Analysing REDD+

Challenges and choices

Editor	Arild Angelsen
Co-editors	Maria Brockhaus
	William D. Sunderlin
	Louis V. Verchot
Editorial assistant	Therese Dokken
Language editing, project management and layout	Green Ink Ltd

Center for International Forestry Research
CIFOR advances human wellbeing, environmental conservation and equity by conducting
research to inform policies and practices that affect forests in developing countries. CIFOR is a
CGIAR Consortium Research Center. CIFOR's headquarters are in Bogor, Indonesia and it also has
offices in Asia, Africa and South America.

Seeing REDD+ through 4Is
A political economy framework

Maria Brockhaus and Arild Angelsen

- Analysing REDD+ with 4Is – *institutions* and their path-dependencies and 'stickiness', actors and their *interests, ideas* and *information* – can be useful to understand what hinders or enables change.
- Transformational change beyond the forestry sector is required to fully realise the mitigation potential of REDD+, but economic interests and power structures pose challenges to such change.
- REDD+ can also serve – and already does to some extent – as a game changer. New economic incentives, new information, growing public concern about climate change, new actors and new policy coalitions all have the potential to generate transformational change.

2.1 Introduction

This chapter introduces a conceptual framework to analyse the politics of REDD+, a framework that is then applied in subsequent chapters. Through a political economy lens, we focus on *institutions, interests* and *ideas* (Hall

1997).[1] In addition we introduce *Information* as a fourth element for effective policy change (Angelsen 2010a). We label this the '4Is framework': *Institutions* (rules, path-dependencies or stickiness), *Interests* (potential material advantages), *Ideas* (policy discourses, underlying ideologies or beliefs) and *Information* (data and knowledge, and their construction and use). While acknowledging the interdependence between the 4Is, we will unpack each element of this framework in the following sections. The 4Is allow us to identify and conceptualise constraints, challenges and opportunities across relevant topics in REDD+ policy arenas.

This framework also points to possible ways of breaking political logjams and overcoming the inherent 'chicken and egg' problem of transformational change. The REDD+ idea and its accompanying economic incentives should initiate change away from business as usual, but for REDD+ to fully achieve its main objective of reduced emissions, there need to be upfront changes in REDD+ policy arenas at all levels. Although this dilemma is not unique to REDD+, it has received only limited attention in debates and the literature. We seek to address this by asking, what motivates or hinders actors in REDD+ policy arenas to undertake transformational change processes?

Section 2.2 of this chapter defines our understanding of transformational change and why it is needed to realise the potential of REDD+. In Section 2.3 we discuss what constrains or enables change for REDD+, introduce the 4Is framework and describe each of the Is. Section 2.4 discusses possible ways to overcome the 'chicken or egg' problem of REDD+ and transformational change. We conclude with an analysis of whether REDD+ is launching a new way forward or is itself being shaped and diluted by entrenched business as usual interests.

2.2 Transformational change and the REDD+ policy arena

In the context of REDD+, we define transformational change as *a shift in discourse,*[2] *attitudes, power relations, and deliberate policy and protest action that*

---

1   Numerous frameworks have been used across scientific disciplines to better analyse what we are calling here institutions, interests, ideas and information. Even though terminology and perspectives vary, they do not differ as much as, for example, when sociologists use concepts of culture, knowledge, power and history. Hall (1997) and Grindle (1999) apply these to the discipline of political economy. With regard to changing strategies for action during both settled and unsettled periods, Swidler (1986) provided deep insights in culture's causal role in shaping action and acting as a toolkit on which actors can draw to realise new strategies.

2   Dryzek defines *discourse* as "a shared way of apprehending the world". Embedded in language, discourse enables those who subscribe to it to interpret bits of information and put them into coherent studies or accounts. Each discourse rests on "assumptions, judgements and disagreements" (Dryzek 1997:8). In the environmental field in particular, discourses can be highly disparate and conflicting.

leads policy formulation and implementation away from business as usual policy approaches that directly or indirectly support deforestation and forest degradation (see also Chapter 5). Such a shift is embedded in and translated by changes in major formal and informal institutions[3] relevant to REDD+ implementation, including changes in coordination and transparency across multiple levels of governance.

Examples of transformational change in the context of *REDD+ policy outcomes* include: i) change in economic, regulatory and governance frameworks, including the devolution of rights to local users; ii) removal of perverse incentives, such as subsidies and concessions that serve selective economic interests and stimulate deforestation and forest degradation; and iii) reforms of forest industry policies and regulations that effectively reduce unsustainable extraction (Kanninen *et al.* 2007). Such change is required especially where forest destruction is linked to rent seeking and rent creation (Ross 2001) – that is, in situations where powerful groups have gained access to valuable forest land, timber or other resources, and use their power to capture and/or enlarge the forest rent. Transformational change at the national level thus implies changing the policy framework from one that stimulates forest exploitation to one that promotes forest conservation and sustainable use.

The REDD+ arena, in which these changes are supposed to occur, can be split into several sub-arenas: climate negotiations, development aid, national policy and local realities (Chapter 3). Here we look at an aggregated REDD+ arena, but with particular reference to the national policy arena.[4]

The REDD+ arena has much in common with other (climate) policy arenas. However, there are distinctive characteristics of REDD+ policy arenas that need to be factored into the analysis when applying the 4Is and which make the task of transformational change more challenging:

Multilevel institutions and multilayered processes that are embedded, sequential and hierarchical in nature, are a key characteristic of REDD+ (Chapter 6). These multiple levels within institutions create both challenges and opportunities, particularly when decentralisation or recentralisation is underway. For example, global frameworks and agreements can provide

---

3   Following Douglass North, we understand *institutions* to be "the rules of the game in a society as they structure incentives in human exchange, whether political, social, or economic. ... The purpose of the rules is to define the way the game is played. But the objective of the actor or the team within that set of rules is to win the game" (North 1990:3-5). Rules are conceptually differentiated from the players in North's definition.

4   It is however, important to note that processes and decisions in one particular national policy arena may also influence others and can create spillover effects, particularly at the regional level (e.g. Amazonas, Congo Basin and in the Southeast Asian region).

funding for local implementation, local results can provide national governments with revenues from the sale of carbon credits, and national laws can enable or disable local action. Improved multilevel coordination is required for REDD+ success and is ongoing in many REDD+ relevant fields, including benefit sharing (Chapter 8) and monitoring, reporting and verification (MRV) and leakage (Chapter 6).

Multiple actors with different authorities and interests, following divergent and contradictory discourses, beliefs and mental models, also characterise the REDD+ arena. This is evident in the power dynamics within the UNFCCC negotiations. In national policy arenas, development and profit-making interests in the form of forestry industries, agribusiness, and even small-scale agricultural producers clash with conservation proponents, who want to see some forests left untouched. At the local level, prospects for employment in large plantations or involvement in outgrower schemes for oil palm often overshadow the benefits arising from the variety of non-timber products and services that standing forests provide. In addition, actors who benefit from both forest exploitation and from intact forests are not necessarily those living within or adjacent to those forests.

Governance structures are situated along a spectrum between markets and the state, and can take the form of hierarchies, coalitions or networks. REDD+ countries have political regimes ranging from democracies to authoritarian states, and this has implications on the tradeoffs that must be considered in equitable, effective and efficient REDD+ implementation (Chapter 5). Another important REDD+ debate concerns the degree of market linkage in REDD+ (Böhm and Dhabi 2011; Michaelowa 2011; Newell 2011), and the relative weights of different levels of governance.

Context dependence implies that broader policy change well beyond the forestry sector is required to achieve REDD+ objectives. This also points to hindrances to transformational change, as the forestry sector in important REDD+ countries has for decades been linked to political and economic power, for example, by allocating forest resources (rent) to individuals and groups to build political support and coalitions.

While these characteristics are not unique to REDD+, the magnitude of these challenges sets REDD+ apart from other agreements. For example, typical mitigation projects under the Clean Development Mechanism (CDM), such as hydropower or landfills or even afforestation/reforestation (A/R), are relatively simple compared to REDD+. In this highly complex arena, transformational change has to occur if deforestation and forest degradation are going to be effectively addressed.

2.3 The 4Is framework

2.3.1 Overview of key elements

Figure 2.1 presents a schematic diagram of the REDD+ policy *arena*. It is characterised by a multitude of international, national and subnational *actors*, including: ministries, agencies and other government bodies; development and environmental NGOs; indigenous rights organisations; business groups; political parties; research organisations and think tanks; and participatory venues such as roundtables and civil society forums. Groups such as 'forest-dependent people' may be represented by the above groups or have self-declared representatives who act on their behalf in policy arenas.

All of these actors operate within existing 'rules of the game' or *institutions*. Norms, regulations, and other formal and informal institutional arrangements are shaped by a history that has enabled and often stimulated deforestation and forest degradation – and which were, at least in part, created to serve the *interests* of some of the actors in the REDD+ policy domain. Consequently these actors may have limited interest in change, even though the current situation may not lead to socially and environmentally optimal results. But interests and the power to realise them can also change over time in response to changing institutions, new economic opportunities and incentives, and new ideas and information.

Actors in the REDD+ policy arena adhere to specific *ideas* (including ideologies) and often hold strong beliefs about how to manage the country's forests. They employ discursive practices to legitimise the pursuit of their interests. Indeed, the REDD+ arena is populated with distinct ideologies about what REDD+ is fundamentally about and its priorities (and strategies) for action (see Box 3.2).

Across levels and scales in the REDD+ policy arena, discourses unfold with diverse and often conflicting *information*. Knowledge is used and abused in political negotiations to justify how and why – or why not – to implement REDD+. Along with this political dimension is the technical dimension, in which actors have different capacities in accessing, processing and providing information.

Taken together, the 4Is shape the choices of what should and could be the contribution of forest and forested land to social (and individual) welfare, and the form that contribution could take.

In Figure 2.1, an ideal scenario would be one where a REDD+ idea enters the arena, leading to a revision of existing endogenous incentive structures and institutions. The degree to which these new ideas become adopted and
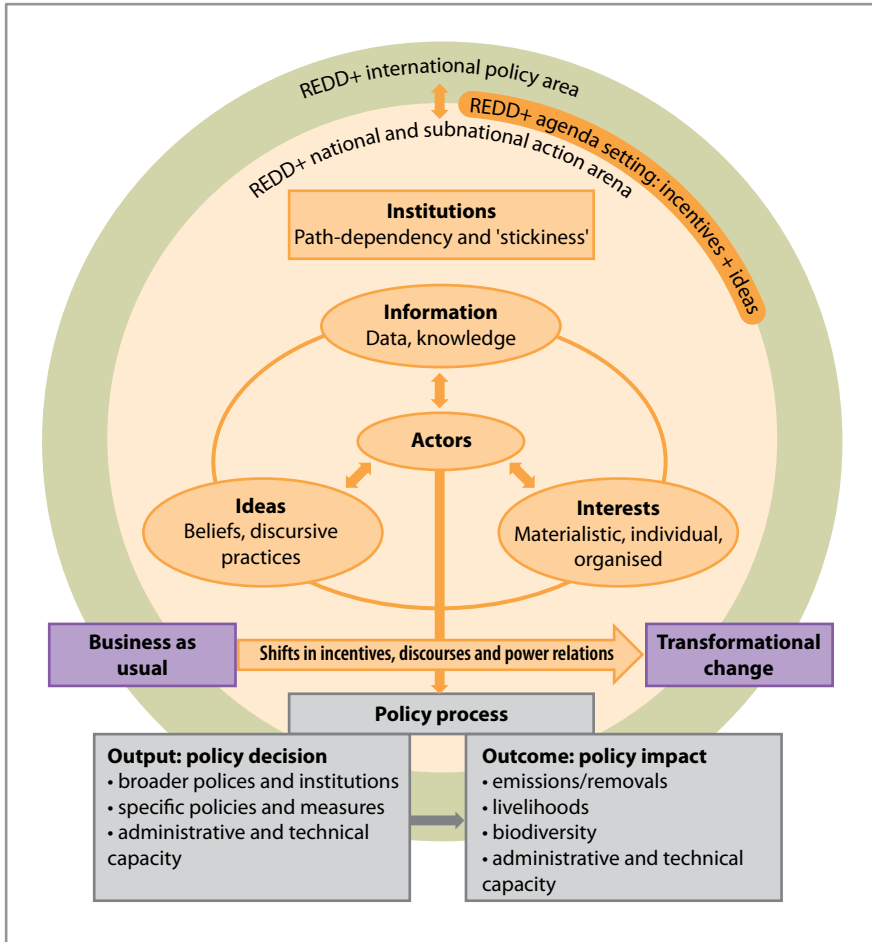
Figure 2.1 REDD+ and the 4Is

lead to desired policy changes in the short and medium term depends on: i) the dynamics inside the entire arena, and ii) the interplay among the 4Is that allows for shifts in incentives, discourses and power relations inside the national and subnational policy arena. The scenario depends on countries' institutional contexts and existing power relations as well as the stage of the REDD+ process (Chapter 5). The politics around the Indonesian Forest Moratorium clearly illustrate this interplay of constraining and enabling factors for long-term change (Box 2.1).

We discuss how to attain long-term change in Section 2.4. First, however, we examine in detail how these 4Is constrain or enable the negotiation of policy outputs and outcomes that can ultimately lead to transformational change and reduced forest emissions.

Box 2.1 Indonesia's Forest Moratorium: The politics of the possible
Frances Seymour

National-level REDD+ policies are initiated and crafted by a complex mix of policy actors, both domestic and international, inside and outside of government. The contours of Indonesia's two-year moratorium on new forest concession licenses, and the process that led up to its announcement, provide an illuminating example of 'the politics of the possible' when constituencies for transformational change confront vested interests in business as usual.

Commitment to impose "a 2-year suspension on all new concessions for conversion of peat and natural forest" was one of the key elements in the REDD+ 'Letter of Intent' (LOI) signed in May 2010 between the Governments of Indonesia and Norway. Although the original target date was 1 January 2011, the Presidential Instruction (Inpres) enacting the moratorium was not issued until a week before the first anniversary of the LOI in May 2011. The delay, accompanied by swirling rumours regarding the various versions under consideration, suggest a protracted struggle among the interests seeking to influence its scope. These interests include the national REDD+ Task Force (located in the President's Office) and its supporters in civil society, the Ministry of Forestry, and corporations with business models dependent on continuing forest conversion, including both agribusiness and mining. Because the Inpres was not retroactive and did not apply to licenses already 'approved in principle' by the Ministry of Forestry, the 5-month delay also enabled private interests the opportunity to obtain new licenses. Among other provinces, this occurred in Central Kalimantan, which was selected to be the REDD+ pilot province under the LOI.

A spatial analysis of the Indicative Moratorium Map that accompanied the Inpres resulted in an estimate of 22.5 million hectares of forest newly given temporary protection by this REDD+ policy instrument. This was a much smaller area than constituencies for REDD+ had hoped for, mainly due to the interpretation of 'natural forest' in the LOI to mean 'primary forest' in the Inpres, thus excluding some 46.7 million hectares of logged-over and other secondary forest, which is still rich in carbon and biodiversity. Furthermore, even the forest area covered by the Inpres is subject to exemptions for activities 'vital' to national development, including those for food and energy security. Such exemptions, when coupled with still-available secondary forest and already-licensed 'land banks' reportedly held by oil palm and other companies, suggest that the moratorium holds limited potential to constrain business as usual forest conversion.

Nevertheless, the moratorium's broad coverage of peatland forests could result in substantial emission reductions if its enforcement in fact reduces the rate of destruction, drainage and conversion of these carbon-rich ecosystems. In addition, the Inpres commitment to regular and transparent review and revision of the Indicative Moratorium Map represents a significant step forward in Indonesian forest governance. This process prompted the release of the Ministry of Forestry's 2009 land cover data, opening a previously closed window for public scrutiny, while periodic revisions of the Indicative Moratorium Map provide a new vehicle for civil society engagement in forest policy making.

Based on Murdiyarso *et al*. (2011).

2.3.2 Institutions: Path-dependencies and 'stickiness'

To understand historical change, North (1990) sees a key role played by institutions and how they shape and are shaped by societies through time. In North's framework, institutions are sometimes developed to capture economic opportunities for the society at large, but groups may also have the power to shape institutions to serve their particular interests. Furthermore, institutions can be seen as a public good, and there is therefore a collective action problem to be solved in order to provide effective institutions.

Established rules and power relations restrict the options for institutional change through what is called path-dependency and 'stickiness' (see Baumgartner *et al.* 2011). Path-dependencies are a reality for REDD+: *what was* and *what is* shapes *what can be*. For example, existing regime types, centralised or decentralised governance structures, and colonial or postcolonial norms often include embedded patterns of deforestation (see Box 2.2).

'Stickiness' is characterised by the resistance to change often seen in state organisations responsible for the management of natural resources. Ministries of forestry in forest-rich countries may be afraid of losing parts of their sphere of influence, or ministries of agriculture fear that REDD+ will restrict opportunities for new agricultural land. One way to overcome this institutional stickiness would be to create new institutions and introduce new actors, but this comes with its own tradeoffs. Formal power typically rests with the 'stickiest' organisations – those with enough influence to resist change – while new institutions and actors are ignored or remain marginalised.

2.3.3 Interests: Material, individual and organised

'Interests' are the material interests of actors and actor groups in the REDD+ policy arena. Different actors and groups in the REDD+ policy arena have different interests and potentials to realise material advantages with, without and through REDD+.

Various interests, for example those related to economic benefits, influence actors' positioning in the REDD+ arena (Peskett and Brockhaus 2009). Actors negotiate their interests in REDD+ policies and processes horizontally, vertically and across stages of the policy making process. Horizontal negotiations take place, for example, among ministries of forestry, agriculture, mining, planning and finance. Vertically, negotiations can take place, for example, among project implementers, civil society actors and negotiators. Coalition building among different actors leverages political power to realise interests. Which interest wins is often a result of a combination of economic and political power. However, coalition building is also hampered since these interests are often conflicting or have tradeoffs, even inside actor groups.

Box 2.2 Institutional path-dependencies in the Congo Basin
Samuel Assembe-Mvondo

Congo Basin countries are elaborating strategies for the implementation of the REDD+ mechanism. Reforms to adapt land tenure systems to international agendas are ongoing but challenges are characterised by conflicting coexistence between a prominent statutory law and an excluded and/or marginalised customary law.

For example, during the period of German administration, large areas of land in the Bakweri tribe region of Cameroon had been allocated to German companies and individuals for the purpose of growing cocoa, bananas, rubber and oil palms. This model was followed by the British colonial administration which created the Cameroon Development Corporation, the first and biggest agro-industry in Cameroon, under state ownership. Following independence, the legislative reforms of the postcolonial administration aimed at adapting the colonial legislation to the new status of independent States. This, however, led to perpetuating the dominance of written law over customary laws. This gradually eroded customary practices for the benefit of the legal system imposed by European colonial authorities. Thus, the postcolonial land tenure system overshadowed customary land tenure systems and incorporated customary land, which was considered to be *vacant and unoccupied*, into State land. Local communities were almost completely stripped of their land. Customary ownership or tenure rights were replaced with user rights granted to farmers and local communities and the possibility for any operator to resort to registration. State monopoly over land was confirmed in land laws and systematic registration. Indeed, the introduction of a new land law involved the condemnation of indigenous notions of space management. In this context, the only customary user right recognised or tolerated by statutory law is the *Droit de hache* (wood cutting or axe rights). This term is used to describe the rights arising from clearing or cutting the forest with the agreement of the first occupier. These rights derive from and are based on continuous usage (historical precedent).

The Democratic Republic of Congo (DRC) is a good illustration of such a situation. Indeed, the DRC land tenure law passed in 1973 and modified in 1980, states that all land and natural resources belong to the State. Thereby, the State does not recognise in that time any of the rules relating to access and control of land and natural resources that emanate from the local community. The postcolonial situation characterised by exclusive State ownership of land and forest resources diminished with the advent of the Rio Conference and social and democratic demands by grassroots organisations in the early 1990s. Since then, current forest legislation (2002) now recognises that local stakeholders should enjoy genuine rights to manage land and natural resources (community forest).

Box 2.2 continued

However, another trend is just starting through the adoption by the COMIFAC (Central Africa Forest Commission) Guidelines on the Participation of Local Communities and Indigenous People. This represents a break with the past colonial legal system – an innovation as the provisions of this instrument incorporate emerging mechanisms like REDD+, Forest Law Enforcement, Governance and Trade - Voluntary Partnership Agreements (FLEGT/VPA), PES and the customary ownership of land forest and resources. Furthermore, some Congo Basin countries have also recently adopted specific national legislation on the rights of indigenous populations (e.g. Pygmies), based on the ILO Convention No. 169 on Indigenous and Tribal Peoples and 2007 UN Declaration on the Rights of Indigenous Peoples (notably, Republic of Congo and Central Africa Republic).

The current trends in the evolution of local communities and indigenous peoples' rights presenting an improvement are driven by both subregional (COMIFAC commitments) and international agendas (CBD, FLEGT, REDD etc.), but build on and struggle with colonial and postcolonial path-dependencies.

Business interests can be directed for or against REDD+, depending on the economic activity of the industries or business involved, e.g. pulp and paper industry representatives (who see REDD+ as a threat) versus carbon investors (who see REDD+ as an opportunity). Similarly, state agencies and their spheres of interests and influence can be in conflict over REDD+, e.g. environmental protection agencies versus agricultural ministries. Each side justifies its position with the state's interest in social and economic welfare. However, REDD+ is taking shape in countries where the state and its bureaucratic system is often deeply intertwined with the business sector, and a lack of autonomy from business interests that drive deforestation and degradation will limit state's choices to change current practices. This is valid in particular when rent seeking, fraud, collusion and corruption are practices inside the bureaucratic system that serve individual interests against society's interests (Karsenty and Ongolo 2012). Conflicts or deadlocks can emerge if coalitions for change do not exist or if there is only limited participation of central actors who are part of the current business as usual scenarios and who contribute directly or indirectly to deforestation and forest degradation, such as state and business actors (Chapter 5).

2.3.4 Ideas, ideologies and beliefs: Discourses for business as usual or for change

Actors' actions are not only shaped by the rational pursuit of material interests, but also by ideas and ideals. Different actors have specific *ideas* (concepts or mental constructions) or *ideologies* (a normative set of ideas) in addition to

their material interests. But ideas and ideologies are not an end in themselves. Rather, as Swidler (1986) elaborates in her discussion of culture in action, they form a toolkit that indirectly provides resources for, or directly governs, the way in which actors construct strategies of action.

In a multilevel and multiactor policy arena, a variety of strategies is negotiated by the different actors, and policy change can be a result of those negotiations. Belief systems of actors in a political subsystem have different degrees of resistance to change (Sabatier and Jenkins-Smith 1999). These degrees of resistance vary according to the space for negotiation: i) 'deep core' or fundamental normative beliefs; ii) 'policy core' or basic political positions; iii) 'secondary aspects' or the evaluation of and disputes over various programmes and institutions, and specific policy preferences. Secondary aspects are more negotiable across the advocacy coalitions, and much of the REDD+ action is here. However, Bolivia's role in the UNFCCC – in which Bolivian negotiators rejected the idea of REDD+ due to its association with market-based finance – shows that aspects of REDD+ are touching upon 'deep core' beliefs and political positions.

Public policy and environmental governance is fundamentally a political process, influenced by a multitude of interests, beliefs and discursive practices which are used to frame policy discourses (Hajer 1995; Forsyth 2003; Jasanoff 2009). REDD+ is no exception. The nature of discourse affects policy making, since they frame the problem and present a limited set of choices of what is 'reasonable' or what is put forward as 'the possible' (Hajer and Versteeg 2005) – or what is, in the context of REDD+, 'effective, efficient and equitable'. Chapter 8 on REDD+ benefit sharing provides a good example of this process.

Emerging discourses and discourse coalitions are framed in support of individual or organised interests. Those discourses may legitimise and dominate action and policies in support of deforestation and forest degradation and can constrain the unfolding of new ideas like REDD+. The REDD+ landscape itself is also dominated by various and partially conflicting discourses: i) 'tenure first then REDD+ second' or 'No rights, no REDD+'; ii) REDD+ centralised versus REDD+ decentralised; and iii) REDD+ benefits for those who contribute to efficiency and effectiveness, versus benefits for those who have moral rights based on equity considerations (Chapter 8). At national and global levels, we see perceptions and discourses around sovereignty over natural resources; market and anti-market stances; and global equity (e.g. on the use of REDD+ credits as offsets). National development paradigms likewise influence the REDD+ idea by focusing on the exploitation of natural resources and the realisation of short-term economic gains.

An important aspect of REDD+, further discussed in Chapter 3, is that the concept is sufficiently unspecified to be open to different interpretations,

and therefore can fit fundamentally different normative beliefs, such as those beliefs held by environmental market liberals and 'social greens' (Box 3.1, Hiraldo and Tanner 2011a). New coalitions in the REDD+ policy arena are resulting. Yet strong disagreement is visible when details of REDD+ must be specified, such as how much it should rely on future carbon market funding, and to what extent tenure and rights should be addressed before REDD+ actions are implemented.

2.3.5 Information: Today's global currency

Information is our fourth 'I' in transformational change, yet it is inherently a part of institutions, interests and ideas. Facts, rather than speaking for themselves, are selected, interpreted, and put in context in ways that reflect the interests of the information provider. Foucault and numerous other scholars have provided insights into the close ties among knowledge, discourse and power (see Foucault 1980; Arts and Buizer 2009; Winkel 2012). Above we enumerated several often conflicting discourses. New, emerging information is replacing existing 'toolkits for action' with new ones, especially in what Swidler (1986) called 'unsettled situations'. The global problem of climate change can be considered as such an unsettled situation. But what makes a decision maker replace a development paradigm based on exploitation with a new discourse in favour of standing forests? Using these new ideas as a force for long-term change depends on structural conditions.

In addition, factors such as data disclosure, availability and credibility in REDD+ all contribute to whether information serves to constrain or enable change. Actors have uneven access to information, as well as varying technical capacities to produce, provide and transform knowledge into direct economic benefits or support for public decision making. In the REDD+ world, information is a currency and a source of power.

The collection and sharing of data and information are the nuts and bolts of the REDD+ mechanism, which is under development. More than most policy interventions, REDD+ has a specific target – reduced emissions – which should be quantified. But numbers have their own political economy and are subject to modifications and interpretations (Espeland and Stevens 2008:411) For example, emission reductions are defined relative to a baseline or reference level, and there is no straightforward way to set these (Chapter 16).

Although in theory policy making should be evidence based and solution oriented, political realities rarely match these expectations, either because there is little interest in evidence and solution-oriented action, or because evidence is not produced or made available. The process of policy learning for improved REDD+ policy design, linked to global UNFCCC guidance and

local projects, will need evidence and knowledge brokers. Brokers for policy learning, such as consulting agencies, big international NGOs and research organisations, can also be part of political processes and shape policy making. One example is the publication of the marginal abatement cost (MAC) curve by McKinsey (McKinsey and Company 2009) and their role as policy advisors in REDD+ countries.

2.4 How to achieve transformational change

To achieve what is considered an effective, efficient and equitable response to a global mitigation challenge, transformational change is needed. The ultimate output of the policy process must be change in economic, regulatory and other governance frameworks, as well as reforms of policies inside and beyond the forestry sector. We discuss three ways in which transformational change in the REDD+ area might take root: changes in economic incentives, new ideas and information, and new actors and coalitions.

2.4.1 Changing economic incentives

The provision of international financial resources for the three phases of REDD+ readiness, policy reforms and reduced emissions (Chapter 7) is exogenous to the national and subnational systems in which change is supposed to occur. This is at the heart of the original REDD+ idea: REDD+ should change the basic benefit–cost equation so that the value of a standing forest becomes higher than that of a cleared forest. Smith *et al.* (2004) calls this 'purposive transition' – a deliberate change caused by outside actors.

The logic is compelling, and evidence suggests that the prospect of significant REDD+ financing has already been a game changer in some countries (Chapter 5). But the potential for external funding to become an impetus of transformational change is mitigated by several factors: who loses out completely; who receives less compensation than the cost incurred; who will gain in net terms; and how to deal with uncertainty about the actual future payments.

First, while a country in the aggregate might benefit economically after REDD+ implementation through international funding, not everyone in the REDD+ arena will benefit. In particular, large actors who stand to benefit from continuing business as usual practices are likely to lose. Full compensation to rich and powerful groups is politically unacceptable, particularly in the international REDD+ arenas, and would undermine its credibility and jeopardise long-term funding opportunities. Moreover, most current REDD+ funding is from development aid, which has poverty reduction as the major aim. But broader support for REDD+ is needed, and this can be achieved by ensuring that there is something for everyone. But the key dilemma is that

this might result in a diluted REDD+ policy which is ineffective at reducing emissions. The Indonesian Forest Moratorium can be viewed in this light: it became part of the US$1 billion deal between Indonesia and Norway and gained sufficient support to become a reality, but along the way it involved so many compromises that its potential impact has come to be questioned.

Second, full international compensation of REDD+ costs is unrealistic for most countries for several reasons. Sufficient international funding is unavailable and middle-income REDD+ countries are expected to bear some of the costs themselves as part of the UNFCCC principle of "common but differentiated responsibilities and respective capabilities". This means that countries need to be willing to accept short- and mid-term tradeoffs for a broader long-term vision of green development and averted climate change impacts.

Third, REDD+ incentives during the early stages are not yet realities but rather promises about future results-based payments. This is indeed the nature of the results-based payments; the payments should be made after the results (e.g. emissions reductions) have occurred and are verified. Therefore, trust needs to be built in these promised incentives. Without some predictability in how much REDD+ countries will be paid for the changes they make, REDD+ is less likely to initiate the transformational change it sets out to achieve.

2.4.2 New ideas and information

REDD+ has provided a new discourse on the value of standing forests and their role in sequestering and storing carbon (Cronin and Santoso 2010; Kengoum 2011; May *et al*. 2011a; Pham 2011). While knowledge of this role is not new, REDD+ has raised awareness of the fact that greenhouse gas (GHG) emissions from tropical deforestation contribute 17% of global emissions (IPCC 2007a), and that reducing this is critical to achieve the target of limiting temperature increases to 2°C above pre-industrial levels. In doing so, REDD+ has also contributed to increased awareness of the high risks of global warming.

REDD+ has also put the spotlight on a number of old and new issues that all point to the need for change in business as usual policies and practices in order to realise the REDD+ potential. Examples include: i) indigenous and community rights, and conflicts about forest use between local groups and large scale commercial forest operations, ii) governance, corruption, and the political economy of forest use; iii) inefficiency and high budgetary costs of policies and practices supporting forest-destructive activities.[5] New discourse coalitions that include national and local actors who are joining in the context

---

5   Of course, none of these issues are new. Repetto and Gillis (1998) wrote a landmark study on the role of points 2 and 3; point 1 has been raised by NGOs and researchers for decades.

of REDD+ concerns about rights, forest conservation and inequalities in forest exploitation can make a difference.

Finally, an aspect not covered much in the REDD+ literature is its potential to redefine existing roles between developed and developing countries. Forest-rich developing countries have the opportunity to provide a service to developed countries, for which they are paid. This turns the tables on the existing role of developing countries as dependent recipients of development assistance from developed countries. REDD+ could be interpreted as a mechanism for turning tables, by redefining the roles of forest-rich developing countries away from aid dependency towards support to developed countries in providing a global public good (climate mitigation). Thus, REDD+ was perceived by some developing country actors as a contribution to national sovereignty that could encourage domestic actors to engage in REDD+.

2.4.3 New actors and coalitions

Changing economic incentives and new ideas and discourses can lead to shifts in power relations among key actors (Knight and Sened 1995; March and Olsen 1998; Marsh and Smith 2000; Cleaver 2002). With the introduction of REDD+ and the accompanying promise of incentives in national and subnational policy arenas, *de facto* changes occur. Once (or if) forest carbon is defined, those with the rights to that carbon gain power. Possession of information about the concept of REDD+, the potential opportunities that REDD+ can provide, or data that are required to implement REDD+ can be new sources of power. These shifts and the changes in bargaining power can potentially bring about additional change – and indicate transformational change (Figure 2.1).

In addition, new actors enter the REDD+ arena and gain power and influence in decision making (Schroeder and Lovell 2011). As a consequence, they can use their agency to change the political representation of specific interests and could correct existing information asymmetries. These shifts may in turn change power relations. In this way the first threshold is crossed: an exogenous idea changes endogenous power relations, and processes of policy formulation and implementation should reinforce these dynamics towards transformational change.

REDD+ has attracted many actors with different agendas and ideologies, each trying to get a piece of the perceived REDD+ cake. This has resulted in a diversified and less focussed REDD+ agenda, which risks losing the initial characteristics of REDD+ that made it attractive in the first place (Chapter 3). But, such broad coalitions of different interests and actors with different ideologies (see Box 3.1) can also be a basis for transformational changes. A key marker for which scenario will materialise is whether the focus is kept on

REDD+ as an objective (Chapter 18) or whether REDD+ is diluted into a set of activities that fail to significantly reduce emission reductions.

REDD+ has the potential for transformational change, but in the end: "cash is king", and "discourse is queen". Shifts in financial incentives and in discursive practices can provide a powerful means to keep the focus on the primary target: increasing the relative value of standing trees so that fewer of them will be chopped down.

2.5 Conclusions

Reducing emissions through avoided deforestation and forest degradation requires major institutional and policy changes. We provided a 4Is lens to understand the politics and powers in REDD+. The analysis of institutions and their path-dependencies and stickiness, and actors and their interests, ideas, and information can be useful to understand what induces shifts in power relations, incentives and discursive practices.

Despite all the constraints presented, progress has been made in global and national policy arenas. REDD+ has climbed high on international and national agendas, and political processes for building REDD+ architectures are ongoing ever since the idea emerged during COP11 in Montreal in 2005. REDD+ has the potential to be a game changer by creating new coalitions around the value of standing forests (Chapter 5). But transformational change will depend on the strength of these new coalitions, the extent of shifts in discursive practices, and the creation of economic incentives both internationally and domestically that value standing forests more than cleared forests.

In this chapter we have centred the discussion around two stylised outcomes of the REDD+ game: business as usual or transformational change. In most countries the reality will be somewhere in between, and thresholds or tipping points must be overcome, e.g. the formation of new *and* powerful constituencies for change.

The following chapters outline key choices to increase the chances of transformational change, including how to overcome the constraints outlined here and take advantage of emerging opportunities. The extent of change will depend on the ability of agents in REDD+ policy arenas to: i) manage diverse interests across levels and powerful actor coalitions; ii) provide information and capacity to transfer data into knowledge that leads to a shift in attitudes among state and non-state agents; and iii) communicate a bigger vision of REDD+ and climate change mitigation that can replace existing development paradigms.