



PRO-POOR BENEFIT DISTRIBUTION IN REDD+

Establishing a transparent, equitable and efficient benefit distribution system (BDS) is arguably one of the most challenging aspects of a national REDD+ system. Measuring, reporting and verification (MRV) receives more attention, but at the end of the day, measuring the carbon content of a dry forest ecosystem is not so very different from measuring the carbon content of a rain forest. You don't see conflicts among trees, but you often see conflict among people, especially when it comes to sharing limited resources, and where there are wide disparities in income level and power. So whereas MRV systems in different countries are likely to be rather similar, BDS will vary widely – not only among countries but within countries as well.

The UN-REDD Programme has invested a lot of effort in examining issues related to BDS, especially in Viet Nam. The results of these efforts feature prominently in *“Pro-poor benefit distribution in REDD+: Who gets what and why does it matter?”* by Essam Yassin Mohammed of the International Institute for Environment and Development (<http://pubs.iied.org/16508IIED.html>). The report investigates two important questions, namely:

- Whether benefits should be provided to communities or to households; and
- Whether benefits should be in the form of cash or in-kind (or a mixture of the two)

In seeking answers to these questions, the report looks at experiences from Payment for Ecosystem Services (PES) and Integrated Conservation and Development Projects (ICDPs) from numerous countries. It interprets these lessons in the context of a project-based carbon conservation project in Viet Nam.

It should be no surprise that, given the enormous diversity of social and economic systems, there is no correct answer to the two questions posed. Therefore, one of the strongest lessons emerging is that the unit for benefit distribution and the type of benefit should be based on community consultation, noting that the costs of such consultations are higher in ethnically and socially diverse settings. This means that innovations in the consultative processes, such as utilizing local radio or other communications technology may be necessary. Furthermore, if the communities concerned have little experience of such systems – as is usually the case – there should be an opportunity for the communities to revise their decisions as they gain experience with the BDS. This means that the consultative process should be iterative, especially early in the application of the BDS.

Clearly, provision of benefits to communities should be preferred where communal ownership of resources is the cultural norm, or where there is a strong sense of community. Using the community as the unit for benefit distribution also limits (but does not eliminate) the risk of elite capture, thus being pro-poor. However, such an approach is harder for cash benefits than for in-kind benefits, and the institutional capacity to manage community-based benefit distribution is greater.

On the question of cash versus in-kind benefits, where in-kind can include benefits such as improved community infrastructure, a key issue is that cash is less appropriate in areas where it is rarely used, which is typical of poorer areas. In partially closed economic units, such as remote and poor communities, cash benefits can lead to increases in prices, thus reducing the net benefit.

A related issue is the basis on which benefits are determined. Measuring contributions to emission reductions is not feasible at a scale relevant to benefit distribution to poor stakeholders, due to the small size of land holdings. On the other hand, payments based on size of land holdings favour richer stakeholders, who typically have more land. Thus a diminishing rate of return per unit area, based on inputs, is recommended, although care must be taken to avoid creating disincentives for large land holders.

Go-REDD+ is an e-mail listserv managed by the UN-REDD Programme team in Asia-Pacific, based in Bangkok. The main objective of Go-REDD+ is to distribute information, synopses of research results and activities related to REDD+ in Asia-Pacific, to assist countries in their REDD+ readiness efforts. Old messages will be archived on the Regional Activities pages of the UN-REDD Programme web-site http://www.un-redd.org/RegionalActivities_GoREDDMessages/tabid/79199/Default.aspx. The team welcomes feedback, suggestions or inquiries to goredd.th@undp.org.