The Forests Dialogue
Washington D.C., U.S.
March, 2013

Background Paper for REDD+ Benefit Sharing Dialogue

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1. Introduction

Building on the wealth of information produced by various entities on Benefit Sharing to date, this paper will provide an overview of 1) the current international context on Benefit Sharing 2) main challenges in development and implementation of Benefit Sharing at country and project levels 3) some suggested ways forward. This paper serves as a reference document for dialogue participants and aims to stimulate in-depth discussions on the topic during the dialogue.

1.1 Definitions

In the discourses around REDD+ Benefit Sharing, some of the terms have been used interchangeably or without a clear definition. To avoid confusion, this section clarifies the use of some important terms in this paper.

Benefit Sharing vs. REDD+ Benefit Sharing Mechanisms

REDD+ Benefit Sharing Mechanisms are used to refer to the variety of institutional means, governance structures and instruments that ensure the sharing of benefits from REDD+ programs. (Luttrell, 2012).

REDD+ Benefit Sharing is used more generally and refers to a commitment to share benefits from REDD+ with a range of designated participants or affected stakeholders (Mwayafu D. M., 2011). As the paper will later discuss, a variety of issues around benefit sharing are yet to be more clearly defined, for example, who can benefit, on what basis and in what forms.

REDD+ Co-Benefits vs. REDD+ Benefits

Following UNFCCC's terminology, the main benefit generated by REDD+ is emission reduction while all the other non-carbon benefits fall under the category of "co-benefits". Whether to use the term of "co-benefits" or not remains controversial as some feel that "co-benefits" imply that non-carbon benefits are less important than emission reduction. (UNREDD, 2009; TFD, 2012) [2]

Recent studies on REDD+ Benefit Sharing have generally adopted a boarder view of REDD+ Benefits to include the whole range of benefits from REDD+ (emission reduction, improved income, social and environmental benefits). These benefits are categorized into **monetary benefits** and **non-monetary** benefits: (PROFOR, 2012; Angelsen, 2012; Madeira, 2012)

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[1] George Neba Akwah (IUCN), Diji Chandrasekharan Behr (World Bank), and Grace Wong (CIFOR) provided valuable comments for this paper.

[2] The term "multiple-benefits" of REDD+ are also widely used. Some use "multiple benefits" to refer to only non-carbon benefits while others use "multiple-benefits" to refer to all types of benefits REDD+ can provide.

- **Monetary benefits:** benefits that can be quantified and valued in financial terms; e.g. income from emission reduction; improved income from sustainable management of Non-timber forest products; salaries; tax reliefs etc.
- **Non-monetary benefits:** benefits that are difficult to value in financial terms; e.g. increased skills and knowledge through capacity building; formal land titles; improved access to natural resources; improved market access etc.

REDD+ Costs vs. Budgetary Costs

REDD+ implementation comes with costs, which are borne by different actors and at different levels. Inappropriately mixing different types of costs, different actors and scales can result in misleading estimates of net benefits. There are two main types of costs: 1) Opportunity costs: the cost of REDD+ activities measured in terms of the value (monetary or non-monetary) of the next best alternative forgone; 2) REDD+ implementation and transaction costs: the direct expenses required in setting up a REDD+ system and implementing the necessary policies to achieve REDD+ (Luttrell, 2012). The sum of the two different costs (minus the implementation costs that directly compensates monetary opportunity costs) provides an estimate of the total costs to a country of avoided deforestation and degradation (Angelsen, 2012). Recent discussions on REDD+ Benefit Sharing have focused mainly on the monetary opportunity costs while the non-monetary opportunity costs can be vital in determining stakeholders' actions. Some examples of non-monetary opportunity costs include political power, quality of life, job security, labor and time required by a certain activity. At project level, in reality, the utility of opportunity costs can be limited as compensation can be formalized through negotiated amount which may not need to cover opportunity costs depending on terms of agreement and local context (Chandrasekharan Behr, 2012). Clarity of the actors and scale is important in a costing exercise as the end goal is to sum up all costs of REDD+ in a given accounting framework without double-counting. This accounting framework is from a social welfare perspective, which is different from the budgetary perspective, which is further discussed below.

Another type of costs REDD+ countries are interested in and apply in their national REDD+ plans is the government's budgetary costs of REDD+. Budgetary costs will depend on policies chosen (e.g. command and control, voluntary programmes, etc.) and their effectiveness. For Payment for Ecosystem Services (PES) schemes, budgetary costs can equal opportunity costs from foregone tax revenues in the next best alternative land use, plus the transaction/implementation costs of implementing PES policies. For other REDD+ policies, there may not be a direct link with opportunity costs, for e.g. the increase of enforcement of forest laws and regulations will include budgetary costs for increased number of forest guards and capacity building at local government level. (Angelsen, 2012)

1.2. General Principles

It is now widely accepted that REDD+ Benefit Sharing should be **effective**, **efficient** and **equitable**.

Effectiveness: Ensuring that REDD+ benefits reach those who contribute to reduced or sequestered emissions and create the right incentives for them to continue doing so in the long term (Davis, 2012).

Efficiency: Ensuring that the benefit sharing mechanism maximizes benefits on each unit of input and delivering benefits in a reasonable amount of time.

Equity: Ensuring that benefits are shared among all legitimate actors in a manner that is widely perceived as fair (Davis, 2012). This process embodies a variety of ideologies including equal opportunities, poverty alleviation and equal compensation.

In practice, trade-offs among the three objectives are inevitable. The trade-offs need to be carefully balanced in the design and implementation of REDD+ Benefit Sharing to ensure the legitimacy of the process. A focus on effectiveness and efficiency could result in unfair incentives (e.g. rewarding wealthy actors for reducing their illegal behavior), increasing inequality and undermining the moral and political legitimacy of REDD+ (Luttrell, 2012). Equity requires participatory approach and creating incentives for those who may not be the biggest emitter of carbon. On the other hand, some also argue that an equitable approach can ensure long-term effectiveness and efficiency of REDD+ by reducing the transaction costs and risks associated with REDD+ investments. (TFD, 2012)

2. REDD+ Benefit Sharing in International Context

A global economy of increasing land-use competitions

In the mid-2000s, the global economy experienced a commodity boom, with prices for food, fuel and metals reaching unprecedented levels. This commodity price boom has lead to a global rush to secure access to land for agriculture and mineral development (Cotula, 2012). Increased competition for forestland will most likely increase the costs of REDD+ and change political dynamics concerning land use planning (Angelsen, 2012).

For REDD+ to effectively reduce pressure on forests, the dynamics among different land uses (food, fuel, fiber and forests) need to be understood. Financial mechanisms based purely on opportunity costs, such as Payment for Ecosystem Services (PES) may no longer work given the increasing profitability of other land-uses. REDD+ will need to combine market-based payments with regulatory approaches. There is an increasing international focus on a broader landscape approach that includes REDD+ as one of the policy tools (Griffiths, 2012).

Development aid budget as the main funding source for REDD+

REDD+ implementation has been gradually scaled up on the ground but a legally binding international policy framework for REDD+ is still absent. Currently, the main financing source for REDD+ is from development aid budgets (two thirds of current international funding) complemented by private sector contributions. And the private sector funding is mainly through corporate social responsibility and voluntary carbon markets (Angelsen, 2012). In the near-term, as countries are still struggling between phase 1 & 2[3] of REDD+, most funding for REDD+ will continue to come from the public sector. This means that REDD+ Benefit Sharing design and implementation will have a close link to development agenda in the near-term as discussed below.

Broadening of objectives and performance criteria of REDD+

Since the inclusion of REDD+ in the climate change mitigation strategy at COP 13 in 2007, there is a relative decrease in the emphasis on climate protection through emission reductions and a relative

[3] Phase I: National REDD+ strategy development and capacity building ; 2. Policies and measures; 3. Result-based payments. (Meridian Insitute 2009)

increase in the emphasis on co-benefits, especially poverty reduction (Angelsen, 2012). This reflects the current nature of REDD+ funding: the dominance of development aid budget. It also reflects the diverse stakeholder interests pushing different REDD+ agendas.

On the one hand, the broader scope supports a “no regret” approach for REDD+ by delivering development outcomes when the future of global emission reduction scheme remains unclear. By meeting diverse interests, REDD+ could also establish broader coalitions to secure strong and sustained political support. On the other hand, too broad a focus may decouple REDD+ finance from performance-based payments for emission reduction, which is the essence of the original idea. Challenges remain as how to balance different environmental and development goals of REDD+ without losing sight of the key features that made REDD+ worth pursuing in the first place. To achieve a balance, more considerations should be given towards performance-based payments for co-benefits closely tied to REDD+ objectives (Angelsen, 2012).

REDD+ countries as key decision makers on REDD+ Benefit Sharing

Currently, REDD+ countries are left relatively free to decide and implement their own Benefit Sharing Mechanisms. In most countries, rules are still unclear surrounding how the benefits (and costs) of REDD+ will be shared. While some call for clearer international guidance on how to design an effective, efficient and equitable benefit sharing for REDD+; others view international rules on benefit sharing as interference with national sovereignty. Lessons can be learnt from the Convention on Biological Diversity’s Nagoya Protocol on benefit sharing (CBD,2011). The CBD guidelines lay out the general framework, definitions and principles for benefit sharing but leave enough room for countries to decide on the specific mechanisms and policies.

3. Key Issues for REDD+ Benefit Sharing at National and Project Level

By reviewing some recent studies and country proposals on Benefit Sharing, this section examines some of the critical components for REDD+ Benefit Sharing that can benefit from more discussions and clearer vision on their practical implications for REDD+ countries. The key issues include who can have a share of benefits, on what basis, in what forms, and through what distribution and decision making mechanisms. All these issues are important, interlinked and will have implications on whether REDD+ benefits can be shared in a fair and efficient manner and lead to emission reduction. Project level initiatives are providing valuable lessons on those issues but challenge remains in linking those lessons from the ground to national level policies.

3.1. Who can have a share of the benefits?

Enough people must benefit to foster legitimacy for REDD, but if too many people benefit from something they did not contribute to, it will dilute incentives (Lindhjem, 2010). While there is general agreement that identification of beneficiaries should be done in a participatory manner including local stakeholders, experts and government, debates over the following issues still exist.

Should illegal activities be rewarded?

There is concern that payments to reduce illegal deforestation are particularly likely to create perverse incentives, increasing the tendency to ignore environmental laws. However, the fact remains that in regions of rapid deforestation, environmental laws are widely ignored and much of the deforestation is illegal (Sunderlin, 2012). Legal rights (whether statutory or customary) are rights that are bestowed on a person or entity by a particular legal system. However, in most countries, establishing legal rights, including rights to carbon, are not straightforward and are rooted in centuries of land-use and political histories. Many small-scale forest users including indigenous peoples do not possess formal rights to land or forest products and thus may be deemed to be illegal forest uses (Luttrell, 2012). Therefore, REDD+ projects must find ways to address deforestation and degradation activities that may not have legal basis based on specific national context.

Should low-emission forest stewards be rewarded?

From an equity standpoint, some argue that REDD+ benefits should not only go to the actors that have been causing high emissions but also to forest stewards who have been using forests responsibly. However, additionality in emission reduction is hard to prove or minimal in many cases. In some cases though, payments to forest stewards can be designed to improve the enforcement of law against direct drivers of deforestations that are associated with higher emissions (Luttrell, 2012).

Should effective implementers be rewarded?

Options also differ on the proportion of REDD+ benefits that should be shared with forest actors that are essential for the implementation of REDD+, especially for private sectors and governments. The challenge is to ensure that project implementers receive enough incentive to guarantee effective implementation, while at the same time preventing them from getting windfall profits, which may compromise the equity of benefit sharing (Luttrell, 2012). Some argue that governments should not receive net-benefits from REDD+ as it is their duty to ensure sustainable low-emission development of their country. The revenue from REDD+ should only be used to cover actual implementation, transaction costs plus any opportunity costs incurred (UNREDD Viet Nam, 2010).

3.2 On what basis can benefits be shared?

There are two main approaches used to determine whether benefits can be shared: (PwC, 2012)

1) Performance-based arrangements distribute benefits on the condition that the stakeholders receiving the benefits have achieved a predefined, measurable and verifiable standard of performance against a baseline;
2) Input-based arrangements: beneficiaries agree to carry out specified actions, or refrain from certain actions, in return for up-front monetary or non-monetary benefits. No link is provided between the distribution of benefits and future measurable performance in forest management.

Ideally, REDD+ should be a purely performance-based arrangement as it is designed to have a clear performance to measure against (emission reduction). But in reality, inputs are easier to define and measure than additionalities of emissions reduction. In the early stage of REDD+, there is also a need to provide actors with incentives for getting involved even if additionalities cannot be achieved or measured yet. Confusions also exist as to how to link performance-based payment for emission reduction with conditionality of co-benefits. At project level, CCB standards provide a solution to provide premium payment for co-benefits (CCB, 2008). At national level, some experts have suggested a combination of performance valuation and input-based evaluation for other policy goals as long as the bulk of the payment calculation in performance-based terms (UNREDD Vietnam Program, 2010).

While Measurement, Reporting and Verification (MRV) for greenhouse gas (GHG) emissions and removals are quite defined under voluntary carbon markets and UNFCCC, confusion still remains over the MRV for performance during the initial phases of REDD+ to build up policy and institution frameworks for emission reduction. As most countries will remain in the first two phases of REDD+ in the near future, good performance indicators and monitoring systems for those indicators are critical for the readiness and policy reform phases of REDD+ to reduce the dependence over inputs-based approach (Wertz-Kanounnikoff, 2012).

3.3 In what forms can benefits be shared?

A variety of monetary and non-monetary benefits are relevant to different stakeholders and can be used to align groups' different interests with the long-term goal of reducing emission through deforestation and degradation (Madeira, 2012). Monetary benefits offer more flexibility for stakeholders but are also more vulnerable to elite capture and corruption (Costenbader, 2011). Non-monetary benefits can help establish the enabling conditions that can sustain benefits in the long-term: for example, more secure rights over land and natural resources (Chandrasekharan Behr, 2012). However, some non-monetary benefits may take a longer time to deliver results (e.g. land tenure reform) and, in some cases, are harder to establish a direct relationship with performance-based payment (e.g. development activities like road and school constructions may not necessarily produce higher emissions reductions). Challenges remain as how to best balance monetary and non-monetary benefits and how to share which benefits with which stakeholders.

3.4. How can monetary REDD+ benefits be distributed?

While the non-monetary benefits can be directly linked with stakeholders' incentives to participate, monetary benefits of REDD+ need a more sophisticated distribution system to achieve effectiveness, efficiency and equity. A financial structure for REDD+ will depend on the country context, including existing institutions and tenure regime, financing source, and the program's focus. A recent TNC study grouped the national finance mechanisms into three types of arrangements based on who has the direct access to funding and the degree of integration into existing government structures (Madeira, 2012):

1) Dedicated fund: Funds are held, managed, and disbursed through a structure that is separate from the national budget. e.g. Amazon Fund;
2) Budgetary approach: Funds are disbursed via existing budgetary structures and pathways. e.g. Indonesia;
3) Decentralized approach: Sub-national and project-level actors can directly access funds. The central government plays a regulatory role and has a limited financial role. However, the central government may collect a levy on revenue generated to cover its regulating costs or/and to fund social priorities. E.g. participatory forest management approaches for REDD+ including community forestry in Tanzania.

Under a nested approach, national and sub-national actions will require different financial structures to incentivize actions at the different levels. Different funding mechanisms can also be matched with different policy approaches to support effective implementation: e.g. a budgetary approach is more suitable when implementing governance enhancement (e.g. tenure clarification, law enforcement); a dedicated fund is more suitable for PES schemes at national level; a decentralized approach can be used when there is a combination of governance enhancements (decentralization of rights) and PES schemes. Countries may choose to adopt a combination of finance mechanisms, e.g. Vietnam is proposing a dedicated national REDD fund that is separate from the national budget. At same time, provincial/disctrict funds that mirror the national one will be established and have access to national funds and potentially other streams of funds in a nested approach. (UN-REDD Vietnam Program, 2010).

However the multiplicity of financial schemes and structures could lead to more complex administrative bureaucracies and potentially higher transaction and implementation costs. There is yet much to be discussed: how cans a country decide which finance mechanisms to use? How can multiple mechanisms at different levels be integrated with different policy approaches and still be efficient? (PwC, 2012; Madeira, 2012)

At project level, challenges mainly concern the horizontal distribution of benefit sharing (Lindhjem, 2010). Depending on the targeting and equity objectives of a project, general questions include but are not limited to: 1) Should benefits be distributed at a community, household or individual level? 2) How to ensure that benefits are delivered to vulnerable groups such as ethnic minorities, the smallholders, landless poor, women and children?

3.5 How can decisions be made about REDD+ Benefit Sharing?

Given the diversity of stakeholders and views, the legitimacy of the decision making institutions and processes is crucial for the effective and sustainable design and implementation of a benefit sharing mechanism. Yet the due process for making decisions about benefit sharing and the bodies that have the legal rights to do so remain unclear (Luttrell, 2012). General principles that have suggested for a due process include 1) transparency, 2) multi-stakeholder engagement, and 3) accountability. The decision making body at national level also should involve different ministries (environment, agriculture, finance etc.) and a dedicated planning committee that coordinates between different sectors. UNREDD also require that FPIC guidelines be applied when decisions are made concerning sharing of benefits that are derived from the lands, territories, and/or resources of indigenous peoples and forest-dependent communities (UNREDD, 2013).

It remains unclear what level of details national policy on REDD+ Benefit Sharing should entail. This also implicates what types of decision making bodies are needed at national and sub-national levels. Some suggest that consideration of local opportunity costs and benefit preferences is especially relevant in delivering the right size and type of REDD+ benefits. Thus, specific rules on benefit sharing are likely to be developed at a sub-national or project level by local government, project developers, or other “intermediaries” between communities and the larger REDD+ system. Overarching guidelines and safeguards can be developed at the national level by the central government in consultation with relevant stakeholders (Costenbader, 2011; Davis, 2012).

3.6 How to achieve efficiency?

Besides opportunities to maximize revenue and non-monetary benefits from REDD+, there are opportunities to reduce costs of REDD+ without compromising the objectives of REDD+ as well (TFD, 2012). Some of the key issues for balancing costs and other objectives of REDD+ are discussed below.

The role of governments at different levels: Project-based mechanisms that can bypass levels of governments and that can be linked directly with international investors or markets are often seen as an efficient option as they can minimize transaction costs and maximize local benefits (Davis C., 2012). However, the principle of subsidiary contradicts this by suggesting that greater efficiency is achieved by locating powers and tasks at the lowest possible administrative level and furthermore, bypassing local government institutions undermines their legitimacy in the long-term, and weakens existing accountability mechanisms (Angelsen et al., 2009). In the case of REDD+, some activities may be best handled at the central level to contain leakage (Luttrell, 2012). Vietnam has piloted three levels of REDD+ funds (national, provincial and district). This has generated a rigorous discussion for choosing a viable option though it is not yet clear how many levels are the most cost-effective approach (UNREDD Viet Nam, 2010).

There is also discussion on the trade-offs between additionality and efficiency. A recent USAID study suggests that REDD+ projects are more likely to succeed with communities in the short and long term if there are already existing incentives in place to protect or sustainably manage their forests. In those cases, the additionality of REDD+ may be less clearly defined, but REDD+ benefits in combination with existing incentives will have minimal costs and can create more motivation for behavior changes. . Therefore, REDD+ benefit sharing mechanisms that are designed in ways that augment existing incentive systems are likely to be more sustainable. This type of approach could also reduce transaction and/or opportunity costs of REDD+ implementation by building on existing policy, financing and governance frameworks (Davis C., 2012).

3.7 Cross-scale linkage:

Project level initiatives have the advantage of serving as pilot cases, yielding innovative lessons for benefit sharing mechanisms, which can then be incorporated into national policies. But reviews of existing projects and initiatives suggest that scaling up project-level experiences to national-scale policy framework remains challenging (Angelsen, 2012; Costenbader, 2011).

Project level autonomy runs the risk of project initiatives developing in parallel to national policies, possibly outside of the legitimate democratic space. CIFOR’s review of the first generation of REDD+

initiative identifies the urgent need for mechanisms that facilitate cross-scale linkages in the design of policies and institutions for REDD+ Benefit Sharing (Angelsen, 2012).

4. Some Suggested Ways forward

Recent studies have shed light on how to address challenges associated with REDD+ Benefit Sharing by learning from existing mechanisms aimed at managing natural resources, creating incentives for sustainable management, and distributing the benefits generated by natural resources. This section introduces some of the practical frameworks that can help address some of the challenges listed above. It is not meant to provide an exhaustive list of options but rather to stimulate discussions on solutions during the dialogue.

4.1 Identifying beneficiaries

A recent study commissioned by PROFOR identifies steps to identify REDD+ beneficiaries in situations where rights over carbon and carbon bearing resources are legally uncertain while working towards addressing fundamental inadequacies in legal framework. The study proposes a pragmatic approach that takes into account existing property rights and deal with historic claims under custom even when not recognized by the law. It also addresses the existence of potentially illegal interests in income streams from the resources. Key steps for identifying beneficiaries include:

- Developing a tentative understanding of what "legitimacy" means in a given context, tied to claims and uses of natural resources and required changes in incentives.
- Identifying beneficiaries in a participatory approach that involves local stakeholders, experts and government. And this approach will include:
    - Assessment of the legal framework and property rights relevant to forest resources;
    - Assessment of perceived rights and incentives;
    - Identification of communities and other stakeholders and the benefit they derive from natural resources.
- Distinguishing among beneficiaries based on the legal basis of their claims. This determines the extent to which certain kinds of benefits may be due by law versus benefits that need to be negotiated.

In the overall process, the study suggests a focus on existing benefit streams and the property rights underlying those streams when planning new benefits from REDD+. Contracts and promulgation by government of a regulation under an existing law are suggested as tools to help provide beneficiaries security when laws remain unclear (Bruce, 2012).

4.2. Mapping stakeholder priorities and identifying incentives

Once beneficiaries are identified, REDD+ programs need to map stakeholders' divergent priorities and constraints in order to tailor incentive arrangements that motivate these groups to change their behaviors (Madeira, 2012).

The decision on whether to transfer benefits in cash or in kind should be identified through stakeholder engagements. If recipients are generally indifferent, then the advantages associated with cash and in-kind transfers should be carefully weighed and assessed (Mohammed, 2011).

The mapping of incentives should be periodically assessed and changes in incentives should be made accordingly. This will require a complementary program for measuring and monitoring change. To minimize the implementation and transaction costs, reiterative incentive mapping can be done through existing multi-stakeholder mechanisms and processes.

4.3. Financing multiple objectives of REDD+: Stock-Flow Approach

The Nature Conservancy (TNC) has suggested the "Stock-Flow Approach" to finance REDD+ at international, national and sub-national levels (Madeira, 2012; TNC, 2011). As succinctly summarized by TNC, the stock-flow approach proposes that effectiveness, efficiency and equity are best achieved through separate channels because trade-offs exist between three objectives. According to this line of thinking:

- Actors that reduce their emissions from deforestation and degradation below a historical reference emissions level would be eligible for performance-based payments and/or other benefits;
- A portion of the emission-reduction-based revenue would accrue to a stabilization fund that would be used to support actors who have historically maintained low rates of deforestations;

The stabilization fund would support the maintenance of existing forest carbon stocks; motivate broad support of program; and avoid displacement of deforestation pressure to areas with high stocks and historically low deforestation. Both public and private fund can supplement the stabilization funds. Eligibility criteria will need to be established for Stabilization Fund payments.

4.4 Maximizing benefits of REDD+ through decentralized approach: Investing In Locally Controlled Forestry

Under REDD+, the benefits from emission reduction alone do not seem entirely sustainable, as forest dwellers, farmers, and loggers will all need new long-term alternative economic opportunities to replace past practices (Angelsen, 2012). A recent initiative supported by Growing Forest Partnership and The Forests Dialogue has identified Investing in Locally Controlled Forestry as a key tool to realize and sustain multiple benefits of REDD+ (Elson, 2012; Macqueen, 2012).

Locally Controlled Forestry (LCF) means "the local right for forest owner families and communities to make decisions on commercial forest management and land use, with secure tenure rights, freedom of association and access to market and technology". LCF offers a rights-based, decentralized model for

REDD+ Benefit Sharing, as the rights holder will decide their own benefit sharing mechanisms in accordance with national guidelines. LCF can also help lower implementation and transaction costs for REDD+ as LCF-linked REDD+ projects would be most likely operating in a well-defined area with clear governance regimes, possibly linked to forest certification schemes (Macqueen, 2012). LCF can help ensure legitimacy of REDD+ Benefit Sharing as decisions are made by rights holders within a relatively defined business model that already handles other income streams from their forests. ILCF emphasis on investment in people and landscapes combined with ongoing improvements to financial mechanisms and land tenure. The ILCF model can provide sustainable monetary benefits from commodities that have a certain demand and ready market in addition to REDD+ benefits. In the long run, ILCF leads to economic development and improves the political economy in a manner that can help developing countries shift towards a more sustainable low carbon development path. (Elson, 2012)

5. Conclusions:

Discussions on REDD+ Benefit Sharing should consider the current international and national contexts. With no international commitment to emission reduction targets on the horizon, REDD+ countries will need Benefit Sharing mechanisms that can accommodate different types of REDD+ benefits and for all phases of REDD+.

There is no one-size-fit-all Benefit Sharing mechanism for REDD+ countries as different policy contexts, socio-economic dynamics and tenurial system will require different solutions. But lessons can be learnt from REDD+ pilots and existing mechanisms for benefit sharing under different conservation and sustainable development schemes. Considerations should also be given on how to properly scale up those lessons learnt and link them to policies and governance at both local and national scales.

Further discussions are needed to understand how to practically design and implement key components of REDD+ Benefit Sharing at local, national and international levels.

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