Institutional mechanisms for sharing REDD+ benefits

Lessons from five country case studies

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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

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

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.

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