

The impact of REDD+ on poverty reduction

Key message

The impact of REDD+ activities on poverty reduction depends on the extent to which the interests of the poor are prioritised in REDD+ design and implementation, and the types of policies that are used to meet REDD+ objectives. Better frameworks will be required to better evaluate different approaches and develop pro-poor REDD+ policies.

Disclaimer

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- 1 **Attitudes and approaches to REDD+ are likely to be heavily influenced by judgements about the issue of tenure rights.** Tenure rights of the poor are often very weak and insecure, as are the institutions that represent them. There are broadly two approaches to address this issue in the context of REDD+:
 - One approach sees weak rights as something that REDD+ may be able to overcome in the fullness of time, and the performance element in REDD+ is viewed as providing positive leverage in this direction;
 - The other approach argues that, without securing the rights of forest-dwellers over their resources in advance of REDD+ development, they are most unlikely to be beneficiaries.

There is a need for great care in addressing the complexities of social structure among forest communities. Landowners and farmers may not be the same individuals, and granting excessive rights to the former could well end up seriously weakening the tenure security of the forest-dwelling poor.
- 2 **The links between REDD+ and poverty reduction in current debates are poorly framed.** There are some studies that identify links between REDD+ and poverty reduction at a general level¹. These studies highlight gaps in the current debate:
 - Little disaggregation of who 'the poor' are in REDD+ and carbon markets in general, with aggregate terms such as 'local communities' being most common. This has important implications for targeting and what constitutes 'pro-poor' REDD+;
 - Focus on forest dependent poor and indigenous peoples, with little analysis of the wider welfare implications of REDD+;
 - Large figures quoted on potential financial flows with little reference to the distribution of finance;
 - Tendency to focus on financial benefits and costs of REDD+ (income indicators), with less consideration of non-financial benefits and costs (e.g. power relations).
- 3 **Without the support of all resource users, REDD+ schemes are unlikely to be sustainable.** This applies particularly to schemes where there are issues of access and encroachment.
 - Local-level commitment and stewardship of natural resources has been shown to be important to achieving sustainable development objectives;
 - Lowering levels of poverty may lead to decreased pressure on forest ecosystems.

- 4 **Ultimately the impact of REDD+ on poverty will depend on the types of policy approaches used to meet REDD+ objectives and how they are implemented.** There are four main categories of policies that could reduce deforestation² and the impacts of these policy approaches on poverty are summarised in Table 7³. The sources referenced in the table below, and other studies linking forest policies and poverty, highlight a number of issues:
- For most policy areas, there is little data on poverty impacts;
 - Studies that do exist frequently look at aggregate benefits at the community level, with less information on how policies actually affect those in poverty;
 - Whilst examples exist of deforestation and degradation reduction policies that can benefit the poor (e.g. some community forestry projects), it is often in the implementation of these policies where there are barriers to the participation of the poor, or negative impacts.
- 5 **Alternative income generating activities (AIGAs) and integrated conservation and development programmes (ICDPs) have emerged as a major component of many REDD+ schemes, but existing evidence indicates that these have generally performed poorly.** Reducing pressure on high forest resources may mean reducing the access of the poor to the lands on which they currently depend for agricultural fertility and other livelihood interests. The champions of forest conservation tend to be overly confident about alternative technologies that are available, such as AIGAs, ICDPs and agricultural intensification schemes. There are some more promising examples, though there are frequently barriers for poor people to engage in opportunities:
- Providing extension services to help resource-poor farmers invest in perennial beverage crops (cocoa, coffee), though impacts on carbon are uncertain in some systems;
 - Development of irrigated agriculture can increase yields and incomes, particularly where the farming season can be extended and multiple crops harvested. However, it is not necessarily a rational strategy for resource-poor and risk-averse farmers.
 - Ecotourism can provide benefits where national-level infrastructure is already developed (e.g. Costa Rica), but few positive impacts where this does not exist.
- 6 **Some of the ‘design elements’ of any international REDD+ scheme could influence poverty impacts.**
- **Definitions of deforestation and degradation.** For example, targeting slash and burn agriculture (a key livelihood strategy particularly at forest margins) to address degradation, could have negative impacts on livelihoods and uncertain impacts on carbon emissions⁵.
 - **Carbon monitoring approaches.** Community monitoring of carbon stocks has been shown to be effective, cost efficient and to increase participation in some existing carbon schemes⁶. It could be particularly applicable to community forestry under REDD+, but impacts on communities will depend on how carbon accounting rules are established and ability to avoid elite capture.
 - **Monitoring of social costs and benefits** could increase quality of community consultation, but there is little evidence as to whether existing standard schemes enhance participation of the poor.

Table 1: Summary of impacts of REDD+ policies on poverty reduction

Policy category and sub-category	Effect on inequality or poverty
Reduce (extensive) agricultural rent	
Depress agricultural prices	Negative, as usually involve policies that involve heavy taxes on export crops and low support for rural roads and support to smallholders (Angelsen 2009).
Create off-farm opportunities	Neutral or positive impacts.
Support intensive agricultural sector	Uncertain. However, it is likely not to benefit the poor as it requires capital and access to spare labour. Positive impacts could arise through new employment opportunities.

Ignore extensive road building	Poverty is associated with distance from roads (Chomitz 2006). Road building can have positive impacts on welfare unless locals are displaced by outsiders. For example, a simulation study in PNG found that reducing the distance to road to a maximum of three hours would cut the number of poor people by 12 percent (Warr 2005, cited in Chomitz 2006).
Secure property rights	Impacts on poverty are uncertain. Evidence from PES schemes indicates that insecure property rights could reduce potential opportunities from REDD+ for any actor wishing to participate ¹ . There is a clear case for tenure reform in much of Asia and Africa, but the risks of perverse effects (mainly elite capture) need to be taken into account, based on existing evidence of reform processes (Hobley, 2007).
Increase forest rent and its capture	
Higher prices for forest products (e.g. through certification)	Expensive, meaning that it favours larger producers (and developed countries) and price mark-ups have been disappointing. Unlikely to have significant positive impacts on poverty.
Removal of subsidies that encourage DD	Could benefit all sectors of the population, but particularly the poor, if corrective actions do not encourage other forms of conversion. Large-scale land clearance and industrial development often take place on undervalued public lands and result in the eviction of forest-dependent poor whose lack of tenurial rights increases their reliance on such areas (Brown and Peskett 2009).
Community forestry and Participatory forest management (PFM)	Some studies have shown that incomes 10-20 times greater can be achieved by communities practising small-scale commercial timber transformation, when compared to the informal payments from industrial logging companies (Fomété, 2001). However, evidence indicates that in many cases community forestry has positive environmental outcomes but does not benefit the poorest members of communities (Schreckenberg and Luttrell 2009). PFM focusing on forest protection and provision of subsistence products for household has less potential for reducing chronic poverty, but may prevent worsening of poverty. Provision of new income-generating activities through PFM has greater potential for reducing poverty. However, the lesser ability of the poor to take advantage of new opportunities can result in inequities in the impact of PFM.
Payments for environmental services	Tend not to benefit poorer households, but impacts vary across schemes. For example, evidence from a comparison of seven countries indicates that payments can represent 30% - 0.4% of the annual participant income and cover 2 - 73% of opportunity costs (Cotula and Mayers, 2009 ; Wunder 2008) ² . PES can help reinforce property rights or can provide formalised land tenure as a reward to service providers (Bond et al., 2009).
Policies that directly regulate land use	
Protected areas (PAs)	There is very little good data available on the impacts of protected areas. The few studies that have looked in detail across a whole protected area systems or multiple sites have in some cases found positive impacts at the community level (Andam et al., 2008) ³ but negative socio-economic impacts, such as evictions and inadequate compensation, have been reported in a number of other studies ⁴ .
Increased enforcement	Enforcement is often targeted disproportionately on small-scale forest resource users ⁵
Cross-cutting	
Good governance	Positive. However, it is difficult to quantify the effects of governance improvements on poverty reduction, and it is likely to depend on the attention given to the interests of the poor in reform processes (Hobley 2007).
Decentralisation	There is no established correlation between decentralisation policies and improved livelihoods (Ribot 2009, cited in Angelsen 2009). Decentralised REDD+ could have positive impacts, but this will depend on how participation is designed and implemented. In some cases, decentralisation has led to negative impacts on poor households ⁶ .

Source: Building on Angelsen (2009). Additional data as cited in hyperlinks

Notes

- 1 For example, unclassified public lands account for 24% of Amazon lands and do not qualify for REDD+ payments
- 2 Local PES schemes in Bolivia, Costa Rica, Ecuador, Honduras and national level schemes in China, Costa Rica and Mexico.
- 3 Andam et al. (2008) is one of only two known studies that looks at the socio-economic impacts of a whole protected system (namely all the PAs in Costa Rica). Whilst it finds positive impacts, the method they use does not allow for disaggregation of impact by well-being group. Kwaw S. Andam, Paul J. Ferraro, Alexander Pfaff, G. Arturo Sanchez-Azofeifa, and Juan A. Robalino. 2008. Measuring the effectiveness of protected area networks in reducing deforestation. PNAS 105(42):16089-16094.
- 4 There is very little good data available on the impacts of protected areas. Brockington and Igoe (2008) focuses specifically on evictions from PAs, but they only look at complete evictions rather than loss of access to the resource (e.g. by people living near the PA). Cernea and Schmidt-Soltau (2003) and Schmidt-Soltau (2003) review the establishment of nine national parks in central Africa and conclude that about 51,000 people were displaced. In only two of the nine cases were there formal resettlement policies. In two cases no compensation was made to the displaced populations, and in most of the other cases compensation was inadequate (cited in Chomitz 2007).
- 5 This latter danger is acknowledged in the World Bank FLEG Strategy: 'Despite the magnitude of the problem [of forest crime], there are few instances of prosecution and punishment. In fact, if there are prosecutions it is the poor, looking to supplement their meager livelihoods, who are victimized and sent to jail. Large-scale operators continue with impunity. Arguably, this is the worst form of violation of equity and justice, arising from a clear failure of governance and it needs to be addressed' (2006: xi)
- 6 For example, Jagger (2009) found that the contribution of forests to household incomes after forest reform in Uganda had declined after four years of the new system.

Key publications on this issue

- Angelsen, A. (Ed.) (2009) Realising REDD+. [National strategy and policy options](#). CIFOR, Bogor, Indonesia
- Bond, I., Grieg-Gran, M., Wertz-Kanounnikoff, S., Hazlewood, P., Wunder, S. and Angelsen, I. (2009) [Incentives to sustain forest ecosystem services: A review and lessons for REDD](#) IIED.
- Chomitz, K (2006) [At Loggerheads: Agricultural expansion, poverty reduction and environment in the Tropical Forests](#)
- Hobley, M. (2007) [Where in the world is there pro-poor forest policy and reform?](#) Washington, DC, USA, Rights and Resources Initiative.
- Peskett, L., Huberman, D., Bowen-Jones, E., Edwards, G. And Brown, J. (2008) [Making REDD work for the poor](#), prepared for the Poverty Environment Partnership.
- Pettersson et al (2009) - FOCALI [Review of REDD and Poverty](#)
- Skutsch, M. M., Van Laake, P. E., Zahabu, E. Karky, B. S. Phartiyal, P. (2009) 'Community monitoring in REDD+', In: Angelsen, A. (Ed.) (2009b). Realising REDD+. [National strategy and policy options](#). CIFOR, Bogor, Indonesia.
- Tacconi, L., Mahanty, S. And Suich, H. (2009) [Assessing the livelihood impacts of payments for environmental services: implications for avoided deforestation](#). Crawford School of Economics and Government. Research Summary, August 2009.

1 e.g. Peskett et al. 2008

2 Angelsen, 2009

3 Note that this table was compiled using references that give overview surveys of the current literature on poverty in each policy area. A detailed survey of the primary literature was not conducted.

4 Brandon and Wells, 2009, in Angelsen, 2009

5 Recent research by the CGIAR Centres' 'Alternatives to Slash and Burn' research partnership suggests that the carbon content of cyclical cultivation systems is highly variable, depending on the length of fallow, cropping systems and other factors, but in conditions prevalent in the tropics, is up to 77% of the values for conserved high forests (industrially cleared land, by contrast, has a carbon content of 1% or less).

6 Skutsch et al. 2009