Appendix 1: Summary

The conversion and degradation of forests are a key cause of biodiversity loss and climate change. They also have serious negative implications for forest-dependent people, who rely on forests for their subsistence and survival. Forests play an important role in regulating hydrological flows, rainfall patterns and carbon sequestration, and deforestation and forest degradation are primary causes of climate change. The international community has recognized deforestation and forest degradation as global environmental problems that need to be addressed and, in response, a large number of international forest regimes have been developed. In 2007, the parties to the United Nations Framework Convention on Climate Change (UNFCCC) of 1992 decided to add a new subregime on policies and incentives to reduce emissions from deforestation and forest degradation, including conservation, sustainable forest management and enhancement of forest carbon stocks (REDD+). REDD+ can be seen as a global payment for environmental services (PES) system. Expectations of potentially significant financial contributions for performance-based forest conservation and reforestation activities have triggered significant political and financial support for REDD+ amongst governments, intergovernmental organizations (IGOs) and non-governmental organizations (NGOs).

Against this background, this book addresses the question of which actors have been instrumental in shaping REDD+ policies and policy responses, what their motivations are, and how they use their agency to pursue their interests. Related sub-questions are: Which actors have promoted the inclusion of REDD+ as a forest policy regime within the climate change policy regime, and how do they use their agency to pursue their underlying interests and ideologies? How do the different actors expect REDD+ will work out in comparison to existing international forest policy regimes in terms of environmental effectiveness, economic efficiency and equity? How could more balanced agency by rightsholders, developing countries and industrialized countries in international sustainable development policymaking be promoted?

There is a significant recent literature on the potential environmental effectiveness, economic efficiency and social equity of REDD+, but only
limited research has been done so far on the role, strategies and motivations of the actors that promoted REDD+. This research aims to complement existing analytical work on REDD+ by analyzing REDD+ from the perspective of agency theory. A conceptual framework based on agency theory is used, which addresses the role, strategies and motivations of specific actors in international regime development. There is an existing literature on agency theory in general, and some limited existing research on the role of agents in international environmental governance, but few researchers have addressed the specific role of agents behind the REDD+ regime and the implications of the differentiated influence of stakeholders and rightsholders in REDD+ regime development. Through an analysis of the role, motivations and strategies of State and non-State agents in a new international environmental regime, this book contributes to a greater understanding of the potential power imbalances between stakeholders and the assumed beneficiaries of an international regime. It also contributes to the policy aim of developing more socially just, rights-based and effective forest conservation policies. Combining agency theory with regime theories, the conceptual framework uses four indicators to analyze the agency of potential actors: legitimacy, authority, success in terms of achieving the ultimate objectives, and assumed agency in the eyes of other actors involved in the REDD+ negotiations. The book also compares the motivations and strategies of the actors that were identified as REDD+ agents with power-based, interest-based and knowledge-based regime theories.

The REDD+ proposal was originally introduced by Papua New Guinea (PNG) and Costa Rica on behalf of the Coalition for Rainforest Nations (CfRN). It received significant political impetus owing to the financial commitment by Norway to provide support of up to USD 3 billion for this new regime. However, there is a legal ambiguity in the UNFCCC regime, and the 2015 Paris Agreement, about whether REDD+ should be financed in the longer run through public funds provided by industrialized countries, or through markets in forest carbon offsets. Owing to this ambiguity, there is uncertainty among actors about the future of REDD+.

Chapter 3 examines the role of State actors in REDD+ and concludes that (a) the dominant actors were influenced primarily by the assumption that REDD+ would generate significant funding for the forest sector and thus be effective and efficient, (b) the key industrialized countries were motivated by the potential of cheap forest credits, (c) the key developing countries were motivated by access to resources to fund their forest sector, (d) there were key individuals who played the role of policy entrepreneurs in pushing for REDD+, and (e) the regime developed as a remarkable configuration where Norway bankrolled the instrument with
support from the US and some European countries, and PNG and Costa Rica legitimized the process by creating a demand for the instrument. The analysis reveals the relevance of interest-based theories, although power-based and knowledge-based regime theories have some relevance as well.

Chapter 4 looked at the role of non-State agents behind REDD+. It concludes that (a) the dominant non-State actors were also primarily influenced by the expectation that REDD+ would generate significant funding for the forest sector and thus be effective and efficient, (b) they expected REDD+ not only would benefit forests but could also directly contribute to their own economic interests, and (c) the key agents are conservation NGOs and the World Bank, which significantly benefited from their role as intermediaries in REDD+. For some of the industrialized countries and conservation NGOs, REDD+ formed a distraction from fossil fuel-related emissions, which was also in their economic interest. The analysis reveals that these agents claimed to be motivated by their knowledge, reflecting knowledge-based regime theories, but the high economic stakes involved also show the relevance of interest-based theories.

Chapter 5 explains what the cognitive assumptions among actors were with regard to effectiveness, efficiency and equity. The assumed environmental effectiveness of the REDD+ regime as a climate mitigation and forest conservation regime is based on the expectation that results-based payments would provide a strong incentive for countries, and actors on the ground, to conserve and restore forests. Many REDD+ actors point out that REDD+ has drawn significant political attention and thus significant funding for forest conservation. The economic efficiency of REDD+ was based on the assumption that reducing deforestation and forest degradation and planting trees were relatively inexpensive climate mitigation policies. It was also expected that including forest carbon offsets in a mandatory global carbon market would generate billions of dollars for forest conservation. Quite a number of actors assumed that REDD+ would be socially equitable, as the global community would pay developing countries and their communities for keeping forests intact, thus providing income and other economic benefits to marginalized people. Proponents furthermore assumed that REDD+ safeguards would ensure that REDD+ benefits would be equitably shared with forest-dependent communities, that negative social impacts would be prevented and that key stakeholders would be able to participate fully and effectively in REDD+ design and implementation.
Appendix 1

However, as explained in Chapter 6, the effectiveness of REDD+ as it was finally incorporated in the 2015 Paris Agreement will be compromised by (a) the lack of permanence of forest-related emission reductions, (b) the risk that a carbon sequestration mechanism might inadvertently support tree plantation expansion rather than forest conservation, (c) the design of REDD+, which does not address cross-boundary and cross-sectoral drivers of forest loss, and (d) the difficulty in accurately calculating the impact of certain forest-related actions on the atmosphere.

Chapter 7 argues that the economic efficiency of REDD+ is questionable in light of (a) its high opportunity and transaction costs, (b) the fact that the need to compensate for opportunity costs requires permanent financial support, (c) the problem that such permanent financial support would depend on, currently non-existent, ambitious mandatory emission reduction targets and a functioning carbon market, and (d) the fact that it is paradoxically a problematic instrument to address deforestation and forest degradation owing to its relatively low efficiency in countries and areas with high deforestation, and its high efficiency in countries and areas with low deforestation rates only.

Chapter 8 analyzes the social equity of REDD+. It concludes that, in reality, (a) there has been no effective participation of the different categories of rightsholders, including Indigenous Peoples, peasants and women, in REDD+ decision-making, (b) there will be no equitable sharing of the benefits accruing from REDD+, as most of the funding will go to wealthy landowners, intermediaries and governments, (c) local communities and other rightsholders will become increasingly dependent on intermediaries owing to the complexity of adequate monitoring, reporting and verification (MRV) systems and related transaction costs, and (d) these processes will exacerbate the uneven power balance between rightsholders and other actors. Moreover, some scholars and actors fear that REDD+ will undermine the cultural value systems that motivated communities to conserve forests for free instead of for financial compensation.

The overall conclusions of this book are that conspicuous by their absence are the rightsholders who were the assumed beneficiaries of REDD+, but who were not actively engaged in the design of the instrument, while the final instrument did not succeed in creating a mechanism that guaranteed that the rightsholders would benefit from it. In fact, the agency of rightsholders has been very limited in this process. Although many scholars and actors have expressed doubts about the effectiveness, efficiency and equity of the proposed REDD+ regime, the dominant agents were motivated to promote it by the expectation of significant funding and potential low-cost carbon credits.
The REDD+ regime is essentially a story of a few key men who were able to function as policy entrepreneurs and exploit windows of opportunity, create coalitions and networks such as the CIRN to multiply their effectiveness, and use funding streams to support their ideas. REDD+ can be seen as the result of a coincidence of interests of quite distinct actors. The fact that most agents had a strong economic motivation to support REDD+, the strategic deployment of funding by Norway and other REDD+ donors to generate support for REDD+, and the strong agency of certain individuals correspond with interest-based regime theories. REDD+ reflects a prosaic and reformist environmental problem-solving discourse that accepts economic rationalism rather than transformational change as a basis for sustainable development. The combination of political and especially economic power that played an instrumental role in the establishment of the REDD+ regime is in line with realist power-based theories that suggest that cooperation serves to institutionalize the interests of the powerful, who use new regimes to establish hegemonic stability.

The leading role of a relatively small country like Norway indicates that economic power, and the strategic deployment of official development assistance (ODA), is at least as important as political power in constructing new regimes nowadays. Norway’s involvement partly had its origin in a successful advocacy campaign by Norwegian conservation organizations. This shows the relevance of knowledge-based regime theories. These theories are applicable to the agency of non-State actors in REDD+ in general, which were often motivated by ideologies and used an environmental problem-solving discourse based on expertise as the main strategy. However, the discourse of these organizations was, in general, constructed by neoliberal ideologies that marginalized conceptualizations of alternatives that would threaten their economic interests and the hegemonic stability of industrialized country elites. This demonstrates the phenomenon of cognitive dissonance due to professional biases and the tendency of actors to select, interpret and sometimes distort information in line with an ideology that serves their own economic interests most.

NGOs are often presented as independent, not-for-profit actors, and it is assumed that the involvement of non-State actors in international regime-building will lead to more relevance, responsiveness, accountability, transparency, inclusiveness, legitimacy, effectiveness, efficiency and equity in international regimes. Yet, while there are efforts to enhance participatory forms of decision-making at the international level, these do not go far enough in addressing power imbalances between well-resourced, often industrialized country-based NGOs and under-resourced,
often developing country-based social movements. The latter represent the economically and politically marginalized groups that are the assumed beneficiaries of sustainable development policy, including peasants, Indigenous Peoples and women. Furthermore, the professionalization of the environmental movement has created an influential sector that is formally not-for-profit, yet depends on sustained funding to support its organizational structures. There are undeniable economic incentives for NGO staff and other non-State actors to pursue policies that lead to increased funding for the projects and programs for which they are responsible. There is thus a significant risk that they will use participation opportunities to pursue their economic interests. The dependency on a large number of, relatively wealthy, individual donors of some of the larger NGOs also implies that they will be inclined to support solutions like REDD+ that do not impact on the emission-intensive lifestyles of these donors. Therefore it was concluded that there is a need for more research on the role of incentives in influencing the agency of non-State actors in Earth System Governance, and the differentiated role of stakeholders and rightsholders in environmental governance.

If the forests and forest people are to benefit from international forest regimes, the rightsholder groups should be able to participate in international negotiations through their own legitimate representatives. These rightsholder groups should be clearly distinguished from stakeholders, that is, major groups that merely have an economic stake in sustainable development policies. However, promoting participation of rightsholder groups in REDD+ makes little sense, as many rightsholder groups have taken a principled stance against REDD+ as an essentially neoliberal and market-based approach to forest conservation. That is why there should also be more policy space under the UNFCCC and other forest-related regimes to support the alternative policy proposals by some of the rightsholder movements. These proposals include respecting the territorial and forest tenure rights of Indigenous Peoples, local communities and women, while not confusing these rights with property rights, and redirecting perverse incentives that might trigger forest loss through international regimes that do not require complicated verification of emission reductions.

The book concludes with general policy recommendations to (a) reconsider REDD+ support in light of the need for transformative change, (b) address power imbalances and promote the effective participation and agency of rightsholders, and (c) consider green radical alternatives to REDD+. 