompanying indicators to 14 compulsory “concepts.” It also included three newly introduced optional “gold standard” concepts for delivering exceptional climate change adaptation, community and biodiversity benefits.

### Content and Application

- **Organization:** The CCB Standard is organized into five sections that broadly relate to the sections of a project design document. Four of the sections are mandatory (General, Climate, Community and Biodiversity) and one is optional (the Gold Level). Within these sections, there are 17 concepts and 78 indicators (of which 10 and 27, respectively, relate to social issues). The General and Climate concepts relate to project and carbon criteria, and the Community and Biodiversity concepts are closer to safeguards.
- **Rules:** In June 2010, the CCBA issued Rules for Use of the CCB Standards. They are applied through two processes: validation of designs and verification of performance. The standards should thus be used early in a project’s design phase. Once a project has been designed, a third-party evaluator will use indicators to determine if individual criteria are satisfied and whether or not the project can be validated by the CCBA. Validation assures third parties that the project has been well designed, is suitable to local conditions and is likely to achieve significant climate, community and biodiversity benefits. The Standard operates on a point system, providing incentives for compliance and “going beyond the minimum.” Stakeholder participation is mandatory and must be documented. Major negative impacts that cannot be mitigated will lead to project disqualification. To maintain its CCB Validation Status, a project must be verified by a CCBA-approved auditor<sup>27</sup> every five years.
- **Widespread use:** The CCB Standards have become the most widely used and respected international standard for the multiple benefits of land-based carbon projects. As of 2010, there were 90 projects in development; 44 in the process of validation and 19 fully validated projects. Unfortunately, none have reached the five-year duration for verification, so lessons on implementation are not available. Data on costs and rejection rates are not available.

**Core Members of the CCBA are** The Nature Conservancy (TNC), Rainforest Alliance, Wildlife Conservation Society (WCS), Conservation International (through its Center for Environmental Leadership in Business) and CARE International.

**Advisors to CCBA include** the international research organizations CATIE, CIFOR and ICRAF.

**The CCBA is sponsored by** multinational corporations, including Weyerhaeuser, Intel, Hyundai, Kraft, SC Johnson, BP, as well as the philanthropic foundation, Blue Moon.

<sup>27</sup> 15 companies have been approved by CCBA to provide auditing services.

### 3.4.2 REDD+ Social and Environmental Standards (REDD+ SES)

The REDD+ SES have been under development since 2005 to encourage adaptable national or jurisdictional level REDD+ standards through an inclusive process that engages a range of participants, including governments, NGOs, civil society organizations, Indigenous Peoples' organizations, international policy and research institutions and the private sector. The process is facilitated by CARE International and the CCBA. The initiative was formed in response to the perception that existing multilateral safeguards (i.e., the UNFCCC, the FCPF and UN-REDD) are confusing to many implementing stakeholders. To address this issue, the REDD+ SES aim to set out a clear, easy-to-follow system of standards for use by governments, NGOs, financing agencies and other stakeholders that comply with the minimum official safeguards for REDD+ emerging from UNFCCC negotiations. At the same time, the REDD+ SES aim to define and build support for a higher level of social and environmental performance from national or jurisdictional REDD+ programs. They provide guidance to assist with REDD+ design and also provide a mechanism for reporting on the social and environmental performance of REDD+ programs and assessing conformance with respect to requirements of the standards. This link between the design and implementation phases is needed to ensure consistency in countries where different mechanisms and sources of funding are used for readiness preparation and implementation. The REDD+ SES are entirely voluntary and create a common platform for comparison and assessment, which provides confidence for potential investors.

#### Content and Application

- **Principles and criteria:** The REDD+ SES are a set of eight principles (“intent” of the standards), 34 criteria (“content” of the standards) and 98 indicators (measurable parameters), of which seven principles, 31 criteria and 82 indicators apply to social issues. The indicators, which include both process and outcome parameters, are explicitly intended to be adapted to individual country contexts.
- **Process:** The REDD+ SES also emphasizes procedural rights, benefit-sharing, sustainable development and good governance. It uses multiple criteria and indicators for both processes and content to establish specifics of good practice.
- **Gender:** Although gender is not specifically mentioned, local stakeholders are clearly identified as Indigenous Peoples and local communities and attention is directed to the most vulnerable groups. The REDD+ SES is presently undertaking a review of how it addresses gender and will include consideration of gender in the next version of the standards.
- **National ownership:** REDD+ SES provides a credible, multi-stakeholder-driven international standard that requires the creation of a country-level, multi-stakeholder Standards Committee and Facilitation Team to adapt the generic international indicators and assessment methods to the national context.
- **Monitoring:** A monitoring plan format has been created that requires identification of what specific information will be collected, from which source, by what methods, and by whom for each monitoring indicator. There is no strategy or methods for assessing compliance with the standard.
- **Piloting:** The REDD+ SES were originally being piloted in five countries in which the national government has made considerable progress towards developing their REDD+ program and shows commitment to social and environmental safeguards (Ecuador, Nepal, Tanzania, Brazil - state of Acre, and Indonesia - Central Kalimantan). Nine other countries or states have expressed interest in joining the initiative.

### 3.4.3 Brazilian Civil Society Initiative

In 2009, representatives of Brazilian civil society expressed concerns over the social risks of REDD+ and proposed that they would prepare a document on the social and environmental safeguards that would be

developed through a multi-stakeholder, participatory process that could serve as a national reference for REDD+ activities. A committee of representatives from civil society organizations, social movements, research institutions and the private sector facilitated a year-long work program, resulting in a set of eight principles and 27 criteria (see Appendix 2), which define minimum standards to be complied with in any REDD+ project and the national program. Although government did not participate directly, key agencies were kept fully informed throughout the process. The team also produced a guide for others wishing to follow a similar bottom-up approach for safeguards development (Bonfante et al. 2010). To ensure transparency, participation, and credibility of the safeguards, the process complied with the recommendations of the ISEAL Alliance, an international organization that defines good practices in the processes of development of social and environmental standards.<sup>28</sup>

### Content and Application

- **What is included:** Brazilian civil society’s “Principles for Social and Environmental Safeguards” includes principles relating to legal compliance, rights recognition and guarantees, benefit sharing, economic sustainability, livelihood improvement, poverty alleviation, environmental conservation and recovery, participation, monitoring, transparency and governance. It is unclear to what extent these safeguards have been adopted by REDD+ stakeholders, nor the governments’ reaction.
- **How used:** the Brazilian National Bank for Economic and Social Development (BNDES), the manager of the Amazon Fund for performance-based REDD+ payments, states that it is using the Principles for Social and Environmental Safeguards as a reference, but not specifically upholding them (Weguelin 2011). BNDES has its own general Protocol, which requires them to pursue banking policies and practices that are “pioneering, multiplying, demonstrative, or exemplary in terms of socio-environmental responsibility.”

### 3.4.4 HuMa: Human Rights-Based Safeguards for REDD+ in Indonesia

#### Background

The HuMa social safeguards were designed by Indonesia’s Civil Society Network for Climate Justice for climate change mitigation and adaptation in general and for REDD+ in particular (Steni 2010). They adopted a human rights-based approach for two related reasons. First, in the past, rights frequently have been disregarded and people were met instead by intimidation and violence. Second, REDD+ remains entrenched in past policy regimes and laws, which marginalize forest-dependent peoples.

#### Content and Application

- **Mechanisms for handling objections in safeguard monitoring:** The HuMa safeguards do not provide indicators and proposals on monitoring, but it does include “Objection Settlement Guidelines” for handling complaints related to MRV of REDD+ projects, including safeguards due to the relevance of this theme to benefit sharing. The proposal envisions an Objection Settlement Institution, with powers to hear disputes over the methods of data collection, presentation of facts and data, evaluations based on the data, dissemination of reports and distribution of benefits based on them. If irregularities are revealed, the Objection Settlement Institution will be empowered to order a re-verification. If disputes arise, they may be taken to an Objection Settlement Committee for resolution.
- **HuMa’s human-rights based approach to safeguards:** Their approach is based on the following nine rights: (1) right to information; (2) procedural right to participate; (3) benefit-sharing; (4) right to forest resources; (5) rights over values and customs relating to forests; (6) rights to compensation and environmental restoration; (7) rights to determine or decline Free, Prior and Informed Consent; (8)

<sup>28</sup> ISEAL Code of Good Practice for Setting Social and Environmental Standards, Version 4, January, 2006; ISEAL Code of Good Practice for Setting Social and Environmental Standards, Implementation Manual, 2006. [www.isealalliance.org](http://www.isealalliance.org).

right not to be terrorized and to have protection under the law; and (9) the right to a healthy environment.



# APPENDIX 2 OTHER SYSTEMS WITH LESSONS RELEVANT FOR REDD+ SAFEGUARDS

## 1.0 FOREST STEWARDSHIP COUNCIL: FOREST MANAGEMENT CERTIFICATION SCHEME

The Forest Stewardship Council (FSC) is one of a number of certification schemes for sustainable forest management standards that can help inform the development and application of safeguards for REDD+. FSC was established in 1993, in response to concerns over global deforestation and illegal logging and the failure of governments to act. FSC is an international not-for-profit multi-stakeholder organization promoting responsible management of the world's forests through standard setting for forest management and chain of custody, independent certification, and labeling of forest products. This certification system empowers customers around the world to make responsible purchasing decisions, and thus provides forest owners incentives for sound management. As of August 2011, over 1,000 forest operations were FSC certified, representing 140 million hectares of forests in 79 countries, or 5 percent of the world's production forests. FSC estimates the value of its labeled sales at over \$ 20 billion. However, over 80 percent of certified forests are in North America and Europe.

### Content and Application

- The FSC Principles and Criteria for Forest Stewardship (Version 4, 2002) describe how forests can be managed to meet the social, economic, ecological, cultural, and spiritual needs of present and future generations. They were developed through a multi-stakeholder process, and include managerial aspects as well as environmental and social standards. The FSC standard is based on 10 principles regarding compliance with laws and FSC principles; tenure and use rights and responsibilities; Indigenous Peoples' rights; community relations and workers' rights; efficient use of forest benefits; reduction of environmental impact; management plans; monitoring and assessment; maintenance of high conservation value forest; and special provisions regarding plantations. The principles and criteria are intended to be outcome-focused and performance-orientated, not technically prescriptive.
- The FSC system is hierarchical. There are 10 principles, for which there are 57 more specific criteria,<sup>29</sup> together making up the International Standard. For each criterion there are several indicators and each indicator, in turn, has "verifiers," which are key points that auditors use when assessing forests for certification. Following a prescribed multi-stakeholder process, a country can create its own national standards of indicators and verifiers. FSC's approach gives scope for distinguishing between general indicators and additional indicators appropriate to large-scale forest operations. In all, there are 298 generic indicators (FSC 2010).
- In the absence of a national standard, certification bodies can adapt the international standards—approved by FSC—to local conditions, and then certify forests according to them. These standards are known as 'locally adapted generic standards' or 'interim standards' and make up the majority of FSC's

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<sup>29</sup> Including 10 specific to plantations.

standards. FSC is in the process of creating its own generic standards to increase consistency and robustness of the FSC system globally.

- FSC accredited certification bodies certify and audit each individual forest management operation. If the forest management is in full compliance with FSC requirements, the FSC certificate is awarded. If the forest management is not fully compliant, pre-conditions are noted which must be fulfilled before the FSC certificate can be awarded. If minor non-compliances are noted, the certificate can be issued with conditions that have to be met within a clearly determined timeframe.
- Subsequently, each FSC certificate is audited at least annually. If this reveals points of non-compliance with FSC requirements, Corrective Action Requests are issued, requiring the company to make prescribed changes within a given timeframe or else lose its FSC certificate.

## Key Points

### Phased Approach to Certification: Modular Implementation and Verification

FSC considers a “phased approach to certification” recognizing that the process of implementing sustainable forest management standards is very challenging. Some criteria are difficult to achieve in the short-term, so a phased approach is needed to make certification more accessible to managers around the world, and to provide graduated incentives for improvement. There is a process for getting FSC certified for “controlled wood,” prior to getting full FSC certification for timber from sustainably managed forests.

For the WWF-Ikea partnership on forest management, Proforest developed a Modular Implementation and Verification system for use with FSC Principles and Criteria (Nussbaum et al. 2003). The standards are organized into modules, with guidance for achieving them, and operators can approach them in the order that suits their situation. This flexible scheme employs a three-stage process towards certification: (1) baseline assessment of the forest operation; (2) development of an action plan to improve the situation, applying the modules; and (3) implementation of the action plan, with periodic audit of progress. The baseline assessment is compatible with enforcement of “minimum entry requirements.”

### Costs

The costs of initial FSC certification and auditing are estimated at \$ 3.3 – 24/ha for Nordic countries, and probably much more for developing countries. This estimate does not include the preparations for the audit. Such sums would likely be insupportable for REDD+.

### Maintaining Standards and Grievance Mechanisms

Despite being the best known forest certification and product labeling organization, established for over 15 years, FSC and its certification bodies have come under considerable criticism in recent years, for failing to adequately uphold its standards, having an obstructive “complaints” management system. In some cases, it has been accused of “green-washing” for big corporate clients.<sup>30</sup> Without going into the evidence for or the causes of the problems, it is worth noting that these problems exist, even working in a politically uncontested domain, executed by “reputable” commercial companies.

## 2.0 FAIRTRADE STANDARDS

Fairtrade International was established in 1997, building on decades of fair trade initiatives by Max Havelaar, Oxfam, and others. In January 2004, it was divided into two independent organizations: Fairtrade International (FLO), which sets Fairtrade standards and provides producer business support, and FLO-CERT, which inspects and certifies producer organizations, employing independent auditors.

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<sup>30</sup> See [www.fsc-watch.org](http://www.fsc-watch.org).

Fairtrade standards are based on international conventions and assume adherence with national legislation; generic standards are adapted for different commodities and sectors, employing multi-stakeholder, participatory processes. There are two types of Fairtrade standards: standards for small producers' organizations and for hired labor situations. Fairtrade standards for small producers' organizations are of interest to the REDD+ safeguards debate, as they deal with internal capacity building and the democratic governance of producer groups.

## **Content and Application**

There are 18 principles to the generic small producers' organizations standards, organized in four sections, dealing with social development (four principles), socio-economic development (two principles), environment (six principles), and labor (six principles). The social standards are looked at in more detail.

### 1. Social Development

#### *1.1 Fairtrade adds to Development*

Fairtrade should lead to the demonstrable empowerment and environmentally sustainable social and economic development of the producer organization and its members, and through them, of the workers employed by the organization or by the members and the surrounding community.

#### *1.3 Democracy, Participation and Transparency*

The organization must be an instrument for the social and economic development of the members, and the benefits of Fairtrade must reach the members. Therefore, the organization must have democratic structures in place and a transparent administration. FLO follows ILO Recommendation R193 "on the promotion of cooperatives," which is based on the cooperative principles of "voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives, and concern for the community." FLO extends these principles to primary producer organizations (cooperatives, associations, or other types of organizations) and to umbrella organizations (where they exist).

#### *1.4 Non-Discrimination*

FLO follows the Universal Declaration of Human Rights on ending discrimination, and producer organizations must apply these principles within their own stated rules and regulations.

### 2. Socioeconomic Development

#### *2.1 Management of the Fairtrade Price Premium*

Transparent administration of the premium and collective decision making over its use is central to Fairtrade standards.

#### *2.2 Economic Strengthening of the Organization*

Over time it is expected that being part of Fairtrade acts as a support to the producer organization such that it becomes stronger and more economically sustainable.

## **Key Points**

### Gradualism in Compliance

Fairtrade standards contain "minimum requirements" that all producer organizations must meet to become certified, as well as "progress requirements" in which producers must demonstrate improvements over time. For example, under Principle 1.4 on Non-Discrimination, there is a "minimum requirement" that the organization does not discriminate against members or restrict new membership on the basis of race, color, sex, etc., as well as a "progress requirement" to put in place programs to improve the social and economic position of disadvantaged/minority groups within the organization (FLO 2009).

### Gradualism in Frequency of Audit

In Fairtrade, audits are initially intense and conducted at least annually, as groups establish and strive to fulfill their progress requirements. However, once the groups are functioning well, audits are reduced to once every three years, and then once every five years unless events demand otherwise. This schedule usefully reduces the transaction costs of Fairtrade in terms of money, time, and effort.

### Internal Capacity Building and Governance of Groups

Fairtrade puts a lot of effort behind supporting its small producer groups to build capacity for sound internal governance. This approach is a good model for REDD+, as it emphasizes responsibilities as well as rights, and makes clear that the “transformations” expected of governments, etc., will also be expected of them. Moreover, it builds a cascade effect of demonstrating good governance at each level.

## **3.0 CONVENTION ON BIOLOGICAL DIVERSITY**

The Convention on Biological Diversity (CBD) of 1992 addresses social issues in ways relevant to the UNFCCC and REDD+. In its Preamble, and various Articles, the CBD recognizes the dependency of indigenous and local communities on biological diversity and the unique role these communities play in conserving life on Earth. Article 20 states that economic and social development and poverty eradication are the first and overriding priorities of the developing country partners, and international support needs to be tailored accordingly.

Article 8 (j) promotes and protects the rights of Indigenous Peoples and local communities over their traditional knowledge, innovations, and practices. The fair and equitable sharing of benefits arising from the utilization of genetic resources is one of three core objectives of the Convention, and years of work went into the elaboration of the Nagoya Protocol (2010) on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization. Measures include the requirement to obtain prior informed consent from indigenous and local communities for accessing and using their genetic resources or traditional knowledge, and equitable sharing of benefits that arise from its use.

The Akwé: Kon Guidelines for the Conduct of Cultural, Environmental and Social Impact Assessments (CBD 2004)<sup>31</sup> emerged from work elaborating on Article 8 (j). The Guidelines are voluntary, and designed to complement existing national impact assessment procedures by providing a collaborative framework within which multiple stakeholders, including governments, indigenous and local communities, decision makers, and managers can address key issues.<sup>32</sup>

In addition, the International Indigenous Forum on Biodiversity, formed in 1996, comprises representatives from indigenous governments, indigenous NGOs, and indigenous scholars and activists. It acts as a key forum for indigenous lobbying of the CBD and is an official advisory body to the CBD.

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<sup>31</sup> Full title is. Akwé: Kon (pron: agway goo) Voluntary Guidelines for the Conduct of Cultural, Environmental and Social Impact Assessments Regarding Developments Proposed to Take Place on, or which are Likely to Impact on, Sacred Sites and on Lands and Waters Traditionally Occupied or Used by Indigenous and Local Communities.

<sup>32</sup> (a) Support the full and effective participation and involvement of indigenous and local communities in screening, scoping, and development planning exercises; (b) properly take into account the cultural, environmental, and social concerns and interests of indigenous and local communities, especially of women who often bear a disproportionately large share of negative development impacts; (c) take into account the traditional knowledge, innovations, and practices of indigenous and local communities as part of environmental, social, and cultural impact-assessment processes, with due regard to the ownership of and the need for the protection and safeguarding of traditional knowledge, innovations, and practices; (d) promote the use of appropriate technologies; (e) identify and implement appropriate measures to prevent or mitigate any negative impacts of proposed developments; and (f) take into consideration the interrelationships among cultural, environmental, and social elements.

## 4.0 WWF FOREST CARBON STANDARD ASSESSMENT: A “META-STANDARD”

Like REDD+ SES, the WWF’s Forest Carbon Standard Assessment (2010) is a response to the bewildering array of voluntary standards available. But rather than develop its own standard, WWF limits its engagement to developing a “meta-standard” or a standard about standards, and proposes no role for itself in validating projects, verifying compliance during implementation, doing carbon MRV, or issuing credits. The Assessment is effectively a list of attributes to assist carbon project proponents to identify a credible and effective standard to use, and represents WWF’s minimum expectations of a good forest carbon standard. The assessment builds on existing standards (including CCBS and VCS) and a range of WWF initiatives and social policies.<sup>33</sup> It covers the carbon standards as well as the social and environmental standards, and is of further interest to the discussion of safeguards for its integration of verification and monitoring, and inclusion of a timeline for applying different components.

### Content and Application

WWF’s model of seven principles aims to help identify a credible carbon standard. The principles most directly related to social standards for REDD+ include:

#### Principle 2: Social and Environmental Impacts

The principle calls for prior assessment of social and environmental project impacts and identification of mechanisms for avoiding adverse effects on communities and the environment.

#### Principle 4: Social and Environmental Performance

Social and environmental safeguards included in the project design phase are being followed through during project implementation.

#### Principle 7: High-Quality Design of the Standard Itself and Its Accreditation Systems

The standard system and its accreditation systems are themselves designed according to recognized quality criteria, to ensure strong credibility and effectiveness.

The WWF assessment further elaborates on the desired attributes of standards for the treatment of social (and environmental) impacts (Principles 2 and 4), stating first and foremost that there should be criteria to ensure the project has a net positive social impact, and that rights of Indigenous Peoples should be upheld, in line with ILO 169 and UNDRIP.

### Key Points

The WWF model includes two useful innovative attributes: explicit “drop out criteria,” effectively cancelling the project if they are not met (e.g., FPIC) and guidance on legitimate representation among participating communities (to avoid local elite capture).

Like REDD+ SES, the WWF system risks being too comprehensive, as it incorporates elements of CCBS, VCS, and forest certification. No existing standard meets WWF’s requirements, so a project proponent would have to go to the additional expense of combining two or more standards.

## 5.0 AFFORESTATION/REFORESTATION CLEAN DEVELOPMENT MECHANISM: EXPERIENCE ENSURING SOCIAL BENEFITS

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<sup>33</sup> The WWF Indigenous Peoples’ Policy (1996, updated 2008) used UNDRIP and ILO 169 as its starting point, and built in safeguard requirements relating to risks of conflict and negative impact, and applied principles of proactive collaboration, recognizing IPs as stewards of high biodiversity areas. In addition, WWF has a Poverty Policy (2009) and a Human Rights Framework (2009).

In the absence of experience in applying REDD+ safeguards, the limited experience with land-based mitigation projects that has been gained through Afforestation Reforestation Clean Development Mechanism (A/R CDM) since 2004 can be examined.

The UNFCCC agreed on the modalities of A/R CDM projects at the 9th and 10th Conferences of the Parties in Milan (2003) and Buenos Aires (2004). As of March 2012, there were 21 registered A/R CDM projects globally, and three more pending registration.<sup>34</sup> This low uptake partly reflects the high transaction costs involved in establishing a project and the technically complicated project documents and monitoring and evaluation requirements. It also reflects the fact that A/R CDM projects generate only temporary credits, which are not accepted in the EU-Emissions Trading Scheme<sup>35</sup> (Rocha 2008). REDD+ is likely to be more complicated than CDM, as it involves national-level accounting. It remains unclear whether or not REDD+ credits will be permanent.

As the “D” in CDM suggests, the mechanism was supposed to be about both development and emissions reductions, but CDM as a whole has not delivered its promised “development dividend.”<sup>36</sup> The COP 9 decision on implementation modalities for A/R CDM left the responsibility for design and implementation of the sustainable development components to the host country, through application of national environmental impact assessment procedures. Performance has been mixed. Few countries developed the necessary criteria to screen projects, and fewer still included any social criteria. Serious financial and capacity constraints limited the success. Kelly (2010) concludes that this demonstrates the need for REDD+ to have minimum universal standards for program and project approval, enforceable at the international level.

A review (Rocha 2008) found that all types of CDM projects have consistently failed to deliver such development and sustainability benefits, and other studies (Holm Olsen 2008, Sutter and Parreño 2007) have concluded that there has been a trade-off between supplying cheap emission credits and the promotion of sustainable development, and that the former goal has taken precedence. The projects delivering most of the emission reductions have scored badly on development sustainability. This situation has given some credence to critics who claim that carbon offsetting enables developed countries to acquire cheap carbon offsets while the developing host nations gain little, and is a cautionary precedent for REDD+ (Rocha 2008).

There are no reviews specifically of the social impacts of A/R CDM; two projects are discussed here as an illustration. The first (and up until 2011 the only) A/R CDM project was the Guangxi Watershed project in southern China (UNFCCC Ref No 0547). Registered in 2006,<sup>37</sup> this project proposed to reforest 4,000 ha of degraded agricultural land to mixed tree plantations. Five thousand farming households contributed land to the project, and three main benefits were to accrue to them over the 30-year life of the project: i) income—a \$ 34/year increase in income—a 28 percent increase; ii) 40 new permanent jobs and 5 million days of temporary employment (average of 33 days/household/year); and iii) firewood. The actual realized benefits appear minimal. To date, no monitoring has been conducted to determine whether any benefits have been delivered.

In Andhra Pradesh in India (UNFCCC Ref No: 2241<sup>38</sup>), for a 3,000 ha reforestation project planting the land of 3,300 tribal farmers, the benefits to the participants were not specified, but it was made clear that benefits from sale of Certified Emission Reductions would be distributed after subtracting the costs of developing the

<sup>34</sup> <http://greencleanguide.com/2011/01/15/afforestation-and-reforestation-ar-cdm-projects/>. In August 2010, eight months earlier, there was only one registered project.

<sup>35</sup> This is because of doubts about permanence of the emissions reduction and leakage.

<sup>36</sup> CDM does include some project types, such as nuclear power and N2O, for which it is inherently difficult to deliver sustainable development benefits, and at the time of the review, there was only one A/R CDM project.

<sup>37</sup> [http://cdm.unfccc.int/filestorage/D/J/7/DJ7K6D4ZJT9DRJJWBS45EHGOY08KIW/PDD\\_GSP.pdf?t=WjB8bHNwamphfDD2mKGnuUcZDVgUzq5iLBiZ](http://cdm.unfccc.int/filestorage/D/J/7/DJ7K6D4ZJT9DRJJWBS45EHGOY08KIW/PDD_GSP.pdf?t=WjB8bHNwamphfDD2mKGnuUcZDVgUzq5iLBiZ).

<sup>38</sup> <http://cdm.unfccc.int/Projects/DB/BVQI1222275709.04/view>.

project by the proponent, a paper company. Monitoring was conducted in 2010, but the A/R CDM monitoring format focuses entirely on biomass and carbon, and does not actually cover social issues, so there was no scope for mentioning benefits or beneficiaries. Unless carefully designed (and perhaps even if), the transaction costs of REDD+ are likely to absorb much of the funding that would otherwise provide communities with the benefits and incentives they need.

One feature of the CDM (and other Multilateral Environmental Agreements (MEAs), like CBD, above), particularly interesting for REDD+, is its compliance mechanism. Many MEAs call for Parties to report on their implementation to the Conference of the Parties. In addition, a few have established specialized bodies and procedures tailor-made to deal with any cases of non-compliance that may arise. The UNFCCC has its “Kyoto Compliance Committee” and under it, an “Enforcement Branch,” which assesses compliance using reports from the Parties themselves, but also receiving information from competent intergovernmental organizations and other Parties. It was intended that countries deemed to have failed to meet their emissions targets by the end of the first commitment period (2012) would have to make up the difference plus a penalty of 30 percent in the second commitment period, and their ability to sell credits under emissions trading would also be suspended.

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