

THE FUTURE OF REDD+

Combating climate change requires protecting the world's forests, which currently store more carbon than is in the entire atmosphere.¹ Halting tropical deforestation and degradation and allowing tropical forests to continue sequestering carbon and regrowing at current rates can provide at least 30 percent of all mitigation action needed to limit warming to 2°C.² This makes the success of mechanisms addressing deforestation, such as REDD+, fundamental to global efforts to fight climate change.

REDD+ creates a financial value for the carbon stored in forests, offering incentives to governments to protect, restore and sustainably manage forests. Investing in REDD+ is a highly cost-effective mitigation option, as recent estimates show—with certain policy signals in place—that investments in tropical forests could yield 4.5 times the emission reductions as an equal investment in reductions from within the EU.³ REDD+ also provides a mechanism for countries and corporations to fulfill deforestation commitments such as the New York Declaration on Forests, which calls for ending global deforestation by 2030. Additionally, REDD+ can play a vital role in countries achieving their emission reduction targets after 2020, known as Nationally Determined Contributions (NDCs) to the new global climate agreement.

In 2015, the international negotiations on the rules for REDD+ concluded. The focus now shifts to scaling up implementation, as more than 50 developing countries are designing national implementation programs. The right enabling conditions must be in place in order for REDD+ to succeed globally: REDD+ must be incentivized in the new climate agreement by building on the UNFCCC's REDD+ Warsaw decisions, and emission reductions from REDD+ must be treated equally to those of other sectors when countries choose to achieve their mitigation goals cooperatively.

ESSENTIALS FOR REDD+ SUCCESS

Predictable finance and policy

Implementation of the Paris Agreement should ensure sufficient levels of finance for mitigation and adaptation activities from the land sector, commensurate with the benefits this sector provides. Tropical forests represent 30 percent of global mitigation potential, yet in 2014 about 2 percent of estimated climate finance flows went to nature-based solutions.⁴ The Green Climate Fund (GCF) will be an essential vehicle for delivering finance for REDD+ in the future—including funding for readiness activities, project implementation and verified results. In order to ensure the environmental integrity of these projects, the GCF must apply transparency principles and require strong social and environmental performance from its REDD+ investments.

Significant public and private investment

Given the scale of financing required, REDD+ must include robust public and private sector participation. Governments and multilateral funding channels must put the right incentives in place to “crowd-in” private sector investment. REDD+ can achieve the same transformational growth seen in the renewable energy and energy efficiency sectors if the right mix of regulatory and fiscal policies ensure that deforestation-free investments are more profitable and less risky over the long run than the current high-carbon, business-as-usual model.

Addressing drivers of deforestation

The main driver of global deforestation is large-scale agricultural development triggered by global demand for commodities such as palm oil, soy, coffee, beef and timber. Transformative commitments have been made by major corporations to make supply chains more sustainable. In addition to ensuring these pledges are fulfilled, the challenge now is to speed up market transformation with enhanced political commitments. Clear policy and market signals can create a level playing field by providing a common baseline and framework for progress, and should incentivize increased demand for REDD+.

Successful landscape approaches

It proves challenging to identify and mitigate all underlying drivers of land-use change while delivering safeguards and allowing economic development. This requires a broader strategy with a holistic, multifunctional approach that considers the interactions between and across socio-ecological processes. This “landscape approach” consists of land-use planning that highlights the synergies between conservation and economic activities; incorporates stakeholders in the decision-making process by creating a platform for interaction; and contains a monitoring system to measure the sustainability of the landscape over time. REDD+ activities can form an important starting point for implementing a landscape approach.

Strong safeguards and stakeholder engagement

Implementing strong safeguards that address social and environmental risks and enhance benefits is essential to ensure the sustainability and integrity of REDD+. Safeguards provide the opportunity to deliver non-carbon benefits such as climate change adaptation, poverty reduction and biodiversity conservation. REDD+ success will rely on the inclusion of perspectives from vulnerable groups, forest-dependent communities, indigenous peoples and the private sector into REDD+ strategies and activities. Projects need to build upon lessons learned and promote stakeholder ownership throughout the entire cycle of implementation. Participatory, transparent and comprehensive systems to implement safeguards are crucial to reduce risks and provide investor confidence, which will encourage the large-scale finance required to achieve maximum emission reductions through REDD+.

¹ Atmosphere contains ~720 Gt C (Falkowski, P. et al. 2000. The Global Carbon Cycle: A Test of Our Knowledge of Earth as a System. *Science* 290:291-296.); Forests contain 861 +/- 66 Gt C (Pan, Y. et al. 2011. A Large and Persistent Carbon Sink in the World's Forests. *Science* 333:988-993).

² (a) McKinsey & Company. 2009. Pathways to a low-carbon economy. McKinsey & Company.

(b) Le Quere, C., et al. 2013. Global Carbon Budget 2013. *Earth Syst. Sci. Data Discuss.*, 6, 689–760 (averaged for 2003–2012);

(c) Grace, J., et al. 2014. Perturbations in the carbon budget of the tropics. *Global Change Biology* (data from 2005–2010);

(d) Houghton, R.A. 2013. The emissions of carbon from deforestation and degradation in the tropics: past trends and future potential (data from 2000–2005). *Carbon Management*.

³ Busch, J. and Engelmann, J. 2015. The Future of Forests: Emissions from Tropical Deforestation With and Without a Carbon Price, 2016-2050. Center for Global Development working paper No. 411.

⁴ Buchner et al. (2015). “The Global Landscape of Climate Finance 2015.” Climate Policy Initiative.

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