

INSIGHTS FROM THE FIELD, AUGUST 2013
NORWEGIAN REDD RESEARCH NETWORK

II. Country Cases: Indonesia, Tanzania, Brazil

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"REDD has the potential to save forests and benefit the local communities around them, but it also could do enormous harm in terms of forcing people off their traditional lands, destroying natural ecosystems for the sake of maximizing carbon, and creating new wealth that is felt by only a few"

(*'Progress on REDD at COP17 – CARE's Technical Advisor – 06.01.12*)

Contents

- 1 Highlights and conclusions
- 2 Introduction
- 3 Brazil
- 4 Indonesia
- 5 Tanzania

This is one of two briefs based on MSc theses submitted at universities in Norway.

1 HIGHLIGHTS AND CONCLUSIONS

- To date Norway is the largest financial contributor to REDD activities in Indonesia, Tanzania and Brazil.
- Land tenure is one of the most important challenges in all three countries for the successful implementation of REDD in a way which secures the rights of local and indigenous peoples.
- Among the most challenging factors for the implementation of REDD in Brazil is the harmonization of agricultural, transport and land tenure policies with forest conservation and climate policies.
- Current REDD demonstration activities in Indonesia, Tanzania and Brazil do not guarantee the inclusion and participation of all those who could benefit or be affected by REDD projects.
- NGOs are usually the initiators of REDD projects in Indonesia and Tanzania. Local communities' participation occurs mainly through NGOs. National NGOs develop a relationship of dependency to donors. Competition for funding might affect NGOs' position vis a vis local communities and undermine their legitimacy.
- REDD projects, at least in Tanzania, appear to provide insufficient benefits compared to what the people must give up in order to accomplish the REDD objectives.

2 INTRODUCTION

Although the global REDD project is still in the making, local REDD demonstration activities are being planned and implemented. National REDD programmes are also being developed. Demonstration activities provide valuable guidance for understanding how REDD will unfold on the ground. National REDD programmes and strategies are setting the framework within which REDD is going to be implemented in the future, who will participate and benefit from the initiative, and who will decide “the rules of the game”.

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There are four main approaches on how to receive REDD funding: market based funding, funding outside the national administration, national funding, or via budget support. Norway's International Climate and Forest Initiative (NICFI) is supporting the Amazon Fund in Brazil, the Congo Basin Fund in The Democratic Republic of Congo, the Guyana REDD investment fund (GRIF) and national REDD schemes in Indonesia and Tanzania.

Three pilot project countries receiving funding from Norway - Brazil, Indonesia and Tanzania - have been the subject of recent master's theses. These theses focus on the implementation of REDD projects, as well as the process of REDD policy making.

This brief is based on the findings of these master theses, with focus on how REDD, or REDD-like initiatives, are working in practice. What can be learned from these pilot projects? What has been successful and what are the challenges that prevent the accomplishment of REDD projects' objectives?



3 BRAZIL

Brazil has experienced strong economic growth during the past decades and has developed a relatively strong economy. Notwithstanding, because of the REDD initiative Brazil has become one of the main receivers of Norwegian development aid. The Brazilian REDD+ governance system consists of three actors: the Amazon Fund, the federal government, and project leaders. Brazil has chosen a national fund approach to keep the sovereignty of the Amazon forest within the country.

Brazil contains around 60% of the Amazon Rainforest. 30% of the world's remaining rainforest is located within Brazilian territory. Brazil has the most unequal distribution of land in the world, an important factor in forest management conflicts. Moreover, Brazil is the planet's fourth biggest emitter of greenhouse gas emissions; three quarters of such emissions come from deforestation.

Norway is by far the biggest donor to the Amazon fund (87% of its total budget) but also Germany and the Brazilian oil company Petrobras contribute to the fund.

Amazon fund

The Amazon fund was established in 2008 with the primary goal to reduce deforestation in the Amazon by 80% below its historic baseline over the next ten years. It was a national lead initiative of REDD, and an instrument designed for foreign donors, NGOs, and companies, to receive funding for reducing deforestation. Norway is by far the biggest donor to the Amazon fund (87% of its total budget) but also Germany and the Brazilian oil company Petrobras contribute to the fund. Payments from the fund will be based on demonstrated reductions in emissions from deforestation and degradation.

Organization of the fund consists of two parts, the Steering and Technical Committee, and a manager of the fund. The Amazon fund is in theory autonomous from the federal government, but the federal government is represented in both the Steering and the Technical Committee. The Steering Committee decides the guidelines and criteria for approval of activities. The members of the Steering Committee are appointed by the national development bank (BNDES). The Technical Committee collaborates with the national institute of space research, which verifies the deforestation and emission data; this committee consists of specialists appointed by the Ministry of Environment. The national development bank (BNDES) manages the fund, and effectively has authority over all decisions.

The funding is performance-based, causing the donors to focus solely on the quantity of avoided emissions..

Why REDD in Brazil?

Brazil has no obligations under the Kyoto protocol and is not required to reduce greenhouse gas emissions. However, climate change is affecting Brazilian resources and economy. Consequently, climate change mitigation is an important issue in Brazilian policy discussions. Furthermore, by investing in REDD Brazil gains power and goodwill, as well as strengthens its reputation in the international level.

Because the Amazon fund is dependent on financial contributions, Brazil benefits from cooperation with Norway. Norway and Brazil have mutual economic interests, and their relationship is reinforced through REDD. Moreover, Norwegian oil expertise might help further develop the Brazilian oil sector. In other words, by taking a frontrunner role in the world to reduce deforestation to mitigate climate change, Brazil might also be promoting its national oil and gas interests. Additionally, Brazil secures its territorial sovereignty by maintaining control over REDD efforts through the Amazon fund.

The solid political legitimacy of the Amazon Fund strengthens the trust and confidence of donors, especially Norway, and the fact that REDD policies seem to be well integrated in the overall national anti-deforestation policy gives additional legitimacy to the Brazilian option.

Challenges in Brazil

Payments for environmental services, including REDD, are based on secure land tenure. This poses a challenge in Brazil due to the skewed land distribution, as well as the unclear and in some cases insecure land tenure regime in the country.

Further, because payments from the Amazon fund have a strong focus on performance (i.e. reduced deforestation) how to secure local livelihoods and local peoples' rights remains a challenge.

Payments into the Amazon fund are contingent on national performance. This poses a risk for smaller projects because if deforestation rates increases at the national level it would impact smaller projects that have successfully reduced deforestation at lower scales. An important challenge for REDD is the lack of harmonization between the conflicting objectives between agricultural, transport, and land tenure policies with REDD goals and initiatives, making it hard to achieve the goals set by the national climate policies. For example the policies of the Department of Agriculture often collide with the goals of forest protection.

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"What becomes clear from the Amazon Fund, so far, is that to support low carbon development, national climate institutions need to be truly developmental, and not simply mechanisms to account for climate finance" (Levorsen, 2011).

"Thus, institutional arrangements that establish local user's rulemaking autonomy, stimulate the flow of financial and institutional assistance for monitoring, and enforce local rules and forest preservation, in addition to safeguard the communities and their institutions from powerful, and at times corrupt, actors and agencies involved in forest exploitation, represent the main conditions needed for successful CFM". (Levorsen, 2011)

4 INDONESIA

Norway is one of the few contributors, and the biggest donor for REDD+, in Indonesia. NICFI's support in Indonesia is provided through four main funding channels; bilateral partnership through the Letter of Intent (LoI); multilateral mechanisms via UN-REDD and the World Bank's Forest Carbon Partnership Facility and Forest Investment Program; a Norad-managed Civil Society Support Scheme; and by way of embassy-managed development cooperation grants.

The National Development and Planning Agency (BAPPENAS) has the responsibility of creating the national REDD strategy. The REDD agency and institution for monitoring, reporting, and verification of forest related greenhouse gas emissions was established by "the President's Delivery Unit for Development, Monitoring and Oversight" (UKP4). The design and establishment of a funding instrument is the responsibility of the Finance Ministry, and the Ministry of Forestry decides the selection of the pilot provinces.

Indonesian REDD policy making

The first phase of REDD policy making in Indonesia was under the responsibility of teams of specialists. Appointed teams, including the Steering Committee, the Implementation Team, a technical team, and a writing team, consisted of elected politicians, bureaucrats, academics, and international NGOs. These teams were responsible for making a strategy for REDD in Indonesia.

The draft REDD policy was opened for comments from the public during the second phase. Information about the project was published in leaflets, books, and on the internet. Anyone could participate in the debate, but the discussion was limited mainly to powerful and better educated individuals, and special interests. This bias was due to differences in education level, access to information, and location of the discussions.

The regional and provincial facilitators from different civil society organizations assisted in REDD consultations. Local governments, academics, the private sector, NGOs, donors, and community leaders were brought together to discuss REDD strategies. The selection mechanisms of the consultation did not include direct participation from the public.



REDD in Indonesia a success?

According to Norad "NICFI's support is very well matched to Indonesia's REDD+ strategic priorities and policies, to Indonesia's commitment to its own emissions reductions and to many of Norway's REDD objectives".

The establishment of REDD has led the Indonesian government, very unusually, to cooperate with NGOs and include them in actual decision-making processes. Lack of recognition of the rights of indigenous peoples and local communities is a source of tensions in Indonesia. The establishment of REDD has created a closer relationship between the government and NGOs. REDD has become a tool and an arena for representation and collaboration across different fields. *"We want to help the locals to face the government and at the same time convey to the government if the locals have been unfairly treated. The purpose to get the government to recognize the locals' lives. But then we need resources and funding to be able to help and make change"* (representative for local NGO in Hansen, 2012). The collaboration between local NGOs and foreign donors and governmental institutions has in some regions of Indonesia helped NGOs succeed in supporting local people's rights in REDD. The climate change policy has shown some potential to become an important tool for indigenous leaders to achieve their recognition of sovereignty, self-determination, and traditional land rights.

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Challenges in Indonesia

Land tenure poses a challenge to the implementation of REDD especially concerning tenure rights of indigenous communities.

"If political representatives are not representing the interest of indigenous peoples with regards to big companies, it is unlikely that there will be political representation supporting the interests of indigenous peoples and local communities with regards to REDD+" (Veierland, 2011). These political realities have to some extent been modified by the enhanced influence of NGOs, as noted above. However there are some paradoxes involved in the role of NGOs.

The NGOs are dependent on Western donors. This dependency creates competition among local NGOs. The NGO that manages to satisfy the donors the most receives more funding. When competition for funding becomes such an important part of a NGOs role, it might affect their positions and their legitimacy within local communities.

NGOs have become a common career path for well-educated Indonesians. Although most who work for a NGO do not strive to be activists for their entire life, working for a NGO can serve as an important instrument for gaining status and in finding new work opportunities. A consequence of foreign investment in forest and development aid is the possibility to increase income and to advance social status within the NGO-path. Accordingly, financial benefits works as a strong incentive for local NGO engagement in REDD activities. Activists might be tempted to leave one NGO for another NGO offering better salary and prestige. Consequently, and additionally, there exist rivalries between the different local NGOs.

There is limited opportunity for direct participation by the local communities. When local population and indigenous peoples are consulted and invited to participate and give their response regarding REDD it mainly happens through NGOs. REDD officials and NGOs are not successful in communicating projects to the locals in a meaningful way. Accordingly, REDD is a fragile discourse among professional stakeholders in Indonesia.

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5 TANZANIA

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NICFI supports the implementation of the National REDD Framework's readiness process through bilateral and UN-REDD programmes. Norway and Tanzania signed a Letter of Intent (LoI) on Climate Change Partnership focused on REDD in April 2008. To start the partnership NICFI committed NOK 500 million over a five-year period. In 2009, Norway started funding 'REDD+ readiness' in Tanzania, which include nine pilot projects. These pilots are all implemented by non-governmental organizations. Norway is the largest donor to Tanzania's REDD strategy development. REDD policy development is entirely financed by NICFI and the establishment and implementation of all activities of the REDD task force and REDD secretariat have also been financed by NICFI. A national framework for REDD was finalized in 2009. The National Climate Change Steering Committee has the overall coordination responsibility, the Forest and Beekeeping Division devises the main management responsibility, and Local Government Authorities are the main implementers in the field. In addition, a National Carbon Monitoring Centre and National REDD Trust Fund is managing the Monitoring, Reporting, and Verification of carbon and the financial flow. In 2001, Tanzania's National Forest Programme, estimated that over 500,000 ha of the countries forests and woodlands were degraded annually. Deforestation in Tanzania is mainly due to insecure land tenure, shifting cultivation, wildfires, and harvesting of timber and fuelwood; the use of charcoal, very widely used for cooking, is a major driver. The lack of capacity to enforce rules, land ownership patterns, and economic interest are enabling this development.

REDD in Tanzania a success?

Although the Norad's Real Time Evaluation report from 2010 highlights good cooperation between the NGOs and the Department of Forestry and asserts that the official stakeholders and implementers have substantial knowledge and experience from the field, there are still some important challenges to meet.

Challenges in Tanzania

REDD projects provide an insufficient benefit compared to what the people must give up in order to accomplish the REDD objectives. The villagers describe how they are not provided with sufficient compensation concerning money or land. There are few available alternatives for generating income. Projects implemented by the NGOs are too small; and they may not benefit those who lose out from REDD+ (such as local small-scale traders in charcoal). The timeframe of the work by NGOs is quite short, and there are concerns that after NGOs formally cease funding projects, the villagers will cease to participate.

"The challenge is usually to communicate the villager's needs in an effective way, so that stakeholders at national and international levels are pushed to legislate rules that are benefitting rural population" (Resset, 2012).



There are substantial shortcomings in how the NGOs communicate REDD+ to the local communities. The implementers show too little emphasis on local conditions and they are unable to include significant numbers of persons in the communities. This especially affects the poorest members of the communities.

Power asymmetries within local communities are difficult to avoid. Mainly those with the highest income are involved in forest extraction. Likewise the richest members of the communities are also those primarily involved in non-farm activities. Thus, the projects initially increase the asset base of the inhabitants holding the largest amount of resources, while reducing the assets of the poorest. NGOs often seem to view the local communities as a homogeneous entity of cooperation with shared interest, and appear to overlook the internal power structures. The relations within the villages are in continuous change and NGOs should look for mutual characteristics leading to trust, shared values, and expectations of reciprocity within the community.

Land tenure poses a general challenge to the implementation of REDD in most countries. Especially after the collapse of private and state owned plantations, Tanzania has operated with unclear land tenure. This has also led to an influx of immigrants from other parts of the country and an increase in deforestation and degradation. There is a need for a revised policy framework and new regulations put in place in order to create an enabling environment for REDD. National ownership and stakeholder inclusion needs to be developed, both horizontally and vertically.

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In the initial phase the Norwegian funding for pilot REDD+ projects did not require any safeguards. The NGOs recognized the need, yet the safeguards remained diffuse in the first two years. In 2010 Norad launched a policy of zero-tolerance of corruption as a means to combat challenges in the implementation of projects in developing countries. This may have led to greater emphasis being placed on "The mechanisms that will measure the basis for REDD+ revenues, and how these revenues should be handled" than on the mechanisms for securing people's rights. (Resset, 2012).

Similar observations related to NGOs in Indonesia also apply in Tanzania, although in the latter case the NGOs are international (or national offices of international NGOs). NGOs have become experts in writing proposals and adapting to new projects to receive funding. "These NGOs' they are just in there for the money, they don't care. N-G-O – Nothing Going On! Put that down. Damn!" (Interviewee in Resset, 2012). Empirical examples from Tanzania show how NGOs leave activities in areas where the projects do not work.

Communication between NGOs and local communities is a challenge in Tanzania as well as lack of responsibility for the consequences of action. Due to the principles of FPIC (Free Prior and Informed Consent) communities have the right to be informed and decide on projects affecting their area. NGOs perform surveys and meetings, but the site-selection is already decided by the NGOs and the meetings are only open to invited people. In other words, the processes are steered by the NGO's agenda, and constrained by the demands attached to the funding.

"Being able to understand and incorporate the complexities of local conditions into a national REDD structure is extremely important in order for said structure to work efficiently and effectively, and it will also affect how legitimate the regime will be perceived by the affected economic actors" (Dyngeland and Eriksen, 2011).

Photos: Cecilie Hirsch, Christian Bull, Desmond McNeill and Ane Evenstad