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Towards Potential Pro-Poor REDD Benefit-Sharing Mechanisms

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What is pro-poor REDD?

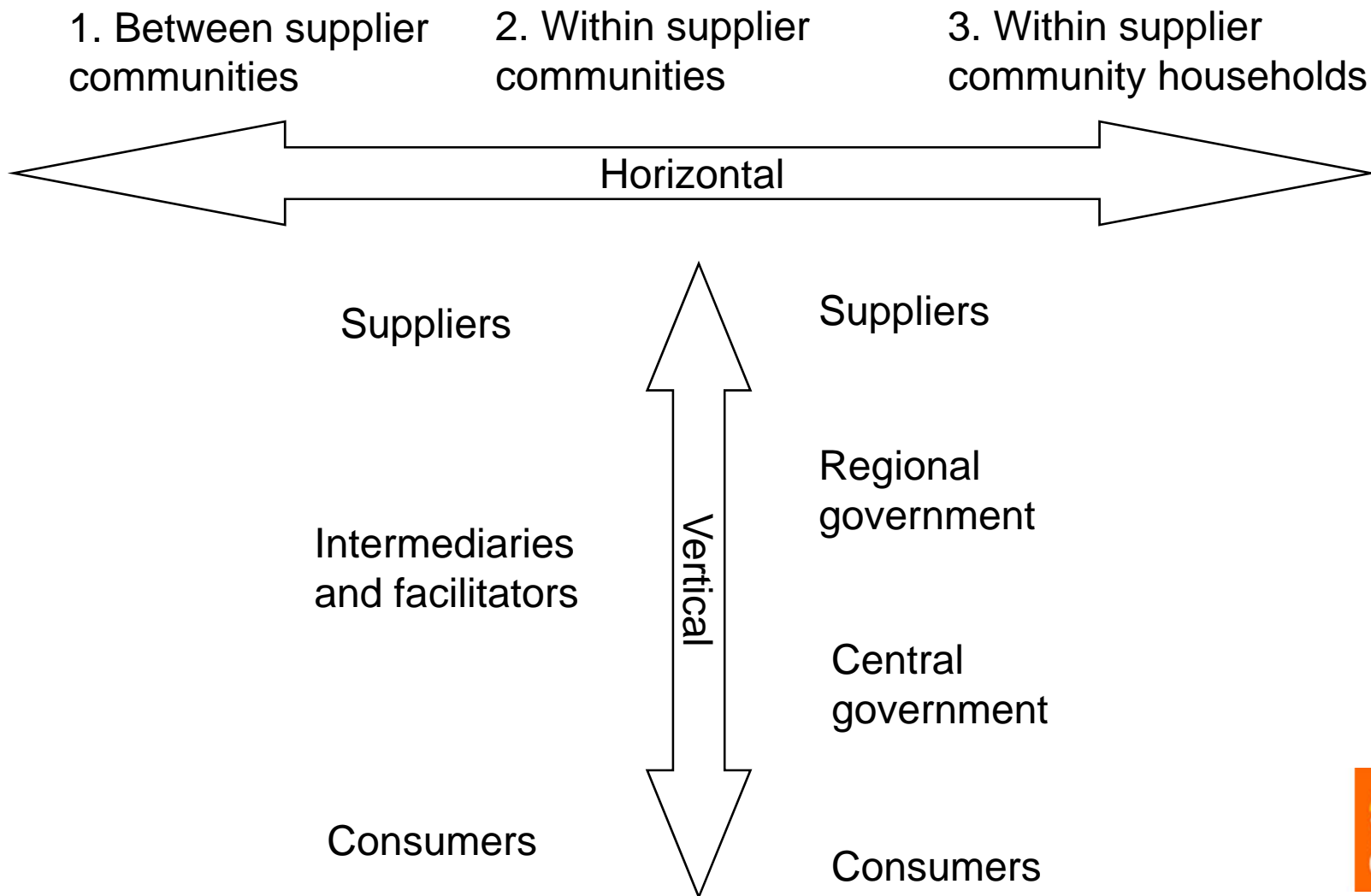


- Pro-poor REDD design likely to be
 - ▣ Culturally specific
 - ▣ Context specific
 - ▣ To suit local needs
 - ▣ Depend how pro-poor and equitable objectives reconciled

What is a REDD benefit-sharing mechanism

- Series of institutional and contractual arrangements under which the value arising from a REDD transaction is divided amongst parties to the transaction.
- Assumes there will be a benefit-sharing mechanism, otherwise incentives will remain in place for continued benefit sharing.
- Benefit-sharing cannot be considered without:
 - ▣ Cost sharing
 - ▣ Risk sharing

Horizontal and Vertical Benefit Sharing



Vertical Benefit Sharing:

What works?



- Experience from CBNRM in Zimbabwe and Namibia
- Government not a conduit for funds
- Revenues accrue directly to sellers
- Community participation in framework design
- Vertical Benefit / Cost / Risk allocation dealt with in the **PES Transaction Design Guide** and **template contracts** at:
- <http://www.katoombagroup.org/regions/international/>

Horizontal Benefit Sharing: What works?

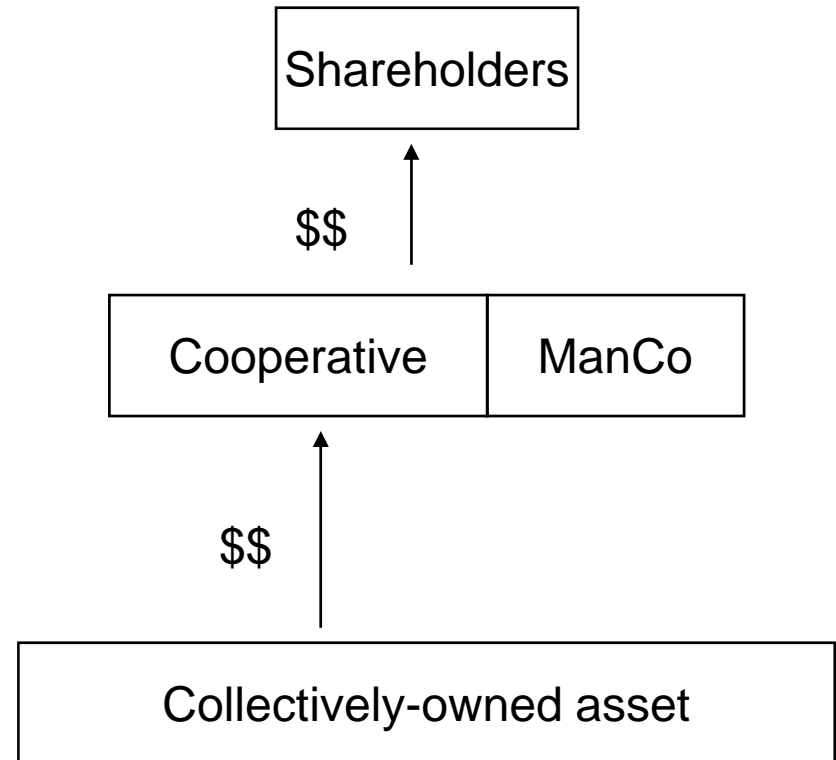
- General:
 - ▣ Transparent, accountable, sustainable etc
- But how are such principles distilled into an effective mechanism which creates a sound basis for pro-poor objectives
- Experience from agriculture, where revenues derived from a communally-owned asset need to be disbursed to individuals.

What models exist? (1)

- Cooperative
- Unsuccessful
- Fiduciary responsibilities of executive officers interfered with by third parties
- Misappropriation
- JV between buyers and sellers
- Problematic
- Clash of interests / incentives
- Easy to share profits
- Difficult to share risks

What models exist? (2)

- “Hub Model”
- Cooperative + professional management company (ManCo)
- Paid a professional management fee
- Use cooperative to capture other elements of the value chain



Optimising model for effective pro-poor REDD benefit-sharing

