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Comment

Debating REDD+ and its implications: reply to Angelsen et al.

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Introduction

We appreciate Angelsen et al.'s (2017) response to our Diversity piece (Fletcher et al. 2016) in which we aimed to inspire just this sort of serious public discussion about how to address the implications of the widespread failure of REDD+ to realize its original ambition to develop a global market for conservation funding. That most of the response's authors represent the Center for International Forestry Research (CIFOR), one of the main centers for investigation of REDD+ and related issues, makes their confirmation that a "global carbon market has not materialized and is unlikely to emerge" especially important. Equally significant is Angelsen et al.'s affirmation that, in practice, REDD+ has largely evolved "into a light form of result-based aid," with the "tiny segment" comprising "payments for verified emission reductions from the voluntary carbon market" being "about the only genuine MBI [market-based instrument] left" of the envisioned global market.

Yet, there are important elements of our original analysis that we believe they either overlooked or misinterpreted. We hope to publish a more thorough analysis soon. In the meantime, here, we seek to clarify briefly several key issues in the interest of moving the discussion forward.

The Nature of Payments for Ecosystem Services

One of Angelsen et al.'s main points is that we misunderstand the nature of payments for ecosystem services (PES). Although REDD+ is of course not synonymous with PES, its development was strongly informed by PES logic. Angelsen et al. claim we assert that PES requires that "extractive companies (or local forest users) have to be compensated for the external costs they cause," in which case "the company gets an additional benefit from imposing such costs on others and therefore needs more compensation."

This is certainly not what we argue. Our central point is that there seems to be an inherent contradiction in the PES logic that has informed REDD+ development in terms of the basic disjuncture between the source and aim of payments. Although buyers pay only to offset their emissions, sellers need their entire opportunity costs covered. Hence, basic dynamics of supply and demand seem grossly mismatched in this ostensive market. As far as we can tell, this fundamental issue of PES design has never been identified or addressed directly and is likely the reason that, like REDD+, in practice most PES programs have largely failed to function as the MBIs they were envisioned to be (Wunder 2015; Fletcher & Büscher 2017). Thus, it is not just that "[t]he PES approach has been less universally viable than mainstream REDD+ actors had initially hoped"; rather, it is that PES, like the REDD+ mechanism modeled on it, has become a very different entity than originally envisioned. Although it is certainly true that a company "would only need to be compensated for the loss of profit related to switching to more environmentally benign practices" such as sustainable forestry, in our experience this is a minor aspect of the overall REDD+ landscape, which focuses mostly on forest conservation (Turnhout et al. 2017). In this case, to compete on market terms, payments would indeed need to match, or exceed, the full potential profits lost when other land-use opportunities are foregone. This is the opportunity cost side of the PES equation.

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The other side is that even if PES and REDD+ can outcompete conventional production, this would still not be enough to make it the environmentally and socially beneficial (i.e., sustainable) practice that many proponents desire. Making REDD+ function in this way would require generating even more resources to fill the gap between competitive market payments and truly sustainable livelihoods.

Consider Costa Rica's national PES program, widely considered a model for global best practice, and the country's nascent REDD+ initiative (Fletcher & Breitling 2012). Payments for forest conservation—the program's main aim—are far below what most participants can earn through alternate land use such as production of palm oil (Fletcher 2012). Hence, the program relies on a legal prohibition on land-use change for which payments serve as something of a "*quid pro quo*" rather than an actual incentive for conservation (Pagiola 2008:9). And even though activities such as palm-oil production are more lucrative than PES, they still do not generally provide more than a base subsistence living (Beggs & Moore 2013). Hence, many forest owners must rely on cheap food and other products that have their own social and environmental costs.

For PES to not only outcompete palm-oil profits, but also support an adequate standard of healthy living would thus require generating even more funding to cover these extra costs. To stay directly competitive with alternate land use, by contrast, would require PES itself to externalize social and environmental costs that must be borne elsewhere for the program to survive (Lohmann 2014). For instance, the program does not account for emissions caused by representatives driving to PES field sites or the relatively low salaries these representatives receive. And even so, funding barely keeps pace with growing demand and relies on grants and loans from the World Bank and other organizations whose own funding entails externalization of various costs. Where program funding comes directly from the profits of conventional production, even relatively benign activities such as beverage manufacturing, this revenue is itself at least partially generated through externalization of social and environmental impacts only some of which are addressed in the offset payments themselves.

These are the issues we sought to call attention to. Although REDD+ cannot be expected to address all these alone, they are important considerations in terms of the mechanism's contribution to a truly sustainable development.

Thinking Globally and Acting Locally

Beyond such misunderstandings, however, Angelsen et al. neglect to directly address the main aims of our intervention. Rather than debating the precise nature of REDD+, we primarily sought to call attention to the implications of the challenges it has faced, both for communities targeted for REDD+ implementation and for conservation strategies more generally. Starting with the latter point, we suggested taking this moment to rethink the current trajectory of the global conservation movement generally. Notwithstanding the vicissitudes of REDD+, after all, further market engagement continues to be promoted widely. Since Fletcher et al. (2016) was published, for instance, the International Union for the Conservation of Nature held its 2016 World Conservation Congress (WCC), where a main topic of discussion was the intensification of market-based approaches under the banner of "natural capital valuation" (Büscher & Fletcher 2016). In support of this approach, many of the world's most influential conservation organizations came together at the WCC to form a Coalition for the Private Investment in Conservation (http://sdg.iisd.org/news/coalition-for-private-investment-in-conservation-natural-capital-protocol-presented-at-iucn-wcc/) to build on the newfound campaign, highlighted in our original commentary, to promote conservation as a distinct "asset class" within conventional financial markets. It is this trajectory, of which REDD+ is only a small and increasingly insignificant piece, which we sought to highlight and question. We hope that Angelsen et al. and others will take this issue up in the future as well.

Finally, Angelsen et al. devote scant attention to what most inspired our original commentary: Our concern that rural communities around the world promised REDD+ benefits would be left hanging if the mechanism fails and hence that both their own development aspirations and the prospects of their support for future conservation interventions would be shattered in the process. If "[i]mplementers of REDD+ clearly attempt to involve local people in REDD+ and to promote equitable outcomes" (Angelsen et al.) then, we hope that they will also consider our plea to address the consequences of REDD+ funding shortfalls for affected local people.

Sharing the Wealth

Our original engagement with these issues was not, as Angelsen et al. contend, to advance mere "devolution of rights to local people" as yet another "single, one-dimensional solution." Rather, we sought to shift the focus to the overarching political economy of conservation funding and implementation. Had space permitted, we would have expanded on our brief observation that transferring rights locally with redistributive elements (in the form of commons) is not necessarily synonymous with community-based natural resource management initiatives, which rarely grant communities the autonomy, politically or economically, to effectively manage and control their own resources (Dressler et al. 2010). Hence, their efforts to do so must be supported by political action to promote community interests in the face of competing claims on their resources often exerted by powerful multinational extractive enterprises and other actors. Likewise, communities must be provided with sustainable funding streams that do not require them to submit to competitive global markets in which they have little power. New initiatives must be promoted that explicitly shift the dominant focus away from market engagement toward a dramatic redistribution in access and control of existing resources. Indeed, it was the emergence of critical voices within civil society calling for social safeguards that helped shape the current extra-market forms of both REDD+ and PES programs. If in practice REDD+ thus contributes to the "incipient mobilization of forces to effectively contain business-as-usual interests, including the use of command-and-control tools rather than incentives" (Angelsen et al.), then this effort should be continued. As we asserted, the task now is to build on this base to develop policy measures that embody an equally explicit acknowledgment that the future of conservation in general lies not in expanding markets but in better sharing the wealth we already have.

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