

## GOVERNANCE OF REDD+

*To what extent does the R-PP promote good governance within REDD+ systems and processes?*

### Stakeholder Participation in REDD+ planning and Implementation

+ *Identifies relevant stakeholders for REDD+*

+ *Specifically considers how to engage vulnerable groups*

+ *Establishes procedures to ensure a transparent process and accountability for stakeholder input*

+ *Establishes a grievance / dispute resolution mechanism*

+ *Considers how to learn and build from other relevant participatory processes*

The R-PP states that a total of 96 relevant interested parties (RIPs) have been identified through the initial consultation process according to a set of three criteria, and that at least 50 should be engaged for REDD+ (p16,22). The R-PP articulates several principles that will be promoted during the consultation process, including involvement of stakeholders in decision-making processes, inclusive and transparent working groups, and timely and appropriate communication of information (p27). Overall, the R-PP does not provide many details on how these principles will be exercised in practice. With regard to information sharing, however, the R-PP suggests that the main communication tools will be a website and quarterly newsletter managed by the National Forestry Financing Fund (FONAFIFO) (p18). The consultation process for REDD+ is expected to build heavily on existing communication channels and established relationships, which are not described in much detail (p27). The Board of Directors of REDD+, which will sit in FONAFIFO, is expected to be an important platform for stakeholder engagement. The R-PP states that RIPs but not indigenous peoples are represented on the Board according to law, and an amendment will enable a seat to be created for a representative from a coalition of indigenous organizations (yet to be formed). A second seat will be appointed from rural land owners, environmental NGOs, or organizations that represent the civil society – although it is not clear why CSOs and rural land owners are grouped together. The Board of Directors is expected to resolve possible disagreements between the members of the REDD+ working group through a majority vote (p17); however, the R-PP does not specify if this system would also address broader conflicts and grievances that may arise during the development and implementation of REDD+ activities.

#### **Recommendations:**

- Clarify how feedback from the consultation process will be taken into account by the working group, and expand further on how objectives on page 24 will be achieved
- Clarify how stakeholder grievances and conflicts relating to REDD+ will be handled
- Consider lessons learnt from the functioning of FONAFIFO with respect to consultation processes to date

### Government coordination in REDD+ planning and implementation

+ *Considers REDD+ in the context of other sector policies, land use plans, and national development plans*

+ *Proposes a process to reconcile potential conflicts between REDD+ strategies and other policies/plans*

+ *Proposes effective mechanisms to coordinate REDD+ across sectors*

- *Proposes effective mechanisms to coordinate REDD+ across levels of government*

The R-PP systematically considers REDD+ in the context of other sector policies and plans (p54). Specifically, it identifies that future policies relating to energy and agriculture may have impacts on forest cover. The R-PP also identifies agriculture and particularly grazing as key drivers of deforestation (p40-41). In light of these dynamics, the R-PP explains that FONAFIFO, and the Board of Directors and Executive Secretariat on REDD+ within it, will be responsible for inter-institutional coordination of the REDD+ Strategy (p17). Relevant ministries and other key non-government stakeholders are represented in this structure, which is called the REDD+ working group. The R-PP does not make clear how the working group will function, and what the various roles and responsibilities of different actors will be. The R-PP also states that there is high level political will to address climate change in Costa Rica, which targets forests in particular as a key mitigation and adaptation strategy, which will help support the coordination efforts of FONAFIFO (p53). The R-PP does not propose any concrete process to address the economic development policies that have historically driven deforestation. Instead the R-PP states that the government aims to increase the level of incentives for converting marginal agricultural and grazing land back to forest through REDD+ (p77), although it identifies a potential conflicting incentive from new government policies promoting agricultural exports. With respect to vertical coordination, the R-PP is not clear about what different levels of government will be included in the readiness management arrangements. The focus seems to be on national agencies; specifically, the R-PP seeks to promote the “realization of workshops with high government officials to maintain the REDD+ agenda at the highest level” (p21).

#### **Recommendations:**

- Provide additional information about the work process and procedures for the REDD+ working group
- Provide analysis describing the effectiveness of existing coordination systems
- Clarify the roles of local and subnational governments in the readiness management arrangements
- Clarify how potential conflicts between REDD+ policies and other sectoral policies will be resolved

### Transparent and accountable REDD+ revenue management & benefit sharing

+ *Proposes a transparent system to track and coordinate international financing of activities related to REDD+*

+ *Considers measures to promote fiscal transparency and accountability for REDD+ revenue management*

+ *Proposes a transparent process for deciding who should benefit from REDD+ and how benefits will be targeted*

### Reviews lessons from past and/or existing systems for managing and distributing forest revenues

As mentioned in the R-PP, Costa Rica has over 15 years of experience with payment for ecosystem service programs to reduce deforestation. As such, the R-PP states that REDD+ can be easily supported by existing institutional and legal frameworks, which are deemed adequate for guaranteeing transparency, accountability and equity in the context of REDD+ revenue management and benefit sharing (p64). In addition, the R-PP proposes to create a Fraud Control Unit and Registry of Environmental Service Rights facilitate the management and distribution of revenues for REDD+ (p64&97). FONAFIFO is in charge of the existing payment for ecosystem service program and will also be in charge of REDD+, which implies that there are likely lessons to be learned and applied to the REDD+ system. However, the R-PP does not provide many details about the existing system in terms of revenue management, or how past decisions were made to determine how benefits should be shared. Further, it is not entirely clear how the existing payments for environmental services system and REDD+ will be coordinated and prioritized on the ground for land owners in terms of geographical and land class eligibility. The R-PP clearly states that carbon rights will belong to the state, indigenous or private forest owners. Given that land occupants will need to demonstrate land ownership to secure carbon rights, the ability for many forest owners to benefit from REDD+ will depend on the regularization of land titles, particularly in indigenous territories.

#### **Recommendations:**

- Provide additional information about how the existing payment for ecosystem service program works, including key lessons learned for REDD+
- Discuss the track record of FONAFIFO in providing a transparent and effective system for revenue distribution

### Transparent monitoring and oversight of REDD+

– *Proposes to establish information management systems for REDD+ that guarantee public access to information*

+ *Proposes mechanisms for independent oversight of the implementation of REDD+ activities*

+ *Proposes mechanisms to monitor progress of efforts to address governance-related drivers of deforestation*

There is no explicit discussion in the R-PP about how information relating to REDD+ will be managed, or whether information will be publically available. The R-PP proposes to monitor the implementation and outcomes of the R-PP activities implemented, in addition to measuring carbon. It creates provisions for the independence of a monitoring entity openly selected according to World Bank procurement principles and preferably hired by and responding to the FCPF (p87-88). Specifically, the R-PP notes that the entity responsible for MRV and additional monitoring should be an external third party that is neutral and independent of the implementing agency for the strategy. It should provide reports to both MINAET and FCPF (p87). The R-PP states that in the past monitoring activities have been given to higher education institutions, and local or international environmental NGOs.

#### **Recommendations:**

- Elaborate on the management of the information system that will house the various types of data gathered

## GOVERNANCE-RELATED DRIVERS OF DEFORESTATION

*To what extent does the R-PP consider key forest governance challenges for achieving REDD+?*

### Land and forest tenure

*Discusses the situation regarding land and forest tenure, including for indigenous peoples*

– *Considers the capacity of judicial and non-judicial systems to resolve conflicts and uphold the rights of citizens*

*Links identified governance challenges to proposed REDD+ strategy options and implementation framework*

The R-PP provides limited details concerning the situation of land tenure in Costa Rica. It does not, describe the underlying legal framework for recognizing tenure rights, but it does mention that the process of land titling has been costly and slow, resulting in many untitled lands and in some cases overlapping title deeds (p37&56). With respect to communally owned lands, which account for 10% of forest cover, the R-PP notes that invaders have been illegally titling lands on indigenous reserves. It is not clear from the R-PP why this is occurring. The R-PP mentions several potential measures to address these issues. First, one proposed REDD+ strategy options is to, "... support the Initiative for the Official Registration and Regularization of Special Lands including indigenous territories" (p56). However, the R-PP does not describe what this Initiative is. Second, the R-PP suggests that the existing payment for ecosystem services scheme should be "adjusted...to the reality of communal ownership," but does not describe what this means (p40). Finally, the R-PP proposes to establish a National Registry of Environmental Service Rights to avoid potential double counting of emission reductions due to overlapping titles (p56). It states that the National Property Registry is currently responsible for the titling process, but that significant effort is still required to rectify the situation. The R-PP does not explain if these two Registries would be linked. Finally, no additional studies are proposed to further investigate the tenure challenges mentioned in the R-PP.

#### **Recommendations:**

- Provide a deeper analysis of the situation of land tenure, and of the proposed measures to address tenure issues
- Clarify the relationship between the existing National Property Registry and the proposed National Registry of Environmental Service Rights
- Describe how the problem of overlapping title deeds is currently dealt with, including the conflict resolution mechanisms available to the overlapping title holders

**Forest Management**

*Discusses the ability of forest agencies to plan and implement forest management activities*

+ *Considers the role of non-government stakeholders, including communities, in forest management*

+ *Links identified governance challenges to proposed REDD+ strategy options and implementation framework*

The R-PP notes that forest agencies lack capacity to enforce environmental legislation, manage and control forest reserves, and prevent forest fires. It identifies and describes the key agencies involved in forest management at the national level and their major roles and responsibilities (p15), but it is not clear how subnational governments are involved. The R-PP proposes several REDD+ strategy options to build the capacity of FONAFIFO and SINAC to expand incentive programs to encourage sustainable management of secondary forests as well as regeneration and reforestation. In addition, it suggests that the National Forestry Office, which is comprised of representatives from forest producers, industrial wood producers, trade sector and environmental organizations, should start a program to promote commercial reforestation and sustainable management of natural forests targeting small owners and community managed forests in indigenous territories (p49).

According to the R-PP, 50% of forests are privately owned (p37), whereas only 10% are communally owned (p40). The discussion of the rights and responsibilities of private owners in forest management is therefore much more thorough than the discussion of the role communities in forest management. In fact, it is difficult to ascertain from the R-PP how forests are currently managed within indigenous territories and whether forest management plans are required. As such, it is unclear what indigenous peoples' role might look like under a REDD+ program, although they appear to be interested in engaging (p24).

**Recommendations:**

- Provide more information about how indigenous peoples and other local communities currently engage in forest management activities

**Forest Law Enforcement**

*Discusses the ability of law enforcement bodies to effectively enforce forest laws*

- *Discusses efforts to combat corruption*

+ *Links identified governance challenges to proposed REDD+ strategy options and implementation framework*

The R-PP frequently references illegal logging as a problem, and in particular notes that national parks are insufficiently controlled and are threatened by squatters, hunters, illegal loggers and miners (p36). The R-PP mentions past efforts to control illegal logging (p38), which appear to have had mixed success due to weak capacity to enforce laws designed to control illegal logging. Overall, it is difficult to understand from the R-PP what the magnitude of the illegal logging problem is and the specific reasons why past efforts to control it have failed. The proposed REDD+ strategy options include several measures to improve control over illegal activities and enhance enforcement capacity, which are described in a fair amount of detail (p50). In particular, the R-PP proposes to strengthen two agencies in this regard: SINAC and CIAgro.

**Recommendations:**

- Define more concretely SINAC's governance issues, if any capacity and the need for a better information system.

**Other Forest Governance Issues Relevant for REDD+**

- *Discusses other forest governance that are relevant for REDD+*

- *Links identified governance challenges to proposed REDD+ strategy and implementation framework*

The R-PP does not explicitly address forest governance issues as a potential driver of deforestation and forest degradation in Costa Rica, but rather discusses governance issues indirectly as they relate to issues of land tenure and illegal logging. The R-PP states that Costa Rica's decades of experience with payment for ecosystem services programs has resulted in "an improved governance scheme" (p8), and that no major institutional and governance reforms are needed for REDD+ (p64).

**Recommendation:**

- Consider undertaking a more holistic and systematic assessment of the strengths and weaknesses of forest governance in Costa Rica, in order to better understand the drivers of deforestation and forest degradation identified in Component 2a.