

What the heck is REDD+, anyway?



REDD+

REDD+ is an important solution to climate change; but it is also one of the most confusing acronyms you'll come across in the climate space (we're looking at you, WBCSD;-)).

REDD+ stands for Reducing Emissions from Deforestation and Forest Degradation, and the "+" symbolizes additional activities related to conservation, sustainable forest management, and enhancement of forest carbon stocks.

A "framework" (another terribly vague word, isn't it?) of principles, rules, safeguards, and guidance for incentivizing REDD+ was developed within the United Nations Framework Convention on Climate Change (UNFCCC) and anchored in Article 5 of the Paris Agreement. It defines a system where financial incentives (\$\$\$) are provided for success in reducing emissions from deforestation and forest degradation, and increasing carbon removals through the "+" activities.

While the term REDD+ was born in the UN system and is officially defined there, no one "owns" the term, which has subsequently been adopted by a broad range of actors over the past two decades, including and especially carbon project developers. This can lead to considerable confusion, which we try to sift through below.

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JURISDICTIONAL REDD+

The jurisdictional approach to REDD+ refers to a government-led, comprehensive approach to forest and land use encompassing entire countries, or large sub-national regions or states. At a jurisdictional level, governments are able to design new (or fix old) policies and regulations, enforce them, and tackle other systemic drivers of deforestation.

It is often referred to as JREDD (the "+" is dropped purely for style, as JREDD+ is no fun to say. Try it...). JREDD is distinct from project-level REDD+ (see below). Confusingly, while much early REDD+ early experience and implementation focused on individual projects in specific areas (again, see below), the REDD+ framework negotiated under the UNFCCC actually defines the implementation, monitoring, and accounting for forest-related emissions reductions and removals as taking place at the level of national and subnational "jurisdictions" (such as states and provinces).

That's a fancy way of saying that REDD+ = JREDD in the context of the Paris Agreement, but outside, in the real world, REDD+ has much looser usage, and is often associated with project-level actions, hence the distinction between JREDD and project-level REDD+.

PROJECT-BASED REDD+

Project-based REDD+ (or project-level REDD+) is an approach that focuses on localized projects or sites - such as a national park or community area - to reduce emissions from deforestation and forest degradation.

The project developers generally work with the local landowners, farmers and communities within the project area to make a better living without clearing their forests.

Over the past two decades, support for JREDD has largely been left to public donors in the form of results-based payments, while most corporate support has been directed through the voluntary carbon market to standalone REDD+ projects (although this is starting to change with initiatives like the LEAF Coalition). Therefore, REDD+ projects are often associated with the voluntary carbon market. To try to avoid confusion, the word "program" is usually associated with JREDD - i.e. the JREDD program in Ghana - to distinguish from REDD+ projects.

THE VOLUNTARY CARBON MARKET

The Voluntary Carbon Market (singular, not plural, as it's not regulated by governments and therefore global), often abbreviated as "VCM," is a decentralized market where organizations and individuals voluntarily buy and sell carbon credits to help support their climate goals or targets and channel finance toward projects and programs to contribute to climate change mitigation.

It is distinct from compliance carbon markets, where governments enact laws and regulations to limit GHG emissions and allow trading of credits as a means to minimize the resulting cost to the affected companies. The VCM is often erroneously conflated with REDD+. Although REDD+ activities can generate carbon credits that are sold on the VCM, not all REDD+ activities do, and not all carbon credits are of the REDD+ variety.

A note on compliance carbon markets: We won't get into compliance carbon markets here, because we really want to keep this brief(ish); plus, there's already lots of good material out there. For a variety of reasons, REDD+ carbon credits are not widely accepted in compliance carbon markets. Get in touch if you really want to get into the weeds here.

CARBON CREDIT

A carbon credit, also referred to (often erroneously) as a carbon offset (a term that carries more baggage than a 1970's station wagon), is a unit of measurement representing the reduction or removal of one metric tonne of carbon dioxide (or its equivalent in other greenhouse gasses) from the atmosphere, achieved through a certified project or program.

JURISDICTIONAL CARBON CREDIT

A jurisdictional carbon credit, also known as a jurisdictional REDD+ credit, is a type of carbon credit that represents emission reductions or removals achieved through a jurisdictional program (JREDD). Specific standards have been developed - such as ART's TREES standard and Verra's JNR standard - for measuring, monitoring, reporting and verifying these actions so that countries can generate carbon credits that can be sold into the voluntary carbon market.

Although JREDD has been around for a while, JREDD carbon credits are actually the new kids on the block. The first jurisdictional carbon credits were issued in 2021 and the first transaction of JREDD credits on the voluntary market took place as recently as 2022. The forest carbon market is currently dominated by credits generated from REDD+ projects, although there is emerging consensus that jurisdictional and nested carbon credits are the wave of the future.

A note on "nesting": you'll probably start to hear this term more and more. At the highest level, it refers to the process of integrating project-level activities within a national-level, or jurisdictional, REDD+ framework. (Sounds simple enough, but things get really complicated really quickly in practice.) Most agree that even as jurisdictional REDD+ gains sway, projects will still have important roles to play, and that nesting is the way they can do it.

A note on HFLD: this is another term you might hear on the REDD+ scene. It stands for "High Forest, Low Deforestation" and it refers to jurisdictions - like Guyana - that have, to date, been able to maintain low levels of deforestation. But just because their forests are currently standing doesn't mean they aren't under threat. In fact, between 2010 and 2019 six countries lost their HFLD designation due to forest loss. In the context of REDD+, many believe these countries warrant special consideration, because, in most cases, REDD+ results are measured against a baseline represented by historic levels of deforestation. So, what do you do when those levels are very low? There is a strong argument that these countries still deserve finance, not only to guard against future threats, but also to reward the climate sequestration and other ecosystem services those forests are providing. Building on earlier work, organizations like the Architecture for REDD+ Transactions and the World Conservation Society are developing innovative approaches to this question. Learn more here and here.

FOREST CARBON CREDITS OR THE FOREST CARBON MARKET

A forest carbon credit is an imprecise term that refers to a carbon credit that has been generated by a project or program that has prevented deforestation, led to afforestation or reforestation, or has improved forest management practices.

The term doesn't distinguish between jurisdictional or project-level REDD+. You will also sometimes see the term "NCS carbon credit," or "NBS carbon credit," to refer to natural climate solution (NCS) or nature-based solution (NBS) respectively, as well as "REDD+ carbon credit."

You might even see further derivations such as forest protection credit, or some such. Don't be discouraged; these are all loose terms to try to describe the type of carbon credit and distinguish them from other types of credits, such as renewable energy credits, or cookstove credits, etc.

The most important questions to ask when you encounter these terms are:

- 1/ is the credit project or jurisdictional
- 2/ is it a reduction or a removal (see below)
- 3/ what standard was used to create the credit?

The forest carbon market (an even less precise term) simply refers to the supply of and demand for forest carbon credits (it is not actually a separate market from the VCM).

SOVEREIGN CARBON CREDITS

If things weren't confusing enough already, a new term has recently burst onto the scene. The term is not defined by the UN or under any current carbon crediting standard, however, given that the term has already begun to gain some momentum, presumably, as a category, any unit issued to a government could be designated as "sovereign." Therefore jurisdictional REDD+ crediting programs like ART-TREES are issuing sovereign carbon credits. In some contexts, this term has been used in a misleading way to try to rebrand REDD+ results reported to the UNFCCC as carbon credits.

RESULTS-BASED PAYMENTS

Results-based payments for REDD+ refers to the system designed under the UNFCCC to promote and incentivize forest protection. As the name implies, payments are typically made based on the achievement of results (measured in reduced emissions and, if applicable, increased removals of GHGs) from the successful implementation of REDD+ activities, while meeting social and environmental safeguards and other eligibility requirements.

But wait... In that case, isn't the purchase of carbon credits a form of result-based payment? Technically, yes, but in actual usage results-based payments refer to transactions where the buyer/donor does not receive registered credits or any form of defined asset in return for their payment; these payments are generally considered as contributions to meeting broader international climate finance and/or forest conservation commitments. Whereas, with market-based transactions, the buyer receives carbon credits (or similar) that they can use toward their own climate targets, such as carbon neutral claims.

REDUCTIONS AND REMOVALS

If you picture the earth's atmosphere as a bathtub that is currently filling up with harmful greenhouse gasses, there are two ways to fix this: by reducing the flow into the tub by turning down or shutting off the tap, and by increasing the flow down the drain (removing the plug). So, "reductions" refers to measures to decrease the amount of carbon dioxide (CO2) emissions released into the atmosphere (turning off the tap). Removals refer to the process of capturing and storing carbon dioxide (CO2) from the atmosphere (pulling out the plug).

Removals can be done through technology, with things like Direct Air Capture machines, but in the REDD+ space, it refers to reforestation and afforestation efforts, because you are creating new carbon sinks that can suck carbon out of the air. On the other hand, reductions involve preventing carbon that is stored in forests from being released into the atmosphere by stopping deforestation or forest degradation. Therefore, credits from reforestation or afforestation projects are often referred to as "removal credits" and credits from forest protection credits are often referred to as "reduction credits".

Pretty straight forward, right? But wait, don't existing trees continue to remove carbon from the atmosphere? Yup, they do. This is an important topic that some carbon crediting programs are beginning to tackle. But for the casual observer, don't get yourself too twisted up on this one. Simply put, the terms "reductions" and "removals" are an imperfect but convenient way to distinguish between forest protection and forest restoration or afforestation, and associated risks surrounding things like permanence, additionality and leakage.

