Assessing Policy and Intervention Options related to REDD+ Benefit Sharing Mechanisms

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Abstract

One of the most pressing hurdles of national scale REDD+ implementation is the question of how monetary and non-monetary benefits, generated through the implementation REDD+ projects and policies, can be distributed among individuals and groups in an effective, efficient and equitable manner (Luttrell et al. 2012, 2013, Pham et al. 2013). Functioning environmental governance will require a variety of institutional means, governance structures and instruments to distribute benefits from natural resource provision to be in place (Vhugen et al. 2011). With these benefit sharing mechanisms (BSM) benefits can be channeled from national, via regional to local levels (vertical axis), and within and across communities, households and other local stakeholders (horizontal axis) (Lindhjem et al. 2010; UN-REDD 2011). In order to provide guidance for policymakers different options for the design and adaptation of national BSM, we developed a framework for the assessment of different policy and intervention options.

In the framework we consider BSM as an element of conditional REDD performance based policy instruments, those that influence human behavior by providing incentives to achieve defined policy objectives (Börner and Vosti 2013). For the assessment of BSM it is important to identify the different policy objectives (environmental, economic and social), e.g. aim at reducing forest degradation, alleviate poverty or foster economic development, as they have an effect on the instrument performance, and the combination of different aims can lead to trade-offs.

The impact of policy instruments can be assessed according to a predefined set of criteria. In policy evaluation the criteria effectiveness and efficiency (Turner and Opschoor, 1994; Michaelis, 1996; OECD, 1997; Gunningham, 1998), and equity (Corbera et al. 2007, McDermott et al. 2012) are frequently applied. To compare and assess different performance based mechanisms, policies and measures, we adapted these criteria and developed specific indicators for a three-step performance assessment of BSM. Firstly, we analyze how a given BSM performs in terms of incentive distribution and stakeholder targeting. This first step is common in measuring operational performance. As a second step, we include an assessment of the institutional change, which can be perceived as 'indirect benefits' as they constitute the necessary preconditions for benefiting from the implementation of REDD+. A variety of institutional context factors exist, and they can have an effect on the outcome of policy instruments (Börner and Vosti 2013). These factors "involve the basic institutions of a society, consisting in the formal and informal rules that govern society (economic, political, social institutions)" (Ring et al. 2011). Relevant factors for REDD BSM include: existing legal frameworks, especially property rights definitions, operational structure and administrative capacity for the implementation and monitoring of the instrument, the size and timing of benefit distribution, and the transaction and opportunity costs associated with the implementation of the instrument. Changes in governance can effect these factors to enable the policy instruments or effect the stakeholders directly, such as the definition and enforcement of property rights, capacity building, restructuring of responsibilities within

administrations, etc. Thirdly, we assess how the distributed benefits lead to a change in behavior in terms of an outcome evaluation.

The framework is designed to be flexible to capture both the economic and institutional (multi-level governance, rights and tenure) aspects, and incorporate lessons from performance-based practices in other sectors.

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At the current stage of national scale REDD+ implementation policy makers need to choose between different options of benefit sharing mechanisms. We developed an assessment framework, that takes into account how different mechanisms perform (1) in terms of incentive distribution and stakeholder targeting (2) institutional change, and (3) outcome, to guide the decision making process.