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THE COVID-19 CRISIS
AND THE UN-REDD
PROGRAMME:
CATALYSING FOREST
AND NATURE-BASED
SOLUTIONS FOR A MORE
RESILIENT FUTURE

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Insufficient international action to address the climate crisis has made the world more vulnerable to the COVID-19 pandemic than it should have been. However, we are witnessing a growing awareness of the impact that deforestation and degradation of ecosystems have on increasing the likelihood of zoonotic diseases and <a href="https://www.how.numan.numa

The socio-economic distress resulting from the COVID-19 pandemic is now exacerbating and deepening pre-existing inequalities, exposing vulnerabilities in social, political, economic and biodiversity systems and ultimately, increasing the risk of future zoonotic pandemics. Until last year, the number of people who subsist on less than \$1.90 US per day was falling, from 36% of the world's population in 1990 to around 8% in 2019. But in 2020, for the first time since 1998, that number was rising fast. It is expected that half a billion people could be pushed into poverty. Almost 1.6 billion informal economy workers -- nearly half the global workforce -- are being significantly impacted, with a 60 percent decline in their earnings. Global human development, measured as a combination of education, health and living standards, was on course to decline in 2020, for the first time since 1990, when the concept was developed.

The Global Assessment Report on Biodiversity and Ecosystem Services by IPBES highlights just how much forests and nature-based solutions can help in achieving the SDGs. However, current negative trends in biodiversity and ecosystem loss undermine progress towards the assessed targets of goals related to poverty, hunger, health, water, cities, climate, oceans and land. Despite globally-positive actions to achieve the Aichi Targets on biodiversity, global objectives are not on track this year.

Nature is declining globally at rates unprecedented in human history, and the rate of species extinctions is accelerating, with grave impacts on people around the world. The latest Global Forest Resources Assessment (FRA, 2020) indicates that an estimated 420 million hectares of forest has been lost worldwide through deforestation since 1990, although the rate of forest loss has declined substantially. Slow

progress in halting forest loss and degradation, together with increased pressure on primary forests for land use changes and demand for wildlife for human consumption, is now known as one of the root causes enabling direct transmission of zoonotic diseases, such as COVID-19.

While the origin of the COVID-19 pandemic has yet to be established, studies demonstrate that infectious diseases have emerged at an increased pace in the last century and are likely to continue to emerge, given expected increases in population growth and landscape changes. Human encroachment into biodiverse areas increases the risk of novel infectious diseases by enabling contacts between humans and wildlife. Almost half of new diseases that jumped from animals to humans, known as zoonotic pathogens, since 1940 can be traced to changes in land use, agriculture orhunting, and about 60 percent of human infections are considered to have an animal origin.

On the climate front, despite committing to hold the increase in global temperature to 1.5°C, the world might be heading towards 5°C according to the latest generation models, . Limiting warming to 1.5°C, according to the Intergovernmental Panel on Climate Change (IPCC), requires the world to slow global emissions immediately and to reach net zero emissions by 2050. However, emissions have not slowed since 2017, and the window of opportunity for significant change is rapidly closing.

Since the beginning of the COVID-19 pandemic, more than one-third of the global population has faced some type of lockdown with mobility and economic activity restrictions, resulting in a simultaneous and massive social and economic shock across countries. Women and girls face disproportionate impacts, including increased gender-based violence, as well as employment and income loss, with far-reaching consequences due to their vulnerability both within the household and community.

Forest-dependent livelihoods have been highly affected by the pandemic, with one-third of the world population estimated to be dependent on forests now facing a significant loss of income. Developing countries are being particularly



Tea pickers in Ilam District, Nepal. Photo: UN REDD | Leona Liu

affected by pandemic-related economic and development setbacks. An estimated 700 million people are already living in extreme poverty, and 1.3 billion don't have access to basic needs. In cases where existing social safety nets are not enough to compensate for the income losses, people may resort to overexploitation of forests, thus increasing the pressure on these ecosystems.

Even when mobility restrictions have resulted in reduced illegal logging or hunting, developing forest countries are noting setbacks. In places where law enforcement has been traditionally weak, the pandemic is resulting in increased illegal activities, land grabbing and deregulation and/or a relaxation of environmental laws in forest landscapes and protected areas. Reverse migration from cities to rural areas as a result of the pandemic is expected to result in the return of millions of migrant overseas workers. Estimates suggest that in Nepal, remittances from migrant workers will drop by 20% in 2020, and 2 billion Nepali migrant workers will return home as demand for their labor collapses overseas.

Reverse migration from cities to rural areas is also putting pressure on ecosystems, as legal livelihoods are lost as a result of the pandemic and as forests and non-timber <u>forest products</u> provide immediate sources of cash.

The COVID-19 pandemic has brought into focus and exacerbated the inadequacy of the global response to biodiversity, sustainable development and climate emergencies. However, the national and global post-pandemic recovery plans could, if appropriately designed, become an opportunity to reverse the trend and boost the long-term sustainability of livelihoods, business, forests and nature.

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A local farmer tends to coffee trees at a plantation in Vietnam | Photo: UN REDD

AN OPPORTUNITY NOT TO BE MISSED: THE ROLE OF NATURE IN BUILDING A BETTER, GREENER AND MORE RESILIENT POST-PANDEMIC WORLD

Economies are largely dependent on nature. The World Economic Forum's 2020 Global Risks Report highlights how forests and other ecosystems are essential to businesses in all industry sectors, noting that \$44 trillion of economic value generation - more than half of the world's total GDP - is moderately or highly dependent on nature and its services. Highly dependent industries generate 15% of global GDP (\$13 trillion) and moderately dependent industries generate 37% (\$31 trillion). Together, the three largest sectors that are highly dependent on nature generate close to \$8 trillion of gross value added (GVA).1 The report ranks ecosystem and biodiversity loss and collapse as one of the top five risks for impact in the

coming decade. In terms of global exposure, large economies have the highest amounts of GDP in nature-dependent sectors: \$2.7 trillion in China, \$2.4 trillion in the EU and \$2.1 trillion in the United States. Yet, as nature loses its capacity to provide environmental services, including carbon storage and sequestration, these sectors could suffer significant losses. For example, 60% of coffee varieties are in danger of extinction due to climate change, disease and deforestation. If this were to happen, global coffee markets – a sector with retail sales of \$83 billion in 2017 – would be significantly destabilized, affecting the livelihoods of many smallholder farmers in developing forest countries.

Partly as a result of the ongoing pandemic, there is an increased awareness of the urgent need for comprehensive, nature-based policy efforts that improve human well-being, as well as protect ecosystems and biodiversity, sustainably manage and restore forests and landscapes and ultimately, achieve climate, environment and development objectives. This awareness provides a window of opportunity for increased political support for COVID-19 recovery responses that maximize environmental, social and economic benefits in rural landscapes.

Designing nature-positive COVID-19 recovery packages provides an opportunity for a successful economic recovery, ensuring the long-term sustainability of livelihoods and businesses while revisiting our relationship with nature and building more socially and environmentally resilient development pathways.

Nature-based solutions (NbS) are actions to protect, sustainably manage and restore natural and modified ecosystems in ways that address societal challenges effectively and adaptively, to provide both human well-being and biodiversity benefits.

Ecosystem-based approaches for both climate change and sustainable resource management offer an opportunity to reconcile economic development with the stewardship of ecosystems and to grow, diversify and transform businesses and enable sustainable development. They encompass a spectrum of interventions, from protecting or restoring ecosystems to establishing managed or hybrid approaches to supporting biodiversity conservation and enhancing ecosystem resilience,

These are construction (\$4 trillion), agriculture (\$2.5 trillion) and food and beverages (\$1.4 trillion).

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all led by local communities. Nature-based solutions have recently gained prominence in the context of climate mitigation, given the significant potential of forest solutions to increase carbon storage and avoid emissions. Together with the world's food and commodity production systems, forests and nature-based solutions play a key role in achieving climate, biodiversity, health and sustainable development global objectives. Thus, they are instrumental in building a better, greener, more resilient and sustainable world.

Forests, other ecosystems and agricultural landscapes underpin and regulate the climate on which the global economy relies. Agroforestry has the potential to contribute to climate change mitigation by enhancing, managing and conserving carbon stock and to reduce deforestation and forest degradation. It also increases the resilience of communities to shocks and was included in at least 11 Nationally Determined Contributions and 20 REDD+ strategies. Côte d'Ivoire, for example, is aiming to improve agricultural techniques through the promotion of agroforestry in order to strengthen the resilience of agricultural systems to climate change, but also to ensure the diversification of income sources. The implementation of such an approach in its cocoa industry is supporting the country in achieving its SDGs.

Forest solutions deliver multiple benefits in terms of climate mitigation and adaptation, as well as in the global COVID recovery. Additionally, they can leverage large-scale financing for long-term, de-carbonization of rural economies in developing forest countries. Transitioning to sustainable food and land use-business models could be worth up to \$2.3 trillion and provide over 70 million jobs by 2030. Forest industries contribute an estimated \$450 billion to annual national incomes globally and over \$250 billion per year to developing country economies. Avoiding further deforestation alone could boost the global economy by at least \$40 to 80 billion per year.

Evidence suggests that promoting more integrated landscape approaches, increasing sustainable land use practices and optimizing production and consumption practices can reduce pressure on forests and other ecosystems. This, in turn, can contribute to achieving global climate, biodiversity and sustainable development goals, while mitigating the risk of future zoonotic pandemics. In countries like Colombia and Costa Rica, where market-based incentives to reduce forest loss and degradation have already been in place for several years, public and private resources from fossil fuel tax revenues have been leveraged to invest in forest solutions, including conservation, restoration and improved land







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management. If similar market-based incentives were deployed in 12 other megadiverse countries, approximately \$1.8 billion could be raised each year between them to be reinvested in forest solutions.

According to recent studies, halting deforestation offers more than twice as much climate mitigation potential as forest restoration.

Avoiding deforestation and restoring ecosystems offers additional and significant opportunities to enhance rural livelihoods and economies, including job generation. Ecosystem and landscape restoration can make a lasting contribution to enhancing environmental and social resilience. Furthermore, large-scale restoration can provide an estimated \$84 billion in annual economic benefits worldwide.

Given the role of agriculture and forest-based activities in the economy, both sectors are likely to be considered in 2021 in COVID-19 related economic stimulus packages. Within the G20, the European Union has specifically called for a green recovery, putting biodiversity and climate change at the centre of its recovery efforts. The European Green Deal is expected to be an integral part of the Union's recovery plan. The World Bank's 'green stimulus framework, urges to capitalize on already prioritized projects in countries around the world. Similarly, the IMF has called for utilising all available options to enable a green recovery, including public funding to promote green private finance, and to secure long-term commitments to low-carbon alternatives.

Yet pressing economic needs to recover from the immediate socio-economic shock are already putting at risk collective efforts to halt the loss and degradation of forests and other ecosystems, and to restore degraded landscapes. Governmental environmental agencies are struggling to integrate climate, environmental and development priorities into recovery packages, which poses a threat to ambitious, long-term climate action. Only about 4% of the initial COVID-19 recovery financial policies from G20 countries are 'green,' with any potential to reduce long-term GHG emissions. The vast majority, 92%, are seen as 'neutral,' and 4% are 'brown,' or likely to increase net GHG emissions and exacerbate the climate crisis. As such, there

is a significant risk that socio-economic recovery efforts could result in increased pressure on forests and ecosystems.

Transitioning to low carbon, resilient and productive economic models requires not only a rapid phase-out of fossil fuels in all sectors, but also the maintenance and increase of carbon stocks stored in forests, other ecosystems and landscapes.

Efforts to transform both policy and on-the-ground actions aimed at reducing rates of deforestation and ecosystem loss and degradation are some of the most effective and robust options for climate change mitigation. However, current levels of climate finance that support reduced deforestation and restoring forest and productive landscapes are still too low. Just \$3.2 billion US of global climate finance is estimated to have been invested in climate action in 2010, compared with \$256 billion US committed in multilateral and public funding to climate change mitigation.

We simply cannot afford to design policy responses that do not channel adequate public and private climate financing into nature-based solutions.



Photo by Axel Fassio/CIFOR



REDD+: DELIVERING COVID-19 SOCIO-ECONOMIC RECOVERY EFFORTS AT THE PACE AND SCALE REQUIRED

REDD+ is a framework created by the UNFCCC Conference of the Parties to guide activities in the forest sector that reduce emissions, sustainably manage forests and conserve and enhance forest carbon stocks in developing countries. REDD+ is implemented in phases, which can overlap, beginning with the readiness phase and moving forward to implementation and results-based actions. These actions are fully measured, reported and verified, allowing countries to seek and obtain results-based payments.

Over the past decade, more than 65 countries have developed a diverse array of policy, implementation, financial, monitoring and reporting instruments that enable results-based national or subnational implementation of REDD+ policies and actions. These foster the potential of forest solutions by tackling the underlying and direct drivers of forest and ecosystem loss and degradation.

Drawing on the convening role and technical expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP), the United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD) has supported its 65 partner countries in Latin America, Africa and Asia and the Pacific in their REDD+ process since 2008.

Through highly participatory and inclusive policy design processes, supported by the UN-REDD Programme, countries have been able to improve rural livelihoods and foster greener, more resilient, sustainable and productive forests and rural landscapes. Supported by the technical expertise of the Programme, developing forest countries have also gained a robust understanding of monitoring and reporting and of the social and environmental dimensions of REDD+. In 22 countries, UN-REDD readiness activities encompass the identification of non-carbon benefits from REDD+, including biodiversity conservation, and spatial analyses to

map locations suitable for REDD+ actions that deliver these benefits. This has helped countries reconcile policy objectives, identify opportunities and prioritize REDD+ interventions in areas where sustainable forest management has the potential to reduce pressure on biodiversity and forests, while contributing to improvements in species conservation.

A significant proportion of the financing that has been deployed or committed to advance REDD+ efforts, including results-based payments, have strengthened forest governance and monitoring systems. The latter has proven to be critical in enabling monitoring and accounting of real, credible and environmentally integral emissions reductions, which has allowed countries to access results-based climate financing.

Countries, such as the Democratic Republic of Congo, have conducted REDD+ preparatory efforts in a way that ensures the alignment of REDD+ actions with and contribution to the prioritized sustainable development goals in the country. As such, REDD+ implementation efforts in DRC are expected to contribute to the achievement of the vast majority of SDGs through enhanced rural livelihoods, support for the transition to a green economy, the development of sustainable agricultural value chains and income-generating forest-based activities and improved food security, all while promoting inclusiveness and gender equality.

REDD+ represents a key process for countries to enhance inter-sectoral dialogue through planning and deployment of integrated land-use management practices. For example, this process can boost collaboration between the agriculture and forest sectors, ensuring that food security, forestry, livelihood and employment national objectives are met. REDD+ mitigation actions constitute robust, comprehensive, proven and operational forest solutions, offering a unique opportunity to deploy COVID-19 socio-economic recovery efforts at the pace and scale required in developing forest countries, while accelerating climate action under the Paris Agreement and reducing the risk of future zoonotic pandemics.

To date, four countries have signed their Emission Reductions Purchase Agreements under the



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FCPF's Carbon Fund to access results-based payments for emissions reductions, and eight countries have had their funding proposals approved under the GCF's REDD+ results-based pilot programme for a total of \$496.8 million. In 2020, the GCF boosted countries, among them Argentina and Costa Rica, submitting proposals to its RBP pilot programme to support the post-pandemic economic recovery.

With an emphasis on engagement of local communities, smallholders, indigenous peoples and women, the Argentina RBP project represents an important contribution to job generation, food security and improving livelihoods in rural areas. To further enhance the contribution to the post-pandemic recovery, attention will be now given to regions or provinces that experienced a higher socio-economic impact from COVID-19, without losing sight of the country's priority to address the drivers of deforestation.

Costa Rica's payment for environmental services programme, first established in 1995, and prioritizing benefits to women and indigenous peoples has been fully-funded by the national carbon-tax and water fee over the last five years. However, in the current economic downturn, the recent results-based payment from the Green Climate Fund is essential to sustaining impoverished groups in their forest conservation efforts and livelihoods.

Ecuador's Socio-Bosque programme and Brazil's Floresta+ programme follow similar payment for ecosystem service models that, together with Costa Rica's pioneering approach, provide a blueprint for publicly and privately-funded national cash-transfer programs that can serve as a tool for governments in protecting and restoring forests, thus providing protection from future pandemics, while also alleviating poverty, improving livelihoods and contributing to an inclusive and equitable COVID-19 recovery.

The Community-based REDD+ Initiative (CBR+), delivered in partnership by UN-REDD and the GEF Small Grants Programme, is another model that has demonstrated results in delivering funding and technical support directly from global donors to forest communities, backstopped with UN quality assurance and existing country

mechanisms and capacity. The CBR+ model represents a model for turning global COVID-19 response funds into community grants at the grassroots level. This has three impacts: supporting livelihoods in rural, forest communities that are now grappling with the economic impacts of COVID-19; supporting forests and preventing deforestation as reverse urbanrural migration increases pressure on forested landscapes through subsistence agriculture and fuel wood collection; empowering communities to undertake culturally appropriate and landscape specific responses to address both the risks and the impacts of the virus.

Countries like Indonesia have already expressed their commitment to integrate climate and forest agendas into their financial stimulus packages. With this, the country aims to reinvest resultsbased payments, secured under the bilateral agreement with Norway, into the country's socioeconomic recovery. The country is implementing a social forestry program, funded in part by results-based payments for REDD+. The program aims to alleviate poverty, halt deforestation and end land conflicts by giving local communities the opportunity to manage forests themselves and to develop sustainable livelihoods. Because more than 74% of Indonesia's poor depend on ecosystem services for their livelihoods, depletion of these services would have a drastic impact on the livelihoods of the poor, while simultaneously widening the inequality gap. Indonesia's social forestry program is an example of how investment in locally-driven forest conservation and management can yield benefits for both climate and livelihoods, while also providing protection from shocks like the pandemic.

Financing REDD+ mitigation actions through reinvigorated bilateral or multilateral agreements and through the inclusion of agriculture, land-use and forest solutions in post-pandemic recovery and stimulus packages offers an unprecedented opportunity to create a more sustainable, green world.

It will be key to assist marginalized forest stakeholders to have a voice when governments determine investments. Actions to improve governance, measuring monitoring and reporting, to clarify carbon rights, to ensure

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forest information and maps are used in defining investment priorities, and to assess and manage risk related to COVID recovery investments.

Finance should be made available to boost participatory planning and implementation of on-the-ground conservation actions to protect and restore biodiversity and ecosystems, but even more to reduce pressure on forests and eliminate deforestation from supply chains.

The UN-REDD Programme, through its convening power and technical expertise deployed at both global and national levels, is uniquely positioned to facilitate the concerted efforts and ambitious transformation needed in societies and economies. The Programme can contribute to international and national efforts towards accelerating forest solutions that enable the structural transformations required in rural economies to catalyze integrated, greener, more resilient, sustainable and productive landscapes consistent with 1.5C pathways, while reducing the risk of future pandemics by addressing the environmental root causes of zoonotic diseases.



Papua New Guinea | Photo: UN REDD | Leona Liu









The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries.

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