



REDD: Benefits and Benefit Distribution

James MacGregor

Essam Yassin Mohammed

International Institute for Environment and Development

JAMES HARDCASTLE, The Nature Conservancy

PRO-POOR REDD PROJECT

Sammy Hotel, Dalat City, Vietnam

20 January 2010



Background

- 1990-2005: >1mill Km² of forest were lost in the tropics
 - **≈3X the surface area of Vietnam!!**
- Half of this was in the Amazon
 - Environmental problems
 - Social problems
 - **Cyclical relationship between poverty and environmental degradation**



lessons from Amazonas

- Brazil: Amazonas; REDD to conserve their forest in return for credit
 - **Reducing deforestation**
 - **Cutting emission**
 - **Eradicating poverty**
- Juma Sustainable Dev't Reserve Project:
 - **Locals are being rewarded for protecting their forests and reducing C emissions**



Financing

- The options are:
 - A) Public funding based on voluntary donations
 - B) Proposals tied to market mechanisms
 - **Advantages:** private sector participation; permits greater flexibility in capturing funds; and faster implementation
 - C) A mixed approach



- **Juma**: part of a broader initiative focused on payments for env'tal services
 - The **Bolsa Floresta Program**; initiated both by gov't and private sector.
 - Total investment of **US\$ 8.1 million/year**
 - Supports 6000 households committed to zero deforestation
 - HHs receive direct cash + income generation activities
 - **Poverty reduction/ better livelihood of the locals**
 - **Less environmental degradation/ deforestation**



Lessons from Paraguay



- ❑ **Objective:** Creation and protection of a private protected area in the eastern region
- ❑ **Location:** Mbaracayu Forest Nature Reserve in Ygatimi, Canindeyu state; 64,400 ha



...Lessons from Paraguay

- One of the pioneers in terms of compensation (1990's)
 - Business-as-usual scenario => disappearance
- Surrounding area is inhabited by traditional and indigenous communities
 - **The poor as direct beneficiaries from the project**



...Lessons from Paraguay

- ❑ **The Project's Strategy:**
 - ❑ Create alternative source of income
 - ❑ Promote rural development
- ❑ **Benefits:**
 - ❑ Creation of a socio-environmental label for products from neighboring communities
 - ❑ Education and technical capacity-building

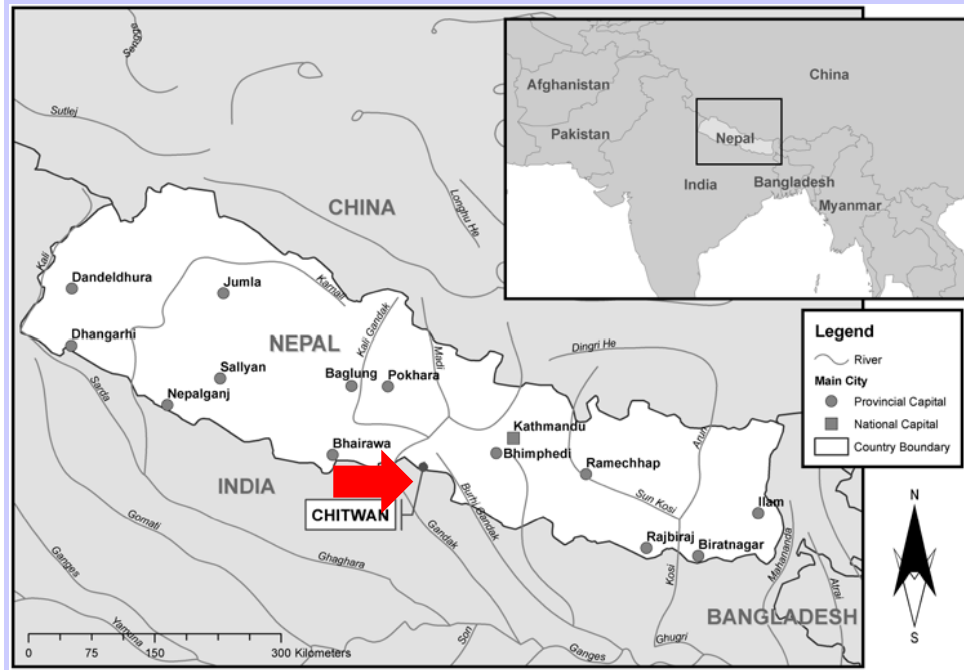


Funding Sources

- ❑ **Fiduciary Fund:** created through the initial sale of carbon credit
- ❑ **International cooperation:** E.g. USAID, WB, ...
- ❑ **Financial Return:** Through capitalization of the fiduciary fund (US\$ 5,200,000)
 - ❑ C-credits were sold to AES Corp. as compensation for the CO2 emission



Lessons from Chitwan, Nepal



- ❑ Community forest in the 1970's
- ❑ FUG (Forest User Group)
- ❑ Success stories
- ❑ **Improvement in the local livelihoods???**
 - ❑ **Hierarchal**
 - ❑ **patriarchal**



Benefits

- ❑ Firewood, fodder,
- ❑ Income from the sale of timber
- ❑ Promotion of Ecotourism
- ❑ Funds from other organizations



Benefit distribution

The village as a whole

- Road improvement, embankments, schools, etc..

Individuals

- Bee-keeping, animal farming, construction of toilets, etc...



Do these benefits reach all families equally?

- ❑ The Wealthy or the middle class groups
- ❑ Women are marginalized
 - ❑ Many claimed they did not receive any training
- ❑ Micro-financing (loan) covers only part of the total cost
 - ❑ What happens to the weaker groups?



Noel Kempff, Bolivia

- 30-year project 1996-2026
- 832,000 ha of 'avoided deforestation'
- 1997 to 2005, avoided 1,034,107 t of CO²
- 3rd Party verified emissions reduction (VER)
- avoided c. 5,838,813 t of CO² by 2026

- Project cost \$12,000,000 (TNC 25%)
- Project investors (private, Govt) to share revenues from VER sales every 5 years (51%-49%)
- Endowment fund for PA management / monitoring



Noel Kempff, Bolivia

**Carbon project
area**

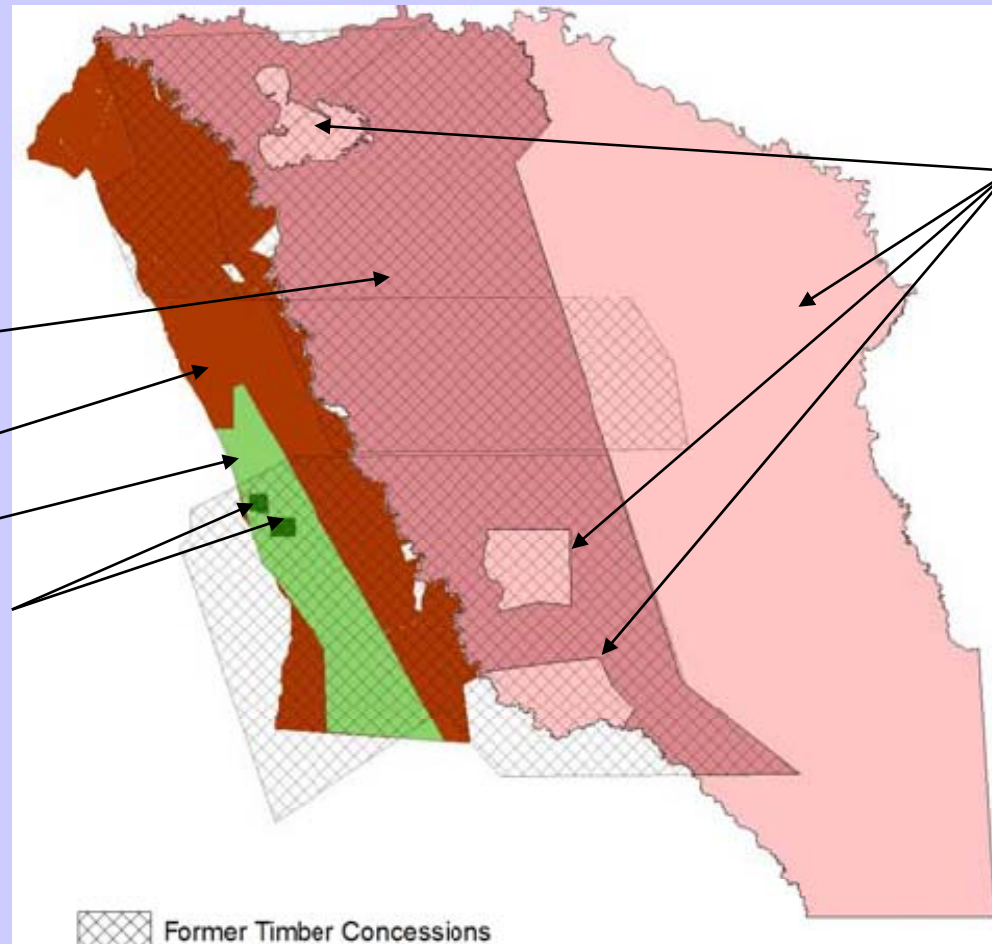
(832,000ha)

Added to PA

Ancestral territory

Community logging

Active logging 97-05



**Existing
Pas**

**(1,050,000
ha)**

 Former Timber Concessions



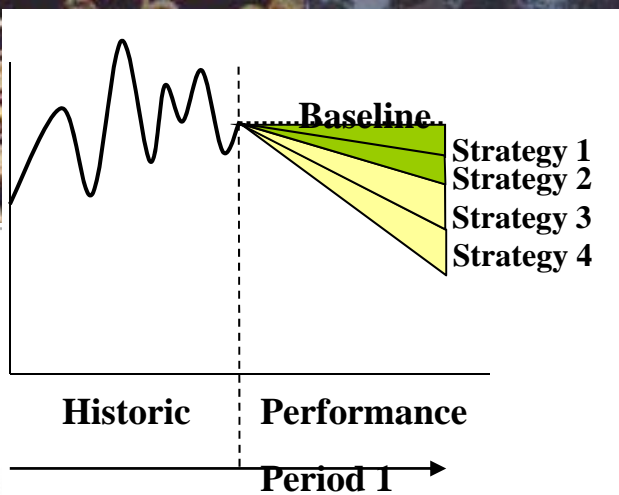
Noel Kempff - Communities

- Endowment trust fund
- Community land rights
- Community forestry program
- Ecotourism opportunities
- Development initiatives, housing, health

Further progress will address:

- High community expectations
- Governance, access and equity issues
- Clarify % of Govt CO² revenue for community

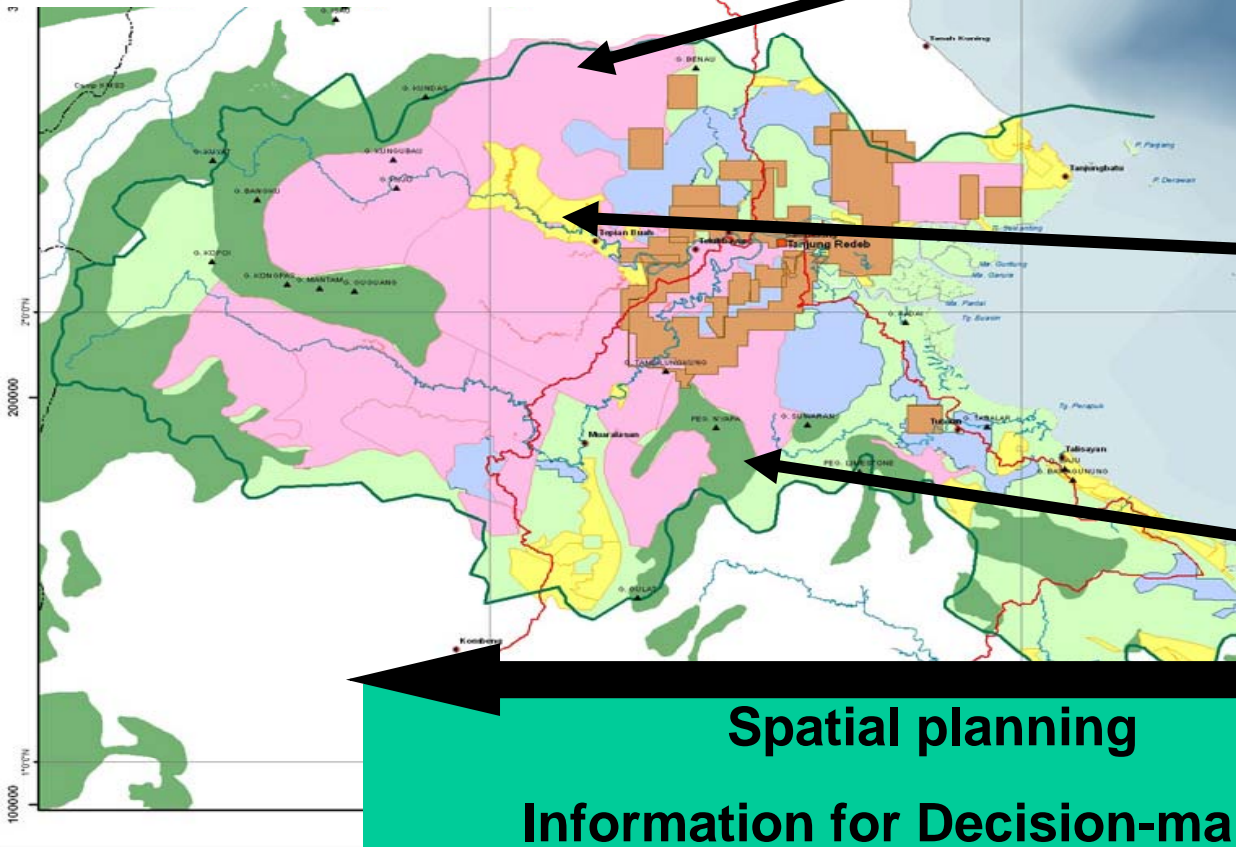
Berau District REDD



**Timber Concessions:
Reduced Impact Logging
/ Certification**

**Oil Palm Plantations:
Better siting decisions;
land swaps**

**Protection Forests:
Protected Area
Management,
Sustainable Funding**



**Spatial planning
Information for Decision-making
Governance & Enforcement**

Land Management Kabupaten Berau, 2008
Mining Concession,
Dinas Pertambangan Kabupaten Berau,
2009
Estate Corp.
Dinas Perkebunan Provinsi Kalimantan, 2008

008/TN/CID/TF/0109/LC



Berau - Communities

- . Berau in initial stages, one of 4 Govt. pilots
- . Project Management Unit to be established
 - must include community representation
 - must include social safeguards
- . TNC and NorAD /USAID, to identify the role of community in each REDD strategy in Berau
 - community engagement and understanding
 - . RAFT project REDD orientation in SEA, inc. VN (RECOFT)
 - community forestry and conserved areas
 - conflict resolution and land allocation
 - benefit sharing and delivery mechanisms



PNG - Communities

Madang Province (TNC, ITTO, partners)

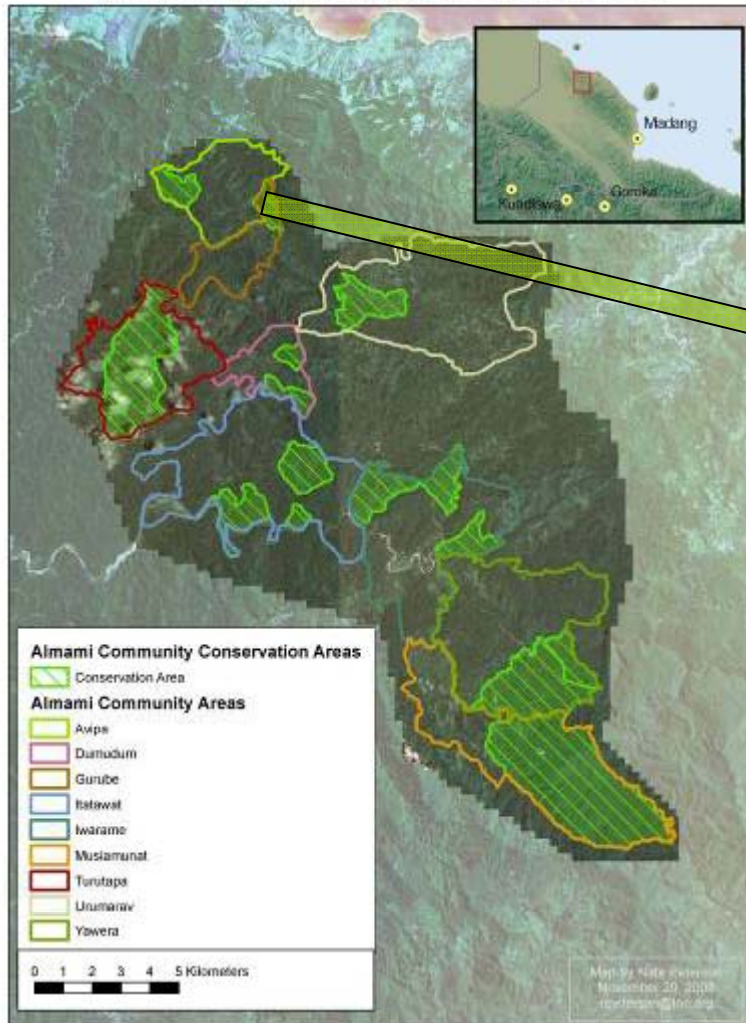
- Adelbert Mountains – 21 communities
- community land-use and forest plans
- local Govt regulations / institutions
- cooperative, Fair Trade and FSC
- local financial mechanisms
- Provincial planning and policy (Madang, Manus, East Sepik)

With AusAID and Mama Graun Trust Fund

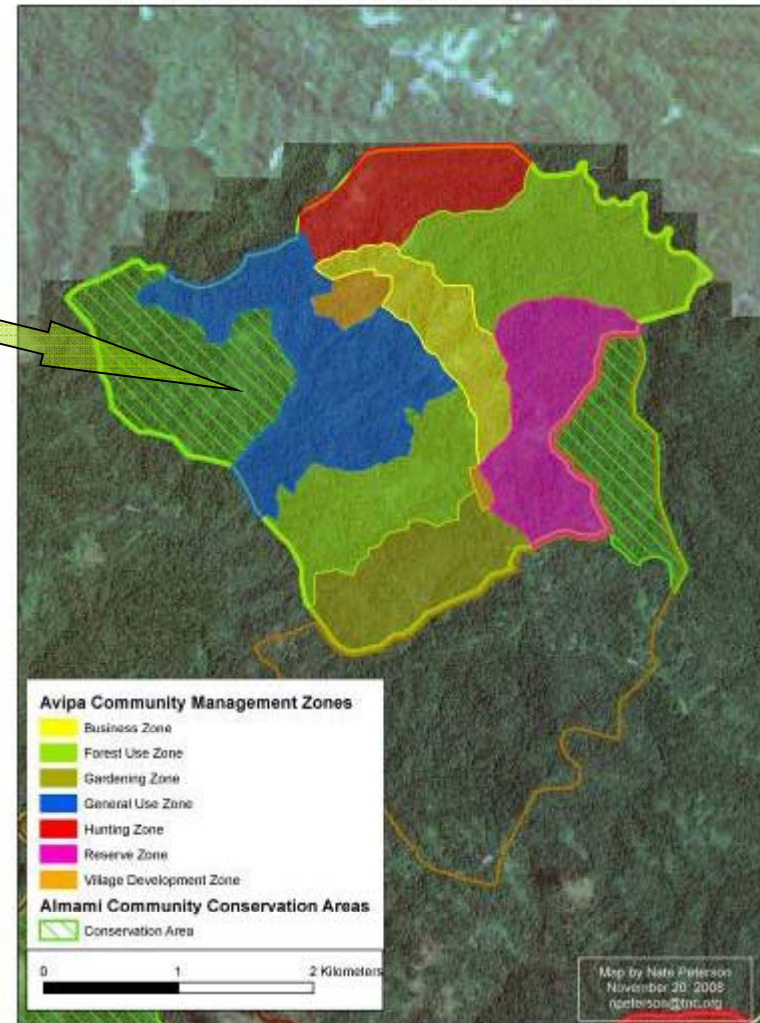
- Portfolio of customary land-use agreements, benefit-sharing mechanisms and legal frameworks
- identifying appropriate and equitable incentives
- Reporting to National Government and stakeholders



Almami Community Conservation Areas



Almami Community Conservation Areas





Conclusion

- ❑ Forests are being lost at an alarming rate
 - ❑ So we need to keep our forest standing
- ❑ REDD an excellent alternative
 - ❑ Conservation
 - ❑ Improving the livelihood of the poor
 - ❑ A pro-poor development alternative
- ❑ **Income distribution!!**