



CAMBODIA REDD+ PROGRAMME

Implementing REDD+: Costs and Benefits

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REDD+ Benefits: National

Benefit type	Description
Economic	<ol style="list-style-type: none">1. Contribution of REDD+ finance to national GDP and profits from sale of REDD+ credits2. Multiplier effects of REDD+ investments, such as spending of income in local markets or creation of jobs elsewhere in the economy3. Physical (e.g. roads, monitoring systems) and institutional (e.g. better resourced forest management institutions) infrastructure improvements4. Reduced spending, for example on flood management due to improved forest environmental services
Social	Accountable national institutions
Environmental	Improved national environmental quality



REDD+ Benefits: Local

Benefit type	Description
Economic	<ol style="list-style-type: none">1. Employment in REDD+ schemes2. Income from direct incentive payments3. Income from sale of products linked to REDD+4. Increased net income due to local infrastructure improvements5. Increased land and forest assets linked to REDD+
Social	<ol style="list-style-type: none">1. Local institutions more inclusive of poorer community members and better represent their interests in decision making processes2. Reduced conflict and acknowledgement of cultural traditions3. Improved health
Environmental	Improved local environmental quality



Three Phases and Benefits

Phase 1: Readiness

Activities: REDD+ readiness, capacity building, development of REDD+ strategy

Potential Benefits: improved forest governance; improved stakeholder participation in land-use planning; enhanced tenure and access security when mapping efforts help resolve tenure disputes and identify areas of social importance



Phase 2: Demonstration

Activities: Institutional strengthening, policy reforms and measures, demonstration activities that pilot site-based mitigation strategies, improved monitoring systems and participatory processes for stakeholders

Potential Benefits: New enterprises and improved performance of existing enterprises, including some focused on accessing niche markets for sustainable goods; improved tenure and access security as tenure disputes are resolved and mapping efforts mature; better land-use decision-making; improved forest governance resulting from cross-sectoral spatial planning; improved data, and regulatory streamlining; pay-for-performance funding may be piloted during this phase



Phase 3: Full Implementation

Activities: Widespread implementation of strategies, policy reforms, and creation of new low-carbon industries, robust MRV system, quantified and verified changes in GHG emissions and/or removals that generate payment for results

Potential Benefits: Improved institutional architecture; new enterprises and low-carbon industries; payments for performance; technical capacity and partnerships; increased clarity around tenure and rights

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Costs of REDD+

Cost Type	Description
Opportunity Costs	Costs resulting from forgone benefits that deforestation and forest degradation would have generated for livelihood and national economy
Implementation Costs	Costs of efforts needed to reduce deforestation and forest degradation
Transaction Costs	Costs of establishing and operating a REDD+ program/strategy
Institutional Costs	Costs incurred at political-administrative level to develop and manage REDD+ activities and ensure enabling legal and regulatory environment



Cost Breakdown

Cost Type	Activities
Opportunity	<p>Direct, on-site</p> <ul style="list-style-type: none">- Profit difference between conserving forests and converting them to other, typically more valuable, land uses- Difference in profits from increasing carbon within forests or of restored forests- Livelihoods restricted or changed- Psychological, spiritual or emotional impacts <p>Indirect, off-site</p> <ul style="list-style-type: none">- Difference in value-added activities (changes in economic sectors attributable to REDD+)- Tax revenue differences- Agriculture and forest product price increases from economy feedbacks (dynamic not static effects)



Cost Breakdown

Cost Type	Activities
Implementation	<ul style="list-style-type: none">- Land use planning- Land tenure/ governance reform- Law enforcement- Investment in agricultural input- Administration/ staff costs
Transaction	<ul style="list-style-type: none">- REDD+ program/ strategy development- Agreement negotiation- Emission reduction certification (MRV)- Consulting, marketing- Registry, database operation
Institutional	<ul style="list-style-type: none">- Institutional reform- Policy development and formulation- Establishment and operation of new institutions/ authorities- Knowledge transfer and dissemination (e.g. from national to local)- Establishment of participatory mechanism- Training, capacity building



Suggested strategies to reduce costs

- Understand the limitations of opportunity costs
- Build on existing programs where appropriate
- Invest in sustainable forest landscape management in ways that can generate income while reducing deforestation and degradation
- Identify the bundle of benefits that can be used to incentivize stakeholders
- Strengthen community forestry, community fisheries, and protected areas community
- Strengthen existing multi-stakeholder platforms for information exchange and discussions on REDD+ benefits sharing amongst different stakeholder groups
- Build cross sectoral collaboration and invest in sustainable land-use planning to maximize the benefits from forest landscapes



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Thank You!

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