

Breakout Group Session I

Group Presentations

Thursday, 26 September

GROUP 1

How can national program
accommodate different local context?
(bottom-up approach/stakeholders)

- National level has to provide the macro framework and guidance for local governments. (often strong regional differences)
 - Details at sub national developed through participatory process
 - Roles and responsibilities of different stakeholders
 - Incorporation of local priorities and customary laws
 - Social and environmental safeguards (e.g. free access to information)
- A well designed process is a key factor for both national and sub national approaches, and the following translation to the field.
 - It is difficult to design a national program from scratch → it is essential to use existing national/sub-national frameworks
 - Performance criteria for benefit sharing
 - Formulated according to payment basis (forest cover, PES,...)

- Bottom-up approach can be supported by using existing system (e.g. PFES, community forest management schemes, etc.)
 - Provides detailed information
- Sustainable land use comes with different layer and issues, which may not be implementable without experience (e.g. Mexico)
 - Perverse incentives
 - Stepwise approach difficult to address (multiple layers)
 - Cross-sectoral integration
- Ensuring FPIC it is integrated in REDD+ mechanism design and benefit sharing mechanisms.

Group 2: how to identify
beneficiaries when rights are not
clear?

Different levels

- International
- National
- Provincial
- District
- Commune
- Community
- Household
- individual

Types of rights

- Tenure: ownership, use, access, management, exclusion, alienation
- Human rights: self-determination, participation
- Traditional customary rights vs. legal rights
- Overlapping rights (resources, sectors, systems)

Beneficiaries

- Who are beneficiaries that have access to what specific benefits?
- Those living close to forests (not absentee landlords), forest owners/managers

If rights are unclear, how to identify beneficiaries?

- Option 1: clarify rights
- Option 2: identify beneficiaries on other bases (i.e., other equity discourses), such as:
 - low-emitting forest stewards
 - those incurring costs
 - Facilitators
- If they have the authority to do so, communities may be very capable of defining beneficiaries at their level

TFD Vietnam BENEFIT SHARING DIALOGUE:

*“On what basis can these benefits be
shared?”*

RAPPORTUER -- BREAKOUT GROUP 3

Overview of the discussion

1. Local context & the activity matters
2. Financing - how much is available?
3. Transaction costs
 - Understand existing landuse patterns and dependency on nature by holders
4. Need flexibility in the approach over time
5. Poverty – equity & legitimacy

1) Depends on the level...

- Context specific:
 - ~~International (not considered by the breakout group)~~
 - National
 - Subnational including village/commune level
- Activity specific:
 - Each REDD+ eligible landuse activity may require a different incentive and a different mechanism design
 - Temporal considerations to the payments (e.g. agroforestry vs conservation)

2) Financing – “the cake discussions”

- “How can we talk about how to share the cake when there is no cake on the table?”
- OK - but there is perhaps in fact already some REDD+ cake on the table even if no cash from donors
 - in fact the cake is land access – that is one of the potential incentives that would drive change in landuse behavior
 - if you take PFES as an example, more land = more payment, therefore land is in fact the most important factor
 - access to credit
 - Tax breaks/incentives from government

3) Transaction costs

- Simply put – REDD+ can't always compensate or outcompete certain alternative landuse types such as rubber or coffee
 - these landuse decisions may not be changed by the incentives provided by REDD+
- Not just the opportunity cost of time, but also a question of legality
 - if the alternative landuse is in fact illegal then the opportunity cost is zero if there is in fact enforcement thereof (ie coffee encroachment on a forest protection reserve)
- Enterprises may also have transactions costs and could have access to payments

3) Transaction costs

- Critical role for landuse planning & documenting the existing use of land
 - There is a necessary role of the state to decide what/where landuse occurs
 - regulations, programs and laws shape & complement the financial incentives provided by 'donors': set guidance/options.
 - But this needs to be complemented with the ideas and consent of local peoples
- No transparency = no outcome
 - Vertical sharing of funds will be necessary with transparency about the amount being held back at each level (e.g. the 5% from PFES for contingencies and 0.5% for

4) Flexibility in the approach over time

- We are talking about REDD+, but let us also not limit ourselves to just a single example of PFES mechanism/model
- Role of traditional & customary law needs to be accommodate
- At national level, it depends on what the goal of the national REDD+ strategy is: carbon-only, or like Nepal where it specifically targets poor/marginalized households (social outcome);

5) Poverty – equity & legitimacy

- Economic development vs poverty reduction
 - the latter example involves the targeting for the design of the activity
- Classic tradeoff between equity and effectiveness
 - 10 large landholders could best generate 90% of the reductions ie effective; but certainly not equitable
- “Should the REDD+ strategy and planned activities target those that are the most dependent on the resource?”
 - The poor may not actually be the ones making the landuse changes, but they would be benefitting
- Balancing objectives within & between approaches
 - “what goes to whom?”

Group 4 discussion

- Question: How can PFES be adapted to performance-based payment scheme for REDD+ ?
- Điều chỉnh cơ chế chi trả PFES như thế nào để có thể trở thành cơ chế chi trả theo kết quả trong REDD+?

Group 4 discussion

- Performance-based payment is requested and guided by PFES regulations (Circular No. 80/2011/TT-BNNPTNT and Circular No. 20/2012/TT-BNNPTNT).
- Two indicators:
 - Area of forests under protection
 - Quality of forests (K1 coefficient)
- Monitoring and verification should be done before payment

Group 4 discussion

- These indicators and approach could be applied for performance-based payment for REDD+.
- Monitoring and verification must be done before payment. However, human resources and technical capacities should be improved, and independent verification should be applied