Session 1

REDD+ benefit sharing

Long Ratanakoma

Main objective of the meeting

- To introduce
  - Concepts and principles of benefit sharing
  - key questions for designing a national approach for benefit sharing
  - Existing benefit sharing experiences from Cambodia and abroad
  - Next steps for Cambodia
- To explore
  - Options for a national approach for benefit sharing for Cambodia

Session 2

Concepts and principles of benefit sharing

Long Ratanakoma

Benefit sharing?

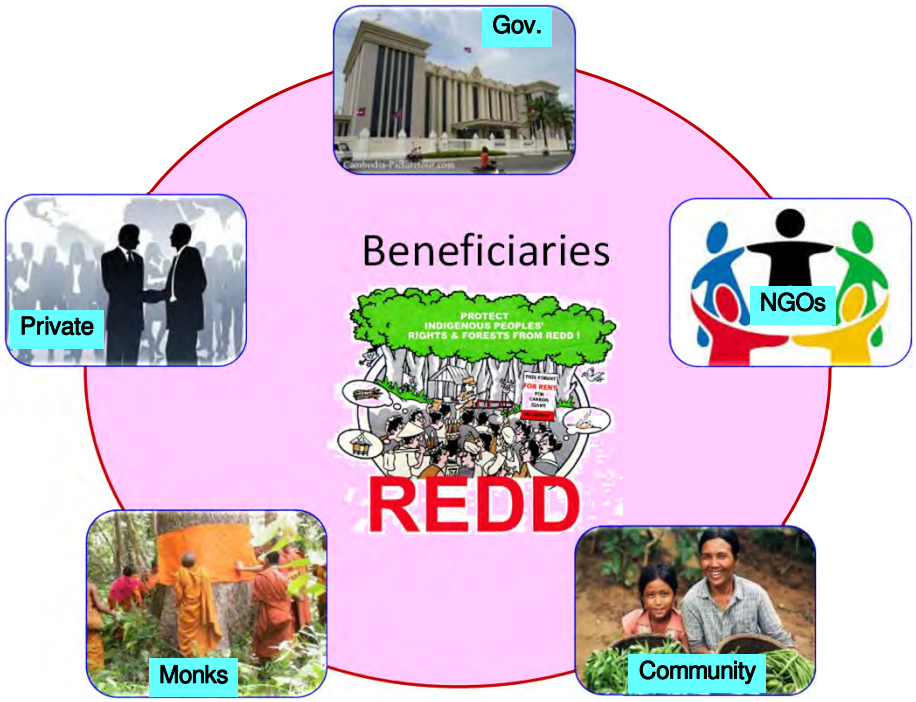
- Widely used in discussions on how national REDD+ funds can be shared among different stakeholders
- The UNFCCC has no reference to the term, "benefit sharing" under REDD+
- But the Cancun safeguards (e) aims to ensure

  "the (REDD+) actions … used ***to incentivize*** *the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits*".

Why benefit sharing?

REDD+ is a mechanism to create an incentive for positive results achieved from reducing GHG emission reduction

No positive results
mean
No incomes from REDD+



REDD+ Benefit Sharing

សមធម៌

Equity

ប្រសិទ្ធនាព

Effectiveness

ប្រសិទ្ធផល

Efficiency

Benefit Sharing (3**E**)

- Effectiveness: that incentives serve to reduce maximum possible emissions.
- Efficiency: that incentives contribute to reducing emissions in a way that minimizes costs
- Equity: that incentives are shared in a fair and equitable manner particularly for the benefit of the most vulnerable.

Why 3E is important?

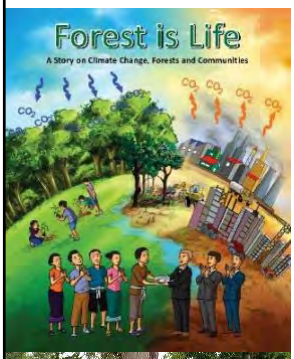
Effectiveness

- Effective benefit sharing will produce positive results and incentivize REDD+ implementation in developing countries

Efficiency

- If results are achieved in a way that minimizes costs then REDD+ can be an attractive option
- If the transaction costs are too high, REDD+ will not be likely to be a success

Why 3E is important?



Equity

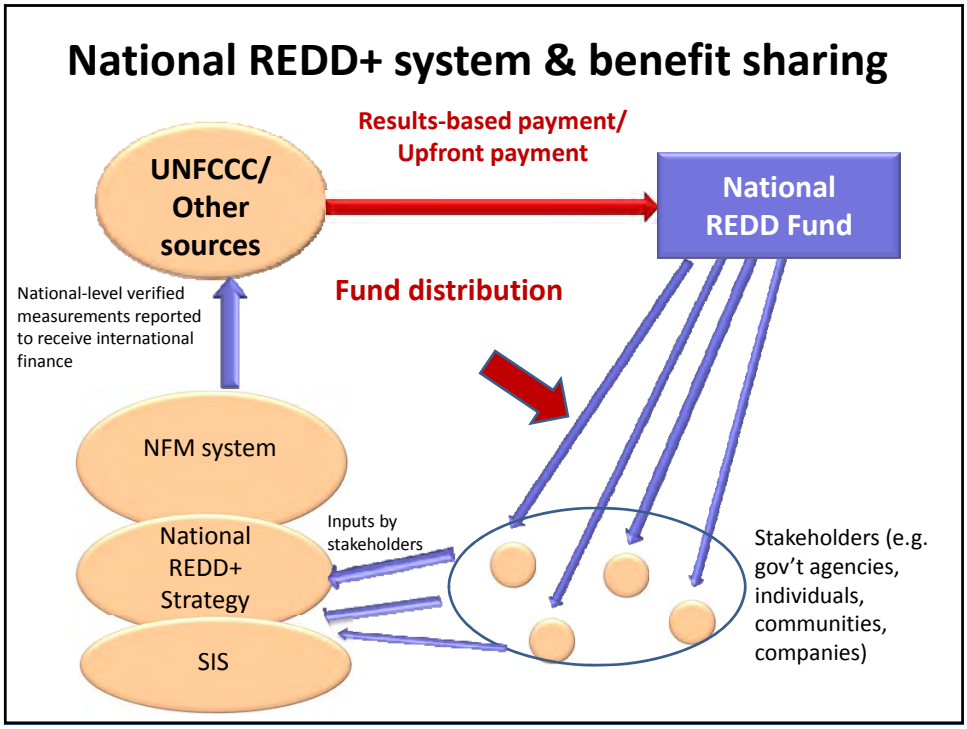
- If stakeholders think that benefits are shared in a a fair manner they will be actively participate
- If stakeholders think that benefits are shared in an unfair way, they will not participate and this will lead to damage results.

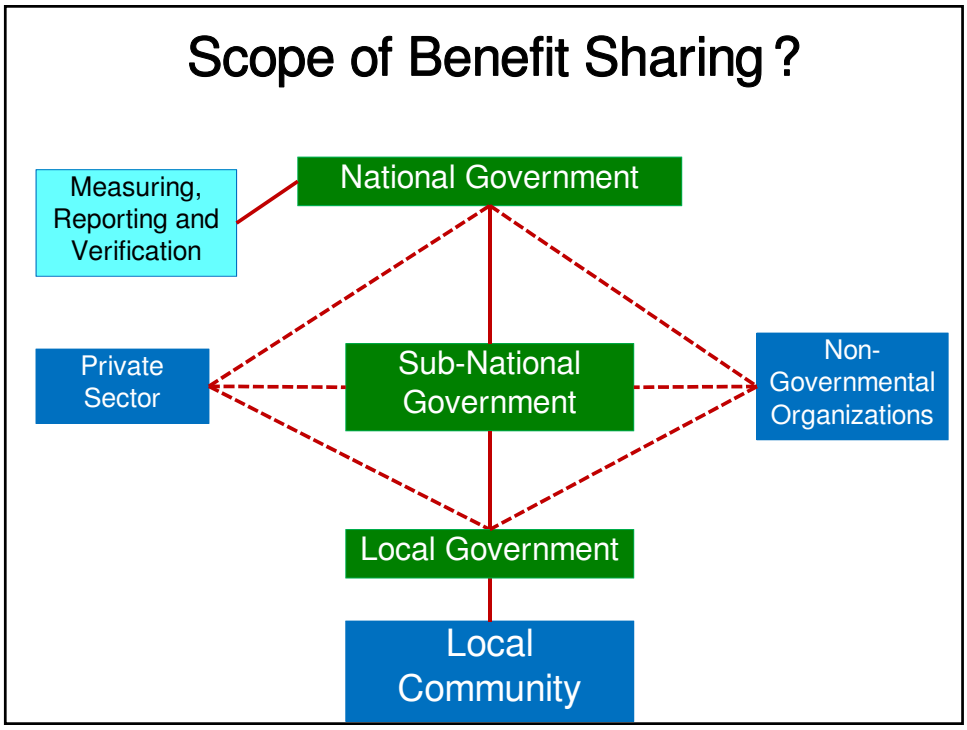
What benefits can be received from REDD+?

- Monetary benefit
  - Cash Payment
- Non-Monetary benefit
  - Direct benefit:
    - Job opportunities
    - Livelihoods improvement (NTFPs and fodders)
    - Infrastructure
    - Enhance ecologies and other benefits
  - Indirect benefit:
    - Improve forest governance
    - Increase stakeholders participation
    - Reduce climate change

REDD+ Costs

1. **Transaction cost:** cost associated with participation in international REDD+ mechanism. There is a need to monitor and report on the scope of forest areas in order to certify emission reduction from deforestation and forest degradation,
2. **Implementation Cost:** cost associated with activities implementation such as forest protection, tree planting, patrolling or investment on improved cook stove production or monitoring sustainable and effective forest harvesting etc.


National REDD+ system & benefit sharing
Results-based payment/
Upfront payment
UNFCCC/
Other
sources
National
REDD Fund
Fund distribution
National-level verified
measurements reported
to receive international
finance
NFM system
National
REDD+
Strategy
SIS
Inputs by
stakeholders
Stakeholders (e.g.
gov't agencies,
individuals,
communities,
companies)


Scope of Benefit Sharing ?
Measuring,
Reporting and
Verification
National Government
Private
Sector
Sub-National
Government
Non-
Governmental
Organizations
Local Government
Local
Community

Possible budget allocation

REDD+ national funds ← Results based payment / upfront payment

Fixed operation and administration costs (transaction costs)

1. Operating REDD+ funds → National independent agency
2. Operating NFMs and SIS
3. Operating TF, RTS, TT and CG

} National and subnational governments

Implementation costs of key PAMs identified under the national REDD+ strategy

4. Key PAMs (e.g. NFP, NPASMP, Fishery) → National and subnational governments
5. Additional PAMs including activities to incentivize actions to reduce emissions → ? Benefit sharing

Key role of the national REDD+ strategy

Implementation costs of PAMs identified under the national REDD+ strategy

4. Key PAMs (e.g. NFP, NPASMP, Fishery)
5. Additional PAMs including activities to incentivize actions to reduce emissions

- To define scopes of PAMs
  - Key PAMs
  - Additional PAMs
    - Strengthening law enforcement for areas under FA, GDANCP and FiA?
    - Expansion of, and support for, community forestry, community protected area and community fishery?
    - Moratorium on Economic Land Concessions?
    - Support for a set of activities that incentivize actions to reduce emissions

Support for a set of activities that incentivize actions to reduce emissions

Four Key questions

1. What kinds of activities to be supported?
2. Who may qualify to receive benefits?
3. On what basis should benefits be distributed?
4. What kinds of benefits should be shared?

Session 3:

Experiences from Cambodia
Heng Hong

National Consultation Workshop on REDD PLUS Benefit Sharing
Phnom Penh, 18 December 2014

Experiences from Cambodia

Outline of Presentation

1. Introduction
2. Forest Resources Utilization in Cambodia
3. Beneficiaries from natural resources in Cambodia
4. Experiences from project and communities
5. Conclusion

1. Introduction

- The Forest Types in Cambodia:
- Evergreen forest
- **Semi-ever green forest**
- **Deciduous forest**
- **Flooded forest**
- **Mangrove forest**

Forest Resources Use in Cambodia

Production Forests

- Forest Concessions;
- Production Forests not under concession;
- Forests rehabilitated;
- Reserve Forestland for reforestation or tree plantation;
- Reserved forestland for forest regeneration;
- Degraded Forestland; and
- Community Forests

Protection Forests

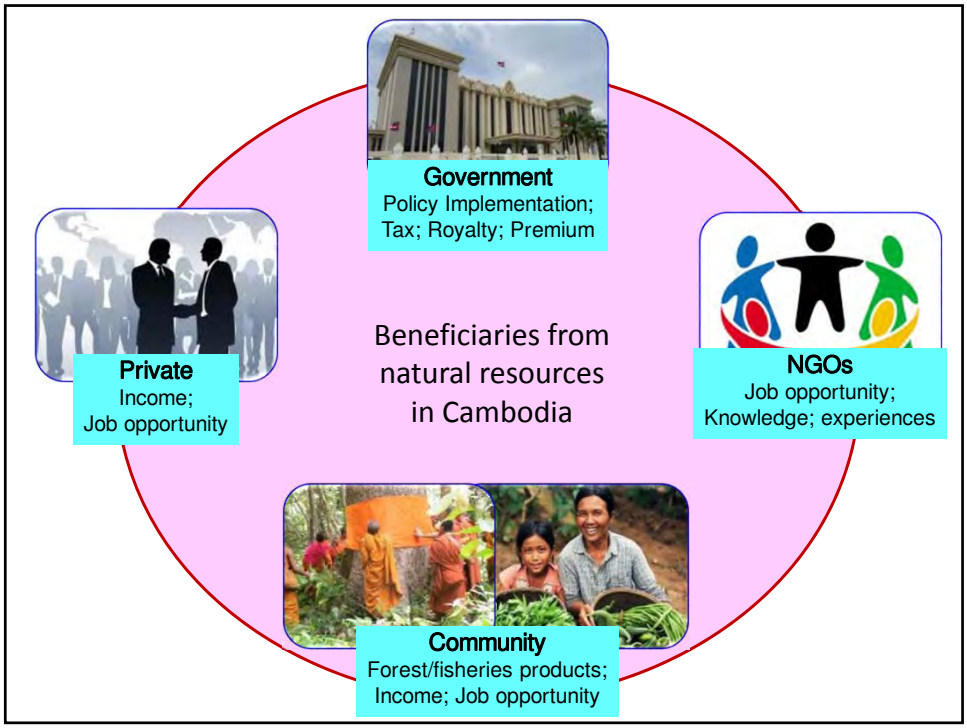
- Reserve Forests for special ecosystems;
- Research forests;
- Forests for regulating water sources;
- Forests for watershed protection;
- Recreation forests;
- Botanical gardens; and
- Religious forests

Flooded and Mangrove Forests

- Conservation of the fishery resources
- Protection of the biodiversity and inland and marine environment
- Conservation and protection of the inundated forests and fishery domain improvement.

Protection Area

- National Park
- Wildlife sanctuary
- Protected landscape
- Multiple use area
- Ramsar site
- Biosphere reserve
- Natural heritage site
- Marine park



1). Oddar Meanchey CF REDD+

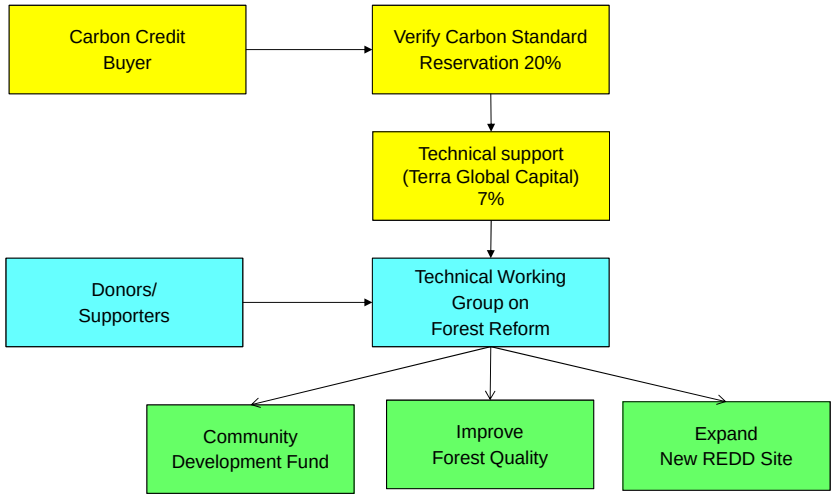
- The project has been initiated since early 2008 by the FA in cooperation with:
  - ❖International NGO (CFI/Pact);
  - ❖local NGO (CDA);
  - ❖technical support from TGC;
  - ❖Participating from CFN and CF Members
- The official letter issued by the RGC, No. 699 dated 26 May 2008: the three general priorities are:

(i) maximize benefits to communities for livelihood improvement;

(ii) develop new REDD+ project initiatives; and

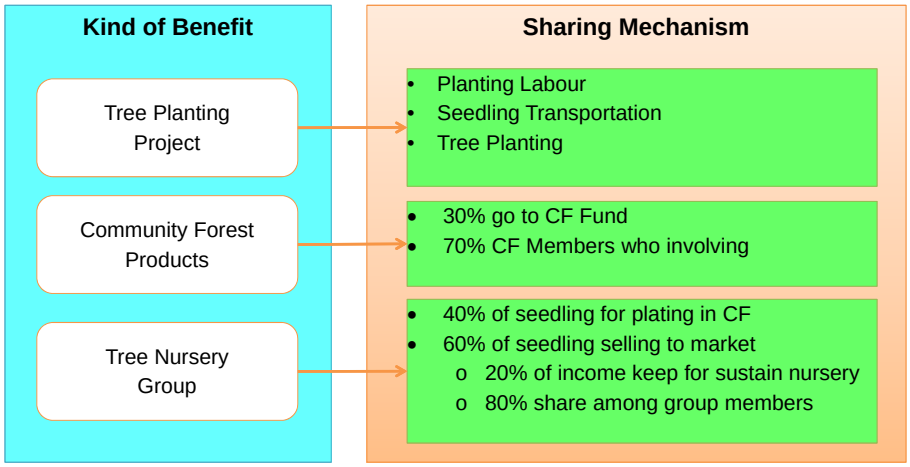
(iii) improve forest quality in the project area.

- Proposed Benefit Sharing of the Carbon generated Income



2). Oupong Roung CF, Kampong Thom

- This CF was established since 2002 which participating 95 families cover 677.69 hectares of



3). Chambok Community-based Ecotourism

- The Income Generate

Tourism 10%	NTFPs 20%	Livestock 25%	Rice 30%	Labour 15%

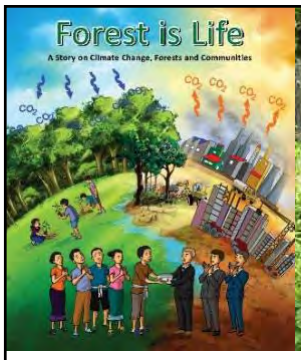
Home stay (4$/night)
- 3.5$ for owner
- 0.5$ for community

Traditional show (15$/time)
- 11.5$ for actors
- 2.5$ for coach
- 1$ for community

Cow cart (4$/time)
- 3$ for owner
- 1$f for community

Guide (15$/time)
- 14$ for guide
- 1$ for community

Community fund
- forest conservation 40%
- village development 20%
- vulnerability members 25%
- Community fund 15%



THANK YOU

កម្មវិធីរេដូកកម្ពុជា

CAMBODIA REDD+ PROGRAMME

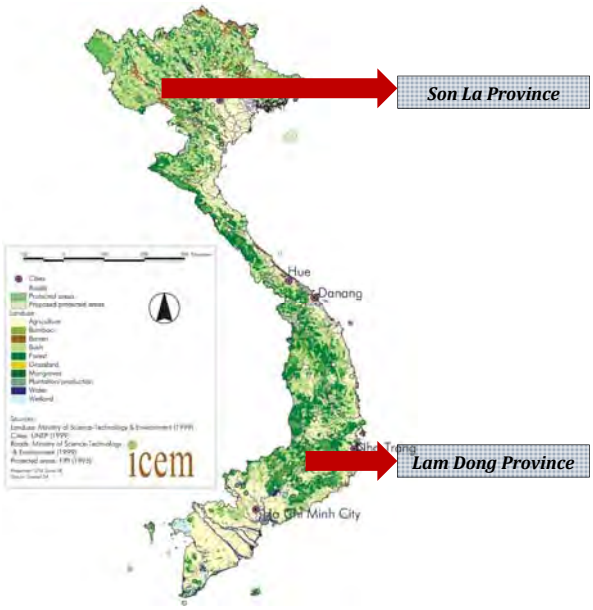
www.cambodia-redd.org / http://www.un-redd.org

Session 4

Experiences from Vietnam and Indonesia

Nguon Pheakkdey

Vietnam: Payment for Ecosystem Services



Quick facts

Forest area: 14 million ha

2 pilot projects for Payment for forest ecosystem services pilot projects in the Son La and Lam Dong provinces (financed by hydro companies)

UN-REDD Phase II with funding support from Norway

Four key questions

1. **Targeted activities: Payment for ecosystem services**
2. **Recipients of the payment= individuals/households with land titles**
3. **Basis used for allocation of the payment:**

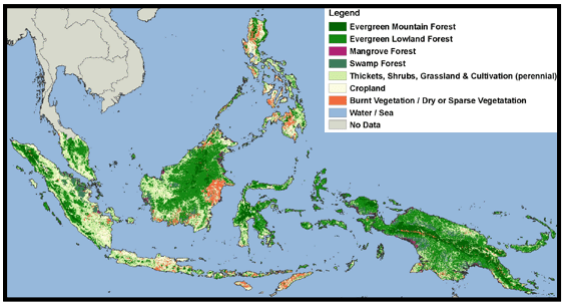
Amount of payment	=	Norm of payment per hectare	X	Area of forest managed	x	k-factor

   - **K-factor for Son La and Lam Dong Pilot project**
   - **R-coefficients discussions**
4. **Benefits distributed: cash**

Assessment of 3Es

- Effectiveness→?
  - Little evidence of how PES has contributed to the forest condition
- Efficiency→ Low
  - Too many factors into payment calculation requires collection of large amounts of data→ transaction costs are very high
- Equity→ Low
  - Those without land titles are automatically excluded

Indonesia: Community nursery programme



Quick facts

- The 3rd largest tropical forest: 94 million ha
- Norway pledged USD 1 billion to support REDD+
- Deforestation driven by illegal logging, commercial concessions (oil palm, mining etc)
- Community nursery programme as a part of one billion tree programme under REDD+

Four key questions

- **Targeted activities: community nursery**
- **Recipients of the grants= community cooperatives of 15 members**
- **Basis used for allocation of the grants: Performance based payment**
  - 1st payment (25%): 10.000 seedlings in total
  - 2nd payment (75%): 40.000 seedlings in total
  - 3rd payment (100%): 50,000 seedlings in total
- **Benefits distributed: Cash (USD 5,460) for 50,000 seedlings per cooperative**

Assessment of 3Es

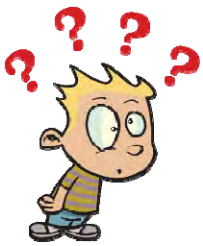
- Effectiveness: Mixed
  - High: Performance based payment motivated communities to achieve targets
  - Low: 50,000 seedlings may cover 100 ha of forests. Not an effective way to arrest high rates of deforestation happening in Indonesia.

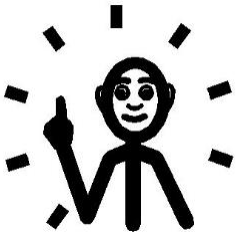
- Efficiency: High
  - Community involvement lowered the costs of production of seedlings

- Equity→ Low
  - Only a fraction of communities, community members were included

Session 5

Summary of lessons and Considerations for Cambodia





1. Scope of activities

- **Clarification and recognition of local forest tenure**
  - Provides long-term incentives for communities to sustainably manage forests
- **Forest protection and conservation**
  - Key activities to reduce emissions
- **Afforestation/reforestation activities**
  - Important but community nursery programmes had relatively minimum impacts for reducing emissions.
- **Payment for ecosystem services (PES)**
  - Requires (1) clear land ownership of service providers and (2) continuous payments over a long time
- **Ecotourism**
  - Motivates local communities to maintain ecosystem services for tourism income

2. Types of Beneficiaries

- Local communities (all cases except for Vietnam)
- Local landowners (Vietnam) for PES
- NGOs (Oddar Meanchey)

3. Basis for benefit sharing

- **Results based** (e.g. changes in forest carbon volume, number of tree seedlings, CF, and Indonesia)
  - Highly effective in motivating actors to achieve results (Indonesia)
  - Important to use simpler measurement units
    - Forest carbon measurement—high costs, infeasible
    - Simpler units (e.g. forest cover change, number of seedlings produced)
- **Contract based** (e.g. Vietnam)
  - Work only with clear land tenure rights
  - Low equity: may automatically exclude the poor without tenure rights
  - Inclusion of too many factors into payment distribution formula increases transaction costs→ payment distribution formula needs to be simple
- **Social criteria** (e.g. Vietnam)
  - May ensure benefits to reach the socially vulnerable groups
  - Too many socially related variables complicates payment calculation

4. kinds of benefits shared

	Cambodia			Vietnam	Indonesia
	Oddar Meanchey	Oupong Roung	Cahmbok		
Monetary (Cash)					
• Fee from tourists (individual)			✔		
• Payment for ecosystem services (individual)				✔	
• Income generated from forest products (NTFPs) (individual)	✔	✔	✔		
• Payment for results (collective)					✔
Non-monetary					
• Employment opportunities (individual)			✔		✔
• Improved tenure security (collective)	✔	✔	✔		
• Improved condition of forests (collective)	✔	✔	✔	✔	✔
• Public infrastructure (roads, wells, schools, pagoda etc) (collective)	✔		✔		

4. kinds of benefits

- **Monetary vs non-monetary** benefits
  - Monetary
    - For communities: an important motivating factor but with a notable risk for transforming their motivations for forest management
  - Non-monetary
    - For communities: secure tenure may promote sustainable forest management which provides long-term benefits
    - Provision of public infrastructure may be a good form of benefits that reward collective efforts of forest protection and conservation
- **Individual vs collective** benefits
  - Individual
    - May be provided for PES, ecotourism, and other approaches to target the most vulnerable
  - Collective
    - Some portion of benefits should be shared collectively to reward those who contributed to the efforts

Initial proposal for consideration

- Scope of activities
  - Support to strengthening community based forest management
  - Forest protection and conservation
  - Afforestation/reforestation
- Target beneficiaries
  - Priority given for communities including IPs
- Basis to be used for benefit sharing
  - Results based payment with the use of simple measurements (e.g. forest cover change, number of trees planted)
- Types of benefits to be shared
  - Clear/improved tenure rights
  - Employment opportunities
  - Provision of public infrastructure and
  - Equipment for forest patrolling

Session 6. Group discussion

Do you agree or disagree with the proposal?

1. What kinds of activities should be supported to incentivize local actions?
2. Who should be target beneficiaries?
3. What basis should be used for benefit sharing?
4. What kinds of benefits should be distributed to target benefiaries?

Session 7

Next steps

Next steps for safeguards

- Comments will contribute to the national REDD+ strategy
  - National REDD+ safeguards
  - Key Policies, Laws and Regulations
  - Indicators and data collection methods

  Further consultation will be held on a draft national strategy
- Additional work is needed for
  - Refinancing indicators and data collection methods
  - Proposal for an institutional framework for SIS

Next steps for benefit sharing

- Early, 2015: Define key PAMs under a national REDD+ strategy
- Mid, 2015: Make a decision on:
  - The scope of activities to be used for incentivizing local actions
  - Bases and data to be used for distributing benefits
  - Kinds of benefits to be shared
- Late, 2015: Design a system to collect and monitor data and distribute benefits based on the collected data
- 2016: Test and implement benefit sharing