

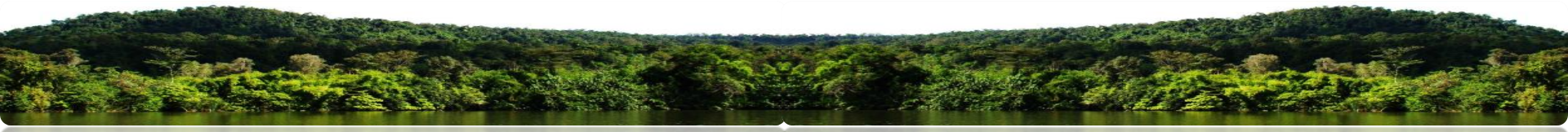


CAMBODIA REDD+ PROGRAMME

Benefit sharing effectiveness, efficiency and equity

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Existing Benefit Sharing Models
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Content

Benefit sharing – some issues to consider:

- Why benefit sharing?
- Effectiveness
- Efficiency
- Equity



Why benefit sharing?

REDD+ is a results-based mechanism where positive incentives are depended on results achieved in terms of reduced emissions or enhanced removals of greenhouse gasses



No positive results means no revenue from
REDD+!



Payments based
on results
achieved from an
international
REDD+
Mechanism



Positive
incentives to
stakeholders
(benefit
sharing)



Results
measured in
tons CO_{2e} from
reduced
emissions or
enhanced
removals of
greenhouses
gasses



No UNFCCC guidance on benefit sharing

But countries want to have positive results (e.g. reduce emissions) in a sustainable way – this means involve the relevant stakeholders



The three E's

Effectiveness: Is the benefit sharing effective in delivering emission reductions?

Efficiency: Are the results achieved at minimum costs?

Equity: Is the distribution of benefits among stakeholders considered to be fair?



Why is this important?

Effectiveness

The more effective the benefit sharing is in achieving positive results the more REDD+ incentives to the country.



Why is this important?

Efficiency

If the results are achieved at minimal costs then its more likely that REDD+ will be an attractive option.

If transaction costs on the other hand are very high then REDD+ is not likely to be successful.



Why is this important?

Equity

If key stakeholder think the benefit sharing is fair then they are more likely to participate in a positive way.

If key stakeholders do not think benefit sharing is fair then they might not want to participate and can endanger the results.

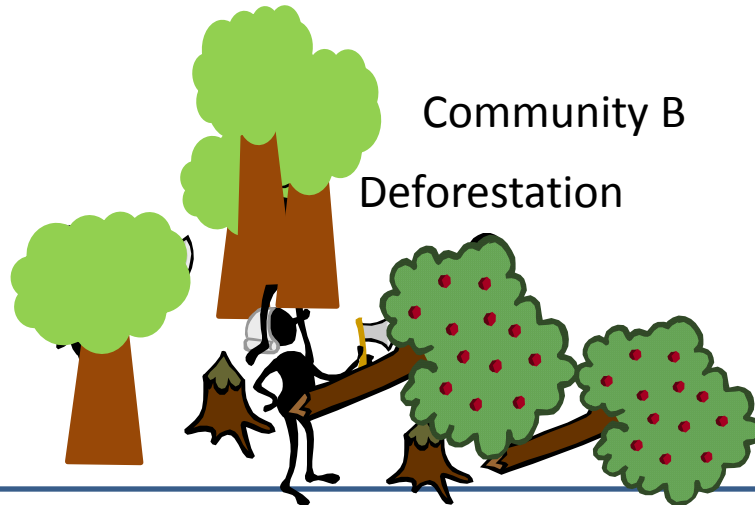


Some dilemmas



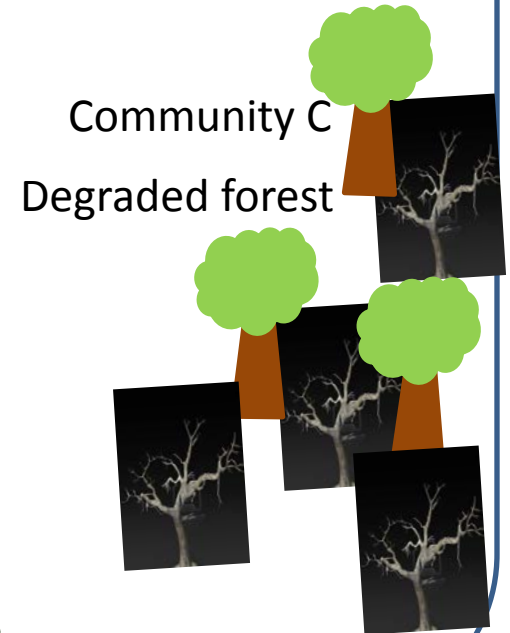
No deforestation

Community A



Community B

Deforestation



Community C

Degraded forest

Different options

Community A can continue to protect their forest

Community B can reduce or stop deforestation

Community C can do forest restoration

All activities make good sense

But reduce or stop deforestation is by far the most effective in terms of creating REDD+ results



Different options

For community C forest restoration is a good option but it is a slower process compared to reducing emission from deforestation

For community A protecting an existing forests is good but it's a continuation of what they do already and not something additional



Effective but not fair?

To be effective most of the incentives should go to community B since they can reduce emissions.

Perhaps a small share could go to community C since forest restoration is also contributing even if it's a slower process

To be effective there should not be any incentives to community A as they are protecting the forest anyway!



Effective but not fair?

Will community A consider this fair?

or will they perhaps think is better to cut down the forest which will endanger the results for the whole country.

Will the protection of the forest by community B actually lead to additional pressure on the forest by community A and C?



Fair but not effective?

All communities receive the same incentive regardless of their contribution

In this case there is perhaps not a strong incentive to do anything – so its not effective



Effective but not efficient

If we want to provide incentive to every community based on the exact contribution this could be considered to be effective and perhaps also fair.

But this will require significant monitoring even at village level and be very costly and therefore not efficient or even possible.



Effectiveness

It's probably not possible to maximize all three E's at the same time and a balance will have to be found and this will require a good dialogue among stakeholders and careful analyses of different options

Efficiency

Equity



Thank You

Website: www.cambodia-redd.org / <http://www.un-redd.org>

