Analysing REDD+

Challenges and choices

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Chapter 10

REDD+ projects as a hybrid of old and new forest conservation approaches

William D. Sunderlin and Erin O. Sills

- Most REDD+ subnational projects intend to combine the integrated conservation and development project (ICDP) approach with payments for ecosystem services (PES).
- Under conditions of policy and market uncertainty, this hybrid structure enables proponents to make early progress on project establishment, and the ICDP approach can serve as a fallback option if PES fails to materialise.
- Yet this hybrid structure is a challenge because ICDP has often underperformed, and because proponents tend to play up ICDP and play down PES in consultations with local stakeholders, with potential negative consequences for effectiveness and equity.

10.1 Introduction

REDD+, defined broadly, is an umbrella term for "local, national and global actions that reduce emissions from deforestation and forest degradation, and enhance forest carbon stocks in developing countries" (Angelsen 2009a:2). As noted by Sills *et al.* (2009), REDD+ is often conceived more narrowly as a system of conditional performance-based payments. These payments can be

applied at various scales, from the level of national governments all the way down to the household. In this chapter, we examine the core attributes and interventions of REDD+ at the scale of the project site. Our findings reveal that these projects are mostly a hybrid of more traditional forest conservation strategies and performance-based payments, or payments for ecosystem services (PES).[1]

REDD+ became an integrated part of the global mitigation agenda in 2007 at the United Nations Framework Convention on Climate Change (UNFCCC) COP 13. While there were no projects labelled REDD+ at that time, there was already a history of avoided deforestation projects, many of which began when the Clean Development Mechanism (CDM) was negotiated (Caplow *et al.* 2011). There are now more than 200 subnational projects under development or implementation (Kshatriya *et al.* 2011).

Among these REDD+ projects, there are very few in which performance-based payments have actually been implemented. Action on conditional incentives in projects has been hampered by three main factors: i) slow development of international architecture under UNFCCC, associated with lack of agreement on a finance mechanism and mobilisation of funds; ii) delays in the establishment of a robust forest carbon market; and iii) national policies that are not yet sufficiently amenable to the goals of REDD+ (see Chapter 5).

This chapter describes the emerging hybrid structure of REDD+ at the project scale. Many projects combine elements of integrated conservation and development projects (ICDP) and PES. We begin by describing the methods applied in Component 2 of CIFOR's Global Comparative Study on REDD+ (GCS), our main source of evidence on this hybrid characteristic of REDD+ (Section 10.2). Section 10.3 describes the logic and utility of the hybrid approach to REDD+ proponents and speculates on the reasons for its existence. We then describe conditions of policy and market uncertainty that characterise REDD+ and explain the delays in introducing performance-based payments (Section 10.4). This provides the background for demonstrating the ways the hybrid model serves as an opportunity for REDD+ proponents (Section 10.5) but also ends up posing challenges (Section 10.6). We close with observations on the significance of our findings (Section 10.7).

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1 We define a REDD+ project as an activity that: "i) intend(s) to quantify and report changes in forest carbon stocks, following IPCC and/or other broadly accepted guidelines, and possibly transact forest carbon credits; and ii) operate(s) in a geographically defined site or sites, with predetermined boundaries as suggested by United Nations Framework Convention on Climate Change (UNFCCC) guidelines, including activities that aim to incorporate carbon into land use decisions and planning across heterogeneous landscapes at a subnational scale" (Sills *et al.* 2009:266–267).

10.2 Data and methods

The source information for this chapter is a combination of the general literature on REDD+ and field data from Component 2 of CIFOR's Global Comparative Study on REDD+ (GCS). For a description of the aims, scope and methods of Component 2, and for a list of the 22 projects studied, see the Appendix.

The field information is drawn from 19 of the 22 Component 2 project sites where field data had already been collected in early 2012. Some of the data are from a survey interview with project proponents titled 'Update of information on REDD+ interventions', administered from April to October 2011. It sought to determine if, as suspected, the introduction of REDD+ incentives at project sites was delayed. The findings describe the deployment of interventions of various kinds (both REDD+ and non-REDD+) at project sites.

The data in this chapter are also drawn from another survey administered during the same period titled 'Supplementary survey on participation and tenure'. It gives insights on various challenges faced by proponents in establishing REDD+ projects and how they addressed those challenges.

Our sample of REDD+ project sites may be biased toward those that were early in their preparations. We selected project sites where there was no risk that REDD+ interventions would start before we had a chance to complete the 'before' (prior to the introduction of REDD+ incentives) baseline data collection. Thus, our results might overstate the slow rate of progress. Nevertheless, there are very few REDD+ projects that have begun introducing performance-based payments. Juma in Brazil, one of the high-profile projects already underway, is an exception (see Box 12.2).

We do not know to what extent the hybrid pattern evident in all Component 2 study sites is representative of REDD+ as a whole. Almost all of the REDD+ projects in Brazil and Indonesia planning to implement PES are also planning interventions to improve enforcement of forest laws and/or function fully in the ICDP mode (see Chapter 12). We suspect the hybrid pattern appears in most REDD+ projects where PES is intended as a project intervention, however this remains to be proven as the data are not necessarily representative of all projects.

10.3 A hybrid of ICDP and PES approaches

All REDD+ projects in the CIFOR study sample involve a mix of two very different sets of interventions. First, there is a tandem of restricting forest access and introducing alternative livelihoods and other development projects; this is based on the assumption that such alternative livelihoods will reduce the

need to rely on forest income, and will also make the restrictions introduced more acceptable to local populations (Wells and Brandon 1992; Brandon and Wells 2009; Blom *et al.* 2010). Brandon and Wells (2009) point out that whereas in ICDPs these interventions always take place in protected areas (by definition), in REDD+ they can take place in many different kinds of landscapes, including protected areas.

These ICDP interventions can be characterised as 'pre-REDD+' in the sense that they have a long history that predates REDD+. Other similar interventions commonly found in the Component 2 sample are: participatory land use mapping, boundary determination, formulation of a village land use plan, clarification of tenure, and introduction of alternatives to, or improved technology for, firewood and charcoal (e.g. energy efficient stoves).

In addition to these ICDP and other pre-REDD+ interventions, there are plans for initiatives that are characteristic of REDD+. These are the performance-based payments conditional on the successful protection or improvement of the carbon sequestration potential of local forests. Essentially, these are PES. They are proportional to the amount of carbon sequestered in a measurable and verifiable way.

Why is this intended combination of ICDP and PES incentives evident at all Component 2 project sites? Why did proponents choose this hybrid model? The explanation must be pieced together from evidence and conjecture because we did not pose the question systematically in our surveys. We posed the question to Tim Jessup of the Indonesia-Australia Forest Carbon Partnership, who worked on the project design of the Kalimantan Forests and Climate Partnership (KFCP) project in Central Kalimantan in Indonesia. He said there was no conscious choice to combine the two models. Instead he mentioned an 'on-site logic' that makes the combination convenient. There needed to be timely action to show project benefits early on. This was in the form of rubber development projects that partially compensated for restricted forest access (by closing canals that facilitated deforestation in peat swamps). He emphasised that the restrictions imposed must be based on local consent. Later, it will be important to have performance-based REDD+ payments; if there is no conditionality, the forest management problems will not be fully overcome. Jessup noted that the conditionality attached to REDD+ must be built in from the beginning, even though the results linked to greenhouse gas (GHG) emissions reductions – on which payments will eventually be based – will not be seen immediately (Jessup, personal communication).

The message from Jessup is that the pre-REDD+ and REDD+ approaches complement each other. ICDP interventions provide a way to act early and gain favour with the community, while REDD+ as PES provides leverage

that is not necessarily available in the ICDP model. The combination of pre-REDD+ and REDD+ incentives potentially comprises a well integrated and optimal management strategy that supports fulfilment of project goals and reduces the risk of REDD+ intervention failure.

Our knowledge of approaches to forest management and conservation in developing countries, as well as some evidence from field research, helps to fill out our understanding of the utility of the ICDP/PES combination. There are several possible explanations for this hybrid approach:

Repackaging of ongoing efforts. Many REDD+ projects are actually a continuation of pre-existing forest management and conservation efforts that may or may not have included ICDP. It makes complete sense that project proponents have embraced REDD+ as a new forest management idea and blended it with their ongoing efforts, especially if past efforts have not produced all the desired results. At 13 of 18 GCS project sites, proponent activities at the site predate REDD+ becoming part of the global climate mitigation agenda in 2007. At these 13 sites, the average proponent presence at the site prior to the launching of REDD+ in 2007 is 5.2 years. Villages included in REDD+ projects are significantly more likely to have had a forest conservation NGO active in the past 5 years (see Chapter 12).

REDD+ potentially provides a long-term funding source that ICDP cannot. REDD+ is intended to involve a sustained, long-term source of funding, whereas ICDPs are by definition time-bound projects whose funding is eventually phased out. REDD+ conditional payments are intended to provide a substantial compensation and incentive for restricted forest use, ideally at a higher level than the initial measures. It is hoped that the REDD+ revenue stream, acting as a conditional incentive, will provide the crucial difference and succeed where past efforts at forest conservation and restoration (e.g. ICDP) have not. The record of failure in ICDPs is well documented (Wells and Brandon 1992; Wells *et al.* 1999; Brooks *et al.* 2006; Garnett *et al.* 2007). The pre-REDD+ incentives are a foundation upon which the REDD+ edifice will rest. At some of the GCS projects, it is expected that the REDD+ revenue stream will serve as the funding source of local alternative livelihoods and/or indirect wellbeing improvements, superseding the role played by project start-up funds. Proponents expect the stream of REDD+ income will allow the project to break free of seed funding and become self-sustaining. As explained by Steve Ball of the Mpingo project in Tanzania: "Carbon markets will cover our transaction costs. It's hard to get donor funding. We have an investment barrier and we want to overcome it via carbon markets" (Ball, personal communication). And as explained by Nike Doggart of the TFCG Kilosa site in Tanzania: "The source of (initial) funding will be capital from the project. Carbon credits will replenish the fund" (Doggart, personal communication).

In the event REDD+ cannot provide funding, pre-REDD+ approaches might have to compensate to fill the gap. Although it is hoped that REDD+ will generate a substantial stream of funding, unless funding sources are assured, there is a risk that REDD+ could repeat what has happened in CDM afforestation/reforestation projects. As explained by Ecosecurities (2007:6): "Carbon revenues generally constitute a small part of total revenues for most CDM project types. This means that most CDM projects have to generate substantial additional finance – through the sale of renewable energy, for example. Since REDD projects cannot usually be expected to produce such by-products, carbon sales will need to cover most of the implementation and transaction costs. In some cases, additional income may be generated from sustainable timber production from the project area or from efficiency gains in agricultural production through improved planning."

PES alone is not enough. This point reinforces what is said above by Tim Jessup. REDD+ as PES cannot be a stand-alone process in subnational projects. From the point of view of the proponent, it must be accompanied not just by forest access restrictions and livelihood compensations, but also by policies and measures at the national level that are aimed at restraining large-scale actors and addressing the underlying causes of deforestation.

The 'additionality' of reducing illegal deforestation through REDD+ payments is problematic. Performance-based payments for reducing illegal deforestation have been questioned as a component of REDD+. For example, Börner and Wunder (2008) point out that in the Brazilian Amazon, it would be legally questionable to pay for reduced deforestation in protected areas or in violation of the Forest Code. This legal ambiguity of paying to stop illegal deforestation has sparked debate over the role of protected areas in REDD+ in general (Boucher 2009; Dudley 2010). First, for REDD+ projects, certification systems such as Verified Carbon Standard (VCS) allow for unplanned and unsanctioned deforestation in baseline scenarios but require supporting evidence that laws are not effectively enforced. Second, there is concern that payments to reduce illegal deforestation are particularly likely to create perverse incentives, contributing to the tendency to ignore environmental laws. However, the fact remains that in regions of rapid deforestation, environmental laws are widely ignored and much of the deforestation is illegal. Thus, REDD+ projects must find some way to address this deforestation, despite questions about the legal basis and perverse incentives created by direct payments. One response is to collaborate with local authorities to improve monitoring and enforcement of existing laws – an approach that is characteristic of ICDPs.

Combining of ICDP and PES helps avoid off-site leakage. Finally, ICDP and PES are an optimal combination at the local level for preventing the displacement of deforestation and degradation from within to outside REDD+

project boundaries. Those prevented from deforestation by local forest access restrictions are motivated not to simply shift to another place by having their labour time absorbed in new activities. In the event that the alternative livelihood offered is not sufficient to deter this leakage, the additional funding stream offered via REDD+ as PES helps assure there are additional incentives (both in the form of rewards and sanctions) to assure project goals are met.

Risk management. Under conditions of REDD+ policy and market uncertainty (see the next section), it makes sense to diversify forest management strategies.

10.4 Policy and market uncertainty

In this section we explain how REDD+ policy and market uncertainty have affected the outlook and actions of REDD+ proponents. This is a prelude to explaining how this uncertainty influences the way the combination of pre-REDD+ and REDD+ incentives are deployed.

Why have subnational projects taken more time to materialise than expected, and what are the consequences for REDD+ on the ground? There are essentially three perspectives at three different scales: international, national and project level.

First, proponents are in some cases waiting for clearer policy and market signals at the international level. The failure to reach a climate change agreement in Copenhagen in 2009 disheartened many proponents. The relative successes in Cancun and Durban in reaching an agreement on some REDD+ issues revived proponent interest and morale, though it remains frustrating to some proponents that the architecture and guidelines for REDD+ (e.g. safeguards) remain unclear.

Second, those proponents who aim to rely on marketing of forest carbon are eager for reassuring signals. There has been a boom in the voluntary forest carbon market in recent years, with REDD+ playing a particularly strong role. Forest carbon credits from REDD+ grew from 1.2 $MtCO_2e$ in 2007 to 19.5 $MtCO_2e$ in 2010, accounting for two-thirds of the total 29.0 $MtCO_2e$ of forest carbon credits traded in 2010 (Diaz *et al.* 2011:ii–iii). Latin America has played a particularly strong role in this trend (Diaz *et al.* 2011:iii). While the voluntary market is relatively healthy, it rests increasingly on corporate social responsibility and other green branding motivations, rather than preparation for a future compliance market. And while the voluntary market is relatively healthy, the pre-compliance market is stagnant. The boom in voluntary forest carbon credits notwithstanding, market drivers are uncertain and future demand will depend on regulatory drivers and political decisions that remain to be made (Diaz *et al.* 2011:viii). Lack of long-term security about future

demand and prices in the carbon market undermines the ability of proponents to guarantee payments to local stakeholders in the long term. This underlies proponent fear of raising expectations about income for local participants that cannot be realised.[2] We examine this challenge in depth later in the chapter.

Third, the policy environment in various countries is not yet conducive for making confident steps in establishing REDD+ on the ground. The Forest Code in Brazil and the Moratorium in Indonesia are cases in point. It is unclear whether revisions of the Forest Code in 2011 will motivate private forest protection through market incentives, or increase incentives for deforestation (Sparovek *et al.* 2012). The Indonesian Forest Moratorium, begun in 2011, boldly aimed to stop deforestation on a large scale, but has yielded to lobbying pressure and now exempts secondary forests and logged-over forests from conversion (Murdiyarso *et al.* 2011; see also Box 2.1 for a summary). With so much as yet unresolved in basic forest land use policy, and with so many overlapping forest land use claims, there continues to be uncertainty that proponents can reap dividends from investments they have made. In Indonesia, there has been much attention to the case of the Rimba Raya project in Central Kalimantan, where the proponent argues he has played by the rules, yet they do not yet have a government license to proceed (Fogarty 2011).

Policy and market factors are not the only obstacles to the establishment of REDD+ projects. Some project-specific factors have slowed proponents down. Laying the groundwork for REDD+ demonstration sites has been more complex than expected in terms of resolving local land use and tenure issues,[3] defining project goals, writing project design documents, applying for and getting third party certification, conducting stakeholder consultations (in particular conducting free prior and informed consent) and outreach, among other issues.

10.5 The hybrid model as an opportunity

Earlier we discussed the reasons why project proponents embrace a hybrid model. In the context of policy and market uncertainty, it appears there are two aspects of this model that are particularly useful to proponents: i) proponents can move ahead in laying the groundwork for REDD+ even with the delays and policy and market uncertainty; and ii) proponents can use ICDP as a fallback measure in the event REDD+ conditional incentives fail to materialise or are insufficient.

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2 See for example the case of Setulang in East Kalimantan, Indonesia, where potential buyers of biodiversity services did not engage in a PES scheme mainly because of their limited time horizon and uneasiness about the conditionality principle (Wunder *et al.* 2008).

3 For example, in Indonesia, at every one of our project sites a large company has a claim on a part of the project land.

10.5.1 Opportunity to move ahead

There are good reasons for proponents to move ahead early. Ideally, pre-REDD+ and REDD+ interventions would be made at roughly the same time, among other reasons so that the REDD+ funding stream can relieve the project of dependence on terminal start-up funds. In reality, at the REDD+ project sites in the GCS study, the introduction of pre-REDD+ incentives has begun before the introduction of REDD+ conditional incentives (see Table 10.1). There are several reasons for this.

First, the pre-REDD+ incentives can proceed on a timetable that is not dictated by the establishment of the REDD+ funding mechanisms. These interventions (forest use restrictions, alternative livelihoods, etc.) generally do not require REDD+ architecture, national policies or a viable forest carbon market in order to be implemented. Constraints on implementation of these measures are proponent organisation planning horizons and funding. Conventional forest conservation interventions are predicated on the idea that an initial intervention that provides new knowledge, infrastructure or institutions can lead to self-sustaining change in forest management. Thus, short-term funding is consistent with the logic of these interventions, even though experience shows that it has been a serious hindrance to achieving impact. The logic of PES, on the other hand, is one of ongoing payments for a flow of ecosystem services, requiring either sufficient funds to establish a project trust fund or sufficient certainty about the future market for those ecosystem services.

Second, many pilot projects are expected to move ahead in conducting activities on the ground within a limited time frame, and pre-REDD+ interventions are a feasible use of project funds. Results in the form of reduced emissions cannot be delivered in the near term, but only after several years. Local populations need to have benefits early.

Third, as noted above, uncertainty and delays in the formulation of REDD+ policies and mechanisms mean some proponents either cannot or are hesitant to introduce REDD+ incentives. As explained by Raja Jarrah of the Hifadhi ya Misitu ya Asili (HIMA) project in Tanzania: "'Tasters' will be paid out of project funds when the agreement is signed. Otherwise PES payments will not begin for years." (Jarrah, personal communication)

Fourth, there are some functional reasons for moving ahead with pre-REDD+ activities. For example demarcation of village and forest boundaries and formulation of a village land use strategy often needs to happen before applying forest access restrictions, and before monitoring and rewarding performance.

Table 10.1 Timing of introduction of interventions at 21 REDD+ project sites in GCS Component 2

Country	Project site	Time of beginning of restrictions on forest use	Time of introduction of alternative livelihoods	Estimated time of introduction of REDD+ payments
Brazil	Acre	2012	2009–2011	2012
	Mato Grosso	2011	2011–2012	2012
	Transamazon	Unsure	Unsure	2012
	Sao Félix	2012	2011	2012
Peru	BAM	Data not yet available	Data not yet available	2012
	CI Alto Mayo	Data not yet available	Data not yet available	2012
Cameroon	CED	Respondent unsure	2010	Respondent unsure
	GFA	2007	2007	Respondent unsure
Tanzania	TFCG intensive	2011–2012	2011–2012	2012
	TaTEDO	Late 2010	2010–2011	2012
	TFCG extensive	2011–2012	2011–2012	Nov–Dec 2011
	Mpingo	2010	2013	2015
	JGI	2010	2010	Unsure
	CARE	2011	2011	June–December 2012
Indonesia	Ulu Masen	2010–2011	2010–2011	Mid 2012
	KCCP	2012–2013	Not applicable	Late 2012
	KFCP	Will not do this	2009	2012
	Katingan	Not applicable	2008	September 2012
	Berau	2013	2013	Respondent unsure
	Rimba Raya	2012	2012	2012
Vietnam	Cat Tien	Not applicable	Early 2012	Not applicable

10.5.2 ICDP interventions as a fallback option

This can happen in the event that the preconditions for REDD+ fail to materialise, if proponents decide they cannot or will not go ahead with REDD+ or if REDD+ payments stop. As explained by Dharsono Hartono of the P.T. Rimba Makmur Utama site in Central Kalimantan, Indonesia: "We don't want to be over-dependent on REDD. We want to be able to be versatile in the event that REDD is not the main source of income. Perhaps ecotourism will be the main source of income in the future." (Hartono, personal communication)

Several of the 19 proponents in our sample have voiced worries about whether they are prepared to introduce conditional incentives based on emission reductions. One such project (TNC Berau in Indonesia) is unsure about using these incentives because the carbon methods for district-level payments may not be developed in time, or the emerging national programme may not involve subnational payments at the district level. Another project (ICV in Brazil) has decided not to pursue REDD+ conditional income because it is averse to dealing with the forest carbon market.

We asked proponents at the 19 project sites which among all project incentives is likely to have the strongest positive effect on maintaining or increasing the capacity of forests in the project boundaries to sequester carbon. Their answers are displayed in Figure 10.1.

The answers should be treated cautiously because of the possibility of confounding variables. At some projects, the stream of PES income is intended as the long-term source of livelihood alternatives. Nevertheless, the responses are an indication of the degree to which proponents are focused on alternative livelihoods rather than PES as a key measure for attaining the goals of the project. This may reflect both the enduring popularity of the ICDP model, and disillusionment with the near-term prospects of REDD+.

10.6 The hybrid model as a challenge

While the hybrid model provides the opportunities described above, it also introduces two possible challenges in the context of policy and market uncertainty. These relate to the liability of relying wholly on ICDP if this proves necessary, and delayed or incomplete local outreach about REDD+.

10.6.1 Reliance on ICDP can be a liability

As noted earlier, ICDP approaches to forest management have encountered a host of problems. If REDD+ project proponents either choose or are forced

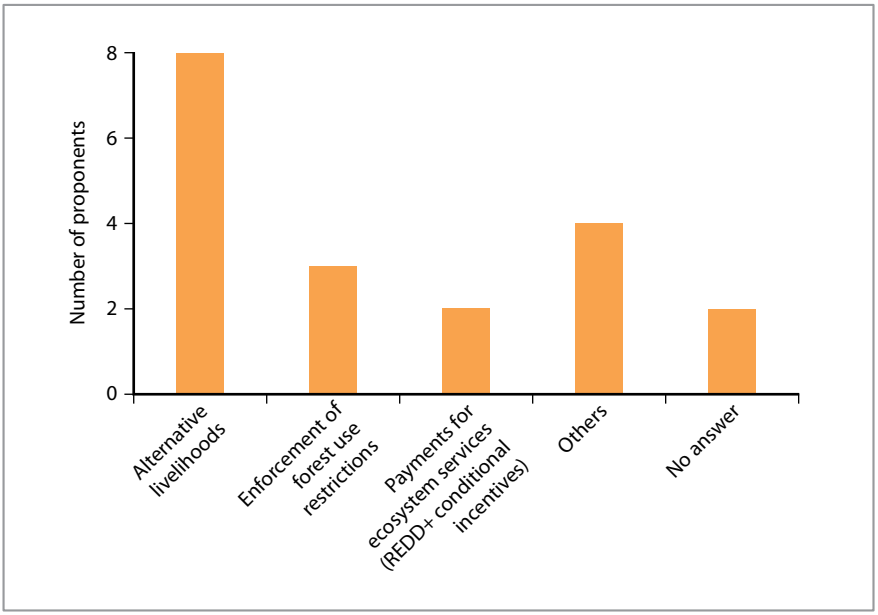

Figure 10.1 Intervention proponents expect to have most positive impact on carbon sequestration

Note: Based on the following question, posed to 19 proponents in the GCS: "Which of these incentives (livelihood alternatives, increased enforcement, PES, other) is likely to have the strongest positive effect on maintaining or increasing the capacity of forests in the project boundaries to sequester carbon?"

to abandon their efforts to introduce performance-based payments, they risk replicating the design and implementation errors encountered in past ICDP efforts. Among the key problems encountered in ICDPs were: lack of clarity in objectives; ineffective efforts in involving local populations; overly ambitious plans; limited capacity of developing country institutions engaged to implement ICDPs; inability to create viable alternative livelihoods and increase incomes in and around protected areas; tendency to under-appreciate the threat posed by external actors such large enterprises and infrastructure; and inadequate enforcement of forest protection laws (Brandon and Wells 2009).

If project proponents focus wholly on ICDP, their risks may be low if the expectation is to institutionalise management change through a one-time engagement with the community. Conversely, the risks may be high if the expectation from the outset was that a durable REDD+ stream of income would be required to achieve and sustain the forest management changes envisioned.

10.6.2 Some proponents delay or do not complete outreach on REDD+

All REDD+ proponents must conduct outreach at the local level about climate change and about how the project aims to contribute to climate change mitigation, as well as how local people can contribute to this goal and what the livelihood gains and risks are. This outreach is essentially the 'informed' part of free prior and informed consent (FPIC). FPIC is supported by international conventions, is in some cases required by national law, and is a precondition for third party certification and meeting social safeguards. All projects have set aside funds for conducting the massive FPIC undertaking, which often involves conducting meetings in all villages within project boundaries, and in some cases at the sub-village level.

Among the 19 projects studied, six are deliberately delaying outreach about REDD+ at the local level. At some of these sites, the local participants have no idea that conditional REDD+ payments are being contemplated (see also Chapter 11). One of the main reasons for the delay is that proponents want to avoid raising expectations about an income source that might fail to materialise. It may be no accident that project sites where outreach is delayed are all in the humid forest zone. The carbon content and therefore the potential additionality and income stream are higher in humid forests than in dry forests. In dry forest projects there is no tendency in our sample to delay outreach, perhaps because the forest carbon income stream will be small, and therefore the adverse consequences of dashed expectations are correspondingly small.

In explaining the reasons for inadequate or delayed outreach of local stakeholders about REDD+, the proponents said the following:

- [Concerning why they might not be able to educate villagers in places where it has not yet been done:] "The main reason is lack of time and human resources … There was also a concern about raising expectations." (Monica de los Rios of the Acre project in Brazil).
- "We have not shared enough information early enough. There are now misconceptions and misunderstandings about REDD. We ourselves don't have enough information to explain REDD in detail … We lack specifics because we ourselves have not done the math." (Raja Jarrah of the HIMA project in Tanzania).
- "Villagers may not understand REDD as we do. The term 'REDD' is not used. It is too confusing for them to understand. We have to avoid jargon. Besides, our goal is restoration. We don't want to raise hopes … We have to gradually introduce the idea." (Dharsono Hartono at the Katingan site in Indonesia).

- "The situation is too complex for us to effectively convey to local communities our REDD plan in full detail. It is possible to spend a lot of money on this and still not reach full community understanding. We budgeted what seemed a reasonable amount and are hoping to stick to that." (Steve Ball of the Mpingo site in Tanzania).

From one point of view, the delay of outreach is entirely reasonable and innocent. It makes complete sense not to raise expectations unnecessarily. And the proponents fully intend to conduct this outreach once the policy and market signals are conducive, and once they have overcome delays generated by obstacles in the project itself. On the other hand, there are some latent dangers. In some cases, FPIC activities have already been conducted without doing outreach on REDD+, meaning that at some point in the future proponents will have to go back to the villages and conduct this outreach and reframe the conditions for informed consent. This is an expensive proposition. Some projects are at the end of their available funds and it is difficult to see how they will afford to conduct this outreach with their available budget. In the worst case scenario, REDD+ would get underway in these projects without fully informed consent.

10.7 Conclusions

REDD+ subnational projects plan to combine pre-REDD+ (mainly ICDP) and distinctively REDD+ (performance-based payments) management approaches to realise their goals. This approach confers clear advantages to project proponents including: a way to continue with what proponents can and have done; on-site synergies that optimise the two models (achieving with one model what the other cannot); a way to cope with funding uncertainties; and a way to minimise off-site leakage.

We have seen that pre-REDD+ interventions have moved ahead while REDD+ interventions are slow to materialise, in part because of policy and market uncertainties related to REDD+. The decisions of proponents in the context of this uncertainty highlight the benefits and liabilities of the hybrid approach. On the one hand, an ICDP approach allows project pioneers to move ahead before the policy and market conditions for REDD+ are fully ready, and to have a fallback in the event that enabling conditions for REDD+ fail to materialise in ways that convince proponents that risks are worth the benefits. On the other hand, the ICDP model in and of itself has a troubled history, and the gap between early implementation of ICDP interventions and delay of the introduction of PES means proponents tend to delay being fully open with local stakeholders about the nature and scope of planned REDD+ interventions.

What needs to happen so that REDD+ can move ahead at the subnational project level in a way that optimises the potential synergies between ICDP and PES? A key starting point is to learn from the past. Brandon and Wells (2009:232–235) and Blom *et al.* (2010:167–170) provide useful guidance on how to plan and implement better ICDP projects.

These steps are largely within the realm of control of the proponents themselves, whereas much of what needs to happen is at a scale higher than the project level. In order for REDD+ to move ahead on the ground, policy and market inertia will have to be overcome. This requires a finalisation of REDD+ international architecture and finance mechanisms, development of a regulatory framework for the development of a viable forest carbon market, and the creation of the creation of national laws and regulations related to REDD+ that prioritise forest protection and the wellbeing of local stakeholders.