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Forum

Institutions and Policies to Protect Rural Livelihoods in REDD+ Regimes

*Kathleen Lawlor, Erika Weinthal, and Lydia Olander**

While the climate change conference in Copenhagen did not produce a binding treaty with targets and timetables for emissions reductions, the Copenhagen Accord did affirm that programs to reduce emissions from deforestation and degradation and enhance forest carbon stocks (REDD+) will move forward.¹ Although many questions still remain about program design and funding, REDD+ mechanisms are expected to employ results-based approaches, where developed countries pay developing countries for reductions in forest loss rates below an established baseline and/or increases in forest carbon stocks. A significant share of global greenhouse gas emissions comes from forest loss in developing countries (between 12 and 17 percent²), and economic models project that these emissions can be reduced at a lower cost than emissions reductions in other sectors in developed countries.³

Many advocacy groups and researchers, however, have raised concerns that emerging REDD+ programs pose risks to the livelihoods and customary land claims of indigenous peoples and other rural populations. Multilateral donors, negotiators at the United Nations Framework Convention on Climate Change (UNFCCC), and policy-makers in the US Congress have acknowledged the legitimacy of these concerns: UN REDD has pledged to uphold the UN Declaration on the Rights of Indigenous Peoples (UN DRIP) and to extend the principle of Free, Prior, and Informed Consent to both indigenous peoples and other forest dependent communities.⁴ And while there has been debate regarding how the World Bank's social safeguard policies are applied in the Forest Car-

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1. The scope of REDD (reducing emissions from deforestation and forest degradation) has expanded to include conservation of forest carbon stocks, sustainable management of forests, and enhancement of forest carbon stocks. This broader scope is termed "REDD+."
2. For the lower figure, see Van der Werf et al. 2009; for the higher number, see IPCC 2007.
3. Murray et al. 2009.
4. UN REDD Programme 2009.

bon Partnership Facility (FCPF) activities, the FCPF is paying increasing attention to the needs of indigenous and other forest-dependent peoples.⁵ Both the draft UNFCCC REDD+ negotiating texts produced at Copenhagen and the forest carbon sections of the draft climate bills introduced in the US Congress in 2009, include references to the rights of indigenous peoples and local communities and their participation in REDD+ programs.⁶

But what are the specific social protection policies that can be applied to safeguard the welfare of rural communities while reducing forest loss and enhancing forest carbon stores? Policymakers, donors, and certification standards are already developing social safeguards for national and sub-national REDD+, yet they have little academic research to draw upon as they forge ahead. While there have been several papers published in academic journals on the complexities of establishing deforestation reference levels⁷ and the implications of REDD+ for biodiversity,⁸ the topic of social safeguard policies has received scant attention.

We posit that in order for REDD+ programs to realize positive impacts on both people and forests, social safeguard policies will need to overcome the significant barriers posed by ambiguous property rights and weak governance and create five important institutional conditions. In this article we (1) delineate these five institutional conditions and explain why we believe their interaction should lead to positive impacts; (2) outline policies designed to produce these institutional conditions; and finally, (3) identify where further research is needed to understand the causal mechanisms (policies and institutions) responsible for positive socio-economic and ecological impacts in REDD+ regimes.

Role of Rural Populations in Conserving and Restoring Forests and Barriers to Their Engagement

We begin by arguing that positive social impacts in REDD+ should not just be viewed as ancillary “co-benefits” (as often framed).⁹ Rather, avoiding negative impacts on rural communities and promoting their positive engagement may be integral to the overall effectiveness of REDD+ programs. A growing body of research finds that local communities can be effective conservation agents when they have secure tenure.¹⁰ Clear resource rights encourage sustainable use and empower forest users with the legal authority to block illegal exploitation by

5. FCPF 2009.

6. UNFCCC 2009a; UNFCCC 2009b; US House of Representatives 2009; and US Senate Environment and Public Works Committee 2009.

7. See Griscom et al. 2009.

8. For example, see Grainger et al. 2009.

9. See Brown et al. 2008.

10. Chhatre and Agrawal 2009.

outsiders. But even where communities' tenure rights are clear, if they lack economic incentives for conservation, then risks of these forests being cleared will remain.¹¹ While it is important to note that small-scale agriculture and fuelwood collection are *not* the primary drivers in those landscapes experiencing high rates of deforestation,¹² population growth will amplify the aggregate impact of small-scale activities. Further, if citizens observe their governments (or project developers) collecting large sums of forest carbon revenues but find that their own lives are not improving, resentment and opposition could ensue. Such occurrences have plagued projects in the extractive industries, and analysis of these cases (e.g., gold mines in Cajamarca, Peru) demonstrates the financial costs of not ensuring local community support.¹³

In order to be positively engaged in REDD+, rural populations require secure tenure, economic incentives for conservation, and the opportunity to participate in program design and implementation. Yet this is where REDD+ programs and rural communities face significant barriers. First, property rights are often insecure, with customary resource rights not codified in law and the majority of forest area in most developing countries legally owned by the state (see Figure 1). Second, many of the countries with REDD+ potential rank low on governance indicators.¹⁴ As a result, citizens may have limited opportunity to participate in forest and revenue management decisions or to seek recourse through judicial systems. Corruption may also preclude compensation and benefits from trickling down to local actors.¹⁵ Where these barriers are present, risks of REDD+ programs negatively impacting rural communities may be high.

Because these barriers are with states at the national-level and in many cases require challenging the vested interests of politically powerful elites, overcoming these barriers is likely to require that external agents (e.g., donors, offset buyers, and certification standards) exert pressure or offer rewards to incentivize deep institutional reforms. At one end are certification standards, such as the REDD+ national and sub-national standard being developed by the Community, Climate, and Biodiversity Alliance (CCBA) and CARE,¹⁶ which envisions that countries will voluntarily adopt the standard's social and biodiversity protection policies to attract more forest carbon investment and donor funds to their countries. At the other end are demand-side approaches, where bilateral and multilateral donors and/or developed countries buying offsets, make transfer of REDD+ funds or payments conditional on adherence to social protection policies.

11. Fearnside 2005.

12. DeFries et al. 2010.

13. Sohn 2007.

14. Ebeling and Yasue 2008.

15. Leite and Weidman 1999.

16. CCBA 2009.

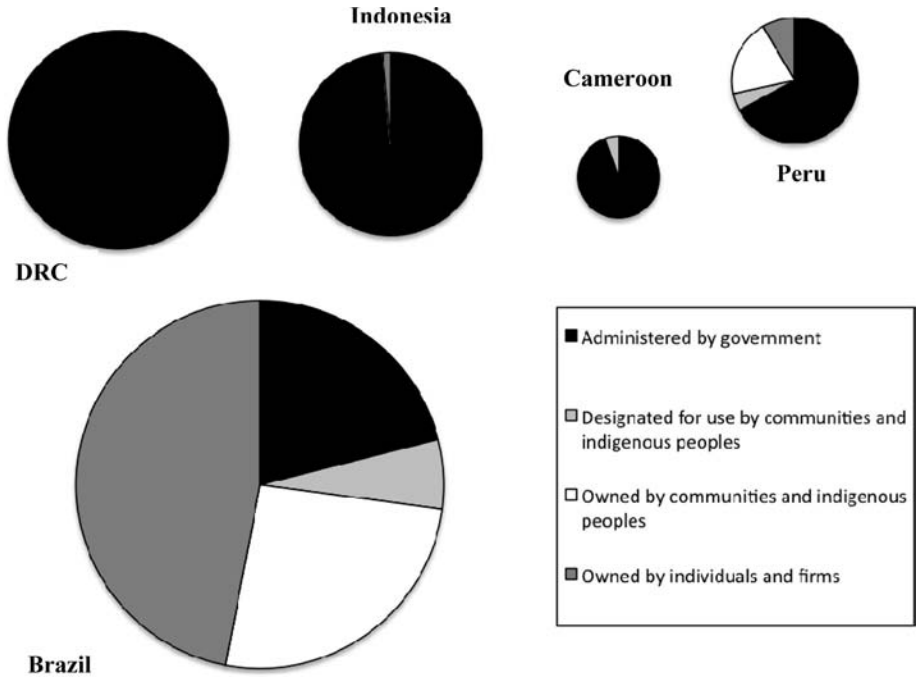


Figure 1. Forest Tenure Distribution in Selected Tropical Countries in 2008^a

Note: Pie charts scaled to size of forest area, relative to other countries shown. The small amount of forest area designated for use by communities and indigenous peoples in Indonesia (0.23 million hectares—less than 1% of the country’s total forest area) is not visible on this chart.

a. Data from Sunderlin et al. 2008.

What Institutional Conditions and Policies Might Safeguard Welfare?

We now outline the five institutional conditions that must be met for REDD+ to positively impact people and forests, and discuss policies that could be applied by external agents to encourage development of these conditions. Throughout, we emphasize why each condition is necessary but alone, insufficient, in order to show why all five conditions are likely necessary. We also highlight particular gaps in knowledge that could benefit from further research.

Institutional Condition 1: Local Community Support for REDD+ Projects

Projects that are implemented with the support of local communities should yield better welfare and forest outcomes. But what policies could certification standards, donors, or offset buyers apply to ensure and verify that REDD+ projects are implemented with the support of local communities? The most recog-

nized option is a policy termed “Free, Prior, and Informed Consent” (FPIC). While requiring the FPIC of affected communities for activities on or resettlement from their lands could help to address many of the risks presented by site-specific REDD+ projects (e.g., economic or physical displacement due to protected area establishment), many questions remain regarding its implementation. First, metrics for determining what constitutes “consent” are not well defined.¹⁷ Second, establishing who constitutes the “community” can be complicated. Third, when should REDD+ projects begin consultations in order for any expressed support to be truly “prior” (e.g., during project scoping or before government approval)? Early REDD+ projects will need to be carefully evaluated to develop lessons learned. Immediate lessons can also be drawn from the World Bank Group’s initial experience with their new policy of “Free, Prior, and Informed Consultation leading to Broad Community Support” (which is applied to projects with a high risk of negative social or environmental impacts).

Application of a “local community support” policy alone, however, will likely be insufficient. Additional policies will need to create conditions that allow for the resolution of disputes *within* communities, since “community support” does not negate the possibility of community elites capturing benefits and decision-making authority at the expense of marginalized individuals. Further, it may be unclear whether and how a “local community support” policy would be triggered during national reforms to forest zoning or property rights. This is of fundamental importance, since (1) the absence of legal title to their customary lands could complicate the ability of many communities to assert the right to FPIC¹⁸ and (2) states may de-couple forest carbon rights from land rights (just as sub-surface mineral rights are de-coupled from land rights in many countries).

Institutional Condition 2: Citizen Participation in Reforms Affecting Property Rights and Land Use

Requiring citizen participation in reforms affecting property rights and land use zoning could help address risks presented by national-level decisions to increase enforcement on state-owned lands and solidify and expand state ownership of forests¹⁹ and forest carbon. These reforms could limit rural communities’ access to resources they have traditionally relied upon, maintain and increase the insecurity of their land tenure, and deny them the opportunity to economically benefit from new forest carbon regimes. Requiring citizen participation in

17. WRI 2005.

18. Anaya and Grossman 2002.

19. While the UN DRIP obliges states that are signatories (and possibly non-signatories, under customary international law) to legally recognize and protect indigenous peoples’ customary lands, there remain risks for many vulnerable populations. See Lawlor and Huberman 2009; and UN Committee for the Elimination of Racial Discrimination 2009.

all such policy reforms could promote the securitization of land and forest carbon rights for poor and politically marginalized people.²⁰

We acknowledge that there is an active debate amongst scholars regarding the merits of promoting “participation” as a way to rectify social injustices and advance sustainable development.²¹ We argue, however, that the problem is not that the concept of participation is a bad one; the problem is that when social protection efforts focus solely on participation processes and do not also (1) require local support, (2) disclose information about project costs and benefits, (3) provide citizens with means of recourse, and (4) evaluate welfare impacts, states and project developers can simply go through the motions, holding consultations that do not allow for the informed and meaningful participation of citizens, or exhaust affected communities with endless meetings of little consequence. This is why we argue that ensuring meaningful citizen participation in property rights and land zoning reforms is only one of five enabling conditions for positive welfare outcomes and how well this condition is actually met will be influenced by the policies used to operationalize it.

Case study evidence suggests a few policy options for ensuring meaningful citizen participation in land reforms, but more rigorous analyses of how these policies produce participation and whether this participation leads to positive welfare outcomes is needed. One option is to require that states conduct, disclose, and involve citizens in Strategic Environmental and Social Impact Assessments²² for all land use and property rights reforms and REDD+ plans. Another option is to require that property rights reforms are informed by participatory mapping and undertaken at local levels. Undertaking land-titling exercises at the local (rather than national) level can allow for greater citizen input to these reforms. For example, a recent review of land titling systems in Africa found that undertaking such exercises at a national level can be slow, costly, and result in unjust and contested outcomes; using local institutions that build on customary rights and employ simple registration procedures was found to be more effective and cost-efficient.²³ However, land titling can cause disputes between land users,²⁴ and providing land users with secure property rights but no economic incentives for conservation could lead to forest loss. Therefore, additional policies need to address dispute resolution and benefit flows.

Institutional Condition 3: Transparent Management of Forest Carbon Revenues

Ensuring that forest carbon revenues are managed in a transparent manner could help address risks of compensation and benefits not trickling down to ru-

20. Larson and Ribot 2007.

21. Cooke and Kothari 2001.

22. Ahmed et al. 2005.

23. Toulmin 2009.

24. Toulmin 2009.

ral communities due to interception by state elites. Numerous scholars have hypothesized that when there is transparent management of commodity revenues, citizens can hold their governments accountable and encourage equitable sharing of costs and benefits.²⁵ Revenue transparency mechanisms are increasingly being applied in the extractive industries to address the problem of the “resource curse” observed in many mineral-rich countries. Examples include natural resource funds, which establish clear guidelines for what the revenues can be spent on along with citizen and/or parliamentary oversight boards.²⁶ Another option is to require that contracts with, and payments to, governments be disclosed by both those extending and receiving the payments and that there be independent and publicly-disclosed financial audits of government revenues. The US Congress, for example, passed legislation in 2006, which requires large extractive industry projects receiving financial support from the World Bank Group to make such disclosures.²⁷

Institutional Condition 4: Citizen Access to Grievance Mechanisms

Even with the application of numerous safeguard policies, risks of negative impacts always remain. For example, there could be elite capture of forest carbon benefits at the village level; individuals may wish to challenge a FPIC determination; participants in a conservation payment program might find that their opportunity costs were under-estimated; and property rights designations could produce contested claims to the resource. Further, policies are not always implemented as designed. For all these reasons, citizens require means of recourse. Because judicial systems are weak in many countries, external agents could establish grievance mechanisms for REDD+ programs.

Examples include the World Bank Group’s Inspection Panel and Compliance Advisor Ombudsman (CAO). Both grievance mechanisms allow project-affected people to register claims of environmental and social harm, though their approaches differ. In order for a complaint to be eligible for investigation by the Inspection Panel, a project must be underway and specific policy violations must be cited. The CAO, on the other hand, maintains looser requirements to make the mechanism more accessible to the target population and so that complaints can be filed before harm actually occurs.²⁸ And while Inspection Panel investigations focus on questions of policy compliance, the CAO (initially) takes a conflict resolution approach.

25. Humphreys et al. 2007.

26. Weinthal and Luong 2006.

27. US House of Representatives 2006.

28. CAO 2009.

Institutional Condition 5: Opportunities for Adaptive Management Through Evaluation

Too often, we know very little about the net impacts of conservation programs on human welfare and ecosystem services.²⁹ This lack of knowledge constrains programs' ability to engage in adaptive management. But if REDD+ national programs conduct rigorous impact evaluations on a small sample of projects and sites to assess impacts on rural citizens, then we can uncover where interventions need to be re-tooled to correct negative impacts and where there is evidence of positive impacts—which programs can use to counter spurious allegations of harm. Most importantly, if evaluations are designed to test theories about which policies and institutional conditions produce positive impacts for people and forests in REDD+, then policy-makers will have the information they need to design smart social safeguard policies and scale up best practices.

The Way Forward

Ecologists and macroeconomists have led the advancement of the REDD+ agenda into mainstream climate policy. Consequently, academic analysis of REDD+ has tended to focus on questions of biodiversity, offset supply and cost-containment for cap-and-trade policies, and methods for measuring carbon stocks and estimating deforestation reference levels. There is growing recognition, however, that the real challenges now facing successful implementation of REDD+ lie with governance: how to get the institutional conditions right so that those closest to forests have the proper incentives to protect them.

REDD+ programs, however, are going forward before we have all the answers. Policy-makers will therefore need to engage with academics to ensure that a sample of early REDD+ projects and programs are rigorously assessed using impact evaluation techniques so that we can identify the causal mechanisms leading to observed impacts on people and forests. Further, scholarship must catch up with quickly evolving events in the policy world. As Michael Ross has noted elsewhere: "If scholars wish to produce research that contributes to better policies, they must think carefully about testing their ideas . . ." ³⁰ This means that institutionalists will need to engage with economists and anthropologists examining the welfare impacts of REDD+ so that we can test key theories about the role of participation in conservation and development outcomes. This includes examining Amartya Sen's framework for understanding substantive freedoms as both the ends and means of development,³¹ as well as recent analyses of the "tyranny of participation" critiques.³² Emerging REDD+ regimes provide a perfect—and critical—setting for such investigations. With meaningful collab-

29. Ferraro and Pattanayak 2006.

30. Ross 2004, 352.

31. Sen 1999, 10.

32. Hickey and Mohan 2009.

orations across disciplines that involve both researchers and practitioners, we may begin to understand which combination of policies yields institutional conditions that produce positive impacts for people and ecosystems—one of the most enduring and important questions in environmental policy.

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