

GO-REDD+



THE MEANING OF PERFORMANCE AND THE BOUNDARIES OF **REDD+**

In the last issue of Go-REDD+ we introduced the CIRAD report on <u>Financing options to support REDD+ activities</u> but did not delve into its contents. However, this document deserves a closer look, as it brings a fresh and intriguing perspective to a number of pressing issues. It demonstrates, in fact, that 'financing options' as an entry point leads us to debate a range of topics, and to challenge a number of assumptions, from benefit distribution to the meaning of 'performancebased' and the implications for monitoring systems.

Several online discussion forums have already highlighted this report. It has been widely praised as a timely and accurate description of the conundrums surrounding REDD+ financing. It is certain to be influential up to and during COP18 at Doha, as financing issues take centre stage. What can we say about the report that hasn't already been said?

The problems with developing a credible national 'baseline', as the report calls it (REL or RL in official REDD-speak), are well-known, if not always acknowledged or openly discussed. But the 'performance-based' approach to financing is central to the novelty of REDD+. In a REDD+ strategy, therefore, some kind of baseline, against which performance can be measured, is unavoidable. By considering the notion of dispensing with, or 'circumventing', the baseline, we are circling back on ourselves, essentially arguing that one option for REDD+ financing is 'not-REDD+' i.e. to continue with business as usual; hit and hope. In other words, if we shower enough money on the ideas that should work, based on past experience, we are bound to make some progress.

Perhaps we are indeed becoming too preoccupied with sources of finance, as the report suggests. However, as it mentions on several occasions, we must not lose sight of the need for *cost-effectiveness*. Whatever the source of finance, investors and participating governments need to know not only *which strategies work*, but also *which strategies are worth paying for – and how much*.

Measuring performance according to forest carbon stocks is a means to the end of objectively identifying costeffectiveness, and this is partly why investors (state and private sector) have seized on it. But it is not the only means. As the report concludes, we can seek other 'proxies' for identifying the most cost-effective strategies for achieving our mutual objectives.

Let's not forget, however, that there are subtle (and not-so-subtle) differences between the objectives of the countries concerned. The forest sector objectives of REDD+ countries are much as they always have been- very broadly, to maximize the sector's contribution to country-specific goals related to economic growth, local livelihoods and environmental sustainability. Countries investing in REDD+, however, have a new objective, to link this investment to emission reductions commitments. In order for their investment to be labeled as 'REDD+', this link must be maintained.

The CIRAD report authors are right to conclude that REDD+ finance must encompass 'sustained investment' in changes to policies and practices over time. They are also right that we need a broader understanding of the meaning of 'performance-based' to lead us away from a focus on ex-post payments for verified changes in forest carbon stocks. But they also provide us with new and enticing challenges. Can we develop proxies to link these investments in specific policies or specific activities with their potential impact on emissions? If we can, not only may we learn where exactly REDD+ fits in to the broader spectrum of development finance, but we may also provide a valuable, long-term tool for cost-effective decision-making in the forest and land use sectors.

Go-REDD+ is an e-mail listserv managed by the UN-REDD Programme team in Asia-Pacific, based in Bangkok. The main objective of **Go-REDD+** is to distribute information, synopses of research results and activities related to REDD+ in Asia-Pacific, to assist countries in their REDD+ readiness efforts. Old messages will be archived on the <u>Regional Activities pages</u> of the UN-REDD Programme website. Discussion forum on **Go-REDD+** is available through UN-REDD Programme's online knowledge sharing platform, <u>www.unredd.net</u>. Please note that you must be a member to join the Discussion Forum. To request membership, please contact <u>admin@unredd.net</u> with your name and affiliation. The **Go-REDD+** team welcomes feedback, suggestions or inquiries to <u>goredd.th@undp.org</u>.