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Study on Impactful Benefit Sharing in REDD+

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Impactful Benefit Sharing – Methodological background

**Overview and
approach**

Key elements

**Part 1: Principles,
definitions and
concepts**

**Part 2: Selected
elements of the
approach**

Key lessons



Objective of the Impactful Benefit Sharing study

Objectives:

- To review existing experience, lessons learned from the FCPF, ISFL and other REDD+ projects globally on sharing proceeds from the results-based payments.
- To understand and validate what makes ‘benefit sharing’ impactful
- To develop a methodological framework that could serve as a technical background for developing clear and practical resources for practitioners, contribute to the development of the approach and guidance for designing and implementing “Impactful” Benefit Sharing in REDD+ and AFOLU.



Approach



Informed by the experiences of FCPF and other REDD+ initiatives as well as the latest thinking

- Takes a broader approach, considering the allocations of benefits and costs to the range of stakeholders across the lifecycle of initiative.
- Considers ER programs where benefit sharing is a driving force for generating ERs
- Focuses on the allocation to stakeholders – who gets what -- with a focus on equity
- Recognizes that any discussion of allocation and distribution (e.g. benefit sharing) must be considered using a political economy lens and local context

Part 1: Definitions

- The term “benefit sharing” in RBCF is often discussed narrowly in terms of rules for the distribution of payments for emissions reductions.
- While payments are one important benefit, the term is increasingly considered inadequate for describing the range of approaches for allocating and distributing RBCF funds and the breadth of benefits, costs and impacts.
- The term “benefit sharing” has a different meaning in other sectors, adding to the confusion.
- However, until a new term is more widely adopted, the methodology continues to use “benefit sharing”.

Suggest to define **benefit sharing** as the allocation and distribution of the full range of investments, impacts, proceeds and associated costs of and from forest, land, oceans, infrastructure and financial programs aimed at reducing emissions.

Impactful benefit sharing delivers measurable and sustainable emissions reductions and related development objectives in an effective, equitable, efficient, transparent, accountable and legitimate way.

Role of benefit-sharing plan

- Understand and address drivers and causes of deforestation
- Align incentives with sustainability of the initiatives
- Develop and present a comprehensive approach for investments
- Foster ownership of the ER Program and build trust and legitimacy
- Ensure equity and inclusion

- From the effectiveness perspective, the BSP **keeps every relevant stakeholder engaged and interested** in successful implementation and continuous reduction.
- From the equity perspective – the BSP **provides fair compensation** to those that shoulder the costs.



The BSP plays a pivotal role in the sustainable implementation of ER programs



Different rationales for distribution of benefits

Rationale	Underlying theory	Explanation	Actors rewarded
Emission reductions	Merit-based	Benefits should go to those actors achieving emission reductions	Farmers, companies, other land users and managers
Facilitation	Merit-based	Benefits should go to effective facilitators of RBCF implementation	Project proponents (e.g., NGOs); communities, local govt.; brokers
Cost compensation	Merit-based	Those actors incurring costs should be compensated	Land users, project proponents, govt. agencies
Pro-poor	Needs-based	Benefits should go to the poorest	IP and LCs, poor villagers
Stewardship	Needs-based, Egalitarian	Benefits should go to low-emitting forest stewards	IP and LCs
Legal rights	Libertarian	Benefits should go to those who hold the legal rights to the carbon	IP, LCs, private landowners, govt

Based on Luttrell et al. (2013)

What is impactful benefit-sharing?

Principles for impactful benefit sharing

Effectiveness (achieving goals)

- Emissions reductions
- Development objectives (DOs)

Relevant to

Guiding Questions

- Can participants achieve the emissions reduction target?
- What additionality do the DOs contribute to ERs?
- Are there appropriate rewards or incentives that could effectively target the drivers through local partners?

Efficiency (maximum benefits at given costs)

- Costs to achieve goals (ER and others)
- Timeliness

- Are the benefits greater than the costs?
- Is there a cheaper way to achieve the same ERs and DOs?
- Is the overall approach feasible and practical?
- Could we get to the ERs faster using a different channel?

Equity (fairness)

- Social inclusion in decision-making
- Fair distribution of costs and benefits among groups and individuals
- Throughout the initiative
- Across generations

- Are benefits reaching those who incur the costs?
- Are vulnerable groups being specifically considered?
- Are all relevant groups meaningfully participating in all phases of the project?
- Are intergenerational justice questions given consideration when cost and benefits are considered (cost incurred today, benefits in the future, while emissions have been in the past)?
- Is the overall balance considered fair by all groups involved?

What is impactful benefit-sharing?

Principles for impactful benefit sharing

Legitimacy (justice, legality)

Relevant to

- Legitimacy of the process (participation, inclusion)
- Legitimacy of the outcomes
- Accountability

Guiding Questions

- Are vulnerable groups being fairly represented in processes?
- Is FPIC being considered during implementation?
- Do existing governance structures have mechanisms to ensure fair access to decision making; cost/benefit distribution/ monitoring?

Sustainability (permanence)

- Ecological (incl. ER)
- Governance (incl. political support)
- Social (incl. local legitimacy)
- Economic (incl. tangible benefits to local partners)
- Financial (incl. funding of initiative)

- Will the ERs be sustained (permanence) or even increase over time?
- What are the mechanisms in place to ensure ERs are sustained?
- To what extent do the ER goals align with local priorities so that they are likely to be sustained after the project ends?
- Will the social impacts be sustained?
- How will financing (for activities/to communities) continue, and how to integrate third party funding sources?

Accountability

- Transparency
- Clarity
- Traceability
- Accessibility

- Are key documents and data made accessible to different stakeholders (language, education, access channels)?
- Who is able to understand and use the data provided?
- Can investments be traced to benefits for different groups?



Developing a BSP

- Can be complex and time-consuming
- Requires involvement from actors at all levels

Recommendations:

- Leverage global experiences
- Integrate lessons learned from existing initiatives
- Formulate risk management strategies
- Connected to and impact local climate change policies and actions

Part 2: Suggested phased approach to benefit sharing

- The benefit-sharing approach and phasing should be based on a realistic assessment of country readiness and the operational issues to be addressed.
- While some countries might already have experience and infrastructure, such as an existing PES program (e.g., Costa Rica, Viet Nam, Brazil), others might be starting from scratch.
- Benefit-sharing strategies can be phased to focus on investing in strengthening the enabling environment at the outset of the program, and then increasingly able to provide more incentives/rewards to local actors as those conditions are being put into place.

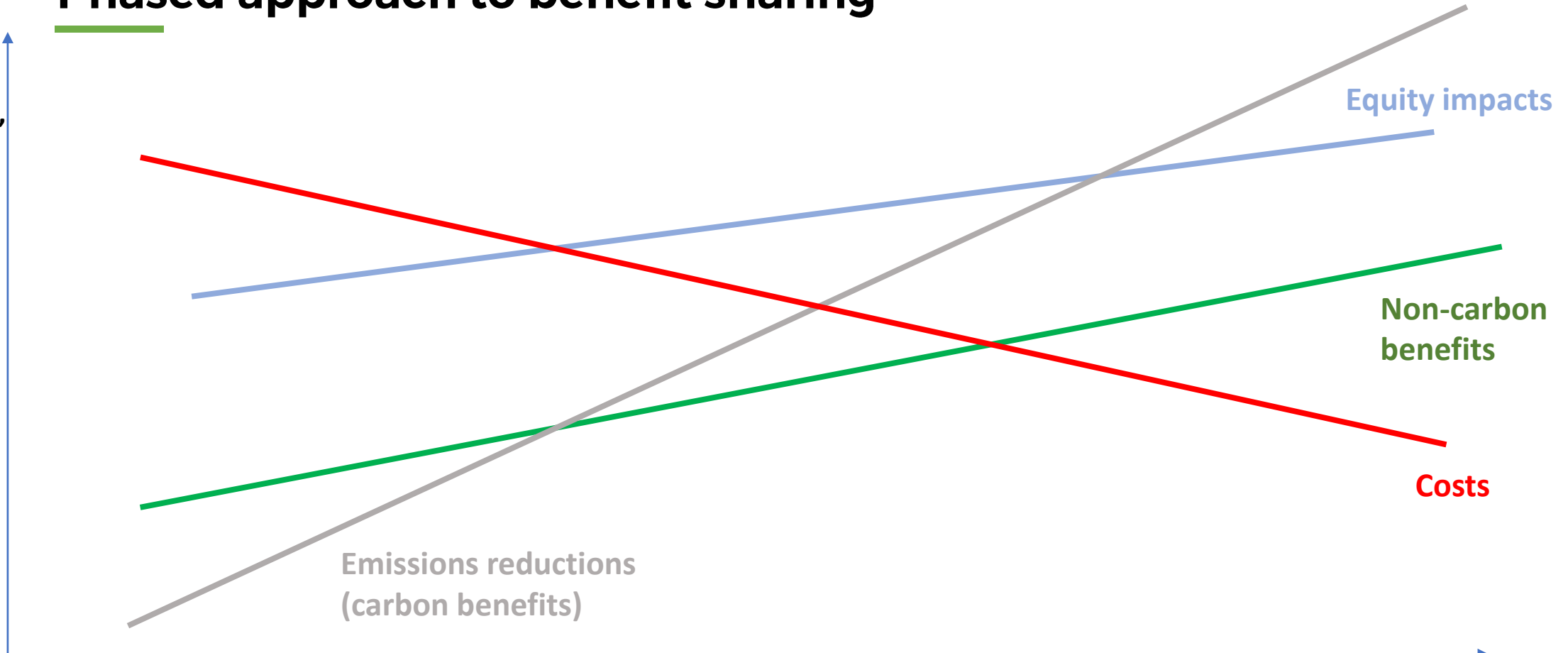




Benefit-sharing emphasis
changes over time

Phased approach to benefit sharing

Equity,
effectiveness,
efficiency
(e.g., more
people take
part in forest
protection
activities)



Stage 1. Countries have limited number of financial opportunities/investors, weak/absent enabling conditions



Stage 2. Countries have enabling conditions are in process, some or few investors already initiated



Stage 3. Countries have full market conditions and enabling conditions in place

Country context and readiness

Part 2: Suggested approach to the process impactful benefit sharing design

Methodology

Describe the problem
(drivers/actors)

Define purpose of
benefit-sharing

Map the actors

Design the intervention

Analyze the impacts (costs and
benefits) for different
stakeholders

Implement and
monitor for impact

RBCF initiative

Proposed benefit-sharing
actions/project

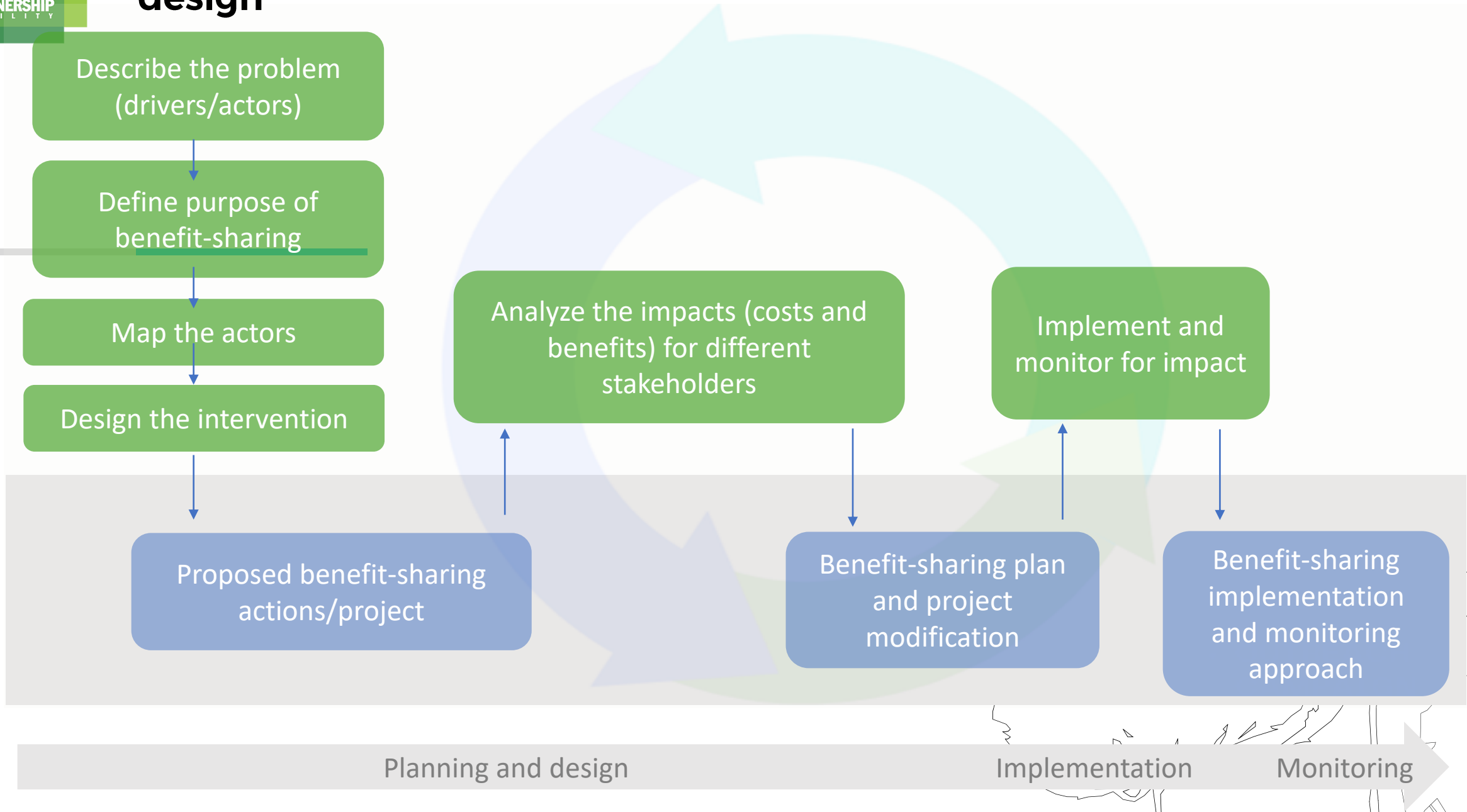
Benefit-sharing plan
and project
modification

Benefit-sharing
implementation
and monitoring
approach

Planning and design

Implementation

Monitoring



Implement for impact: Key processes

Principles for impactful benefit sharing

Co-creation

(participation, ERP/BSP design, FPIC)

Practices

- Incorporating perspectives of local actors on what benefits they want
- Designing, planning and implementing strategies and activities together

Guiding Questions

- Did local partners help develop the approach, or just sign off on what was presented to them?
- Do local partners co-design and co-manage consultations?
- Are there mechanisms in place for local partners to engage in design of the benefit-sharing approach?
- To what extent do local partners actually design the benefit-sharing approach?
- Does the benefit allocation respond to the priorities of local partners?
- Do the benefits support or respond to a local development plan?

Co-governance

(decision-making, ERP/BSP implementation, FPIC)

- Sharing decision making with local partners
- Including local partners as equals on steering committees and advisory committees

- To what extent do local partners manage the benefit-sharing approach?
- To what extent are local partners represented in government decisions?
- Do local partners design and manage FPIC processes (or just sign off on them)?

Adaptation

(monitoring, learning, FGRM)

- Co-designing monitoring criteria and indicators that assess the principles
- Co-designing monitoring approaches
- Linking monitoring to Safeguards Information Systems
- Monitoring responds to stakeholder questions
- Social learning processes

- Are local partners involved in the design and implementation of monitoring systems?
- Are there feedback mechanisms built into the process from the outset?
- Are there mechanisms for regularly reviewing and updating the benefit-sharing approach?
- Have pilot phases been included in the process?

Implement for impact: Key processes

Principles for impactful benefit sharing

Practices

Guiding Questions

Timing

- Timing of payments and other benefits
- Timeliness of payments
- Duration
- Consistency

- Have local partners provided input on payment timing – whether payments should be spaced evenly, back-loaded or front-loaded?
- Are there initial activities that will need to be financed by front-loaded payments?
- What are the preferences of local partners for payment timing?
- Are there consequences or penalties if payments are delayed to local partners?

Communication

- Transparency on all relevant aspects
- Benefit delivery and distribution
- Funds flow
- ERP attribution
- Information management
- FGRM

- Are there clear and regular communications to local partners to inform them of the status of benefits?
- Is there a recognized name for the ER program that local partners clearly associate with their activities to reduce emissions?
- Do local partners have a local trusted source of information about benefit sharing and the ER program?
- Is there an information management plan?
- Is there a digital platform where information can be easily accessed, and the information is kept up to date?
- Is there two-way flow of information?

Assessment of impactful principles

	Principle	Successes	Challenges
Core Principles (what to achieve)	Effectiveness	Achieved ER goals through expansion of participation through CREFs	Uncertain long-term funding for CREFs
	Efficiency	Aligned multiple funding sources to maximize benefits; no limit on the land area (ha) that owners can enroll	Expensive consultations, low price of carbon
	Equity	Dedicated program initiatives benefit women, IP and youth; expansion of program to IP and other landholders	Difficulties ensuring equitable distribution of benefit; teams lacking skills for engaging with IP
	Legitimacy	Strengthening legality for contracts with landholders; integrating IP territories, concepts and world views	Addressing existing barriers for IP to access climate funding
	Sustainability	Institutional strengthening (SINAC); implementation of the forest monitoring system and safeguards	Uncertain financial sustainability or guarantees of continuous support from international donors
	Accountability	Clear regulations and established workflow; earmarked BSP funds for monitoring; trained cultural mediators	Ensuring that monitoring, safeguards and grievance systems are effectively implemented
Process Principles (how to do it)	Co-creation	Mechanisms (PAFTs) were designed through consultative processes	Improving coordination across sectors; expense and time required for consultations
	Co-governance	Two co-governance committees have been established for PAFT operation	Maintaining stakeholders' continued support for implementation
	Adaptation	Different financial mechanisms were expanded and improved upon	Putting time and resources into analysis to be able to propose adaptative improvements and new approaches
	Timing	The ERP recognizes retroactive ERs from 2018-2024 and provides payments of \$18/ha/year with CREF local partners in three tranches.	Timing of payment depends on the negotiation with the purchaser of ERs and the acceptance of monitoring reports at the national and local partner levels; delays make payments unpredictable
	Communication	Established a system (MIRI) to facilitate access to information via multiple channels	Capacity to guarantee continued tailored communication mechanisms to engage with IP

- Emissions reductions
- Development objectives (DOs)

**Effectiveness
(achieving
goals)**

Strategies	Successes	Challenges
• Costa Rica's National REDD+ Strategy (ENREDD) aims to combat the primary causes of deforestation and forest degradation, promote sustainable forest management and maintain forest carbon stocks. • The Emission Reductions Program (ERP) of the FCPF Carbon Fund is an integral part of the broader effort. • The BSP rewards actors who achieve tangible ERs through the Contract to Reduce Forest Emissions (CREF) mechanism	• In recognition of its achievements in reducing 3.28 million tons of carbon emissions during 2018 and 2019, Costa Rica received USD 16.4 million in 2022, marking the first of three planned payments. • CREF is designed to provide support to IPs and communities previously overlooked by the PES program, and it could potentially engage up to 4,000 new beneficiaries across about 430,000 hectares of natural forests.	• Resources available for the ENREDD BSP payments are insufficient to cover the extensive forest areas that the country aims to sustain in the long term. • Land tenure issues tie carbon directly to the type of land tenure, leading IPs to express disinterest in payments unless land issues are addressed. • Ensuring that result-based payments are used to generate a positive impact according to the BSP objectives.

Costs to achieve goals (ER and others)
Timeliness

Efficiency
**(maximum benefits
at given costs)**

Strategies	Successes	Challenges
• The BSP ensures that costs incurred by actors in the REDD+ process are compensated. • All forests are now eligible for participation, including those without formal property titles, with simplified criteria. • CREF removes the maximum limit a single owner can enroll. • The government simplified the calculations used to determine payments per ha. This streamlined process potentially broadens the appeal and accessibility of the program to diverse forest owners.	• BSP includes financial support for MRV processes, with a portion of the ER payments reserved to cover these operational expenses (4%). • The Costa Rican government merged funds from the World Bank and the Green Climate Fund. This adjustment increased the annual net payment from USD 5 to USD 18 per hectare under CREF agreements, totaling approximately USD 126 per hectare over seven years (MINAE, 2022). • The National-level monitoring system for CREF as part of its BSP	• The current donor payment through the FCPF is much lower, at \$5/ha/year, while the PES Program currently pays about \$68/ha/year. • Lack of incentives that are compelling enough to encourage participation, particularly when not all stakeholders have the same interests.

- Social inclusion in decision-making
- Fair distribution of costs and benefits among groups and individuals
- Throughout the initiative
- Across generations

Strategies	Successes	Challenges
• The BSP proposed technical and legal norms for new financial mechanisms that involve marginalized groups • Giving more points to proposals led by women and prioritizing proposals • Adapting requirements to facilitate access to increase the number of applications by Indigenous Peoples	• Green Business Fund Green Business Fund (managed by SINAC) and Inclusive Sustainable Development Fund (managed by FONAFIFO). These funds aim at supporting women and youth • Indigenous peoples are involved in the monitoring and evaluation of the ER Program. • CREF are designed to provide support to IPs and communities previously overlooked by the PES program, and it could potentially engage up to 4,000 new beneficiaries across about 430,000 hectares of natural forests.	• Ensuring access to and distribution of benefits among Indigenous Territories compounded by cultural and linguistic barriers and stringent regulatory requirements. • Lack of understanding of how to effectively interact with Indigenous communities

- Legitimacy of the process (participation, inclusion)
- Legitimacy of the outcomes

Strategies	Successes	Challenges
• Costa Rican law establishes that only the legal owners of the land, whether individual or collective rights-holders, can receive benefits from the sale of ERs. • Strengthening legality has been key to addressing crucial enabling conditions. • Sound legal and institutional frameworks around land, resources, and carbon underly legitimacy and equity of the process.	• Agreements signed among relevant stakeholders to promote conservation and sustainable forest operations. • IP concepts and world views related to forests are recognized in the implementation of the ER Program and the BSP; Indigenous territories included in the ER Program. • The BSP seeks to create new alternatives that enable individuals with unclear land tenure rights to implement REDD+ activities nationwide, thereby maximizing ER at a national scale .	• Ensuring that IPs can access climate funds despite existing barriers. • Maintaining clear and fair distribution processes.

- Ecological (incl. ER)
- Governance (incl. political support)
- Social (incl. local legitimacy)
- Economic (incl. tangible benefits to local partners)
- Financial (incl. funding of initiative)

Strategies	Successes	Challenges
• SINAC Institutional Strengthening Plan can improve the long-term governance of forest lands in the National System of Conservation Areas and therefore emission reductions. • PAFTs are benefit distribution plans that are developed by each Indigenous Territory. The plans include specific initiatives for women and youth, as well as community development actions.	• Other examples include: Institutional strengthening; review of the regulatory framework, implementation of the forest monitoring system and safeguards monitoring system • Encouraging the development of environmentally friendly commodities, and supporting entities engaged in activities that promote ER or contribute to climate change mitigation, especially those previously unrecognized due to various constraints.	• Financial sustainability is a major challenge since REDD+ relies on external funding (unlike the PES system), with uncertainty in the climate finance environment • Continuous support from international donors is crucial for overcoming resource limitations and ensuring the sustainability of these initiatives.

- Transparency
- Clarity
- Traceability
- Accessibility

Accountability

Strategies	Successes	Challenges
• Scaling outcomes of successful initiatives implemented over the past 20 years under the Forestry Law. • A Gender Action Plan (GAP) was developed and updated in 2022. This plan establishes affirmative actions for Indigenous women and promotes Indigenous Women's rights	• Clear regulations and established workflows enabling these operational spaces to function effectively • Launching communication campaigns with the initial call in October 2020 and a subsequent one in August 2021 • Training cultural mediators has been a significant part of the strategy. These mediators play a crucial role in bridging the gap between government protocols and Indigenous customs.	• Ensuring effective implementation of existing monitoring, safeguard and grievance systems

- Incorporating perspectives of local actors on what benefits they want
- Designing, planning and implementing strategies and activities together

Co-creation
(participation,
ERP/BSP design,
FPIC)

Strategies	Successes	Challenges
• Costa Rica has achieved significant milestones through a participatory process that has spanned over ten years, focusing on the design and implementation of ENREDD and the associated BSP • The BSP's various tools were introduced and discussed with stakeholders during the participatory development of the BSP. • The BSP also addresses different stakeholder comments and concerns, along with responses from the REDD+ Secretariat.	• PAFTs were designed through a consultative process that started in 2021 and are now the main mechanism through which Indigenous Peoples Territories are expected to receive and manage climate finance. • PAFTs are developed through a community-led process, supported financially by various sources.	• Having the ability to improve and coordinate with other entities and sectors • The participatory processes are expensive and time-consuming

- Sharing decision making with local partners
- Including local partners as equals on steering committees and advisory committees

Co-governance
(decision-making,
ERP/BSP
implementation, FPIC)

Strategies	Successes	Challenges
• Grievance mechanism embedded in the BSP, involving the PAFT committees. If issues are detected, they must immediately notify FONAFIFO to activate alerts and involve DINADECO, who can demand accountability.	• The CREF simplified the criteria for participation and removing specific prerequisites. • Two committees have been established for PAFT operation: an oversight committee that ensures investments are made in the field and monitors budget expenditure , and a monitoring committee that checks project completion Capacity building is crucial for these committees	• The extensive participatory process, crucial for engagement, is often costly and hampered by the complex procedures of multilateral organizations.

- Co-designing monitoring criteria and indicators that assess the principles
- Co-designing monitoring approaches
- Linking monitoring to Safeguards Information Systems
- Monitoring responds to stakeholder questions
- Social learning processes

Adaptation
(monitoring,
learning, FGRM)

Strategies	Successes	Challenges
• Through negotiations with the FCPF, Costa Rica managed to secure agreements that are retroactive to 2018-2020 and combine payments with other funds. These negotiations have addressed the challenges of covering underlying costs (eg. Safeguards, MRV) in programs, which are significant due to the frequency of international audits and related monitoring and implementation costs. • The development of convergence maps outline areas where agroforestry practices, conservation incentives, and forest landscape restoration could maximize non-carbon benefits. • Secretariat is consolidating a geospatial database. This system uses multiple databases to clearly define areas free from conflicts to assess existing application processes or expired agreements	• Costa Rica has significantly improved community and institutional involvement in monitoring mechanisms, adapting these procedures to suit the specific characteristics of each mechanism while also establishing clear timelines and procedures. • Expansion and improvement of different financial mechanisms. • The ERP focuses on creating opportunities for participation of individuals with unclear land ownership. • CREF requires a minimum of just one ha of forest area to participate, removes the maximum limit that a single owner can enroll and removes weighting criteria to standardize	• Maintaining the attractiveness and sustainability of these mechanisms requires a thorough analysis of the context and stakeholders, enhancing participation, and adapting the process so that it is flexible enough to ensure the system's effective function.

- Timing of payments and other benefits
- Timeliness of payments
- Duration
- Consistency

Strategies	Successes	Challenges
• The timing of the ER payment is negotiated by the government through the ERPA, which also depends on the negotiation with the purchaser of the ERs. • Program heavily depending on the FCPF payments (the FCPF ERPA covers 80% of REDD+ RBP Project) • CREF contract holders earn US\$18 per hectare per year from 2018 to 2025, but the payments are delivered in multi-year tranches (not yearly).	The CR ERP recognizes retroactive ER with payments programmed in three tranches: • The first payment (US\$ 36) was paid in 2022 for the years 2018 and 2019. • The second payment was scheduled for 2023 for the services generated in the years 2020 and 2021 . • Final payment will be in the year 2025 for the years from 2022 to 2024.	• Payment of the ERs depends on the negotiation with the purchaser of ERs. • Payment dates are subject to the monitoring events in the ERPA and the approval and verification of these reports, which can result in delays. • Payments by the government to each CREF owner is dependent on the monitoring of the property. • Both of these monitoring requirements (at the national and landholder level) make timing for payments uncertain.

- Transparency on all relevant aspects
- Benefit delivery and distribution
- Funds flow
- ERP attribution
- Information management
- FGRM

Strategies	Successes	Challenges
• Established the Information, Feedback, and Non-conformities Mechanism (MIRI) • Tailored communication plans developed in collaboration with stakeholder groups • Participatory communication strategy including an extensive stakeholder consultation process. • The BSP includes earmarked budget allocated annually for the design and printing of communication materials.	• MIRI was important to facilitate access to information via multiple channels; for instance, website, email, online chat, phone, participation fairs, on-site services, SITADA, and a suggestion box. • Communication managed through cultural mediators • variety of communication tools such as informational banners, videos, and posters are used to explain the importance of carbon storage in forests and the activities under REDD+.	• Officials' lack of understanding of how to effectively interact with Indigenous communities constrains the development of new tailored communication mechanisms



Lesson learned: Disconnect between MRV and benefit sharing is a challenge for jurisdictional REDD+

- The disconnect between the MRV and benefit sharing approach results in implementation challenges.
- There is misalignment between ERs – which are not attributed and reported at a jurisdictional level.
- The result is a burden on program entities as they are left to identify those that have contributed to ERs.
- Program entities often overcompensate by designing (overly) complex systems to ensure perceived fairness.
- A different approach is a national or jurisdictional fund that reinvests in priorities to sustain or incentivize future ERs.



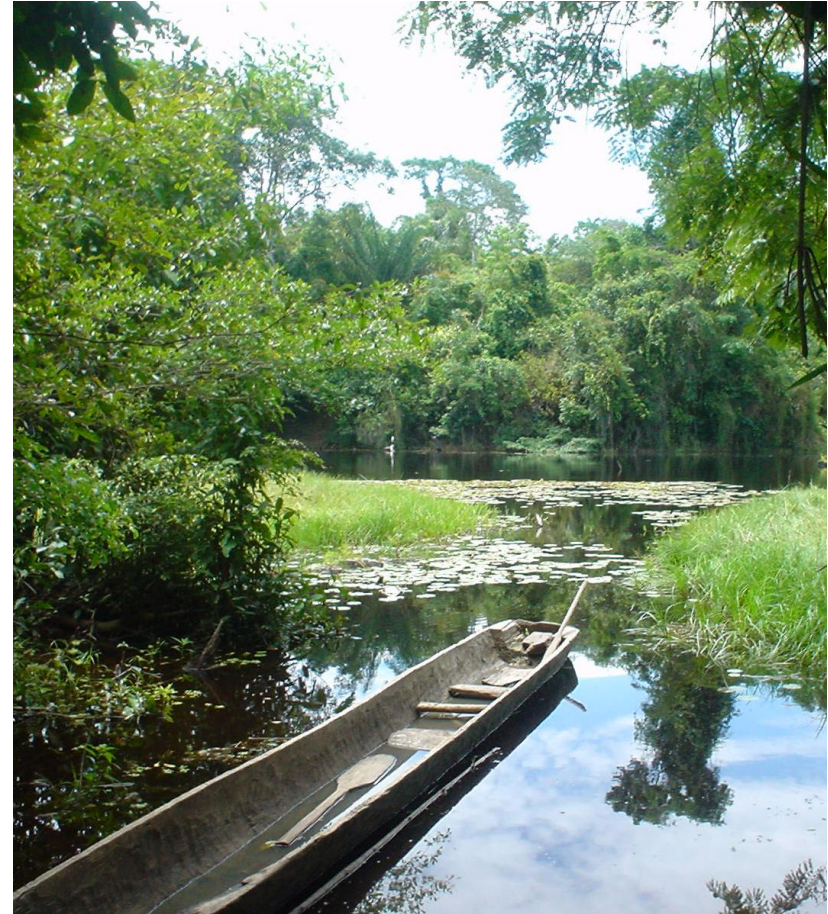
ERs are calculated at the national/provincial level, BUT allocations are expected at the local level (eg. village, household, individual)

Challenges in Aspects of Benefit Sharing

- Current results-based payments are insufficient to cover with the benefits the extensive forest areas that the countries aim to sustain in the long term.
- Sustainability of the benefit sharing systems depends on the flow of RBCF and carbon/ climate finance
- Making the incentives attractive with small amount and that are compelling enough to encourage participation, particularly when not all stakeholders have the same interests.
- Land tenure issues tie carbon directly to the type of land tenure, leading IPs to express disinterest in payments unless land issues are addressed.
- Harvesting outcomes and impacts of the BSP implementation.
- Capacity, cross ministerial/ sectoral collaboration and strong commitment is needed to deliver non-monetary benefits, which can be more challenging than monetary ones, both administratively and logistically.
- Ensuring access to and distribution of benefits among Indigenous Territories compounded by cultural and linguistic barriers and stringent regulatory requirements.
- Ensuring effective implementation of existing monitoring, safeguard and grievance systems

Challenges in Processes of Benefit Sharing

- Uncertainty of results-based payments (amount, timing, MRV results)
- Payments come much later (if come), with big delays and not aligned with needs
- Shortage of upfront resources to establish and maintain benefit sharing systems
- Lack of knowledge and capacities on designing benefit sharing arrangements
- Implementation is often cross sectoral, lack of ability to improve and coordinate with other entities and sectors
- The participatory processes are expensive and time-consuming
- Lack of understanding of how to effectively interact with Indigenous communities
- Lack of experience of working with private sector



Lessons learned on principles of the impactful benefit sharing

- Benefit sharing should be linked to drivers and support ERs. Ensuring that result-based payments are used to generate a positive impact according to the BSP objectives is key.
- There is a need to bridge gap between MRV and benefit sharing at the conceptual level and on the ground.
- Undertake key reforms, including legal reforms, to increase eligibility
- Build strong political will to institutionalize the process
- Building on existing systems is most efficient way to distribute proceeds in impactful way. Utilize proven frameworks and successes from existing programs to enhance new initiatives.
- Strengthen relevant regulatory and institutional frameworks. Implement necessary legal reforms and strengthen institutions to support your objectives, for example, to broaden participation effectively.
- Flexibility and agility in designing and implementation of the benefit sharing arrangements are based on clear purpose of the benefit sharing, thorough analyses of stakeholders, drivers of deforestation, cost-benefit mapping to stakeholders
- Climate funds should support development goals. Align environmental funding with broader socio-economic development objectives to maximize impacts



Lessons learned on processes of the impactful benefit sharing

- Benefit sharing planning and preparation should start ahead for funds flow. Allow sufficient time to set up the benefit sharing arrangement architecture.
- Simplify procedures and broaden the appeal
- To sustain ERs and behavioral changes, the stakeholders should clearly understand that they are either compensated or incentivized for reduced ERs through strong and clear communication and outreach.
- Clearly define and estimate operational costs, secure the financial resources needed to operationalize interventions.
- Timeliness of payments is important including matching payment timing with needs of local stakeholders, innovations play huge role such as electronic distribution of funds
- Assure transparency to support legitimacy of the program(s). Maintain clear and fair distribution processes to uphold legitimacy and support strategic goals.
- Learn by doing and reflect with key actors on ways to improve.
- Engage stakeholders through participation, involving diverse actors' inputs in planning, implementation and monitoring.
- Tailor procedures and goals to local people's needs – support and draw on self-organizing / local planning strategies such as the PAFT.
- Monitoring of results is crucial for accountability.



Thank you!

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Any questions?

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End of Day 1

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