

Sharing benefits from REDD+ in tropical forest countries

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Outline

1. What is benefit sharing?
2. Options for national BS system
3. Next steps for Ghana on BS?

1. What is benefit sharing (BS)?

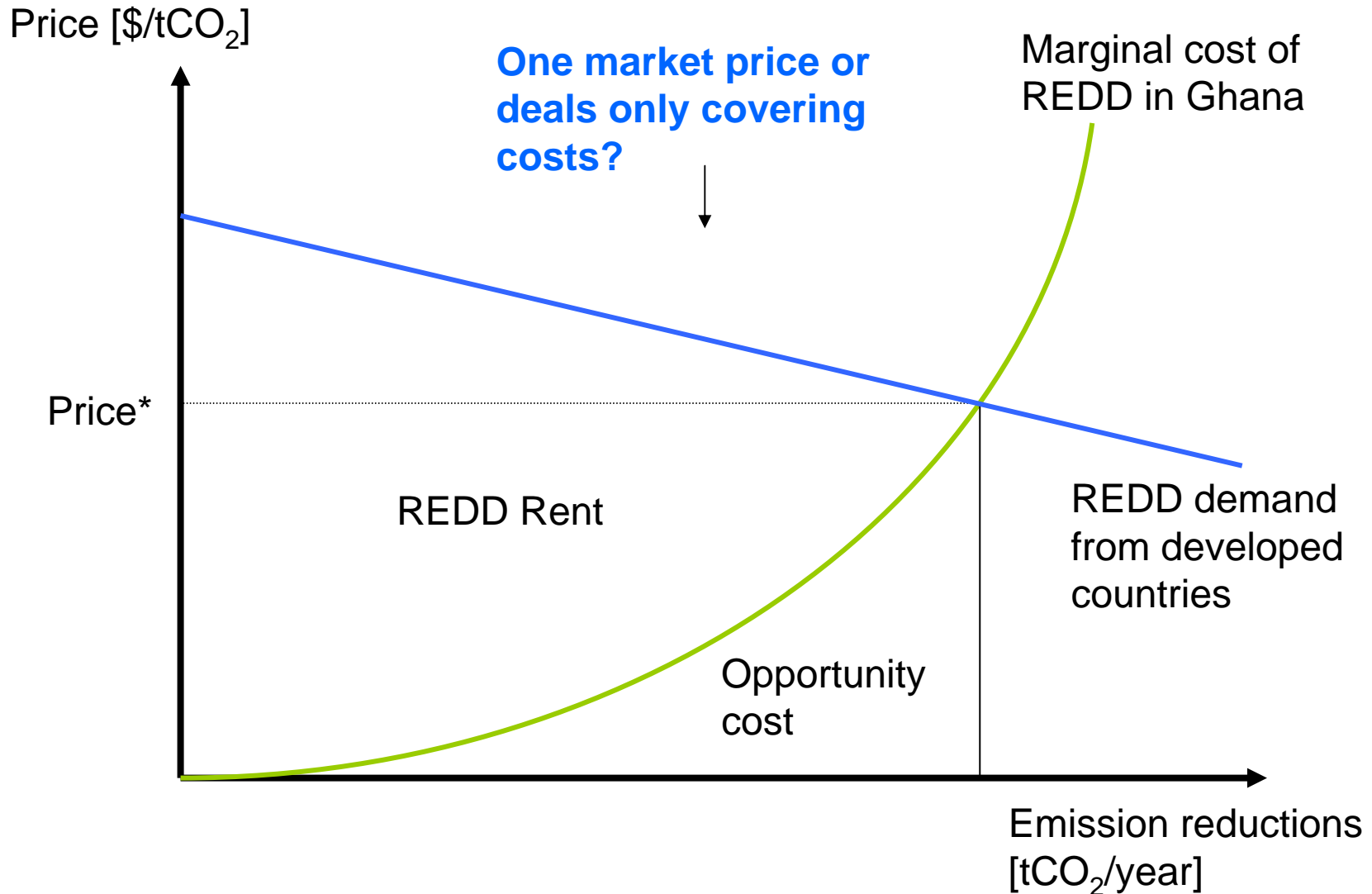
“**Agreements** between stakeholders, such as private sector, local communities, government and non-profit organizations, about the **equitable distribution of benefits** related to the commercialization of carbon”

(Definition adapted from FAO)

1. What are the benefits?

- Flow of REDD payments from developed countries for emission reductions
- Bulk of payments from Phase 3:
 - Performance-based payments
 - Compliance-based finance
- Payments cover:
 - Costs of REDD actions
 - Any extra “REDD rent” or “carbon profit”

1. Benefits: “Market” for REDD+



2. Objectives of national BS system

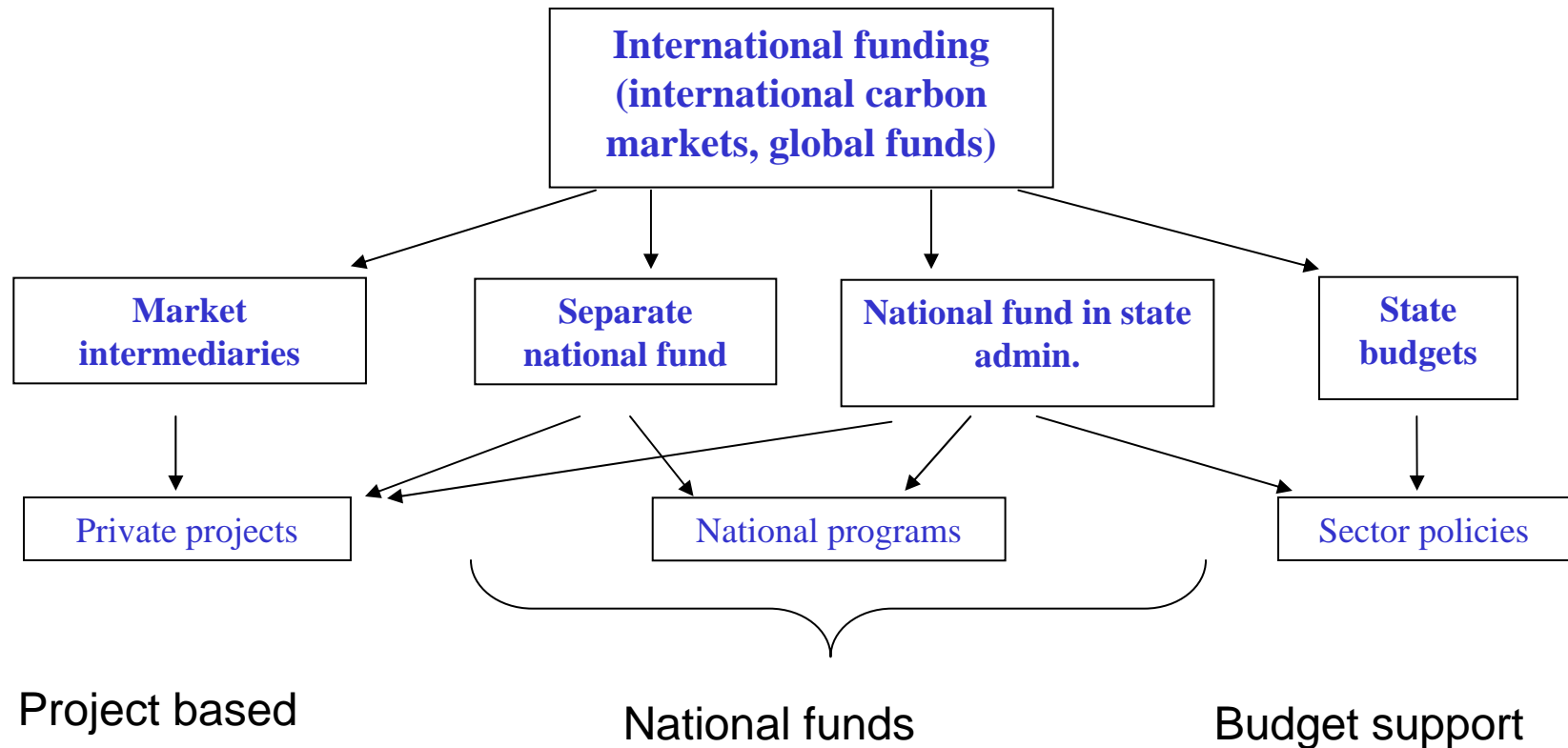
- **Create appropriate incentives**
 - Reward cheap and effective REDD+ activities
- **Create broad legitimacy of REDD+ system**
 - Fair distribution helps avoid resource conflicts and builds trust
 - Particular concern for poor and vulnerable groups

→ **Sometimes trade-offs between the two objectives – fairness vs. efficiency**

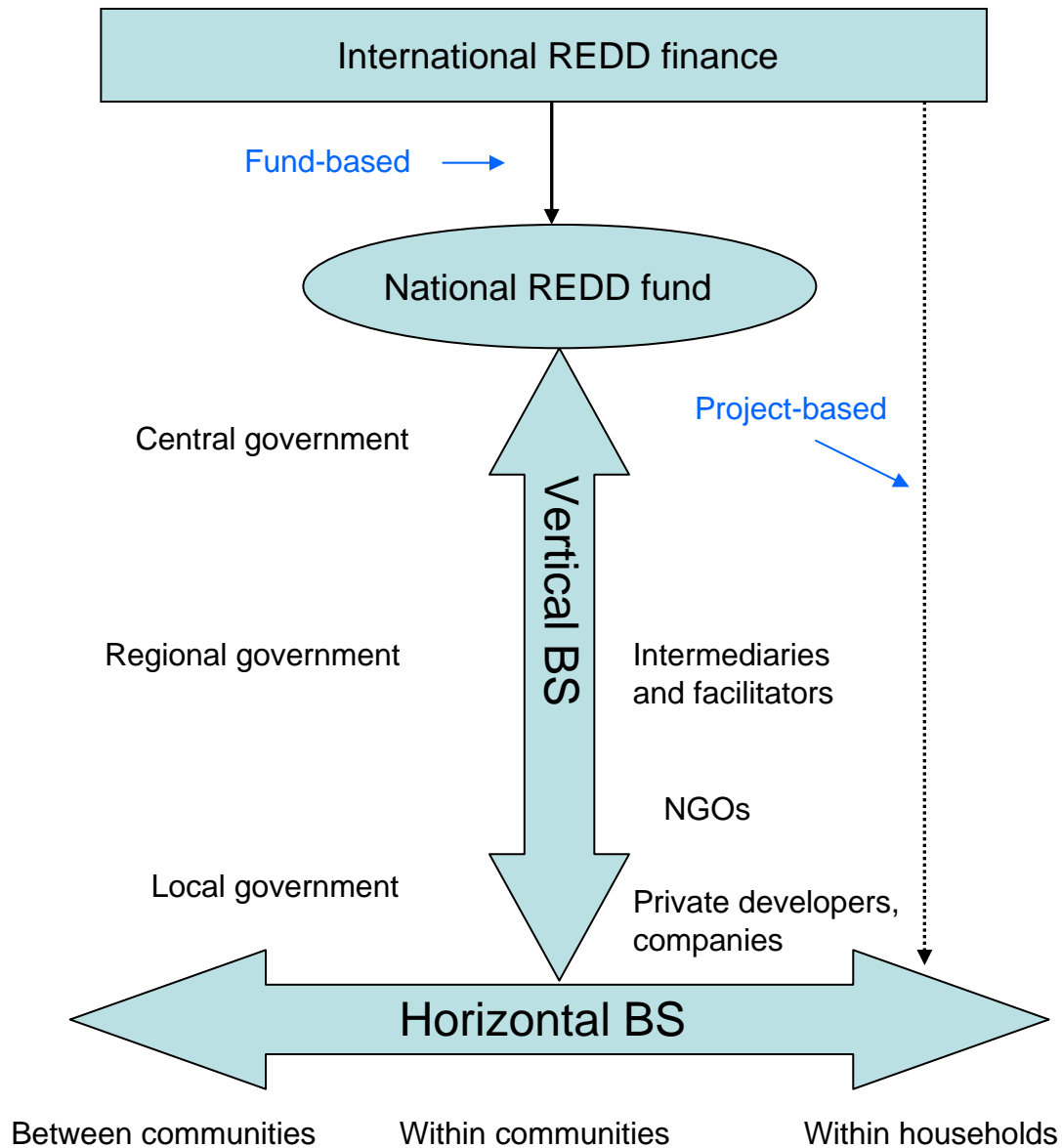
2. Examples of existing BS

- **Timber concessions**
 - Sharing of stumpage fees and taxes
 - Corporate social responsibility actions
- **CREMA**: community based resource mgmt
 - Revolving fund, sharing of revenues
- **Protected areas**: Some compensation to communities in form of development fund

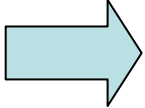
2. Options for BS on national level



2. Vertical and horizontal BS



2. National BS mechanisms should:

- **Build** on previous experiences with BS 
- **Engage** the right range of stakeholders
- **Create** legitimate mechanisms for management of revenues
- **Enforce** effective transparency provisions
- **Develop** effective dispute settlement mechanisms

3. Next steps in BS for Ghana?

- How to address BS in REDD strategy development and implementation?
- Which levels need to be engaged?
- Which stakeholders should do what at different levels?
- What are the most urgent actions now?

- Taungya system initiatives: difficult to really secure benefits locally (Key learning on BS)
- Package REDD Benefits with other benefit stream to achieve scale
- Work around legal system where possible to start with
- Create space for local BS negotiation on community terms
- Paying the costs of inefficiencies in value chains: generally the primary producer (urgent or as REDD rent changes conflicts will arise)

- Many administrative structures will need to be involved e.g. Cocoa sector has
- Investors are risk managers: focus on the risks in BS
- Big transaction costs in design and implementation of field initiatives > need integrated finance
- Aggregating properties/actions to create packages necessary: Challenges for BS

- Clarity on “benefits” v.s. the more limited term “revenue”
- Guyana: low carbon development strategy is the REDD-plus start

REDD plus:

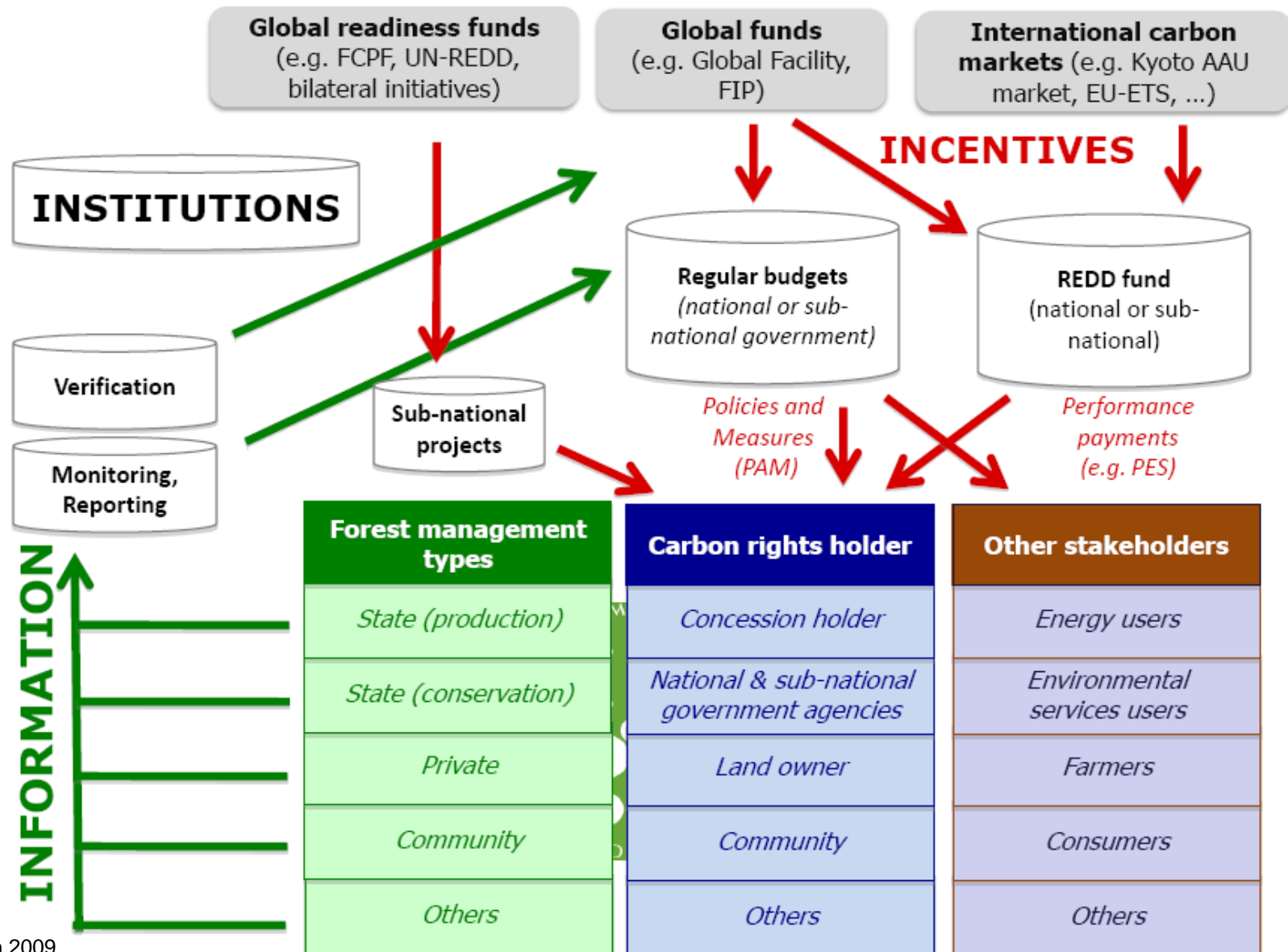
- Investment fund
- Governance development plan(structure how fund is managed)
- Multistakeholder steering committee to truly steer

Focus on women’s benefit sharing/management capabilities

Ghana-Guyana lesson sharing beyond MRV

- Economic data on how much REDD will cost to implement: develop soon
- Property rights vary and their implications for different REDD+ options > clarify and look at policy-legal changes
- Clarify on how the prices are set is critical:
 - Need economic analysis
 - Farm-level cost-benefit analysis
 - “harvest”/collect existing economic analysis: there is some; work with diverse partners
- Remember its Ghana carbon

3. National BS – a richer picture...



3. BS – PAMs and stakeholders

→ A BS mechanism must take many types of policies and measures (PAMs), levels & stakeholders into account:

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| 1. Remove subsidies for deforestation and forest degradation | 10. Payment for ecosystem services |
| 2. Tax land clearance | 11. Funding fire prevention programs |
| 3. Strategic road planning | 12. Sustainable forest management/improved forest planning |
| 4. Improve forest law enforcement | 13. Support for reduced impact logging |
| 5. Improve tenure security | 14. Reforest degraded land |
| 6. Devolve forest management to local communities | 15. Alternative livelihood programs |
| 7. Forest certification | 16. Agricultural intensification |
| 8. Conservation concessions | 17. Support community forestry |
| 9. Strengthen the protected area network | 18. Improve off-farm employment |

Source: Peskett et al. (2008)