

## Analysis of the Multiple Costs and Benefits of REDD+ in Cambodia

**Duration: 3 months**

### Background

The Cancún Agreements provide strong backing for a REDD+ (Reducing Emissions from Deforestation and Forest Degradation) mechanism whereby financial incentives would be provided by developed countries to tropical countries for REDD+ related land uses. UNFCCC is planning to promote five REDD+ activities: (1) reducing emissions from deforestation, (2) reducing emissions from forest degradation, (3) conservation of forest carbon, (4) sustainable management of forest, and (5) enhancement of forest carbon stocks. REDD+ has potential to simultaneously deliver cost-effective climate change mitigation and attain other environmental and social goals.

Effective policies, programmes and measures to achieve REDD+ will not only generate income from carbon related payments but can also deliver a broad range of multiple benefits. Compared to a business-as-usual scenario, REDD+ can contribute to jobs, land tenure security and rural incomes and can reduce the rate at which ecosystem services and biodiversity are lost. Forests support the livelihoods of 350 millions of people who directly depend on their resources. Regulating services are supported by forests, such as water cycles and soil conservation, thereby buttressing agricultural production, hydrological power generation and transport networks that are of economic importance for tropical countries. And REDD+ can foster global benefits such as biodiversity conservation and climate change mitigation. Not accounting for the potential multiple benefits under REDD+ could result in options being ignored that could deliver important additional benefits alongside carbon sequestration and storage. Moreover, demonstrating the economic importance of multiple benefits attainable under REDD+ could change land use decisions in favor of REDD+ related forest options.

Reducing deforestation and forest degradation, and/or enhance carbon stocks, however, also generates costs. These costs can be grouped into three general categories: (1) opportunity costs resulting from the forgone benefits that deforestation would have generated for livelihoods and the national economy, (2) implementation costs of efforts needed to reduce deforestation and forest degradation, and (3) transaction costs of establishing and operating a REDD+ program. Although some of the individual components of implementation and transaction costs can be interchanged, implementation costs are typically associated with reducing deforestation directly, whereas transaction costs are typically related to the costs associated with establishing and running a REDD+ mechanism.

In Cambodia it is proposed that a three-phase approach is utilized with regard to identify the different costs and benefits of REDD+

1. Analysis of existing literature and information on multiple benefits and costs of REDD+ in Cambodia
2. Combined Training and Planning Process on the multiple benefits and costs of REDD+ in Cambodia
3. Development of a number of in-depth studies on multiple benefits and costs of REDD+ in Cambodia that will lay the basis for further planning and monitoring of REDD+

The current assignment will focus on phase 1 of this process.

### **Objective of the Assignment**

Provide a summary of existing work on the potential Multiple benefits and costs of REDD+ in Cambodia to inform development of future work on REDD+.

### **Activities**

#### Analysis of existing literature on multiple benefits and costs of REDD+ in Cambodia

A number of studies have already been conducted looking at the multiple benefits and costs of different forms of forest management in Cambodia, with a more limited number focusing explicitly on REDD+. The consultant team would be required to consolidate this information identifying areas in which considerable knowledge already existed as well as areas in which there remains a paucity of information.

#### Consultation of important stakeholders in forest management on key forest benefits and costs

The consultant team should work with organisations supporting existing forms of forest management to define relevant cost categories and to identify important forest benefit types, as well as key ecosystem services and goods within these benefit types. Information should be sort from both NGOs and private sector organisations with a particular focus on those organisations developing REDD+ pilot programmes.

#### Consolidation of existing information on benefits and costs of REDD+ in Cambodia

The results from the literature review and the stakeholder consultation process are to be combined and a report is to be written to present the major findings.

#### Support to the development of a workshop on Costs and Benefits of REDD+

The consultant team should work with the UNEP and WCMC to develop a training and planning workshop to be held in Phnom Penh in September. The team will be responsible for supporting agenda development, working with the REDD+ Taskforce Secretariat to identify national speakers and developing presentations to facilitate discussions. Key input to this process will be a consolidated view on existing knowledge on the possible multiple benefits and costs of REDD+ in Cambodia based on existing knowledge within the sector. The team will also be responsible for presenting a number of options for further work that should be conducted to develop knowledge further.

### **Outputs:**

Key outputs from the assignment will include a report outlining initial knowledge on potential multiple benefits and costs of REDD+ in Cambodia, and a workshop on multiple benefits and costs of REDD+ in September.

Outputs should look to address the following issues as well as building the understanding of key stakeholders to address them:

1. What are the existing implementation costs of different forms of forest management in Cambodia?
2. What additional costs (transaction costs) would be incurred for running REDD+ schemes in the Cambodian context?
3. What are the most relevant the multiple benefits types in the Cambodian context and the potential range of economic values that can be derived under different REDD+ activities?
4. What are the opportunity costs of REDD+ related land uses within different areas?

It is recognized that within the time frame and budget available not all questions will be able to be answered in depth. Information provided should be sufficient to facilitate discussion within the September workshop and provide a basis for decisions to be made on future assessment work.

### **Approach**

The consultant team will work closely with the REDD+ Taskforce Secretariat and should provide weekly updates to the Technical Coordinator, and Secretariat Chief. The team will also be supported by UNEP and WCMC in the development of the workshop and linking of Cambodia specific information with the international dialogue on REDD+.