Hertie School
of Governance

Student Paper Series

Global forests, local development? An Assessment of REDD Readiness in Latin America

By Ana Carolina Alfinito Vieira (MPP 2012)

Thesis Advisor: Prof. Dr. Henrik Enderlein

Practice Institution: Heinrich Böll Foundation

HSSPS 02 | 2013

Table of Contents

Executive Summary

Reducing Emissions from Deforestation and Forest Degradation (REDD) is often portrayed as a policy that will mitigate climate change whilst fostering social and environmental improvements in the most isolated and under-developed regions of the world. Our work sets out to assess this claim by evaluating whether REDD is effectively designed as an instrument that is suitable for generating local development in forest regions. After revealing the underlying governance rationale through which REDD is expected to generate positive outcomes on the global and local levels, we develop a framework to assess whether the REDD strategies developed through the FCPF and the UN-REDD Readiness initiatives are putting in place the policy environment that is necessary for REDD to function as a development mechanism.

Through the comparative analysis of six national Readiness strategies from the Latin American region, we reveal that policies designed under Readiness systematically pay more attention to the development of baseline emissions scenarios and MRV systems than to the establishment of the policy conditions that must be in place for REDD to generate local development.

Our analysis suggests that a number of policy design elements might be resulting in the failure of national REDD strategies to address underlying governance problems. The phased approach to Readiness creates incentives for governments to rush through the institutional reform stages, and REDD's current design only rewards quantifiable GHG emissions reductions, providing few incentives for countries to invest in social and environmental improvements. Furthermore, the reliance on carbon market finance and the operational structure of the FCPF may also result in overinvestments in MRV systems to the detriment of more complex institutional reforms. We conclude by presenting a set of recommendations for reforming the underlying governance logic of REDD in order to enhance its potential as a local development mechanism.

List of Acronyms

APA	Amerindian Peoples Association
BSM	Benefit sharing mechanism
CER	Certified Emissions Reductions
CDM	Clean Development Mechanism
COP	Conference of the Parties to the United Nations Framework Convention for Climate Change
CSO	Civil society organization
ER	Emission Reductions (under the FCPFs Carbon Fund)
ERP	Emission Reductions Programme
ERPA	Emission Reductions Payment Agreement
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Programme
FPIC	Free, prior and informed consent
GDP	Gross Domestic Product
GFC	Guyana Forest Commission
GHG	Greenhouse gas
HDI	Human Development Indicators
IP	Indigenous peoples
LC	Local Communities
LCA	Ad-hoc Working Group for Long-term Cooperative Action (under the UNFCCC)
LCDS	Low Carbon Development Strategy
MAE	Ministry of Environment of Ecuador

MCI	Monitoring, control and inspection
MRV	Monitoring, Reporting and Verification
NPD	National Programme Document (to the UN-REDD Programme)
PC	Participants Committee (to the World Banks FCPF)
PES	Payment for Ecosystem/Environmental Services
PID	Project Information Document
REDD	Reducing Emissions from Deforestation and Forest Degradation
REL	Reference Emission Level

List of tables and figures

Chapter One
Introduction and methodology

1.1 Introduction to topic

Forestry has become one of the most controversial topics in international climate negotiations. Questions of whether and how to incorporate forest sector greenhouse gas (GHG) emissions into a post-Kyoto climate regime have been at the centre of the United Nations Framework Convention on Climate Change (UNFCCC) debates, and crucial problems remain unresolved. Controversies surrounding the introduction of forest carbon into the climate regime result from the technical complexities that are intrinsic to this sector - those same complexities that prevented forest conservation from being included in the Clean Development Mechanism (COP/UNFCCC, 2001). Uncertainties regarding the measurement of forest carbon stocks, the establishment of baseline emission levels, the prevention of leakage and the development monitoring systems remain problems with no simple solution.

Such controversies become even more complex due to the multi-layered structure under which climate change is governed. Policy decisions are made at many levels by various actors operating in diffuse networks, and any given policy proposal is constantly circulated amongst multiple spheres of governance (Newell and Bulkeley, 2010, p. 54). In this context, questions of agency and accountability become important. How are different actors interacting to shape decision making? And will the resulting policy achieve the stated goals of the international climate regime, which encompass not only climate change mitigation but also the promotion of local development and the enhancement of environmental quality? These are the underlying questions that will guide the present study.

The idea of including reduced deforestation into a global GHG mitigation strategy was first presented in the 11th Conference of Parts to the UNFCCC. There, the governments of Papua New Guinea and Costa Rica submitted a joint proposal supporting the inclusion of strategies to Reduce Emissions from Deforestation (RED) into the global climate regime (Governments of Costa Rica and Papua New Guinea 2001). Their argument was that

forest sector emissions are significant drivers of climate change, and that in the absence of global efforts to halt forest destruction in developing countries, forest sector emissions would continue to rise. The argument was that deforestation occurs primarily because trees are worth nothing while standing up, making forests more of an obstacle to economic development than an asset and creating incentives for deforestation. If international cooperation could shift the economic balance behind land use change by attributing monetary value to forest carbon, incentives to preserve forests would be created and forest conversion would be reduced.

After 2005, discussions on forestry and climate change took off at an impressive speed. In 2007, the Bali Action Plan put forth the concept of *Reducing Emissions from Deforestation and Forest Degradation, sustainable forest management, and enhancement of forest carbon stocks* (REDD+).[1] Parties to the UNFCCC were thereby encouraged to "*explore a range of actions, identify options and undertake efforts to address the drivers of deforestation relevant to their national circumstances.*" (COP 13/UNFCCC, 2003).

But the discourse legitimizing REDD does not confine itself to the goal of reducing GHG emissions. Much like the CDM, REDD is framed as a strategy to promote the sustainable development of non-Annex II countries. By channelling investments to some of the poorest, most isolated regions of the world, a global forest carbon programme is expected to generate livelihood improvements for poverty-stricken and forest-reliant populations, to gift them with income and to foster sustainable forms of land use.

As laudable as this might be, there are many reasons to question the effectiveness of REDD as a development mechanism. Such a scheme will affect many of the poorest regions of the world, places where governance is fragile and institutions such as property rights and law enforcement are typically weak and problematic (Brown, Seymour and Peskett, 2009). Many international programmes have previously tried and failed to improve forest governance and better the livelihood of forest dwellers by injecting investments into forest management (Corbera, Brown and Adger 2007; Angelsen 2009).

[1] The "+" in "REDD+" refers to the additional activities of sustainable forest management and carbon stock enhancement currently contemplated in the forestry debates at the UNFCCC. For the sake of simplicity, we will use the acronym REDD throughout this study.

They failed because they did not take into account the underlying drivers of deforestation and the problematic institutional infrastructure available for governing such areas.

Furthermore, there are stakeholders interested turning REDD into nothing more than a cost-effective mechanism to generate carbon offsets for compliance and voluntary markets, ignoring the social and environmental risks involved in such a project. And these risks are high. Without the improvement of underlying structures such as land tenure security and law enforcement, the valuation of forests may be extremely prejudicial to the livelihoods of local communities. Examples of forest carbon deals leading to human rights abuses, dispossession and concentration of land ownership are growing by the day, and any development-oriented REDD programme will have to work hard to avoid these pitfalls (Carbon Trade Watch, 2010; Peskett et al., 2008).

From previous failed efforts to preserve forests, policy makers have recognized the importance of addressing underlying governance issues behind deforestation. And while no agreement is reached on what REDD will become in the post-Kyoto regime, multilateral development organizations and national governments have taken it upon themselves to improve the institutional structure of countries interested in taking part in future REDD activities through the so-called REDD-Readiness initiatives. These initiatives have the objective of preparing developing countries to receive REDD in the future by providing them with financial and technical support.

The question of whether REDD will be effective in fostering local development and improving the livelihood of local communities largely depends on the design of Readiness initiatives, which may or may not build the necessary policy environment for REDD to achieve its development goals. Currently, two large Readiness strategies are being implemented: the World Bank Forest Carbon Partnership Facility (FCPF) and the United Nations REDD Programme (UN-REDD). Our work will focus on the design and outputs of these initiatives.

1.2 Research question and methods

In this context, our work sets out to answer the following question: Are the national REDD strategies being constructed in Latin America under the UN-REDD Programme

and the FCPF putting in place a model of REDD that is oriented toward improving the livelihood of forest reliant communities and fostering sustainable land use?

The goal is to assess national Readiness strategies according to their *suitability* for attaining the stated development objectives of REDD. It can be inferred from this that we do not intend to measure the direct impacts of these programmes on local development, namely because most of the policy reforms that are to take place under Readiness have not yet been implemented. At this stage, it is important to examine the policy strategies that are being built under Readiness and assess if these initiatives are fostering development-oriented policy reforms. Thus far, many Latin American countries have developed national REDD strategies and submitted them to the FCPF and the UN-REDD in order to obtain funding for implementation. It is therefore possible to evaluate and thereby reveal certain patterns in the Readiness programs.

In order to answer this question, we will follow a four-step process: After presenting the role of Readiness and the development objectives of REDD, we will reveal the in-built governance rationale through which REDD is expected to generate local development and identify a set of prerequisites that must be in place in order for the logic to operate effectively – we call these the *preconditions for effectiveness*.

We will then develop an analytical framework for assessing whether REDD strategies are putting in place the underlying conditions for effectiveness and preparing structures to promote poverty alleviation and sustainable land use through carbon finance. Finally, we will apply the framework to six Latin American countries in order to assess whether the policy environment being built under Readiness fulfils the conditions for effectiveness of a development-oriented REDD. This will allow us to, on the one hand, assess individual country strategies, and, on the other, evaluate the Readiness initiatives on an aggregate level and map out which policy outcomes and reforms are being favoured by these programs.

1.3 Relevance of Work

The present study is based on the assumption that despite the "triple-win" discourse that legitimizes REDD as being good for the environment, good for the climate and good for

the people, promoting local development through carbon valuation in areas of limited governance is complex task. The risk of REDD resulting in a loss of welfare for local communities, land grabbing, and human rights violations is extremely high (Kanowski, McDermott Cashore 2011; Carbon Trade Watch 2010). These risks mean not only that the instrument may fail to promote sustainable and equitable development, but also that efforts to reduce forest sector GHG emissions may be unsuccessful. If local stewards of forests do not feel they are benefiting from REDD, the legitimacy of the programme is reduced, and incentives to drop out increase (Corbera, Brown and Adger 2007). If they feel threatened, sectors of civil society will do what is possible to block REDD negotiations – a trend that has been increasing since COP-15.

Therefore, the local impacts of REDD must be taken seriously. Failing to do so might imply not only the fiasco of one more promising strategy to tackle climate change, but also the loss of livelihood of highly vulnerable and historically disadvantaged populations – a matter of both political and ethical importance. Both outcomes can be better avoided through careful policy design and evaluation.

In this context, our works seeks to add two dimensions to the current – and abundant – literature on REDD. First, and differently from most of the existing literature, we argue that REDD design is already – and despite the fundamental indecision at the UNFCCC - being consolidated. There is a vast body of literature on the potential policy designs of REDD, but this literature focuses on listing and explaining different policy options (Angelsen, 2008; Angelsen, 2009; Karsenty 2008; Meridian Institute, 2009). We argue that while listing and understanding possibilities is an important exercise, there is already a REDD strategy being constructed, and this strategy deserves more attention and scrutiny. The possibilities for REDD design have already been narrowed, mainly due to the action of transnational governance networks under the leadership of the FCPF and UN-REDD. Although these networks have no official hierarchical power, through their work with Readiness they are forwarding a very specific design for REDD, rooted in carbon market finance and in payments for carbon mitigation outputs.

Second, we seek to provide a sound analytical framework to assess an argument that has been made by several CSOs: despite the lip service they pay to promoting local

development and livelihood improvement, Readiness initiatives have a very narrow focus on building infrastructure for carbon accounting in developing countries (Dooley, et al. 2011; Dooley, Griffiths and Ozinga 2009). This narrow perspective is said to divert investments away from the underlying institutional reforms and improvements that are necessary for REDD to operate as a development mechanism. We therefore provide a framework with objective criteria to assess if this claim is true, and also to suggest ways of remedying Readiness.

1.4 Structure of work

Our study will be divided in six chapters. *Chapter two* will briefly present the role of Readiness initiatives in REDD governance and analyse how the stated development goals of REDD are framed by the UNFCCC and the Readiness operational frameworks.

Chapter three will reveal the in-built governance rationales of REDD, assessing how a global strategy to mitigate forest GHG emissions is expected, in theory, to foster the local development forest regions. Next, we will establish a set of prerequisites or conditions that must be in place for REDD+ to operate in practice as as it is expected to in theory.

Chapter four will present the analytical framework we developed to assess the degree of development-orientation of national REDD strategies constructed under Readiness, and in *chapter five* will apply this framework to six Latin American Countries and scrutinize which kinds of policy reforms are being put in place under Readiness, finally revealing if the FCPF and UN-REDD are operating as development-oriented initiatives.

Finally, *chapter six* will present our conclusions policy recommendation for enhancing the local development potential of REDD+.

Chapter two

Global goods, local development: REDD and positive synergies in the discourse of the UNFCCC and Readiness

Among the various policy actors and policy arenas involved in the governance of REDD, our study focuses on understanding the role and impacts of two organizations that have assumed leading positions in the process of designing and implementing forest carbon mitigation strategies: the World Bank Forest Carbon Partnership Facility (FCPF) and the United Nations Collaborative Program on Reducing Deforestation and Forest Degradation (UN-REDD).[2] These organizations have taken the lead in helping countries prepare to integrate a future system for mitigating forest carbon emissions. This preparation process, which includes policy reform, infrastructure investments capacity building and institutional reform, is referred to as *Readiness*.

The present chapter will describe the role played by these organizations and by the Readiness initiatives in the governance of REDD (section 2.1) and will analyse how local development outcomes – which encompass environmental and social dimensions – are framed in their discourse and operational framework (section 2.2).

2.1 The role of Readiness: preparing the ground

Readiness initiatives can be better understood in the context of recent COP/UNFCCC decisions. The most important political accords regarding the design and implementation of a forest carbon mitigation strategy were negotiated in three Conferences of Parties: COP-13 in Bali, COP-16 in Cancun and COP-17 in Durban. The Bali Roadmap (COP/UNFCCC, 2003b) was the first decision to recognize REDD as a potential emissions mitigation strategy and to encourage country Parties to invest in REDD demonstration activities. The Roadmap was a catalyst for REDD, urging developed nations to pool together resources for forest conservation and emphasizing the need for long-term finance targeted at building institutional and infrastructural capacity in

[2] For more detailed and thorough accounts of the institutions involved in climate change governance, see: Giddens, 2011; Newell und Bulkeley, 2010; and Faure, Gupta und Nentjes, 2003.

developing countries. Initial investments in infrastructure, institution and capacity building were expected to be large and would entail high risks; furthermore, the public good nature of such investments precluded large-scale finance from the private sector (Dutschke and Wertz-Kanounikoff, 2008; Ardot, 2010). Given the unwillingness or incapacity of developing country governments to finance these investments, the costs were covered by international grant finance operating through the so-called REDD-Readiness initiatives.

The World Bank launched the FCPF in 2008, shortly after COP/13. Its goals were to support countries in the development and implementation of REDD and to catalyse private investments in forest carbon mitigation. Also in 2008, the United Nations launched the UN-REDD Program as a platform for collaboration among the United Nations Development Program (UNPD), the United Nations Environment Program (UNEP) and the Food and Agriculture Organization (FAO). These organizations are to provide financial support and technical assistance to developing countries as they design and implement their national REDD strategies.

Experiences from the FCPF and UN-REDD are shaping international understanding about what REDD will look like and how it is to be implemented. Today these programs provide finance and technical support to nearly all countries developing REDD strategies.[3] Investments from Readiness go basically into two areas: (i) technical support for the development of GHG emissions baselines and of monitoring, reporting and verification systems for forest carbon stocks (MRVs); and (ii) institutional reforms that seek to improve the policy environment in forest regions. In theory, this includes improvements in land tenure, the design of participative decision making processes, the strengthening of law enforcement and conflict resolution mechanisms in forest regions, etc.

The FCPF currently works with 37 developing countries, and more than US$ 230 million have been committed to the Facility by country governments and CSOs (Forest Carbon

[3] Brazil is the most notable exception to the global outreach of these Readiness initiatives, since it receives bilateral Readiness funding from the governments of Norway and Germany and manages REDD finance the nationally administered Amazon Fund.

Partnership Facility, 2012). [4] Operating under the World Bank Carbon Finance Department, the FCPF consists of two separate mechanisms: the Readiness Mechanisms, which assists countries in preparing of a REDD strategy, establishing a national reference scenario and a carbon monitoring, reporting and verification system (MRVs); and a Carbon Finance Mechanism, through which the FCPF will pilot incentive payments for REDD in developing countries (Forest Carbon Partnership Facility, 2008). To integrate the Readiness mechanism, countries must first submit a Readiness Plan Idea Note – R-PIN. If approved, the Readiness Fund will grant up to US$ 200,000 for the country to prepare a Readiness Preparation Proposal (R-PP) where the roadmap for readiness is laid out, followed by a grant of up to US$ 3,4 million to support implementation of the R-PP. After the R-Package is delivered, countries are considered *Ready* and may participate in Emission Reductions Payments Agreements (ERPAs) under the Carbon Fund. It should be noted that, while Readiness Fund contributions are grants, the Carbon Fund investors are expecting a return on their investments –namely in the form of carbon credits (Forest Carbon Partnership Facility, 2008; Dooley et al. 2011).

Moreover, approximately US$ 120 million have been committed to the UN-REDD Program to date (UN-REDD, 2012). UN-REDD currently works with 29 partner countries. To receive funding, counties must submit National Program Documents (NPDs), which include an overview of the country's situation with regard to forest laws and management and identifies major targets to be achieved through Readiness. To date, the National Programmes of 13 Pilot Partner Countries have been approved, with 10 countries currently in the implementation phase.

As these organizations provide the finance for REDD, they also engage in important governance activities such as soft rule and standard setting, benchmarking and information sharing. They function as hubs in policy networks that bring together the various stakeholders of REDD. Through the soft authority provided by their financing power and their centrality in policy networks, the WB and UN-REDD have become key players in REDD design and implementation.

[4] Contributors to the FCPF include governments of Australia, Finland, Germany, Japan, Netherlands, Norway, Spain, Switzerland, United Kingdom and United States of America. The European Commission and The Nature Conservancy are also financial contributors (Forest Carbon Partnership Facility, 2012).

The importance of these programs is evident. By determining how governments write out their Readiness strategies, setting benchmarks and best practices (Forest Carbon Partnership Facility, 2010; UN-REDD Programme, 2011), providing technical assistance and finance, these initiatives use several modalities of soft power to influence policy outcomes. And due to the nature of readiness – which encompasses deep and long-term policy reform – the consequences of these initiatives are likely to be long-lived. This is why it is so important to study and scrutinize them.

2.2 Promises, promises: Local development in the REDD discourse

Promises of local development are stamped all over the REDD discourse. They are to be found in the global climate debates, in the pictures and pamphlets of the FCPF and UN-REDD, and in the demands of civil society organizations. Behind these promises lies the implicit assumption that REDD has the potential to improve the livelihood of local communities whilst reducing GHG emissions and mitigating climate change. But the backdrop against which REDD gains its normative dimensions of development promotion is more complex: as the forest conservation strategy, REDD must differentiate itself from previous conservationist efforts that have brought much harm to forest reliant communities. In the past, conservationist forest management has been conducted to the detriment of local communities, which were politically marginalized and many times forced to leave their lands or deprived of autonomy over land use (Schelhas and Pfeffer 2008). Why would REDD be any different?

Ever since the idea of RED emerged in 2005, strategies to mitigate forest-sector GHG emissions have been increasingly framed as local development mechanisms. This is, on the one hand, associated to the normative framework of the UNFCCC, which is rooted upon the principles of equity and sustainable development (UNFCCC, 1992, Article 3.1). The Convention states that efforts to tackle climate change should “be appropriate for the specific conditions of each Party and should be integrated with national development programs, taking into account that economic development is essential for adopting measures to address climate change” (UNFCCC, 1992, S. Article 3.4).

Furthermore, the development goals of REDD also have to do with the regions in which such programs will be implemented. According to the World Bank, forest resources directly support the livelihoods of 90% of the 1.2 billion people living in extreme poverty (World Bank, 1994). Local communities depend on forests as a source of fuel, food, medicines and shelter and the loss of forests jeopardizes poverty alleviation. In this sense, an international strategy that channels resources to poverty-stricken and politically marginalized communities has the potential to generate unprecedented social benefits, and these synergies have been present throughout REDD discussions.

Due to all these factors, local development goals have been incorporated into UNFCCC decisions on REDD and into the operational framework of Readiness initiatives. Such outcomes can be classified in two broad categories: *poverty alleviation* and *sustainable land use promotion*. The goal of poverty alleviation is straightforward: local and poverty-stricken populations should receive and benefit from REDD finance. The goal of sustainable land use implies that REDD should improve the multiple dimensions of local environmental quality, including biological diversity, water and soil quality and ecosystem services.

The table below presents the framing of such development objectives in the Cancun and Durban Agreements (COP/UNFCCC, 2010; COP/UNFCCC 2011):

Table 2.1: Local development in COP/UNFCCC decisions

Local development dimension	COP decision/ document	Full text
Poverty alleviation	**Decision 1 CP/16, Annex I, §1**	National strategies to tackle REDD should be implemented in the context of sustainable development and reducing poverty while responding to climate change.
	Decision 1 CP/16 Annex I, §1	REDD activities should "be consistent with the objective of environmental integrity and take into account the multiple functions of forests and other ecosystems;"
	Decision 1 CP/16 Annex I, §1	REDD is to promote sustainable management of forests.
Sustainable land use	**Decision 2, CP 17**	The construction of forest reference levels and forest emission reference levels needs to be flexible so as to accommodate national circumstances and capabilities, while pursuing environmental integrity and avoiding perverse incentives.
	Decision 1 CP/16 Annex I, §2	REDD actions are to be consistent with the conservation of natural forests and biological diversity, ensuring that actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.

The local development outcomes presented above are to be ensured through a system of environmental and social safeguards that should be "promoted and supported" (COP/UNFCCC, 2010). These safeguards include the respect for knowledge and rights of indigenous peoples and members of local communities, the full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, and the promotion of synergies between local and global environmental benefits of REDD. In Durban, the COP agreed that developing country parties should provide a summary of information on how all of the safeguards are being addressed and respected throughout the implementation of Readiness activities.

These same promises of local development are also present in the discourse of the Readiness initiatives. In its official brochure, the WB-FCPF makes reiterating references to providing "fresh sources of finance (…) to the more than 1.2 billion people who depend to varying degrees on forests" (FCPF, 2008, p. 6). In the same document, it is stated that:

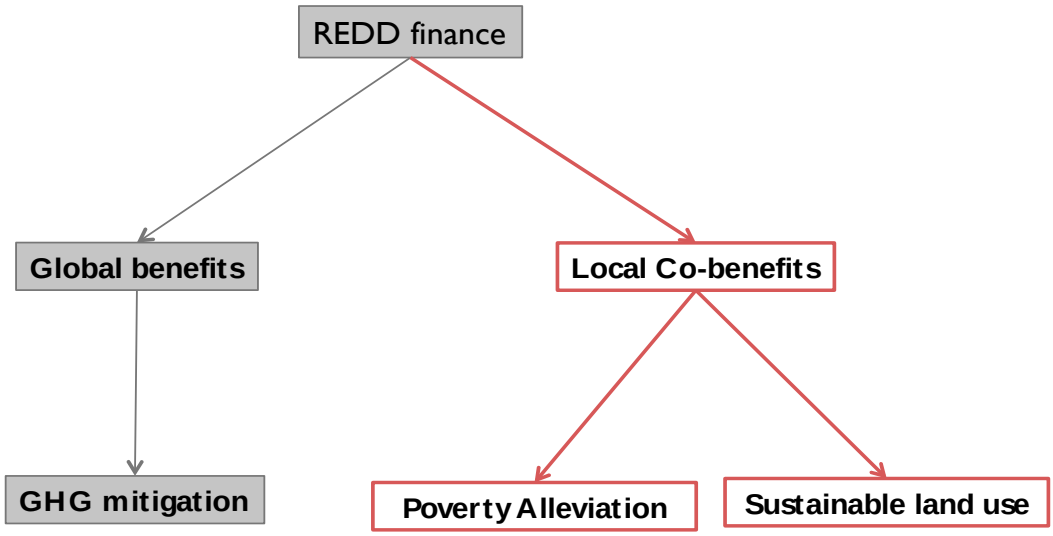
> "Given the historical role of indigenous peoples and other forest dwellers as stewards of tropical forests, it is critical that governments set up participatory instruments to ensure that they be meaningfully consulted during the formulation and implementation of the country's Readiness Plan and REDD Strategy and that they benefit from capacity building and financial incentives (FCPF, 2008, p. 12)".

According to the FCPF, preserving forests through REDD is a form of reducing environmental and social problems associated to deforestation (Forest Carbon Partnership Facility, 2008, p. 2) and promoting sustainable development (Forest Carbon Partnership Facility, 2008, p. 4). Official documents describing the aim of the UN-REDD program share these same objectives. According to one document, REDD has the following purpose:

> "(…) tipping the economic balance in favour of sustainable management of forests so that their formidable economic, environmental and services benefit countries, communities, biodiversity and forest users while also contributing to important contributions in greenhouse gas reductions. (UN-REDD, 2010)"

The benefits associated to REDD implementation are therefore threefold. First and foremost, REDD is a climate change mitigation strategy and should promote the reduction of greenhouse gas emissions. Furthermore, forest carbon mitigation strategies are expected to spark synergies between global and local benefits and also lead to improved livelihood of forest dwelling communities through the channelling of REDD finance to poverty-stricken population and to the promotion of sustainable forms of land use which enhance local environmental services. This tripartite structure of desired outcomes is represented in the figure below:

Figure 2.1: Multiple beneficial outcomes of REDD



Source: Own compilation

Chapter Three
REDD Underlying governance logic and conditions for effectiveness

The previous chapter presented *what* the development goals of REDD *are*. Now, we will integrate these development goals into REDD's broader design to answer the question of *how* REDD is expected to achieve these goals. Through which channels is a global program for forest carbon mitigation expected to result in poverty alleviation as well as to foster socially, economically and environmentally sustainable forms of land use?

We will do this by presenting the core elements of REDD policy design comprised in UNFCCC decisions and Readiness initiatives and by revealing how these are, in theory, expected to generate local livelihood improvements (3.1). We will then identify the conditions that have to be in place for REDD to work in practice as it is expected to work in theory (3.2). As we will see, building a policy environment that enables REDD to function as a development mechanism is more complex than simply setting up conditions for the operation of carbon markets. Investments are required to improve governance structures and specific regulation must be in place to ensure REDD finance benefits poverty-stricken communities and fosters sustainable land use.

3.1 Governance rationale: how is REDD expected to promote development?

The governance rationale behind REDD will be construed through the analysis of COP/UNFCCC decisions and Readiness initiatives.[5] Due to the complexity of the UNFCCC debates on forestry, we will not be able to present a full account of the international negotiations. The main elements of REDD policy design are summarized in table 3.1 and more information on them can be found in abundant literature on REDD

[5] We chose this approach because, while the COP/UNFCCC is still the official decision making body of the international climate regime, we have seen that the WB-FCPF and the UN-REDD Program exert substantial influence on REDD design through their authority and the reach of Readiness. Our argument is that while core design features of REDD are decided in the multilateral forum of the UNFCCC, the WB and UN-REDD are forwarding their own conceptions of REDD in those policy fields where the COP has been unable to reach a consensus – namely the finance structure that is to support REDD once a future forest carbon mitigation system is in place.

(Angelsen, 2008; Angelsen, 2009; Karsenty 2008). In the following, we will focus on uncovering the *in-built governance logic* through which REDD is expected to generate local development outcomes.

Table 3.1 – REDD policy design in the COP/UNFCCC decisions

Policy element	COP/UNFCCC approach	Details	Relevant decisions	Policy alternatives
Scope of program	REDD+	Mitigation actions in the forest sector include reducing emissions from deforestation and forest degradation, conservation and sustainable management of forest carbon stocks and enhancement of forest carbon stocks	Decision 1/CP16, paragraph 70	Japan, Russia and the United States argue that afforestation and reforestation should also be included in REDD.
Governance logic	System of positive financial incentives	Developing countries are rewarded or compensated for emissions reductions. There is no mandatory mitigation target or obligation to participate.	Decision 1/CP16,	Command and control instruments; Caps on emissions
Activities rewarded under REDD+	Output-based system	Countries are rewarded for quantified emissions reductions.	Decision 1/CP16, Appendix 1	Input-based approach
Implementation	Phased approach to REDD+	Phase 1: development of national strategies, policies and measures and capacity-building; Phase 2: Implementation of policies, measures and strategies; Phase 3: Payments for measured, reported and verified results	Decision 1/CP16, paragraph 73	
Scale of program	National	Progression towards national baselines and national monitoring systems; payments at national level.	Decision 1/CP16	Incentive payments made to subnational actors
Financing	Dual approach: market and non-market finance	Diverse financing schemes are discussed: ODA, public funds, private investments, market for offsets, etc.	Dec. 2/CP.15, paragraph 7	A purely funds-based approach is defended by Brazil and Bolivia.
Role of developing countries	Institutional and technical preparation for REDD	Developing country parties should develop: (i) a national action plan; (ii) a national forest reference emission level; (iii) robust and transparent national forest monitoring and reporting systems for emission reductions; (iv) a safeguard reporting system.	Decision 1/CP.16 Paragraph 71	

.

Source: Own compilation

Table 3.1 presents the most important elements of REDD's policy design and allows us to understand the governance rational of this program. Firstly, REDD is intended as a *system of positive financial incentives*, since the essence of the program is to reward developing countries for reducing forest-sector GHG emissions (Karsenty and Ongolo, 2011). Countries are not obliged to participate in programs to reduce forest sector GHG emissions, as there will be no mandatory cap on such emissions under REDD.

Secondly, REDD is designed as a *results-based system*, as payments are made for quantifiable GHG emissions reductions. This approach implies that developing countries are not rewarded for their *efforts* in combating deforestation but rather for the output of these efforts, for their *performance*. Moreover, the narrow scope of the intended system entails that local outcomes such as poverty alleviation, improved social and physical infrastructure in rural areas and environmental quality improvement are not rewarded.[6] The results-based payments are to be made at the national level. National governments are to monitor and certify emissions reductions, and these will be paid for through international REDD finance.

Adding together a governance rationale based on *positive incentives* with a *performance-based payment system* results in a policy design that largely resembles Payment for Environmental Service (PES) schemes. In the environmental economics literature, PES has been defined as "a voluntary transaction, where a defined environmental service is paid for under the condition that the seller continues to provide the service" (Wunder 2005; Börner et al. 2010, p. 2). These schemes are considered to be superior to traditional command and control instruments because their voluntary nature prevents service providers from bearing the often substantial opportunity costs of conservation vis-à-vis locally more profitable land-use options (Börner et al. 2010, 2). In the case of REDD, the

[6] The performance-based characteristic of REDD is what distinguished it from previous input-based investments in forest management. Karsenty and Ongolo describe the difference between REDD and traditional ODA in the following manner: "As payments are supposed to be based on "performance" (in reducing deforestation), it leaves the choice of the means to be used in the hands of the recipient governments. REDD payments are only conditioned by the verified reduction of deforestation and degradation achieved against a baseline. In that sense, REDD differs from a generation of public foreign aid in which releases were conditioned by the adoption of policy measures and changes in the legal/institutional framework, that often was hardly negotiated with governments that could be reluctant to accept changes that hit vested interests". (2011: 2)

environmental service being traded is a global one – climate change mitigation. Furthermore, it is a layered payment system, since governments certify emissions reductions and receive funding and thereafter channel it to local service providers (Angelsen and Wertz-Kanounnikoff, 2008; Wertz-Kanounnikoff and Angelsen, 2009).

This is as far as COP decisions go in specifying how REDD is to operate. Many questions remain unanswered. Amongst them, one is crucial: Who is to pay for the emissions reductions? Determining adequate sources of finance for REDD is possibly the most controversial topic in current debates (The Munden Project, 2011). Reducing deforestation through financial incentives will require massive investments – in the range of US$ 17-33 billion per year until 2030 (Stern, 2007), raising the question of where such funds would come from.

The Readiness initiatives provide a controversial answer to the question of REDD finance. Since the beginning of the REDD discussions, the WB has consistently positioned itself in favour of tapping into the carbon market and financing REDD through the creation and trading of forest carbon assets. The Bank's experience in devising and fast-starting carbon markets dates back to well before the Kyoto Protocol came into force, with the launching of the Prototype Carbon Fund in 2000 (Forest Carbon Partnership Facility, 2008), and since then the Bank's position on the need to use markets in the fight against climate change has been clear. The WB's entire approach to climate change mitigation has been market-centred, a fact that is attested by the overt intentions of the Carbon Finance Unit, which specifically put together a Partnership for Market Readiness to help countries integrate the carbon market.[7]

According to one official statement of the FCPF:

> "The key to the success of climate change mitigation efforts is the development of a global market for GHG Emission Reductions (ERs) (…) Going forward, the Bank aims to have greater impact on climate change mitigation and poverty

[7] According to the WB website, the Partnership for Market Readiness (PMR) "is a grant-based, capacity building trust fund that provides funding and technical assistance for the collective innovation and piloting of market-based instruments for greenhouse gas emissions reduction. For many countries, the first step toward implementing a market-based instrument is to build market readiness capacity, such as measuring, reporting and verification systems or the creation of a regulatory framework. As such, market preparation is also a crucial part of the work of the PMR". Available on http://wbcarbonfinance.org/; last access April 7th 2012.

> alleviation through the use of carbon finance by (expanding carbon finance to regions and sectors that do not currently participate. *To help achieve these objectives, the Bank proposed the creation of two new facilities, namely the Carbon Partnership Facility and this FCPF*" (emphasis added) (Forest Carbon Partnership Facility 2008, p. 11-12).

The FCPF therefore integrates the WB's long-term perspective on developing market-based carbon finance mechanisms and is part of a broader plan to catalyse and expand markets for forest carbon. REDD is an opportunity for the creation of new carbon assets, and this is how it is being promoted by the FCPF. The UN-REDD Program has also made continuous use of market-oriented discourse in its official documents. With respect to the end-design of REDD, the UN-REDD Program stated that:

> "REDD strategies aim to make forests more valuable standing than they would be cut down, by creating a financial value for the carbon stored in trees. Once this carbon is assessed and quantified, the final phase of REDD involved developed countries paying developing countries carbon offsets for their standing forests" (The Munden Project, 2011, p.2).

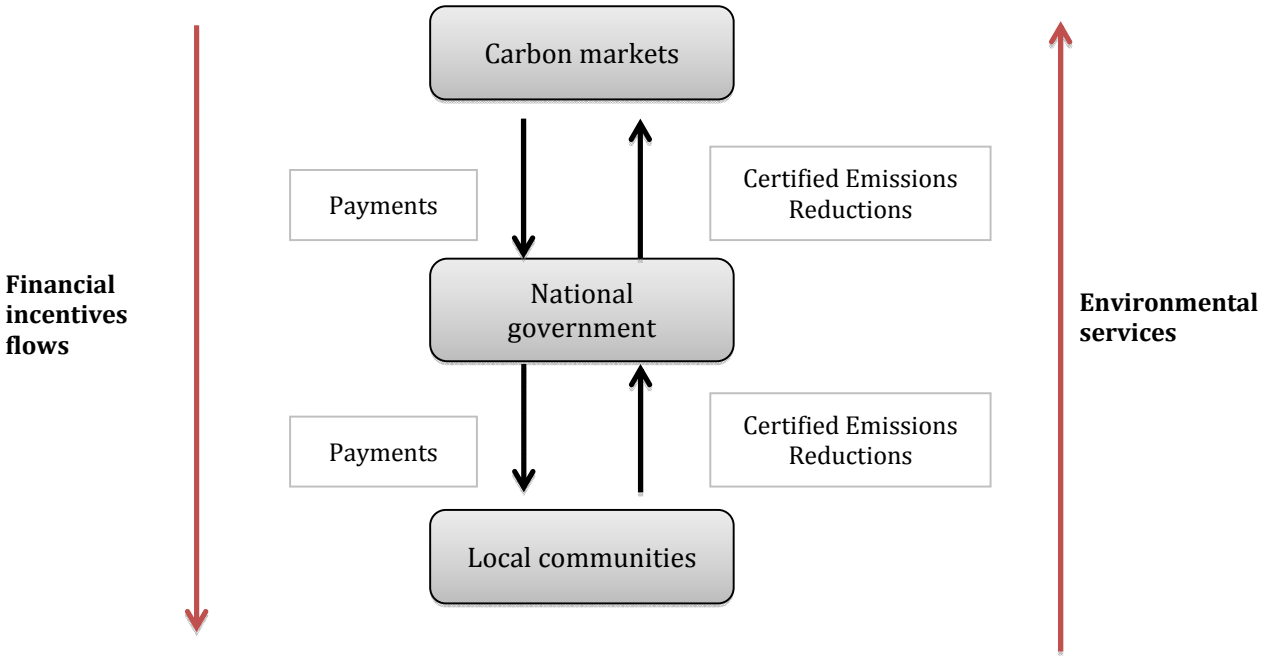
By adding together these elements, we reveal a governance rationale that operates through a market-based payment for environmental services scheme. National governments choose to participate and to implement policies that reduce aggregate deforestation and forest degradation, therefore reducing emissions; they monitor and certify emissions and sell the corresponding CERs to industries and governments that need offsets to comply with emissions reductions targets.

Emissions reductions can be accomplished in many ways. Governments may simply decide to turn all forests into conservation areas and enforce extremely restrictive land use patterns, thereby reducing deforestation. They may also support the expansion of carbon sinks in the form of planted forests and cash crops. Neither one of these options is likely to improve the livelihood of local communities or promote sustainable land use – they are more likely to lead to a loss of income due to restrictions over and use, dispossession and concentration of land ownership.

In fact, a complex set of conditions must be in place in order for REDD to achieve its stated local development goals whilst resulting in reduced GHG emissions. A specific policy environment must be constructed in developing countries so that REDD manages

to foster development at the local level. Figure 3.1 presents the outline of REDD's governance rationale, and the following section develops the set of conditions that must be in place if this scheme is to function effectively as a development mechanism.

Figure 3.1. Layered PES incentives system under REDD



Source: Own compilation

3.2 Conditions for effectiveness

It is one thing to hope that REDD finance will be abundant and, once GHG emissions are reduced, payments will be rightfully channelled to local, poverty-stricken communities. But, as stated by Drauth, "there is a great disparity between how an instrument functions in theory and how it functions in practice", and effectively translating any non-hierarchical government logic into practice is a challenging enterprise (Drauth, 2009).

Based on the literature that assesses local development impacts of PES schemes and the research that approaches REDD design from a development perspective (Peskett et al. 2008; Landell-Mills and Porras, 2002; Landell-Mills, 2002; Lyster, 2011; Thompson et

al., 2011), this section sets out to establish a set of conditions that must be met for REDD and its underlying governance logic to function in practice as assumed in theory – i.e. as strategy that will promote local development through market-based financial incentives for GHG emissions reduction. We call these *conditions for effectiveness*.

3.2.1 Conditions for effectiveness I: generating and selling carbon credits

This first subsection establishes the conditions that must be met for REDD and its underlying governance logic to function as a financial incentives mechanism. These conditions have nothing to do with building a policy environment that will lead to a development-oriented REDD; rather, they are exclusively focused on enabling the carbon market to operate in the forest sector, which requires sophisticated and reliable systems of carbon accounting aimed at carbon credit generation.

Reliable baseline emissions scenarios

The first condition that must be in place for carbon markets to operate in the forest sector is the establishment of reliable baseline emissions scenarios. The emissions baseline constitutes the backdrop against which reductions are quantified and credited, without it no CERs can be generated. According to Decision 1/C.P.16 (COP/UNFCCC, 2010) baseline scenarios should be constructed on the national scale.

Transparent and reliable MRV systems

After the baseline scenario is specified, sophisticated systems have to be put in place in order to monitor, report and verify changes in forest cover and translate these changes into quantifiable emissions. Such Monitoring, Reporting and Verification Systems (MRVs) are at the heart of carbon credit generation, and for a global market to work, these systems need to make emissions reductions comparable and commensurable.

There is a third crucial condition for the generation of financial flows through REDD: the existence of a well-functioning carbon market. If no demand for carbon offsets exists in the first place, then a market-based REDD system will inevitably fail. Since this is not a

condition that can be implemented through Readiness – it depends on much broader political negotiations and economic circumstances– it has been excluded from our analysis. But it should be kept in mind that creating a market-based emissions reduction system at a time in which the future of the carbon market is uncertain is a policy choice that entails high risks.

3.2.2 Conditions for effectiveness II: alleviating poverty

The conditions listed above are the basic ones for any developing country to generate saleable carbon credits and therefore to obtain REDD finance. But the fulfilment of these conditions in no way implies that this finance will lead to poverty alleviation and sustainable land use. Quite the contrary. It could be captured by elites or stay in the hands of government (Corbera, Brown, & Adger, 2007). It can also be diverted into the pockets of many intermediaries who are involved in developing REDD projects – consultancies, large NGOs, carbon accounting firms – or result in the displacement and dispossession of local communities for the sake of conservation and profits.

This means another set of conditions must be in place in order for REDD finance to translate into income for poverty-stricken communities, and these conditions are not "essential" to the functioning of carbon markets. They are incremental to a market mechanism and therefore could easily be bypassed.

Land tenure and rights over carbon

If carbon finance is to increase the income of local poverty stricken communities, these communities must have secure rights over land and to the carbon on them. This is a crucial problem in many developing countries with forest regions, since in these places land tenure is many times insecure or not specified or land ownership is predominantly public or concentrated in the hands of few landowners. If property rights are not secured and enforced, local populations will be excluded from market transactions – they will not be owners of carbon and, therefore, will not be service providers. A policy environment suitable for poverty alleviation through REDD is one where communities have

recognized and enforced rights to land and forest carbon, and can choose to sell their assets as they wish (Peskett et al., 2008)

Local communities with ability to assess and engage in transactions

Even if local communities are ensured property rights over carbon and land, in a market-based system they are expected to act as rational agents, that is, to have access to and understand the terms of contract, analyse the costs and benefits of a proposed carbon transaction, and, if desirable, engage in the sale of forest carbon. Therefore, local communities must have the ability to assess and engage in transactions as rational economic agents. No REDD strategy should be put in place before forest dwellers have a good understanding of the legal system they are transacting and before they have the factual and legal ability to sign binding contracts.

Development oriented Benefit-sharing mechanisms (BSM)

Many intermediaries participate in REDD design and implementation, such as consultancies, large NGOs, governments and carbon accounting firms (The Munden Project, 2011; Hajek, Ventresca, Scriven, & Castro, 2011). This raises the question of whether REDD finance will reach the hands of local communities and not be diverted to organizations that function as intermediaries in the REDD process. It also raises the question of how to guarantee REDD will go to the communities that need it most, and not to powerful landowners in rural regions.

It is therefore crucial to establish development-oriented benefit sharing mechanisms that regulate the distribution of REDD finance and specify how local communities will benefit from the program. Any development-oriented REDD will need to be rooted in regulation that channels REDD income to local forest stewards.

Accountable and transparent mechanisms to channel REDD finance

We saw above that REDD expects to channel large flows of finance into developing countries, and that this finance will pass through the hands of national governments before it reaches local service providers. Independent structures should therefore be put in place in order to monitor the flows of REDD finance and to tackle corruption in

government. Otherwise, it is likely that REDD payments will misappropriated or captured by elite and government interests.

Law enforcement

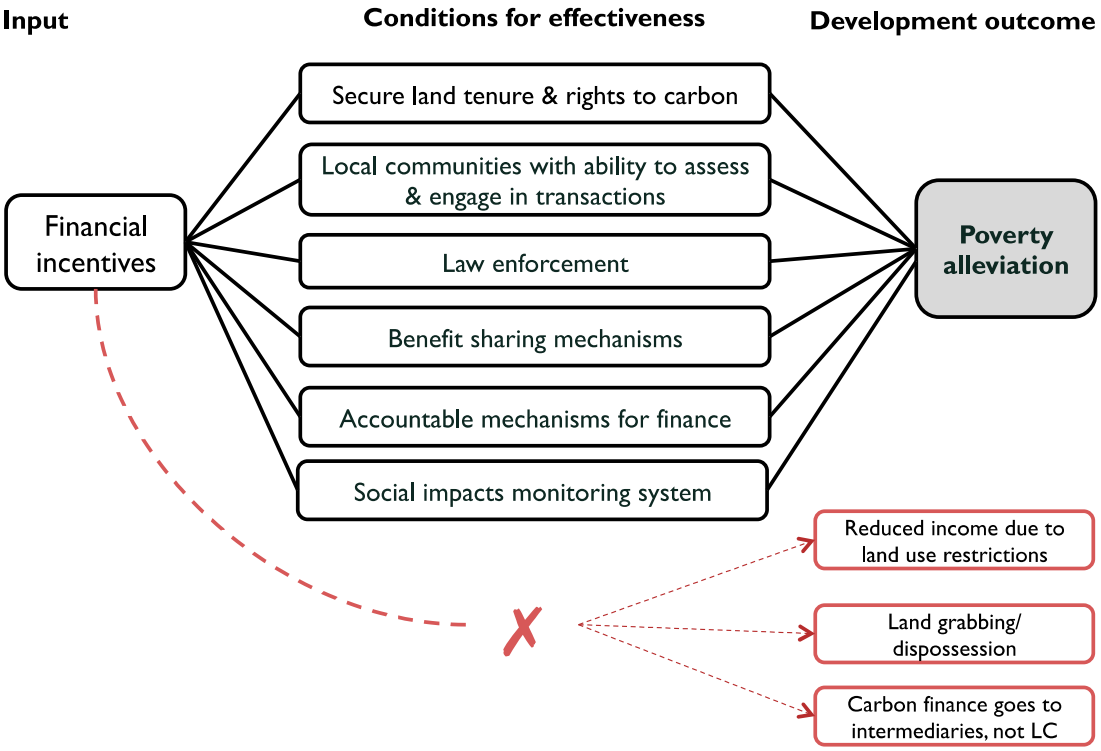
In order to verify and ensure stakeholders comply with land use regulation as well as with contractual agreements concerning carbon transactions under REDD, effective and accessible law enforcement institutions need to be in place. It is especially important that local communities and forest dwellers are provided mechanisms to channel their grievances, meaning they must be given enhanced access to justice and other instances of law enforcement.

Social impacts monitoring systems

Poverty alleviation through REDD requires that income levels and other livelihood impacts of the program be monitored and verified. A monitoring and evaluation system is part of achieving any policy goal – or else policy makers do not know the impacts of programs, cannot evaluate their effectiveness or improve the accuracy of their instruments. If REDD is to be seriously implemented as a development mechanism, livelihood impacts – including income variation – must be carefully measured, systematized and reported through social impacts monitoring systems.

The figure below represents the aforementioned conditions for effectiveness, as well as the risks entailed if these conditions are not fulfilled.

Figure 3.2 – Conditions for effectiveness: poverty alleviation



Source: Own compilation

3.2.3 Conditions for effectiveness III: fostering sustainable land use

The conditions outlined above constitute the prerequisites for REDD to function as a poverty alleviation mechanism. But there are also underlying conditions that must be in place in order for REDD to promote sustainable forms of land use. This is because the focus on carbon storage and GHG emissions reductions can easily have perverse consequences for land use patterns, creating incentives, for instance, for the expansion of large monoculture plantations which take the place of natural forest landscapes – the so-called "green deserts". This would result in the reduction of biodiversity and the displacement of local populations.

Adequate definition of forests

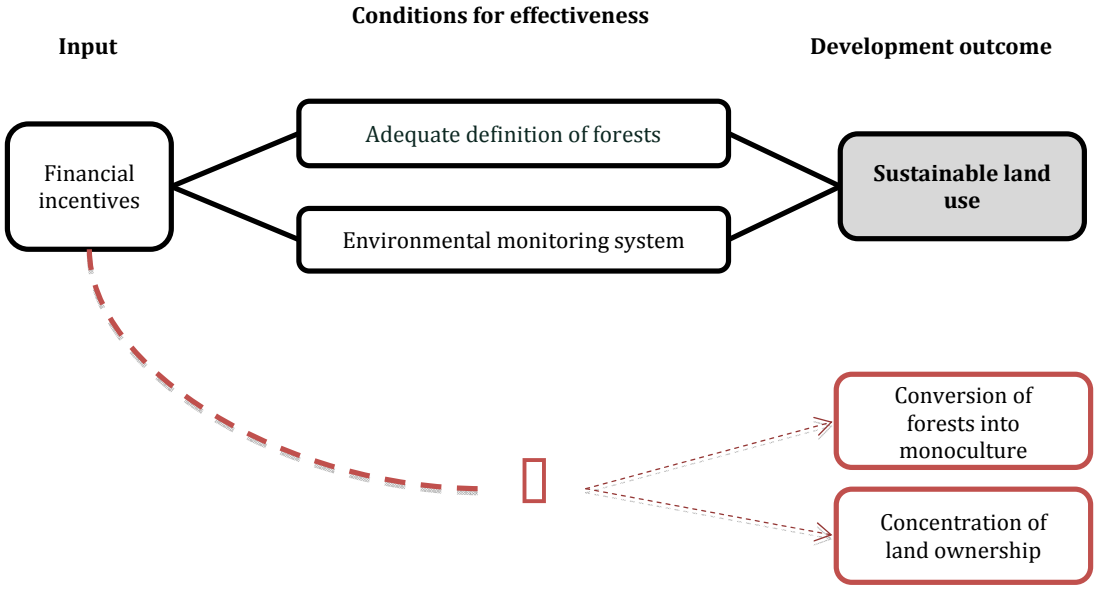
In order to avoid such negative outcomes, REDD strategies must rely on a definition of "forests" that is adequate for the promotion of environmentally sustainable land-use patters. Special attention should be paid to which kinds of afforestation and reforestation project are accepted under REDD, and regulation should avoid the expansion of monoculture cash crops into forested areas.

Environmental safeguards and monitoring systems

Finally, in order to guarantee improved land use through REDD, it is essential that environmental impacts be systematically reported and verified. Again, this is necessary for policy monitoring, evaluation and improvement, and without a proper system designed toward this end, it is unlikely that REDD will result in local environmental benefits.

The figure below represents the underlying conditions for effectiveness, as well as the risks entailed if these conditions are not fulfilled.

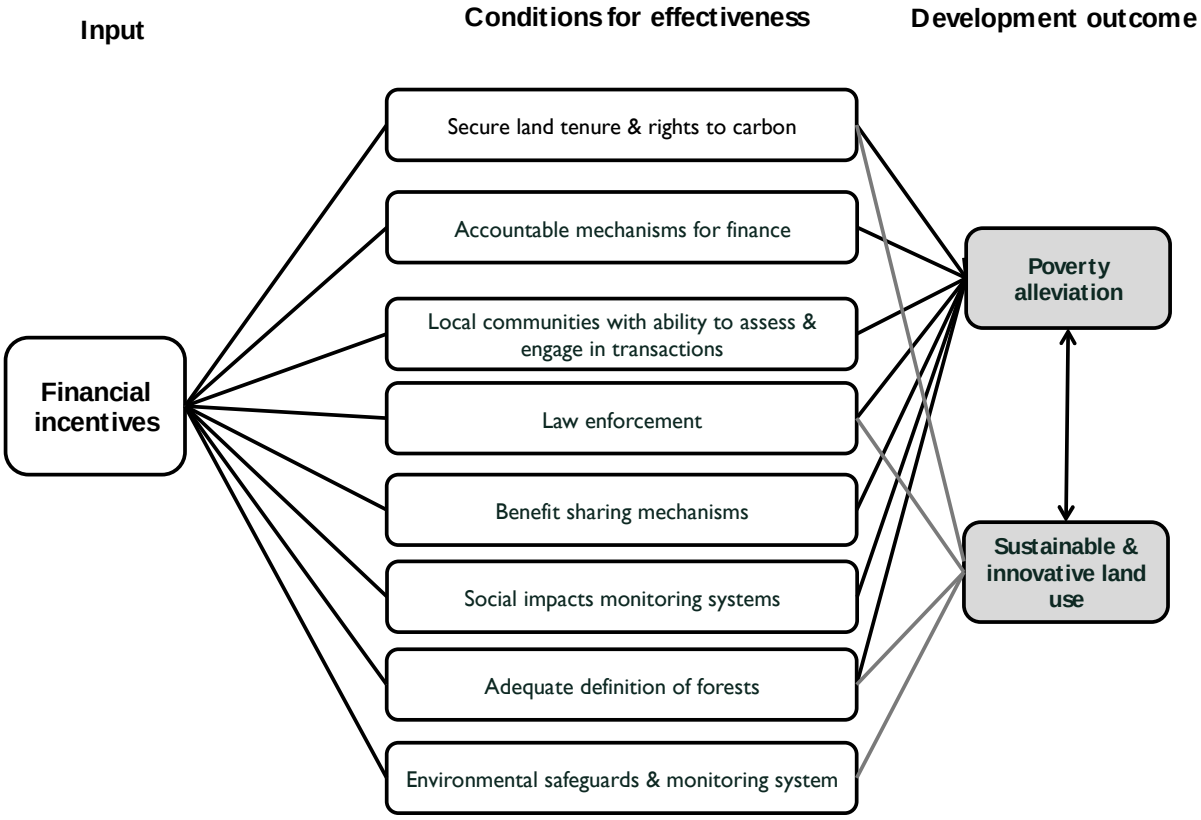
Figure 3.3 – Conditions for effectiveness: sustainable land use



Source: Own compilation

The figure below summarizes the set of minimum conditions that must be in place for REDD to result in local development and point out how the underlying policy elements that must be in place to enable poverty alleviation and sustainable land use through REDD are largely synergic.

Figure 3.4 – Conditions for effectiveness: summary and synergies



Source: Own compilation

Chapter 4
Framework for analysis of national REDD strategies in Latin America

4.1 Framework for empirical analysis

The previous chapter revealed the in-built governance rationale of REDD and established a set of conditions that must be in place in order for REDD finance to reach poverty-stricken communities and promote sustainable land use. We also know that these conditions are not currently satisfied in the developing countries preparing themselves for REDD, and that is why Readiness initiatives exist in the first place. Such initiatives aim to set up the appropriate policy environment in which REDD can achieve its local and global objectives. Given this framework, we will now analyse the national REDD strategies being developed under the FCPF and UN-REDD in Latin America and assess if the conditions for the consolidation of a development-oriented REDD are being put in place. After all, is Readiness being constructed in the region as a development mechanism or merely as a carbon valuation one?

The goals of this analysis are twofold. The first objective is to *assess individual country strategies* and determine if such strategies effectively consider implementing the conditions for local development during the Readiness phase (section 4.4). We will do so by evaluating national REDD Readiness strategies according to the criteria and standards specified in the analytical framework described below (section 4.2). The second objective is to obtain an *aggregate picture* of the Readiness proposals being developed under the FCPF and UN-REDD (section 5.2). More than evaluating individual country strategies, this will allow us to assess the Readiness initiatives themselves. It will reveal which outputs are being produced through the Readiness initiatives, and uncover specific policy design patterns that are emerging under World Bank and UN-REDD leadership.

Previous empirical studies on Readiness have concluded that national strategies produced under the guidance of the WB-FCPF and UN-REDD systematically ignore the need to invest in governance and institutions for local development and favor the development of systems for carbon accounting – i.e. systems oriented toward the establishment of

emissions baselines, the measurement of carbon stocks and monitoring of emissions variations. According to Dooley et al.,

> "The emphasis on quantifying and monitoring emissions continues to sideline core governance issues that will need to be addressed – and monitored – in order for countries to be successful in reducing deforestation and forest degradation while ensuring adherence to social and environmental safeguards" (Dooley, Griffiths, Martone, & Ozinga, 2011, S. 22).

Our work provides an analytical framework through which this and other similar arguments can be scrutinized (Daviet et al., 2009; Goers & Davis, 2011). It also allows to test whether the development goals of REDD are being taken seriously in the Readiness processes, or if they only serve as legitimizing but false discourse.

The materials used in this analysis are the official documents produced by country governments for the FCPF and UN-REDD in order to receive funding for Readiness preparation. Countries that participate in the FCPF were assessed based on their Readiness-Preparation Proposals (R-PPs) and countries that are part of UN-REDD were evaluated based on their National Program Documents (NPDs). These documents are an important step toward becoming "ready" for REDD. Their function is to provide a roadmap for readiness and to specify activities and measures that are to be implemented in order to achieve Readiness, including a list of necessary policy reforms, a map of stakeholders constellations, budgets and timeframes (Forest Carbon Partnership Facility, December 2010; Forest Carbon Partnership Facility, 2008; UN-REDD Programme, 2011). These documents are public and can be assessed in the respective websites of the FCPF and the UN-REDD Program.[8]

R-PPs and NPDs were evaluated based on *whether* and *to what extent* they address the ten conditions for implementing a functional and development-oriented REDD described in chapter three. In these documents, the *conditions for effectiveness* should constitute the *outcomes* of Readiness, i.e. as specific elements of a policy environment that should be achieved through the Readiness process.

In designing the analytical framework, our assumption was that it is insufficient to assess whether or not R-PPs and NPDs *mention* these conditions as desired outcomes of

[8] Programme Websites: www.un-redd.org and www.forestcarbonpartnership.org. Last access on April 7th 2012.

Readiness, since this is easy to do and does not imply that the condition is being taken seriously by governments. Therefore, we added additional criteria for evaluation of country documents, which allowed us to assess *how entrenched the implementation of each condition is in each national REDD strategy*.

In this sense, R-PPs and NPDs were assessed based on whether the conditions for effectiveness were addressed on three different levels:

1) *Does the R-PP or NPD recognize the need to implement the condition or attest to it already being in place?* This is the most superficial and simple criterion, which refers to whether the condition is mentioned as an outcome of Readiness.
2) *Does the document set out a specific set of measures to be implemented in order to implement the condition?* This criterion assesses an increased level of entrenchment as seeks to evaluate whether a *process* is stipulated to implement condition through Readiness.
3) *Does the document identify agents that are responsible and accountable for implementing the condition?* The final criterion assesses if specific actors were designated to coordinate and implement the process of fulfilling the condition.

On the country level, these three criteria determine how each condition for effectiveness is being addressed in the national country strategies. On an aggregate level, they reveal the outcomes that the WB and UN-REDD favour in the Readiness process by providing evidence on which kind of strategies these programs are supporting.

The conditions for effectiveness as well as the criteria for evaluation were put together in a table comprising the conditions on the vertical axis and criteria on the horizontal axis. Table 4.1 presents the framework used in our study to analyse the R-PPs and NPDs. It contains the criteria and conditions, as well as the objective standards against which each criterion was evaluated. Because the country documents were long, complex and often confusing, having such an objective set of criteria was crucial in order to make policy evaluation commensurable. It should be noted that some of the standards are merely exemplificative. Because of the wide spectrum of proposed measures to reach certain outcomes, we could not predetermine which ones would be considered and which would not. Even so, our standards offered important guidelines for comparative evaluation.

Table 4.1 ! "#$ %&' "()+%)-' ")#. #/0+1+)' -)2344+)#. ,)546+*

!

!!!!!!!!" #$%&#$! / "( ) *$%( ) !	"( ) *$%( ) !' **#&++&*!' +! ') !(, %(. &!(/! 0&' *$) &++1!	2&0%(/!. &' +, #&+!3#(3(+&*!/(#! $ 34&. &) %%( ) !(/!(, %(. &1!	0&+3( ) +$54&!' -%(#++! $*&) %/$&*1!
6' +&4$) &! &. $++$( ) +! +-&) ' #$(+!	! "##$%&' (%#*$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % ' , , (%13%, . , /36%47$13-7B% &' (%6-39 81, (%2&$, /7 , % , : 7$$7B' %$8, ' &-7B$;%%	*380: , ' 1$%, -, %. &/0&1, (%2&$, (% 7 %4, 14, -%14, 5%83' 1, : 6/&1, % : , &$0-, $%$084%&$<%>%14, % (, 1, -: 7 &17B' %, 143(3/3?7, $% + 47B4%&-, %13%2, %0$, (%7B % (, 1, -: 7 7 ?%14, %2&$, /7 , @%&' (%A>% 207/(7 ?%14, %&&6&&715%3B% ?3. , -' : , ' 1%&?, ' 87, $%13%, . , /36% &%BB-, $1"$, 813-%CDC%7B. , ' 13-5B% , 18;%	*380: , ' 1$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, $7?' &1, % 7 $17101 7B' $%, $63' $72/, % BB-%833-(7 &17 ?%14, % , : 7$$7B' $%7B. , ' 13-5;%
7#') +3' #&) % ') *!#&4$ 54&! 8 09!+: +%&. +!	! "##$%&' (%#*$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % ' , , (%13%$1&2/7$4%&% -, /7&2/, %6 ! G%$5$1, : ;%	*380: , ' 1$%, -, %. &/0&1, (%2&$, (% 7 %4, 14, -%14, 5%83' 1, : 6/&1, % : , &$0-, $%$084%&$<%>%14, % (, 1, -: 7 &17B' %3B%156, $%3B% ! G% , H076: , ' 1%13%2, %0$, (@%A>%14, % (, . , /36: , ' 1%3B%, 143(3/3?7, $%13% : , &$0-, %&' (%, 63-1%&&-23' B%18;%	*380: , ' 1$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, $7?' &1, % 7 $17101 7B' $%, $63' $72/, % BB-%833-(7 &17 ?%14, % 8&-23' %6 ! G%$5$1, : ;%
2&-, #&!4) *! %&) , #&!') *! #$ <%!(=&#! -' #5( ) !/(#!>"!	! "##$%&' (%#*$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % ' , , (%BB-%, 84&' 7$: $%13% &//38&1, %6-36, -15%7?41$% 3. , -%&' (%&' (%&&-23' ;%%%	*380: , ' 1$%, -, %. &/0&1, (%2&$, (% 7 %4, 14, -%14, 5%83' 1, : 6/&1, % : , &$0-, $%$084%&$<%>%6, 87B8% 6-3?-& $%BB-%&' (%171/7 ?%&' (% 7. 6-3. , : , ' 1%7 %20-, &08-&87, $@%>% 171/7 ?%3B%BB-, $1%&&-23' B%18;%	*380: , ' 1$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, $7?' &1, % 14, %7 $17101 7B' $% -, $63' $72/, %BB-%171/7 ?%&' (% , ' BB-87 ?%6-36, -15%7?41$;%
>"!? $%!' 5$#%! %(!' ++&++!') *! &) ; ' ; &!$) ! %#') +' -%( ) +!	! "##$%&' (%#*$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % -, H07-, : , ' 1%14&1%0-&/% 83: : 0' 717, $%2, %2314% /, ?&//5%&' (%6-&817&&//5% , ' &2/, (%13%0' (, -$1&' (% &' (%$7?' %83' 1-&81$% -, B --7 ?%13%&&-23' % 1-&' $&&17B' $%	*380: , ' 1$%, -, %. &/0&1, (%2&$, (% 7 %4, 14, -%14, 5%83' 1, : 6/&1, % : , &$0-, $%$084%&$<%>% (, . , /36: , ' 1%3B%$17101 7B' $% + 47B4%' &2/, %K%13%' ?&?, %7B % 83' 1-&810&/%1-&' $&&17B' $@%A>% &&6&&715"207/(7 ?%&' (% 7 BB-: &17B' "$4&-7 ?%, 84&' 7$: $% + 47B4%4&, %&0$6, 87&/%: 64&7%3' % 6-, 6&-7 ?%K%BB-%&-L, 1% 1-&' $&&17B' $;%%	*380: , ' 1$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, 1, -: 7 , % + 47B4%3-?&' 7M&17B' $%&-, % -, $63' $72/, %BB-%&&6&&715% 207/(7 ?%&' (%, 6-, $, ' 17 ?% JK%7B %1-&' $&&17B' $;%
@&=&4(3. &) % (#$&) %&*!628 !	! "##$%&' (%#*$%, -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % ' , , (%13%, . , /36%&% (, . , /36: , ' 1"3-7, ' 1, (% 8-71, -7&&' (%, 84&' 7$: $% 13%7$1-7201, %2, ' , B71$%BB-3: %	*380: , ' 1$%, -, %. &/0&1, (%2&$, (% 7 %4, 14, -%14, 5%83' 1, : 6/&1, % : , &$0-, $%$084%&$<%>%14, % , $1&2/7$4: , ' 1%3B%3-: &17 , % 8-71, -7&%13%7$1-7201, %14, %2, ' , B71$% 3B%N**%7B %&%%&5%14&1%7/% &//, . 7&1, %0-&/%63. , -15@%A>%14, %	*380: , ' 1$%, -, % , . &/0&1, (%2&$, (%3' % + 43%7//%, 1, -: 7 , B% $06, -. 7$, %&' (%' BB-8, % 14, %&66/7&2/, %2, ' , B71"

	! N* * ;%	, $1&2 /7$4: , ' 1%3B%6&-17B76&17 , % 7 $171017B' $%13%, $7?' %&' (% 3' 713-% 14, %7$1-7201 7B' %3B%, ' , B71$;%%6	$4&-7 ?% , 84&' 7$: $;%
A- - (,) % 54&! ') * ! %#') +3' #&) % . &-<') $+. +! % !-<')) &4! /$) ') - &!	! "##$%&' % # * $% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % B3//3+ 7 ?%/, : , ' 1$<%>%14, % ' , , (%13%01%7 %6/&8, % $1-0810-, $%13%01%7 %6/&8, % O' (, 6, ' (, ' 1>%23(7, $%13% $06, -. 7$, %14, %84&' , //7 ?% 3B%N* * %0' ($;%	* 380: , ' 1$% , -, %. &/0&1, (%2&$, (% 7 % 4, 14, -%14, 5%3' 1, : 6/&1, % : , &$0-, $%084%&$<%>%, . , /36%&% 6/&' %13%3: 2&1%3--0617B' %7 %14, % B3-, $1%, 813-@%A>%, . , /36%&% 6&-17B76&13-5%7 $171017B' &/% B-&' , + 3-L%14-30?4% 47B4% N* * % B7 &' 8, %$%13%2, %84&' , //, (;%	* 380: , ' 1$% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, 1, -: 7 , % 7 $171017B' $%, $63' $72/, % B3-%7 6/, : , ' 1&17B' ;%
>' ? ! &) /(#-&. &) %	! "##$%&' (% # * $% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % ' , , (%3B%B3 817. , %&' (% &88, $$72/, %&+ % , ' B3-8, : , ' 1%23(7, $%&' (% &?, ' 87, $E%7 8/0(7 ?%14, % 90(7B7&/%$5$1, : ;%	F , &$0-, $%13%&847, . , %147$% 83' (717B' %, 8, $$&-7/5%7 8/0(, %201% &-, %3 1%/7. 71, (%13%>% $1-, ' ?14, ' 7 ?%/&+ %' B3-8, : , ' 1% 23(7, $%&' (%&?, ' 87, $@%&' (%A>% , ' 4&' 87 ?%&88, $$%13%&+ % , ' B3-8, : , ' 1%&?, ' 87, $%B3-%0-&/% 83: : 0' 717, $%&' (%87171/' $;%	* 380: , ' 1$% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, $7?' &1, (% 14, %&+ %' B3-8, : , ' 1% 23(7, $%13%2, % $1-, ' ?14, ' , (%3-% -, $63' $72/, %B3-%3' B/781% -, $3/017B' ;%
2(-$ 4$ 3' -%! . ( ) $%#$) ; ! +: +%&. +!	! "##$%&' (% # * $% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % ' , , (%13%, . , /36%$5$1, : $% 13% 3' 713-%14, %7 6&81$% ! N* * %48$%3' %14, % /7. , /743(%3B%38&/% 83: : 0' 717, $;%	* 380: , ' 1$% , -, %. &/0&1, (%2&$, (% 7 % 4, 14, -%14, 5%3' 1, : 6/&1, % : , &$0-, $%084%&$<%>%$1&2 /7$47 ?% + 47B4%$387&/%7 6&81$%&-, %13%2, % : 3' 713-, (%&' (%14, % : , 143(3/3?7, $%13%2, %0$, (@%A>% (, . , /367 ?%&86&87157 % ?3. , -' : , ' 1%&' (%/38&/% 83: : 0' 717, $%13% 3' 713-%84&' ?, $% 7 %/7. , /743(;%	* 380: , ' 1$% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, 1, -: 7 , % 7 $171017B' $%, $63' $72/, % : 3' 713-7 ?%$5$1, : % 833-(7 &17B' ;%
A* &B, ' %&! * &/$) $%( ) !(/! /(#&+%!	! "##$%&' (% # * $% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % ' , , (%13%&(, H0&1, /5%, B7 , % + 47B4%&817. 717, $%&/ /%7 13% 14, %$836, %3B%N* * ;%	* 380: , ' 1$% , -, %. &/0&1, (%2&$, (% 3' % 4, 14, -%14, 5%3' 1, : 6/&1, % : , &$0-, (%084%&$%6&-17B76&17 , % 6-38, $$, $%13%, B7 , %3-, 1%&' (% 14, %$836, %3B%&817. 717, $%-, (71, (% 0' (, -%N* * ;%	* 380: , ' 1$% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, 1, -: 7 , % 7 $171017B' $%, $63' $72/, % (, B7 7 ?%&817. 717, $% 83' 1, : 6/&1, (%0' (, -% ! N* * ;%
C) =$#( ) . &) % 4! +' /&, ' #* +! ') * ! . ( ) $%#$) ; ! +: +%&. +!	! "##$%&' (% # * $% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%&((-, $$%14, % ' , , (%13%, . , /36%$5$1, : $% 13%$&B ?0&-(%&' (% 3' 713-% 14, %7 6&81$%N* * %48$%3' % 14, %' . 7-3' : , ' 1%	* 380: , ' 1$% , -, %. &/0&1, (%2&$, (% 7 % 4, 14, -%14, 5%3' 1, : 6/&1, % : , &$0-, $%084%&$<%>%$1&2 /7$47 ?% + 47B4%' . 7-3' : , ' 1&/%7 6&81$%&-, % 13%2, % 3' 713-, (%&' (%14, % : , 143(3/3?7, $%13%2, %0$, (@%A>% (, . , /367 ?%&86&87157 % ?3. , -' : , ' 1%&' (%/38&/% 83: : 0' 717, $%13% 3' 713-%84&' ?, $% 7 %' . 7-3' : , ' 1&/%%0&/715;%	* 380: , ' 1$% , -, % , . &/0&1, (%2&$, (%3' % + 4, 14, -%14, 5%, $7?' &1, % 7 $171017B' $%13%833-(7 &1, % &' (%7 6/, : , ' 1%14, % : 3' 713-7 ?%$5$1, : ;%

Source: Own compilation.

If all the standards were met in the country documents, the criteria was evaluated with a "*yes*"; if none of the standards were satisfied, a "*no*" was attributed; if only some but not all standards were met (when more than one standard exists), the criterion was marked as "*incomplete*".

A final evaluation was ascribed to the treatment of each condition based on the grading of the three criteria. Three positive marks means the outcome was *well addressed,* and it was graded with a "" symbol; three negative marks means it was *not addressed,* and it was graded with a ""; everything in between resulted in the evaluation of the outcome treatment as "*insufficient*", and a "" was attributed.

The aim of this exercise is to make countries comparable according to objective standards. In the end, each country had a "final evaluation column" (last row on the right in the table above), which can be used to compare which dimensions of Readiness are being prioritized by each country. When all the country evaluative tables are put together, it is possible to assess which underlying aspects of REDD are being emphasized in the Readiness processes.

The table below illustrates the evaluative process by demonstrating what a country table might look like:

Table 4.2: Illustration of framework application

Country "x"

Condition \ Criteria	Condition addressed as an outcome of Readiness?	Set of measures proposed for implementation?	Actors responsible identified?	Final
Baseline emissions scenarios	Y	Y	Y	
Transparent and reliable MRV systems	N	N	N	
Secure land tenure and rights over carbon for LC	I	I	I	
LC with ability to assess and engage in transactions	Y	Y	I	
Development oriented BSM	N	N	I	
Accountable and transparent mechanisms to channel REDD finance	Y	Y	Y	
Law enforcement	Y	Y	N	
Social impacts monitoring systems	N	N	N	
Adequate definition of forests	Y	N	N	
Environmental safeguards and monitoring systems	Y	I	Y	

4.2 Limitations of analytical framework

The analytical framework described above has several limitations, which stem both from the nature of the documents being analysed and from the theoretical assumptions of our model.

As stated, the present study analyses solely the R-PPs and NPDs submitted to the FCPF and UN-REDD Programme in order to obtain funding. We are not assessing whether the

plans and measures comprised in such document will be implemented or how this will be done. In this sense, this is an evaluation of stated intentions and not of actions.

Second, we have not tested whether the conditions for effectiveness used in our framework will, in practice, lead to more development-oriented REDD strategies. These conditions remain theoretical assumptions – the conditions are logically necessary for the realization of REDD's stated local development goals – but, in practice, some might well be more important than others. The relative weight of these conditions on policy outcomes will probably be highly context-dependent and change according to other variables. We have tried to select the most significant conditions for effectiveness through a thorough review of the literature on PES design and local development and on REDD, as well as through a rigorous analysis of the in-build governance logic behind REDD. Nevertheless, the significance of such conditions remains to be empirically proven.

4.3 Selection of country case studies

Currently, there are a total of thirty-seven countries taking part in the FCPF (Forest Carbon Partnership Facility, 2012) and fourteen countries participating in the UN-REDD program (UN-REDD, 2012). Amongst the FCPF partner countries, fifteen are located in Latin America, and four Latin American countries receive funding from the UN-REDD program. These countries, as well as their position in the Readiness processes, are listed in tables 4.3 and 4.4 below.

Table 4.3 – FPCF partner countries in Latin America

Country/Status	FCPF country?	R-PIN Submitted?	R-PP submitted?	Final R-PP approved?	RP Grant authorized?
Argentina	Yes	Yes	Yes	Yes	Yes
Colombia	Yes	Yes	Yes	Yes	Yes
Costa Rica	Yes	Yes	Yes	Yes	Yes
Mexico	Yes	Yes	Yes	Yes	Yes
Guyana	Yes	Yes	Yes	Partially	Yes
Peru	Yes	Yes	Yes	Partially	Yes
Panama	Yes	Yes	Draft	Partially	Yes
Guatemala	Yes	Yes	Yes	Partially	No
Honduras	Yes	Yes	Draft	No	No
Nicaragua	Yes	Yes	Draft	No	No
Suriname	Yes	Yes	Draft	No	No
Bolivia	Yes	Yes	No	No	No
Chile	Yes	Yes	No	No	No
Paraguay	Yes	Yes	No	No	No
El Salvador	Yes	No	No	No	No
Ecuador	No	No	No	No	No
Total	**15**	**14**	**7**	**4**	**7**

Source: Own compilation. Data from FCPF Website

Table 4.4 – UN-REDD Pilot Countries in Latin America

Country/Status	UN-REDD pilot country?	NPD approved?	Funding approved?	Implementation begun?
Bolivia	Yes	Yes	Yes	Yes
Panama	Yes	Yes	Yes	Yes
Ecuador	Yes	Yes	Yes	No
Paraguay	Yes	Yes	Yes	No
Argentina	No	x	x	x
Colombia	No	x	x	x
Costa Rica	No	x	x	x
Mexico	No	x	x	x
Guyana	No	x	x	x
Peru	No	x	x	x
Guatemala	No	x	x	x
Honduras	No	x	x	x
Nicaragua	No	x	x	x
Suriname	No	x	x	x
Chile	No	x	x	x
El Salvador	No	x	x	x
Total	**4**	**4**	**4**	**1**

Source: Own compilation. Data from UN-REDD Websites

Due to time constraints, we will not be able to evaluate all the fifteen Latin American countries taking part in Readiness. It was therefore necessary to choose a sample for the qualitative case studies. This sample should be representative in three ways: *first*, it should comprise countries taking part in both of the programmes, therefore enabling us to draw conclusions about the outcomes to be expected from the different initiatives. *Second*, it should include countries in different phases of the Readiness process. This will enable us to see if those countries that are further down the road – and have already had their RP-Grants authorized or approved – have better and more comprehensive strategies than

the ones that do not yet have access to funding. *Finally*, it should contemplate countries from different sides of the economic and social development spectrum, measured by per capita GDP and HDI.

The central idea of using these selection criteria is that we choose a sample with ample variance – different socio-economic profiles, different stages of Readiness and participation in different programs – to see if, despite these differences, there is a pattern in the output of Readiness processes. Based on these criteria, we selected the following six countries for our case studies:

Table 4.5: Selected country sample and progress in Readiness processes

Country	FCPF country?	R-PP submitted?	Final R-PP approved?	RP Grant authorized?	UN-REDD?	NDP approved?	Implementation?
Mexico	✓	✓	✓	✓	✗	✗	✗
Costa Rica	✓	✓	✓	✓	✗	✗	✗
Guyana	✓	✓	✗	✓	✗	✗	✗
Panama	✓	✓	✗	✓	✓	✓	✓
Bolivia	✓	✗	✗	✗	✓	✓	✓
Ecuador	✗	✗	✗	✗	✓	✓	✗

Source: Own compilation. Data from FCPF and UN-REDD Websites

The next chapter presents the results obtained by applying the analytical framework to the country governments designed by governments of these six countries.

Chapter 5
Empirical analysis results of Readiness in Latin America: Building the conditions for a development-oriented REDD?

As stated in section 4.1, applying the analytical framework to the selected country documents should render two levels of results. The first level consists of an assessment of national REDD strategies; the second is an aggregate evaluation of which policy elements are favoured in Readiness initiatives.

In this section we will present these results, starting with a presentation of the individual country evaluation tables (section 5.1), followed by the presentation of aggregate results (section 52). Because of the large amount of data that was analysed, we will not dedicate a section to describing the individual country strategies. Rather, we will highlight their most notable aspects as we describe how the different conditions for effectiveness were addressed in the strategies. We are able to do this because several patterns were encountered in these documents, whereby REDD strategies systematically favour the design and implementation carbon accounting mechanisms over the implementation of conditions which are necessary for poverty alleviation and environmental sustainability.

5.1 Country evaluation results

This section presents the country evaluation tables, obtained by the application of the analytical framework described in section 4.2 to R-PPs and NPDs of selected countries.

Table 5.1: Mexico - final evaluation table

Outcome \ Criteria	Condition addressed?	Set of measures proposed for implementation?	Responsible actors identified?	Final evaluation for outcome
Baseline emissions scenarios	Y	Y	Y	
Transparent and reliable MRV systems	Y	Y	Y	
Secure land tenure and rights over carbon for LC	Y	Y	Y	
LC with ability to assess and engage in transactions	I	N	N	
Development oriented BSM	Y	I	Y	
Accountable and transparent mechanisms to channel REDD finance	Y	Y	Y	
Law enforcement	Y	Y	N	
Social impacts monitoring systems	Y	Y	N	
Adequate definition of forests	Y	Y	N	
Environmental safeguards and monitoring systems	Y	Y	N	

Source: Own compilation.

Table 5.2: Ecuador - final evaluation table

Outcome \ Criteria	Condition addressed?	Set of measures proposed for implementation?	Responsible actors identified?	Final evaluation for outcome
Baseline emissions scenarios	Y	Y	Y	
Transparent and reliable MRV systems	Y	Y	Y	
Secure land tenure and rights over carbon for LC	I	I	I	
LC with ability to assess and engage in transactions	I	N	N	
Development oriented BSM	Y	Y	Y	
Accountable and transparent mechanisms to channel REDD finance	I	I	Y	
Law enforcement	Y	N	N	
Social impacts monitoring systems	Y	Y	Y	
Adequate definition of forests	N	N	N	
Environmental safeguards and monitoring systems	Y	Y	Y	

Source: Own compilation

Table 5.3: Guyana – final evaluation table

Outcome \ Criteria	Condition addressed?	Set of measures proposed for implementation?	Responsible actors identified?	Final evaluation for outcome
Baseline emissions scenarios	Y	Y	Y	
Transparent and reliable MRV systems	Y	Y	Y	
Secure land tenure and rights over carbon for LC	Y	I	N	
LC with ability to assess and engage in transactions	N	N	N	
Development oriented BSM	I	N	Y	
Accountable and transparent mechanisms to channel REDD finance	N	N	N	
Law enforcement	Y	N	N	
Social impacts monitoring systems	Y	N	N	
Adequate definition of forests	N	N	N	
Environmental safeguards and monitoring systems	I	I	N	

Source: Own compilation.

Table 5.4: Panama – final evaluation table

Outcome \ Criteria	Condition addressed?	Set of measures proposed for implementation?	Responsible actors identified?	Final evaluation for outcome
Baseline emissions scenarios	Y	Y	Y	
Transparent and reliable MRV systems	Y	Y	Y	
Secure land tenure and rights over carbon for LC	N	N	N	
LC with ability to assess and engage in transactions	I	N	N	
Development oriented BSM	Y	N	N	
Accountable and transparent mechanisms to channel REDD finance	N	N	N	
Law enforcement	I	I	I	
Social impacts monitoring systems	N	N	N	
Adequate definition of forests	N	N	N	
Environmental safeguards and monitoring systems	N	N	N	

Source: Own compilation.

Table 5.5: Costa Rica – final evaluation table

Outcome \ Criteria	Condition addressed?	Set of measures proposed for implementation?	Responsible actors identified?	Final evaluation for outcome
Baseline emissions scenarios	Y	Y	Y	
Transparent and reliable MRV systems	Y	Y	Y	
Secure land tenure and rights over carbon for LC	Y	Y	Y	
LC with ability to assess and engage in transactions	N	N	N	
Development oriented BSM	N	N	N	
Accountable and transparent mechanisms to channel REDD finance	Y	N	Y	
Law enforcement	I	I	I	
Social impacts monitoring systems	I	I	N	
Adequate definition of forests	N	N	N	
Environmental safeguards and monitoring systems	I	I	N	

Source: Own compilation.

Table 5.6: Bolivia – final evaluation table

Outcome \ Criteria	Condition addressed?	Set of measures proposed for implementation?	Responsible actors identified?	Final evaluation for outcome
Baseline emissions scenarios	Y	Y	Y	
Transparent and reliable MRV systems	Y	Y	Y	
Secure land tenure and rights over carbon for LC	Y	I	I	
LC with ability to assess and engage in transactions	N	N	N	
Development oriented BSM	Y	Y	Y	
Accountable and transparent mechanisms to channel REDD finance	Y	N	N	
Law enforcement	N	N	N	
Social impacts monitoring systems	Y	N	N	
Adequate definition of forests	N	N	N	
Environmental safeguards and monitoring systems	I	N	N	

Source: Own compilation.

5.2 Explication of aggregate results

Table 5.7 compiles the six country document evaluations and compares country strategies according to how they address the ten conditions that are necessary for the implementation of a functional and development-oriented REDD. It is important to note that all country documents mentioned poverty alleviation and sustainable land use as expected outcomes of REDD implementation (for details, see section 5.2.2 and 5.2.3). Nevertheless, as can be seen in the table below, the implementation of a policy environment that in necessary for such outcomes was not well addressed in the documents presented to WB-FCPF and the UN-REDD Program.

Table 5.7: Aggregate results table

Outcome \ Country	Mexico	Costa Rica	Ecuador	Guyana	Panama	Bolivia
Baseline emissions scenarios	▯	▯	▯	▯	▯	▯
Transparent and reliable MRV systems	▯	▯	▯	▯	▯	▯
Secure land tenure and rights over carbon for LC	▯	▯	O	O	▯	O
LC with ability to assess and engage in transactions	O	▯	O	▯	O	▯
Development oriented BSM	O	▯	▯	O	O	▯
Accountable and transparent mechanisms to channel REDD finance	▯	O	O	▯	▯	O
Law enforcement	O	O	O	O	O	▯
Social impacts monitoring systems	O	O	▯	O	▯	O
Adequate definition of forests	O	▯	▯	▯	▯	▯
Environmental safeguards and monitoring systems	O	O	▯	O	▯	O

Source: Own compilation. Data from FCPF website

A quick glance at the table is sufficient for a crucial conclusion to be drawn: R-PPs and NPDs systematically pay more attention to the development of baseline emissions scenarios and emissions monitoring, reporting and verification systems than they do to the establishment of the policy conditions that must be in place for REDD to serve as a local development mechanism.

Even though there is variance in how R-PPs and NPDs address the necessary conditions for poverty alleviation and for the promotion of sustainable land use through forest carbon programs, *all* documents consistently present in-depth descriptions of how they intend to develop emissions inventories and monitoring systems and of which agencies are responsible for such outputs. They go into detail on the type of equipment that is to be purchased and used, describe the national and international delivery partners and sources of finance and specific methodologies to be used in carbon accounting.

Other conditions for effectiveness – such as the development of social impacts monitoring systems, improving law enforcement and access to justice and providing local communities with the ability to understand and engage in carbon market transactions – were systematically sidelined in the country strategies and were only superficially addressed. Most R-PPs and NPDs only *mention* the importance of attaining these outcomes, but do not provide roadmaps for implementation or designate agencies responsible for coordinating implementation processes. Furthermore, there are hardly any specific budgets or adequate timeframes allocated to the achievement of such outcomes.

In the following, we present how the ten conditions for effectiveness were addressed in the analysed documents. We will seek to present the *policy design tendencies and patterns*, and highlight specific country strategies when they constitute significant exceptions to the rule or when they serve to illustrate broader policy design tendencies.

5.2.1 Conditions for effectiveness (I): carbon credit generation

As emphasized above, the establishment of baseline scenarios and development of MRVs are core components of *every* R-PP and NDP. In most country documents, these outcomes – and namely the development of MRVs – were the most comprehensive and well-written sections of the REDD preparation strategy. Detailed accounts were provided

on implementation processes and roadmaps, the agencies and actors involved in execution and coordination, methodologies and measurement equipment (Government of Panama, 2009, p. 60-73; Government of Mexico, 2011, p. 52-65; Government of Guyana, 2010, p. 57-86; Government of Costa Rica, 2010, p. 68-91; Government of Ecuador, 2011, §208-227; Government of Bolivia, 2010, p. 22-25).

The sections on baselines and MRV comprised in R-PPs were highly technical and many times difficult to understand, a fact that reduces the capacity of civil society to monitor these investments and therefore lowers the accountability of actors involved in the policy processes. Only the Ecuadorian NPD proposes to actively involve local communities in the carbon stock measurement and monitoring process (Government of Ecuador, 2011, §213), while Mexico proposes to let the UNFCCC scrutinize its methodologies and carbon accounting results (Government of Mexico, 2011).

Finally, it is worth mentioning that investments in MRVS and carbon accounting take up a large part of the Readiness budgets in many country documents (table 5.8), and, especially in the case of FCPF countries, specific timeframes were establishment for the development of accounting systems.

Table 5.8 - Structure of FCPF R-PP Budget Requirements by Component and Country[9] Values in USD $1000

Country / Component	Mexico	Panama	Guyana	Costa Rica	Bolivia	total	% total
Organize and consult	$536	$3,000	$1,063	$1,219	$495	$6,313	9,1%
Develop REDD strategy	$7,644	$500	$1,355	$2,240	$2,855	$14,594	21%
Develop reference level	$1,175	$300	$480	$642	$300	$2,897	4,2%
MRV	$30,234	$10,200	$2,850	$248	$750	$44,282	64%
Program management	-	$1,000	$85	-	-	$1,085	1,7%
Total	$39,053	$12,000	$4,770	$3,130	$3,905	$69,171	100%

Source: Adapted from Ardot, 2010

[9] Ecuador NDP does not specify the budget to be allocated to each component.

5.2.2 Conditions for effectiveness (II): Poverty alleviation through REDD

The treatment given to the institutional reforms necessary for alleviating poverty through REDD was generally unsatisfactory. Most documents overtly state that poverty alleviation is a central objective of REDD (for examples, see: Government of Mexico 2011, p. 9; Government of Guyana 2010, p. 38 Government of Panama 2009, p. 36) but with the exception of Ecuador and Bolivia, they all fail to present any specific data on poverty and do not establish channels through which poverty-stricken communities will benefit from a REDD scheme. After reading all the R-PPs, we are left without knowing the reach and depth of poverty in rural and forested areas, and no clue is provided as to what poverty alleviation might entail in the context of Readiness. It is important to note that the UN-REDD Readiness documents are more comprehensive and attentive than the R-PPs in the mapping out of poverty in the country and specifying which populations should benefit from REDD (Government of Ecuador, 2011; Government of Bolivia, 2010).

Two of the conditions that must be in place in order for poverty-stricken and marginalized rural population to benefit from REDD finance – *rights to carbon* and the *capacity to understand and engage in carbon transactions* – were barely addressed in country documents. With the exception of Mexico (Government of Mexico, 2011, p. 35) and Costa Rica (Government of Costa Rica, 2010, p. 60), no other document mentions the need to clarify ownership and rights over carbon as a component of Readiness. Panama, on the other hand, explicitly stated that carbon rights belong to the central government (Government of Panama, 2009, p. 42), a claim that is likely to keep financial benefits out of the hands of local landowners and indigenous communities.

Whilst many country documents specify the need to invest in capacity-building activities, these are mostly described as awareness-raising and consensus-building processes, and not as initiatives that will construct the capacity of local communities to understand the legal system and critically assess carbon contracts that might be proposed to them. If such communities are not provided with the capacity to assess the costs and benefits of engaging in carbon transactions, i.e., to act as “rational agents” in the market, chances are

they will not benefit from the sale of their carbon. Many cases of exploitation already exist in the forest carbon market.[10]

The need to *improve law enforcement* is also only superficially mentioned in country strategies. In documents that do mention the need to improve law enforcement, this is done through the discourse of surveillance and punishment and not of improving access to the judicial system and other instances of conflict resolution. No mention is made to improving the capacity and accessibility of the judicial branch or other conflict resolution mechanisms. Mexico is again an exception, being the only R-PP to propose a channel through which local communities can voice their complaints and grievances to the local administration and the judiciary at their own will. Panama, on the other hand, is willing to sacrifice procedural rights in the name of enhanced law enforcement and forest conservation, and adopts a seemingly dangerous punitive approach to forest governance:

> "Decentralization of environmental management in connection with environmental MCI activities and coordination and strengthening of the bodies responsible for public order, such as the provincial, district and *comarca* governments, are essential for protecting the environment. Such bodies have policing powers and the authority to correct breaches of law and order without having to go through the lengthy and complex proceedings typical of, say, the administrative and judicial spheres. Article 32 of the Constitution grants them the necessary powers and, even though they are bound by Administrative Law, decisions taken at this level are more expeditious than those handed down in other proceedings" (Government of Panama, 2009, p. 46).

Governments proved to be far less eager to monitor and enforce their own actions than they are of punishing irregular land use. The establishment of transparent and accountable mechanisms to channel REDD finance is one of the most poorly addressed components of the R-PPs and NPDs. The issue is not even mentioned in the Guyana and Panama documents, and is treated only superficially by Bolivia, Ecuador and Costa Rica. Again, Mexico is the only country to address the problem in depth, establishing processes

[10] Many recent cases illustrate the exploitation of local communities in carbon transactions due to their incapacity to fully comprehend the complex and terms of international transactions. Indigenous communities have been voicing complaints that such contracts have been to their disadvantage because they were not fully informed of the terms and conditions of the transaction. For recent examples, see articles on REDD-Monitor http://www.redd-monitor.org/2012/03/13/celestial-green-ventures-20-million-hectares-of-redd-carbon-offset-projects-in-brazil/ (last access on April 8th 2012); http://www.redd-monitor.org/2012/02/22/redd-under-the-spotlight-–-can-'reducing-deforestation-and-forest-degradation'-deliver-real-benefits-for-the-climate-and-for-rural-communities/ (last access on April 8th 2012).

and designating institutions to receive and channel REDD finance. According to the Mexican R-PP, a National REDD Fund will be created, managed through a participatory mechanism involving all relevant stakeholders and supervised by the Federal Auditing Agency, an independent body with the capacity to monitor, disclose and enforce finance flows (Government of Mexico, 2011, p. 36-37).

The treatment given to developing *benefit sharing mechanisms* was also unsatisfactory, but for different reasons. All country documents with the exception of Costa Rica presented the establishment of a development-oriented BSM as one of the outcomes of Readiness. But all FCPF countries failed to provide a normative definition of how such a mechanisms should look like, who should benefit and which stakeholders would be involved in the resource distribution process. Bolivia and Ecuador, on the other hand, specify that the distribution of REDD finance should benefit above all local service providers, who participate in REDD schemes as stewards of forests. According to the Ecuadorian NPD:

> "The MAE's preliminary definitions of this issue establish that most of the benefits should target forest owners or direct beneficiaries implementing the activities to reduce deforestation and associated emissions at the local level. The mechanism for benefit distribution should consider planning tools at the local level such as community life plans, local development plans and local land-use plans (Government of Panama, 2009, §179).

Here, again, the country documents submitted to the UN-REDD Programme are more coherent and normative in their approach to regulating REDD in a pro-development manner.

5.2.3 Conditions for effectiveness (III): Sustainable land use

All country strategies define sustainable land use and environmental quality enhancement as desired outputs of REDD, but, again, the outcome is treated in a superficial and limited manner. Only the Bolivian and Ecuadorian NPDs proceed with an in-depth analysis of the environmental risks posed by REDD, while other documents mention such risks only superficially or not at all, preferring to highlight the positive local environmental impacts that might result from REDD.

With the exception of the Mexican R-PP, which establishes that an appropriate definition of forests will be developed through participatory mechanisms (Government of Mexico, 2011), no document even mentions the need to develop a clear and environmentally suitable definition of forests and of which carbon storage activities will be considered under REDD.

Environmental safeguards and monitoring systems were also poorly integrated into the Readiness preparation strategies. Only the Ecuadorian NPD addressed the condition thoroughly, stating that the Readiness process will necessarily involve the establishment of environmental and social baseline scenarios and the development of indicators and systems to monitor changes in environmental quality and local livelihood. The Ministry of Environment is designated responsible for coordinating this process along with different civil society participants (Government of Ecuador, 2011, S. § 202). However, the approach is not perfect and is not nearly comprehensive – the document does not specify processes or indicators, nor which participants will take part in decision making processes. Other country documents mention that environmental impacts must be measured, but do not propose systems to continuously monitor environmental quality.

5.3 Further observations

It is also important to highlight other patterns in the policy design adopted by country documents revealed through analysis. First, all countries with the exception of Bolivia are explicitly preparing themselves to integrate a future forest carbon offsetting scheme. REDD is therefore designed as a strategy to receive market finance by selling Certified Emissions Reductions to the global carbon market (Government of Ecuador, 2011, p. §83; Government of Guyana, 2010, p. 44; Government of Panama, 2009, p. 42). This is done without any analysis of the risks entailed by trading forest carbon offsets and with little consideration being given to other possible sources of REDD finance.

Moreover, very little attention was given to the policy environment in which REDD is to be implemented, namely to the problems and limitations faced by government institutions and bureaucracies. R-PPs eagerly propose new administrative bodies to coordinate and execute REDD strategies, but do not address the underlying problems of public

administration that must be tackled if REDD is to function properly, such as corruption, lack of specialized staff, vested interests, underfinancing, etc.

In fact, the risks REDD entails are addressed only in the Ecuadorian and Bolivian country documents, and not even mentioned in the R-PPs. Without serious consideration and analysis of such risks, and without the development of mechanisms to reduce them, REDD is unlikely to foster any type of local sustainable development.

5.4 – Discussion

The analysis presented above demonstrates that the Readiness initiatives in Latin America are, in fact, biased in favour of developing carbon accounting and MRV systems to the detriment of realizing deeper institutional reforms and improvements in forest governance. This suggests the emergence of a poorly regulated market for forest carbon, which is more likely to reproduce existing patterns of injustice and underdevelopment than to promote livelihood and environmental improvements. Even though we analysed countries with different socio-economic conditions and in different stages of Readiness, all cases followed the same pattern.

On the other hand, it must be noted that Bolivia and Ecuador – the two countries participating in the UN-REDD Programme – systematically fared better in their treatment of the underlying policy conditions for poverty alleviation. These country documents were more focused on the social and distributional potential of REDD; they also mapped out and assessed rural poverty and clearly defended the coining of REDD strategies that would benefit above all the poverty-stricken rural communities who operate as local service providers under the proposed global PES scheme.[11] Our analysis therefore indicates that UN-REDD is more likely to result in development-oriented REDD strategies than the FCPF.

The different operational and normative frameworks of the Readiness initiatives may account for the variance among NPDs and R-PPs. On the one hand, the FCPF has been hesitant to adopt strong social and environmental safeguard policies. A clear system of

[11] It should be noted that the government of Bolivia has recently positioned itself firmly against the use of carbon markets for REDD finance. For a discussion, see Benton-Connell (2011).

safeguards has progressively been substituted by a dense set of guidelines that appear to water down existing policies and obfuscate minimum standards (Dooley, Griffiths, Martone, & Ozinga, 2011). Confirming this tendency, in the end of 2010 the FCPF confirmed that it would use Strategic Environmental and Social Assessments (SESA) as a tool for managing the environmental and social risks of readiness activities. This meant that individual countries would determine, throughout the Readiness process, which safeguards are to be applied and monitored, depending on specific risks entailed by readiness activities. This results in the fragmentation of safeguarding, as there are no more robust and binding standards that apply to all participants.

The FCPF Guidelines for Formulating an R-PP require that specific sections be dedicated to the establishment of a baseline and the development of an MRV system, and the WB is very clear on what it expects in these sections (Forest Carbon Partnership Facility, 2010). Meanwhile, national governments are free to organize how, where and to what extent they address the issues of governance, institutional improvement and local development through REDD. This results in unclear documents, where intended outcomes and policy reforms are presented in a scattered and fragmented manner.

On the other hand, the UN-REDD Programme has been clearer about the application of environmental and social safeguard policies to the Readiness process (UN-REDD, 2011), and the programme's operational guidelines explicitly contemplate outcomes such as the realization of the multiple benefits of forests; the development of national systems for transparent, equitable, credible and accountable management of REDD funding; the establishment of inclusive governance systems; and the Right to Free, Prior and Informed Consent of Indigenous populations (UN-REDD, 2011).

The disappointing treatment given by country documents to underlying policy reforms and governance improvements might be explained by the very structure of Readiness and its phased approach. The three-stage logic of REDD rushes countries along reform processes that would demand a substantial amount of time and investments to succeed. Under Readiness, developing countries are to prepare themselves to integrate a system of positive incentives in roughly three years, and this pushes governments to underscore

processes and measures that can be implemented in that timeframe whilst satisfying donors – namely, carbon accounting mechanisms.

The poor quality of R-PPs and NPDs might also be attributed to the fact that the FCPF and UN-REDD interact primarily with national governments and not with independent civil society organizations, academia or other stakeholders. Despite the fact that the management boards include participants from several sectors, national governments are ultimately responsible for planning, designing and implementing Readiness, and they are very reluctant to admit the limitations and problems of public administration, especially if this might prevent the disbursement of REDD funding. Therefore, country documents are likely to systematically cover up endemic problems such as corruption, understaffing, inefficient bureaucracies and elite capture.

Finally, since REDD is intended to reward countries solely for reduction in GHG emissions and not other outcomes such as local livelihood improvements and betterment of environmental quality, there are no incentives for national governments to take these outcomes seriously in devising national REDD strategies. Under REDD's current normative and operational framework, local development remains a marginal and incremental outcome of a global strategy to mitigate forest carbon. It is an accidental co-benefit that has few chances of being realized. To change this outlook, both REDD and Readiness must be deeply reformed to accommodate and reward local development, a topic we will briefly develop in our conclusion.

Conclusion

Through the analysis of six REDD strategies, the present study has demonstrated that Readiness initiatives in Latin America systematically privilege investments in the development of emissions baseline scenarios and MRV systems over investments in governance and institutional improvements, even through such reforms constitute conditions for REDD's effective operation as a development mechanism. Despite the immense differences amongst analysed countries, the policies being designed under Readiness are similar in their instruments, goals and structures, suggesting such initiatives are influencing and homogenising forest sector policy reforms in developing countries.

While the R-PPs and NPDs dedicated large sections to the planning and budgeting of MRV systems, little attention was given to the development of social and environmental impacts monitoring systems, nor to the improvement of government bureaucracies involved in REDD implementation. Measures concerning legal specification and allocation of carbon rights were barely mentioned, and plans to prepare local communities to understand and participate in carbon transactions were absent from country documents. Our data indicates that Readiness is not oriented towards building a development-oriented strategy, but rather towards the enablement of a poorly regulated forest carbon market that is more likely to reproduce injustices and patterns of underdevelopment than to remediate them.

The governance rationale of REDD suggests that a number of variables might be influencing the bias of Readiness strategies and determining their failure to address underlying governance issues. First and foremost, REDD's performance-based incentives structure only credits quantifiable GHG emissions reductions, providing few incentives for governments to pursue social and environmental improvements through REDD. Furthermore, the adoption of a phased approach to REDD pushes governments to rush through the policy and institutional reform stages in order to reach the "positive incentives" phase as quickly as possible. The operational framework of the FCPF may also result in countries being more attentive when designing MRV systems than when

planning broad governance improvements. This might explain why UN-REDD countries fare better in addressing the underlying socio-economic context in forest areas and proposing more far-reaching improvements in forest governance. Finally, the reliance on carbon market finance may also result in overinvestments in MRV systems to the detriment of deeper and more complex institutional reforms.

What we therefore reveal is that the problems encountered in building REDD as a development-oriented mechanism are deeply entrenched in the governance logic of this instrument. REDD does not have local development at its normative and operational core, and our analysis suggests that it is unlikely to generate local improvements as "happy accidents", namely because the policy environment that must be in place for such outcomes to be achieved is complex and requires substantial planning. Different elements of REDD policy design must be reformed if it is to work as a strategy that simultaneously delivers benefits on the global and local levels. To conclude, we suggest a series of deep policy reforms that should be considered toward this end.

If REDD is to foster local development whilst maintaining its performance-based policy deign, social and environmental outcomes must be incorporated into the REDD compensation system. Like emissions reductions, variations in social and environmental indicators (such as income, social infrastructure, biodiversity, water quality, etc.) should measured against a pre-REDD baseline, reported and credited. This would provide the necessary incentives for governments to take these outcomes seriously, but at the same time is likely to make the strategy more expensive and, therefore, turn REDD into a less cost-effective carbon mitigation strategy. Furthermore, such a policy design could not tap into compliance carbon markets, and would have to rely on different funding sources, such as development aid or voluntary carbon markets.

Still concerning the broad policy design of REDD, our study suggests that the phased approach logic is serving to artificially speed up the Readiness process and bypass necessary investments in forest governance. One way to solve this problem is be to make REDD an input-based system similar to previous ODA efforts but with a stronger focus on conditionalities and institutional reforms in land tenure and forest governance. This would give governments time and resources to implement reforms and improve governance, thereby reducing deforestation. It would also foster a governance and rights-

based approach to reducing deforestation instead of a performance-based one, a strategy that is more likely to benefit local communities.

Moreover, the FCPF and UN-REDD should reconsider their guidelines and operational structures. To generate better country strategies, these organizations will have to improve their mechanisms to involve civil society and other sectors from outside government. The FCPF must also work to clarify the confusion that now underlies the application of environmental and social safeguards.

Finally, reliance on the international carbon market for REDD finance should be reconsidered. Negotiations about the inclusion of forestry a post-2012 climate regime remain inconclusive, and reliance on carbon offset financing enhances the need to invest in carbon MRV systems and carbon accounting in order to transform forest carbon into a tradable commodity. Such investments do not generate income or livelihood improvements for local communities, and they do not improve local environmental quality in any way.

These are not simple policy reforms and will run into the resistance of important stakeholders. In the end, it will be necessary to decide between a REDD strategy that is focused on the generation of cost-effective carbon offset credits or the implementation of a broader policy tool capable of fostering global and local benefits.

Bibliography

Angelsen, A. (ed.) (2008). *Moving ahead with REDD: Issues, options and implications.* Bogor: Center for International Forestry Research.

_____ (2009). *Realising REDD: National strategies and policy options.* Center for International Forestry Research. Bogor: Center for International Forestry Research.

Angelsen, A., & Wertz-Kanounnikoff, S. (2008). What are the key design issues for REDD and the criteria for assessing options? In A. Angelsen (ed.), *Moving ahead with REDD* (pp. 11-23). Bongor: Center for international Forestry Research.

Ardot, M. S. (2010). *Analysis of REDD financing gaps and overlaps.* REDD+ Partnership.

Börner, J., Sven , W., Wertz-Kanounnikoff , S., Rügnitz Tito, M., Pereira, L., & Nascimento, N. (2010). Direct conservation payments in the Brazilian Amazon: Scope and equity implications. *Ecological Economics , 69*, pp. 1272–1282.

Brown, D., Seymour, F., & Peskett, L. (2009). How do we achieve REDD co-benefits and avoid doing harm? In A. Angelsen (ed.), *Moving Ahead with REDD* (pp. 107-119). Centre for International Forestry Research.

Carbon Trade Watch. (2010). *No REDD!* Retrieved 03 14, 2011, from http://noredd.makenoise.org/: http://noredd.makenoise.org/wp-content/uploads/2010/REDDreaderEN.pdf

COP/UNFCCC (2011). *The Durban Agreements.* UNFCCC, Durban.

COP/UNFCCC. (2010). *The Cancun Agreements.* COP Decision 1/C.P. 16, UNFCCC, Cancun.

COP/UNFCCC. (2003). *Bali Action Plan.* COP Decision 1/C.P. 13, UNFCCC, Bali.

COP/UNFCCC. (2003b). *Bali Roadmap.* COP Decision 2/C.P. 13, UNFCCC, Bali

COP/UNFCCC. (2001). *The Marrakesh Accords and The Marrakesh declaration.* Marrakesh.

Corbera, E., Brown, K., & Adger, W. (2007). The Equity and Legitimacy of markets for ecosystem services. *Development and Change , 38* (4), pp. 586-613.

Daviet, F., Davis, C., Nakhooda, S., & Goers, L. (2009). *Ready or not? A review of the World Bank Forest Carbon Partnership Facility R-Plans and the UN-REDD Joint Programme Documents.* World Resources Institute. Washington D.C.: WRI.

Dooley, K., Griffiths, T., & Ozinga, S. (2009). *Cutting Corners: World Bank's forest and carbon fund fails forests and peoples.* FERN and Forest Peoples Programme. FERN and Forest Peoples Programme.

Dooley, K., Griffiths, T., Martone, F., & Ozinga, S. (2011). *Smoke and mirrors: A critical assessment of the Forest Carbon Partnership Facility.* FERN and Forest People's Programme.

Drauth, C. M. (2009). *Closing global governance gaps through corporate social responsibility? Conditions for the effectiveness of the OECD Guidelines, the ILO Declaration, and the UN Global Compact in ensuring responsible business condict.* Hertie Working Paper.

Dutschke, M., & Wertz-Kanounikoff, S. (2008). How do we match country needs with financing sources? In A. Angelsen (ed.), *Moving ahead with REDD: issues, options and implications* (pp. 41-53). Center for Internatoonal Forestry Research.

Faure, M., Gupta, J., & Nentjes, A. (2003). *Climate Change and the Kyoto Protocol: The Role of Institutions and Instruments to Control Global Change.* Edward Elgar Pub.

Forest Carbon Partnership Facility. (2008). *Forest Carbon Partnership Facility Information Memorandum.* Washington D.C.: World Bank.

Forest Carbon Partnership Facility. (2012, March 6). *Forest Carbon Partnership Facility: March update.* Retrieved from Forest Carbon Partnership Facility: http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Mar2012/FCPF_About_US_English.pdf

Forest Carbon Partnership Facility. (2010). *Guidelines for preparing a Readiness Preparation Proposal, v. 5*. Washington, D.C.: World Bank.

Giddens, A. (2011). *The Politics of Climate Change.* Cambridge: Polity.

Gilbertson, Tamra, & Reyes, Oscar (2009). Carbon trading, how it works and why it fails. Critical Currents Papers n. 7. Uppsala: Dag Hammarskjöld Foundation.

Goers, L., & Davis, C. (2011). *Getting ready with forest governance: A review of the Forest Carbon Partnership Facility Readiness Preparation Proposals and the UN-REDD National Programme Documents.* Washington D.C.: WRI.

Government of Bolivia. (2010). *National Programme Document, NPD.* La Paz: UN-REDD Programme.

Government of Costa Rica. (2010). *Readiness Preparation Proposal, R-PP*. World Bank.

Government of Costa Rica and Government of Papua New Guinea. (2001). *Reducing emissions from deforestation in developing countries: approaches to stimulate action.* Joint Proposal, COP/UNFCCC, Montreal.

Government of Ecuador. (2011). *National Programme Document, NPD.* Undersecretatiat of Climate Change, Ministry of the Environment. UN-REDD Programme.

Government of Guyana. (2010). *Readiness Preparation Proposal.* Guyana Forestry Commission. Georgetown: Forest Carbon Partnership Facility.

Government of Mexico. (2011). *Propuesta de preparación REDD (R-PP).* Mexico City.

Government of Panama. (2009). *Readiness Preparation Plan.* Panama City: Forest Carbon Partnersip Facility.

Hajek, F., Ventresca, M., Scriven, J., & Castro, A. (2011). Regime-Building for REDD+: Evidence from a cluster of local initiatives in south-easter Peru. *Environmental Science and Policy , 14* (2), pp. 201-216.

Kanowski, P. J., McDermott, C. L., & Cashore. (2011, March). Implementing REDD+: lessons from analysis of forest governance. *Environmental Science and Policy , 14* (1), pp. 111-118.

Karsenty, A. (2008, October). The Architecture of proposed REDD schemes after Bali: facing critical choices. *International Forestry Review , 10* (3), pp. 1-23.

Karsenty, A., & Ongolo, S. (2011). Can “fragile states” decide to reduce their deforestation? The inappropriate use of the theory of incentives with respect to the REDD mechanism. *Forest Policy and Economics* , pp. 1-8.

Benton-Connell, Kylie. (2011). *Off the market. Bolovian forests and the struggles over climate change.* A Democracy Center Briefing. Cochamamba: Democracy Center.

Landell-Mills, N. (2002). *Marketing forest environmental services: who benefits?* International Institute for Environment and Development. London: IIED.

Landell-Mills, N., & Porras, I. (2002). *Silver bullet or fool's gold? A global review of markets for forest environmental services and their impacts on the poor.* International Institute for Environment and Development (IIED). London: IIED.

Lyster, Rosemary. (2011). REDD+, transparency, participation and resource rights: The role of Law. *Environmental Science and Policy , 14* (2), pp. 118-127.

Lohmann, Larry. (2011). The Endless Algebra of Carbon Markets. *Capitalism, Nature, Socialism,* 22 (4), pp. 93-116.

McKinsey & Company. (2009). *Pathways to a Low-Carbon Economy.* McKinsey & Company.

Meridian Institute. (2009). *Reducing Emissions from Deforestation and Forest Degradation: An Options Assessment Report*. Report for the Government of Norway, Meridian Institute.

Newell, P., & Bulkeley, H. (2010). *Governing Climate Change*. London: Routedge.

Peskett, L., Huberman, D., Bowen- Jones, E., Edwards, G., & Brown, J. (2008). *Making REDD work for the poor*. Poverty Environment Partnership (PEP).

Schelhas, J., & Pfeffer, M. (2008). *Saving Forests, Protecting People? Environmental Conservation in Central America*. Plymouth, UK: Altamira Press.

Stern, N. (2007). *Stern review on the economics of climate change.* London: UK Treasury.

The Munden Project. (2011). *REDD and Forest Carbon: Maket-based critique and recommendations.*

Thompson, Mary C., Baruah, Manali, & Carr, Edward R.. (2011). Seeing REDD+ as a project of environmental governance. *Environmental Science and Policy , 14* (2), pp. 118-127.

UNFCCC. (1992). *United Nations Convention on Climate Change.*

UN-REDD. (2012). UN-REDD. *UN-REDD Programme: 2011 Year in review* . Geneva. Retrieved from http://www.un-redd.org/

UN-REDD Programme. (2011). *Support to National REDD+ Action: Global Programme framework 2011-2015.* United Nations.

UN-REDD. (2011b). *UN-REDD Programme Social and Environmental Principles and Criteria, Version 3.* UN-REDD.

UN-REDD. (2010). UN-REDD. *US $8,7 million approved for UN-REDD Global Activities*. Retrieved on April 9th 2012 from http://www.un-redd.org/

Wertz-Kanounnikoff, S., & Angelsen, A. (2009). Global and national REDD+ architecture. In A. ngelsen. (ed), *Realising REDD* (pp. 13-25). Bogor: Center for International Forestry Research.

World Bank. (1994). *Sustaining forests: A development strategy*. World Bank, Washington D.C.

Wunder, S. (2005). Payments for Environmental Services: Some Nuts and Bolts. *CIFOR Occasional Paper , 42*.

Hertie Student Paper Series is an online publication series of
Hertie School of Governance
Friedrichstraße 180
10117 Berlin, Germany
Telephone +49 (0)30 259219-0
Web: www.hertie-school.org/facultyandresearch/publications/hertie-school-student-paper-series
Editors: Dr Stéphanie Novak (novak@hertie-school.org)
Ariane Goetz (goet5180@mylaurier.ca)