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REDD+ revenue sharing plan or system

Capacity Building Material

Guidance

UNFCCC REDD+ safeguard 'b' refers to effective governance structures, which generally include access to a fair REDD+ revenue distribution plan or system, especially for indigenous peoples and local communities.

For the purposes of demonstrating conformance with this element of the safeguard, Jurisdictional REDD+ programs are expected to have in place a REDD+ revenue distribution plan or system.

Although there are no official guidelines on how jurisdictions are supposed to have in place a REDD+ revenue distribution plan or system, these are expected to be aligned with international standards and best practices.

Guidelines

In alignment with UNFCCC guidance and international best practices, a revenue distribution plan or system should be informed by several principles, including:

- **Participation** – not only for beneficiaries in defining the form of incentives, but also including other stakeholders more broadly in designing, implementing, and evaluating revenue distribution, and in governance processes and decision making;
- **Transparency** – transparent information on eligibility and conditions for receiving incentives, the finance received and delivered, implementation costs, and how decisions are made and implemented, which provides a basis for building trust, support, agreement, and legitimacy;
- **Accountability** – through effective and transparent oversight mechanisms that ensure revenue distribution is governed and implemented as agreed;
- Equity and inclusion – in the design and implementation of revenue distribution in a manner that is fair, impartial, and inclusive, ensuring non-discrimination regarding women and vulnerable and/or marginalized individuals and groups; and
- **Effectiveness and efficiency** – in meeting the agreed objectives for benefit sharing, ensuring that benefits reach beneficiaries in a timely manner while minimizing costs.

In addition, according to international best practices a REDD+ revenue distribution plan or system should clearly encompass the following elements:

- **Beneficiaries.** Beneficiaries are understood as a group of stakeholders (people involved in or affected by REDD+ Program implementation) to receive monetary and/or non- monetary incentives resulting from the REDD+ Program. Beneficiaries may include but are not limited to, communities, civil society, and the private sector, including any nested REDD+ projects. Governments, as Program Entities and parties to the ERPA, may be considered beneficiaries, and retain a certain amount of ERPA Payments to cover their costs for implementing and/or managing the REDD+ Program or to create the enabling conditions to achieve the REDD+ results.
- **Incentives.** The plan should outline the types of incentives that are expected to be offered in correlation to the relevant REDD+ actions, which include monetary and/or non-monetary incentives[1].

[1] More details in: PwC. 2012. Assessing Options for Effective Mechanisms to Share Benefits: Insights for REDD+ Initiatives. Washington, DC: Program on Forests (PROFOR)

- **The mechanism or process for the distribution of incentives.** The plan should outline the way in which monetary and non-monetary incentives are to be shared with beneficiaries, including both their proportion and the mechanism used.
- **The necessary institutional arrangements.** The plan should also specify the institution(s) responsible for the revenue distribution plan or system.
- **The monitoring provisions.** Finally, the revenue distribution plan or system should describe the monitoring provisions to ensure its correct implementation.

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