



USAID
FROM THE AMERICAN PEOPLE

INSTITUTIONAL ASSESSMENT TOOL FOR BENEFIT SHARING UNDER REDD+ PROPERTY RIGHTS AND RESOURCE GOVERNANCE PROJECT (PRRGP)

FEBRUARY 2012

This publication was produced for review by the United States Agency for International Development.

Prepared for the United States Agency for International Development, USAID Contract No. EPP-I-00-06-00008-00, Task Order 2, under the Property Rights and Resource Governance Project (PRRGP) Task 3.3, Climate Change and Tenure Policy Framework Task Order, under the Prosperity, Livelihoods and Conserving Ecosystems (PLACE) IQC.

This document was prepared by Crystal Davis and Lauren Goers Williams of
World Resources Institute
10 G Street, NE (Suite 800)
Washington, DC 20002
Tel: (202) 729-7610

PRRGP is implemented by:

Tetra Tech ARD
159 Bank Street, Suite 300
Burlington, Vermont 05401
Tel: (802) 658-3890
Email: ard@tetrtech.com

Contact Information:

Melissa Hall
Project Manager
Melissa.Hall@tetrtech.com

Matt Sommerville
Senior Technical Advisor/Manager
Matt.Sommerville@tetrtech.com

INSTITUTIONAL ASSESSMENT TOOL FOR BENEFIT SHARING UNDER REDD+ PROPERTY RIGHTS AND RESOURCE GOVERNANCE PROJECT (PRRGP)

FEBRUARY 2012

DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

TABLE OF CONTENTS

TABLE OF CONTENTS.....	I
ACRONYMS AND ABBREVIATIONS.....	II
CONTEXT FOR THE TOOL	I
KEY CONCEPTS.....	I
STRUCTURE OF THE TOOL.....	3
Part I. Institutional Mapping.....	3
Part II. Institutional Assessment.....	3
Cross-cutting themes	3
1.0 PART I: INSTITUTIONAL MAPPING.....	5
1.1 OVERVIEW.....	5
1.2 PART I, SECTION I. VERTICAL DISTRIBUTION.....	5
1.2.1 Sources of REDD+ Finance	5
1.2.2 Management of REDD+ Finance	7
1.2.3 Redistribution of REDD+ Finance	9
1.3 PART I, SECTION II. HORIZONTAL DISTRIBUTION.....	9
1.3.1 Benefit Sharing Institutions	9
1.3.2 Types of Beneficiaries and Benefits	11
1.3.3 Structure of Benefits	13
2.0 PART II: INSTITUTIONAL ASSESSMENT	14
2.1 OVERVIEW.....	14
2.2 FINANCIAL MANAGEMENT	15
2.2.1 Independence and Capacity of Staff.....	15
2.2.2 Quality of Accounting and Financial Management Practices	16
2.2.3 Presence of Independent FINANCIAL Audit and Oversight.....	16
2.3 GOVERNANCE AND OVERSIGHT	16
2.3.1 Transparency and Inclusiveness of Decision-making	16
2.3.2 Presence of Independent Oversight Mechanisms.....	17
2.3.3 Coherence of Legal and Institutional Frameworks	17
2.4 DISTRIBUTION OF REDD+ FINANCE	18
2.4.1 Clarity and Coherence of Vertical Distribution Mechanisms	18
2.4.2 Effectiveness and Efficiency of Disbursements	18
2.5 DISTRIBUTION OF REDD+ BENEFITS	18
2.5.1 Equity of Benefit Distribution	18
2.5.2 Gender sensitivity of Benefit Distribution	19
2.5.3 Efficiency of Benefit Distribution.....	19
2.5.4 Effectiveness of Benefit Distribution	20
2.6 MONITORING	20
2.6.1 Independence and Capacity of Monitoring Institutions.....	20
2.6.2 Comprehensiveness and Effectiveness of Monitoring Activities	20
2.7 CONFLICT RESOLUTION.....	21
2.7.1 Capacity and Authority of Conflict Resolution Mechanisms	21
2.7.2 Accessibility and Effectiveness of Conflict Resolution Mechanisms	21
2.8 COMMUNITY INSTITUTIONS	22
2.8.1 Capacity of Community Institutions	22
2.8.2 Transparency and Accountability of Community Institutions	22
3.0 GUIDANCE NOTE ON DATA COLLECTION AND USING ASSESSMENT RESULTS	23

ACRONYMS AND ABBREVIATIONS

CBD	Convention on Biological Diversity
CCB	Climate Community & Biodiversity
FPIC	Free, Prior and Informed Consent (or Consultation)
HICD	Human and Institutional Capacity Development
ILO	International Labor Organization
NGO	Nongovernmental Organization
ODA	Overseas (Official) Development Assistance
PES	Payments for Environmental Services
REDD/REDD+	Reducing Emissions from Deforestation and Forest Degradation
UN-DRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development

CONTEXT FOR THE TOOL

The concept of Reducing Emissions from Deforestation and Forest Degradation and enhancing forest carbon stocks (REDD+) has gained significant momentum in the last five years as a strategy for mitigating greenhouse gas emissions in developing countries. REDD+ has been envisioned as a performance-based global incentive mechanism, which will financially reward developing countries that are able to demonstrate reduced emissions or increased carbon sequestration from forest areas.

Under a global REDD+ regime, it is anticipated that billions of dollars of public and private finance could be channeled to developing countries. These countries must decide how to spend and distribute funds domestically in order to achieve the objectives of REDD+. Their decisions will likely depend on their particular drivers of deforestation, socio-economic contexts, and institutional and legal frameworks. As a result, countries may differ significantly in how they design and implement REDD+ programs.

Nonetheless, the ways in which the financial benefits of REDD+ are shared with domestic stakeholders – and particularly local resource users – will be critically important to the success of REDD+ in all countries. Emerging international standards and safeguards suggest that REDD+ benefit sharing arrangements should be: *equitable* in the way that benefits are shared among stakeholders, *cost efficient* in delivering benefits, and *effective* in providing incentives and rewards that change the behavior of resource users over the long term in order to reduce emissions. Ongoing governance challenges, such as low institutional capacity, corruption and elite capture, and lack of accountability in decision-making processes are likely to present barriers to achieving this vision of REDD+ benefit sharing in many countries.

The United States Agency for International Development (USAID) is involved throughout the world in supporting REDD+ initiatives. This institutional assessment tool is designed to assist USAID to target and prioritize support aimed to develop new institutions and/or build the capacity of existing institutions for equitable, efficient, and effective REDD+ benefit sharing. It identifies institutional capacities necessary for REDD+ benefit sharing, but does not provide guidance on identifying and implementing solutions to institutional gaps. As a result, this tool provides the technical background that can support process based institutional development models, like the Human and Institutional Capacity Development (HICD) process.

KEY CONCEPTS

REDD+ finance: Funds flowing into a REDD+ host country from public or private sources to support REDD+ actions or to reward performance.

REDD+ benefits: Cash or in-kind benefits received by domestic stakeholders as an incentive or reward for their contribution to REDD+ programs.

Human and Institutional Capacity Development: HICD is a USAID model of structured and integrated processes designed to identify fundamental causes of performance gaps in host country partner institutions, address gaps, and enable processes of performance improvement through performance monitoring systems.

Vertical distribution: The top-down or bottom-up redistribution of REDD+ finance among government and/or non-government actors at different scales (e.g. community – district – province – national) via fiscal transfer mechanisms (e.g. taxes, fees, budgetary allocations, grants, etc).

Horizontal distribution: The sharing of REDD+ benefits among stakeholders at a particular scale (e.g. within a specific watershed, district, community, etc).

Benefit sharing institutions: The organizational entities (governmental or non-governmental), rules, and procedures governing the vertical distribution of REDD+ finance and the horizontal distribution of REDD+ benefits.

Box 1 Equity, Efficiency, and Effectiveness in REDD+ Benefit Sharing

This assessment tool refers to effectiveness, efficiency, and equity (the 3 Es) as key criteria for assessing REDD+ benefit sharing mechanisms and national REDD+ programs more broadly. The tool employs Angelsen et al.'s (2009) widely accepted definitions of these terms in the context of REDD+:

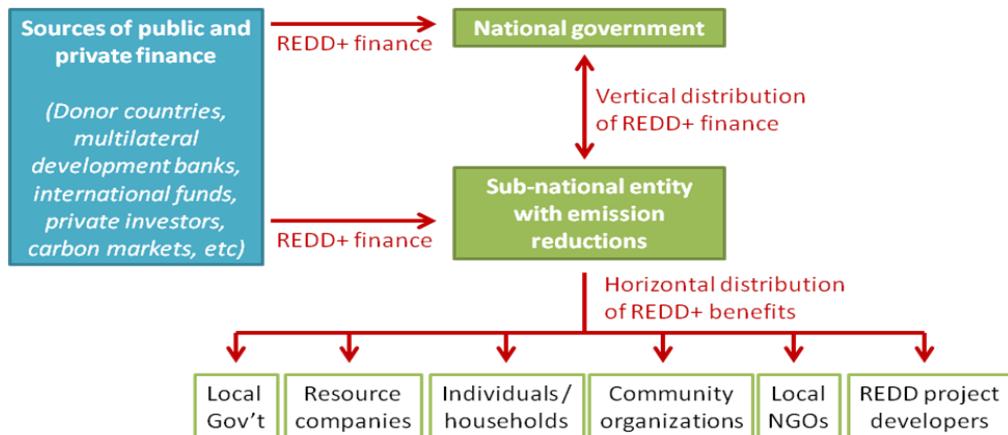
- **Effectiveness:** The amount of emissions reduced or carbon stocks enhanced by REDD+ actions. Effective REDD+ actions will meet overall climate goals.
- **Efficiency:** The costs of emission reductions or enhancement of carbon stocks. Efficient emission reductions will be achieved at minimum cost.
- **Equity:** The distribution of REDD+ costs and benefits. Equitable distribution of costs and benefits will be widely perceived as fair.

This tool elaborates on Angelsen et al.'s definition of equity by distinguishing between distributional equity and procedural equity. Distributional equity refers to how REDD+ benefits are allocated amongst REDD+ countries, vertically within countries, or horizontally amongst local beneficiaries. Procedural equity focuses on ensuring that decision-making about distribution is perceived as fair and equitable by impacted stakeholders.

While the 3 Es approach is widely used to describe desired results of REDD+ programs, definitions of these terms – and particularly of equity – are likely to be subject to different interpretations across countries and actors. The researcher is therefore encouraged to practice flexibility when applying these terms at the country level. The researcher should particularly seek to note differing interpretations of equity among stakeholders assessed in the tool, and consider the implications of these differences for the assessment results.

Another challenge to the 3 Es approach are the likely trade-offs between equity and efficiency. For example, benefit sharing mechanisms that target benefits based on precise and accurate calculations of household-level contributions to the REDD+ program are likely to promote greater equity. However, this approach is also likely to increase transaction costs and thereby reduce cost efficiency. In practice, REDD+ benefit sharing mechanisms will need to find an appropriate balance of equity and efficiency. Fostering procedural equity in decisions about the design of benefit sharing mechanisms can contribute to determine this balance.

FIGURE 1. POTENTIAL FLOWS OF REDD+ FINANCE & REDD+ BENEFITS*



*This diagram is illustrative and does not reflect all possible flows of REDD+ finance and benefits

STRUCTURE OF THE TOOL

PART I. INSTITUTIONAL MAPPING

Part I is designed to assist the researcher to map REDD+ benefit sharing institutions, in order to build an understanding of the system and identify institutional gaps. It prompts the researcher to identify and objectively describe the institutions governing the vertical distribution of REDD+ finance (Section I) and horizontal distribution of REDD+ benefits (Section II) in a given country. Guidance is provided to help the researcher navigate the range of potential institutional arrangements that might be in place. This will assist USAID and other development partners identify the key institutions with a country that should be engaged in any REDD+ institutional development efforts, as well as to identify partner institutions for development assistance.

Part I, Section I should always be applied at a national scale, in order to capture all major flows of REDD+ finance within the country. These flows generally include financial transfers between organizations – such as donors, banks, government agencies, NGOs, companies – within and across international, national, and sub-national scales.

Part I, Section II should be applied at a scale consistent with the benefit sharing case study selected by the researcher. For example, if the researcher selects a national Payment for Ecosystem Services (PES) program for the case study, Section II should be applied at a national scale. If the researcher chooses to focus on a REDD+ project operating in a particular district, Section II should be applied at the district level. Regardless of the scale of the case study, the focus of Section II is to understand the transfer of REDD+ benefits to local stakeholders within a given scale.

PART II. INSTITUTIONAL ASSESSMENT

Part II is designed to assist the researcher to qualitatively assess REDD+ benefit sharing institutions, in order to identify deficiencies or weaknesses in their design and operations. It prompts the researcher to assess the institutions identified in Part I against a common set of principles and criteria that reflect desirable attributes for any REDD+ benefit sharing mechanism (Table 1). Each criterion contains several diagnostic questions to guide the researcher. Each diagnostic question can be answered as “yes”, “no”, or “not applicable”. In addition, the researcher must provide evidence, analysis, and documentation to objectively support and justify the answer. Nonetheless, the results from the institutional assessment will inherently be characterized by a certain amount of subjectivity, which should be considered for the use and interpretation of the results (see “Guidance Note on Data Collection and Using Assessment Results” at the end of this document). For the most effective use of the tool, Parts I and II should be integrated into a broader capacity building process, which considers desired and actual performance, describes the causes of performance gaps, identifies potential solutions, and implements solutions within a rigorous monitoring and evaluation framework.

CROSS-CUTTING THEMES

Special emphasis is given to the interests of women and indigenous peoples throughout the tool. It is widely recognized that REDD+ should promote good practices and avoid perpetuating or exacerbating existing inequalities. In particular, women and indigenous peoples are known to play a unique and critical role in protecting and managing forests. They are also particularly vulnerable to the negative social and environmental impacts of forest loss. Thus, good practices such as gender mainstreaming; women’s empowerment; and free, prior, and informed consent (FPIC) for indigenous peoples are widely considered to be essential for effective, efficient, and equitable REDD+ programs.

TABLE 1: REDD+ BENEFIT SHARING PRINCIPLES AND CRITERIA

Principles	Description	Assessment Criteria
Financial management	Institutions that manage REDD+ finance and REDD+ benefits practice robust financial management practices and are subject to independent financial oversight.	Independence and capacity of staff
		Quality of accounting and financial management practices
		Presence of independent audit and oversight
Governance and oversight	Benefit sharing mechanisms are governed in a transparent, inclusive, and coherent manner and are subject to independent oversight.	Transparency and inclusiveness of decision-making
		Presence of independent oversight mechanisms
		Coherence of legal and institutional frameworks
Distribution of REDD+ finance	Transfers of REDD+ finance across different scales (e.g. national to sub-national) are governed by a rules-based and transparent system.	Clarity and transparency of vertical distribution mechanisms
		Effectiveness and efficiency of disbursements
Distribution of REDD+ benefits	Delivery of REDD+ benefits to local actors is effective, efficient, equitable, and gender sensitive.	Equity of benefit distribution
		Gender sensitivity of benefit distribution
		Efficiency of benefit distribution
		Effectiveness of benefit distribution
Monitoring	The performance of REDD+ benefit sharing mechanisms is routinely and comprehensively monitored and reported on by independent institutions.	Independence and capacity of monitoring institutions
		Comprehensiveness and effectiveness of monitoring activities
Conflict resolution	Conflict resolution mechanisms are accessible to users and effectively address grievances and disputes relating to REDD+ benefit sharing.	Capacity and authority of conflict resolution mechanisms
		Accessibility and effectiveness of conflict resolution mechanisms
Community institutions	Community institutions are transparent and accountable and have adequate capacity to participate in REDD+ benefit sharing mechanisms.	Capacity of community institutions
		Transparency and accountability of community institutions

I.0 PART I: INSTITUTIONAL MAPPING

I.1 OVERVIEW

Objective: Identify and describe the institutions governing the vertical distribution of REDD+ finance and horizontal distribution of REDD+ benefits.

Methodology: A series of guided research questions prompt the researcher to identify and objectively describe the organization entities, rules, and procedures relevant to six key aspects of vertical and horizontal distribution. Questions marked by an asterisk (*) are followed by additional guidance to help the researcher navigate the array of potential answers. To answer the questions, the researcher will likely need to draw on the following sources of information: interviews with representatives from identified institutions; official documents from identified institutions; publicly disclosed financial documents and audit reports; secondary literature, case studies, and media reports; REDD+ specific laws and policies; and other relevant laws, regulations, and policies. If this assessment is integrated into a broader HICD framework, additional questions would be developed based on this mapping exercise to identify the critical partner organizations that USAID or other REDD+ donors/financiers will support.

Structure:

Section	Scale	Sub-topics	Number of questions
Vertical distribution	National	Sources of REDD+ finance	4
		Management of REDD+ finance	5
		Redistribution of REDD+ finance	3
Horizontal distribution	Variable – depending on the case study selected by the researcher	Benefit sharing institutions	5
		Types of beneficiaries and benefits	4
		Structure of benefits distribution	4

I.2 PART I, SECTION I. VERTICAL DISTRIBUTION

I.2.1 SOURCES OF REDD+ FINANCE

Research Questions:
1. What are the major sources of REDD+ finance?* <i>List the source, timing, and amount of payments.</i>
2. What is the purpose of REDD+ finance?* <i>For each identified source above, identify whether or not the finance is performance-based. If it is</i>

performance-based, describe the performance that is being rewarded. If it is not performance-based, describe the activities that are being funded.

3. What are the requirements linked to REDD+ finance?

Identify any internationally imposed conditions, obligations, or safeguards linked to REDD+ finance that may be relevant from a benefit sharing perspective (e.g. the REDD+ safeguards in the Cancun Agreement). Be sure to note any requirements specifically related to women, indigenous peoples, or other marginalized groups.

4. Who is responsible for ensuring compliance with the requirements?

Identify the entity(ies) responsible for implementing the requirements identified above and reporting compliance to international actors. Describe key characteristics of the entity, including: organizational structure, staff composition (including gender balance), major responsibilities, internal rules and procedures, etc.

Question 1 Guidance: Potential sources of REDD+ finance

PUBLIC FINANCE

Traditional official development assistance (ODA) for forestry	Grants, concessional loans, short-term financing for specific projects and longer-term program financing or budget support
New ODA for REDD+	Same modalities of support as traditional ODA, but with new donors such as the World Bank's Forest Carbon Partnership Facility and Forest Investment Program, the UN-REDD Programme, the Copenhagen Green Climate Fund (currently under development), the Congo Basin Forest Fund, etc.
Domestic	May include budgetary allocations or fiscal instruments such as environmental taxes or user fees.

PRIVATE FINANCE

Compliance carbon markets	For example, a global compliance carbon market established under an international climate agreement, or regional or domestic compliance markets established under national legislation (e.g., the European Union Emission Trading Scheme).
Voluntary carbon markets	In the absence of binding obligations to reduce emissions, countries, companies, NGOs or individuals may opt to purchase carbon credits through voluntary markets.
Private finance	For example, individuals, companies, and NGOs.

Question 2 Guidance: Performance-based payments versus upfront investments

Performance-based payments for carbon	Payments made ex-post for emission reductions or carbon sequestration that have been measured, reported, and verified consistent with international rules. In some cases proxies for emission reductions may be used, such deforestation rates. Payments could come from market or non-market sources.
Performance-based payments for actions	Payments made ex-post for successful implementation of policies or measures, which are usually agreed in advance by the donor and recipient. Payments come from non-market sources.
Upfront investments in capacity or actions	Payments made upfront to build capacity or support the implementation of policies and measures. Investments come from non-market sources and are typically not distinguishable from other forms of ODA.

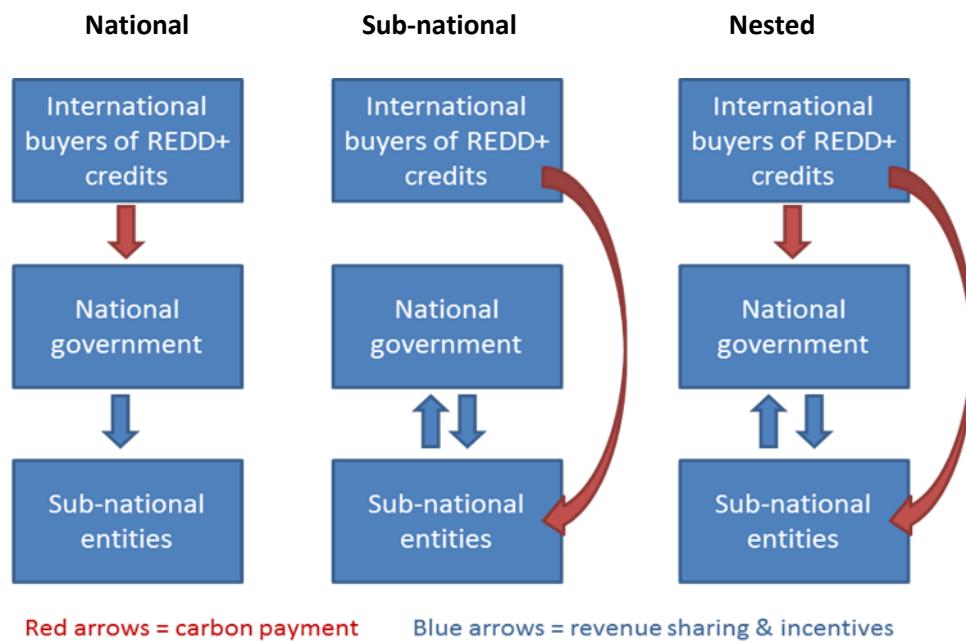
1.2.2 MANAGEMENT OF REDD+ FINANCE

Research Questions
<p>5. What system does the country use for carbon accounting and crediting?*</p> <p>Select one: NATIONAL / SUB-NATIONAL / NESTED</p> <p><i>Briefly describe the key characteristics of the system. Draw a diagram depicting the main levels and flows of finance. Differentiate between direct receipt of REDD+ finance (both performance-based payments and upfront investments) and any subsequent redistribution of revenues.</i></p>
<p>6. What financial mechanism(s) is in place to manage REDD+ finance?*</p> <p><i>There may be a single financial mechanism (centralized) or multiple financial mechanisms (decentralized), and they may or may not be singularly dedicated to managing REDD+ finance.</i></p> <p><i>Identify major financial mechanisms that receive, manage, and redistribute and/or spend REDD+ finance in the country. Specify the level at which the financial mechanism exists (e.g. national or sub-national) and describe key characteristics of the mechanism, including: stated purpose or goal, sources of incoming finance, size (in dollars), major flows of spending and disbursement, etc.</i></p>
<p>7. Who manages the financial mechanism?</p> <p><i>For each identified financial mechanism above, identify the entity responsible for its day-to-day management. Describe key characteristics of the entity, including: organizational structure, staff composition (including gender balance), major responsibilities, internal rules and procedures, etc.</i></p>
<p>8. What rules govern the financial mechanism?</p> <p><i>For each identified financial mechanism above, identify and describe any relevant external rules (laws, regulations, policies, international agreements, safeguard systems, etc) that govern the mechanism. These may include rules specific to REDD+ (e.g. the national REDD+ strategy) or general rules (e.g. administrative law). Be sure to identify rules relating to financial transparency and accountability, participation, and gender.</i></p>
<p>9. Who monitors and oversees the REDD+ financial mechanism(s)?</p> <p><i>For each identified financial mechanism above, identify the entity responsible for independent oversight and financial auditing of the mechanism. Describe key characteristics of the entity, including: organizational structure, staff composition (including gender balance), major oversight responsibilities, regularity of auditing, internal rules and procedures, etc.</i></p>

Question 5 Guidance: Approaches to carbon accounting and crediting

National	REDD+ activities are implemented by various actors and at different scales within the context of a national REDD+ strategy. The central government sets up a national system for measuring, reporting, and verifying emission reductions over its entire territory. International buyers of REDD+ credits transact only with the national government to reward emission reductions relative to an established national reference level.
Sub-national	REDD+ activities are implemented in a defined geographic area by individuals, communities, NGOs, private companies, or national or local governments. Emission reductions are measured, reported, and verified in the area consistent with internationally agreed rules. International buyers of REDD+ credits transact directly with the sub-national implementing entity.
Nested	A combination of the national and sub-national approaches, whereby international buyers of REDD+ credits could transact with the national government as well as sub-national entities. Carbon accounting and crediting would need to be coordinated and harmonized between the national and sub-national levels in order to avoid double counting.

FIGURE 2: OVERVIEW OF NATIONAL, SUB-NATIONAL AND NESTED APPROACHES TO CARBON ACCOUNTING AND CREDITING



Question 5 Guidance (continued): Potential paths of REDD+ financial flows

Government administration levels	For example: central government – regional government – district government
Ministry administration levels	For example: ministry of forests – district forest office – forest management unit
REDD+ administration levels	For example: national REDD+ agency – provincial REDD+ agency – REDD+ project

Question 6 Guidance: Types of financial mechanisms

Independent public funds	International REDD+ revenues are channeled into a government-administered fund. The administering institution may be a ministry (e.g. ministry of forests or finance), a specialized REDD+ agency, a national bank, etc. In addition, an independent board may be established to enhance accountability.
Independent private funds	International REDD+ revenues are channeled into a fund outside of state administration. For example, Conservation Trust Funds are typically independent foundations managed by mixed board membership representing both private and public sectors.
Government budget	International REDD+ revenues are fully integrated into the country's public expenditure system. Funds are consolidated into the state budget where they are subject to internal and external control procedures valid for all budgetary entities.
Other budget	International REDD+ revenues are received and managed by an NGO, community, company, or other REDD+ project developer and are integrated into a project budget.

I.2.3 REDISTRIBUTION OF REDD+ FINANCE

Research Questions

10. Who receives financial disbursements from the financial mechanism(s)?

Identify major recipients of REDD+ funds from the financial mechanism(s) identified in Section II, and their reason for receiving the funds. Highlight any recipients with an explicit focus on women, indigenous peoples, or other marginalized groups.

11. What is the mechanism for disbursement?

For each major recipient identified above, describe the mechanism for disbursement (e.g. performance-based or upfront payment), frequency and size of disbursements, and any requirements linked to the disbursement (e.g. spending requirements, reporting obligations, safeguards, etc).

12. Who monitors the receipt and use of disbursements?

Identify the entity responsible for monitoring the receipt and use of disbursements by recipients, including whether requirements are adhered to. Describe key characteristics of the entity, including: organizational structure, staff composition (including gender balance), major responsibilities, internal rules and procedures, etc.

I.3 PART I, SECTION II. HORIZONTAL DISTRIBUTION

**before starting this section, the researcher should select a particular REDD+ benefit sharing mechanism as a case study, e.g. a national PES scheme, a mechanism run by a REDD+ project developer, a mechanism run by a district government, etc.*

I.3.1 BENEFIT SHARING INSTITUTIONS

Research Questions

13. What is the case study benefit sharing mechanism?*

Identify the chosen case study, including the project/program name, geographic scope/location, and managing entity. Provide a brief justification for the choice of case study.

14. What is the institutional structure of the benefit sharing mechanism?*

Identify the main organizational entities within the benefit sharing mechanism, including those responsible key functions including: oversight and strategic decision-making; management and administration of benefit distribution; community support and extension; monitoring and reporting; and conflict resolution. Draw an organizational diagram to depict the relationship between entities.

For each entity describe: organizational structure, staff composition (including gender balance), major responsibilities, internal rules and procedures, etc. Highlight any specific responsibilities for gender mainstreaming or safeguarding the interests of identified marginalized groups (such as women and indigenous peoples).

15. What does the national REDD+ strategy say about benefit sharing?

Summarize the main components of the national REDD+ strategy with respect to benefit sharing, including: definition of stakeholders, definition of benefits, links to existing property rights and procedural rights, links to other national strategies related to forests, social development, gender, etc.

16. What external institutions or organizations may be relevant to the benefit sharing mechanism?

Identify any institutions that are not directly linked to the benefit sharing mechanism, but that could potentially play an advisory or oversight role. Be sure to identify any institutions or organizations with a focus on gender, indigenous peoples, or social development.

17. What external rules, policies, or strategies may be relevant to the benefit sharing mechanism?*

Identify and briefly summarize any other relevant external laws, regulations, policies, international agreements, safeguards, standards, etc that could be relevant to the benefit sharing mechanism. Be sure to identify any rules, policies, or strategies with a focus on gender, indigenous peoples, or social development.

Question 13 Guidance: Scales of benefit sharing mechanisms

Political administrative boundary (national or sub-national)

Biophysical boundary (e.g. watershed or contiguous forest)

Concession boundary (e.g., logging, mining, agricultural concession)

Community boundary

Question 13 Guidance (continued): Types of managing entities

Government	National or subnational agencies, ministries, departments, etc
NGOs	International, national, sub-national, community-based organizations, foundations, often with a conservation or social development mission
Companies	REDD+ project developers, consulting firms, state-owned enterprises, etc
Community institutions	Customary or other bodies comprised of community membership
Hybrid institutions	Public-private partnerships, parastatals

Question 14 Guidance: Key functions of benefit sharing institutions

Oversight and strategic decision-making	For example: developing rules and guidelines to govern the mechanism; supervising the mechanism to ensure overall effectiveness, efficiencies, and equity; providing guidance on high level policy and strategic decisions; reviewing reports on the mechanism's performance; providing advice when substantive changes are needed.
Management and administration	For example: managing REDD+ funds; ensuring compliance with rules and guidelines; receiving and verifying claims from potential beneficiaries; delivering benefits; preparing reports on operations and performance.
Support and extension	For example: awareness raising about the program; capacity building of potential beneficiaries; technical support to facilitate participation of beneficiaries.
Monitoring and reporting	For example: monitoring the mechanism with respect to key performance criteria; preparing regular reports on performance; identifying and reporting instances of non-compliance or corruption.
Conflict resolution	For example: resolving conflicts between beneficiaries, addressing grievances aired by beneficiaries concerning the mechanism.

Question 17 Guidance: Sources of safeguards and standards relevant for REDD+

National law and policy	For example: REDD+ regulations; forest or environmental policies; constitutional law.
Ratified international treaties	For example: UN-Declaration on the Rights of Indigenous Peoples (UN-DRIP); International Labor Organization (ILO) 169; Convention on Biological Diversity (CBD).
Voluntary international standards	For example: Climate, Community, and Biodiversity Standards; Verified Carbon Standard; REDD+ Social and Environmental Standards.
Conditionalities linked to international finance	For example: World Bank safeguards; reporting requirements; UNFCCC REDD+ safeguards.

1.3.2 TYPES OF BENEFICIARIES AND BENEFITS

Research Questions

18. Who can receive benefits under the mechanism?*

Identify the main categories of local stakeholders that are eligible to receive benefits under the mechanism. Specifically note whether or not women are targeted as a special group to receive benefits.

19. What is the rationale for sharing benefits with these stakeholders?*

For each stakeholder group identified above, describe the general rationale for sharing benefits. The rationale may vary between stakeholder groups, and there may be multiple rationale for sharing benefits with any given stakeholder group.

20. What is the legal basis on which these stakeholders are entitled to receive benefits?*

For each stakeholder group identified above, describe the legal basis on which they are entitled to receive benefits.

21. What types of benefits can these stakeholders receive?*

For each stakeholder group identified above, describe the type of benefit(s) they are eligible to receive.

Question 18 Guidance: Types of REDD+ beneficiaries

Government	Local government agencies.
Companies	Land owners, concession holders (e.g. mining, logging, plantation), REDD+ project developers, government-owned companies.
NGOs	REDD+ project developers (e.g. international and national NGOs), grassroots organizations.
Individuals / households	Land owners or forest users.
Communities	Communities who own the land or use the forest.
Special groups	Women, minority populations, indigenous peoples.

Question 19 Guidance: Rationale for sharing benefits

Statutory rights-based	Beneficiaries include those who contribute to emission reductions and who possess statutory or legally recognized customary rights of ownership, management, access, or use of the land and/or forest resources. This may include specific rights to the carbon.
De facto rights-based	Beneficiaries include those who contribute to emission reductions and who possess customary or <i>de facto</i> rights of ownership, management, access, or use of the land and/or forest resources associated with the REDD+ activities. Although their rights are not legally recognized, their <i>de facto</i> use of the land means that their participation is necessary.
Cost-based	Beneficiaries include those who bear direct costs associated with the REDD+ activities. These may include costs of implementing activities or opportunity costs resulting from the activities. A key issue is whether the opportunity costs associated with illegal activities will be considered.
Service-based	Beneficiaries include those who provide a service (e.g. tree planting) that contributes to REDD+ activities.
Equity-based	Beneficiaries are specifically targeted because they are poor or socially marginalized.

Question 20 Guidance: Legal entitlements to benefits

Property rights	Entitlement to benefit is based on legally recognized rights to the land and/or forest resources, which is assumed to confer an implicit right to receive payments from reduced emissions and/or increased sequestration of forest carbon.
Carbon rights	Entitlement to benefit is based on an explicit legally recognized right to receive payments from reduced emissions and/or increased sequestration of carbon.
Contract	Entitlement to benefit is created through a contract between the proposed beneficiary and the owner of the carbon.

Question 21 Guidance: Types of benefits

Cash payments	Cash offered as an incentive to change behavior (e.g. to not deforest), as a reward for good behavior (e.g. continued conservation), or as compensation for services rendered (e.g. employment).
Services	Services such as schools or health facilities offered as an alternative to cash.
Goods	Gifts such as technology, food, or other goods offered as an alternative to cash.
Conditional tenure	Secure rights to the land and/or resources offered conditional upon specific land use practices (e.g. restoration of degraded forest, conservation, sustainable management)
Loans	No- or low-interest loans offered for investments that contribute to emission reductions.

1.3.3 STRUCTURE OF BENEFITS

Research Questions

22. How are legitimate beneficiaries identified by the benefit sharing mechanism?

Describe any information that potential beneficiaries must provide to prove their eligibility, and the process for documenting, reviewing, and validating that information. For example, if benefit sharing is performance based, explain how the performance of the potential beneficiary is measured, verified, and reported. Take note of any differences between the requirements for different stakeholder groups.

23. How is the size and type of benefit determined?

Once a legitimate beneficiary is identified, explain how the size and type of benefit is determined and by whom. For example, if the benefit is cash, explain how the magnitude of payment is calculated. If the benefit is not cash, explain how the type and magnitude of the in-kind benefit is determined.

24. How are benefits delivered to the beneficiary?

Describe the administrative procedures, timing, and frequency of benefit delivery.

25. Are there any restrictions on how the beneficiary can use the benefits?

Identify any restrictions on how beneficiaries can use their benefits after they are received. Restrictions on the use of cash benefits are most common. If restrictions are identified, describe the general rationale behind them and the stakeholder groups that they affect.

2.0 PART II: INSTITUTIONAL ASSESSMENT

2.1 OVERVIEW

Objective: Assess the quality of the institutions that govern the distribution of REDD+ finance and REDD+ benefits with respect to key principles and criteria that reflect desirable attributes for any benefit sharing mechanism. This assessment can be complemented by a subsequent Human and Institutional Capacity Development (HICD) process that targets developing solutions to the gaps identified below.

Methodology: Each assessment criterion contains several diagnostic questions that prompt the researcher to assess the institutions identified in Part I. Guidance is provided to help the researcher identify the object of assessment (i.e. a specific organizational entity, rule, or procedure). However, there are likely to be multiple options, and the researcher maintains considerable flexibility in determining what to assess.

The diagnostic questions must be answered as “yes”, “no”, or “not applicable”. A binary response system is a coarse measurement tool, and the researcher may feel that the correct answer lies somewhere between yes and no. However, it is a useful system for quickly identifying problem areas. In addition, the researcher is expected to provide detailed qualitative evidence and analysis to support and justify each answer. This evidence forms the basis for a deeper diagnosis of challenges, and for identifying needed interventions.

The diagnostic questions are inherently subjective in nature, and the researcher should be aware of the limitations inherent in using secondary information to draw conclusions (see “Guidance Note on Using Assessment Results” for additional information about data limitations). The researcher should strive to limit subjectivity of results (e.g., through triangulation of interview results with available documentation). Furthermore, the researcher should document the research methods and sources used for each question, and note potential concerns relating to the credibility of the data.

To answer the diagnostic questions, the researcher will likely need to draw on the following sources of information: interviews with representatives from identified institutions and with local stakeholders; official documents from identified institutions; records from public consultations and proceedings; publicly disclosed financial documents and audit reports; secondary literature, case studies, and media reports; REDD+ specific laws and policies; and other relevant laws, regulations, and policies.

Structure:

Principles	Description	Assessment Criteria
Financial management	Institutions that manage REDD+ finance and REDD+ benefits practice robust financial management practices and are subject to independent financial oversight.	Independence and capacity of staff
		Quality of accounting and financial management practices
		Presence of independent audit and oversight
Governance and oversight	Benefit sharing mechanisms are governed in a transparent, inclusive, and coherent manner and are subject to independent oversight.	Transparency and inclusiveness of decision-making
		Presence of independent oversight mechanisms
		Coherence of legal and institutional frameworks
Distribution of	Transfers of REDD+ finance across	Clarity and transparency of vertical distribution

Principles	Description	Assessment Criteria
REDD+ finance	different scales (e.g. national to sub-national) are governed by a rules-based and transparent system.	mechanisms Effectiveness and efficiency of disbursements
Distribution of REDD+ benefits	Delivery of REDD+ benefits to local actors is effective, efficient, equitable, and gender sensitive.	Equity of benefit distribution Gender sensitivity of benefit distribution Efficiency of benefit distribution Effectiveness of benefit distribution
Monitoring	The performance of REDD+ benefit sharing mechanisms is routinely and comprehensively monitored and reported on by independent institutions.	Independence and capacity of monitoring institutions Comprehensiveness and effectiveness of monitoring activities
Conflict resolution	Conflict resolution mechanisms are accessible to users and effectively address grievances and disputes relating to REDD+ benefit sharing.	Capacity and authority of conflict resolution mechanisms Accessibility and effectiveness of conflict resolution mechanisms
Community institutions	Community institutions are transparent and accountable and have adequate capacity to participate in REDD+ benefit sharing mechanisms.	Capacity of community institutions Transparency and accountability of community institutions

2.2 FINANCIAL MANAGEMENT

2.2.1 INDEPENDENCE AND CAPACITY OF STAFF

Object of assessment: Apply the diagnostic questions to any institution that receives, manages, and distributes REDD+ finance and/or REDD+ benefits (Part 1, questions 7, 10, 14).

Diagnostic Questions	Yes	No	Evidence, Analysis and Documentation
Does staff have sufficient training and expertise to implement accounting procedures and financial management systems?			
Does staff have access to adequate technological resources (i.e. financial management software) to implement accounting procedures and financial management systems?			
Are accountability mechanisms in place to deter, detect, and punish instances of staff corruption?			
Do hiring and promotion policies promote staff independence and prevent conflicts of interest?			
Does the organization actively recruit, hire and promote women in its staff, including to senior-level positions?			

2.2.2 QUALITY OF ACCOUNTING AND FINANCIAL MANAGEMENT PRACTICES

Object of assessment: Apply the diagnostic questions to any institution that receives, manages, and distributes REDD+ finance and/or REDD+ benefits (Part 1, questions 7, 10, 14).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are accounting standards and practices clear and publicly disclosed?			
Does the accounting system capture and record data about incoming funds in a timely fashion?			
Does the accounting system capture and record data about expenditures and disbursements in a timely fashion?			
Are effective internal controls in place such as regular data reconciliation, internal audits, and monitoring of compliance with accounting standards?			
Are comprehensive financial reports regularly produced and publicly disclosed?			

2.2.3 PRESENCE OF INDEPENDENT FINANCIAL AUDIT AND OVERSIGHT

Object of assessment: Apply the diagnostic questions to any institution responsible for financial auditing and oversight of REDD+ financial mechanisms and/or REDD+ benefit sharing mechanisms (Part 1, question 8).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Is the institution carrying out the financial audit independent of the financial mechanism?			
Are comprehensive independent financial audits of the financial mechanism performed on an annual basis?			
Are audit reports publicly disclosed?			
Is there evidence that actions are taken to address problems identified in the audit report?			

2.3 GOVERNANCE AND OVERSIGHT

2.3.1 TRANSPARENCY AND INCLUSIVENESS OF DECISION-MAKING

Object of assessment: Apply the diagnostic questions to any institution that makes strategic decisions regarding the design or implementation of the REDD+ benefit sharing mechanism (Part I, question 14).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are decisions made through an inclusive process, consulting all potentially impacted stakeholders?			
Are decisions made through a transparent process, promoting public access to information at all stages?			
Do decision-makers have access to relevant information and expert opinion necessary to make			

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
informed decisions?			
Does the decision-making body have a functioning complaint mechanism?			
Does the composition of the decision-making body reflect an appropriate gender balance?			
Does the composition of the decision-making body include representatives of indigenous peoples?			

2.3.2 PRESENCE OF INDEPENDENT OVERSIGHT MECHANISMS

Object of assessment: Apply the diagnostic questions to any institution that is responsible for oversight of the REDD+ benefit sharing mechanism (Part 1, question 14).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Is the oversight institution independent from the benefit sharing mechanism?			
Does the oversight institution have clear roles and responsibilities?			
Does the oversight institution have clear and transparent operational procedures?			
Does the oversight institution regularly assess and report on the performance of the benefit sharing mechanism against transparent criteria?			
Does the oversight institution regularly assess and report on the compliance of the benefit sharing mechanism with respect to relevant safeguards?			
Does the oversight institution specifically assess impacts of the benefit sharing mechanism on women?			
Does the oversight institution specifically assess impacts of the benefit sharing mechanism on indigenous peoples?			

2.3.3 COHERENCE OF LEGAL AND INSTITUTIONAL FRAMEWORKS

Object of assessment: Apply the diagnostic questions to the overarching legal and institutional frameworks governing the REDD+ benefit sharing mechanism (Part I, questions 15-17).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Is the national REDD+ strategy consistent with existing legal rights (including property rights and procedural rights)			
Is the benefit sharing mechanism consistent with the national REDD+ strategy, and any other REDD+ specific laws, policies, and safeguards?			
Is the benefit sharing mechanism consistent with existing national laws, policies, and strategies relating to gender, indigenous peoples, and social development?			

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Do any laws or regulations need to be developed or revised to better support the benefit sharing mechanism?			
Do external institutions or organizations dedicated to gender, indigenous peoples, and social development consistently advise or oversee the benefit sharing mechanism?			
Are any major government agencies serving as an obstacle to the benefit sharing mechanism?			

2.4 DISTRIBUTION OF REDD+ FINANCE

2.4.1 CLARITY AND COHERENCE OF VERTICAL DISTRIBUTION MECHANISMS

Object of assessment: Apply the diagnostic questions to the rules, procedures, and institutions engaged in the vertical distribution of REDD+ finance (Part I, questions 7, 10-11).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are vertical allocation formulas clear and transparent?			
Are the rules and procedures governing fiscal transfers clear and transparent?			
Are recipient institutions informed of the system and of the amount of funds that should be received?			
Are recipient institutions aware of related spending rules and reporting requirements?			

2.4.2 EFFECTIVENESS AND EFFICIENCY OF DISBURSEMENTS

Object of assessment: Apply diagnostic questions to any institution receiving vertical disbursements of REDD+ finance (Part 1, question 10).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are disbursements received in correct amounts?			
Are disbursements received in a timely manner?			
Are disbursements appropriate in relation to performance or to the amount of effort or costs incurred from REDD+ actions?			
Do recipient institutions comply with spending rules and reporting requirements?			

2.5 DISTRIBUTION OF REDD+ BENEFITS

2.5.1 EQUITY OF BENEFIT DISTRIBUTION

Object of assessment: Apply the diagnostic questions to the institutions responsible for the administration and management of the REDD+ benefit sharing mechanism (Part 1, questions 14, 18-25).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are poor or marginalized populations targeted through awareness raising, outreach, and active recruitment?			
Are safeguards in place to ensure that poor and marginalized groups have an equal opportunity to access benefits?			
Are capacity building and extension services offered to poor or marginalized populations to facilitate their access to benefits?			
Are there any unaddressed barriers hindering poor or marginalized populations from accessing benefits?			
Does the benefit sharing mechanism reward and prioritize poor or marginalized populations, potentially irrespective of their contribution or performance?			
Do the benefits received by all participants match their contributions or performance?			

2.5.2 GENDER SENSITIVITY OF BENEFIT DISTRIBUTION

Object of assessment: Apply the diagnostic questions to the institutions responsible for the administration and management of the REDD+ benefit sharing mechanism (Part 1, question 14, 18-25).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Does the benefit sharing mechanism provide direct benefits to women?			
Are women targeted through awareness raising, outreach, and active recruitment?			
Are safeguards in place to ensure that women have an equal opportunity to access benefits?			
Are capacity building and extension services offered to women to facilitate their access to benefits?			
Are there any unaddressed barriers preventing women from accessing benefits?			

2.5.3 EFFICIENCY OF BENEFIT DISTRIBUTION

Object of assessment: Apply the diagnostic questions to the institutions responsible for the administration and management of the REDD+ benefit sharing mechanism (Part 1, questions 14, 18-25).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are benefits disbursed in a timely manner?			
Are disbursement procedures transparent and not overly complex?			
Is the number of intermediaries involved in benefit distribution appropriate?			
Have transaction and implementation costs been identified and measures put in place to minimize them?			

2.5.4 EFFECTIVENESS OF BENEFIT DISTRIBUTION

Object of assessment: Apply the diagnostic questions to the institutions responsible for the administration and management of the REDD+ benefit sharing mechanism (Part 1, questions 14, 18-25).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Do institutions have adequate capacity (staff and resources) to implement the benefit sharing mechanism?			
Do institutions implement internal systems to monitor staff performance?			
Do benefits reach appropriate and legitimate users and managers of forest resources?			
Do benefits create adequate incentives to change or maintain behavior in the short and long term?			
Are benefits appropriate for reaching stated social objectives (e.g. poverty reduction, gender equality)?			

2.6 MONITORING

2.6.1 INDEPENDENCE AND CAPACITY OF MONITORING INSTITUTIONS

Object of assessment: Apply the diagnostic questions to any institution responsible for monitoring the performance of vertical or horizontal distribution mechanisms (Part I, questions 4, 9, 12, and 14).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Is the monitoring institution independent from the institution it is supposed to monitor?			
Are the mandate and responsibilities of the monitoring institution clear and transparent?			
Does the monitoring institution have adequate capacity (staff and resources) to carry out its responsibilities?			
Does the monitoring institution follow clear operational procedures and timelines?			

2.6.2 COMPREHENSIVENESS AND EFFECTIVENESS OF MONITORING ACTIVITIES

Object of assessment: Apply the diagnostic questions to any institution responsible for monitoring the performance of vertical or horizontal distribution mechanisms (Part I, questions 4, 9, 12, and 14).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Is the vertical distribution of REDD+ finance regularly monitored to ensure that disbursements are received and in a timely manner?			
Is the horizontal distribution of REDD+ benefits regularly monitored to ensure that benefits are received and in a timely manner?			
Is compliance of benefit sharing mechanisms with relevant international or domestic safeguards regularly monitored?			
Is the performance of benefit sharing mechanisms monitored against transparent criteria?			

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are impacts on gender equality regularly monitored?			
Are impacts on indigenous peoples regularly monitored?			
Are monitoring reports regularly produced and publicly disclosed?			
Is there evidence that steps are taken to correct problems identified by the monitoring institution?			

2.7 CONFLICT RESOLUTION

2.7.1 CAPACITY AND AUTHORITY OF CONFLICT RESOLUTION MECHANISMS

Object of assessment: Apply the diagnostic questions to any institution responsible for resolving conflicts or addressing grievances relating to REDD+ benefit sharing (Part I, question 14).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Does the conflict resolution mechanism have a clear mandate to hear complaints and issue decisions relating to disputes arising from REDD+ benefit sharing?			
Does the conflict resolution mechanism have authority to enforce decisions?			
Is the conflict resolution mechanism independent from institutions that are implementing the REDD+ benefit sharing mechanism?			
Do judges / decision-makers understand the rules of the REDD+ benefit sharing mechanism?			
Do women serve as judges / decision-makers?			

2.7.2 ACCESSIBILITY AND EFFECTIVENESS OF CONFLICT RESOLUTION MECHANISMS

Object of assessment: Apply the diagnostic questions to any institution responsible for resolving conflicts or addressing grievances relating to REDD+ benefit sharing (Part I, question 14).

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are conflict resolution mechanisms convenient and broadly accessible to local stakeholders?			
Are there any constraints to women accessing conflict resolution mechanisms?			
Are disputes addressed in a timely manner?			
Are decisions made by the conflict resolution mechanism enforced?			
Do complainants have the right to appeal decisions?			

2.8 COMMUNITY INSTITUTIONS

2.8.1 CAPACITY OF COMMUNITY INSTITUTIONS

Object of assessment: apply the diagnostic questions to any communities participating in the REDD+ benefit sharing mechanism.

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Are communities aware of their rights and responsibilities under the REDD+ benefit sharing mechanism?			
Do community representatives have adequate capacity or external support to negotiate with outsiders?			
Do community institutions have adequate capacity to transparently and accountably manage financial benefits of REDD+?			
Do community institutions have adequate capacity and authority to resolve internal conflicts?			

2.8.2 TRANSPARENCY AND ACCOUNTABILITY OF COMMUNITY INSTITUTIONS

Object of assessment: apply the diagnostic questions to any communities participating in the REDD+ benefit sharing mechanism.

Diagnostic questions	Yes	No	Evidence, Analysis and Documentation
Have community representatives been selected and authorized through a transparent and inclusive process?			
Do the selected community representatives reflect an appropriate gender balance?			
Do community institutions follow an inclusive and transparent process when deciding how incoming REDD+ benefits will be used or spent?			
Are women able to influence decisions about how incoming REDD+ benefits will be used or spent?			
Are other marginalized members of the community able to influence decisions about how incoming REDD+ benefits will be used or spent?			
Are community institutions generally perceived as accountable and legitimate by community members?			

3.0 GUIDANCE NOTE ON DATA COLLECTION AND USING ASSESSMENT RESULTS

This section provides general guidelines for collecting data and using results from the institutional assessment.

Noting Limitations in Data Collection

Part II of the tool requires the researcher to assign a yes/no value and provide a justification for each diagnostic question based on responses from conducting interviews, field observations, and reviewing relevant documentation. When collecting data and compiling results, the researcher should be aware of the limitations inherent in using secondary information to draw conclusions and document these limitations in the assessment results. Key data limitations include:

- *Data availability.* The institutional assessment tool poses detailed questions about how institutions function in rule and in practice, but this information may be difficult to obtain. Information may not exist, may be out of date, or may not be publicly available. For example, government institutions may be reticent to disclose information about financial practices, or it may be prohibitively expensive or time consuming for the researcher to access information about implementation of a program in a remote forest area.
- *Perception-based data.* Implementing the assessment tool is likely to draw heavily on interviews of REDD+ stakeholders (e.g., staff from benefit distribution institutions, stakeholders participating in the design or implementation of benefit distribution schemes, and recipients of REDD+ benefits). Interviews rely on stakeholder perceptions rather than empirical observation or analysis of primary data. The resulting analysis can provide important insight into the views and values of interview subjects. However, interview data is often subjective, may be inaccurate, and may fail to comprehensively identify problems. Furthermore, different interpretations of core concepts such as “equity” or “effectiveness” may make it difficult for the researcher to draw conclusions based on a range of stakeholder perspectives.
- *Sensitivity of information.* The nature of the questions posed by the assessment tool is likely to be sensitive in some contexts (e.g., questions about financial practices or the extent to which a process was inclusive). Some stakeholders may be reluctant to disclose information or be interviewed as part of the assessment process. Alternately, stakeholders may participate in the assessment but fail to provide honest responses due to concerns about data confidentiality.

Good Assessment Practices

Following good assessment practices can enhance the credibility, quality, and usefulness of the assessment results. The researcher should seek to adhere to the following good practices when using this tool:

- *Transparency.* The assessment process should promote transparency throughout data collection and presentation of results. For example, the researcher should clearly explain the goals of the assessment and how information will ultimately be used to all interview subjects. Where possible, researchers should also make efforts to share assessment findings with interview subjects.
- *Confidentiality.* Given the potentially sensitive nature of the issues covered by the institutional assessment, the researcher should take steps to protect the confidentiality of the interview responses gathered as part of the assessment. For example, individual responses to questions or any information that can be used to identify an individual who was interviewed (e.g., name, job title) should not be shared for any purpose. Guaranteeing confidentiality of information can help build trust with interview subjects and improve their willingness to share sensitive information.
- *Validating results.* Engaging interview subjects and other interested stakeholders in reviewing and validating assessment results can provide an important opportunity to test the credibility of assessment results, particularly when relying heavily on perception-based data. Independent peer review by in-country experts can be used to corroborate assessment results or identify gaps and inaccuracies. Convening a series of multi-stakeholder workshops can be used to identify areas of consensus amongst stakeholders, validate findings and continue to promote a transparent, inclusive approach to the institutional assessment.

Using Assessment Results

The information generated by the assessment can be useful for both REDD+ countries and donors seeking to identify capacity-building needs and prioritize funding for program implementation.

Part I helps the researcher identify the existing institutional architecture for benefit sharing, in order to pinpoint major gaps in the institutional design (e.g. organizations, rules, and procedures). The results from this section can inform efforts to develop new institutions or reorient existing institutions for REDD+ benefit sharing, in order to ensure that all major functions of benefit sharing are being performed.

Part II helps the researcher identify specific challenges relating to the implementation and outcomes of currently operating benefit sharing mechanisms, and to pinpoint specific institutional capacity constraints contributing to those challenges. The yes/no responses are designed to help the researcher identify areas with the most significant challenges. For example, the researcher might look for clusters of “no” responses to identify the weakest overall areas of implementation. The corresponding evidence, analysis, and documentation are designed to provide detailed information about the problem, and should therefore implicitly begin to reveal potential solutions or interventions.

The researcher may also choose to disregard the issue areas provided by the tool’s structure, and instead look for patterns related to cross-cutting issues of interest (such as gender). While there is no “one-size-fits-all” approach for using assessment results, the following table provides an illustration of how the researcher may choose to present assessment findings and identify subsequent interventions. The identification and development of interventions could potentially be carried out through a multi-stakeholder process, based on the presentation of identified weaknesses.

TABLE 2: ILLUSTRATIVE EXAMPLE OF PRESENTING AND USING ASSESSMENT RESULTS

Part I: Institutional Mapping		
Section	Identified Weakness	Potential intervention
Question 9: Who monitors and oversees the REDD+ financial mechanism(s)?	The institution tasked with financial oversight is not independent of the REDD+ financial mechanism.	Identify a new or existing independent body that can oversee external auditing of the financial mechanism.
Question 14: What is the institutional structure of the benefit sharing mechanism?	No dedicated institutions or entity providing extension and support for community participation in the benefit sharing mechanism.	Create a dedicated support mechanism with full-time staff and a budget for community training and capacity-building.
Part II: Institutional Assessment		
Gender sensitivity of benefit distribution	Women's participation in the benefit sharing mechanism is limited.	Develop a strategy and specific actions for addressing constraints to participation.
Accessibility and effectiveness of conflict resolution mechanisms	Existing conflict resolution mechanisms are not accessible to stakeholders in remote areas.	Train local authorities to provide conflict resolution in areas where REDD+ activities are generating conflict.
Transparency and accountability of community institutions	Community participation and negotiations are dominated by elites.	Develop a capacity-building program to build knowledge of all community members.

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
Tel: (202) 712-0000
Fax: (202) 216-3524
www.usaid.gov