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Transferring REDD funds to the forest Communities

by

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Abstract

Raising adequate financial resources for REDD is expectedly posing a big problem with none of the developed countries, except Norway, putting money where their mouth is. A bigger problem would be in making the funds reach the forest communities who bear the real cost of REDD. But the biggest would be in ensuring that the communities use the money productively to conserve and enhance the carbon and other ecosystem values of the forests in their midst. This article presents an effective and efficient way of transferring REDD funds to the forest communities and achieving its objectives.

Key words: REDD, Fund Transfer, Forest Communities

The last five years have seen intense debate on reducing greenhouse gas emissions from deforestation (RED) and its later versions REDD and REDD Plus. By now there is a general agreement that there is a high cost to reduction of deforestation and forest degradation in poor countries and that this cost need to be borne by the developed countries if the developing countries are expected to reduce emissions from this source to mitigate climate change.

But will REDD succeed now when almost all attempts to control deforestation and forest degradation have failed in the past across the entire developing world with only a rare exception that served to merely reinforce the rule. One reason that is being put forward now is that the earlier approaches were essentially either silvicultural or poverty alleviation approaches. The former tried to regenerate forestry resources but failed to look at what caused resource degradation in the first place while the more recent poverty alleviation approaches assumed that if people were brought out of abject poverty to a more tolerable state, forest would be automatically protected. There was little realization that mere removal of extreme poverty might actually enhance the appetite for forest based products and even land for meeting the increased demand for food as more money reaches the poor. These programs did not attempt to escalate poverty alleviation into economic development primarily because it was not their mandate but also due to limited funds available for these projects.

REDD approach to reducing deforestation and degradation is fundamentally different because it addresses issues which were never a part of earlier deforestation control efforts. It looks at the non-forestry drivers, the political and economic issues of governance, corruption and other administrative and management concerns and tenure rights of people. It sees forests as global assets that have real measurable value beyond timber, providing climate change mitigation besides other valuable services.

The central debate now is who will pay, how the payment will be made and who all will share the money that is paid, all of which are crucial to the success of this idea and need deep examination. In all poor countries, and REDD concerns only poor countries, forests are largely deforested and degraded due to expansion of land intensive industry and the poverty of the communities living in the vicinity of the forests as they derive their sustenance from exploiting it, either for its resource value or for the land they grow on. Economic growth drives the demand for land, for infrastructure, mining and agriculture, and for forest produce leading to deforestation and forest degradation. But as national incomes rise and greater number of people feel comfortable about their future, societies begin demanding better environmental quality and more and better forests around the habitations, leading to a reduction in deforestation and degradation. The result is an inverted u-shaped environmental Kuznets curve between national income and deforestation

More the inequality in income distribution sharper is the Kuznets peak. Countries with a very large number of extremely poor with a tiny minority of people that hold all the riches are characterized by poor law enforcement which, in turn, encourages the large desperately poor majority to seek the quickest way to become well off, by exploiting existing natural resources of land, forests and minerals, resulting in open ended assault on forests.



Flattening the Kuznet's curve

REDD is about flattening the Kuznets curve much sooner than it would happen in the business-as-usual scenario. This curve could be flattened by quicker increase in income, conservation itself leading to significant income increases, lowered population growth, infusion of money from outside that increases per capita income and actually reaches targeted population.

The success of REDD would lie in ensuring that forest conservation itself leads to significant income increases at the bottom of the income pyramid. If this increase is large enough the desired flattening, and reversal, of the Kuznets curve could be achieved in a reasonably short period. Ongoing negotiations and the intermediate agreements reached so far indicate REDD would be a three phased approach with the first phase focusing on capacity building and readiness, on fashioning policies to address drivers of deforestation, on developing suitable systems of Measuring, Reporting and Verification and training local people in it, and on demonstration projects. This would be followed by more advanced preparations under Phase 2 and then under Phase 3 national governments would deliver credits to buyers and transfer funds to the concerned through an agreed mechanism.

Transferring funds to the communities

The concept is easy enough but the problem would arise in ensuring that adequate amount of funds reach the communities and the communities deliver on the promise against which the payments are made. The model generally discussed in civil societies across the world is actual transfer of funds to the community organizations like the tribal village councils or the Joint Forest Management Committee (JFMC) and then expecting them to ensure that it is shared among the community families equitably. This sounds pretty good on the surface but would have atleast two serious infirmities, the more serious being that the community could begin taking it as ransom money for keeping the forests in their neighbourhood intact. This would mean that if payments do not keep pace with their expectations in future the forests would be under threat, driven not by poverty but by greed. The second drawback would be the tendency to equally distribute money among all members of the community without concern for the actual

contribution made in achieving the objectives. This would result in rewarding non-action over positive action, cleverness over hard work, creating an unproductive environment that can never be sustainable over medium and long term.

An alternative model could be one based on making forest conservation a positive activity creating large scale productive employment of Community Forestry Officers (CFO) rather than merely the absence of negative action of forest destruction. This is possible if we combine forest conservation with a dynamic adaptation of forests to the continuously changing climate. Let us take the example of Chattisgarh state of India that is facing the consequence of forest conservation preceding economic development and consequent rebellion among a large section of its tribal population most of whom live in conditions of abject poverty. Agriculture sector is underdeveloped and a large section of the young population in the state is unemployed. The forests are everywhere but provide very little employment. The state has 1701800 ha of open and 3744000 ha of medium density forests in which carbon density can be enhanced by adaptation activities like fire prevention, pest and disease management, invasives management, gap seeding and planting which are all expected to be eligible REDD activities.

For carrying out these seasonal adaptation activities efficiently and effectively a large body of trained staff would be required for short periods. Going by the norms across the country effective fire prevention requires 1 Forester, 2 Forest Guards and 12 Forest Workers for three months every year for every 1000 ha in plains and double that in hills for creating new firelines, clearing and maintaining old firelines and reducing inflammable material from the forest floor. Similarly removal of lantana and other invasives would require the services of 1 Forester, 2 Forest Guards and 12 Forest Workers for two months during rainy season for every 1000 ha and pest and disease control would need a similar temporary work force for one month every year. Thus for these activities (other than law enforcement) 1 Forester, 2 Forest Guards and 12 Forest Workers are required for every 1000 ha for 5 months in a year which adds upto 4446 Foresters , 8892 Forest Guards and 53352 Forest Workers for 5 different months in a year for carrying out these operations on an intensive scale in Chattisgarh.

The temporary and discontinuous nature of work does not lend itself to recruitment of regular forest staff and instead it provides opportunity for engaging suitable tribal youths from neighboring communities as Community Forestry Officers, and training them under the Monitoring, Reporting and Verification (MRV) provisions of REDD for which adequate funding is already available and then using their services for 5 months in a year while for the remaining 7 months they continue to work on their lands or in other economic activities.

These temporary CFOs shall work under officials of the level of Ranger and above in the forest department following the departmental norms and rules and get paid from REDD+ funds. The Community will engage directly in adaptive aspects of forest management and yet the forests shall have the benefit of technical management by forest department. When paid normal forest department salaries it would mean an annual transfer of atleast Rs 900 million (about \$20 million) to the forest communities of Chattisgarh state of India for productive work leading to the achievement of REDD objectives. This would be in addition to the money spent on MRV part of which shall also go to these communities. In addition some part of REDD funds should

also go to fund community activities like minor roads, schools and primary health centers directly.

Implemented properly, this Forest Conservation and Adaptation model would mean REDD not merely transferring funds to the forest communities but providing well paid employment on a very large scale. Which is the need of the hour in the forested parts of India and most of the developing world.

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