Updated Benefit Sharing Plan for the Atiala–Atsinanana Emissions Reductions Program

Ministry of Environment and Sustainable Development (MEDD)	National Office of Climate Change and REDD+ (BNCCREDD+)

Date: July 2026

Description: Updated Benefit Sharing Plan (BSP) for the Atiala – Atsinanana Emissions Reductions Program (AA-ERP), aligned with Decree N° 2025-626: Revised Decree on the Regulation of Access to the Forest Carbon Market

Applicability: This BSP is applicable to all carbon revenues generated under the AA-ERP, registered under the FCPF for the second and third reporting periods (January 1, 2021 – December 31, 2024), irrespective of the source of those revenues — whether originating from payments by the World Bank or from the purchase of carbon credits by third parties.

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AA-ERP	Atiala-Atsinanana Emissions Reductions Program
ARR	Afforestation, Reforestation and Revegetation
BNCCREDD+	National Office of Climate Change and REDD+ (*Bureau National des Changements Climatiques et de la Réduction des Émissions dues à la Déforestation et à la Dégradation des Forêts*)
CAS	Special Assignment Account (*Compte d'Affectation Spécial*)
CAZ	Ankeniheny-Zahamena Corridor (*Corridor Ankeniheny-Zahamena*)
CBNRM	Community-Based Natural Resource Management
CI	Conservation International
CIME	Inter-ministerial Committee for the Environment (*Comité interministériel pour l'environnement*)
COS	Steering and Support Committee (Comité d'orientation et de suivi)
COSAP	Orientation and Support of Protected Areas Committee (*Comité d'orientation et de suivi des aires protégées*)
CRR	Regional REDD+ Coordination (*Coordination régionale REDD+)*
CTD	Territorial Decentralized Collectives (*Collectivités territoriales décentralisées*)
DREDD	Regional Environment and Sustainable Development Directorate (*Direction régionale de l'environnement et du développement durable*)
DRMCF	Decree on the Regulation of Access to the Forest Carbon Market (*Décret relatif à la régulation de l'accès au marché du carbone forestier*)
ER	Emissions Reduction
ESAP	Environmental and Social Action Plan
ESMF	Environmental and Social Management Framework
FAPBM	Foundation for Protected Areas and Biodiversity of Madagascar (*Fondation pour les aires protégées et la biodiversité de Madagascar*)
FCPF	Forest Carbon Partnership Facility
FGRM	Feedback and Grievance Redress Mechanism
GHG	Greenhouse Gases
LOFM	Forest Observation Laboratory in Madagascar (*Laboratoire d'observation des forêts de Madagascar*)
MECIE	Compatibility of Investments with the Environment (*Mise en Compatibilité des Investissements avec l'Environnement*)
MEDD	Ministry of Environment and Sustainable Development (*Ministère de l'environnement et du développement durable*)
MEF	Ministry of Economy and Finance (*Ministère de l'économie et des finances*)
MNP	Madagascar National Parks
MRV	Monitoring, Reporting and Verification
NGO	Non-Governmental Organization
ONE	National Office for Environment (*Office nationale de l'environnement*)
PA	Protected Area
PAGDP	Landscape Management Plan
PF	Process Framework

PFN REDD+	National REDD+ Platform (*Plateforme nationale REDD+*)
PLUT	Utilization Plan (*Plan d’utilisation)*
REDD+	Reducing Emissions from Deforestation and Degradation
RPF	Resettlement Policy Framework
SIIP	Information System of Initiatives and Programs (*Système d'information des initiatives et programmes*)
SIS	Safeguards Information System (*Système d'information sur les sauvegardes*)
STD	Decentralized Territorial Services (*Services techniques déconcentrés*)
TPF	The Peregrine Fund
VOI	Grassroot community groups (*Vondron'olona Ifotony*)
WCS	Wildlife Conservation Society
WWF	World Wildlife Fund

1. INTRODUCTION

1.1 PRESENTATION OF THE ATIALA-ATSINANANA EMISSIONS REDUCTIONS PROGRAM

1.1.1 Scope and objective of the ERP

The Atiala-Atsinanana Emissions Reductions Program (AA-ERP) is a jurisdictional REDD+ program pioneering results-based payments for Emission Reductions (ERs) in Madagascar. Designed by the Government of Madagascar, the AA-ERP aims to contribute to the long-term sustainable management of forests by reducing deforestation and improving the well-being of rural communities. The AA-ERP is led by the Program Entity, the Ministry of Environment and Sustainable Development (MEDD), represented by the National Office of Climate Change and REDD+ (BNCCREDD+).

The AA-ERP area covers 6,904,417 hectares (ha) – over 10 percent of the Malagasy territory and more than 50 percent of the country's remaining rainforest and endemic ecosystems – situated within six Regions: Alaotra-Mangoro, Ambatosoa, Analanjirofo, Atsinanana, Sava, and Sofia.[1]The area lies within the Eastern Humid Ecoregion and includes a diverse set of landscape units, of which approximately 2 million ha are forested. The area is of critical importance for biodiversity conservation, hosting a high concentration of globally threatened plant and animal species with exceptional levels of endemism. It includes 0.9 million ha of primary forests (14 percent of the total), 1.1 million ha of disturbed forests (16 percent), and approximately 40,000 ha of young secondary forests. Between 2006 and 2015, total deforestation averaged -0.76 percent per year (-0.38 percent for primary forests and -1.1 percent for disturbed forests), driven primarily by "smallholder slash-and-burn agriculture (*tavy*)". Firewood and charcoal production currently meet 80–90 percent of rural energy needs, further contributing to forest degradation.

The AA-ERP was designed for a five-year period – March 22, 2020 to December 31, 2024. Over the original five-year period, the program targeted a 16 percent reduction in deforestation and forest degradation against the reference level in the first half of the implementation period (2.5 years), rising to 39 percent in the second half. These reductions reflect both the cumulative effects of ongoing activities and new investments enabled by carbon finance through benefit sharing arrangements.

1.1.2 Emissions Reductions Purchase Agreement

In 2021, the Government of Madagascar signed an Emission Reduction Purchase Agreement (ERPA) with the World Bank, acting as trustee of the Carbon Fund of the Forest Carbon Partnership Facility (FCPF). The ERPA prescribed a five-year monitoring term – from March 22, 2020 to December 31, 2024 – distributed across the ERPA's three monitoring periods: the first period runs from the program's inception to December 31, 2020; the second period covers 2021–2022; and the third period covers 2023–2024.

The program is expected to generate at least 13.7 million emissions reductions (ERs).[2] Of these, the Government of Madagascar agreed to sell 10 million to the FCPF Carbon Fund, at US$5 per ER, for a

[1] Originally there were just five. The Region of Ambatosoa was officially created in 2023 from parts of the former Analanjirofo region.

[2] See the AA-ERP Emissions Reductions Program Document (2018): https://www.forestcarbonpartnership.org/system/files/documents/Final%20ER%20PD%20MDG6_20180606_Posted_0.pdf

total transaction value of US$50 million. Any ER generated beyond the 10 million ERs to be purchased by the Bank can be sold to third parties.

According to the Decree on the Regulation of Access to the Forest Carbon Market (Decree N° 2025-626; DRMCF)[3] – title IV (Article 63), any revenues from the sale of carbon credits generated by the AA-ERP will be used according to a Carbon Benefit Sharing Plan (or BSP) validated by BNCCREDD+ within the framework of Program implementation – i.e., the BSP is defined for the Program as a whole and not for each sale of carbon credits.

1.1.3 REDD+ Initiatives within the AA-ERP

According to Article 3 of the DRMCF, the AA-ERP is a REDD+ jurisdictional Program.[4] It is implemented in accordance with the principle of subsidiarity; this means that REDD+ activities are, whenever feasible, implemented by local and national actors operating within the program area rather than directly by the Program Entity (MEDD). As such, the AA-ERP is structured around integrated REDD+ Initiatives, as defined in Article 4.[5] The selection and validation of the Initiatives followed the homologation process as per DRMCF (as per its Title II). To be accredited as a REDD+ Initiative under the AA-ERP framework, the Promoter of the Initiative must submit an application and provide evidence demonstrating compliance with the requirements of the Decree. Initiative boundaries are exclusive and may not overlap.

Each validated REDD+ Initiative is managed by a Promoter, which is a public or private legal entity accredited by BNCCREDD+ with the capacity to contract and manage the Initiative. Upon validation of a REDD+ Initiative, a contract is established between BNCCREDD+ and the Promoter, setting out the roles and responsibilities of each party. BNCCREDD+ at the national level and the CRR at the regional level jointly oversee the technical and financial supervision of activities conducted by the Initiative.

[3] The Decree is available here: https://www.environnement.mg/wp-content/uploads/2025/06/DRMCF-portant-sur-le-Decret-2025-626-relatif-a-la-regulation-de-l-acces-au-marche-du-carbone-forestier.pdf

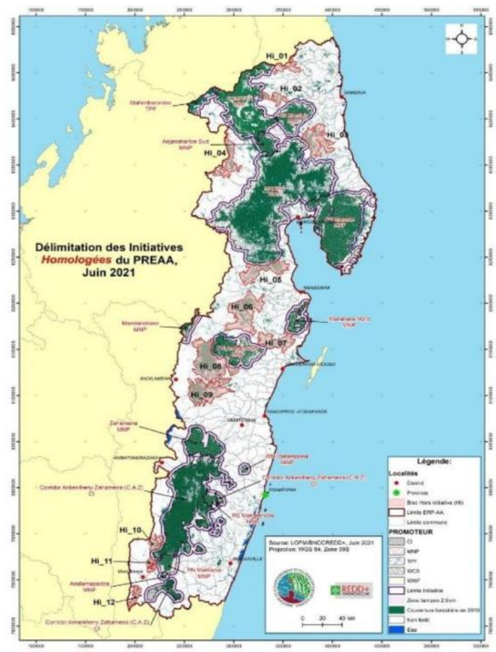
[4] **Jurisdictional REDD+ Program:** An Emissions Reduction Program established along administrative boundaries (national or subnational), under the responsibility of the National REDD+ Office, aimed at reducing emissions from deforestation and forest degradation within a harmonized framework for monitoring, accounting, and verification of emission reductions.

[5] **Program-Integrated Initiative:** An initiative implemented directly under the Program's responsibility, fully contributing to its objectives and results without carbon accounting at the initiative level, and benefiting from carbon benefits.

Table 1 List of validated REDD+ Initiatives under AA-ERP

#	Initiative	Promoter
1	Makira	WCS (Wildlife Conservation Society)
2	Corridor Ankeniheny-Zahamena (C.A.Z)	CI (Conservation International)
3	Zahamena	MNP (Madagascar National Parks)
4	Marotandrano	MNP
5	RS Marojejy	MNP
6	Analamazaotra - Mantadia NP	MNP
7	RS Mangerivola	MNP
8	RNI Betampona	MNP
9	Anjanaharibe Sud	MNP
10	Ambatovaky NP	MNP
11	Mananara Nord	MNP
12	Masoala NP	MNP
13	Mahimborondro	TPF (The Peregrine Fund)
14	COMATSA	WWF (World Wildlife Fund)

Figure 1: AA-ERP jurisdiction



To date, there are five different Promoters for 14 Initiatives. The 14 Initiatives are large landscapes encompassing a mosaic of forests and agricultural areas, organized around protected areas and their buffer zones or around whole watersheds. The Promoters include Madagascar National Parks (MNP), Conservation International (CI), Wildlife Conservation Society (WCS), World Wildlife Fund (WWF) and The Peregrine Fund (TPF). As each of the 14 Initiatives happens to correspond to a protected area, each Initiative comprises a clearly delineated strict conservation area, surrounded by buffer areas where the Promoters support development activities with communities.

For this purpose, the Promoters engage *activity actors* or *managers*, who are responsible for operational implementation on the ground and may serve as managers of specific REDD+ activities. Such actors typically include VOIs (*vondron'olona ifotony* – grassroot community groups in charge of Community-Based Natural Resource Management [CBNRM]), civil society organizations, and associations.

In addition to the initiatives, the AA-ERP involves REDD+ activities in areas outside initiatives – which are managed by the Regional Directions of the Ministry of Environment (DREDD), in collaboration with the communal authorities.

1.2 Overview of the Benefit Sharing Plan

An initial BSP was approved in February 2022, establishing the foundational framework for the distribution of carbon benefits under the AA-ERP. This updated version of the BSP has been developed in response to the revision of the DRMCF, adopted in June 2025, which revised the global allocation percentages that govern how carbon revenues are shared.

Both the previous and updated versions were prepared by BNCCREDD+ through a consultative process. The provisions of the revised Decree apply to the program starting from the payment for the second monitoring period. The legal underpinnings of the BSP and relevant REDD+ tools and institutions are further described in the remainder of Chapter 1 of the BSP.

The BSP covers carbon benefits exclusively, and not non-carbon benefits. While local communities are the ultimate beneficiaries of carbon benefits, those benefits are channeled through other actors, including national and regional REDD+ governance structures, REDD+ Initiative Promoters, Regions, Communes, and grassroots community groups (VOIs). The types of benefits (monetary or non-monetary) and the eligibility criteria for each beneficiary are described in Chapter 2.

Chapter 3 describes the allocation of carbon benefits among beneficiaries following the principles defined in the revised DRMCF, distributing carbon benefits (Article 68) as follows:

- 78% to finance field activities;
- 10% for the state budget;
- 5% for the operating costs of the various REDD+ coordination entities; and
- 7% for the operating costs of the REDD+ governance system.

The BSP also describes the distribution of funds (Chapter 4), the environmental and social safeguard requirements for the carbon benefits (Chapter 5), the monitoring and evaluation arrangements (Chapter 6), as well as gender and inclusion considerations (Chapter 7).

1.3 Legal Underpinning of the Benefit Sharing Plan

1.3.1 The revised Forest Carbon Decree

Decree No. 2025-626 on the Regulation of Access to the Forest Carbon Market supersedes Decree No. 2021-1113 and establishes the comprehensive regulatory framework governing forest carbon activities across Madagascar's four forest ecoregions — humid, dry, spiny, and mangrove (Arts. 1–2).

As defined in the revised Decree (Article 63), the BSP is defined when the ER-Program is homologated, irrespective of the buyers and sale arrangements.

The Decree defines all the elements constituting the BSP:

- The ownership of the carbon Titles by the government (Art 4);
- The role and duties of BNCCREDD+ (as per the definition of an REDD+ Program);
- The role and duties of the Promoters of the Integrated Initiatives;
- The roles and duties of the **Regional REDD+ Coordination (CRR)** (Art. 15), supported by regional REDD+ platforms for stakeholder consultation (Art. 16).
- The use of a dedicated **Special Assignment Account (CAS)** under the ministry in charge of forests (Arts. 76–77, 89) to receive all revenues from the sale of carbon credits

- **The roles and duties of the Environmental Foundation** in managing the funds for field-level activities and governance operationalization (Arts. 77-79).[6]
- **The necessity for Promoters to prepare carbon Utilization Plans (PLUTs)** alongside the BSP (Arts. 72–75). Their conformity with the National REDD+ Strategy and safeguards is verified by BNCCREDD+ (Art. 74), and they must be validated through local governance processes (Art. 75). Together with the investment plan, they constitute what the Decree terms **"performance effort"**, a central metric for assessing initiative performance beyond carbon accounting (Arts. 3, 59).

1.3.2 *Overview of all legal texts with implications for the benefit sharing plan*

Table 2: Main legal texts with implications for the BSP

Legal Document	**Implications for the BSP**
Ministerial Order 14569/2016 (MEF): Creation of the National REDD+ Platform	Established the National REDD+ Platform — a national multi-stakeholder consultative body bringing together relevant government ministries, civil society, the private sector, local communities, and development partners. The Platform provides strategic oversight and guidance on REDD+ policy and implementation, including benefit sharing governance, and submits strategic proposals to CIME for formal validation. It sits at the apex of a two-tiered platform structure, mirrored at the subnational level by the Regional REDD+ Platforms.
Decree No. 2017-1106: Creation of the Inter-Ministerial Committee for the Environment (CIME)	Established CIME as the authority responsible for validating strategic proposals made by the National REDD+ Platform, including those with implications for benefit sharing governance.
Regional Orders 018/2017 (Analanjirofo), 0027/2017 (SAVA), 001/2018 (SOFIA), 006/2018 (Atsinanana): Creation of Regional REDD+ Platforms	Established Regional REDD+ Platforms in the four regions covered by the AA-ERP and defined their competencies, including regional oversight of benefit sharing implementation.
Decree No. 2018-500: Adoption of the National REDD+ Strategy	Sets out the institutional arrangements and governance basis for the benefit sharing mechanism. The adoption by Decree gives de facto approval to the governance arrangements described therein.
Article 17 of Law No. 2020-013 (Budget Law 2021)	Established the Compte d'affectation spéciale (CAS) titled "Crédit carbone REDD+" as the dedicated account for receiving and

[6] Carbon revenues received by the Environmental Foundation are subject to a management fee as defined in the Foundation's entrustment agreement with MEDD. Benefit-sharing distribution is always applied net of this fee on the amount transferred to the Foundation.

Legal Document	Implications for the BSP
	managing carbon revenues.
Decree No. 2021-916: Attributions of the Ministry of Environment and Sustainable Development	Designated the BNCCREDD+ as the national office responsible for REDD+ coordination, establishing its role in overseeing benefit sharing governance and compliance.
Decree No. 2021-1113: Regulation of Access to the Forest Carbon Market (applies to revenues from the first reporting period of the AA-ERP)	Original decree (applicable to the first reporting period of the AA-ERP) establishing the basis for the transfer of carbon titles, governance and homologation of REDD+ initiatives, eligibility of beneficiaries, safeguards arrangements and the FGRM, monitoring of carbon and non-carbon performance, benefit sharing arrangements, and ER transactions. Under this decree, carbon benefits are received and managed through the CAS.
Decree No. 2023-842: Management Terms for the CAS "Crédit carbone REDD+"	Defines the opening and management modalities of the CAS. An operations manual describes all operating procedures from receipt of revenues to disbursement to beneficiary entities, in accordance with the benefit sharing plan and based on carbon performance results for each monitoring period.
Decree No. 2025-626: Revised Decree on the Regulation of Access to the Forest Carbon Market	Revised and expanded framework covering homologation of REDD+ initiatives, eligibility of beneficiaries, safeguards and FGRM, carbon and non-carbon performance monitoring, benefit sharing arrangements, and ER transactions. Introduces the role of a publicly recognized Environmental Foundation as fiduciary intermediary for redistribution of revenues to beneficiaries, governed by a contract between the MEDD and the Foundation.
Homologation of the 14 initiatives as “Integrated Initiatives”	Register the 14 initiatives and the Promoters as part of the REDD+ ER Program.

1.4 REDD+ INSTITUTIONS AND TOOLS

REDD+ governance, planning and decision-making is carried out by five multi-stakeholder entities at the national, regional, and local levels: the National REDD+ Platform, the Inter-Ministerial Committee for the Environment (CIME), the Regional REDD+ Platforms, existing consultation structures at the Commune level, and the governance body of each initiative.

Table 3: Institutional arrangements: entities, roles, and responsibilities in governance and decision-making

Entities	Roles and responsibilities
CIME (Inter-Ministerial Committee for the Environment)	High-level body providing political arbitration in cases where sectoral policies are in conflict or require strategic cross-

Entities	Roles and responsibilities
	sectoral decisions. Validates strategic REDD+ proposals submitted by the National REDD+ Platform. Not involved in routine decision-making.
National REDD+ Platform (PFN) — multi-stakeholder body at the national level, meeting at least twice per year	Defines national priorities for REDD+ and establishes intervention strategies for the implementation of the National REDD+ Strategy. Ensures consistency of the BSP with national REDD+ objectives. Guarantees representativeness of all stakeholders, including the qualitative participation of women.
Regional REDD+ Platforms (PFR) — multi-stakeholder body at the regional level	Prioritizes REDD+ extension areas where applicable. Ensures consistency of the BSP with regional strategy objectives. Guarantees representativeness of all stakeholders, including the qualitative participation of women.
Existing consultation structures at the Commune level	Support initiatives in prioritizing REDD+ activities to be financed by carbon benefits. Organize consultations on Commune rewards. Guarantee representativeness of all stakeholders, including the qualitative participation of women.
Governance of the initiative (COS or COSAP — Comité d'Orientation et de Suivi de l'Aire Protégée) — composed of all authorities, local communities, and other stakeholders at the protected area level	Approves the selection and prioritization of activities to be financed through carbon revenues and the associated planning, including validation of the Utilization Plan (PLUTs).

Technical operations and management of the program are ensured by four entities: the BNCCREDD+, the Regional REDD+ Coordination (CRR), promoters of REDD+ initiatives, and Decentralized Territorial Communities (Collectivités Territoriales Décentralisées — CTDs). The roles and responsibilities of the entities in charge of the technical operation of the ER program are provided below.

Table 4: Institutional arrangements: entities, roles, and responsibilities in technical support to the ER Program

Entities	Roles and responsibilities
BNCCREDD+ — National Office in charge of REDD+ Coordination, reporting to the Secretary General of the MEDD	Manages and holds overall responsibility for the AA-ERP. Defines national priorities and the categories of REDD+ activities to be supported with carbon benefits for each benefit sharing period. Validates REDD+ initiatives participating in the benefit sharing for each such period. Prepares the BSP and budgets and utilization plans for governance-level carbon benefits. Calculates carbon benefit shares by category (Level 1) and by initiative (Level 2). Validates utilization plans submitted by REDD+

Entities	Roles and responsibilities
	initiatives, CTDs, and for rewards (Level 3). Organizes national and regional REDD+ platform meetings. Conducts monitoring and reporting of Emission Reductions and non-carbon benefits. Coordinates safeguards aspects and manages the REDD+ Initiatives and Programs Information System (SIIP),[7] including the national ER transaction registry.
Regional REDD+ Coordination (CRR) — hosted by the Regional Environment and Sustainable Development Platforms (DREDD)	Supports region and Commune level consultation processes. Provides technical and financial supervision of REDD+ initiatives and CTD activities. Assists in monitoring and reporting of Emission Reductions and non-carbon benefits. Supports safeguards implementation and the FGRM.
Promoter of Initiative	Manages and holds overall responsibility for the initiative. Organizes governance mechanism meetings and supports local consultations. Prepares the Utilization Plan in consultation with local communities represented through Sub-Local Communities (SLCs). Technically and financially supervises managers and actors of REDD+ activities. Monitors and reports on implementation and safeguards. Supports Communes in control activities.
CTDs (Collectivités Territoriales Décentralisées) : Region and Commune	Prepare Utilization Plans for carbon benefits allocated to CTD monitoring. Hold fiduciary responsibilities for amounts allocated to them (reward and monitoring) Monitor and supervise implementation of safeguard instruments and the FGRM at the initiative level.

1.5 Principles of the Benefit Sharing Plan

This BSP is based on the following principles:

- Fairness: coherence of the allocation of carbon benefits with the carbon and non-carbon performance identified in the SIIP.

[7] The SIIP is housed within BNCCREDD+ and manages all information on REDD+ initiatives and programs, including descriptive and spatial data on initiatives, approval and contractualization status, activity budgets and objectives, carbon and non-carbon performance evaluations, financial and technical monitoring reports, benefit sharing by initiative and actor, complaint status, and ER measurement conclusions.

- Inclusiveness and participation: the inclusion of all potential beneficiaries in the BSP, including different categories of social groups, including women.
- Evolution: the BSP can be updated based on the efficiency of its implementation.
- Transparency: publication of the BSP and the carbon benefit Utilization Plans once validated.
- Accountability: regular reporting on the use of carbon revenues to competent authorities, development partners, and beneficiaries, supported by independent annual financial audits.
- Additionality: carbon benefits shared under the BSP must contribute to REDD+ activities that are additional, meaning: (i) benefits cannot replace existing sources of finance used by the REDD+ Initiative; this will be assessed by BNCCREDD+ at the time of evaluating Utilization Plans; and (ii) benefits must support the sustainability of existing REDD+ activities initiated with non-REDD+ finance, so as to ensure that those activities do not cease due to lack of finance.

Carbon performance is measured for the totality of the AA-ERP, including both REDD+ initiative areas and areas without REDD+ initiatives. If there is no carbon performance at the AA-ERP level, no initiative will receive carbon benefits, even if some initiatives demonstrate individual performance. Areas without REDD+ initiatives — defined as communes covered partially by forests that do not overlap with an existing initiative — carry a risk of non-performance that could affect the overall AA-ERP results. Carbon benefits are therefore expected to be used, in part, to extend REDD+ activities into these areas through new or existing initiatives, with the aim of addressing drivers of deforestation and forest degradation.

All Emission Reductions generated by REDD+ programs and initiatives in Madagascar are owned and managed by the Government of Madagascar. Only the Government may commercialize Emission Reductions directly, or through a delegation of authority. Revenues from commercialization are considered public revenues, managed jointly by the MEF and MEDD through the dedicated CAS.

2. Beneficiaries, eligibility criteria and benefits under the AA-ERP

2.1 TYPES OF BENEFITS

This BSP covers carbon benefits only. An overview of non-carbon benefits is provided in the Annex. A carbon benefit refers to revenue from the sale of Emission Reductions, distributed to stakeholders in accordance with the BSP and the validated Utilization Plans (PLUTs). Benefits may be monetary (cash transfers to finance activities) or non-monetary (services, goods, or infrastructure provided to communities).

In accordance with Decree No. 2025-626, carbon benefits must serve five broad purposes:

- Continuity of successful REDD+ activities within an initiative;
- Extension of REDD+ activities within an initiative, in geographical or thematic terms;
- Promotion of new initiatives;
- Operationalization of REDD+ governance and management mechanisms, including: operating costs of the BNCCREDD+ and CRR; monitoring of forest management activities by the Directorate-General in charge of forests and the environment; national, regional, and

communal planning processes; technical support and coaching at the regional level; and marketing of certified ERs and management of carbon benefits; and

- Rewards and social activities for Regions, Communes and VOIs demonstrating strong REDD+ performance.

2.2 BENEFICIARY CATEGORIES

Table 5 presents the main categories of beneficiaries of carbon benefits under the AA-ERP. Specific beneficiaries within each validated REDD+ initiative are defined in their respective Utilization Plans.

The ultimate beneficiaries of all carbon benefits are local communities, including those directly involved in REDD+ activities and local populations living within the intervention areas of validated REDD+ Initiatives. That is, all other beneficiary categories — from initiative promoters and activity managers to Communes and Regions — serve primarily to enable, implement, and oversee REDD+ activities that deliver benefits to these communities. Local communities receive a significant proportion of benefits, either as monetary transfers or non-monetary activities defined in the Initiatives' Utilization Plans. To be eligible, they must be included in an approved Utilization Plan.

2.3 ELIGIBILITY CRITERIA

The overarching eligibility criteria for carbon benefits under the AA-ERP are:

- Location within the AA-ERP intervention area;
- Demonstrated contribution — direct or indirect — to the generation of Emission Reductions or enhanced carbon removals;
- Inclusion in a validated Utilization Plan approved by BNCCREDD+; and

In general, activities supported must be consistent with the objectives of the National REDD+ Strategy and not fall under high-risk categories as defined in the applicable safeguard instruments. Supported REDD+ activities must be consistent with the definition of REDD+. Detailed eligibility criteria per beneficiary category are set out in Table 5 below.

Table 5: Eligibility criteria, types of benefits and supported activities/expenditures per beneficiary

Category	Beneficiaries	Eligibility Criteria	Type of Benefits	Eligible Activities/Expenditures
Government	General Treasury Budget	Mandated statutory contribution from carbon revenues	Monetary	Mandated contribution to the general state budget
REDD+ Governance and coordination Structures	National REDD+ Office (BNCCREDD+)	Required for AA-ERP operation; validated by applicable legislation	Monetary	REDD+ governance activities: National technical support and capacity building; technical monitoring: SIIP, safeguards and MRV; non-carbon benefit monitoring; gender inclusion monitoring; extraordinary support for afforestation/reforestation and fire prevention; design and development of new REDD+ programs. Operational overhead costs: Including but are not limited to: the costs of office operating costs (electricity, water, etc.); recurrent operating expenses (fuel, office supplies, and fleet-related charges, etc.); logistics and support costs: equipment management and administrative support services; communication and connectivity costs; maintenance and asset renewal: upkeep and replacement of IT and electronic equipment as well as rolling stock (vehicles and motorcycles).
	Directorate-General in charge of Forests	Required for AA-ERP operation	Monetary	REDD+ governance activities: Supervision of forest resource management, in particular protected areas and forest landscapes; e.g, support for reforestation activities, forest fire prevention and control; participation in the conduct of forest inventories

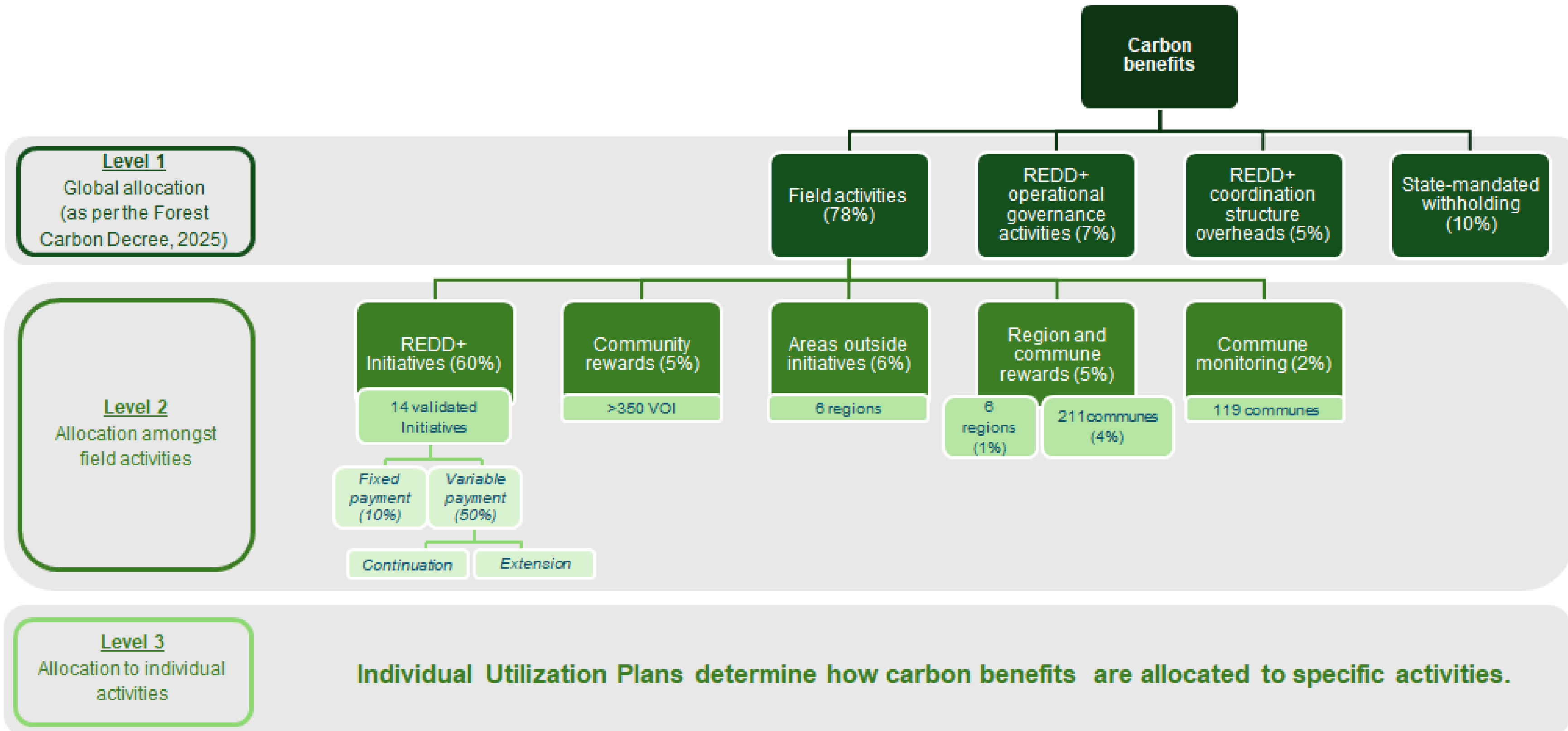
Category	Beneficiaries	Eligibility Criteria	Type of Benefits	Eligible Activities/Expenditures
				Operational overhead costs (see examples above)
	Regional Directorates of Environment and Sustainable Development in the six implementation regions	Required for Regional Coordination of the REDD+ mechanism	Monetary	REDD+ governance activities: Quarterly monitoring of initiative activities and safeguard implementation; collection and processing of grievances and participation in the grievance redress mechanism. Operational overhead costs (see examples above)
REDD+ Initiatives	REDD+ Initiative Promoters (CI, MNP, WCS, WWF, TPF)	Validation (homologation) of the REDD+ Initiative by BNCCREDD+ in accordance with the Forest Carbon Decree; contract between BNCCREDD+ and the Promoter setting respective rights and obligations; inclusion of all beneficiary types in the Carbon Benefit Sharing Plan; validated Utilization Plan; registration of all above elements in the SIIP; adequate financial management capacity as assessed by BNCCREDD+; demonstrated contribution to emission reduction or increased carbon storage; location within the Program's intervention area	Monetary and non-monetary	REDD+ activities, e.g.: Operating and management costs of the Initiative (partial coverage, subject to caps); operating costs of Initiative governance structures (e.g., federations of VOIs); key forest conservation activities including surveillance and patrolling; implementation of REDD+ activities per the Utilization Plan (sustainable livelihood development, alternative income-generating activities and value chain strengthening); extension of REDD+ activities (geographical or thematic expansion); transfer of carbon benefits to Managers of REDD+ Activities in accordance with the approved Utilization Plan, e.g. VOIs or other community groups.
	Community members (through community	Inclusion in the Utilization Plan developed by the Promoter.	Non-monetary	Performance-based rewards for infrastructure and social services:

Category	Beneficiaries	Eligibility Criteria	Type of Benefits	Eligible Activities/Expenditures
	rewards)			Infrastructure, e.g.: Construction/rehabilitation of schools, hospitals, and drinking water points; communal road infrastructure (bridges, crossings); rehabilitation of micro-hydro-agricultural infrastructure. Social services, e.g. provision of school materials and sanitary equipment; electrification of hospitals; support for income-generating activities, particularly for women and vulnerable populations. Conditions: All rewards must finance infrastructure or services that respond to the needs of both men and women; goods or services that exclusively benefit men are not eligible. Activities or infrastructure that could incentivize deforestation or forest degradation are explicitly excluded.
Regions	6 Regions	Located within the Program's intervention area; demonstrated tangible contribution to ER generation	Monetary	Performance-based rewards for infrastructure and social services (see examples and conditions above)
Communes	119 communes inside Initiatives	Communes where initiative activities are implemented	Monetary	Performance-based rewards for infrastructure and social services Monitoring: Field monitoring missions and supervision of REDD+ activities; grievance management and resolution; planning and logistical costs (invitations, meetings); safeguards supervision and FGRM costs

Category	Beneficiaries	Eligibility Criteria	Type of Benefits	Eligible Activities/Expenditures
	92 communes outside Initiatives (but inside program)	Located within the Program's intervention area; demonstrated tangible contribution to ER generation	Monetary	Performance-based rewards for infrastructure and social services (see examples and conditions above)
Protected areas and Communities Outside Initiatives	Grassroots communities (VOI) and other community groups (associations of improved charcoal producers, responsible farmers, women's associations, etc.)	Inclusion in the Utilization Plan developed by the DREDD	Non-monetary; or, but may be monetary when financial management capacity is demonstrated and assessed.	Activities related to land security and migration, community economic development, social safeguard activities, and the establishment of Community-Based Natural Resource Management (CBNRM) arrangements under VOIs. Illustrative examples include: income-generating activities near buffer zones; agroforestry in cash crop areas inside or adjacent to REDD+ Initiatives; security responses to community economic migration pressures (e.g., maize and vanilla cultivation, mining in forests, and organized illegal logging of high-value timber); sedentarization programs outside protected areas; and safeguard activities addressing existing illegal settlements.

3. Allocation of carbon benefits among beneficiaries

Figure 2: Allocation of carbon benefits



In this chapter, all percentages are given as a share of the overall envelope, i.e., the total carbon payment of a given benefit-sharing period.

3.1 Level 1 – Allocation as per the DRMCF

At the first level, benefit sharing is predetermined based on fixed percentages of total carbon benefits available, as established in the Forest Carbon Decree. Of the total,

- 78% is allocated to field activities;
- 10% for the State-mandated withholding;
- 7% for REDD+ operational governance activities; and
- 5% for REDD+ coordination structure overhead costs.

3.1.1 *Field activities (78% of overall payment)*

The allocation amongst field activities is presented under Level 2.

3.1.2 *REDD+ operational governance activities (7% of overall payment)*

7% of total carbon benefits are allocated to operational REDD+ governance activities by BNCCREDD+, the Directorate-General in charge of Forests, the Regional REDD+ Coordination structures (CRR/DREDD), as well as the Regional Directorates of Environment and Sustainable Development in the six implementation regions. Activities are prioritized in line with ERPA requirements and Program-related obligations.

Prior to any disbursement from this envelope, BNCCREDD+ deducts the Foundation's management fee — set at 2.5% of the allocation[8] — and applies the benefit-sharing distribution to the net amount.

The activities financed under this category are described in the Governance & Coordination PLUT.

3.1.3 *REDD+ structure operational overhead costs (5% of overall payment)*

5% of total carbon benefits are allocated to the administrative and operational overhead costs of the REDD+ coordination structures: BNCCREDD+, the five Regional REDD+ Coordinations (CRR), and the Directorate-General responsible for forests within the relevant Ministry. When budgets are constrained, the allocation of this 5% envelope is prioritized in the following order: (i) operating costs of BNCCREDD+; (ii) operating costs of the CRRs; and (iii) remaining balance allocated to the Directorate-General of Forests.

The details of the activities to be financed as part of the governance activities are described in the Governance & Coordination PLUT.

3.1.4 *State-Mandated Withholding (10% of overall payment)*

In accordance with applicable laws and regulations, 10% of carbon benefits are allocated to the Government of Madagascar as a contribution to the general management costs of public

[8] This implies that the following share is deducted as a management fee: (7% x 2.5%)*100 = 0.175% of total carbon benefits are deducted.

revenue. The Government of Madagascar is the owner of certified Emission Reductions and the sole authority with the power to proceed with their commercialization or transfer.

3.2 LEVEL 2 – ALLOCATION AMONGST FIELD ACTIVITIES (78% OF OVERALL PAYMENT)

Level 2 governs the allocation of the 78% of total carbon benefits earmarked for field activities. These activities will finance both the continuation of existing REDD+ activities — to secure the sustainability of past efforts — and the extension of REDD+ activities to increase ambition and cover new areas.

The share allocated to each category has been determined by BNCCREDD+. The field envelope is split as follows:

- 60% for validated REDD+ Initiatives;
- 5% for performance-based rewards for communities;
- 6% to areas outside validated Initiatives;
- 5% for performance-based rewards for regions and communes; and
- 2% for Commune level monitoring.

For each of these categories, the detailed activities to be financed are set out in individual Utilization Plans – for which the eligible activities were described in Chapter 2, and the requirements are set out in the subsection on Level 3.

Field activities are designed to directly address the drivers of deforestation and forest degradation, and primarily benefit local communities. They target both environmental and socio-economic drivers, including community-led forest governance and monitoring — which strengthens the capacity of local groups and vigilance committees to protect forests — and sustainable livelihood development, supporting alternative income-generating activities and improving market access, thereby reducing dependence on forest resources. Improvements in forest governance led by the forest administration, strengthened enforcement and control mechanisms, and the implementation of policies, strategies, and measures that effectively reduce deforestation are equally essential to ensuring long-term sustainability and impact.

For all the categories below, prior to any disbursement, the Foundation's management fee is set aside, corresponding to 2.5% of the allocation,[9] and the benefit-sharing distribution is applied to the net amount. The distribution applies to the net amount. (NB: The sub-sections below indicate the gross amounts.)

[9] This implies that the following shares are deducted as management fees:
-Validated REDD+ Initiatives: (60% x 2.5%)*100 = 1.5% of total carbon benefits
-Performance-based rewards for communities: (5% x 2.5%)*100 = 0.125% of total carbon benefits
-Areas outside validated Initiatives: (6% x 2.5%)*100 = 0.15% of total carbon benefits
-Performance-based rewards for regions and communes: (5% x 2.5%)*100= 0.125% of total carbon benefits
-Commune level monitoring: (2% x 2.5%)*100 = 0.05% of total carbon benefits

3.2.1 REDD+ Initiatives (60%)

60% of carbon benefits are distributed across validated REDD+ Initiatives through a combination of a fixed payment and a variable payment. The details of the activities to be financed under this category are described in each Initiative's PLUT (14 Initiative PLUTs).

- 50% of total carbon benefits are split among Initiatives as **variable payments.** The variable payment is based on each Initiative's performance and finance the continuation of ongoing REDD+ activities within validated Initiatives as well as their geographic or thematic expansion.
- The remaining 10% is split among Initiatives as **fixed payments**. Fixed payments finance Initiative management and key REDD+ activities.

The method for calculating each of these payment types across Initiatives is set out in the sub-sections below. The section uses an example program – presented in the boxes below – to illustrate the steps of the calculation of variable and fixed payments.

> ***Illustrative example: Introduction to the example program***
> The example REDD+ program covers a total forest area of 100,000 hectares (ha). Three homologated initiatives are considered, with a total forest area of 80,000 ha: Initiative A, Initiative B, and Initiative C; this means that 20,000 ha are in areas without validated initiatives. The example program's total reference level – i.e., emissions that would have occurred in the absence of the program – is 200,000 tCO_2eq.

3.2.1.1 Variable payments (50%)

50% of total carbon benefits are allocated to variable payments, financing: (i) the continuation of existing REDD+ activities to ensure the financial sustainability of REDD+ operations within validated Initiatives; and (ii) the extension of REDD+ activities to areas or themes not yet covered, in order to sustain high carbon performance. The amount of the variable payment for each Initiative is calculated based on *carbon performance* and *effort performance* – drawing on the most recent data available. These two parameters are combined into a single composite score – referred to as *corrected performance*.

Calculation of carbon performance

The total volume of emission reductions (ERs) recognized under the AA-ERP program is calculated at the level of the entire program territory. However, only homologated Initiatives are eligible to receive carbon payments, and the State does not retain the carbon benefits generated in areas not covered by any Initiative. As a result, the full volume of program-level ERs — including those generated outside Initiative boundaries — is redistributed exclusively among homologated Initiatives. This redistribution follows a two-step allocation logic.

Step 1: Allocation based on local performance

- In the first step, each homologated Initiative receives credit for the emission reductions (ER) it directly generated within its own boundaries. These are calculated using each Initiative's local reference level — that is, the emissions that would have occurred in the absence of the Initiative minus the emissions actually monitored during the reporting period, in accordance with the national MRV system:

ER (local) = Initiative Reference Level − Monitored Emissions

This step recognizes the concrete results achieved at the local level. The sum of local ERs across all Initiatives is then subtracted from the total program-level ERs, yielding a remaining volume to be redistributed in Step 2.

Example: Step 1 of carbon performance allocation— local performance allocation

The total carbon performance recognized at program level is assumed to be **30,000 tCO2eq** over the monitoring period.

The table below shows how local emissions reductions for each of the three validated initiatives is calculated, by subtracting monitored emissions from the local reference level.

Initiative	Initiative Reference Level (tCO2eq)	Monitored Emissions (tCO2eq)	Local ER (i.e., *Local Reference Level* minus *Monitored Emissions*) (tCO2eq)
Initiative A	24,000	12,000	**12,000**
Initiative B	14,000	7,500	**6,500**
Initiative C	10,000	4,500	**5,500**
Total			**24,000**

As shown in the right-hand column above, the sum of the local ERs is 5,000 tCO2eq. The ERs remaining for redistribution are calculated by subtracting this amount from the total carbon performance at program level: 30,000 – 24,000 = **6,000 tCO2eq**. These 7,500 tCO2eq represent emission reductions generated across the full program territory — including the 20,000 ha not covered by any of the three Initiatives — and are redistributed among homologated Initiatives under Step 2.

Step 2: Redistribution based on jurisdictional contribution

- The remaining ERs — which include reductions generated in areas of the program territory not covered by any Initiative — are redistributed among all homologated Initiatives in proportion to their relative jurisdictional contribution.
- The jurisdictional contribution measures each Initiative's performance against a common benchmark: the program-wide average reference level expressed per hectare, i.e., total program reference level divided by total program forest area. This average rate is applied to each Initiative's forest area to determine expected emissions under the program reference level (i.e., forest area multiplied with program average reference level). Subsequently, monitored emissions are subtracted from expected emissions in order to determine each jurisdiction's contribution, i.e., each Initiative's share of the remaining ERs.

  Jurisdictional contribution = (Program Reference Level per ha × Initiative Forest Area) − Monitored Emissions

Each Initiative's share of the remaining ERs equals its jurisdictional contribution as a share of

Example: Step 2 of carbon performance allocation — jurisdictional redistribution

The program-wide average reference level – which provide a common benchmark – is calculated by dividing the total program reference level by the total program forest area: 200,000 tCO2eq / 100,000 ha = 2 tCO2eq/ha. This average reference level is applied to each Initiative's forest area (i.e., forest area x 2 tCO2eq/ha) to determine *expected emissions* under the program reference level, which are then compared to the monitored emissions of each initiative. As shown in the table below, each initiative's jurisdictional contribution is calculated by subtracting monitored emissions from expected emissions under the program reference level.

Initiative	**Forest Area (ha)**	**Expected emissions under Program Reference Level** (i.e., forest area x program average reference level) **(tCO2eq)**	**Monitored Emissions (tCO2eq)**	**Jurisdictional Contribution** (i.e., *Expected Emissions* minus *Monitored Emissions*) **(tCO2eq)**
Initiative A	40,000	80,000	9,000	71,000
Initiative B	24,000	48,000	5,500	42,500
Initiative C	16,000	32,000	4,500	27,500
Total				**141,000**

Each of three Initiatives' share of the remaining ERs – 7,500 tCO2eq, as calculated under Step 1 – is calculated by dividing their jurisdictional contribution by the total contribution across all initiatives:

- Initiative A: 71,000/141,000 × 6,000 = **3,021 tCO2eq**
- Initiative B: 42,500/141,000 × 6,000 = **1,809 tCO2eq**
- Initiative C: 27,500/141,000 × 6,000 = **1,170 tCO2eq**

the total jurisdictional contribution across all Initiatives.

Final allocation

- Each Initiative's final allocated carbon performance is the sum of its Step 1 local ER allocation and its Step 2 jurisdictional redistribution.

Example: Final carbon performance allocation

Finally, as reflected by the right-hand column below, the total carbon performance per initiative corresponds to the sum of its local emission reductions (Step 1) and the redistributed emission reductions (Step 2).

Initiative	**Local ER (Step 1)**	**Jurisdictional Redistribution (Step 2)**	**Final Allocated ER**	**Share**
Initiative A	12,000	3,021	15,021	50.07%
Initiative B	6,500	1,809	8,309	27.70%
Initiative C	5,500	1,170	6,670	22.23%
Total	**24,000**	**6,000**	**30,000**	**100%**

Effort performance

- Effort performance measures the degree to which a validated Initiative has implemented the operational activities planned in its Utilization Plan during the previous benefit-sharing period. This is expressed as a completion rate — the percentage of planned operational activities that have been carried out as per the Initiative's Investment Plan — as assessed by BNCCREDD+ on the basis of the latest financial monitoring report available prior to the benefit-sharing calculation. Operating costs are excluded from this calculation, as they are considered support expenditures rather than implementation activities.

Corrected performance

- The corrected performance of a REDD+ Initiative combines carbon performance (PCarbon) and effort performance (PEffort) into a single composite score, according to the following formula:

$$\begin{aligned} Corrected\ Performance_i &= \left(70\% \times P_{Carbon} + 30\% \times P_{Effort} \times P_{Carbon}\right) \\ &= P_{Carbon} \times (70\% + 30\% \times P_{Effort}) \end{aligned}$$

- Two important features of this formula deserve attention:
    - First, carbon performance acts as a scaling factor on the entire expression. This means that an Initiative with zero carbon performance will receive a corrected performance score of zero, regardless of its effort performance. Effort performance can modulate but never substitute for carbon performance. This ensures that the program is paying for results, i.e., emissions reductions, and not just activity.
    - Second, the relative weight of effort performance is applied to carbon performance, not independently. The practical effect is that effort performance has a greater influence on the final score when carbon performance is high, and a lesser influence when carbon performance is low.

Weighted performance and variable payment amount

- The variable payment received by each REDD+ Initiative is based on its weighted performance — that is, its corrected performance expressed as a proportion of the sum of corrected performance across all homologated Initiatives:

Weighted Performance = Corrected Performance / ∑ Corrected Performance (all Initiatives)

- The variable payment amount for each Initiative is then:

AmountInitiative = Weighted Performance × Available Carbon Benefits

Example: Calculation of variable payment

Assuming a total envelope of USD 500,000 for variable payments for the three Initiatives in the example program, the table below shows how carbon performance and effort performance are combined into a corrected performance score, which then determines each Initiative's proportional share of the variable payment pool.

	Initiative A	Initiative B	Initiative C	Total
Carbon Performance — Final Allocated ER (tCO2eq)	15,021	8,309	6,670	30,000
Effort Performance	90%	80%	70%	
Corrected Performance [Carbon Performance × (70% + 30% × Effort)]	14,570	7,810	6,070	28,450
Weighted Performance (share of total Corrected Performance)	51.21%	27.45%	21.34%	100%
Variable Payment received (USD)	256,065	137,248	106,687	500,000

The variable payment received by each Initiative is divided between two categories of activities: continuation and extension. The allocation between these two categories is based on evolving deforestation pressures, strategic priorities, and the overall extension strategy.

3.2.1.2 Fixed payment (10%)

- Ten percent of total carbon benefits are allocated to validated Initiatives independently of their performance and effort. Each Initiative's share of the fixed payment is calculated on the basis of two criteria:
  - **Forest cover**: the Initiative's forest area as recorded by the Land and Forest Monitoring system (LOFM) in the ER monitoring report, reflecting its physical management responsibility;
  - **Variable funds allocated**: the amount of variable payment received by the Initiative in the same period, reflecting its financial management responsibility.
- These two criteria are combined into an Absolute Weight for each Initiative, as follows:

Absolute Weight Initiative = (Weight Forest Cover × 20%) + (Weight Variable Funds × 80%)

- Each Initiative's share of the fixed payment pool is then:

Weighted Initiative = Absolute Weight / ∑ Absolute Weight (all Initiatives)

- And its fixed payment amount is:

Fixed Payment Initiative = Weighted Initiative × Total Fixed Payment Pool

Example: Calculation of fixed payment

The example above assumed a total envelope of variable payments of USD 500,000. The same example therefore assumes a total envelope of USD 100,000 for fixed payments, given that the fixed payment pool is one fifth of the variable payment pool (10% vs. 50% of total carbon benefits).

The table below shows how the fixed payment is calculated for each initiative, based on two criteria: its forest area (weighted at 20%) and the variable payment it received (weighted at 80%). These are combined into an Absolute Weight, which determines each initiative's proportional share of the fixed payment pool.

	Initiative A	Initiative B	Initiative C	Total
Forest Area (ha)	40,000	24,000	16,000	80,000
Variable Payment received (USD)	256,065	137,248	106,687	500,000
Absolute Weight [(Forest Area × 20%) + (Variable Payment × 80%)]	212,852	114,598	88,550	416,000
Share of total Absolute Weight	51.17%	27.54%	21.29%	100%
Fixed Payment (USD)	51,166	27,548	21,286	100,000

3.2.2 Community rewards (5%)

5% of total carbon benefits is allocated as performance-based rewards to local communities, in the form of social infrastructure and services. These funds are managed by the Initiative Promoters on behalf of the communities.

The details of the activities to be financed under this category are described as part of the Initiatives' PLUTs (14 Initiative PLUTs).

3.2.3 Areas outside Initiatives (6%)

6% of total carbon benefits is allocated to financing interventions in areas outside validated REDD+ Initiatives, across the six regions covered by the AA-ERP, with the aim of developing communal or inter-communal initiatives in those areas.

The intervention strategy for areas outside Initiatives is developed by BNCCREDD+ in collaboration with the regional coordination structures (CRR), based on deforestation data and analysis of identified pressures.

The details of the activities to be financed under this category are described in a Regional PLUT dedicated to areas outside Initiatives and led by the DREDD (6 regional PLUTs for activities outside Initiatives).

3.2.4 *Region and Commune Rewards (5%)*

5% of total carbon benefits is allocated as performance-based rewards to Communes and Regions, in the form of social infrastructure and community services. The potential list of investments is the same as that for community rewards; however, Regions and Communes manage these funds directly (as described in Chapter 4).

- The allocation of Region and Commune rewards follows the procedure below:
- Allocation between Regions and Communes: 4% of total carbon benefits is distributed among Communes within the Program area, while 1% is distributed to the six Regions as regional rewards.
- Regions and Communes are rewarded based on two criteria: (i) the forest area of the Region or the Commune, which accounts for 80% of the weighting, and (ii) the forest loss rate, which accounts for 20%. The forest loss rate is transformed into an inverse performance score, so that lower loss rates translate into higher scores and, consequently, higher allocations. BNCCREDD+ evaluates the performance in reducing forest loss of Communes and calculates the corresponding rewards for each Commune and each Region.
- Allocation among regions: The rewards are allocated among beneficiary Regions according to their weighted share calculated directly on the basis of the criteria specified above.
- Allocation among communes: The rewards are calculated through a two-part distribution mechanism. Half of the total rewards are distributed equally among all beneficiary Communes, guaranteeing a minimum benefit and sustaining their engagement. The remaining half is allocated according to each Commune's weighted share, derived from the performance criteria above. This approach balances equity with performance-based incentives.

$$Basic\ share = \frac{(Total\ rewards\ X\ 50\%)}{Nb\ municipalities}$$

$$Share\ based\ on\ performance = \ (Total\ rewards\ X\ 50\%) X\ weigth$$

- The details of the activities to be financed under this category are described in each Commune and Region PLUT (211 Commune PLUTs and 6 Region PLUTs).
- Implementation: Once approved, regional and Commune rewards are managed directly by the relevant Territorial Decentralized Collectives (CTDs), which are responsible for launching the procurement process for the social infrastructure or servies identified in their Utilization Plan.

3.2.5 *Commune Monitoring (2%)*

2% of carbon payments are allocated to monitoring activities at the Commune level, carried out by trained technicians within the Territorial Decentralized Collectives (CTDs). These carbon payments also cover grievance management and resolution activities.

Communes play a central role in monitoring the implementation of local activities given their proximity to the areas of intervention. Their responsibilities encompass safeguard activities related to REDD+, oversight of BSP-financed activities, complaint management, and support to income-generating activities.

Technical supervision of CTD activities is the responsibility of the Regional REDD+ Coordination (CRR).

The details of the activities to be financed under this category are described in each Commune's PLUT (>119 Commune Monitoring PLUTs).

3.3 LEVEL 3 – THE UTILIZATION PLANS (PLUTS)

Level 3 determines the distribution of carbon benefits according to individual Utilization Plans, developed for each beneficiary category: REDD+ governance and overhead, validated REDD+ Initiatives, areas outside Initiatives, community rewards, region and commune rewards, and commune monitoring. Each Utilization Plan is valid for the duration of one AA-ERP payment (i.e., one benefit sharing period), corresponding to one monitoring period. The actors responsible for preparation, quality control, and validation of each Utilization Plan, the actors who must be consulted in its development, as well as the content requirements, are set out in Table 6 below.

Table 6: Overview of requirements for each type of Utilization Plan (PLUT)

Title of PLUT	Number of PLUTs	Amounts covered	Developed By	Consulted Actors	Quality Control	Validation	Content Requirements	Supporting Documents
REDD+ Governance and Coordination PLUT	2	7% REDD+ Governance 5% REDD+ Coordination	BNCCREDD+; DREDD; Directorate-General of Forests	N/A	N/A	Secretary General of Environment	Activities and budget: operational governance activities (7%): monitoring, safeguards, carbon monitoring, BSP monitoring, capacity building Coordination structure overheads (5%): breakdown of administrative costs	N/A
Initiative PLUT	14	REDD+ Initiatives (60%) and community rewards (5%)	REDD+ Initiative Promoters; VOIs	CRR, Regions, prefecture and districts, Communes, local communities, women's associations, and other relevant local and regional stakeholders,	BNCCREDD+	COS (Comité d'orientation de suivi des aires protégées)	Budgeted table of activities, including: sub-activities; activity type (avoided deforestation, stock increase, safeguard, governance); timeframes; implementing actors (name, status, name of official manager); quantified goal; standard cost per goal and corresponding budget; linkage to foreseen safeguard activities; number of beneficiaries targeted, disaggregated by gender, targets for results indicators defined by BNCCREDD+. The budget must separate activities financed by fixed payments, variable payments, and extension activities. The identification of activities must demonstrate the equitable participation of men and women. For community reward activities, the selection and validation process must demonstrate the quantitative and qualitative involvement of women and their community groups. The budget may include an emergency allocation (e.g., for mining rushes or bush fires), not exceeding 5% of the total budget for variable payments and extensions; this allocation cannot be carried beyond the defined benefit sharing period. An Investment Plan describing overall expected investment excluding carbon revenues must be provided at the time of validation, to enable the estimation of effort performance.	Intervention strategy explaining the logic of the Utilization Plan

Title of PLUT	Number of PLUTs	Amounts covered	Developed By	Consulted Actors	Quality Control	Validation	Content Requirements	Supporting Documents
Regional PLUTs for activities outside Initatives	6	6% Areas outside Initiatives	DREDD	Local forestry services, mayors, communities, and other relevant local stakeholders	BNCCREDD +	Secretary General of Environment	Budgeted table of activities, including: sub-activities; activity type (avoided deforestation, stock increase, safeguard, governance); timeframes; implementing actors (name, status, name of official manager); quantified goal; standard cost per goal and corresponding budget; linkage to foreseen safeguard activities; number of beneficiaries targeted; Targets for results indicators defined by BNCCREDD+. The identification of activities must demonstrate the equitable participation of men and women.	N/A
Region PLUT	6	1% Region rewards	Regions	Prefecture, Regional stakeholders	BNCCREDD +	Regional Council	Social infrastructure and services: budgeted list of activities; safeguards; implementation managers/partners; location of activities	N/A
Commune rewards PLUT	211 PLUTs	4% Commune rewards	Commune technical service, supported by DREDD	Villages/fokontany chiefs, local populations	BNCCREDD +	Communal Council	Budgeted list of activities; safeguards; implementation managers/partners; location of activities	N/A
Commune monitoring PLUT	119	2% Commune monitoring		N/A			Budgeted list of monitoring activities; implementation timeline	N/A

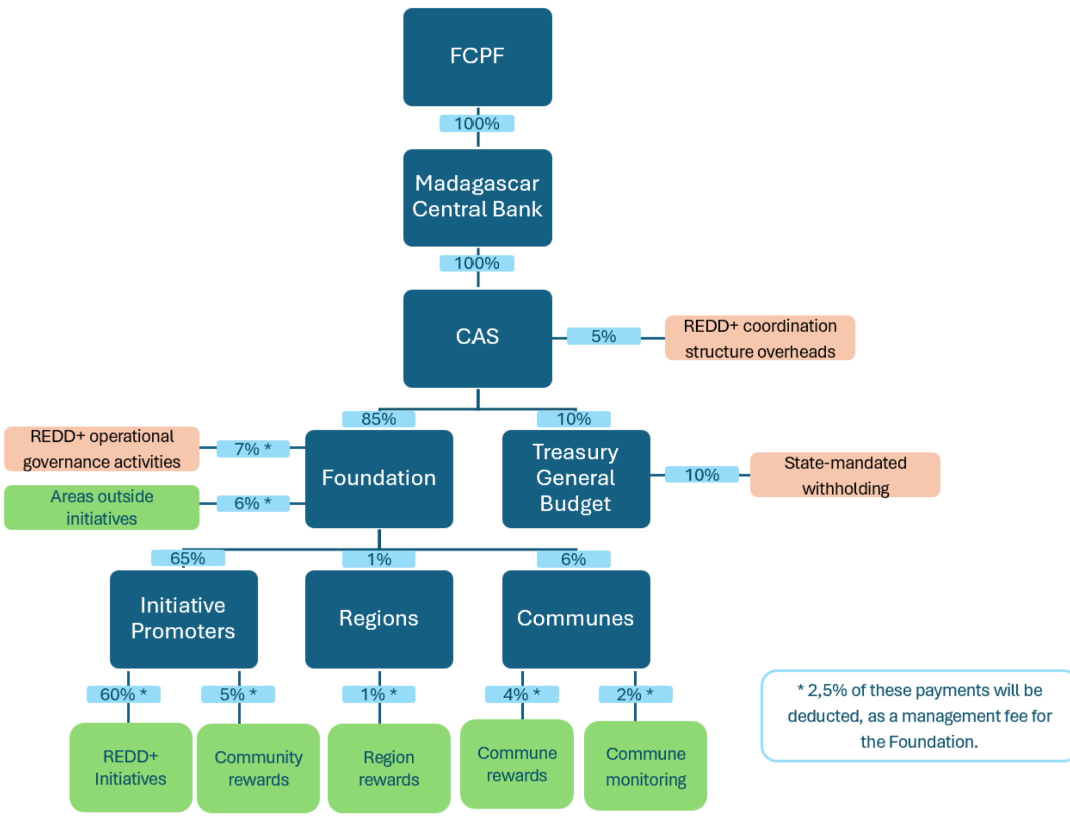
Carbon benefits are transferred to the actor upon validation of the Utilization Plan and confirmation that proposed activities are eligible and that safeguard measures have been respected (see Chapter 5). Carbon benefits are strictly reserved for activities included in an approved Utilization Plan.

For Initiative Promoters, the Utilization Plan is annexed as a legal document to their contract with BNCCREDD+.[10] Where Promoters delegate the implementation of activities to Managers of REDD+ Activities, a contract must be established between the Promoter and the Manager, and the Promoter must evaluate the financial management capacity of the Manager prior to fund transfer. In the event of capacity weaknesses, BNCCREDD+ may provide support to the Promoter or Manager accordingly.

4. Flow of funds: distribution of carbon benefits

4.1 Overview of the Flow of Funds Arrangements

***Figure 4:* Flow of funds arrangement for the BSP**



Carbon benefits flow from the FCPF Carbon Fund to beneficiaries according to the following process:

[10] For Communes and Regions, the Utilization Plan budgets are integrated into autonomous budgets in accordance with public financial management procedures, and there is no contract with BNCCREDD+.

- Funds from the FCPF Carbon Fund are transferred to an account of the Public Treasury at the Central Bank of Madagascar, where they are converted to Ariary.
- Upon inclusion of the expected benefit-sharing budget in the Budget Law, the converted funds are transferred to the State-managed Special Allocation Account (CAS), named "Crédit Carbone REDD+", jointly managed by the MEF and MEDD;
- From the CAS, funds are allocated as follows:
  - 10% to the Treasury General Budget as the State-mandated withholding, which covers the administrative burden associated with CAS management, including registration in the initial and rectifying budget laws, assignment of a public accountant for transfer verification and execution, and other government-level processes.
  - 5% for overhead and administrative operating costs of REDD+ structures under BNCCREDD+ — retained and managed at the CAS level, i.e., not transferred.
  - 85% to a State-mandated public utility foundation responsible for onward distribution to beneficiaries and whose operations are governed by a dedicated procedures manual to enhance efficiency and accelerate disbursements. The funds managed by the Foundation include:
    - 7% for operational REDD+ governance activities – executed by the Foundation in line with funds allocation defined in the Utilization Plan developed under the leadership of BNCCREDD+.
    - 78% for field activities: The Foundation redistributes carbon benefits to Initiative Promoters (65%, including 5% for community rewards), Regions (1%) and Communes (6%; including 4% for Commune rewards and 2% for Commune monitoring) after their respective Utilization Plan and supporting documents have been validated and BNCCREDD+ has issued transfer instructions.

Additional information on the role and responsibilities of the CAS, the Foundation, and Communes, is presented below.

4.2 The Special Allocation Account (CAS)

The CAS "Crédit Carbone REDD+" is the central instrument for receiving and making an initial distribution of carbon benefits. It was authorized by Law No. 2020-013 of December 24, 2021 (Budget Law for 2021), following the Government of Madagascar's decision at the close of the PREAA program support mission in November 2020. As a Special Allocation Account of the Treasury, it operates under Organic Law No. 2004-007 of July 26, 2004 on budget law. The detailed terms and conditions for its management are established by decree and are currently being finalized by the Ministry of Environment and Sustainable Development and the Ministry of Economy and Finance. The administrative management of the CAS, including its registration in the initial and rectifying budget laws, requires human and financial resources at the government level.

The key management principles are as follows:

- The account is registered in the name of a Service Opérationnel d'Activités (SOA), a public entity. The "Crédit Carbone REDD+" account is opened on behalf of the National Office of Climate Change and REDD+ (BNCCREDD+).
- Fund movements are governed by two designated roles: the ORDSEC (the authorizing officer, responsible for ordering fund movements), defined as the Administrative and Financial Director of the Ministry of Environment and Sustainable Development, and the GAC (responsible for proposing activities to be financed and certifying their implementation), defined as the BNCCREDD+ Coordinator.
- Receipts and disbursements are executed by a public accountant at the Ministry of Economy and Finance (MEF) level, ensuring a clear separation between the authorizing officer and the accountant. The MEF will also assign a public accountant for the verification and execution of transfers related to the CAS. Transfers ordered by the GAC are subject to standard verification by the accountant, who may refuse a transfer if irregularities are identified.
- Budget execution follows standard public finance procedures: Commitment, Liquidation, Authorization/Mandate, and Payment.
- All procurement covering works, supplies, services, and intellectual services is subject to the Public Procurement Code.
- The CAS guarantees a year-end balance carry-over, ensuring continuity of fund transfers and the completion of planned activities across fiscal years.

All entries relating to fund movements in the CAS are recorded at the General Pay Office of Antananarivo.

4.3 THE FOUNDATION

The Foundation serves as the designated financial agent of MEDD and is a Malagasy environmental foundation recognized as a public utility. It acts as the fiduciary intermediary for field-level carbon revenues, redistributing funds to financial managers strictly in accordance with the validated BSP and Utilization Plans. Any disbursement must be ordered by MEDD, and the Foundation's mandate is governed by a contractual arrangement with the Ministry. Its role is strictly fiduciary and administrative: the Foundation has no decision-making authority over the allocation or use of revenues, as decision-making arrangements are already defined under the REDD+ governance framework. To ensure full financial traceability, the Foundation maintains a dedicated special account to receive carbon revenues from the CAS, with all disbursements governed by the Manual of Administrative and Financial Procedures (MPAF) and the validated Utilization Plans.

For its services, the Foundation receives a management fee of 2.5%[11] of the carbon revenues effectively collected and administered, as defined in its entrustment agreement with MEDD. Benefit-sharing distribution for each major allocation category is always applied net of this fee on the amount transferred to the Foundation, which is set aside by BNCCREDD+ prior to any planning.

The Foundation's operational responsibilities vary across the three following categories of benefit sharing:

- For governance support, it manages funds allocated to BNCCREDD+ and relevant forest directorates, including procurement of goods and services.
- For activities in areas outside REDD+ Initiatives, it makes financing available to the MEDD and supports the latter in selecting implementation partners and drafts the conventions governing disbursements to those partners.
- For field activities, it is directly responsible for transferring funds to REDD+ Initiative promoters and Communes once the applicable transfer conditions have been met and validated.

The Foundation is bound by strict transparency, accountability, and equity obligations, including regular publication of beneficiary identities and amounts allocated, reporting to the MEDD, MEF, and development partners, and annual independent financial audits. The Foundation is accountable to the MEDD for the correct redistribution of funds across all categories and is subject to regular financial and technical reporting obligations to both the MEDD and the World Bank. The reporting requirements are detailed in Chapter 6.

4.4 COMMUNES

Communes set up a primary commercial bank account for managing the funds for rewards and monitoring, in line with the approved Utilization Plans. A quadripartite agreement signed by the Ministries responsible for Forests, Finance, Interior, and Decentralization ensures that communes use funds appropriately and in compliance with applicable national procedures.

4.5 REGIONS

Funds allocated to Regions are managed through their respective Treasury accounts, in accordance with public financial management procedures, and payments are executed by the Treasury on their behalf.

Should a specific derogation be granted, management of carbon revenues through a primary commercial bank account would be preferred.

[11] Any subsequent modification to the management fee rate may have an impact on the amounts allocated under the benefit-sharing arrangements. However, the 2.5% rate has already been negotiated with the Foundation and applies to all benefits generated by the Program.

5. Environmental and social safeguards

5.1 Overview of the obligations related to the management of the safeguards

The FCPF Methodological Framework states that AA-ERP should meet the following safeguards criteria in order to generate carbon credits:

- Criterion 24: The ER Program meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+;
- Criterion 25: Information is provided on how the ER Program meets the World Bank social and environmental safeguards and addresses and respects the safeguards included in UNFCCC guidance related to REDD+, during ER Program implementation;
- Criterion 26: An appropriate Feedback and Grievance Redress Mechanism (FGRM) developed during the Readiness phase or otherwise exist(s), building on existing institutions, regulatory frameworks, mechanisms and capacity.

As such, it is the responsibility of MEDD, as the Program Entity of the AA-ERP, to ensure that the Program develops the tools required to meet the FCPF Criteria. For that purpose, MEDD has adopted the following safeguard documents to guide the execution of the AA-ERP activities:

- An Environmental and Social Management Framework (ESMF);[12]
- A Resettlement Policy Framework (RPF);[13]
- A Process Framework (PF);[14]
- A Pest and Pesticide Management Plan (PPMP);[15] and
- A Dam Safety Manual (DSM).[16]

5.2 Principles of implementation for the BSP activities

Whenever possible, the Program Entity – MEDD – will rely on the systems put in place by local actors – the Initiative Promoters – for the management of environmental and social safeguards. As part of their application to have a REDD+ Initiative accredited through the homologation process, the Promoter must provide evidence of the existence of an environmental and social

[12] https://documents1.worldbank.org/curated/en/334771579171143980/pdf/Cadre-de-Gestion-Environnementale-et-Sociale.pdf

[13] https://documents1.worldbank.org/curated/en/604441587636893513/pdf/Cadre-de-Politique-de-Reinstallation.pdf

[14] https://documents1.worldbank.org/curated/en/099514509112514717/pdf/IDU-1f15f6c8-d9e5-47f7-be01-10861f561535.pdf

[15] https://documents1.worldbank.org/curated/en/524961579850907316/pdf/Plan-de-Gestion-des-Pestes-et-Pesticides-dans-Quatre-Regions-Analanjirofo-Sava-Sofia-Boeny.pdf

[16] https://documents1.worldbank.org/curated/en/115331579851412263/pdf/Elaboration-d-Un-Manuel-de-Gestion-et-de-Securite-des-Petits-Barrages.pdf

safeguard management system and documentation confirming prior consultation and consent of local authorities and communities.

As such, the homologation process ensures that all REDD+ Initiatives under AA-ERP have the ability to operate in accordance with the Program requirements on the Environmental and Social Safeguards (see the list of documents detailing those requirements in the section on Legal Underpinnings in Chapter 1).

5.3 RESPONSIBILITY FOR COMPLIANCE WITH SAFEGUARDS REQUIREMENTS

Table 7: Responsibility for Safeguards Compliance

Activities	**Responsibility for Compliance with Safeguard Requirements**
Activities under REDD+ Initiatives	Initiative promoters are responsible for ensuring compliance, in accordance with the procedures of their respective organizations (CI, MNP, WCS, and WWF). Non-compliance may result in the withdrawal of Initiative homologation. BNCCREDD+ regularly assesses the capacity of Initiative promoters to maintain a transparent safeguard monitoring system, including through periodic institutional evaluations.
Activities under Communes' and Regions' Utilization Plans	Communes and Regions are responsible for compliance with the national safeguards system, in particular the national Decree on Compatibility of Investments with the Environment (*Mise en Compatibilité des Investissements avec l'Environnement* – MECIE). The environmental safeguard officer within the regional REDD+ Coordination (DREDD) monitors adherence to these requirements.
Activities outside REDD+ Initiatives	The regional REDD+ coordination structure (DREDD/CRR) is responsible for ensuring compliance with safeguards requirements for these activities. The BNCCREDD+ is responsible for the control and supervision of safeguard compliance for these activities.

5.4 IMPLEMENTATION OBLIGATIONS AND PROCEDURES

In accordance with the 2025 Decree on forest carbon,[17] any REDD+ Initiative, REDD+ activity, or rewards activity must be subject to the evaluation and management of environmental and social risks in accordance with the approved environmental and social safeguard instruments of the AA-ERP. These are consistent with the safeguard instruments prepared for the national REDD+ strategy: ESMF, PF, and RPF.

5.4.1 *Environmental and social risk assessment*

According to the Program documents, activities implemented as part of the AA-ERP have to follow a systematic assessment process:

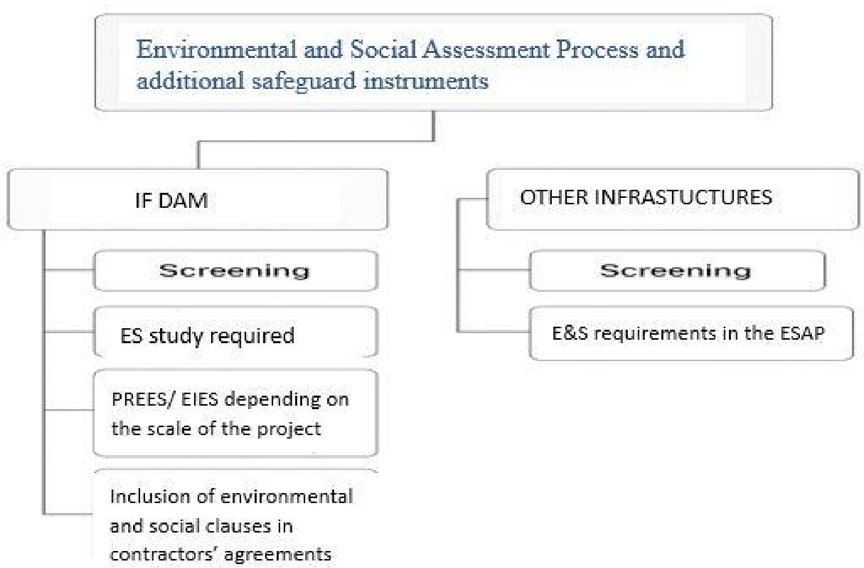
- For dam-related projects, an initial screening phase determines the type of environmental and social study required. Depending on the scale of the infrastructure and the magnitude of anticipated impacts, the competent authority may require either an Environmental and Social Impact Assessment (ESIA) or an Environmental and Social Implementation Program (ESIP). Once the environmental and social study is validated, the resulting mitigation and management measures are translated into binding

[17] Title III, Chapter I, section 3

environmental and social clauses and incorporated into the contracts of the companies responsible for construction.

- Beyond dam-related infrastructure, the screening process applies to all sub-projects in accordance with MECIE provisions. This process classifies activities into different categories (e.g., projects subject to ESIA, simplified environmental commitment, or exclusion) based on predefined criteria such as potential environmental sensitivity, scale, and location. The screening also identifies risks related to biodiversity, land use, and social vulnerability, including risks associated with resettlement or gender-based violence.
- In line with the institutional arrangements described in this document, technical units and safeguard specialists play a key role in supporting screening, ensuring compliance with national procedures, and facilitating coordination with the national environmental authority (e.g., National Office for Environment – ONE), accounting for applicable requirements. This contributes to harmonizing REDD+ requirements with national environmental governance systems.
- For other types of projects, environmental and social screening is also mandatory. Identified mitigation and management measures are consolidated into an Environmental and Social Action Plan (ESAP), which serves as the operational framework for the implementation, monitoring, and supervision of environmental and social commitments throughout the project lifecycle.

Figure 5: Environmental and Social Assessment Process



5.4.2 <u>Safeguard measures under the Utilization Plans</u>

The implementation of safeguard measures must be included in the Utilization Plans of REDD+ Initiatives, Communes, and Regions. An ESAP is developed for each Utilization Plan, and all activities must be aligned with the ESMF and other applicable safeguard instruments.

BNCCREDD+ conducts a compliance review of each activity to ensure that relevant environmental and social measures are adequately integrated and implemented.

Prior to approving the REDD+ Initiative's Utilization Plan, BNCCREDD+ assesses safeguard compliance and may reach one of three conclusions:

- All safeguard measures have been respected and instruments are in place: the Utilization Plan can be executed.
- Certain measures have not been implemented for involuntary reasons and reinstatement is underway or planned: specific conditions and deadlines are established and included in the Utilization Plan.
- Safeguard measures were disregarded voluntarily or repeatedly: BNCCREDD+ may cancel the REDD+ Initiative's validation.

5.5 Feedback, Grievance and Redress Mechanism

All validated REDD+ Initiatives must have in place a Feedback, Grievance and Redress Mechanism linked to the national FGRM system integrated into the SIIP.[18]

Promoters of REDD+ Initiatives must establish committees for the amicable resolution of grievances arising from the implementation of REDD+ activities. The established committee will be responsible for processing the received grievances in accordance with the defined FGRM processes in order to seek an amicable settlement. Where applicable, the complainant may appeal through ordinary justice.

Promoters of REDD+ Initiatives and other stakeholders not located within the area of a REDD+ Initiative may use the national FGRM system to communicate any grievance. Complainants seeking to submit a grievance will contact BNCCREDD+ or the applicable CRR, which will record the grievance and include it in the SIIP. The specific steps and timing for consideration will follow the FGRM procedures.

6. Monitoring and evaluation arrangements

The monitoring and reporting framework for the AA-ERP BSP distinguishes between two complementary tracks: **implementation monitoring**, which tracks whether planned activities and financial flows are being carried out as intended, and **performance monitoring**, which assesses whether the program is delivering results in terms of carbon outcomes and effort. The former drives payment decisions at the Initiative level; the latter feeds into ER verification and reporting to the FCPF Carbon Fund.

6.1 Implementation Monitoring and Reporting

Implementation monitoring covers progress on investment and Utilization Plans, safeguards implementation, grievance handling, and the management of financial flows. The primary actors are Initiative Promoters, CRRs, CTDs, Regions, Communes, and the Foundation, all reporting upward to BNCCREDD+.

[18] http://siip.bnc-redd.mg/#/

Initiative Promoters are ultimately responsible for monitoring REDD+ activities within their Initiative, though they may delegate certain functions to activity managers. BNCCREDD+ uses Promoter reports, together with those from CRRs and CTDs, to determine effort performance and proceed with payments. All reports are uploaded to the SIIP and made available in accordance with its information disclosure arrangements.

The Foundation is subject to regular financial reporting to both the MEDD and the World Bank, as well as annual financial and payment systems audits. Detailed reporting requirements for all actors are set out in Table 8 below.

Actor	Monitoring Responsibility	Report Content	Frequency	Reports To	SIIP Upload
BNCCREDD+	Overall BSP implementation monitoring and safeguard monitoring	• Overall BSP implementation progress • Progress in implementation of the Initiatives' Utilization Plans • Safeguards Action Plan implementation progress • Generation of non-carbon benefits	Once per benefit sharing period	Internal	Yes
	Financial reporting on REDD+ Governance	• Financial progress against REDD+ Governance Utilization Plan	Quarterly	Internal	No
	Consolidation of program-level financial monitoring reports	• Financial progress against the Initiatives' Utilization Plans • Financial execution rates	Quarterly	World Bank and MEF	No
Initiative Promoters	Monitoring of REDD+ activities within their Initiative NB: Promoters may delegate certain monitoring functions to activity managers but retain ultimate responsibility	• Progress on Investment and Utilization Plans • Safeguards implementation • Grievances summary • Beneficiaries disaggregated by gender	Semi-annual	BNCCREDD+	Yes
	Full end-of-period reporting	• Activity progress • Results indicators • Financial progress • Safeguards implementation • Generation of non-carbon benefits	End of each benefit sharing period	BNCCREDD+	Yes
	Financial reporting on Utilization Plan	• Financial progress against Initiative Utilization Plan	Quarterly	BNCCREDD+	No
Initiative Promoters (re: Community Rewards)	Report on community rewards	• Progress on Investment and Utilization Plans in relation to community rewards	Semi-annual	BNCCREDD+	Yes

DREDD/CRR	Reporting on areas outside Initiatives	• Progress on Investment and Utilization Plans • Safeguards implementation • Grievances summary • Beneficiaries disaggregated by gender	Semi-annual	BNCCREDD+	Yes
	Financial reporting on areas outside Initiatives	• Financial progress against Regional Utilization Plans for activities outside Initatives	Quarterly	BNCCREDD+	No
	Supervision of REDD+ activity implementation within Initiatives	• Progress (%) of implementation of Initiative activities; • Regional oversight	Quarterly	BNCCREDD+	No
Regions	Report on reward activities	• Result • Safeguards	Semi-annual	CRRs	Yes
	Financial reporting on reward Utilization Plan	• Financial progress against Rewards Utilization Plans	Quarterly	BNCCREDD+	No
Communes	Joint commune and CTD reporting on reward and monitoring activities	• Results • Safeguards • Monitoring activity implementation progress • Feedback on grievances received and addressed • Financial progress against Rewards and Monitoring Utilization Plans		CRRs	Yes
Environmental Foundation	Financial management and disbursement of carbon revenues	• Financial monitoring report	Quarterly (within 30 days of end of quarter)	MEDD and World Bank	No
	Financial management and disbursement of carbon revenues	• Technical and financial report	Annual (within 3 months of close of year)	MEDD and World Bank	No

	Subject to independent audit	• Audit report incl. auditor's opinion and management letter	Annual (transmitted within 6 months of close of fiscal year)	World Bank and BNCCREDD+	No

Table 8: Implementation Monitoring and Reporting Requirement

6.2 Performance Monitoring and Reporting

Carbon performance of the AA-ERP and individual Initiatives is estimated by BNCCREDD+ using the national MRV system, which applies a methodology compliant with the FCPF Methodological Framework. The same methodology, reference period, classification system, and emission factors apply to both the AA-ERP and individual Initiatives.

Effort performance is assessed through the rate of completion of REDD+ activities in Utilization Plans. BNCCREDD+ reports to the FCPF Carbon Fund within six months of the first Periodic Payment and annually thereafter, following the FCPF ER Monitoring Report template.

Detailed reporting requirements for all actors are set out in Table 9 below.

Table 9: Performance monitoring and reporting requirements and responsibilities

Actor	Monitoring Responsibility	Method / Tools	Frequency	Reports To
LOFM (hosted within BNCCREDD+)	Forest cover change mapping; estimation of deforestation, degradation, and carbon stock enhancement	• Stratified area estimation • National forest cover change maps	Once per ER reporting cycle	BNCCREDD+ MRV Unit
BNCCREDD+ MRV Unit	Calculation of GHG emissions, Emission Reductions, and uncertainty for the AA-ERP and individual Initiatives	• National MRV system; FCPF Methodological Framework • Same reference period, historical averages, classification system, and emission factors for both AA-ERP and Initiatives • Densified grids or stratified estimation using national SOPs	Once per ER reporting cycle	FCPF Carbon Fund (via BNCCREDD+)
BNCCREDD+	Effort performance of each Initiative (% completion of activities in Utilization Plans) based on consolidation of reports by the Initiative Promoters, CRRs and CTDs - in order to proceed with payment	• Implementation reports from Promoters • Updates to Utilization Plans	Once per benefit sharing period	Internal; informs payments to Promoters
BNCCREDD+	Carbon performance of each Commmune based on data from the relevant Initiative (if	• Commune carbon performance information		

Actor	Monitoring Responsibility	Method / Tools	Frequency	Reports To
	applicable) or from the national monitoring scheme:			
BNCCREDD+	Overall BSP performance reporting	• FCPF ER • Monitoring Report template • SIIP data • Initiative, CRR, and CTD reports	Within 6 months of first Periodic Payment, then annually	FCPF Carbon Fund

7. Gender and vulnerable groups mainstreaming

7.1 In the Utilization Plans

In the development of the Utilization Plan, consideration of women and vulnerable groups as beneficiaries is a criterion for prioritizing activities. They may participate directly as individuals involved in REDD+ activities. The prioritization criteria give significant weight to activities that promote the financial empowerment of women, access to services and jobs for women, the involvement of women's community organizations, and the development of their skills.

The BNCCREDD+ will conduct gender promotion activities such as capacity building and advocacy in order to strengthen women's empowerment in the process and improve their position in society in the fight against deforestation and REDD+.

7.2 Within the National and Regional REDD+ platforms

35% of REDD+ platform members must be women. This minimum threshold ensures that women are represented in decision-making processes and is intended to evolve as the AA-ERP is implemented. Women are prioritized in the membership of national and regional REDD+ platforms. Women's representation in REDD+ platforms and local governance will ensure that their voice carries significant weight in decision-making.

In addition, women's associations of civil society and groups are integrated into these governance structures to act as observers and monitor the integration and involvement of women in the use of REDD+ revenues. Members of REDD+ platforms benefit from capacity building and awareness raising in this regard.

7.3 As part of Initiatives' extension activities

BNCCREDD+ and the CRRs are developing projects to promote gender and social inclusion in support of the geographic and thematic extension of the Initiatives. The projects will develop a set of activities to be launched through a request for proposals for women's associations and vulnerable groups.

7.4 IN THE REWARDS

The prioritization of women and vulnerable populations must be closely considered in the beneficiary Communes. The choice of social infrastructure and social services to be provided for the top-performing Communes and communities should (i) prioritize development that promotes education and health, and improved access to land for agriculture; or (ii) lead to improved income for women and vulnerable groups. These are among the main services and opportunities identified in the gender analysis as insufficiently accessible to women and vulnerable groups. In this way, the rewards will lead to a considerable improvement in the access of women and vulnerable groups to these rights.

7.5 IN THE MONITORING AND EVALUATION

The respect for gender rights and compliance with environmental and social standards by REDD+ initiatives are assessed and monitored as REDD+ implementation proceeds. The output and impact indicators used will provide sex-disaggregated data and information to measure the efforts deployed to involve women in the implementation of activities.

Validated Initiatives will be evaluated according to their non-carbon performance, which is defined by the Initiative's compliance or non-compliance with the principle-criteria-indicator ratings developed and associated with the Cancun safeguards in the Safeguard Information System (SIS). Gender consideration is focused on Principle D of the SIS: "All stakeholders, in particular local communities, participate fully and effectively in REDD+ activities," Criterion D4, "Promote and strengthen the gender approach and women's empowerment."

7.6 IN COMMUNICATION

Information on beneficiaries will be publicly accessible through the SIIP to enable civil society organizations to monitor results and raise concerns where women are excluded or disadvantaged. This information will also serve as a decision-making tool for BNCCREDD+ to improve gender integration in the national process.

The BNCCREDD+ will document and disseminate lessons and good practices in gender mainstreaming to improve the implementation and impact of REDD+ activities.

8. Annex: Non-Carbon Benefits

Table 10 presents the priority non-carbon benefits identified in the ERPD. These do not form part of the BSP itself (which is limited to monetary and non-monetary benefits only) but are listed in this annex for stakeholder information purposes. Non-carbon benefits are benefits received directly or indirectly by stakeholders during the implementation of REDD+ activities, such as capacity building and the implementation of local governance mechanisms.

Table 10: Outline of priority non-carbon benefits identified in the AA-ERP

Conservation and improvement of environmental services:
● **Improved conservation and strengthening of the management of protected areas:** habitat conservation and regeneration for biodiversity conservation; conservation of soil fertility.

● **Increased environmental services at all levels:** quality and supply of water; conservation of soil fertility; sustainable agriculture production; increased economic opportunities (agroforestry with value production, as well as Non-Timber Forests Products and eco-tourism).
Improvement of population well-being:
● **Reduction of poverty and unemployment**: additional and diversified income for households; ● **Increased access to markets, health system and education:** collective socio-economic investments in the form of benefits and incentives to local communities; Increased transparency in the forest sector.