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TFD Mini-Dialogue on REDD+ Benefit Sharing

11 September, 2012

IUCN World Conservation Congress—Jeju, South Korea

On 11 September, The Forests Dialogue (TFD) teamed up with IUCN to lead a timely “mini-dialogue” on the current challenges related to REDD+ benefit sharing. This dialogue was designed to serve as a platform for sharing current thinking around benefit sharing and for brainstorming possibilities for future collaboration among participants. Differing from the standard two- to four-day dialogues hosted by TFD, this open, half-day session brought together 25 participants during IUCN’s World Conservation Congress in Jeju, South Korea.

The dialogue started with brief presentations on the findings from TFD’s REDD+ Readiness Initiative, and on the key elements and challenges related to developing efficient and equitable benefit-sharing mechanisms. The conversation that followed is summarized below. While the dialogue focus was on REDD+ benefit-sharing mechanisms, many of the points below relate to REDD+ implementation in general. Due to the diverse nature of the participants, some discussion was used to establish a baseline of the issue before the specifics of benefit sharing were addressed.

KEY CHALLENGES

Building on the information presented, participants highlighted the following key challenges for designing and implementing an effective, efficient and equitable benefit-sharing mechanism for REDD+:

Key actions for facilitating an enabling international policy framework:

- ➔ At the international level, develop and agree upon the key elements of benefit-sharing mechanisms that respond to local needs;
- ➔ Clarify commonly used terms: currently, “benefit-sharing,” “benefit-sharing mechanisms” and “pricing approach” are used interchangeably;
- ➔ Identify benefit-sharing mechanism designs that factor in transboundary forest carbon and thereby assist in mitigating leakage;
- ➔ Establish the role of market-based funding for REDD+ and its links to non-market approaches. If there is a role for a market-based approach, how can an international market for REDD+ be established and made sustainable?

Steps for scaling up benefit-sharing projects:

- ➔ Move beyond the current project mentality that is linked with the voluntary market to an international agreement on REDD+ that can function at a broader (i.e., national) scale;
- ➔ Align benefit-sharing demonstration projects designed for REDD+ with national programs.



Strengthen capacity in REDD+ countries:

- ➔ Build capacity for Monitoring, Reporting and Verification (MRV) for performance-based benefit sharing;
- ➔ Ensure performance-based, horizontal benefit-sharing processes that address financial realities and drivers of deforestation at the household level;
- ➔ Define roles of local and district government in managing REDD+ funds.

Implementing a pro-poor and rights-based approach:

- ➔ Clarify the issue of carbon ownership and ensure an ownership structure that benefits forest-dependent peoples;
- ➔ Clarify benefits (monetary and non-monetary) and how these benefits will reach “local” beneficiaries;
- ➔ Apply the principle of free, prior and informed consent (FPIC) and involve forest-dependent communities in designing and implementing benefit-sharing for REDD+;
- ➔ Develop equitable agreements between forest communities and the government or private sector;
- ➔ Establish community-based organizations (e.g., associations and federations) to help create investment in REDD+ projects at scale. Ensure government supports those community organizations;
- ➔ Realize communities’ expectations of the benefits from REDD+.



The “priorities” wall



Kenneth Angu and Mike Speirs

Consider the drivers of degradation and deforestation:

- ➔ Ensure REDD+ payments will be sufficient to replace other competing land-uses or drivers of deforestation and degradation;
- ➔ Determine eligibility criteria that are broad enough to include non-forest area beneficiaries.



Dialogue participants

Participants also raised the following questions and points:

- ➔ How can the high costs related to implementing REDD+ be lowered so that there will be sufficient benefits to be shared?
- ➔ There is a need to build conflict resolution agreements for both horizontal and vertical benefit-sharing mechanisms, although the type of resolution mechanism and roles in administering these functions remain unclear;
- ➔ Uncertainty remains as to whether the price of carbon should also reflect co-benefits. If this is the case, significant public discussion remains on how to ensure that carbon payments will reward other ecosystem services and social values that forests provide;
- ➔ Key stakeholders involved in designing and implementing benefit-sharing mechanisms may be different than those consulted for the design of national REDD+ strategies. Governments should identify these stakeholder groups and consider how to best involve them in the process.



Xiaoting Hou presentation

WAYS FORWARD

The mini-dialogue participants prioritized these key areas for further discussion: (i) reducing the costs of REDD+ implementation; (ii) conflict resolution; (iii) participatory approaches; and (iv) scaling-up projects on benefit-sharing. Below is a summary of the dialogue on these issues with participants' suggestions for actions that may help to address them.

Reduce the costs of REDD+ implementation

At the national level, the high costs of setting up and implementing REDD+ make it almost impossible to accrue any benefits—and it is even more unlikely that these benefits will trickle down to the local level. To lower the costs of implementing REDD+, participants emphasized the importance of building a REDD+ framework based on existing systems and of using the limited resources available to improve existing mechanisms. For example, the Clean Development Mechanism (CDM) has important lessons for how to build a market for REDD+. It was also noted that hiring foreign consultants is expensive and redirects a substantial portion of the resources dedicated to REDD+; for this reason, more attention should be given to building in-country capacity for implementing REDD+.

At the local level, it is difficult for small-scale projects to be cost effective. Experiences in Latin America indicate that development of REDD+ projects will not be economically viable on land less than 5,000 hectares. However, participants noted that standardized and streamlined national MRV systems may help lower the costs for individual, local projects. Mechanisms to help small communities and landowners achieve economies of scale and lower costs through associations and federations were therefore identified as beneficial tools. Participants agreed that a key lesson from TFD's Investing in Locally Controlled Forestry Initiative is that “enabling investment” is essential to building local capacity and will therefore help lower the costs for REDD+ related investments.²

Conflict resolution

From the very beginning, we must work to reduce the potential for conflicts between stakeholders. To that end, it is important to have clear legal frameworks for rights and responsibilities of all parties. It can be helpful to map out potential conflict scenarios in advance so that measures can be developed to prevent those conflicts. Participants acknowledged, however, that in some countries, conflicting policies are at the root of conflict. During REDD+ readiness processes, despite the political difficulties, those conflicting policies need to be reformed and aligned. Others pointed out that early REDD+ demonstration projects were created before the establishment of clear carbon rights and clear benefit-sharing mechanisms at the national level. This may lead to conflicts later on over how to include those early projects in a national REDD+ program.

For any conflict resolution system, transparency is fundamental. Experiences from payment for ecosystem services (PES) programs show that a trusted third party can be essential in helping to resolve conflict. It is also important to reduce bureaucracy and ensure that conflict can be addressed in a timely manner. We cannot overstate the importance of identifying and learning from existing cost-effective and efficient conflict resolution systems. Where local communities and indigenous peoples are concerned, Free Prior and Informed Consent (FPIC) principles should also be used to design conflict resolution systems.

Designing a participatory approach

When designing a participatory approach, special attention should be given to avoiding elite capture at the local level. It is important to recognize that a participatory process may take a long time to establish. This, however, may be in direct conflict with the timeline set by investors or government agencies. It is therefore important that the different stakeholders discuss these expectations regarding implementation timelines.

Stakeholder mapping can be a useful tool for identifying the key stakeholders and interests in any given project. A participatory approach can then be tailored to each stakeholder group based on their interests, thereby providing sufficient incentives for participation. There is also a need to train good facilitators who understand participatory approaches. In some cases, NGOs that already have credibility in a given area could start REDD+ projects, thus reducing the requirement for further trust building and for additional facilitators.

Scaling up projects on benefit-sharing

At international and national levels, there should be clear guidelines and frameworks for REDD+, to provide the backbone for REDD+ programs at scale. But to be more effective and efficient, REDD+ projects and programs should not invent new sets of guidelines for benefit sharing but should build on existing mechanisms put in place for other forest products. A clear framework could also make it easier to group smaller projects together to reach a larger scale.

At the national level, incentives should be created for pilot projects. The lessons learned from these pilot projects should be shared widely among different stakeholders to further strengthen the community of practice in this area. It is also important that we integrate REDD+ programs into other land-use planning practices (e.g., extractive industries) to incorporate REDD+ into non-forest areas.

Participants cautioned that, based on differing country contexts, the scaling-up process will require different timelines. Countries should be allowed flexibility in moving from the Readiness phase to the Implementation phase, as well as sufficient space to learn by doing.

CONCLUSIONS

The need for this mini-dialogue grew out of TFD's previous collaboration with IUCN in developing a common understanding of the challenges in implementing the REDD Readiness phase at the country level. TFD and IUCN intend to continue the REDD₊ Benefit Sharing dialogues in 2013 and 2014. More information can be found on the TFD website.

REFERENCES

¹ Presentations from the Mini-Dialogue on Benefit Sharing as well as other related materials can be found at: <http://environment.yale.edu/tfd/dialogue/forests-and-climate/mini-dialogue-on-redd-benefit-sharing/>

² Summaries of key findings from TFD's Investing in Locally Controlled Forestry Initiative can be found here: <http://environment.yale.edu/tfd/dialogues/locally-controlled-forestry/>

³ TFD's website: <http://www.theforestdialogue.org>