

Key Considerations

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+ (J-REDD+) programs are expected to have in place a REDD+ revenue distribution plan or system. These plans or systems are expected to be aligned with international standards and best practices.

According to international best practices, a revenue distribution plan or system should be informed by several principles, including[[1]](#footnote-1), [[2]](#footnote-2), [[3]](#footnote-3):

* *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 nondiscrimination 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[[4]](#footnote-4), 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[[5]](#footnote-5).
* *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 provisio*ns. Finally, the revenue distribution plan or system should describe the monitoring provisions to ensure its correct implementation.

This tool is therefore intended to help J-REDD+ programs better understand:

1. The level of alignment of their REDD+ revenue distribution plan or system with international best practices;
2. Identify any gaps, weaknesses and/or possible inconsistencies in these arrangements, and identify recommendations to address these.

How to use this tool?

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| This tool is divided into two sections:   * **Section A:** presents a questionnaire, which guides users through the technical qualitative assessment of the REDD+ revenue distribution plan or system; and * **Section B**: presents a report template, that is to be completed based on the results from Section ‘A’, and will inform the development of the J-REDD+ roadmap (Tool 8). |

Section A - Questionnaire

The questionnaire is structured in different categories, which correlate with international best practices.

To complete this questionnaire users should consider the scope of each column as follows:

1. Questions: presents guiding questions for the users. Note that use of the term ‘equivalent’ refers to a sub-national ‘reporting system’.
2. Scoring: the following scoring guide should be applied by users:
   1. **Yes:** REDD+ revenue distribution plan or system incorporates this aspect In conformance with best practices.
   2. **Partially:** REDD+ revenue distribution plan or system partially incorporates this aspect in conformance with best practices. There are some gaps that need to be addressed
   3.  **No**: REDD+ revenue distribution plan or system does not incorporate this aspect in conformance with best practices, and there are notable gaps that need to be addressed to ensure full conformance.
3. Comments: an opportunity for users to offer information and/or clarifications in relation to their scoring.
4. Means of verification: users should identify any documentation used to support their scoring, including hyperlinks with additional information.

Questionnaire

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| --- | --- | --- | --- |
| **Beneficiaries** | | | |
| Questions | Scoring  (Yes/No/Partially) | Comments | Means of verification |
| 1. Does the revenue distribution plan or system define who are the categories of beneficiaries? |  |  |  |
| 1. Does the revenue distribution plan or system define the eligibility criteria/conditions that need to be met/demonstrated in order to access the incentives (e.g., from demonstrating the tenure on the land to demonstrating the right of land use)? |  |  |  |
| 1. Does the revenue distribution plan or system identify potential measures to address barriers to participation?[[6]](#footnote-6) |  |  |  |
| **Incentives** | | | |
| Questions | Scoring  (Yes/No/Partially) | Comments | Means of verification |
| 1. Does the revenue distribution plan or system define the incentives offered (monetary and non-monetary)?[[7]](#footnote-7) |  |  |  |
| 1. Does the revenue distribution plan or system describe how the funds would be allocated and its rationale?[[8]](#footnote-8) |  |  |  |
| 1. If there are differences in the incentives directed to different stakeholders, is there a clear explanation of the rationale? |  |  |  |
| **Mechanisms for the distribution of benefits and institutional architecture** | | | |
| Questions | Scoring  (Yes/No/Partially) | Comments | Means of verification |
| 1. Does the revenue distribution plan or system define the institutional architecture for receiving, managing and disbursing funds? |  |  |  |
| 1. If the institutional architecture needed is not already in place and functioning, are there steps set-out to address this? |  |  |  |
| 1. Does the revenue distribution plan or system define the structures and processes for delivery of benefits/revenues? |  |  |  |
| 1. Does the revenue distribution plan or system define the decision-making structures and processes for receiving, managing and disbursing funds?[[9]](#footnote-9) |  |  |  |
| **Monitoring and evaluation** | | | |
| Questions | Scoring  (Yes/No/Partially) | Comments | Means of verification |
| 1. Does the revenue distribution plan or system incorporate mechanisms for the monitoring and evaluation of its performance? |  |  |  |
| 1. Do the monitoring provisions describe the mechanisms to ensure its correct implementation? |  |  |  |
| 1. Does the revenue distribution plan or system identify and provide access to a grievance redress mechanism? |  |  |  |
| **Alignment with relevant legislation** | | | |
| Questions | Scoring  (Yes/No/Partially) | Comments | Means of verification |
| 1. Was the revenue distribution plan or system constructed with the participation of interested stakeholders? |  |  |  |
| 1. Is the revenue distribution plan or system constructed in alignment with the jurisdiction’s legislation and regulation regarding respecting IP and LC rights? |  |  |  |
| 1. Is the revenue distribution plan or system aligned with relevant legislation regarding the recognition and protections of stakeholders’ land tenure rights (emphasis on indigenous peoples and local communities rights)? |  |  |  |
| 1. Is the revenue distribution plan or system aligned with current national forest governance structures?[[10]](#footnote-10) |  |  |  |

Section B: Template Report for the Qualitative Assessment

To complete this template report, users (with the support of from a selected expert international organization) should consider the answers provided in ‘Section A’ above. In completing this template, users will need to consider the scope of each column as follows:

* Column 2 (Shortcomings or Gaps Identified): for users to identify and summarize the key shortcomings or gaps (issues of non-conformance) identified in correlation to international best practices, that is, when the scoring identified was ‘Partially’ or ‘No’ in ‘Section A’. There is also an opportunity to identify other/general shortcomings.
* Column 3 (Recommendations): for users to identify actions/recommendations to be taken to address these key shortcomings or gaps.

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| --- | --- | --- |
| International best practices | Shortcomings/Gaps Identified | Recommendations |
| Beneficiaries |  |  |
| Incentives |  |  |
| Mechanisms for the distribution of benefits and institutional architecture |  |  |
| Monitoring and evaluation |  |  |
| Alignment with relevant legislation |  |  |
| General |  |  |

1. *WWF, Comparative Analysis of benefit sharing mechanisms in REDD+ programs, accessible at,* [*https://wwfint.awsassets.panda.org/downloads/wwf\_assessment\_report\_redd\_\_programs\_v4.pdf*](https://wwfint.awsassets.panda.org/downloads/wwf_assessment_report_redd__programs_v4.pdf) [↑](#footnote-ref-1)
2. *TNC, Sharing the Benefits of REDD+ accessible at:* [*https://www.nature.org/content/dam/tnc/nature/en/documents/tnc\_benefit%20sharing\_web.pdf*](https://www.nature.org/content/dam/tnc/nature/en/documents/tnc_benefit%20sharing_web.pdf) [↑](#footnote-ref-2)
3. *CIFOR, Designing REDD+ benefit sharing mechanisms: from policy to practice, accessible at* [*https://www.cifor.org/publications/pdf\_files/Books/REDD-Benefit-Sharing.pdf*](https://www.cifor.org/publications/pdf_files/Books/REDD-Benefit-Sharing.pdf) [↑](#footnote-ref-3)
4. *Ibid* [↑](#footnote-ref-4)
5. More details in: PwC. 2012. *Assessing Options for Effective Mechanisms to Share Benefits: Insights for REDD+ Initiatives.* Washington, DC: Program on Forests (PROFOR) [↑](#footnote-ref-5)
6. Note: barriers could include physical inaccessibility, language barriers, special needs, characteristics of vulnerable or marginalized groups, among others. [↑](#footnote-ref-6)
7. Note: Please consider that non-monetary incentives can include goods, services, or others, that provide a direct incentive to Beneficiaries to help implement the PaM and can be monitored in an objective manner (e.g., technical assistance, capacity building, law enforcement, and in-kind inputs or investments such as seedlings, equipment, buildings, etc.). Please consider that Monetary benefits typically involve monetary transactions to a determined group of beneficiaries compensating for the efforts and contributions of selected stakeholders involved in the implementation of the PaM. Monetary benefits are sometimes also referred to as cash payments, which can be based on performance or not. [↑](#footnote-ref-7)
8. Note: The allocation could include considerations to vertically -different government levels-, horizontally -among communities, households,- or according to results achieved, effort made, or any other consideration or needs. [↑](#footnote-ref-8)
9. Note: the decision making might be allocated in current processes such as steering committees, interinstitutional decision-making platforms, or others. The structures needed for receiving, managing and disbursing funds might include existing institutions such as ministries, funds, among others. [↑](#footnote-ref-9)
10. Note: Alignment could imply utilizing current mechanism and institutions to operate or create new ones in accordance to plans and legislations. [↑](#footnote-ref-10)