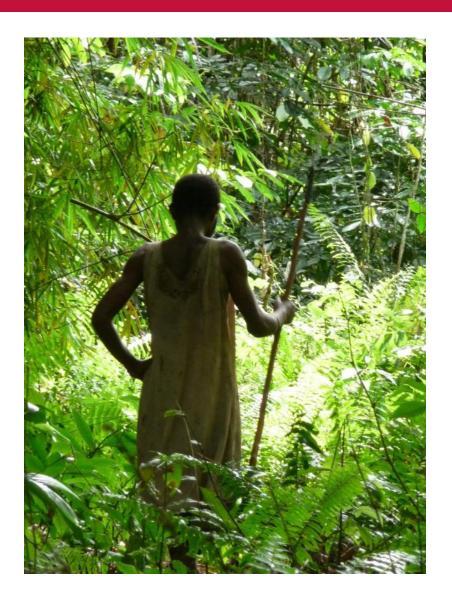


Institutional mechanisms for sharing REDD+ benefits

Lessons from five country case studies





OBJECTIVE OF THE STUDY

Understand how land tenure laws and practices will affect rural communities' access to REDD+ benefits and provide recommendations



METHODOLOGY

- Analysis of the institutional mechanisms being discussed or designed for the distribution of REDD+ benefits
- Draws lessons from case studies in 5 countries:
 Mexico, Tanzania, Indonesia, Democratic Republic of Congo and Nepal
 - Focus on 1-2 existing institutional mechanisms for distributing benefits from natural resource management to rural communities
 - Field visits in each country & Literature review



Country case studies

Country	Institution/project	Category of mechanism
Mexico	 Comisión Nacional Forestal (National Forestry Commission of Mexico [CONAFOR])'s ProArbol system Carbon PES in Oaxaca 	Payment for Ecosystem services (PES)
Nepal	Project-level Forest Carbon Trust Fund (FCTF) serving existing community forest management regime	Community-Based Natural Resource Management (CBNRM)
Indonesia	 Katingan REDD+ demonstration project Rewards for, Use of and shared investment in Pro-poor Environmental Services (RUPES) / RiverCare Project 	 Concession-based model Mix of PES (Conditional tenure) and CBNRM



Country case studies

Country	Institution/project	Category of mechanism
Tanzania	 Wildlife Management Area of Enduimet Suledo Forest (Village Land Forest Reserve 	CBNRM
Democratic Republic of Congo	 Ibi-Bateke Clean Development Mechanism project Framework for social agreements between logging companies and local communities 	Concession-based model



MODEL #1: Payment for Ecosystem Services

Examples: Mexico, Indonesia (aspects of the RUPES/RiverCare project)

Common characteristics:

- Rights relatively clear and/or recognized
- Some level of community organization ("social capital")
- Intermediaries facilitating
- Seed funding/investments

Lessons:

- Clear and secure tenure is needed for PES to succeed
- Clear and secure tenure, and recognition of rights, provides access to opportunities, financial resources and technical capacity
- PES benefits are in addition to other co-benefits (e.g. electricity, water protection, etc)
- Role of third-party facilitators is key
- Links between benefits and improvements in livelihoods (at community and/or individual level) are not always clear or equitable



MODEL #2: Concession-Based

Examples: DRC, Indonesia

Common characteristics:

- Rights held by concessionaire / project developer, no explicit rights for communities
- Community engagement / negotiations facilitated by intermediary institution (usually NGO)
- Community access to benefits based on contract (implicit recognition of customary rights)
- Concessionaire (or intermediary) has significant control over type and use of benefits, typical focus on promoting sustainable livelihoods

Lessons:

- Need for permanent institutions to facilitate dialogue between communities and concession-holder
- Investing in community governance vs. reliance on intermediary
- Weak links between benefits and performance
- Success of project linked to the project developer, need for broader social safeguards.



MODEL #3: Participatory Forest/Wildlife Management

Examples: Nepal, Tanzania, Indonesia

Common characteristics:

- Breadth and security of property rights, entitlement to revenues defined by law/regulation
- Existence of legally recognized community institutions (aggregates)
- Community institutions manage revenues and make decisions about distribution. Government may regulate how revenues can be used.

Lessons:

- Pros and cons of aggregate institutions: in terms of transaction costs, leakage, corruption risks, accountability to communities
- Unclear links to improved livelihoods or poverty reduction
- Design and governance of aggregate institutions is important to establish sound governance and allow downward accountability
- Support of intermediaries necessary to build capacity of aggregate institutions and communities
- Links between benefits and responsibilities /performance not always strong