



Co-Benefits of REDD+ in Community Managed Forests in Nepal¹ (Perspective)

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INTRODUCTION

Since the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP)-16 in Cancun promotes co-benefits and safeguards on Reducing Emission from Deforestation and Forest Degradation (REDD+), these have been prioritized agenda on the international climate negotiations. Many countries have shared their views on how social and environmental safeguards can be addressed under REDD+ and what measures, including information system and feedback mechanisms for different stakeholder, need to be undertaken.

From the perspective of REDD+, co-benefits arise from the maintenance or restoration of forest ecosystems that would otherwise have been degraded or lost. The rapidly growing literature on safeguards and co-benefits from REDD+ reflects the importance and sensitivity of the issue. The co-benefits and associated key stakeholders are determined by the social, ecological and institutional contexts in which REDD+ activities are implemented. In fact, Visseren-Hamakers *et al.* (2012) in their review paper conclude that the non-carbon values of biodiversity conservation, equity and sustainable livelihoods should be taken as prerequisites to ensure both legitimacy and effectiveness of REDD+. Likewise, the location of forests, national policies and forest management

approaches employed will all influence the delivery of co-benefits and their equitable sharing.

Nepal has demonstrated the effectiveness of community engagement in forest resource management in achieving the objective of forest restoration. Community forestry in Nepal is an example of decentralized system of forest governance to respond to local needs and institutions. Its success in the country can partly be attributed to both realized and intangible benefits of forest conservation and sustainable management of forest to the local communities. The scope for carbon payments in community forestry is a recent development. In fact in the Nepalese context, carbon payments may be seen as a co-benefit of successful community forestry activities that reduce carbon emission and increases carbon stocks in forests. Nevertheless, REDD+ can bring the much-needed additional incentives to community forest users and it provides an opportunity to address the issue of poverty and social injustice with potential for triple dividends: climate change mitigation, community empowerment and forest restoration.

The non-carbon benefits as co-benefits of implementing REDD+ activities are of utmost importance and substantial for Nepal. A large proportion of its population is poor, have limited

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livelihood options and depend on forest resources in the mountains and plains.

Lee *et al.* (2011) list five categories of co-benefits of REDD+: biodiversity conservation, ecosystem protection, economic benefits, adaptation needs and community benefits. Chhatre *et al.* (2012) argue that short-term co-benefits of REDD+ activities include improved rural livelihoods and lower costs of implementation, while long-term co-benefits include improved adaptive capacity of local communities and good forest governance.

In the context of community forestry in Nepal, the following co-benefits (Figure 1) can be realized from implementing REDD+ activities.

KEY CO-BENEFITS OF IMPLEMENTING REDD+ ACTIVITIES

A. Enhancement of local livelihoods:

Through improved management of different types of forests and forest resources, REDD+ activities can contribute to generating employment opportunities in forest-based industry, provide food and nutrients from forests, enhance quality of water and provide fuel wood for meeting energy requirements.

B. Increased value of biodiversity:

Based on expected incentives generated from REDD+ activities, substantial conservation of biodiversity and wildlife habitat can be expected. This translates into increased local and national income, from, *inter alia*, wild flora and fauna.

C. Better ecosystem services to people and environment:

As the state of forests improves, the resulting ecosystem goods and services such as provisioning, regulation, cultural and supporting functions will benefit the people and also lead to higher resilience of human communities to climate change.

D. More resilient ecosystems for climate change adaptation:

With effective and efficient management of forests, the local

environment and interfaced ecosystems will be less vulnerable to the adverse impacts of climate change. Ecosystem-based adaptation measures can enhance resilience of ecosystems, which will mitigate climate change impact on people and ecosystems.

E. Improved governance, institutional setup and policies for natural resource management at local to national level:

Effective implementation of REDD+ activities requires a transparent and accountable compliance process and promotes inclusive decision-making process and equitable benefit-sharing mechanisms at various levels. These contribute to improved forest governance.

F. Contributions to multinational environment agreements:

Implementing REDD+ activities will also contribute towards meeting the objectives and targets of many international conventions and agreements such as the Aichi targets and other provisions of the Convention on Biological Diversity (CBD), Ramsar Convention, Convention on International Trade in Endangered Species (CITES) and United Nation Convention to Combat Desertification (UNCCD).

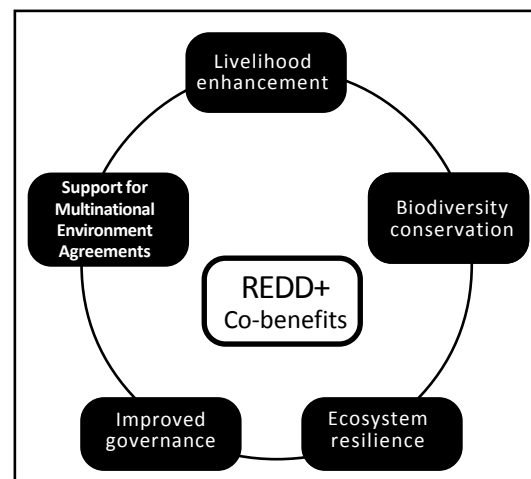


Figure 1: Five co-benefits of implementing REDD+ activities

Table 1: Co-benefits of REDD+ activities and their indicators

Co-benefits	Indicators	Examples from pilot project*
Livelihood enhancement	<ol style="list-style-type: none"> 1. Employment (forest- and biodiversity-based) 2. Food and nutrient supplement 3. Water availability and flow regulation 4. Wood energy 	Revolving fund, regular income from employment opportunities for women and poor, hydropower, improved cooking stoves
Increased biodiversity value	<ol style="list-style-type: none"> 1. Reduced loss of habitat 2. Increased number of species and their populations 3. Conservation of endangered species 4. Increased income from bio-prospecting 	Increasing wildlife (wild boar, tiger, peacock, bats); control of illegal harvesting; better management of Non-timber Forest Product (NTFP) harvesting; wetland conservation, water fall; increased awareness of the local people about the value of forest products and services
Enhanced ecosystem resilience against climate change	<ol style="list-style-type: none"> 1. Reduced vulnerability from fire, flood, pest infestation, landslides and siltation 	Fire line construction and forest protection
Improved governance, institutions and policies	<ol style="list-style-type: none"> 1. Transparent and participatory decision making 2. Equitable access and benefit sharing 	Inclusion of women, indigenous and marginalized groups in decision making; women leadership
Contribution to Multi-national Environmental Agreements (MEAs)	<ol style="list-style-type: none"> 1. Aichi targets of and other provisions of CBD, Ramsar, CITES, UNCCD 	-

*Examples from REDD+ pilot project funded by NORAD and implemented jointly by the International Centre for Integrated Mountain Development (ICIMOD), Asia Network for Sustainable Agriculture and Bio-resources (ANSAB) and Federation of Community Forest Users Nepal (FECOFUN).

WAYS TO INCENTIVIZE CO-BENEFITS FROM IMPLEMENTING REDD+ ACTIVITIES

There are three strategic options or ways to incentivise co-benefits resulting from implementing REDD+ activities in the context of community forestry in Nepal.

Option 1: Bundle incentives for co-benefits with incentives for carbon in single payment:

A certain predetermined additional value may be included in the REDD+ payment. Adjustments to the additional payment may be done based on existing principles, considering, for example, the social and environmental safeguards. This is relatively simple as there is

no need for systemic assessment in every country and location. However, assuming that the co-benefits are of equal importance in all contexts may not be appropriate and acceptable to the stakeholders concerned.

Option 2: Keep incentives for co-benefits separate from incentives for reduced carbon emission:

This will allow adjusting incentives to the different countries and contexts. However, systematic evaluation of co-benefits will require a lot of capacity, effort and investment.

Option 3: Combine Options 1 and 2 and let countries choose:

As both Option 1 and Option 2 have pros and cons, a third option of combining the two approaches may be considered. Where systematic assessment is available or possible in the near future, the second option of separate incentives may be applicable. Where this is not the case and until systematic assessment of the values of co-benefits is not available, the first option of bundled incentives may be more appropriate.

PREREQUISITES FOR BUILDING SYNERGY BETWEEN REDD+ AND CO-BENEFITS IN COMMUNITY FORESTRY

The following five points require serious consideration to ensure that both carbon and non-carbon co-benefits from REDD+ activities are optimized under REDD+ initiatives in Nepal. Relevant government and non-government agencies as well as donor institutions may contribute to addressing these issues in order to proceed with REDD+ activities in community forestry in Nepal with optimum level of co-benefits.

1. Technologies and methods: There is a need for easy access to technology related to remote sensing and renewable energy.

Methodologies, formats, tools and guidelines for monitoring and verification, economic valuation of ecosystem services, periodic assessments and monitoring will be required and adapted to national and local contexts.

2. Capacity development: The current capacity of institutions and officials/individuals at relevant ministries and non-government organizations will require significant improvement for making effective use of technologies and methodologies mentioned above.
3. Financing: The sustainable funding sources and mechanisms are of utmost importance for incentivising co-benefits so that REDD+ activities become effective and sustainable in the long run.
4. Sustainable forest management: Community forest management should be based on optimising benefits from ecosystem services that include forest carbon, livelihoods as well as social and environmental enhancement.
5. Cross-sectoral planning and implementation: Benefits from carbon payment and its co-benefits will require joint efforts of different sectors (such as forestry, environment, local development and finance) in planning, implementing and monitoring of REDD+ activities.

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