



WWF GUIDE TO BUILDING REDD+ STRATEGIES

REDD+ Governance

INSTITUTIONAL ARRANGEMENTS



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Key Messages

- To engage in the reduction of emissions from deforestation and forest degradation (REDD+), most countries will need either new institutional arrangements and/or reforms of existing institutions at all scales of REDD+ implementation, from subnational to national.
- Countries should define responsibilities and capacities to perform all major functions of a REDD+ system, namely management, financial, technical, implementation, registry and certification, and safeguards and accountability functions.
- These institutions should have a clear division of responsibilities and authorities between the national (federal) and subnational (state) levels and be able to coordinate these responsibilities both vertically and horizontally.

INTRODUCTION

Institutional arrangements for REDD+ refer to (a) the network of institutions or agencies that would be responsible for delivering REDD+; (b) their functions, namely “who does what”; and (c) the interaction between institutions.¹ This chapter has implications for other sections of this document. For example, institutions will need to draft and enforce laws and regulations; measure, report and verify forest changes; and enforce and monitor safeguards. While other chapters focus on what should be done in each of those areas, this section focuses on the vehicle to achieve these goals.

Most countries have decades if not centuries of experience managing their forests in both public and private lands. Decision-making is often split between production-oriented agencies (e.g. a ministry of forestry or agriculture) and conservation agencies (e.g. a ministry of the environment or a national parks agency). Furthermore, forest management decisions can be made (often concurrently) at the district (or county) level, at the province (or state) level and at the national level. In many cases decisions regarding land use are also made at the village or community level.

Developing and implementing a countrywide REDD+ strategy will increase the demands on existing government agencies and will likely result in the creation of new institutions to perform new or revamped functions. Building a country's REDD+ institutions will not be a onetime activity, but rather an extended process encompassing a large number of stakeholders. This chapter endeavours to provide REDD+ practitioners and their local partners with an understanding of the overall process and its many options so that they can determine at which stage in the process they will engage.

Institutional arrangements for REDD+ are being developed simultaneously at multiple levels, at times with little coordination among them. Although the current multiplicity of independent national and subnational experiences may be enriching, the challenge going forward is to create national and subnational REDD+ institutional arrangements that are coherent and coordinated and that can work together to deliver countrywide emission reductions.

INTERNATIONAL POLICY CONTEXT



This section summarizes the key issues in the international REDD+ arena that may shape the design of REDD+ institutional arrangements in developing countries. While the United Nations Framework Convention on Climate Change (UNFCCC) has given little direct guidance on the specific institutions that should be established in developing countries, it does provide guidance on the types of actions that are required of REDD+ countries, and this, in turn, influences the types of institutions that are needed.

COP16: Cancun, 2010

At the 16th UNFCCC Conference of the Parties (COP 16) in Cancun, parties agreed that developing countries wishing to participate in REDD+ activities should develop a:

- National strategy or action plan
- National or subnational forest reference emission level or reference level
- Robust and transparent national monitoring, reporting and verification (MRV) system
- System to provide information on how safeguards are implemented



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Parties also recommended that national REDD+ strategies consider, among other things:

- Drivers of deforestation and forest degradation
- Land tenure
- Forest governance issues
- Gender considerations
- Safeguards
- Full and effective participation of relevant stakeholders.

While this broad framework provides some guidance for countries to develop their REDD+ institutions, little clarity is given on how to implement these institutional arrangements. In the absence of specific UNFCCC directives, multilateral funds—including the Forest Carbon Partnership Facility (FCPF), Forest Investment Program (FIP) and UN-REDD—are significantly influencing the design of national-level REDD+ institutions through the development of national REDD+ strategies.

Institutional arrangements for REDD+ at the international level

Developing countries need to build their national REDD+ institutions, but the same could be said of the international community, which is very behind in building international REDD+ institutions. After strong advances at UNFCCC-COP 16 in Cancun (2010), the REDD+ international discussion has stalled, due in part to some UNFCCC parties' tactic of keeping easier issues captive to force the advance of more difficult discussions, a position encapsulated in the phrase "nothing is agreed before everything is agreed".

Hence, as of mid-2012 there is no clarity regarding how the REDD+ international institutional system would look, and the options include:²

- **Dedicated REDD+ institutions and arrangements or REDD+ institutions as a component of nationally appropriate mitigation actions (NAMAs).** The international agreement can move in the direction of creating institutional arrangements specific for REDD+ or, alternatively, make REDD+ part of the broader NAMAs institutional arrangements. Thus far REDD+ agreements and arrangements have gone ahead on their own, but the discussion is very much open and could go either way.
- **A more centralized REDD+ international system or a more decentralized one.** The international REDD+ system may be more centralized, either in terms of who establishes the rule of the game or who manages international REDD+ finance. An example of a centralized system would be one where the UNFCCC establishes a worldwide set of rules on what REDD+ is and how MRV is carried out; manages a major international REDD+ fund, such as the Green Climate Fund; and oversees a worldwide REDD+ carbon market. Or we could go in an opposite direction with a decentralized system where there are many sets of rules, many funds and many markets operating in different institutional settings, with or without a global mechanism—a registry or a clearinghouse—to coordinate among them. Thus far the picture is mixed—

the UNFCCC commands a lot of authority on technical aspects, but international funding and the limited existing carbon markets have grown in a rather decentralized way.

- **Funds or markets to finance REDD+.** International institutional arrangements will vary significantly if the main source of funding for REDD+ comes from international public sources, either traditional or innovative, or if they come from carbon markets and private investors. The first case calls for institutional arrangements to manage and allocate the actual flow of funds, whereas the latter may require institutions to register, certify, track and audit market transactions.

Outside of the UNFCCC a lot is going on too through (a) multilateral REDD+ funds, particularly the FCPF and the Forest Investment Program (FIP) administered by the World Bank and UN-REDD administered by a consortium of UN agencies; (b) bilateral funds, particularly from Norway (the Norwegian International Forest and Climate Initiative), as well as Germany, Japan and the UK; (c) a bevy of small voluntary markets; and (d) a few subnational and international initiatives linking states (or provinces) of different countries. Although some of these initiatives, particularly the multilateral funds, profess to abide by UNFCCC agreements and even to close shop when a full climate agreement is in place, the fact is that through their conditions and guidelines they play a strong role in shaping how recipient countries build their REDD+ institutions.³

NATIONAL AND SUBNATIONAL OPTIONS



A horizontal approach to building REDD+ institutions

The first step in developing REDD+ institutions begins with agreeing on what

functions these institutions should perform. Table 1 below describes seven major functions of a country's REDD+ institutional arrangements: management, financial, technical, implementation, registry and certification, safeguards and accountability, and capacity building.

Table 1 lays out the different functions that need to be performed within a country but doesn't tell us how many institutions are needed to perform these tasks or how these institutions should be coordinated. On one end of the spectrum, a country could create a single REDD+ agency that deals with all these functions. At the other end of the spectrum, individual government ministries could perform each of these functions with some degree of horizontal coordination. In between these two extremes, a coordinating body (e.g. a high-level presidential task force) could be created to bring together the expertise of several agencies.

Institutional arrangements for the functions highlighted above can be thought of in two ways. Given that REDD+ implementation will cut across many existing institutions and government ministries, strong **horizontal** coordination will be needed across these functions, including clear delineation of roles among different institutions. We can also divide up REDD+ functions **vertically**; how will agencies align from the local level up to

TABLE 1: FUNCTIONS THAT A COUNTRY'S REDD+ INSTITUTIONAL ARRANGEMENT MUST PERFORM TO DELIVER REDD+

Management: Provide overall management and oversight of the process	<ul style="list-style-type: none"> » Elaborate REDD+ strategies and policies that may or may not require the approval of higher levels of government (e.g. cabinet, parliament); » Oversee the implementation and review of REDD+ strategies and policies; » Review and approve REDD+ plans and programs of lower levels of government; » Manage REDD+ international relationships.
Financial: Manage REDD+ finance	<ul style="list-style-type: none"> » Collect and manage funding for REDD+ from international and national sources; » Allocate and disburse resources according to REDD+ national strategies and policies (possibly in coordination with the REDD+ implementation function; see implementation function below); » Ensure compliance with nationally and internationally agreed-upon financial, fiduciary and reporting procedures; » Manage countries' relationships with REDD+ carbon market.
Technical: Provide technical guidance and support for REDD+	<ul style="list-style-type: none"> » Put in place national standards for REDD+ (e.g. MRV and for social and environmental safeguards) » Perform regular forest assessments and MRV activities, or delegate them to other entities and review and approve results; » Manage relationships with international REDD+ technical bodies; » Provide technical assistance to REDD+ parties (e.g. provide technical standards and guidelines on how to implement and measure REDD+).
Implementation: Undertake REDD+ activities or supervise and coach REDD+ activities of other parties	<ul style="list-style-type: none"> » Implement REDD+ readiness and demonstration activities; » Prepare and/or review REDD+ programs and projects in accordance with REDD+ national strategy and policies; » Implement REDD+ strategies, policies, programs and projects or delegate implementation to other parties; » If required, review or participate in the review and approve REDD+ projects of lower levels of governments or particulars for financing (see financial function above).
Registry and certification: Track, register and certify REDD+ actions and/or outcomes	<ul style="list-style-type: none"> » Put in place a register of REDD+ activities and achievements; » Certify MRV REDD+ results; » When appropriate, use the REDD+ registry to facilitate payments and distribution of Certified Emission Reductions among REDD+ project participants; » Manage relationships with international registry and certification bodies.
Safeguards and accountability: Ensure transparency, governance and safeguards	<ul style="list-style-type: none"> » Put in place and oversee the operation of participatory and consultation mechanisms and of social and environmental safeguards; » Put in place and oversee operation of grievance procedures; » Manage relationships with international safeguards and accountability bodies; » Put in place an information system to track safeguards » Establish a recourse mechanism.
Capacity building: Ensure that all parties have the required knowledge	<ul style="list-style-type: none"> » Provide or facilitate the training and capacity building of staff of all REDD+ agencies so that they can properly deliver their functions; » Provide or facilitate the training and capacity building of all major REDD+ stakeholders so that they can actively participate in and benefit from the REDD+ system.

Source: Adapted from Streck et al. (2009).

the national (and international) level? What will be the division of responsibility and authority between these levels, and to what extent should we devolve these functions?

A vertical approach to building REDD+ institutions

Countries will also need to decide how to divide responsibilities vertically among national-, provincial-, district- and project-level authorities. There are three major ways in which a country can arrange institutions vertically:

- In a **fully centralized** model, all REDD+ functions would be managed by national-level institutions. Individual REDD+ activities would be coordinated centrally by the government, which would also be responsible for MRV, safeguards, nationwide REDD+ accounting, etc. Guyana is a good example of a fully centralized REDD+ model in which REDD+ is managed from the highest national level, the Office of the President (see Table 2).
- In a **fully decentralized** model, activities would be managed at the project level, with independent projects producing and selling emission reductions. There may be third-party standards (e.g. Verified Carbon Standard (VCS); Climate, Community and Biodiversity Alliance (CCBA)) that provide quality control for emission reductions (see the chapter on MMRV) and safeguards (see the chapter on social and environmental safeguards), or governments may exert some regulatory power. This approach is valid only as an interim step under the UNFCCC, although a country theoretically could move ahead outside of the UNFCCC and develop only voluntary projects.

- In a **partially decentralized or partially centralized approach** (sometimes called a nested or jurisdictional approach), local-level actors can implement REDD+ functions with some degree of independence from a higher-level authority (such as a national or state government). Some rules will be imposed on all nested parties, but these can be constructed from the bottom up or from the top down. A nested approach can be implemented at any combination of scales; for example, the first level could be the country, the second level the provinces, the third level the district and the lower level the local projects.

All the REDD+ functions described in Table 1 can be distributed among the national- and subnational-level REDD+ agencies in a partially centralized (or partially decentralized) institutional arrangement. While all functions are equally important, the discussion on division of labour between the national and subnational levels is particularly important for the MRV and financial functions because these functions will play a larger role in the distribution of benefits among REDD+ participants. A possible example is presented in Table 2 below.

TABLE 2: A PARTIALLY DECENTRALIZED APPROACH WITH INSTITUTIONS AND FUNCTIONS AT NATIONAL AND SUBNATIONAL LEVELS

MANAGEMENT FUNCTIONS		CERTIFICATION AND REGISTRY FUNCTIONS	
NATIONAL-LEVEL INSTITUTION(S)	SUBNATIONAL-LEVEL INSTITUTION(S)	NATIONAL-LEVEL INSTITUTION(S)	SUBNATIONAL-LEVEL INSTITUTION(S)
<ul style="list-style-type: none"> » Elaborates national REDD+ strategies and policies; » Reviews and approves subnational REDD+ plans, programs and projects; » Oversees the implementation and review of the REDD+ strategy; » Manages REDD+ international relationships. 	<ul style="list-style-type: none"> » Elaborates subnational REDD+ plans, programs and projects; » Oversees implementation and MRV of subnational REDD+ plans, programs and projects; » Manages relationships with national REDD+ agencies and other relevant national agencies; » Coordination/integration of strategies at village and district levels. 	<ul style="list-style-type: none"> » Puts in place and oversees the national REDD+ MRV and certification standards and procedures; » Registers and certifies REDD+ MRV results; » When appropriate, uses the registry to facilitate payments for and distribution of Certified Emission Reductions among REDD+ project participants; » Manages relationships with international bodies. 	<ul style="list-style-type: none"> » Ensures that subnational programs and projects comply with national REDD+ MRV and certification standards and procedures; » Submits results to national (or in some cases, international) authorities for approval, registry and certification.
FINANCIAL FUNCTIONS		SAFEGUARDS AND ACCOUNTABILITY FUNCTIONS	
NATIONAL-LEVEL INSTITUTION(S)	SUBNATIONAL-LEVEL INSTITUTION(S)	NATIONAL-LEVEL INSTITUTION(S)	SUBNATIONAL-LEVEL INSTITUTION(S)
<ul style="list-style-type: none"> » Manages relationships with international funding window; » Allocates and disburses resources according to REDD+ national strategies and policies and MRV metrics; » Ensures compliance with nationally and internationally agreed-upon financial, fiduciary and reporting procedures. 	<ul style="list-style-type: none"> » Manages relationships with national funding window (and if authorized, with international funding windows); » Disburses resources to approved REDD+ plans, programs and projects in accordance with national MRV metrics; » Ensures compliance with nationally and internationally agreed-upon financial, fiduciary and reporting procedures. 	<ul style="list-style-type: none"> » Puts in place and oversees the operation of participatory and consultation mechanisms and of social and environmental safeguards (may be a bottom-up approach); » Puts in place and oversees operation of grievance procedures; » Manages relationships with international bodies. » Safeguard information systems 	<ul style="list-style-type: none"> » Ensures that subnational programs and projects comply with national participatory and consultation procedures and national social and environmental safeguards; » May have in place and oversee operation of grievance procedures or may refer parties to the national level. » Safeguard information systems
TECHNICAL FUNCTIONS		CAPACITY BUILDING FUNCTION	
NATIONAL-LEVEL INSTITUTION(S)	SUBNATIONAL-LEVEL INSTITUTION(S)	NATIONAL-LEVEL INSTITUTION(S)	SUBNATIONAL-LEVEL INSTITUTION(S)
<ul style="list-style-type: none"> » Puts in place national standards for REDD+ metrics, MRV, and social and environmental safeguards; » Performs regular forest assessments and MRV activities, or delegates them to other entities and reviews and approves results; » Manages relationships with international REDD+ technical bodies; » Provides technical assistance to subnational programs. 	<ul style="list-style-type: none"> » Applies national standards for REDD+ metrics, MRV, and social and environmental safeguards; » Performs regular forest assessments and MRV activities and forwards outcomes to national authorities; » Provides technical assistance to programs and projects. 	<ul style="list-style-type: none"> » Provides training and capacity building to national REDD+ staff and, where appropriate, to subnational REDD+ staff; » Provides or facilitates the training and capacity building of major REDD+ stakeholders so that they can actively participate in and benefit from the REDD+ system. 	<ul style="list-style-type: none"> » Provides training and capacity building to local REDD+ staff, sometimes in collaboration with national-level agencies; » Provides capacity building and facilitation to ensure that local populations are able to use these opportunities.
REDD+ IMPLEMENTATION FUNCTIONS			
NATIONAL-LEVEL INSTITUTION(S)	SUBNATIONAL-LEVEL INSTITUTION(S)		
<ul style="list-style-type: none"> » Implements national enabling and readiness activities; » Prepares or reviews REDD+ programs and projects in accordance with REDD+ national strategies and policies; » Implements REDD+ strategies, policies, programs and projects or delegates implementation to subnational parties. 	<ul style="list-style-type: none"> » Prepares and implements REDD+ projects in accordance with REDD+ national strategies and policies, MRV standards, and social and environmental safeguards; » Submits results to national REDD+ oversight and certification agency. 		

Source: Based on Table 1, adapted from Streck et al. (2009)

Continued »

SNAPSHOT CASE STUDY

STRENGTHENING REDD+ GOVERNANCE IN MADRE DE DIOS, PERU

For more information about this case study, visit: bit.ly/10Mktll



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Context

Peru's approach to REDD+ is led at the national level by the Ministry of Environment and implemented at the subnational, jurisdictional level by the regional governments. The Madre de Dios region is important to REDD+ implementation because it has one of the most intact low-lying rainforests in the Peruvian Amazon currently threatened by gold mining, unsustainable agriculture and illegal selective logging. Social inequity and poverty are common, as large segments of the population have limited access to basic social and economic services. The lack of effective environmental governance is manifested in weak institutional capacity, high political instability and little technical capacity to understand the complex world of REDD+. In 2009, the Regional Government of Madre de Dios (GOREMAD) created the Roundtable of Environmental Services and REDD+ (MSAR) for developing a regional REDD+ strategy and promoting policies and information and

training for stronger regional capacity. However, due to lack of technical capacity and resources, MSAR could not be implemented.

Expected changes

In 2010 WWF started a REDD+ program in Madre de Dios with the goal of increasing the institutional and technical capabilities of the region to engage in policy design and implementation of a subnational REDD+ programme.

Achievements

MSAR reactivated. WWF and other strategic partners provided human and financial resources to support the implementation of MSAR. WWF served for some time as the technical secretariat of MSAR and plays a key role by providing technical advice, fostering civil society participation and guaranteeing transparency in its processes.

WWF fostered local technical capacities by coordinating with the Regional University of Madre de Dios to develop a diploma programme Environmental Management and REDD+, which trains local government officials and other stakeholders in relevant REDD+ technical and policy issues.

As a result, MSAR is starting to position itself as an important REDD+ actor at the local, national and international levels. After two years of work and with the financial support of several international institutions and NGOs such as WWF, the MSAR is growing in strength and now operates regularly under the leadership of GOREMAD. Specific achievements are:

- Building a REDD+ coordination in Madre de Dios by bringing together various distinct projects and institutions that had been working individually in the region;

- Developing technical capacities, and building consensus on concepts, and technical criteria to implement environmental services and REDD+ projects that coordinate with national processes;
- Promoting technical and participative processes in which civil society can actively participate in subcommittees by voting and validating the results. This has led to a sense of empowerment by those participating in the process.

At the national level, Madre de Dios is being considered by the Ministry of Environment as a model for other regions and as a priority region in the National REDD+ strategy. Beyond Peru, GOREMAD presented its experience in the Governors' Climate and Forests Task Force (GCF) in 2012, a subnational collaboration between 19 states and provinces of key tropical forest nations that seeks to advance jurisdictional REDD+ programs—and will host the organization's 2013 annual meeting.

Challenges

Regional management discontinuity and regional political instability prevent progress and negatively impact or delay planned activities.

Lessons learned

- In order to guarantee the continuity of processes when there is a high rotation of local government officials, it is essential to create a critical mass of trained professionals and technicians at the subnational level who live and work locally.
- Participatory processes take time. Although the strength of this initiative comes from the collaboration between civil society and the regional government in validating and recognizing resulting products, this takes time and should be considered in planning.



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A critical institutional arrangement: who should manage REDD+ finance?

One of the most controversial issues regards which institution (or institutions) should manage the REDD+ financial function, which we described in Table 1 as encompassing:

- Collecting funding for REDD+ from international and national sources;
- Allocating and/or disbursing resources according to REDD+ national strategies and policies;
- Ensuring compliance with national and international financial, fiduciary and reporting procedures;
- Managing relations with international funding window;
- Managing relations with REDD+ carbon markets and other forms of decentralized funding.

The issue of who manages REDD+ funds is relevant only to centralized or partially decentralized institutional approaches. In a fully decentralized system there is no pot of money and there are only one-to-one market transactions.⁴ But because all REDD+ countries are currently developing either a centralized or a partially decentralized approach, and because all of them are still navigating REDD+ phases one and two, where financing is (or should be) front-loaded, the issue of who should manage REDD+ funds is still being determined. Options proposed for the management of country REDD+ funds include management by:

International organizations located outside the country. This is the case of the Guyana REDD+ Investment Fund (GRIF), which has the World Bank as its trustee and the World Bank, the

Inter-American Development Bank and the UN Development Group Agencies as executing entities (called partners) (see www.guyanareddfund.org).

International organizations located inside the country. This is a model that the Democratic Republic of Congo (DRC) is leaning toward, as the country has asked the UNDP to organize and manage the DRC National REDD+ Fund.

National organization totally or partially independent of the government. To the best of our knowledge, there is no on-going experience of this type for REDD+, but many existing Conservation Trust Funds (CTFs) could provide a viable model. CTFs are legal entities created ad hoc to operate a special purpose fund. Their board may or may not include public representatives.⁵

Decentralized public entity. REDD+ funds could be managed by a public development bank that has a significant degree of independence from the government in terms of management and financial operation. This is the case of Brazil's Amazon Fund, which is managed by the Brazilian National Development Bank, an agency of the government of Brazil, but the fund has functional independence from the bank.

An official government agency whose budget is part of the government budget (national, state or district). FONAFIFO, the agency that manages the well-known Costa Rica forest payment for environmental services (PES) program, is such a case. FONAFIFO depends on the Costa Rica Ministry of Environment, which appoints FONAFIFO's board (two representatives from the private sector and three from the public sector), with FONAFIFO funds coming mostly from national budget allocations and international grants. Likewise, Mexico's National Forest Commission management of the country's PES-carbon program includes the management of its financial functions.

FOCUS

GUYANA AND BRAZIL: TWO DIFFERENT COUNTRIES, TWO DIFFERENT REDD+ INSTITUTIONAL ARRANGEMENTS

Guyana is a small, sparsely populated, tropical forest country with very low historical deforestation rates. An early REDD+ mover, Guyana's REDD+ institutional arrangements were developed directly by the Office of the President and have remained strongly centralized.

Because of its strong dependence on international bilateral funding, Guyana opted for financial institutional arrangements managed mostly by multilateral development agencies. The Guyana REDD+ Investment Fund (GRIF) Steering Committee is chaired by the Government of Guyana and includes representatives of donors, civil society and other stakeholders. The GRIF receives REDD+ payments and approves investment projects that contribute to the Guyana Low Carbon Development Plan. The World Bank, as trustee of the GRIF, manages the funds, and once a project is approved, money is transferred to the partner entities, including the Inter-American Development Bank and selected UN agencies that would implement the project. (See www.guyanareddfund.org for more information).

Brazil is a large, heavily populated, tropical forest country with high deforestation rates. Brazil is also a federal country with significant authority vested in its states. Its approach to REDD+ has therefore been more decentralized, with important REDD+ institutions being developed both at the federal and the state levels. It is still an open issue in Brazil as to how it will harmonize approaches at these different levels.

Brazil is the world's sixth-largest economy, and although it has received significant international financing for REDD+, it has also contributed significant domestic resources to REDD+ policies and measures. Consequently, its institutional arrangements for REDD+ financing are all domestically managed. The largest of these, Brazil's Amazon Fund, is managed by the Brazilian Development Bank (BNDS), a public bank with a lending portfolio larger than that of the World Bank. BNDS distributes grants and soft loans to private and public project proponents in line with the Amazon Fund's Guidelines and Criteria for the Allocation of Resources to support four main themes: public forests and protected areas, sustainable production, science and institutional development and control mechanisms. (See www.amazonfund.gov.br for more information).

The issue of where to locate and how to disburse REDD+ funds is closely related to (a) how much a REDD+ country depends on international financing as compared to national budgets and (b) the perception of the country as a good or a poor funds administrator. The more a country depends on external funds and the more widespread the perception that the government is a poor manager of public funds, the stronger the international and national pressure will be to assign the management of REDD+ funds to an independent institution.

Communities, private institutions and NGOs for REDD+

Institutional arrangements of local communities, the private sector and nongovernmental organizations (NGOs) are as important as public-sector institutions for the successful implementation of REDD+. Figure 1 below highlights the various roles and interactions that indigenous peoples, local communities, businesses and NGOs can play in REDD+. In addition to this chapter, information on institutional arrangements for non-governmental REDD+ actors are discussed in the chapters on social and environmental safeguards and benefit sharing.

Indigenous peoples and local communities often need their own platforms to facilitate inclusion and representation in REDD+ decision-making, including protecting their rights and tenure and ensuring fair and equitable benefit sharing.

Businesses can play a variety of roles in REDD+ processes and may participate in a range of institutions. Small businesses may need training and support to engage with REDD+, and both small and large businesses can create

FIGURE 1: BEYOND THE PUBLIC SECTOR: COMMUNITIES, BUSINESSES AND NGOS FOR REDD

KEY FUNCTIONS OF PUBLIC INSTITUTIONS

1. Management
2. Financial
3. Technical
4. Implementation
5. Registry and certification
6. Safeguards and accountability
7. Capacity building

KEY FUNCTIONS OF INDIGENOUS PEOPLE AND LOCAL COMMUNITIES INSTITUTIONS

1. **Defense of local interests:** e.g. rights to forests, social safeguards, benefit sharing
2. **Build capacity to participate in REDD+:** e.g. securing training, technical support

KEY FUNCTIONS OF BUSINESS INSTITUTIONS

1. **Facilitate business investment in REDD+:** e.g. pooling demand and supply, financing
2. **Facilitating dialogue with other stakeholders:** e.g. roundtables, trade associations

KEY FUNCTIONS OF NGOS

1. **Facilitating dialogue among stakeholders:** e.g. roundtables, committees, steering groups
2. **Capacity building and training** of country and local stakeholders
3. **Providing technical support to key stakeholders:** e.g. to national and local governments on MRV

private REDD+ institutions to facilitate engagement in REDD+. Businesses are active in many of the roundtables that have been established around forest conservation and certification and have independently established trade associations such as the Climate Markets & Investment Association (CMIA).

NGOs are already one of the major stakeholders of REDD+ with strong presence, commitment and expertise in many key components of successful national and local REDD+ strategies. Many NGOs, including the global conservation organization WWF, have successfully engineered several institutional arrangements for REDD+. Civil society organizations have established roundtables both at the national and the local levels on issues such as social and environmental safeguards, MRV and benefit sharing, as well as commodity roundtables that are now having an increasing influence on REDD+ (See *Addressing Drivers of Deforestation and Forest Degradation* chapter).

WWF VIEWPOINT



Countries differ considerably in their legal frameworks, their institutional traditions and their public agencies' capabilities. This affects their choices of institutional arrangements. For this reason, WWF does not have a position in favour of a specific type of institutional arrangement, stating for example which government agency should lead the REDD+ process, or what should be the precise division of labour between national and sub-national authorities. WWF's overall REDD+ position does, though, have

strong implications for a discussion of a country's REDD+ institutional arrangements.

A review of the *REDD+ Five Guiding Principles*, which WWF adheres to, and WWF's positions on REDD+ at UNFCCC COP 16 (Cancun), COP 17 (Durban) and COP 18 (Doha), renders the following list of guidelines for national and institutional arrangements:⁶

WWF favours national-level approaches to REDD+. This approach is consistent with UNFCCC's official position, and is chosen over a subnational-level approach as it is more suited to prevent leakages and ensure permanence.

Among national-level approaches, WWF favours centralized and partially decentralized jurisdictional approaches, over fully decentralized project-level approaches. The reason for this choice is that fully decentralized project-level REDD+ approaches are ill-suited to prevent leakages and ensure permanence. Moreover, project-level REDD+ approaches will not be able to address off-plot drivers of deforestation (e.g. enforcement, markets, infrastructure).

Complying with UNFCCC agreements. National REDD+ institutional arrangements should facilitate delivering on UNFCCC requests, as per the section *International Policy Context*.

REDD+ institutional arrangements may need a strong backing or even the direct participation of high-level agencies. Delivering REDD+ will require high-level commitments and REDD+ institutional arrangements, and, at least initially, may need to involve the participation of high

levels of government (e.g. the Office of the President and/or the Finance Minister).

Striking the right division of labour between national and subnational institutions. This is critical to ensure the coherence and cooperation between national and subnational REDD+ approaches.

Financial clarity is of paramount importance. It is important to define who would manage the funds and how they will flow through the REDD+ system.

Understanding what functions need to be performed to deliver REDD+. This is a good guide to define the institutional arrangements.

Caring for the 3Es. Any REDD+ institutional arrangement needs to deliver on the 3Es: efficacy, efficiency and equity.

Institutional building has different priorities and capacity requirements. So it may be right to undertake a phased building process, where different parts of the REDD+ institutional arrangements develop at different paces, as long as there is a road map to ensure that all the parts will fit together.

Strong institutional platforms for non-governmental REDD+ stakeholders are also needed. WWF is particularly interested and active in the creation of institutional spaces to facilitate the national- and local-level engagement in REDD+ of indigenous people, local communities, civil society organizations and NGOs.

FURTHER RESOURCES



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See *WWF REDD+ Resources* chapter.

END NOTES



1. The term “institution” is used here narrowly to define those actors and agencies undertaking REDD+ functions and does not include rules and laws. Legal issues are covered under other chapters of this publication.
2. See Streck et al. (2009).
3. Information on multinational REDD+ funds, their policies and their recommendations to REDD+ countries can be found at the following websites: www.un-redd.org, www.forestcarbonpartnership.org and www.climateinvestmentfunds.org. A good source of information on forest carbon markets is Forest Trends: www.forest-trends.org.
4. The same may be said for results-based, carbon-market-driven systems. There are no funds or fund managers in a CDM-like system, only one-to-one transactions.
5. See www.conservationfinance.org, the website of the Conservation Finance Alliance, for a good review of conservation funds.
6. See [WWF REDD+ Resources](#) chapter for a list of WWF REDD+ positions and publications.