

Benefit sharing in the Trees for Global Benefit (TGB) Initiative – Bushenyi District (Uganda)

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Some people are beginning to realize the use of the bark of trees like *Prunus Africana*. This tree, belonging to one of the carbon producers, was debarked by unknown people. Trees like this provide medicines for many people.

This case study shares some early experiences and lessons from already existing projects that are implementing Payment for Ecosystems Services (PES) and how they can inform development of REDD+ national strategies, programmes and projects. In East Africa, the REDD+ processes and programmes are still emerging through national planning / strategy development processes and pilot projects, and give some sense of what REDD+ might look like in practice.

DISCLAIMER

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KEY POINTS

- Trees for Global Benefits (TGB) initiative – one of Plan Vivo's projects, has been designed as a cooperative, community-based carbon offset scheme which emphasizes sustainable land-use practices and also contains livelihood components.
- In Plan Vivo projects participants undertake project activities in return for a Payment for Ecosystem Services (PES) that acts as an incentive for conservation. Participants receive staged payments for carrying out activities that generate ecosystem services (carbon sequestration), measured in tonnes of carbon.
- Several actors have been very critical for the success of the TGB, including individual farmers or households who are the carbon producers. These men and women subscribe to their respective community based groups.
- Financial benefits are distributed to the individual farmers in the community groups. Farmers have to meet the targets as required in the carbon sale contract before any payment is given. Attainment of targets is confirmed during monitoring of the farmers.
- In addition, indirect benefits are realized by the farmers including training and exposure that enables them to share their experiences at different international, regional and national foras. In addition, crop productivity has been shown to increase through the use of improved land management techniques.
- Useful lessons for designing benefit sharing schemes in the implementation of REDD+ projects include: the need for inclusive decision-making processes; the need for openness, transparency and information disclosure in carbon transactions so as to manage community expectations; the use of community-based monitoring which provides a good way to increase ownership and sustainability; and the need for national REDD+ strategies and standards to evolve as communities undertake new forest management activities for enhancing carbon stocks.

SUMMARY OF PLAN VIVO AND THE TREES FOR GLOBAL BENEFIT INITIATIVE

- Plan Vivo (sustainable land management or 'living plans') is driven by the concept of Payment for Ecosystem Services (PES) and is a system for designing and operating payments for ecosystem service projects and schemes, targeted at developing countries. Key participants in Plan Vivo projects are small-scale farmers and forest dependent communities, who create sustainable land management or 'living plans' (plan vivos) that combine existing land uses with additional activities and improved practices e.g. farming/agricultural practices.
- Plan Vivo's Trees for Global Benefit Initiative (TGB) combines existing land uses with additional activities and practices aimed at the creation, restoration and protection of indigenous forests and woodlands, as well as agroforestry practices.
- Initially implemented by ECOTRUST in Bushenyi District, South-West Uganda since May 2003, it has since been rolled out to other parts of the country, in the districts of Hoima and Masindi in Western Uganda.
- The project is aimed at producing long-term, verifiable voluntary emission reductions by combining carbon sequestration with rural livelihood improvements through small-scale, farmer-led, forestry/agroforestry, while reducing pressure on natural resources in national parks and forest reserves.
- Inclusive decision-making processes and participation of the key actors in carbon project has been one of the key factors in the success of the programme.

While REDD+ projects and policies are being developed in Kenya, Uganda and Tanzania, there are aspects in existing natural resources benefit sharing systems that could inform a typical REDD+ benefit sharing system. These benefit sharing systems could provide useful experiences and information as a basis for putting in place institutions across governments, national expert groups, negotiating teams, civil society organizations, academia and media to achieve greater REDD+ effectiveness, coordination and implementation.

This case study provides experiences from one of the Plan Vivo projects¹ - Trees for Global Benefits (TGB). This has been designed as a cooperative, community- based carbon offset scheme which emphasizes sustainable land-use practices and also contains livelihood components.

WHAT IS BENEFIT SHARING?

Benefit sharing refers to a commitment to channel some kind of returns whether monetary or non-monetary back to the range of designated participants or affected community. It is where a proportion of revenue earned by the State is returned to local communities through indirect and / or direct benefit sharing arrangements. Direct benefit sharing refers to cash payments to individuals or communities, and indirect benefit sharing includes other non-cash benefits, including infrastructure or community facilities, and grass-roots development activities. In the case of Trees for Global Benefits Initiative, benefits are rewarded to communities based on performance, measured by their contribution towards enhancement of the natural forests.



Prunus Africana Maesopsis emiril trees forming a small forest on a private farm

THE PLAN VIVO SYSTEM

The Plan Vivo System works through projects, following these key steps and processes:

- Communities decide land use activities (e.g. woodlots, agroforestry, and forest conservation).
- They write their own 'plan vivo', a land management plan describing how activities will be implemented;
- Communities sign agreements with the project coordinator, who agrees to make staged payments and provide continued technical support and training workshops;

Plan Vivo projects are developed and managed by in-country project coordinators - usually local or national NGOs - who work with communities to apply the Plan Vivo System. The Plan Vivo System is a framework for developing and managing community-based land-use projects where communities generate

long-term carbon, livelihood and ecosystem benefits. The system incorporates a set of standards (the Plan Vivo Standard) and guidelines, administrative processes, tools and technical models. Monitoring of the activities is done by the project coordinator and when communities meet their monitoring targets, the coordinator will make a payment (a payment for ecosystem services).

BENEFIT SHARING UNDER PLAN VIVO PROJECTS

In Plan Vivo projects participants undertake project activities in return for a Payment for Ecosystem Services (PES) that acts as an incentive for conservation. Participants receive staged payments for carrying out activities that generate ecosystem services (carbon sequestration), measured in tonnes of carbon. However, project activities generate a range of social benefits in parallel with ecosystem services. Apart from sequestering and conserving carbon in terrestrial ecosystems, Plan Vivo projects develop rural capacity and the resilience of poor communities by helping

BOX 1: ABOUT THE TREES FOR THE GLOBAL BENEFIT INITIATIVE

The Plan Vivo project, implemented by The Environmental Conservation Trust of Uganda (ECOTRUST) is code named the Trees for Global Benefits Initiative. The project collaborates with rural micro-finance institutions, with the smallholder farmers growing trees for carbon sequestration and also opening up individual accounts with the institutions to which they receive their payments. Payments for ecosystem services in a Plan Vivo project also perform much the same incentive function as micro-loans in a microfinance scheme. The farmers use their contract and payments as collateral to get small loans so when the carbon finance is sent to the farmers account, the loan will be deducted by the bank.

The scheme is similar in a number of ways to traditional micro-finance schemes in that Plan Vivo is all about promoting small-scale enterprise, market linkages and community empowerment; incentives are performance-linked; aggregation is the key to success; service agreements are straightforward; and organized civil structures are important.

ECOTRUST is a pioneer in the carbon offsets initiatives in Uganda implementing a pilot project among rural poor communities through the Trees for Global Benefit Initiative. The areas selected were mainly adjacent to national parks and other protected areas, for example forest reserves. The Trees for Global Benefit Initiative (TGB), is being implemented in Bunyaruguru and Ruhinda counties in Bushenyi district (N.B: now Bunyaruguru is in Ruburizi district and Ruhinda is in Mitooma district) (adjacent to the fragile ecosystems of Queen Elizabeth National Park, Kalinzuu Forest, Kasyoha-Kitomi and Maramagambo forest reserves). The area is highly degraded due to communities encroaching on these protected areas in search for firewood, medicinal bark and other timber products.

Hence, the aim of the project is to restore the environment through:

- providing firewood to reduce pressure on the forest and therefore reduce the impact of degradation;
- contribute to conservation of biodiversity through avoided deforestation and degradation;
- afforestation/reforestation with indigenous trees woodlots on private land;
- afforestation and reforestation with trees that will have multiple benefits. Farmers use preferred farming systems such as woodlots, agro-forestry, and boundary planting. Agro-forestry system is preferred by many farmers because they achieve increased farm yields.

TGB promotes tree planting activities in three different tree land use patterns namely: woodlots, agro forestry and boundary planting, while also promoting income generating activities such as bee keeping. Emphasis has been placed on indigenous native tree species as a way of restoring on-farm tree diversity and building a strong supply of quality tree products to the farmers for their own use and for the market. Farmers plant indigenous tree species of their choice for woodlot establishment. The trees include mahogany, cedar, African cherry, and silk trees. They are planted using the various tree planting systems, where there is competing land uses to provide sustainable fuel wood, fruit, protection of biodiversity and reducing the pressure on the native natural forests.

As well as contributing to the climate change mitigation, the project also contributes to adaptation to the impacts of climate change through the improvement of soil and water conservation respectively.

Source: www.planvivo.org

to diversify incomes, and by building financial, natural, human, social and physical capital. It is however, vital that participation in project activities does not undermine subsistence agriculture and revenues from cash crops and improved agricultural and land use practice are actively promoted and encouraged in Plan Vivo projects.

ACTORS IN THE TREES FOR GLOBAL BENEFITS INITIATIVE

The TGB Initiative involves several actors and all are very critical for the success of the programme. There are individual farmers or households who are the producers in different community groups. These people are the carbon producers, men and women at community level who subscribe to their respective community based groups. ECOTRUST acts as the intermediary (local NGO) in the chain, while the Plan Vivo Foundation is overall project coordinator and ensures that projects are implemented according to the Plan Vivo standards. The initiative also links producers (through the intermediary) to potential buyers. There are also the third party verifiers who carry out an independent audit of the activities. The audit considers both desk and field assessments and is done based on the Plan Vivo standards.

BENEFIT SHARING UNDER THE TGB INITIATIVE

FINANCIAL BENEFITS

The programme benefits the individual farmers in the community groups. Every individual has to meet the targets as required in the carbon sale contract before any payment is given. Attainment of targets is confirmed during monitoring of the farmers. The groups comprise widows, women, and men who own land and have signed an agreement with ECOTRUST.

The TGB Initiative is a win-win situation where farmers are able to obtain financial benefits from tree planting and Non-Timber Forest Products (NTFPs). Increased household income has helped to improve livelihoods for farmers as a result. Farmers also get enough fuel wood from thinning and off-cuts for household needs and are expecting to get timber at the rotation age. ECOTRUST acts as an intermediary between carbon buyers who are mainly from developed countries and farmers/carbon producers and in supporting this project achieves its goal of conservation and restoration of degraded ecosystems. Carbon buyers in developed nations are also benefitting through the offsetting of their carbon footprint.

Cash benefits are usually delivered to farmers through the microfinance schemes or institutions, and farmers use it for various purposes. Some pay for their children's school fees while others are able to establish small income generating projects such as rearing chickens and crop production. An improved income opportunity among the community group members as a result of carbon payments has been noted.

According to Mr. Kairu Gerald, (Programme Officer of ECOTRUST), "one window was able to construct a house in Bitereko sub county and another carbon farmer managed to buy a piece of land to plant more trees". As long as the carbon producers achieve the target as per the carbon sales contract, ECOTRUST has no control on the use of the payment that a farmer receives.

INDIRECT BENEFITS

Benefits of the project do not just include the financial payments, some carbon producers get exposure in learning events, foras and sharing of their experience at different international, regional and national foras, enabling them to share their experiences with others. These visits have also helped in managing farmers expectations, as financial benefits are pegged on the global prevailing price per ton of CO₂. Farmers also receive training on the critical roles that trees play in conservation such as watershed protection, soil conservation and biodiversity conservation.

Additionally, crop productivity has been shown to increase through the use of improved land management techniques.



Monitoring trees.

This man has planted fruits
avocado on a bare hill



IMPLICATIONS FOR REDD+

A number of lessons have been learnt through the implementation of the project that are applicable to the design of benefit sharing schemes for REDD+. These include;

THE INTEGRAL NATURE OF INCLUSIVE DECISION-MAKING PROCESSES FOR PROJECT SUCCESS

Farmers are organized in groups and members meet on a monthly basis to discuss issues on project implementation and making decisions which are also shared with ECOTRUST. The group also assists in mobilization and monitoring some project activities since they have clear leadership from the chair carbon coordinator and most importantly guidelines that they follow.

This has proven vital in the success of the project because the members take ownership of the project and therefore make vital decisions related to the implementation of the project.

THE ESSENTIAL NATURE OF OPENNESS, TRANSPARENCY IN CARBON TRANSACTIONS AND MANAGING COMMUNITY EXPECTATIONS ON THE SIZE OF THE BENEFITS

ECOTRUST negotiates the carbon price with the buyers on behalf of the producers (farmers). Some farmers feel that the price paid for a tonne of carbon is low, however this is dictated by the prevailing global market prices for carbon credits in the voluntary market. The project coordinator negotiates the carbon price with potential buyers on behalf of the carbon producer, however the coordinator has a minimum price at which they will sell the carbon. The process for agreeing on a minimum price with sellers, and therefore defining the expected size of the benefits for landholders, needs to ensure openness, transparency and participation, a good lesson for REDD+.

To avoid mistrust and suspicion, farmers have been taken to different forums organized by buyers, e.g. Katoomba Group meetings and other organizations, where they share experiences on what they are doing and also learn, which has helped the project coordinator to manage community expectations.

THE NEED TO ENSURE LONG-TERM PROJECT SUSTAINABILITY

The programme is targeting all people who are part of the community group and those that have land and are willing and able to plant trees. Their Plan Vivo's are verified by farmers' coordinators and then ECOTRUST technical staff. Farmers' carbon finance in the project are divided in five instalments as follows: 30% of farmers total computed payment after planting 50% of expected trees in the year farmer begins planting (year 0), followed by 20% payment in the following year(1) after planting all the expected trees as in the carbon sale contract. Thereafter, farmers are paid another 20% if the surviving trees are 85% in year 3, then 10% and 20% payments if the average DBH of the trees in year 5 and 10 is 10cm and 20cm respectively. Thereafter, no payments are given to farmers; however, ECOTRUST introduces nature based enterprises at an early stage so that the participating farmers keep earning income without tampering with the trees. This also ensures sustainability of the project. Furthermore, to ensure sustainability farmers are encouraged to use farming systems such as agroforestry where they can intercrop trees with coffee. Coffee is a perennial crop where farmers keep harvesting the coffee beans and sell to get income.

INVOLVING COMMUNITY IN MONITORING PROVIDES A GOOD WAY TO INCREASE THEIR OWNERSHIP AND THE SUSTAINABILITY OF THE PROJECT.

Carbon project monitoring is done through a mechanism involving the ECOTRUST technical staff, carbon coordinator and farmer groups at community. Monitoring is done to ensure that the carbon producers are complying with the project standards and all the guidelines are stated in the carbon sales contract which the farmers sign as carbon producers on one hand and ECOTRUST signs on the other on behalf of the buyer. Community monitoring is encouraged for sustainability and ownership of the project.

RELEVANT REDD+ NATIONAL STANDARDS WILL NEED TO EVOLVE AS COMMUNITIES WISH TO UNDERTAKE NEW FOREST MANAGEMENT ACTIVITIES FOR ENHANCING CARBON STOCKS.

In the TGB project some farmers are interested in planting species that are not yet in the Plan Vivo standards e.g. planting

bamboo. Bamboo is classified as a grass but has high carbon sequestration potential. It also has multiple uses such as making furniture, building construction etc.

To enable farmers to obtain benefits from planting their preferred species (if this is bamboo) the Standards will need to be amended. This highlights the need to respond to changing demands of project participants.

THE NEED TO ENSURE THAT DATA GENERATED THROUGH REDD+ PROCESSES AND PROJECTS IS MADE PUBLICLY AVAILABLE TO ENSURE MAXIMUM COMMUNITY PARTICIPATION AND LESSONS TO BE DRAWN FOR OTHER PROJECTS AND PROCESSES.

In the case of Plan Vivo a lot of data is collected and exists, but is not published or made publicly available in any way. Mechanisms need to be put in place to publish this data or avail it to those who are able to use it to assist with development and implementation of other similar schemes, including REDD+.

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- 1 The Plan Vivo System is a framework for developing and managing community-based land-use projects where communities generate long-term carbon, livelihood and ecosystem benefits.

For more information about the Trees for Global Benefit (TGB) Initiative in Bushenyi District (Uganda), please contact The Executive Director - ECOTRUST Website: <http://www.ecotrust.or.ug/>

REFERENCES AND RESOURCES FOR FURTHER READING

The Plan Vivo Foundation: www.planvivo.org

The Environmental Conservation Trust of Uganda (Ecotrust): www.ecotrust.or.ug

ABOUT REDD-NET

REDD-net is an international knowledge forum for southern civil society organizations through which they can access information about efforts to Reduce Emissions from Deforestation and forest Degradation, share their own experiences and help to build pro-poor REDD projects and policies. REDD-net is a partnership between Centro Agronómico Tropical de Investigación y Enseñanza (CATIE), the Overseas Development Institute, RECOFTC – The Center for People and Forests and Uganda Coalition for Sustainable Development. REDD-net is funded by Norad.



Contact David Mwayafu at the Uganda Coalition for Sustainable Development for more information about REDD-net Africa (dmwayafu@ugandacoalition.or.ug). For more information about the programme contact Kristy Graham at ODI (k.graham@odi.org.uk).

FOR MORE INFORMATION ABOUT REDD-NET VISIT: WWW.REDD-NET.ORG