

The Upcoming REDD Mechanism in the Light of Existing Forest Instruments

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Abstract

This paper discusses the REDD (reducing emissions from deforestation and forest degradation) in the context of the international forest regime. The focal point of this paper is to analyze how the norms prevailing in the international forest regime are reflected in the design of the REDD mechanism. This has been carried out by selecting criteria from two existing international agreements on forests, namely the Rio Forest Principles and the Non-legally Binding Instrument on all types of Forests (NLBI). It has been further explored what kind of implications the recognition of these norms would have within the context of the REDD mechanism? The analysis demonstrates that the normative guidance coming from the forest regime has been partly, though poorly, reflected in the design of the REDD mechanism. Further it is suggested that the integration of this guidance to the global architecture of the REDD mechanism is likely to have few implications in the concrete level. The paper concludes that the failure to adequately integrate and ensure the normative guidance laid out in the two agreements is due to the fact that their normative power is overridden by another norm, namely that of sovereignty.

ABBREVIATIONS

AWG-LCA Ad Hoc Working Group on Long-term Cooperative Action
CBD Convention on Biological Diversity
FAO Food and Agriculture Organization of the United Nations
GEF Global Environmental Facility
IMF International Monetary Fund
ITTO International Tropical Timber Organization, World Bank
REDD Reducing Emissions from Deforestation and Forest Degradation
SBSTA Subsidiary Body for Scientific and Technological Advice
UNFCCC United Nations Framework Convention on Climate Change

1. Introduction

Within that last couple of years it has been increasingly recognized that the emissions reductions needed to avoid catastrophic climate change are so large that they will not be achieved without reducing forest loss and degradation.¹ The emissions from deforestation are very significant, more than 18 percent of the global greenhouse gas emissions; the carbon currently locked up in forest ecosystems alone is greater than the amount of carbon in the atmosphere. For these reasons and due to the fact that curbing deforestation is noted as a highly cost-effective way of reducing greenhouse gas emissions,² forests have gained a great deal of attention within the climate change arena.

Reducing Emissions from Deforestation and Forest Degradation (REDD) is a climate change mitigation instrument currently discussed and designed under the United Nation's Framework Convention on Climate Change (UNFCCC). The main purpose of this instrument is to reduce emissions from deforestation and forest degradation. The idea behind REDD is that money is offered to developing countries that are willing to leave their forests standing rather than using them for other purposes. While this sounds simply in theory, in practice a myriad of complexities emerge.

Forests are biologically diverse systems, representing some of the richest biological areas on earth. Forests have several functions and they offer a wide variety of services, such as recreation, health and well-being, biological diversity and maintenance of ecosystem services.³

This complexity is reflected in the international forest regime, which is a fragmented and complex entity where plenty of views and interests from different levels - local, national and global - meet and collide. On the institutional side there are several institutions governing global forests, including FAO (Food and Agriculture Organization of the United Nations), ITTO (International Tropical Timber Organization, World Bank, GEF (Global Environmental Facility), and IMF (International Monetary Fund) and further several treaties covering forest issues, such as the Convention on Biological Diversity (CBD), Ramsar Convention on Wetlands, World Heritage Convention and the Draft on Declaration of the Rights of Indigenous Peoples. It is beyond dispute that the international forest regime has remained vague and inefficient in fulfilling its purpose and having the effect it should.⁴

REDD, while an undeniably powerful tool, still must navigate the aforementioned "fuzzy" system currently in place. The REDD is an emissions mitigation instrument and designed under the climate regime, hereby its main focus is not forests but carbon in forests. In other words, where the forest regime sees biodiversity, livelihoods and culture, the climate convention sees

¹ Mayers et al. (2008) "Forest-based climate strategies: Making REDD and other initiatives work" International Institute on Environment and Development. p. 3

² Stern, Nicolas, (2006) *The Economics of Climate Change. The Stern Review*. Cambridge University Press. p. 337, 537

³ Convention on Biological Diversity: About Forest Biodiversity

⁴ Rosendal, Kristin G., (2001) "Overlapping International Regimes: The Case of the Intergovernmental Forum on Forest (IFF) between Climate Change and Biodiversity". *International Environmental Agreements: Politics, Law and Economics*; 1; 447-468

sticks of carbon. Such an approach raises some concerns – can the climate convention appreciate the complexities of forests when it in a sense falls outside its rationale? Can one design an instrument that shall pour a significant amount of finance to the forest sector with such a narrow approach on forests? Would it not be only appropriate that when entering the realm of another regime, to take into consideration the existing institutions, rules and norms in that given area. Some research has already been carried out addressing these concerns, targeting especially the possible synergies between UNFCCC and other conventions, most dominantly the CBD, in the context of the REDD mechanism.

This paper shall explore how, if at all, the normative guidance laid out in Forest Principles and the non-legally binding instrument on all types of forests (NLBI) is reflected in the design of the REDD mechanism. The non-legally binding Forest Principles, in essence the principles for sustainable forest management, were agreed upon at the UNCED conference in Rio in 1992. The non-binding legal instrument for all types of forests (NLBI) emerged 15 years later to strengthen the message of the Forest Principles. In these documents the global community has put on the paper how it believes our global forests should be taken care of. While these agreements have remained ineffective, they nonetheless reflect the norms prevailing in the international forest regime and are suitable as the guiding principles when dealing with global forests.

Research Question

With this in mind, the questions that are guiding my research and which I seek to answer in the end of the paper are the following:

- ⇒ *How are the norms of the forest regime, as laid out in the Forest Principles and the NLBI, reflected in the design of the REDD mechanism?*
- ⇒ *What implications would the recognition of these norms have for the REDD mechanism?*

2. Methodology, Method & Material

This is a case study where one single case, namely the REDD mechanism, is under intensive analysis. In a case study the case is an object in its own right and the researcher aims to provide an in-depth elucidation of it.⁵ The feature that makes a case study different from other research designs is the goal is to elucidate the unique features of the case and so collect in-depth, often qualitative, data that may be unique to a time and place.⁶ This study fulfils this criteria; REDD is a case in its own right and my aim in this paper is to explore and clarify an aspect of it in an in-depth manner. This study is essentially qualitative; I seek to gain understanding, and find meaning.

The REDD mechanism shall be analysed through a criteria I selected from two UN agreements on forests, namely the Rio Forest Principles⁷ and the Non-legally Binding Instrument on all types of forests (NLBI).⁸ The former I shall from hereon refer to as the Rio Forest Principles

⁵ Bryman, Alan and Teevan, James J. (2005) *Social Research Methods*. Oxford University Press, Canada. p. 43

⁶ Ibid. p. 42

⁷ United Nations General Assembly (1992) A/CONF.151/26 (Vol. III) Forest Principles

⁸ United Nations General Assembly (2007) A/C.2/62/L.5 “Non-legally binding instrument on all types of forests”

and the latter NLBI. These two agreements are essentially the guiding principles for sustainable forest management. The selected criteria shall function as a framework, or a lens, through which the case, REDD, will be analyzed. The underlying rationale for the use of these criteria is the belief that the integration of the guidance from the Rio Forest Principles and the NLBI would guarantee that the norms existing in the forest regime, upon which REDD is intruding, would be recognized. This rationale is further based on the assumption that these norms should matter, they, after all, represent what the international community believes is good and appropriate and how they want the global forests to be govern. The criteria and further justification shall be discussed in more detail below in *On Selecting Criteria*.

Norms in social science are often defined along the following lines - as shared expectations for the appropriate behaviour held by actors with a given identity.⁹ The essential feature of norms is that they are shared and concern behaviour, as formulated by Finnemore they are “collectively held ideas about behaviour.”¹⁰ Norms can be narrow and specific, such as the “polluter-pays” principle, or broader such as the norms on sustainable development.¹¹ Norms are not always followed, they can be ignored and violated. But as noted by Finnemore, the very fact one can talk about violation implies that a norm exists.¹² Some norms have been externalized to the extent that the norm is hard to recognize.¹³ Actors may specifically articulate norms in justifying actions, or they may call upon norms to persuade others to act.¹⁴

Method

The selection of a qualitative case study and the special feature of the chosen case, which is the fact that the REDD mechanism is not yet finalized but in the design phase, partly dictates the use of certain methods. There are two main methods in this study, firstly, observation, and secondly, examination of documents.

Observation

With regard to observation, I have had an opportunity to participate in the UNFCCC meetings in Poznan in December 2008 and in Bonn in April 2009 where the REDD issue has been discussed. My role in these meetings was to assist European Union’s Ad Hoc Working Group on Cooperative Action (AWG-LCA) team. My observation was of an unstructured and non-participant nature since I had no observation schedule, as such, prepared for these instances. Rather, I sought to make notes of the ongoing discussion and issues that were brought up by the different parties. While in the Poznan meeting I was observing in more general terms, by the time of the Bonn meeting I had an improved understanding of where the focus of my thesis was and was therefore more focused in my observation. I made notes on whether these issues were mentioned and if they were, in which way they were discussed. Despite the fact that my first and

⁹ Finnemore, Martha (1996) *National interests in international society*. Cornell University Press. New York, US. P. 22, Katzenstein, Peter J., ed. 1996 cited in Radoslav S. Dimitrov, (2005) "Hostage to Norms: States, Institutions and Global Forest Politics," *Global Environmental Politics* vol. 5, no. 4, pp. 1-24

¹⁰ Finnemore p. 22

¹¹ Radoslav 2005

¹² Finnemore p. 23

¹³ Ibid. 23

¹⁴ Ibid. 24

foremost role in these negotiations was to work as an assistant, during the REDD sessions I had a passive role which enabled me to focus solely on observation.

In the Bonn meeting there were two REDD focus groups, the other one under the contact group on mitigation and the other under the contact group on delivery, where issue on the REDD financial mechanism was discussed. In these hour-and-a-half-meetings the chair gave some direction for the session after which parties to the Convention made comments and proposals. From the practical side it must be mentioned that some statements were difficult to understand – different articles were mentioned in such a speed that my writing could not keep up. Further, at times I felt I had entered a meeting of some type of secret society - parties referred to meetings that dated back to the early stages of the Climate Convention and reminded of whatever had been agreed upon there, never openly explaining what it was. Despite these difficulties I believe I managed to observe what was of essence for my paper.

The second method is the examination of documents. The two main documents I have examined are the latest proposal submitted by the parties to the convention, and the AWG-LCA negotiation text.¹⁵ This negotiation text was prepared by the Chair of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention in response to the request from the AWG-LCA at its fourth session. Basically this negotiation text provides a starting point for the negotiations at the sixth session. It reflects the ideas and proposals by Parties. I have used both quantitative and qualitative methods; I have firstly looked whether the selected criteria has been reflected in these documents in the first place, i.e. if such words have been expressed. Secondly I have looked at the proposals and sought to understand how they are reflected in the documents, what is their function, what are they actually saying. Such an approach is in accordance with qualitative content analysis called hermeneutics.¹⁶

According to Bryman and Teevan, “a content analysis can only be as good as the documents on which the practitioner works”.¹⁷ My documents are official documents and thus do not suffer from the problems of authenticity and credibility; however, these documents are not without complications; the texts in the international negotiations documents are generally extremely difficult to comprehend by outsiders.

Material

For the criteria employed in this study I have used the texts of the two UN agreements - the Rio Forest Principles and the Non-legally Binding Instrument on all types of forests (NLBI) dating back to the year 1992 and 2007 respectively. In order to gain understanding on the REDD mechanism I have looked at the UNFCCC webpage and official documents released under UNFCCC and other environmental organizations. I have also employed secondary sources, including papers produced by Non-Governmental Organisations (NGOs), research institutes, such as the Center for International Forestry Research (CIFOR) and UN bodies. In the analysis, in addition to the literature mentioned above, I have looked at the latest submissions by the

¹⁵ FCCC/AWGLCA/2009/8

¹⁶ According to Bryman and Teevan (2005), hermeneutics emphasize the social and historical context within which a text has been produced, as well as the understanding of the text from the perspective of its author. (Bryman and Teevan 2005 p. 339)

¹⁷ Bryman and Teevan 2005 p. 349

parties to the Conference on the REDD issue, the negotiation text produced by the chair of the AWG-LCA and my own notes from the April Bonn session.

Due to the relatively young age of my study subject, most of the literature used in this paper is from electronic sources. These include academic databases such as ELIN and JSTOR, as well as several internet sites of organizations dealing with forestry issues, these sources used are mainly maintained by organizations that are well recognized by the international community, such as the UNFCCC (United National Framework Convention on Climate Change) and CBD (Convention on Biological Diversity), and I find them therefore to be reliable sources of data.

I have sought to have a balanced set of material that covers a wide spectrum of issues related to the REDD mechanism. I have used primary and secondary sources in a complementary manner - the official documents have offered an account of the current state of negotiations and the status of different design options and the premises on which the REDD mechanism is being discussed. The secondary sources have given more detailed account of the different aspects of the mechanism and the potential impacts that different design proposals might have on the ground.

Both types of literature have posed some problems but most importantly both sets of literature suffer from the high degree of uncertainty. Since REDD is not finalized, authors and parties can and do make predictions and advanced guesses. Furthermore, even some recently produced research papers might be based on out-of-date information of the negotiation process. In as far as it comes to the official documents, i.e. the submissions by parties and the negotiation text produced by the chair of the AWG-LCA, a different approach to reading must be taken, as here wording is of crucial importance.

Developing criteria for analysis

I have decided to use the guidelines offered by the Rio Forest Principles and the NLBI as the basis for my analysis. The forest regime has, no doubt, plenty of equally well, if not better, developed concepts and guidelines for sustainable forest management. However, the justification for the use of this specific combination of concepts is twofold. Firstly, I believe there is value in assessing the REDD development within and against the already developed principles within the UN system. Actually the UNFCCC within which the REDD is currently being discussed originates from the very same UNCED Conference in Rio in 1992 as the Forest Principles. With this in mind, I believe that taking these principles into consideration is a logical step. Secondly, these guidelines are the most comprehensive ones targeting all types of forests and they have been globally agreed on.

Introduction to the Forest Principles and the NLBI

The Rio Forest Principles were a result of the UNCED in Rio in 1992. They were thus negotiated in the context of the wider environment/development debate, a feature that is strongly present in the principles.¹⁸ Essentially the Forest Principles are principles for sustainable forest management. Unlike the other Rio Conventions, namely, UNFCCC, CBD, and United Nations Convention to Combat Desertification (UNCCD), the Rio Forest Principles remained non-

¹⁸ Gulbrandsen, Lars H., (2003) "The Evolving Forest Regime and Domestic Actors: Strategic or Normative Adaptation?" *Environmental Politics*, Vol. 12, No.2, pp 95-114 p. 99

binding and hence a soft law document.¹⁹ The main objective of the principles is to “contribute to the management, conservation and sustainable development of forests and to provide for their multiple and complementary functions and uses.”²⁰ There seems to be global consensus that these principles remained to great extent weak and ineffective; just to summarize some of the words used to describe the success of the Rio Forest Principles: “both legally and politically weak”²¹ and “trying to include every value in international negotiations with little practical direction of how to address these in practise.”²² Indeed it has been argued that they are impossible to implement as long as they are merely a collection of principles.²³ One of the key reasons for the failure to agree on a legally binding forest convention is that while forest resources are a global commons problem, they fall under the jurisdiction of individual states, i.e. the norms of sovereignty are strongly present. Despite all the criticism, these principles are the first global agreement regarding the management, utilization and development of all types of forest.²⁴

The Non-binding Legal Instrument for all Types of Forests builds upon the Rio Forest Principles, and was meant to strengthen the political commitment on sustainable forest management and hence achieve the shared objectives on forests.²⁵ The instrument expresses parties’ concern about the “continued deforestation and forest degradation, as well as the slow rate of afforestation and forest cover recovery and reforestation, and the resulting adverse impact on economies, the environment, including biological diversity, and the livelihoods of at least a billion people and their cultural heritage”, and emphasizes the need for more effective implementation of sustainable forest management at all levels to address these critical challenges.²⁶ The NLBI further recognized the linkage between climate and forests and includes the seven thematic elements of sustainable forest management, which are “drawn from the criteria identified by existing criteria and indicators processes as a reference framework for sustainable forest management...”²⁷ These thematic elements are (i) extent of forest resources (ii) forest biological diversity (iii) forest health and vitality (iv) productive functions of forest resources (v) protective functions of forest resources (vi) socio-economic functions of forests; and (vii) legal, policy and institutional framework.²⁸

¹⁹ Kunzmann, Katharina “The Non-legally Binding Instrument on Sustainable Management of All Types of Forests - Towards a Legal Regime for Sustainable Forest Management?” *German Law Journal*, Vol. 09 No. 08

²⁰ United Nations General Assembly 1992 PREAMBLE (b)

²¹ Gulbrandsen 2003 p. 99

²² Bernstein, Steven and Cashore, Ben (2004) “Non-State Global Governance: Is Forest Certification a Legitimate Alternative to a Global Forest Convention?” in Kirton, John and Trebilcock, Michael (eds.) *Hard Choices, Soft Law: Combining Trade, Environment, and Social Cohesion in Global Governance* (Aldershot: Ashgate Press).p.48

²³ Gulbrandsen 2003 p. 99

²⁴ Ibid.

²⁵ There are 4 objectives stated in the NLBI: 1.Reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation,, and increase efforts to prevent forest degradation. 2.Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest dependent people; 3.Increase significantly the area of protected forests worldwide and other areas of sustainably managed forests, as well as the proportion of forest products from sustainably managed forests; 4. Reverse the decline in official development assistance for sustainable forest management and mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management.

²⁶ United Nations General Assembly 2007

²⁷ Ibid. 6 (b)

²⁸ United Nations General assembly 2007

Both of these agreements are soft law documents and have not been implemented in a practical level for the benefit of our global forests. While such a failure deserves criticism I believe it does not lesser the normative value these agreements carry. These documents reflect the ideas of the international community on how our global forests should be taken care of and are hereby suitable as the guiding principles when dealing with global forests. In other words they “express the general practice recognized by states as rules of international law (*opinio juris*)”.²⁹ The Agenda 21 from the Rio convention has been said to be rather normative than operational and I believe that the same goes to the Forest Principles and the NLBI.

The Criteria

In order to keep my later analysis structured I have selected criteria from the two above mentioned agreements I believe are of significant importance for the REDD mechanism. As a reminder, the assumption underlying the use of the two agreements was that their acknowledgement in the design of the REDD mechanism would guarantee that it would be in accordance with the existing norms of the forest regime. The additional value of these agreements lies in their recognition of the multifunctional character of forests and how the forest issue is related to range of environmental and development issues.³⁰

According to the Rio Forest Principles forest issues should be examined in a holistic and balanced manner within the overall context of environmental and development.³¹ It is further stated as goal of the NLBI to enhance the contribution of forests to the achievement of the internationally agreed development goals, including the Millennium Development Goals, in particular with respect to poverty eradication and environmental sustainability.³² Sustainable forest management and use should further be carried out in accordance with national development policies and priorities and on the basis of environmentally sound national guidelines.³³ According to the Forest Principles t environmentally sound development of forests in all countries includes the promotion of sustainable patterns of production and consumption and also the eradication of poverty and the promotion of food security.³⁴

The economic, social and environmental dimensions, i.e. the three pillars of sustainability, of forests are mentioned in several occasions, not surprisingly from agreements originating from the Rio conference. In this context it translates into the concept of sustainable forest management; as stated in the NLBI, the concept of sustainable forest management aims to maintain and enhance the economic, social, and environmental values of all types of forests for the benefit of present and future generations.³⁵ Forest Principles further elaborate and mention the importance of sustainable forest management for development³⁶ Further in Article 2 (b) of

²⁹ Jacquemont, Frédéric and Caparrós, Alejandro (2002) “The Convention on Biological Diversity and the Climate Change Convention 10 Years After Rio: Towards a Synergy of the two Regimes? (2002) *RECIEL: Review of European Community and International Environmental Law*. Blackwell Publishers Ltd. p. 178

³⁰ United Nations General Assembly 1992 PREAMBLE (a)

³¹ Ibid. PREAMBLE (c)

³² United Nations General Assembly 2007 Paragraph 1 (b)

³³ United Nations General Assembly 1992 Principle 8 (d)

³⁴ Ibid. Principle 7 (a)

³⁵ United Nations General Assembly 2007

³⁶ United Nations General Assembly PREAMBLE (c)

the Forest Principles the importance of sustainable management and use of forest resources and forest lands in order to fulfil social, economic, ecological, cultural and spiritual needs of present and future generations, is stated.³⁷ Lastly it is stated that efforts to maintain and increase forest cover and forest productivity should be undertaken in ecologically, economically and socially sound ways.³⁸

While the causes of the problems in the forest regime are not dealt with in these agreements, it is, however, noted that the root causes of forest related problems should be addressed. Accordingly, “the problems that hinder efforts to attain the conservation and sustainable use of forest resources and that stem from the lack of alternative options available for local communities, in particular the urban poor and poor rural populations who are economically and socially dependent on forests and forest resources, should be addressed by Governments and the international community.”³⁹

Principle 5 (a) of the Rio Forest Principles recognize and support the “identity, culture, and the rights of indigenous people, their communities and other communities and forest dwellers”.⁴⁰ It is further stated that “appropriate conditions should be promoted for these groups to enable them to have an economic stake in forest use, perform economic activities, as well as adequate levels of livelihood and well-being, through, inter alia, those land tenure arrangements which serve as incentives for the sustainable management of forests.”⁴¹ Further, local knowledge and indigenous capacity should be “recognized, respected, recorded and developed.”⁴² and benefits arising from this knowledge should be equitable shared with these people.⁴³ The NLBI goes on by speaking in favour of access to forest areas, accordingly: “access by households, small-scale forest owners, forest-dependent local and indigenous communities, living in and outside forest areas, to forest resources and relevant markets in order to support livelihoods and income diversification from forest management, consistent with sustainable forest management” should be enhanced.⁴⁴

One the key issues concerning the rights of the indigenous and other local communities are possibilities for participation and having access to information; both agreements make points on these issues; Principle 2 (c) speaks for “the provision of timely, reliable and accurate information on forests and forest ecosystems is essential for public understanding and informed decision-making and should be ensured.”⁴⁵ In NLBI active and effective participation by major groups, local communities, forest owners and other relevant stakeholders in the development, implementation and assessment of forest-related national policies, measures and programmes is mentioned and in 2 (c) the importance of involving major groups in a transparent and participatory way in forest decision-making processes affecting them is emphasized.⁴⁶

³⁷ Forest and woodland systems p. 600

³⁸ United Nations General Assembly 1992, Principle 8. (b)

³⁹ Ibid. 9 (b)

⁴⁰ United Nations General Assembly 1992, Principle 5. (a)

⁴¹ Ibid.

⁴² United Nations General Assembly 1992, Principle 12. (d)

⁴³ Ibid.

⁴⁴ United Nations General Assembly 2007, Paragraph 6. (y)

⁴⁵ United Nations General Assembly 1992, Principle 2. (c)

⁴⁶ United Nations General Assembly 2007, Paragraph 6. (w)

In regards to ecological sustainability, “ the vital role of all types of forests in maintaining the ecological processes and balance at the local, national, regional and global levels through, inter alia, their role in protecting fragile ecosystems, watershed and freshwater resources and as rich storehouses of biodiversity and biological resources and sources of genetic material for biotechnology products, as well as photosynthesis, should be recognized.”⁴⁷ The Rio Forest Principles acknowledge that forests embody complex and unique ecological processes which are the basis for their present and potential capacity to provide resources to satisfy human needs as well as environmental values.⁴⁸ Principle 6 (e) of the Forest Principles also recognize the role of natural forests in constituting a source of goods and services and their conservation, sustainable management and use should be promoted.⁴⁹

To summarize, from the two agreements I have selected the following criteria I shall be looking for in my analysis:

- A holistic view on forests, defined as sustainable forest management
- Social sustainability, defined as participation and the rights of Indigenous peoples and other local communities
- Environmental sustainability, defined as the recognition of the forests role in maintaining essential ecosystem services, especially biodiversity

Now that I have a criteria ready, it is time to approach the actual study object, namely the REDD mechanism. The following section shall start by presenting the context within which the REDD mechanism is being designed and hereafter proceeds in giving a short introduction to the REDD mechanism.

3. The Case - REDD

In this section I seek to give the background needed in order to understand the analysis that shall follow. This includes firstly introducing the definition of deforestation and forest degradation and the main driver behind deforestation and forest degradation. And secondly, a summarised guide to the REDD mechanism.

Deforestation and Forest Degradation

There exists disagreement on how rapidly deforestation and forest degradation are taking place; this results partly on the difficulty of measurement (interpretation of satellite images), partly on governments hiding or exaggerating statistics for political reasons, and lastly on the confusion about the definition of the central concepts.⁵⁰ However, United Nations Food and Agriculture Organization estimates that for the period 2000-2005 the net annual loss of forests averaged 7.3 million hectares.⁵¹ The negative consequences of deforestation and forest degradation obviously

⁴⁷ United Nations General Assembly, 1992, Principle 4.

⁴⁸ Ibid. PREAMBLE (f)

⁴⁹ Ibid. Principle 6. (e)

⁵⁰ Miller, T (2005) *Living in the Environment*..Thompson Steele, Inc. US. p.211

⁵¹ Kanninen et al. (2007) “Do trees grow on money? The implications of deforestation research for policies to promote REDD” Center for International Forestry Research (CIFOR) Indonesia. p.5

exceed carbon emissions. They also have an impact on loss of biodiversity, flooding, siltation and soil degradation. Deforestation further poses threats to the livelihoods and cultural integrity of forest-dependent people and the supply of timber and non-timber forest products for future generations.⁵²

Here follows the definitions of some key concepts used in this paper. Forest is defined as a land more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use. According to FAO (The Food and Agriculture Organization of the United Nations), deforestation is defined as conversion of forest land to another land use. According to crown cover, deforestation is defined as the long-term reduction of this parameter below a 10 per cent threshold. This means that deforestation requires drastic land-use change, such as clearing of trees and conversion of forestland to alternative land uses, more often than not, to agriculture. This definition implies that significant forest degradation can take place before crossing the threshold to deforestation. The definition of forest degradation has to do with canopy cover, ecological function, carbon stocks, and other attributed of forests. In the context of REDD schemes, forest degradation can be defined as a partial loss of biomass due to logging or other cause of biomass removal.⁵³ While in a sense carbon emissions may not be as sizeable as in deforestation, forest degradation occurs over large areas and can contribute significantly to overall emission from forest loss.⁵⁴

Agreeing on central definition and fine-tuning details of what exactly counts as deforestation and forest degradation and important. Equally, if not more, important is to understand why need a tool like a REDD mechanism. It is to stop or slow down deforestation and forest degradation. But why are these taking place in the first place?

Drivers of forest loss and degradation vary depending on the country and region. However, in general terms these drivers can be divided into two groups– direct and indirect causes. The former causes are directly linked to the act of clearing or degrading land, including such factors as agricultural expansion, high levels of wood extraction, roads and infrastructure. Indirect causes, often referred to also as underlying causes, refer to those background societal factors that drive these direct causes, including, among others, increasing economic activity, market failures, policy institutional weakness and failures, technological change, low public awareness of forest values and human development factors.⁵⁵ From analysis of deforestation patters of 152 countries, Geist and Lambin suggest three dominant sources of deforestation: agricultural expansion, wood extraction and infrastructure extension. These interact with five principal underlying factors: demographic, economic, technological, policy and cultural variables.⁵⁶

Some of these drivers are planned and sanctioned by governments, for example, serving the needs of industry and farming communities. Policies supporting the expansion of forest product

⁵² Ibid.

⁵³ Kanninen et al. 2007 p. 10

⁵⁴ Ibid.

⁵⁵ Forest and woodland systems p. 587, Kanninen et al 2007 p. 16

⁵⁶ Geist, Helmut J. and Lambin, Eric F. (2002) "Proximate Causes and Underlying Driving Forces of Tropical Deforestation" *BioScience*, Vol. 52, No. 2; pp. 143-150 Published by: American Institute of Biological Sciences

industries and related debt can be a significant force driving deforestation. Unplanned deforestation in turn takes place due encroachment and other illegal uses of forestland. Obviously, tackling these two drivers require different approaches and strategies.⁵⁷

A further distinction can be made between causes that originate within the forest sector itself, and causes originating from other sectors. The former causes are referred to as “intra-sectoral factors”, and the latter as “extra-sectoral” causes. Good to note that most of the drivers contributing to deforestation do not originate from the forest sector itself, rather the predominant cause is agriculture (for food, timber, fibre or energy) or infrastructure development.⁵⁸

One conclusion one can draw from this is that the complexity and diversity of drivers means that there is no one-size-fits-all solution that will address them all. Further, many of these drivers are hard to predict, hence, there will be inherent uncertainty in the ability of REDD policies to result in a given level of increased forest protection.⁵⁹

Short Introduction to REDD

Accounting for approximately 18% of all GHG emissions, land use, land-use change and forestry (LULUCF) activities are a major source of carbon emissions and an active contributor to global warming. The role of tropical forests in mitigating climate change through carbon storage has for long been recognized UNFCCC; afforestation and reforestation (A/R) projects are already acknowledged in the Clean Development Mechanism (CDM) under the Kyoto Protocol whereas all attempts to include avoided deforestation to the CDM faded away.⁶⁰ Projects that mitigate GHG emission by avoiding deforestation and/or ecosystem degradation are at present not eligible carbon credits under the CDM.⁶¹ Currently avoided deforestation projects are allowed only in the voluntary carbon market where they account for 5 % of the overall volume.⁶² Afforestation and reforestation aim to sequester carbon from the atmosphere through tree planting and growth, the former refers to treeplanting projects in areas where there has not been forest cover in the past 50 years and the latter to reforestation projects in areas that were more recently deforested.⁶³ The REDD on the other hand focuses specifically on the conservation of existing carbon stocks in biomass.⁶⁴

The failure to address the emission from deforestation is mainly due to the difficulty in measuring emissions from deforestation.⁶⁵ According to the Stern Review, deforestation represents the largest source of LULUCF emissions.⁶⁶ According to the Intergovernmental

⁵⁷ Boccucci et al. (2008) “REDD and Investment” in Holopainen, J. and Wit, (eds.) *ETFRN NEWS 49: Financing Sustainable Forest Management*. ETFRN & TBI, Wageningen, The Netherlands p. 152

⁵⁸ Kanninen et al. 2007 p. 16

⁵⁹ Ibid. p. 27

⁶⁰ Forner et al. (2006) “Keeping the forests for the climate’s sake: avoiding deforestation in developing countries under the UNFCCC” *Climate policy*, Vol.6, pp.275-294, p. 276

⁶¹ Peskett et al. (2008) “Making REDD work for the Poor”. A Poverty Environment Partnership (PEP) Report. p. 13

⁶² Ibid.

⁶³ Ibid.

⁶⁴ Landell-Mills, N. and Porras, T.I., (2002) “Silver Bullet or Fool’s Gold? A global review of markets for forest environmental services and their impact on the poor.” International Institute for Environment and Development, London, UK. p.4

⁶⁵ Mayers et al. 2008 p.2

⁶⁶ Stern 2006 p.539

Panel on Climate Change (IPCC), 1.6 billion tons of carbon is released annually due to tropical deforestation accounting for about fifth of the current global carbon emissions.⁶⁷ Mayers et al. claim that the emissions reductions needed in order to avoid catastrophic climate change cannot be achieved without reducing forest loss and degradation.⁶⁸ Thus it can be concluded that there is a need for the REDD mechanism since it has a potential to contribute significantly to the global mitigation efforts.

The agenda item on “Reducing emissions from deforestation in developing countries and approaches to stimulate action” was first introduced in 2005 in Montreal by the governments of Papua New Guinea and Costa Rica. The proposal received wide support from Parties and there was general agreement on the importance of the issue in the context of climate change mitigation, particularly in light of the large contribution of emissions from deforestation in developing countries to global greenhouse gas emissions. The Conference of the Parties 13 (COP13) in Bali 2007 adopted a decision on “Reducing emissions from deforestation in developing countries: approaches to stimulate action” (Decision 2/CP.13). In Decision 2/CP.13 “*Requests* the Subsidiary Body for Scientific and Technological Advice to undertake a programme of work on methodological issues related to a range of policy approaches and positive incentives that aim to reduce emissions from deforestation and forest degradation in developing countries noting relevant documents.”

The basic idea on which the REDD mechanism is being designed upon is to provide finance for developing countries to reduce emissions from deforestation or forest degradation through the implementation of various policies and measures.⁶⁹ Such policies and measures may include strengthened law enforcement, fire management and sustainable forest management.⁷⁰ In most proposals the magnitude of the emission reductions is assessed by comparing actual deforestation and degradation rates against a reference scenario commonly called as a baseline, of what would have happened in the absence of the policy measure. Such scenarios could be applied at a country and/or project level and may be based upon historical data only or include projections of expected future scenarios.⁷¹ Countries’ actual emission from deforestation would be measured and revised and any country whose actual level of emissions from deforestation is less than its reference level would be eligible to credit this difference as an emissions reduction achievement.⁷² For the REDD mechanism to produce credible carbon benefits, the baselines needs to demonstrate that the area was under threat of deforestation.⁷³ There are several problems related to the monitoring of changes in forest cover; few developing countries have operational systems at place for monitoring deforestation at national scales. The accurate measurement of past deforestation for national baselines is one of the major issues in the REDD design.⁷⁴

⁶⁷ Kanninen et al. 2007 p. 1

⁶⁸ Mayers et al. 2008 p. 3

⁶⁹ Peskett et al. 2008 p. 5

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Busch et al. (2009) “Comparing REDD mechanism design options with an open source economic model” Center for Applied Biodiversity Science, Conservation International, Virginia, USA.

⁷³ Kanninen et al. 2007 p. 13

⁷⁴ Ibid. p. 9

Hence, while the basic idea may be simple designing such an instrument is not. There is a considerable amount of methodological and political subjects that must be discussed and decided upon. The methodological issues relating to REDD has been discussed in The Subsidiary Body for Scientific and Technological Advice (SBSTA). In COP14 in Poznan SBSTA concluded that before its thirtieth session in Bonn in the beginning of June 2009, the following issues should be dealt with, including:

- reference levels for deforestation
- reference levels for forest degradation,
- the role and contribution of conservation and sustainable management of forests
- changes in forest cover and associated carbon stocks to enhance action on mitigation of climate change to the consideration of reference levels
- the relationship among the reference emission levels and relevant reference levels should be dealt with.⁷⁵

While discussion in SBSTA have been to a great extent concerned about methodologies, even technical issues tend to have strong political underpinnings. SBSTA concluded that “in addition to work identified in these conclusions, guidance from the AWG-LCA in relation to decision 1/CP.13, paragraph 1 (b) (iii), would facilitate further progress on methodological issues relating to decision 2/CP.13, paragraph 11.”⁷⁶ In the AWG-LCA political subjects related to the REDD mechanism have been discussed, the most dominant being the issues of financial mechanism; thus whether it shall be a market-based based carbon offset mechanism or an international funding mechanism,⁷⁷ or possibly a combination of the two.

With regards to the scope of the mechanism, the decision 2/CP.13 recognizes that the REDD mechanism ‘can promote co-benefits and may complement the aims and objectives of other relevant international conventions and agreements’.⁷⁸ The attitudes towards the co-benefits vary a great deal. Those who favour the inclusion of REDD to the climate regime think that since the main purpose of the mechanism is to tackle climate change, not poverty or other factors, it is appropriate to take the ‘as long as it does not do any harm’ position. Such attitude is emphasized in some statements (Tuvalu, for example). Other favour a pro-co-benefit approach and argue that REDD will not succeed unless co-benefits are delivered. The argumentation goes that REDD gains much of its legitimacy from its ability to improve the welfare of the forest dependent poor and foster development in some of the poorest regions of the world.⁷⁹

⁷⁵ FCCC/SBSTA/2008/13 17 February 2009 Agenda item 5 Paragraph 40

⁷⁶ Ibid. Paragraph 47

⁷⁷ Simula, Markku (2008) “Financing flows and needs to implement non-legally binding instrument on all types of forests” World Bank: Program on Forests (PROFOR) p. 51, Peskett et al. 2008 p. 6

⁷⁸ Brown et al. (2008) “How do we achieve REDD co-benefits and avoid doing harm?”. in Angelsen (ed) (2008) *Moving Ahead with REDD. Issues, Options and Implications*. CIFOR, Bogor, Indonesia. p. 107

⁷⁹ Peskett et al. 2008 p. 109

4. Analysis and Discussion

In this section I shall analyse the REDD mechanism through the criteria presented above. The analysis is divided into two parts; in the first part I shall investigate whether my selected criteria has been reflected in the REDD mechanism. This investigation shall be carried out by looking whether these issues

- have been raised in the latest meeting in Bonn in April 2009
- can be found in the latest proposals made by the parties to the convention
- if they have entered the negotiation text prepared by the Chair for the AWG-LCA for the next negotiation round in Bonn in the beginning of June in 2009.

In the second part of the analysis I seek to explore what kind of implications these have in the REDD context. It is, in other words, an attempt to bring this study from the rather abstract level of norms and vague and general statements and documents down to the concrete.

Content analysis

In the last Bonn session, in the contact group on mitigation, the co-benefits were mentioned by, among others, the European Union, Australia, China, Ecuador, and Panama.

Sustainable Forest Management

Bonn Meeting

In the Bonn session in April the concept of sustainable forest management was mentioned in a statement made by *Gabon*.

Proposals

Guyana believes “that forest conservation and sustainable forest management have the potential to play a major role in mitigating the negative effects of climate change”. They go further by stating that “we believe that this [sustainable forest management] is the very *raison d’être* for paragraph 1 b (iii) of the Bali Action plan.”⁸⁰ EU’s proposal states that financial support should “promote the role of conservation and sustainable forest management”.⁸¹ *Suriname*’s proposal discusses how the role of conservation, sustainable forest management and the strengthening of carbon stocks in developing countries could be addressed.⁸²

AWG-LCA Negotiation Text

The negotiation text proposes that “Developing country Parties contribute to enhanced mitigations actions in the {forestry sector} {land-use, land-use change and forestry sector} by reducing emissions, ensuring permanence of existing carbon stocks and enhancing removals, while promoting sustainable development.”⁸³

Social sustainability

⁸⁰ FCCC/AWGLCA/2009/MISC.4 (Part I) p. 99

⁸¹ Ibid. p. 87

⁸² FCCC/AWGLCA/2009/MISC.4 (Part II) p.39

⁸³ FCCC/AWGLCA/2009/8 109.

There are two main guiding points concerning social sustainability that can be derived from the Forest Principles and the NLBI: Firstly, participation of all relevant stakeholder and secondly the issue of the rights of the indigenous and other local communities. In regards to participation, the NLBI stated the importance of promoting the inclusion of all stakeholders in the development, implementation and assessment of forest-related national policies, measures and programmes.

Bonn Meeting

Indigenous people and local communities were mentioned by *Papua New Guinea, Ecuador, Panama, Tuvalu, European Union, and Tanzania*. However, none of the parties went into detail in these issues. This may be due to the fact that statements were not to exceed a two-minute time limit and parties understandably wanted to mention as many issues as possible within that time limit. Representatives of indigenous peoples were present at the Bonn session and made a statement in the contact group in mitigation in regards to REDD issues.

Proposals

In regards to the issue of participation, *European Union* has emphasized the need for a fair and transparent consultation processes with the stakeholders concerned, including local communities and indigenous people. *Ecuador* further calls for broad participation of several sectors from the government and civil society and for a mechanism of consultation directed towards indigenous peoples and local communities.⁸⁴ *Bolivia* further calls for promotion of activities under REDD which “promote and /or ensure transparent and participatory mechanisms to prevent or resolve conflicts over access, use, and ownership rights that could arise during the development and/or implementation of REDD-plus activities.”⁸⁵

Nicaragua on behalf of *Guatemala, Dominican Republic, Honduras, Panama and Nicaragua* state that “Policies and Measures linked to REDD options should promote and assure the participation of indigenous peoples or communities and other relevant stakeholders along the whole cycle of the REDD activities, through their own types of organization and representation.”⁸⁶ *Norway* states that the REDD mechanism should establish an effective procedure to secure free, prior and informed consultation for those effected by national REDD actions.⁸⁷ In *Norway’s* proposal it is stated that “an effective participation of indigenous peoples and local communities in a future REDD mechanism is of utmost importance for successful REDD-implementation.”

In regards to the rights of Indigenous Peoples and other local communities *Bolivia* calls for “strengthened recognition of Indigenous peoples’ and community rights”⁸⁸ In more detail it is stated that “lasting reduction of emissions from deforestation and forest degradation is not possible without the full and effective participation of forest-dependent Indigenous Peoples and local communities.” It further states that “measures must respect and promote the rights and interests of Indigenous Peoples and local communities, including the right to free, prior and

⁸⁴ FCCC/AWGLCA/2009/MISC.4 (Part I)

⁸⁵ Ibid p. 54

⁸⁶ FCCC/AWGLCA/2009/MISC.4 (Part II) p. 38

⁸⁷ Ibid. p. 58

⁸⁸ FCCC/AWGLCA/2009/MISC.4 (Part I) p. 53

informed consent (FPIC), in its design and implementation, in full compliance with relevant international human rights conventions and applicable national laws, including *inter alia*, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Convention on Biological Diversity (CBD), as well as other relevant international, customary and national law.”

In *Norway's* proposal it is stated that “a REDD mechanism should recognize the role and contribution of indigenous peoples and local communities and establish an effective procedure to secure free, prior and informed consultation for those effected by national REDD actions.⁸⁹ *Ecuador* states the REDD activities should include a “mechanisms of consultation directed towards indigenous peoples and local communities”.⁹⁰

The AWG-LCA Negotiation Text

The negotiation text on these matters is currently formulated as follows: “Indigenous Peoples and local communities {should}{shall} be involved in implementation of action and their rights respected, consistent with the provisions established under the respective national legislation or, in its absence, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples.”⁹¹

Ecological sustainability

Bonn Meeting

In the Bonn meeting issues concerning ecological sustainability were not explicitly mentioned, except for the EU, which mentioned it alongside other co-benefits. Here I believe it is good to note that several parties, such as *Ecuador*, *Panama*, *Australia* and *China* mentioned co-benefits, this is a concept in the REDD context that encompasses both social and ecological benefits.

Proposals

The *European Union* propose that financial support should promote “the role of conservation, sustainable forest management and enhanced of forest carbon stocks...” Further the EU propose to “highlight the need for the incentives provided and measured taken under these provisions to ensure achievement of co-benefits, including the protection of biodiversity...”.⁹² *Norway's* proposal states that REDD has considerable biodiversity and sustainable development benefits.⁹³ *Norway's* proposal further has a half page elaboration on biodiversity, most importantly they state that it is *Norway's* view that a REDD regime should be recognized as a potential breakthrough for the conservation of tropical forest biodiversity.⁹⁴ According to the submission by the *United States*, the REDD-plus framework shall provide for further consideration of the economic, environmental and social impacts of REDD-plus, including with respect to promoting biodiversity; the interests of relevant local and indigenous communities and other benefits and

⁸⁹ FCCC/AWGLCA/2009/MISC.4 (Part II) p. 58

⁹⁰ FCCC/AWGLCA/2009/MISC.4 (Part I) p. 95

⁹¹ FCCC/AWGLCA/2009/8 109.

⁹² FCCC/AWGLCA/2009/MISC.4 (Part I) p. 87

⁹³ FCCC/AWGLCA/2009/MISC.4 (Part II) p.53

⁹⁴ *Ibid.* p. 57

risks of REDD-plus.⁹⁵ *Bolivia* further mentions guaranteeing lasting protection of natural forests and reduction and deforestation and degradation.⁹⁶ Norway's submission also mention REDD's potential contribution to the protection of natural forests.⁹⁷

The AWG-LCA Negotiation Text

In the negotiation text, under objectives, scope and principles, these issues are touched upon very shortly: "Broad participation, sustainable forest management, permanence and co-benefits such as biodiversity {should} be promoted, and leakage {should} be avoided".⁹⁸

In the first part of the analysis it was investigated whether and how the guidance of the Rio Forest Principles and the NLBI are reflected in the design of the REDD mechanism. Here it was found that they were raised in the Bonn meeting, mentioned in several proposals submitted by the Parties to the Convention and even entered the negotiation text. In some sense this is reassuring, at the same time the quantity and quality of these reflections were poor. In the meetings the words were just dropped out without much elaboration. Only one of the submitted proposal, namely Norway's, elaborated in more detail on the issues of the rights of the Indigenous peoples and conservation of biodiversity. What has ended up in the negotiation text seems hopelessly weak and definitely inadequate in safeguarding the implementation of these issues. Further, it must be noted that if REDD enters the final negotiation text which is expected to result from the Copenhagen climate meeting in December 2009, the section dealing with REDD is not likely to be more than a page. Considering the other issues that this one page must cover, it may not be realistic to assume that the issues discussed in this paper would be much elaborated there.

Discussion on Implications

Now that I have explored how the guidance offered by the Forest Principles and the NLBI have been reflected in then actual negotiations, proposals and finally in the proposed negotiation text, I shall move to analyse what kind of implications the guidance offered by the two agreements have in the context of the REDD mechanism. Parties to the Convention have not been the only ones occupied with the REDD mechanism. Research institutes and non-governmental organisations have also carried out valuable research. In this section I shall utilize the literature produced by such actors and attain in-depth understanding on what these issues, rights of indigenous peoples and local communities, participation and biodiversity actually mean in the REDD context.

Social Sustainability

In regards to participation, the fact that the Indigenous Peoples made a statement in the AWG-LCA session does not immediately translate into participation that could be considered "active and effective" as stated in NLBI 6 (w). Critics claim that indigenous people have been marginalized in the process so far. It is argued that the integration of different stakeholders to

⁹⁵ FCCC/AWGLCA/2009/MISC.4 (Part II) p. 113

⁹⁶ Ibid. p. 53

⁹⁷ Ibid. p. 54

⁹⁸ FCCC/AWGLCA/2009/8 108

the design phase of the mechanism is of utmost importance; this way also the traditional ecological knowledge would be utilized.⁹⁹

One of the REDD pilot programmes, the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD) seeks to bring stakeholders together in order to ensure meaningful participation, especially in the establishment of REDD payment distribution structures at the indigenous peoples and local community level.¹⁰⁰ The UN Programme further seeks to promote capacity building at the negotiations by ensuring the negotiators and observers, especially NGOs representing local communities and indigenous peoples from developing countries are fully abreast of the latest developments, and effectively participate in the negotiations.¹⁰¹

In regards to the rights of Indigenous Peoples and other local communities the most crucial issue in the REDD context are land tenure and ownership issues. Land tenure and ownership are unclear in many cases, particularly in developing countries,¹⁰² and in much of land under threat of deforestation.¹⁰³ Many developing country governments have failed to recognize the collective customary rights of indigenous peoples over their ancestral forests, or only recognize a small portion of their traditional lands – legally defining the remaining forests as so-called state land. While there has been some recent modest increase in the proportion of forest lands designed for use and ownership by communities and indigenous peoples, most of the forest land in countries that are likely to participate in the global REDD mechanism remain in the hands of the government.¹⁰⁴

Given the potential earning capacity of standing forests REDD compensation payments for governments may create a disincentive to resolve such land disputes and further discourage governments from conceding forest carbon rights to communities.¹⁰⁵ From experience when value of forest and increases, powerful actors tend to capture those values to the detriment of the less powerful forest-dependent poor.¹⁰⁶ Since REDD increases the potential value of natural forests areas, irrespective of timber quality or accessibility it will tempt the public and private sector to appropriate areas previously considered uneconomic. This will disadvantage forest-dependent people.¹⁰⁷ Clear land-ownership is also important in ensuring the responsibility for implementation of REDD activities, determining who the beneficiaries might be and whose opportunity costs need to be met.¹⁰⁸

⁹⁹ Angelsen et al. *Moving Ahead with REDD. Issues, Options and Implications*. CIFOR, Bogor, Indonesia. p.8

¹⁰⁰ UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD) (2008) p. 9

¹⁰¹ Ibid. p.15

¹⁰² Christophersen, Tim et al. (2008) “Sustainable forest financing and the CBD” in Holopainen, J. and Wit, (eds.) *ETFRN NEWS 49: Financing Sustainable Forest Management*. ETFRN & TBI, Wageningen, The Netherlands p.8

¹⁰³ Mayers et al. 2008 p. 9

¹⁰⁴ Brown et al. in Angelsen 2008 p. 115

¹⁰⁵ Ibid. p. 115, Griffiths, Tom (2008) “Seeing ‘REDD’? Forests, climate change mitigation and the rights indigenous peoples and local communities”. Update for Poznan. Forest Peoples Programme. p. 21, Simula 2008 p. 52

¹⁰⁶ Mayers et al. 2008 p. 9

¹⁰⁷ Vickers, Ben (2008) “REDD: a steep learning curve” in Holopainen, J. and Wit, (eds.) *ETFRN NEWS 49: Financing Sustainable Forest Management*. ETFRN & TBI, Wageningen, The Netherlands p.139

¹⁰⁸ Peskett & Harkin 2007 p. 5

Whether REDD shall benefit or marginalize forest communities ultimately depends on local and national arrangements regarding the allocation of benefits within countries.¹⁰⁹ To design a mechanism that ensures the fair and equitable sharing of benefits with local biodiversity stewards, in particular indigenous and local communities is a challenge indeed.¹¹⁰ Secure tenure rights gives local people more leverage in relations with government and private sector. Insecure tenure rights, on the other hand, makes them vulnerable to dispossession due the increased land values and outside interests that are likely to result from the REDD.¹¹¹ There is a great diversity in tenure context across countries with rainforests, of which many appear ill-equipped in practice in ensuring that REDD schemes have good prospects of benefiting local people.¹¹²

There exists a great deal of uncertainty in regards to how REDD funds are distributed within the recipient country i.e. to what level the financial flows shall go; the federal government, district governments, or directly to communities, enterprises and other forest owners? The distribution of REDD funds within the recipient country is one of the key issues for the success of the REDD mechanism. From the pro-poor perspective the main concern is how to avoid that the majority of the payments are captured by elites or the state. Accordingly, equitable benefits for rural landholders and forest owners must be ensured, otherwise conflict may arise between those that are benefiting and those that are excluded. In worst case REDD may increase inequality in rural forests and fuel conflicts.¹¹³ The question is not only to whom the money flows should be directed but further, how these funds should be used. Should they be spent on efforts that would further slow down or stop deforestation or should countries be able to use the funds as they see fit?¹¹⁴

According to a study which explored the potential for REDD policies to deliver local benefits in Central America it was noted that currently proposed REDD policies would deliver few benefits to indigenous people and local communities. Instead, REDD incentives would more likely focus on areas with deforestation threats and mainly benefit large-scale deforesters, such as cattle ranchers.¹¹⁵

If it is uncertain how the costs and benefits of the REDD mechanism shall be distributed within countries, it is equally uncertain how equal the distribution of these costs and benefits shall be between countries. As is the case with other mitigation instruments, it is unlikely that REDD would focus equally on all countries. Since the main function of the REDD mechanism is to achieve substantive emission reductions from deforestation and forest degradation it is likely to target countries with large forest areas, such as Indonesia and Brazil, as well as countries with high deforestation rates, including countries like Honduras, Togo, and Burundi.¹¹⁶ The countries that are unlikely to benefit from the REDD mechanism would hereby be countries with low

¹⁰⁹ Mayers et al. 2008 p. 2

¹¹⁰ Christophersen, Tim et al. (2008) "Sustainable forest financing and the CBD" in Holopainen, J. and Wit, (eds.) *ETFRN NEWS 49: Financing Sustainable Forest Management*. ETFRN & TBI, Wageningen, The Netherlands p.8

¹¹¹ Mayers et al. 2008 p. 3

¹¹² Ibid. p. 25

¹¹³ Simula 2008 p. 52, Griffiths 2008 p. 21

¹¹⁴ Scholz, Imme and Schmidt, Lars (2008) p.143

¹¹⁵ Griffiths 2008 p. 20

¹¹⁶ Scholz, Imme and Schmidt, Lars (2008) in Angelsen (ed) (2008) *Moving Ahead with REDD. Issues, Options and Implications*. CIFOR, Bogor, Indonesia. p.142

deforestation rates or no deforestation. In other words, countries that have already managed to slow or stop deforestation are not likely to benefit from REDD.¹¹⁷ How the co-benefits for poverty and equity are to be realized in it at all, will greatly depend on the ways in which REDD incentive payments are translated into strategies for emission reductions at the national level.¹¹⁸

Ecological sustainability

The importance of forests' role in regards to ecological sustainability is laid out in the Forest Principles' Principle 4, as already mentioned in *selecting criteria*. In this principle forests' role in maintaining ecosystem services, protecting fragile ecosystems, watershed and freshwater resources and as a rich storehouse of biodiversity are recognized.¹¹⁹

The potential co-benefits for biodiversity in the context of the REDD mechanism are no doubt the most widely debated and researched issue under the discussion on co-benefits. Traditionally, the Climate Change Convention has been considered as a threat to biodiversity as some actions proposed to mitigate climate change potentially imply dangers for biodiversity.¹²⁰ This has been the case with the Afforestation/Reforestation schemes under the LULUCF, which tend to favour monoculture of exotic species and to some extent run counter to the goals and objectives of the Convention on Biological Diversity.¹²¹

The REDD mechanism should be distinguished from the A/R activities; as stated already earlier, REDD can potentially support the Convention on Biological Diversity¹²² since conservation is likely to be inherently good for biodiversity.¹²³ For this reason REDD has a unique capacity to promote cooperation between climate and conservation stakeholders¹²⁴ and is an instrument where finally the often-contradicting goals and objectives of the Climate Change Convention and Convention on Biological Diversity can be harmonized. The possible synergy between the UNFCCC and CBD within the REDD mechanism is a much discussed subject.

The benefits that the REDD mechanism offers in terms of biodiversity conservation have the potential to be real, large and globally diffuse. The realization of the biodiversity co-benefits depends essentially on the design of the financial mechanism, i.e. whether it shall be a market-based or a fund-based mechanism. In a market based mechanism REDD funding is likely to flow especially towards areas of high carbon effectiveness. These areas are not necessarily the areas of highest biodiversity. According to Ebeling & Yasue, the global hotspots for biodiversity have high land-uses conversion rates and for such areas carbon finance alone may not be able to outweigh benefits from alternative land-uses.¹²⁵ Furthermore, according to the study carried out by Ebeling & Yasue, evaluating the scope for synergies between REDD (they were only looking

¹¹⁷ Ibid.

¹¹⁸ Brown et al. in Angelsen 2008 p. 112

¹¹⁹ United Nations general assembly 1992, Principle 4.

¹²⁰ Jacquemont and Caparros p. 169

¹²¹ Ibid.

¹²² Convention on Biological Diversity: About Forest Biodiversity

¹²³ Brown et al in Angelsen 2008 p. 116

¹²⁴ Landell-Mills and Porras 2002 p. 24

¹²⁵ Ebeling, Johannes and Yasue, Mai (2008) Generating carbon finance through avoided deforestation and its potential to create climatic, conservation and human development benefits. p.1921

at deforestation) & biodiversity on a country level concluded that countries with high biodiversity index values (i.e. high levels of endemism and threatened species, among other things) did not have high income potential from REDD.¹²⁶ Of course, if left to the carbon markets, they will value carbon, not biodiversity and are designed to focus on the lowest cost options for generating emissions reductions.¹²⁷

A study on the possibilities for high-biodiversity REDD concludes that good governance and implementation capacity in host countries will have to improve substantially if high-biodiversity REDD is to stand a realistic chance.¹²⁸ However, specific and normalized standards may not be acceptable to host countries and it seems therefore sensible to pursue approaches that would create market-driven incentives for implementing REDD activities with high conservation value.¹²⁹ While projects that include co-benefits such as biodiversity conservation might help increase prices since the co-benefits are often sited as a particular attraction of REDD they can also inflate implementation costs due to greater complexities in project design, monitoring and evaluation as well as the necessity for engagement of verifiers to assess the compliance with the standard.¹³⁰ Up to the present, governments have eventually resorted to low-cost compliance options and have primarily or exclusively purchased “cost-effective” credits from large-scale projects, rather than focusing on small -scale activities or projects with particular co-benefits.¹³¹

In a fund-based REDD mechanism a larger set of co-benefits for biodiversity could be captured through broader geographic targeting. The downside of the fund-based mechanism is that compared to the market-based mechanism the funds would, in all probability, be much lower.¹³² Another design feature that shall affect the possible co-benefits for biodiversity is that of the scope of the mechanism. From the biodiversity perspective national level approach is preferable to that of project based approach; more rational landuse planning. However project based approach allows targeting those areas with high biodiversity. They however pose the problem of leakage.¹³³

The second part of the analysis highlighted the implications of sustainable forest management on the issues raised. Here it was also demonstrated how the global architecture of some of the key features, such as the financial mechanism and the scope shall greatly affect the implementation of these aspects. However, it was further explained that there is only that much the global level design of the mechanism can do. Of course it should not foreclose opportunities for developing countries to implement REDD in ways that deliver co-benefits related to poverty reduction, human rights protection and non-carbon ecosystem services and essentially it should

¹²⁶ Ebeling & Yasue 2008 p. 1921

¹²⁷ Ibid. p. 1921

¹²⁸ Ebeling, Johannes and Fehse, Jan (2009) ”Challenges for a business case for high-biodiversity REDD projects and schemes” A report prepared for the Secretariat of the Convention for Biological Diversity (SCBD).

Ecosecurities p. 49

¹²⁹ Ibid.

¹³⁰ Peskett, Leo and Harkin, Zoe (2007) “Risks and Responsibility in Reduced Emissions from Deforestation and Degradation” Forest Policy and Environment Programme. Overseas Development Institute. p. 6

¹³¹ Ebeling and Fehse 2009 p. 49

¹³² Angelsen et al. 2008 p. 115

¹³³ Brown et al. in Angelsen 2008 p. 117

ensure that REDD does not do harm. But eventually the implementation of REDD will be on the responsibility of national governments.

The criteria I suggested to function as a guidance for the design of the REDD mechanism fits into the REDD context under the concept co-benefits. I believe that the wording here is of fundamental importance. Co-benefits are something that comes on the side; REDD does not seek to deliver biodiversity benefits, or secure the rights of indigenous or other communities, it seeks to deliver emission reductions from deforestation and degradation. The fact that it at the same time has the potential to deliver wider social and ecological benefits is, of course, positive. But these benefits are not what drive the mechanism. From this it follows that if securing benefits for biodiversity would require any action that would be at odds with the goal of attaining carbon emission reduction, there is no doubt which objective shall triumph. This in mind, it seems that the biodiversity co-benefits are more likely to be realized within the REDD mechanism than the benefits for Indigenous peoples and local communities. Securing the former requires no extra effort, they are likely to follow rather automatically. Securing the latter on the other hand will not happen automatically as discussed above.

5. Conclusions and implications

My first research question was “*how the norms of the forest regime, as laid out in the Forest Principles and the NLBI, have been reflected in the design of the REDD mechanism?*”. The first part of the analysis demonstrated that they have been partly reflected, the current negotiation text implies that traces of these reflections may end up in the final negotiation text that is expected to be the outcome of the COP15 in Copenhagen in December 2009. The second research question was the following, “*What implications would the recognition of these norms have for the REDD mechanism?* With regards to this second question I have found out that the recognition of the normative guidance of the two agreements in the global architecture of the mechanism would have very little, if any, implications in the concrete level. As discussed, in the very end, the practical implementation of these norms shall fall into the realm of national governments.

Finally, the likely failure to address these issues in an adequate manner in the concrete level within the REDD can hardly be put to the shoulders of the climate conventions. The poor record of transferring norms to practice is, after all, the legacy of the forest regime that shall, in probability, be inherited by any instrument entering this realm of reality. I believe that the core problem can be found by looking for the reason why states failed to agree on a globally binding forest agreement in Rio in 1992. As mentioned in *the introduction to the Forest Principles and the NLBI*, a key obstacle for legally binding convention was the principle of sovereignty, which was also strongly formulated as the first, 1(a) and the second, 2(a), principle of Forest Principles. I believe that this principle has been internalized to the extent that it unconsciously and automatically overrides any other norm in these agreements.

Should one then fall into despair and understand any attempt to save our global forests as a loss case? Of course not. Taking a constructivist standpoint, one must bear in mind that norms, as the rest of our social reality, are socially constructed. Norms are not static and outside our reach. Norms are in a continued process of construction, rather they change and evolve over time. And norms can be violated, referring also to the norm of sovereignty.

To conclude, based on my analysis, I do not find that there is such a great problem of a clash between the climate and forest regimes in the context of the REDD mechanism. Surely they embrace different views on forest but nothing indicates that the climate regime could not integrate a broader view as suggested by the forest regime, into its agenda. Rather the problem is that more powerful norms exist within the international environmental, such as sovereignty. Exploring and valuating such norms, exploring the power balance between them and recognizing where they co-exist and collide is an utterly exciting subject but has not been elaborated fully in this paper. I would, however applaud efforts of others in this direction.

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