Governance features for successful REDD+ projects organization

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ABSTRACT

Projects aiming at reducing emissions from deforestation and forest degradation (REDD+) still account for a small share of the voluntary carbon market. Indeed, although carbon buyers claimed REDD credits to be the most desirable ones, and despite the steps forward for a REDD+ approval under the UNFCCC, REDD+ project development appears problematic. Good governance is often a prerequisite for the development of a REDD+ project.

With the scope of determining the governance features for a successful REDD+ project, the research proposes a logical framework for REDD+ project governance assessment. Starting from the Governance of Forests Initiative Toolkit developed by the World Resource Institute, a set of REDD+ governance indicators are selected and applied in two Peruvian REDD+ field case studies. The methodology is then tested on REDD+ projects where no primary information is available.

REDD+ projects are found to be successful when transparency and accountability are carefully addressed and when forest management and land use planning are endorsed. In this sense the Forest Stewardship Council certification appears to be an important pre-condition for the success of REDD+.

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1. Introduction

Forest degradation and deforestation mainly occur in the tropics and account for at least 15% of the global anthropogenic emissions of greenhouse gasses (Van der Werf et al., 2009). During the 15th Conference of the Parties (COP-15) of the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen, projects aiming at reducing emissions from deforestation and forest degradation and supporting the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+) were confirmed as priority measures to reduce forestry-based carbon emissions through a regulated market (UNFCCC, 2009). The early Avoided Deforestation (AD) proposal called for a national level implementation to prevent leakage risks inherently associated with project-based forest conservation activities (Santilli et al., 2003). Despite this, the need for a rapid on-the-ground testing of the AD proposal has allowed the development of pilot project-based activities under the broader set of initiatives projected by the United Nations REDD Programme and the World Bank Forest Carbon Partnership Facility. The possibility of developing sub-national activities, either at provincial or federal state level, has been called the "hybrid or nested"

approach (Pedroni et al., 2008) and is likely to heavily involve local institutions. In the short term fast track actions are likely to be financed through bilateral and multilateral agreements, as confirmed during the REDD+ Partnership meeting at the Oslo Climate and Forest Conference held in May 2010 and seeing a pledge of 4 billion USD.[1]

Parallel to the policy discussion on the regulated market, REDD+ projects are already reaching the end of the pipeline in the voluntary carbon market. Single project interventions are likely to play an important role in both the markets, regulated and voluntary.

Despite the intense and sometimes passionate international political debate, so far the role of REDD+ projects in the voluntary Over-the-Counter (OTC)[2] market has been marginal (Hamilton et al., 2007; Hamilton et al., 2008; Hamilton et al., 2010) (Fig. 1). Apart from the traditional difficulties for project developers to demonstrate additionality, ensure permanence, no leakage effects and correct baseline estimation connected to the delay in the approval of REDD+ methodologies (Hamilton et al., 2009), there are critical organizational aspects related to governance, such as dealing with stakeholders' participation (e.g. governments and forest dependent communities), tenure of land and carbon credits, transparency and accountability in the decision-making process, etc. (Lawlor et al., 2010).

In fact, a good governance system, based on a clear regulatory framework, effective law enforcement and transparent and participatory

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[1] www.oslocfc2010.no.
[2] The voluntary market is divided into two branches: the wider, non-binding "Over-the-Counter" (OTC) offset market and the Chicago Climate Exchange (CCX), a voluntary but legally binding cap-and-trade system.

Note: A/R = afforestation and reforestation; IFM = improved forest management; REDD = reducing emissions from deforestation and forest degradation; TOT for = total forestry.
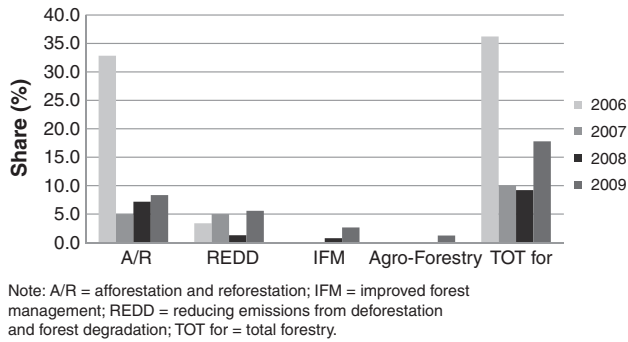
Fig. 1. Forestry projects in the voluntary "Over-the-Counter" market by type, from 2006 to 2009.

decision-making, is often claimed as an essential element for the successful implementation of REDD+ projects (Saunders and Reeve, 2010; Forsyth, 2009; Saunders et al., 2008). Funds provided to countries with poor governance systems are likely not to be used in an efficient and effective way unless they are invested, at least to some extent, in improving the governance system.

The debate on governance in the forestry sector, and recently in particular concerning REDD+, is dealing with national or international governance issues, their measurement and monitoring. Several initiatives are developing forestry and REDD+ governance indicators applicable either at international or national level. Saunders and Reeve (2010) reviewed at least 11 initiatives of this type. Special attention to governance systems is justified by the fact that the national circumstances also influence the decision-making capacity at local and project level (Kjær, 2004). This is the case for example of land tenure or, in the case of REDD+, the importance of avoiding international leakage (Saunders and Reeve, 2010).

However, as suggested above, in the short term a stepwise approach to REDD+ based on single project to national strategies is also likely to have realistic impacts and generate useful experiences. Thus, parallel to the national and international governance dimension it is necessary to understand what features of the governance are positively affecting the success of single REDD+ projects.

The purpose of this paper is to contribute to the understanding on the influence of governance features on the success of single REDD+ projects. Independently of the adopted definition, governance entails a network of actors and rules at local, national and international level pursuing a common goal (Sandbrook et al., 2010). In the case of REDD+ the common goal is to reduce or halt forest degradation and deforestation, and the network can be identified as the REDD+ project actors, their decision-making process, participation instruments, interactions and adopted rules. This study will try to focus on the governance level within the single project network.

The specific objectives of the study include: (a) developing a logical framework for analyzing the governance features of REDD+ projects on the basis of the broad set of data collected in two REDD+ case studies; (b) tuning and improving the logical framework through the analysis of REDD+ projects for which only secondary data were available.

Consequently this study will try to answer the following question: what are the governance features that determine the success of a REDD+ project? How can these governance features be systematically analyzed and monitored?

2. Methodology and case studies

There is no recognized methodology to assess which governance features should be considered for the successful organization of a single REDD+ project (Motel et al., 2009). The exploratory logical framework

for REDD+ project governance assessment developed in this study is based on four steps (Fig. 2):

1. definition of a logical framework based on the identification of governance indicators applicable to the analysis of single REDD+ projects;
2. case studies selection;
3. testing of the selected governance indicators in two REDD+ case studies through field analysis with primary and secondary data and identification of relevant governance indicators for the success of REDD+ projects;
4. testing of the relevant governance indicators in other REDD+ projects in the same country as the case studies and for which no primary information is available.

2.1. Development of a logical framework for analyzing the governance features for REDD+ projects

Applicable governance indicators are taken from those developed by the World Resource Institute under the Governance of Forests Initiative (GFI) (Brito et al., 2009). In the 2009 publication "*The Governance of Forests Toolkit (Version 1): a draft framework of indicators for assessing governance of the forest sector*", the GFI suggests 5 principles of good forest governance (transparency, participation, accountability, coordination and capacity) and details 94 indicators analyzing four core governance issues (forest tenure, land use planning, forest management, forest revenues) divided into three governance components (actors, rules and practice). The latter distinction is not considered in this study due to time constraints and the need to focus on principles of good governance and core forestry issues. Therefore, only those indicators applicable to the project level (local level) are taken into account; indicators exclusively referring to the national/international analysis are excluded.

2.2. Selection of case studies

Both the selected case studies, the Maderacre & Maderyja Madre de Dios Amazon REDD Project (on forward M&M) and the Belgica REDD Project (on forward Belgica) are located in south-east Peru, close to its borders with Brazil and Bolivia (Fig. 3). The project areas are adjacent, close to the newly opened *Carretera Interoceanica Sur (South Interoceanic Highway)* in the Amazon Basin area. Extensive primary and secondary information concerning the organization of the projects was collected during 2009. A summary description of the two projects is presented in Table 1, following the Forest Carbon
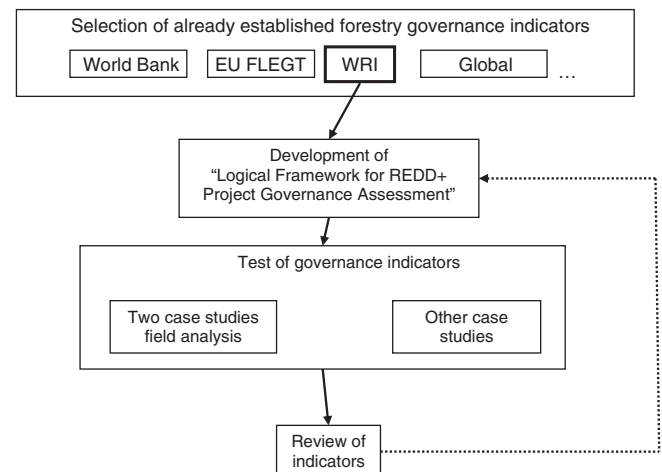

Fig. 2. Research methodology organization.