

# UN-REDD PROGRAMME

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FOURTH EXECUTIVE BOARD MEETING

25 JUNE 2020 - VIRTUAL MEETING, VIA INTERPREFY ONLINE PLATFORM

## DRAFT DISCUSSION PAPER COVID-19 recovery, forests, and climate change: The role of the UN-REDD Programme

The purpose of this paper is to inform discussions of the UN-REDD Programme Executive Board (EB) with regards to the challenges and opportunities that COVID-19 socio-economic recovery responses pose for effective and urgent responses to the climate change crisis through forest and land-based solutions such as REDD+. This paper thus aims to inform UN-REDD's 2022-2031 strategy.

This paper has been prepared through a mix methods approach: desk-based review, and semi structured interviews with members of UN-REDD's Executive Board, including representatives of forest countries, donor countries and civil society.

### The challenges on the climate change and forest agenda posed by COVID-19

**The COVID-19 pandemic has reminded us that the lack of collective international action to halt deforestation and protect our forests has made the world more vulnerable to the pandemic than it should have been.<sup>i</sup>** Deforestation and landscape fragmentation have been identified as processes enabling zoonotic infections. If we don't get our policy responses to COVID-19 right, we risk exacerbating the climate crisis.<sup>ii</sup> **The pandemic has resulted in 'simultaneous and massive economic shock' across the world,<sup>iii</sup> exacerbating already high levels of inequality within and between countries.<sup>iv</sup>** According to the World Bank, the global economic collapse will 'push 49 million people into extreme poverty' and even in middle income tropical and subtropical countries, existing social safety nets are not enough to compensate for the income losses of informal labour, a point reinforced by key informant interviews (KIIs).

**Pressing economic needs can put at risk progress and ambitious public and private efforts to halt deforestation and forest degradation -and restore degraded ecosystems- as governmental environmental agencies and citizens in forest countries struggle to integrate climate, environmental and development priorities into post-pandemic recovery packages yet to be developed.<sup>v vi</sup>** While both agriculture and forestry activities are being considered in economic stimulus packages given their role in the overall economy, KIIs noted there is a risk of increased pressure on forests and ecosystems if recovery responses are not designed in a way that the social, economic and environmental benefits are integrated, supporting existing environmental, climate and development objectives. Amongst the main economic and development setbacks caused by the pandemic that forest countries are facing include:

- **Weakened law enforcement, increased illegal activities in forests and protected areas, land grabbing and concerns on deregulation and relaxation of environmental laws in favor of extractive or land-intensive economic activities.<sup>vii</sup>** While movement restrictions in some regions has allegedly resulted in positive outcomes for the environment, in other regions across continents where governance and political support are weak the pandemic is posing a threat to advancements achieved in halting deforestation and ecosystem and biodiversity loss;

- **Reverse migration from cities to rural areas and the expected return of millions of migrant overseas workers to home countries**, as a result of mobility and economic activity restrictions across and within countries has a two-fold impact in forest countries: loss of remittances from migrant workers and increased pressure on forests and natural resources due to the need to create new jobs and meet subsistence needs.
- **Impacts on forest-dependent livelihoods and loss of income sources.** Only in Asia, approximately 100 million people depend on micro-scale forest enterprises and non-timber forest products for *food, shelter, medicine and cash* yet, about 60 percent of the annual collection of non-timber forest products might have been lost as collection season is between April and June.<sup>viii</sup> Revenues from tourism and eco-tourism have been lost.

## The opportunity: Making the business case for REDD+

The increased awareness of the impacts of deforestation, and the loss and degradation of ecosystems, habitats and landscapes, in terms of increasing the risk of spill over of zoonotic diseases,<sup>ix</sup> and how human and nature's health are intrinsically connected<sup>xi</sup> provides a clear and critical opportunity to both revisit our relationship with forest ecosystems and build more socially and environmentally sustainable and resilient development pathways.

This collective awareness has created an opportunity for the multilateral community to identify and agree on bold transformative actions for more holistic approaches that fully integrate forest, climate and development objectives into post-pandemic socio-economic recovery responses. Not only because of the cost-efficiency of forest and land-based solutions in the context of the of rural economies and food production systems, but also when considering the opportunities for leveraging additional international and private resources. **Nature-based solutions (NBS)<sup>xii</sup> and the "world's food and land use systems" can play a critical role in the post-pandemic recovery<sup>xiii</sup> and REDD+ -supported by a clear methodological framework for action- is the main currently available large-scale, proven, and cost-effective shovel-ready forest and land-based NBS.**

In April 2020, all G20 nations (including most EU member states), signed fiscal measures into law, earmarking a total of over US\$7.3 trillion in spending. Within the G20, the European Commission is specifically calling for a green recovery, putting biodiversity and climate change front and centre of its recovery efforts.<sup>xiv</sup> Accordingly, the European Commission has insisted that the European Green Deal – the centrepiece for delivering SDGs in and by the EU – will be an integral part of the EU recovery plan.<sup>xv</sup> Yet, a recent analysis<sup>xvi</sup> identified that **only 4% of policies by G20 countries are 'green', with potential to reduce long-run GHG emissions, 4% are 'brown' and likely to increase net GHG emissions beyond the base case, and 92% are 'colourless', meaning that they maintain the status quo.** The same analysis identified that one (out of five) fast-acting policies that can achieve both economic and climate goals is: *'natural capital investment for ecosystem resilience and regeneration, including restoration of carbon-rich habitats and climate friendly agriculture'*, which is directly linked to REDD+'s goals and the overall nature-based umbrella framework.

REDD+, supported by a clear framework for action is main currently available large-scale, proven, and cost-effective forest and land-based nature-based solution that can simultaneously contribute to simultaneously achieve climate, biodiversity and sustainable development objectives.<sup>xvii</sup>

There are clear economic reasons why we need to leverage COVID-19 recovery policy responses and financing into win-win approaches, with REDD+ as a shovel-ready nature-based solution. Over half of the world's GDP is highly or moderately dependent on nature, as it provides businesses and governments with vast opportunities for economic development.<sup>xviii</sup> Highly nature-dependent industries generate

15% of global GDP (\$13 trillion), while moderately dependent industries generate 37% (\$31 trillion). Together, the three largest sectors that are highly dependent on nature generate close to \$8 trillion of gross value added (GVA)<sup>xxix</sup>. As nature loses its capacity to provide such services, these sectors could suffer significant losses. Conversely, if forest- and land-based market-based incentives similar to those in place in Costa Rica and Colombia were deployed in 12 other ‘megadiverse countries’, approximately \$1.8 billion could be raised each year between them to be reinvested in nature-based solutions.<sup>xx</sup> For every dollar spent on nature restoration, at least \$9 of economic benefits can be expected.<sup>xxi</sup> What is more, a recent analysis has shown that developing sustainable food and land use-business models could be worth up to US\$2.3 trillion and provide over 70 million jobs by 2030.<sup>xxii</sup>

From a climate perspective, the COVID 19 crisis has brought into sharp focus the vulnerabilities in social, political, economic, and biodiversity systems, which are in turn amplifying the impacts of the pandemic and require for holistic policy responses.<sup>xxiii</sup> Integrated and comprehensive Nature Based Solutions interventions such as REDD+ could provide a quarter or more of the cost-effective mitigation (that is ≤US\$100 per tonne of CO<sub>2</sub>e) needed by 2030.<sup>xxiv</sup> The IPCC’s special report highlights REDD+ actions as “one of the most effective and robust options for climate change mitigation, with large mitigation benefits globally” with a mitigation potential of about 4.1 – 6.5 GtCO<sub>2</sub>e by 2030.<sup>xxv</sup> Yet, since 2010, less than US\$1.2 billion per year of global climate finance is estimated to have been invested to limit GHG emissions from deforestation and land use—a striking mismatch.<sup>xxvi</sup> The IPCC estimates that our remaining carbon budget as of 2017, was about 420 Gt, equivalent to about 114 Gt of carbon, for a two-thirds chance of staying below 1.5 °C. Given that emissions have not slowed since 2017, as of 2020, this carbon budget will be spent in approximately eight years at current emissions rates. Recent analysis demonstrates that a range of ecosystems contain ‘irrecoverable carbon’ which once lost upon land use changes, is not recoverable on timescales that allow avoiding dangerous climate impacts.<sup>xxvii</sup> **Avoiding catastrophic climate change requires the integrated landscape approaches and improved ecosystem stewardship that REDD+ can deliver.**

## How can the UN-REDD Programme support building a better, greener, more resilient world

It is critical that COVID-19 recovery packages prioritize and invest in REDD+ implementation at scale, as it can foster long-term social and environmental resilience while ensuring ‘social equity, inclusion and the realization of human rights’ through the protection, restoration and sustainable use and management of forest ecosystems.<sup>xxviii</sup>

The UN-REDD Programme’s support can be deployed provided through the following strategic priorities and opportunities:

- ☑ Actions towards diversified, integrated and sustainable rural livelihoods and enhanced food security, including investments and job generation in deforestation-free food and commodity production;
- ☑ Actions towards integrated and sustainable landscape approaches, including increased forest protection and restoration that build ecosystem and social resilience;
- ☑ REDD+ financial strategies and investment plans to support the implementation of national strategies/action plans;
- ☑ Efforts to ensure social and environmental safeguards are at the centre of REDD+ design and implementation;
- ☑ Strengthened forest data and monitoring at the centre of high-quality forest and land-based mitigation strategies and informed decision making;
- ☑ Enhance and accelerate forest and land-based climate action under NDCs;

- ✓ Leveraging novel forest carbon-based revenue streams for forest and land-based COVID-19 recovery packages;
- ✓ Clarify the financial landscape -public, private, domestic and international-, including opportunities and barriers, to support the implementation of REDD+ policies and measures;
- ✓ Accelerate forest and land-based nature-based solutions towards on-the ground implementation through digital cooperation; and
- ✓ Accelerate a global movement for forest and land-based nature-based in COVID-19 recovery responses through digital cooperation.

## Next steps for consideration of the UN-REDD Executive Board

Given the pace at which socio-economic recovery packages are being developed and deployed, it will be crucial for the UN-REDD Programme to position forest and land-based solutions as part of this broader packages. In positioning REDD+ as a cost-effective and multidimensional NBS to build back better greener, more resilient and sustainable ecosystems, economies and societies, in the next six (6) months the UN-REDD Programme will work on:

1. **Discussion paper to position forest and land-based solutions in the COVID-19 socio-economic recovery.** Draft discussion paper elaborating further on the info note to be shared in the next week, following to the EB meeting.
2. **Making the business case for REDD+ in domestic recovery responses.** Develop a strategy to operationalize and leverage the priorities and opportunities identified in the previous section by:
  - a. Further consultations and analysis to identify priority REDD+ interventions tailored to country-specific COVID-19 recovery circumstances and needs;
  - b. In-depth mapping of the public and private financing funds and instruments available for COVID-19 recovery and analysis of how they can be accessed for REDD+ actions.

This analysis will also inform UN-REDD's 2021 workplan and its longer term strategy.

3. **Making the business case for REDD+ in international recovery support packages.** Develop a strategy to maximize the recognition of REDD+ action as a shovel ready solution for a green recovery. Mobilise international support and enhance multilateral collaboration for REDD+ as a win-win recovery policy option in the context of broader recovery financial stimulus.

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<sup>i</sup> United Nations, 2020, A UN Framework for the immediate socio-economic response to COVID-19

<sup>ii</sup> World Economic Forum, 2020. An enlightened response to COVID-19 can avert the climate emergency.

<https://www.weforum.org/agenda/2020/06/enlightened-response-covid-19-avert-climate-emergency/>

<sup>iii</sup> The Economist. (2020). 'The Great Reversal: COVID-19 is undoing years of progress in curbing global poverty.' May. Accessed at: <https://www.economist.com/international/2020/05/23/covid-19-is-undoing-years-of-progress-in-curbing-global-poverty>

<sup>iv</sup> The Economist. (2020). 'The Great Reversal: COVID-19 is undoing years of progress in curbing global poverty.' May. Accessed at: <https://www.economist.com/international/2020/05/23/covid-19-is-undoing-years-of-progress-in-curbing-global-poverty>

<sup>v</sup> Pinner, D., Rogers, M., Samandari, H. (2020). 'Addressing climate changes in a post-pandemic world: The coronavirus crisis holds profound lessons that can help us address climate change-if we make greater economic and environmental resiliency core to our planning for the recovery.' McKinsey Quarterly. April. Accessed at: <https://www.mckinsey.com/business-functions/sustainability/our-insights/addressing-climate-change-in-a-post-pandemic-world#>

<sup>vi</sup> FAO. 2020. *The impacts of COVID-19 on the forestry sector: How to respond?* Rome.

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Accessed at: <http://www.fao.org/3/ca8844en/CA8844EN.pdf>

<sup>vii</sup> Gonzales, J. (2020). 'Brazil minister advises using COVID-19 to distract from Amazon deregulation.' Mongabay. Accessed at: <https://news.mongabay.com/2020/05/brazil-minister-advises-using-covid-19-to-distract-from-amazon-deregulation/>

<sup>viii</sup> Forest Rights groups, researchers and experts write to the Ministry of Tribal Affairs in India. (2020). 'Impact of COVID-19 Outbreak and Lockdown Measures on Tribal and Forest Dwellers (A Preliminary Report)'. Access: <https://www.groundxero.in/2020/05/07/a-report-on-the-covid-lockdown-impact-on-tribal-communities-in-india/>

<sup>ix</sup> Wilkinson DA, Marshall JC, French NP, Hayman DTS. 2018Habitat fragmentation, biodiversity loss and the risk of novel infectious disease emergence. *J. R. Soc. Interface* 15, 20180403

<sup>x</sup> Hahn MB, Gurley ES, Epstein JH, Islam MS, Patz JA, Daszak P, Luby SP. 2014The role of landscape composition and configuration on *Pteropus giganteus* roosting ecology and Nipah virus spillover risk in Bangladesh. *Am. J. Trop. Med. Hyg.* 90, 247-255. Rulli MC, Santini M, Hayman DTS, D'Odorico P. 2017The nexus between forest fragmentation in Africa and Ebola virus disease outbreaks. *Sci. Rep.* 7, 41613.

<sup>xi</sup> UNEP. 2020. 'Working with nature to protect people: UNEP's COVID-19 Response.' Accessed at:

<https://www.unenvironment.org/resources/working-environment-protect-people-uneps-covid-19-response>

<sup>xii</sup> Nature-based solutions are defined as 'actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits. E. Cohen-Shacham, et al, 2016, Nature-Based Solutions to Address Societal Challenges. Gland, Switzerland: International Union for Conservation of Nature

<sup>xiii</sup> The Food and Land Use Coalition, 2019. Growing Better: Ten critical transitions to transform food and land use. September.

<https://www.foodandlandusecoalition.org/wp-content/uploads/2019/09/FOLU-GrowingBetter-GlobalReport-ExecutiveSummary.pdf>

<sup>xiv</sup> <https://www.climatechangenews.com/2020/04/09/european-green-deal-must-central-resilient-recovery-covid-19/>

<sup>xv</sup> <https://www.euractiv.com/section/energy-environment/news/green-deal-will-be-our-motor-for-the-recovery-von-der-leyen-says/>

<sup>xvi</sup> Hepburn, C., O'Callaghan, B., Stern, N., Stiglitz, J., and Zenghelis, D. (2020), 'Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?', Smith School Working Paper 20-02. Page 4.

<sup>xvii</sup> Marion G Bastos Lima, et al (2017), The Sustainable Development Goals and REDD+: assessing institutional interactions and the pursuit of synergies, *International Environmental Agreements: Politics, Law and Economics* volume 17, pages589–606(2017)

<sup>xviii</sup> World Economic Forum, 2020. An enlightened response to COVID-19 can avert the climate emergency.

<https://www.weforum.org/agenda/2020/06/enlightened-response-covid-19-avert-climate-emergency/>.

<sup>xix</sup> These are construction (\$4 trillion), agriculture (\$2.5 trillion) and food and beverages43 (\$1.4 trillion).

<sup>xx</sup> Barbier, E.B. 2020. 'A green post-COVID-19 recovery.' In United Nations Association-UK (UNA-UK). Climate 2020: The path ahead. Witan Media, Painswick, UK, pp/54-56. <https://www.climate2020.org.uk/wp-content/uploads/2020/04/054-056-C2020-Barbier.pdf>

<sup>xxi</sup> World Economic Forum, 2020, Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy. Available at [http://www3.weforum.org/docs/WEF\\_New\\_Nature\\_Economy\\_Report\\_2020.pdf](http://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf)

<sup>xxii</sup> Business and Sustainable Development Commission, 2016. Better Business, Better World. BSDC, London. Available at: <http://report.businesscommission.org/>.

<sup>xxiii</sup> United Nations, 2020, A UN Framework for the immediate socio-economic response to COVID-19, Pg 3

<sup>xxiv</sup> Griscom et al. (2020) National mitigation potential from natural climate solutions in the tropics, The Royal Society. Available at: <https://royalsocietypublishing.org/doi/10.1098/rstb.2019.0126#d3e1835>. Busch J, et al, (2019), Potential for low-cost carbon dioxide removal through tropical reforestation. *Nat. Clim. Change* 9, 463

<sup>xxv</sup> IPCC, 2019, Special Report on Climate Change, Desertification, Land Degradation, Sustainable Land Management, Food Security, and Greenhouse gas fluxes in Terrestrial Ecosystems.

<sup>xxvi</sup> OECD, 2016. OECD Agricultural Policy Monitoring and Evaluation 2016: Highlights and Recommendations. Available at: <https://www.oecd.org/tad/agricultural-policies/agriculture-policy-monitoring-flyer-2016.pdf>.

<sup>xxvii</sup> Goldstein et al (2020), Protecting irrecoverable carbon in Earth's ecosystems, *Nat. Clim. Change*

<sup>xxviii</sup> GEF