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What Makes an Effective and Operable Benefit Distribution System for REDD+?

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SUMMARY

- One of the key challenges in creating a global mechanism to reduce emissions from deforestation and forest degradation (REDD+) is the information of effective benefits to incentivise forest owners or stewards for activities or actions that reduce forest loss. A well-designed benefit distribution system (BDS) is therefore critical to REDD+ in order to ensure its sustainability and success.
- What has made benefit sharing extremely difficult, however, is that REDD+ cuts across multiple themes such as carbon rights, tenure security, inter-ministerial coordination, financial versus non-monetary benefits, all of which must be clarified before a clear and effective BDS can be developed.

📦 Box 1. Summary.

A lack of clarity over various issues underlying benefit sharing would have a negative impact on its implementation and disincentivise project stakeholders. For example, when financial payments are brought into a developing country, how will these funds be channelled? What ministries will need to be involved? How will it reach local stakeholders? At the local level, how will payments be distributed? Will payments be distributed per household or through community groups? The graph overleaf portrays this dichotomy.

All these questions are important, because it is highly unlikely that stakeholders will support REDD+ if a BDS is not clear about what sort of activities beneficiaries will need to undertake, and how much and when they will receive their benefits. In order to fill this gap, a common understanding on benefit sharing at the national, sub-national and local levels must be sought. To begin with, these discussions should include issues such as

stakeholder expectations, gender, carbon rights, land tenure and customary law, through the vehicle of free, as well as prior and informed consent (FPIC).

In 2013, a REDD+ Benefit Sharing Workshop participated by experts from Southeast Asia identified and discussed the following key issues:

- » REDD+ beneficiaries need to be clear on what activities are considered under REDD+, and what rewards can be expected as a result of these activities.
- » Stakeholders are not homogeneous; and hence there is a need to recognise the political dynamics between and among stakeholders.
- » Not all benefits are necessarily monetary; non-monetary benefits such as security of tenure, improved forest governance and ecosystem services can be equally important.



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	Regional	National	Sub-national	Local
Begin/Intensify discussions over carbon rights and the relevant legislation needed to clarify their ownership		✓	✓	✓
Develop practical steps to incorporate a corruption risk assessment within BDS and REDD+	✓	✓		
Recognise the role of customary practices in forest protection and ensure its role in benefit sharing through FPIC		✓	✓	✓
Map out connections between involved governmental institutions and include discussions on the process for engagement and disengagement		✓	✓	✓
Set clear distinctions between projects of UN-REDD, World Bank, VCS (Verified Carbon Standard), and CCBA (Climate, Community and Biodiversity Alliance), etc., since not all REDD+ projects and activities are the same	✓	✓		✓

Table 1. Key activities identified by workshop participants that will lead to common understanding of benefit sharing.

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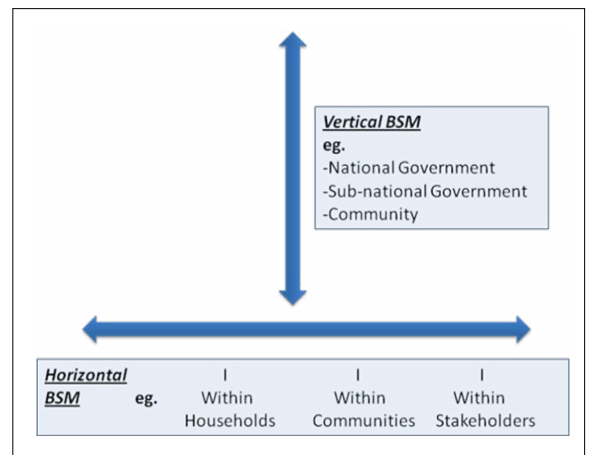
» A REDD+ BDS will entail trade-offs between equity and efficiency. In such cases, all stakeholders must be informed through FPIC processes to ensure the mechanism’s legitimacy and support.

Key Activities to Address the Issues

Workshop participants identified key activities that would provide the basis for a common understanding on benefit sharing (Table 1).

Policy Implications

» Our study shows that the development of a specific and operable form of a BDS for each country would help clarify key issues such as carbon ownership and carbon rights as well as streamline the participation of national, sub-national and local stakeholders. These country-level experiences can be consolidated and used to develop regional training programmes



for benefit sharing through regional networks, such as the ASEAN Social Forestry Network (ASFN).

» A consolidated benefit sharing mechanism could then be used as the basis for a regional approach towards a potential ASEAN Forest Carbon Market.

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