



EUROPEAN POLICY BRIEF



ENGOV

Environmental Governance in
Latin America and the Caribbean

STEPS TOWARD A MORE EQUITABLE AND EFFECTIVE IMPLEMENTATION OF REDD IN LATIN AMERICA

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INTRODUCTION

Latin America holds a key position in the global efforts to mitigate carbon emission through reduction of deforestation. The region houses 21% of the global vegetation cover, combining 11 million square km of forest and 3.3 million square km of savannahs. Greenhouse gas emissions in Latin America are generated mostly from land use change (67%) of which deforestation is the most important source (Figure 1). However, one fifth of the rural population in the region relies on forest resources to support their livelihoods. Forest territories cover 38% of Central America and 49% of South America. Therefore, an important policy challenge is to develop instruments and measures that allow for reconciling issues of legitimacy and justice with effective measures to avoid deforestation. In this context, LA is a crucial region for the implementation of the global initiative “Reducing Emissions from Deforestation and Forest Degradation” (REDD), launched at the global climate negotiations in 2005 and promoted by state and non-state actors in the region. Both issues – climate change and participation in decision-making are at the core of ENGOV. The very concept of environmental governance deployed in the project entails decision-making beyond the realm of the state. One project objective was to analyse how state and societal actors engage in mitigation and adaptation efforts. In this policy brief we lay out the main challenges observed in the implementation of REDD in Latin America, and will reach the conclusion that REDD can only be a successful instrument for environmental governance and more equitable, fair and effective development when it is transparently discussed with local stakeholders and provides clear mechanisms for participation and the use of the funds. Equity, fairness and effectiveness are central to the idea of how REDD should be implemented.

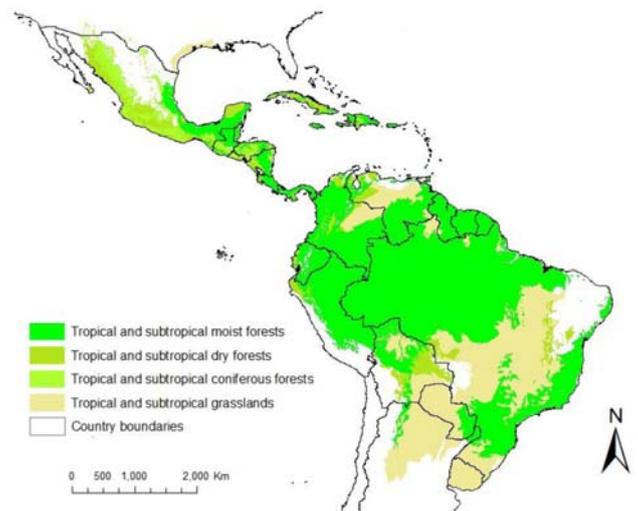


Figure 1: Tropical forests and savannahs in Latin America (from Pacheco et al. 2011)

- Early REDD** Early elaboration of REDD-like mechanisms appeared in the UNFCCC COP 11, in 2005. In 2006, at COP-12 in Nairobi, Brazil presented a proposal to address the deforestation issue, but based on voluntary donations rather than on market mechanisms. At COP-13 held in Bali, Indonesia in 2007, the concept of REDD was broadened beyond deforestation to include forest degradation. Currently, REDD refers to the development of mechanisms and policies aimed at providing incentives for countries to curb forest degradation. Although the final format of REDD is not yet defined, countries are already building capacity to be ready for a REDD mechanism. This is generally done with support from multilateral or bilateral initiatives, including the UN, which launched its REDD initiative (UN-REDD) in 2008. In 2010 during the conference of the parties to the UNFCCC, governments agreed to adopt a phased approach for REDD. These phases are 1) development of national REDD strategies plans and capacity building. 2) implementation of national plans and demonstration activities and; 3) result-based actions with full measuring reporting and verification. So far, most Latin American countries involved in REDD are in Phase 1. To date countries are working with planning the implementation of REDD. Many issues regarding funding and governance are still unclear.
- Key players** Although REDD is still in early phases of development, it has attracted considerable attention from a range of international, national and local actors. Key actors at the national and international levels are states, (inter-) national Non-Governmental Organizations (NGOs), indigenous peoples' organizations, donor countries and lending institutions, research organizations and private sector groups. At local levels, key players include national and subnational authorities, indigenous peoples' and peasant organizations, and local NGOs. This diversity of actors involved in REDD initiatives has created a complex and asymmetric arena in which not all stakeholders interested in or affected by forestry policies can participate in relevant discussions and decision-making processes.
- Key funding sources** Latin America is the region with most domestic financing allocated to REDD, amounting to US\$ 1.5 billion. To date external financing amounts to US\$ 2 billion. Norway is the single major financial donor of the UN-REDD Programme and the Forest Carbon Partnership Facility, which support the preparation activities for REDD in Latin America, and the Amazon Fund of Brazil and the Guyana's REDD investment Fund (GRIF). The German cooperation agency GIZ and the USAID are mostly involved in initiatives at the local level. Finally, the European Commission has a more modest contribution.
- Different strategies** Countries in Latin America are building different paths to engage in REDD initiatives. More powerful countries, such as Brazil, are in a better position to influence international negotiations. Similarly, countries with a clear proposal for alternative development paths like Guyana have a better outlook when participating in the global climate governance arena. Most countries in Latin America, however, strive to adapt their national plans and initiatives to internationally set standards. This strategy carries the risk of limiting the understanding of the complex set of factors that drive deforestation. It also fails to fully take into account the responsibility of different actors in halting deforestation.

Bottlenecks:

Overemphasis on technical dimensions

Donor countries and lending agencies emphasise technical aspects related to measuring avoided deforestation, through mapping and analysis of remote sensing images. Despite the importance of the spatial analysis of land cover, the focus on technical issues diverts the attention away from numerous conflicts associated with REDD implementation. Clear guidelines to assess social and economic impacts of REDD projects are needed. Along with measures of land cover change, positive and negative social effects to local residents should be included. Our research reveals that, in areas with limited state presence, unscrupulous actors – so-called “Carbon Cowboys” – approach local populations with dubious methods to get rights over their land. They initiate what is presented as carbon sequestration projects but in reality might be commercial forestry. This increases uncertainties, strains the relationship between different actors, and leads to high social costs to local populations.

Elite capture of the REDD process

Access to information is an important factor for effective participation of different actors in REDD negotiations at the local and national levels. However, our research indicates that certain groups decide which information, actors and practices are relevant for REDD. International NGOs in alliance with international research institutions and private actors control the production and dissemination of information. This serves to shape and legitimize their agenda for which topics are prioritised, and which actors are selected to contribute in the REDD process. As a result, the REDD process is turned into an invited space characterized by asymmetric power relations and exclusionary practices. Our research shows that donors and NGOs fail to recognize the diversity of indigenous peoples and other local groups and organizations. This leads to inaccurate representations of their needs, interests and livelihoods.

Unclear institutional rights

Carbon rights are still under discussion in most Latin American countries. To date only Costa Rica has declared that carbon rights are tied to land rights. As a result, land owners are entitled to directly benefit from REDD or the carbon market. In addition, procedures for the consultation of affected populations on REDD implementation are still unclear, particularly in indigenous territories and forest dependent communities. Failing to conduct appropriate consultations could result in conflicts, inequalities and dispossession.

Mismatch with other sectoral policies

Governments face trade-offs between policies to promote economic development and forest conservation. Forested areas where REDD projects are under discussion often overlap with areas where highly significant productive activities take place such as agribusiness, resource extraction and infrastructure development. Our research reveals that conflicts from this mismatch have emerged in several countries, including Peru, Bolivia, Brazil and Colombia.

POLICY IMPLICATIONS AND RECOMMENDATIONS

REDD can potentially offer a bundle of benefits to local communities and countries that go beyond economic compensations. At the same time, because of the imagined magnitude of potential economic benefits, expectations can be too high. A fruitful approach to address conflicting interests and expectations is to ensure broad and effective participation of all those actors expected to be affected by REDD projects. Local populations differ in their needs, aspirations and options. Their meaningful participation in REDD can only be ensured if they have access to all appropriate information that allows them to make informed decisions.

Stronger involvement of national and sub-national governments in REDD implementation is funda-

mental, not only to ensure participation, but also to provide coherent institutional arrangements and to regulate procedures and monitoring systems.

Many NGOs are involved in the implementation of demonstration activities and projects. These projects and activities can, under certain circumstances, strengthen the rights and possibilities of local populations. While funding is also a pressing issue for NGOs, their interests should not jeopardize the rights of local populations and indigenous peoples.

While it is imperative to support technical capacity building in order to monitor deforestation and carbon accounting, the biggest challenges in Latin America are related to the development of institutional and communication capacity, effective participation, and monitoring systems that harmonize sectorial policies and ensure legitimacy and justice. In order to move towards this direction, we provide the following recommendations to three key actors in the REDD+ programmes in Latin America: Donors, national policy makers and non-governmental NGOs.

Recommendations for donor countries and other funding agencies:

- Institutional and communication capacity**
 - Support measures and processes to clarify carbon rights at national levels. The revision of laws, policies and institutions should be carried out according to each country's context and under effective participation of all involved actors.
 - Support processes and initiatives that aim at harmonizing REDD with different policy sectors. Fostering dialogue between different ministries and national and sub-national governments is imperative.
- Participation**
 - Support full participation of all actors involved in the process of law and policy-making related to carbon rights.
 - Support indigenous and forest peoples' organizations to represent themselves in national and international debates, allowing them to voice their interests, needs and possibilities.
 - Support processes for the appropriate use of Free and Prior Informed Consent (FPIC) for REDD. According to international law, only states should be responsible for conducting such consultations.
- Monitoring**
 - Promote process-oriented measures of performance, procedures and distribution in all phases of a REDD projects. Measuring, reporting and verification (MRV), a central component of REDD, must move beyond a focus on outcome indicators.

Recommendations for Latin American policy makers:

- Institutional and communication capacity**
 - Design institutional mechanisms to recognize and safeguard all forms of land tenure. Fair processes are imperative for the success of forestry projects.
 - Distribute information in languages and channels that are accessible to all relevant actors Governments should assume a greater role in promoting the diffusion of accurate information regarding REDD. .
 - Create channels to denounce unruly engagements of carbon cowboys with communities and indigenous peoples' organizations.
 - Define the best approach to address carbon rights through broad consultation and participation process.
- Participation**
 - Design participatory mechanisms that harmonize with international law in regard to the rights of indigenous peoples and their lands and to national laws related to private and collective land rights.
- Monitoring**
 - Create standards and mechanisms suitable to each country's context to assess social distributional inequalities and contested tenure arrangements in all REDD projects' Environmental and Social Impact Assessment.

Recommendations for non-governmental organisations:

- Institutional and communication capacity**
 - Production and dissemination of information about REDD must be socially and environmentally contextualized. The complexity of REDD demands transparency and clear explanation of benefits and risks attached to each particular site.
- Participation**
 - Pressure governments and states to conduct FPIC. In case of weak institutional capacity of the state, support indigenous peoples' possibilities to channel demands to their governments.
 - Support processes of more legitimate and richer information production through participatory methods (e.g., participatory mapping of forest areas).
- Monitoring**
 - Promote the engagement of local populations in monitoring of REDD results. Their involvement should not be a way to "reduce" costs but rather to ensure their voice and decision-making power as they ultimately bear the greatest burden of forest conservation.

RESEARCH PARAMETERS

- Key objective of ENGOV**

'Environmental Governance in Latin America and the Caribbean: Developing Frameworks for Sustainable and Equitable Natural Resource Use' (ENGOV) is a collaborative research project including Latin American and European researchers. The project focusses on the region's recent initiatives on environmental governance in order to analyse the obstacles and opportunities for sustainable production systems that can promote economic development and more equitable distribution of benefits. The project explores options for institutional innovation and inclusive approaches towards natural resource use that can decrease poverty, inequality, and environmental degradation in Latin America and the Caribbean. The project's central objective is to understand how environmental governance is shaped in Latin America and to develop a new analytical framework for environmental governance in the region.
- Methodology and geographical scope**

ENGOV is a multi-disciplinary research project that uses a range of qualitative and quantitative methods from environmental sciences, economics, sociology, political sciences, anthropology and history. The participants' academic expertise and experience on various themes and countries allow for a comprehensive assessment of new trends in environmental governance in the region. The main countries where empirical research is conducted are Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala and Mexico. The research experiences of three consortium partners were indispensable for this Policy Brief: SUM-UiO (Norway), CDS-UnB (Brazil) and CEDLA-UvA (The Netherlands).
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PROJECT IDENTITY

PROJECT NAME	Environmental Governance in Latin America and the Caribbean: Developing Frameworks for Sustainable and Equitable Natural Resource Use (ENGOV)
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