

## **Making REDD Work for the Poor**

A Poverty Environment Partnership (PEP) side event during UNFCCC COP/MOP 13 Forest Day, Ayodya Hotel, Nusa Dua, Bali – December 8<sup>th</sup>, 2007

### **Summary**

The Poverty Environment Partnership (PEP) hosted an event during the Bali conference on climate change. As part of a full day devoted to the role of forests in climate change, organized by CIFOR, the PEP made sure that social issues and linkages to poverty reduction were high on the agenda. The PEP event examined proposals in the current round of climate change negotiations for Reducing Emissions from Deforestation and Degradation (REDD), focusing on how these new climate mitigation mechanisms can ‘work for the poor’.

With an audience of over 200 people, experts



Another significant topic of discussion related to the social implications of using the carbon market as a financial mechanism for REDD. While on the one side it was argued that markets were efficient at identifying and incentivizing projects that provided benefits that are additional to carbon capture (e.g. biodiversity conservation, livelihood improvements); it was also argued that markets were not sufficient for ensuring equitable benefit sharing.

The trade-off between efficiency and equity was evoked as being an important issue to address in order to avoid having only ‘big’ stakeholder benefit from REDD. Certification was considered to be a promising option of moving forward with a sustainable use of market mechanisms for REDD. Nevertheless, it was argued that markets could only be useful in cases where governance structures were adequate and effective.

Related to the critical issue of governance, the lack of effectiveness of the Kyoto Protocol’s Clean Development Mechanism (CDM) in Africa was evoked as an example of how national level capacities are essential to carry out critical tasks such as carbon accounting and the distribution of economic incentives. The problem of poorly established property rights was mentioned as a significant barrier to the ability for the carbon market to positively affect local communities. Well-defined rights were seen as being essential to the increase in financial flows for REDD. On a more positive note, it was stated that the amount of money needed to carry out REDD in many parts of the world was not very high, and that a \$5 per ton price for carbon would help protect a significant portion of the world’s forests.

The issue of rights was commonly evoked by both the floor and the panel. It was expressed that a pro-poor approach to REDD needed to go beyond the principle of ‘do no harm’ and focus on securing rights for marginalized populations. Also, in terms of developing pro-poor standards, it was argued that many of them are already available (e.g. for protected areas, community-based ecosystem management) and that they could be easily applied to REDD.

In conclusion, Dr. Bishop highlighted some of the main issues raised during the discussion, and informed the audience on next steps. Upcoming meetings of the CBD and the PEP, among others, were evoked as possible venues for furthering the debate on ‘pro-poor’ REDD.