BENEFIT SHARING IN UGANDA'S FORESTRY SECTOR

Issues and Options for REDD Implementation in Uganda

October 2012

ACRONYMS

CBO	Community-based organisations
CFM	Collaborative forest management
CFR	Central Forest Reserve
CRF	Credit revolving funds
CRM	Collaborative resource management
CSO	Civil society organisations
dbh	Diameter at breast height
FONAFIFO	The National Forestry Financing Fund (Costa Rica)
IGA	Income generating activities
LG	Local government
MERECP	Mt. Elgon Regional Ecosystem Conservation Programme
MoU	Memorandum of understanding
MRV	Measuring, reporting and verification
NFA	National Forestry Authourity
NP	National Park
PA	Protected areas
PES	Payment for ecosystem services
REDD+	Reducing emissions from deforestation and forest degradation, including conservation and sustainable forest management
RFM	Responsible forest management
R-PP	REDD Readiness Preparation Proposal
SPGS	Sawlog Production Grant Scheme
TfGB	Trees for Global Benefits
UWA	Uganda Wildlife Authourity
VSLA	Village Savings and Loan Associations

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EXECUTIVE SUMMARY

Introduction

The main idea behind reducing emissions from deforestation and forest degradation is development and implementation of an incentive-based system that makes it economically more attractive to let a forest stand than to cut it down. In view of the upcoming preparation of the REDD+ Strategy for Uganda this study was carried out to analyse the various benefit sharing mechanisms in order to identify bottlenecks that increase costs and risks of natural resources reaching the rural poor so as to develop innovative opportunities for benefit sharing in REDD+ mechanisms. To achieve this overall goal, the study set out to:

- Underscore the importance of equitable benefit sharing within the natural resources/ forestry sector
- Analyze the existing benefit sharing mechanisms in the forestry sector in Uganda with a view to capturing lessons and experiences therefrom
- Propose options and specific recommendations to guide the design and implementation of national benefit sharing mechanisms for REDD in Uganda

The study relied on a survey of literature to generate issues that were used as the basis for consultations with stakeholders in the Mt Elgon Landscape (Ugandan side). The results of the Mt. Elgon Landscape consultations were fed into follow-up consultations, leading to an understanding of the concept and practice of benefit sharing, drawing lessons from experiences in Uganda, and derive recommendations for the design of benefit sharing arrangements for the Uganda REDD+ Strategy.

Equity in Benefit Sharing Within the Natural Resources / Forestry Sector

Equity is at the centre of benefit sharing in natural resource management in Uganda. It aims at sharing of benefits with the poor, and often local people, and at implementing measures to prevent the wealthiest, best positioned, or most influential members of society from hijacking the benefits.

In Uganda, when it comes to benefiting from forest resources, the poor people, who constitute the majority of those who live near the forests, get relegated to forest products for subsistence. The financially attractive products are often enjoyed by those who are relatively better off, often far removed from the threats to livelihoods that originate from the forest. As a result, the local people take a *lissez faire* approach towards forest protection, or worse, they try to take as much as they can without authorisation. Thus, conflicts with those responsible for management of the resource ensue. In such situations, the forest cannot be relied on to sink and hold the carbon for a long time, leading to uncertain permanence.

The most effective policies and measures to reduce emissions from deforestation and forest degradation depend on the specific drivers in a particular country. In Uganda, these drivers often find application at the local levels, and therefore keeping carbon rights and REDD+ revenues at the central government level will not give local communities incentives to participate in responsible forest management (RFM). On the other hand, experiences in collaborative forest/resource management (CFM/CRM) areas have shown that protected areas (PAs)can be effectively protected if communities perceive financial benefits from the collaboration, whether the benefits are immediate or they are expected to come in the future. It is also important to ensure sufficient profit for those who invest in forest management. Therefore equity in benefit sharing should be set at a level that will be appreciated by the local community, while at the same time encouraging the forest manager/ owner to continue investing in RFM.

Studies have shown a wide range of benefits which stakeholders, and especially the local communities, can get in the process of implementing REDD+ programmes. The benefits include among others: carbon payments, forest products for income generation, improved ecosystem services, preferential employment, knowledge and skills, and support to income generating activities. In this way most of the local people affected by RFM can benefit from REDD+ without always getting cash payments. The issue which the process of designing REDD+ benefit sharing arrangements must settle is establishing an agreeable balance between what is shared in cash and what gets converted into other benefits.

Eligible beneficiaries of REDD+ programmes are to be found at national, sub-national, and community/individual levels. In order to make sure that sufficient benefits trickle down to the local communities, it is important to analyze the interested stakeholders at each level with a view to establishing the roles and benefits in concrete terms, so that benefit sharing can be done in accordance with input of each beneficiary. But it should be remembered that among the eligible beneficiaries are the poor and/or the "un-empowered" or "disempowered", who stand to lose out because they lack the capacity to participate meaningfully in RFM.

Governance is an important consideration for equity in benefit sharing. While the procedures for RFM, including partnerships with the local communities, are provided for in the policies and laws of Uganda, the practice on the ground often falls far short of these policy ideals. In a study on the effectiveness of CFM, 30% of the respondents expressed little or no satisfaction with the CFM arrangements. The main reasons for their little satisfaction were unfulfilled promises, and inadequate benefits. The underlying cause of unfulfilled promises and inadequate benefits is corruption, which is closely connected with appropriation of benefits by the wealthy. Governance in the distribution of REDD+ benefits is especially important because the local people may not be able to marshal sufficient power to fight for their contractual rights and thus they may be grossly disadvantaged.

Land tenure is another consideration for equitable distribution of REDD+ benefits. Both in PAs and outside, there can be several layers of tenure, including where the land is owned & exclusively used by one entity, or land owned by one entity is authourised for use by another, different people may be authourised to use land/forest in different ways, etc. In many cases, this authourisation is *de jure* but in others, it is *de facto* in spite of the law. Therefore, the REDD+ benefit sharing mechanisms must clarify who the specific beneficiaries are, often extending support to the *bona fide* beneficiaries to clarify legal tenure where they are not able to because they are poor.

Lessons and experiences from the existing benefit sharing mechanisms

In Uganda, some of the mechanisms for sharing revenues are stipulated in laws; others have been elaborated administratively on the basis of policy provisions, and others are operating but they are not formally described and issued. Examples of **jurisdiction wide mechanisms** based on revenue/benefit sharing arrangements prescribed by law include sharing of mineral royalties, sharing national park entry fees, and revenue sharing between District and lower Local Governments LGs). Some of the experiences associated with these mechanisms indicate that:

- All eligible stakeholder local communities have the opportunity (at least that is the intention) to share in the benefits depending on what is available to share
- There are clear procedures for distribution of the benefits but in the case of the National Park (NP) revenue sharing model, most community members neighbouring the NP have never benefited from the shared revenues. There are many districts around the NP & therefore the money available is too little to go round.
- In the case of the LG revenue sharing model, money is retained at various levels along the vertical distribution chain so that very little, if any, ever reaches the lowest levels in the community.
- Some of the money is stolen along the vertical distribution chain, often with the connivance of the community group leaders themselves (LG revenue sharing model)
- In the case of the mineral royalty sharing model, the intention is good but hardly any money is ever remitted to the LGs and *bona fide* land owners.

A key lesson learnt from these models is that a good legally prescribed system of revenue sharing, and indeed of sharing any other benefits, can be quite different from what is implemented on the ground. It is when the mechanism is implemented well that the local people are motivated to participate in development programmes. Sharing of REDD+ benefits will not be any different.

The CFM/CRM approach to benefit sharing is practiced in CFRs on a jurisdiction wide scale. These approaches are prescribed by law but no fixed percentages are prescribed. The benefits are negotiated and concretised into an agreement or memorandum of understanding. The flexibility that comes with negotiations is good but in most cases, the community groups do not have sufficient capacity to negotiate with the government institutions as equals, and so the institutions assume a paternalistic stance, and sometimes flout the provisions of the agreements without fear of any legal consequences.

The lesson for REDD+ is that the flexibility provides an advantage for the poor people to get what is fair to them, but it calls for intermediaries to help them negotiate with government institutions, even where the forests are private or communal.

The Tree Fund is a national fund management mechanism that is provided for by law but the operating mechanisms are not yet developed. This provides an opportunity for incorporating a national semi-autonomous REDD+ Unit that is designed to fit the needs of local and poor people.

Examples of the project based approach to benefit sharing are provided in the forest restoration and credit revolving fund models of the Mt. Elgon Regional Ecosystem Conservation Programme (MERECP). One of the good experiences is that money paid to the participating community groups was put into village savings and loan associations (VSLAs) funds which could benefit all eligible members in the group. The flip side was that because it was a project, it covered only 10 community groups leaving the vast majority of the community members outside. The programme also avoided areas of deep conflict between the forest management institutions and the local people.

Because REDD+ payments will not be enough to meet the expectations of all eligible communities, benefit sharing might be done along the VSLA line. In this way the REDD+ finances can help build the savings and investment capacities of the poor members of the communities. But the national REDD+ Strategy cannot afford to side step areas of conflict because this will lead to failure to achieve significant performance in terms of emissions reductions.

Trees for Global Benefits, another project based carbon project provides valuable insights into how to deal with issues of:

- ***Exclusivity,*** where applicants were required to show evidence of ownership of land by getting the local council chairperson in the area to sign on confirming ownership of the land if there was no evidence of land title.
- ***Food security***, where applicants were required to have adequate land to grow trees (either mixed with agricultural crops or grown in woodlots) and sufficient food crops. However, this disadvantaged the poor people with little land, since the minimum number of trees to be grown for carbon purposes was 400 (about one hectare or less, depending on spacing)
- ***Equity*** in which all people were given the same opportunity to participate in the project, provided they had enough land, free of encumbrances
- Responding to ***gender*** by requiring agreement of the spouses to participate in the project
- ***Conditionality*** in which the tree growers were paid after achieving targets agreed in the contract
- Participation: the tree growers complained that they did not take part in the negotiations that fixed the carbon prices

These lessons will come in handy during the process of developing detailed guidelines for REDD+ benefit sharing

Options for benefit sharing mechanisms in the forestry sector in Uganda

By its nature, REDD+ is essentially a jurisdiction (national/sub-national) wide pursuit because emissions levels are measured against a national/sub-national reference scenario. However REDD+ can also be project based, especially with respect to voluntary carbon markets. REDD+ programmes can also be implemented together with payments for other ecosystem services. Where the REDD+ programme is nationwide, benefit sharing mechanisms can be National Input-Based (according to the resources put in by the beneficiary), National Performance-Based (according to level of emissions reductions), Sub-national Input-Based, and Sub-national Performance-Based.

Where jurisdiction wide mechanisms are involved, distribution of REDD+ benefits through normal government (central and/or local) budget processes could be used because the policies and procedures are well established. Unfortunately, implementation of the policies and procedures leaves a lot to be desired. Deep-rooted corruption, lack of transparency, a predilection to steal public funds, inherent bureaucracies, and inflexible systems of procurement and financial management, which are characteristic of otherwise good intentioned programmes, will impact negatively on REDD+ benefit sharing. It will be an uphill task to design REDD+ benefit sharing arrangements that will be free from these vices if the arrangements are based on normal budget processes.

On the other hand a statutory national REDD+ institution could be set up by law. This could be either by a separate law or the institution could be placed, and clearly delineated within the Tree Fund which is already provided for in the National Forestry and Tree Planting Act (2003), and the accompanying draft Forestry Regulations. The semi-autonomous institution could be designed to overcome most of the drawbacks that characterise implementation of the normal government budgets.

But a jurisdiction wide mechanism would not preclude project based mechanisms. In fact, it would be necessesary to operate through projects in some cases so as to reach the poor local people at the horizontal benefit distribution levels.

Conclusions and Recommendations

The conclusions and recommendations below are made mainly to facilitate the design and implementation of national benefit sharing mechanisms for REDD in Uganda

Benefits and beneficiaries

(i) Learning from the experiences of the current benefit sharing initiatives in the forestry sector, REDD+ payments alone will not be enough to give sufficient motivation to all parties involved to work effectively towards RFM. Unless a clear rationale for distributing the benefits is developed, conflicts among eligible beneficiaries will arise with respect to who gets what benefits, and how much of each benefit goes to each. Therefore, in the process of designing appropriate REDD+ benefit sharing arrangements it is recommended that:

(a) A nationwide participatory assessment of stakeholders (who they are, how they will be affected, what are their interests & expectations, where are they located, etc.) should be carried out to establish those who are eligible for REDD+ benefits. This will make it possible to establish the magnitude of the task of distributing REDD+ benefits.
(b) The design of the benefit sharing mechanism should consider investing some of the REDD+ payments in development projects which benefit all members of the community to prevent fanning of intra-community conflict. But it will be important

that the projects are democratically agreed with the affected communities to promote consciousness about the source of the benefits.

(c) Community wide benefits notwithstanding, it is important to make sure that those who own forests and those who carry out activities with a direct impact on RFM are rewarded beyond the community wide benefits. This category of beneficiaries will often require cash payments in addition to other benefits like training and organisational capacity building to enable them recoup their investments.

(d) The payments from REDD+ to forest owners and participating communities should be established with a reasonable level of certainty, and the other benefits associated with REDD+ clearly specified as soon as they are known with clarity, so that the local people can go into the deal with free, prior, and informed consent. This will require establishment of a credible national reference scenario against which periodic modeling for emissions reductions can be done to generate information for feeding into the national REDD+ Strategy communication plan.

(e) The REDD+ benefit sharing programme provides a concrete opportunity to activate payment for ecosystem services. This will boost the revenues accruing to the small land owners who choose to grow and manage forests (natural or planted) on parts of their land instead of growing agricultural crops.

Benefit Sharing Mechanisms

(i) The national level scenario will lead to performance based payments made to Uganda. Further down the vertical and horizontal distribution chains, it will not always be possible to use the performance based approach because the contribution of some actors will not be easily converted into tonnes of CO_2 captured or stored. Therefore, it will be necessary for the country to put in place guidelines for input based benefit sharing mechanisms to make it possible for distribution of benefits across the wide spectrum of eligible beneficiaries.

(ii) There is general mistrust about the efficacy of any monies channelled through the routine government budgeting processes. The mistrust is a result of governance problems associated with such budgetary processes being experienced today. However, it must be said that these governance problems can be surmounted if the government summons the will that is needed to address them. Therefore, it is recommended that:

(a) Leaders of high moral integrity should be placed in top decision-making positions in the sector.

(b) A national REDD+ agency should be created under the auspices of the Ministry of Water and Environment. But in order not to be delayed by the long process that is likely to be involved in setting up a statutory body, the current draft Forestry Regulations should be reviewed to provide for an autonomous REDD+ Unit within the Tree Fund. The Costa Rican FINAFIFO model could provide a starting point for the discussions on the structure and *modus operandi* of the National REDD+ Unit. Creating the REDD+ Unit will also provide the opportunity to operationalise the Tree Fund, whose framework has already been approved by Cabinet.

(c) The process of setting up the REDD+ Unit should consider including REDD+ decision making bodies that are constituted from community and other stakeholder representatives at strategic levels of the vertical distribution chain to take charge of the REDD+ activities, including benefit sharing at horizontal levels.

(d) The project approach should also be retained and structured as one of the mechanisms of operationalising the jurisdiction wide mechanism. The project approach is likely to remain popular for a long time, and it will probably be much easier to reach the poor more effectively through this approach.

Equity in benefit sharing and participation

(i) There is a risk that REDD+ payments will be seen by some stakeholders in the light of a forestry subsidy programme, rather than a carbon programme in which people are paid for concrete outputs. To avoid this, arrangements should provide for payments to be made on a scale where the best performers get more and the non-performers get nothing. To avoid frustration among the poor because of inadequate capacities of the poor people, the REDD+ implementation programmes should be designed to build the capacity of the local people, so that all eligible stakeholders can play their roles effectively, and thus equitably share the benefits that accrue.

(ii) Compared to the benefit sharing arrangements prescribed by law, CFM and CRM are legally recognised but not overly prescriptive about what to do or not to do. This provides a flexible arrangement in which to deal with matters of equity. Therefore, the benefit sharing arrangements should specify in broad terms the benefit sharing principles and a framework within which benefit sharing agreements can be negotiated. The principles and agreement framework should be included in the Forestry Regulations soon to be gazetted.

(iii) Because of the governance problems mentioned above, the possibilities of highjacking the REDD+ benefits by politicians & their cronies, those who are relatively wealthy, and buccaneer technocrats, are real. To guard against this highjack, the decision making bodies mentioned above should be closely involved in the channeling of REDD+ cash payments to eligible beneficiaries. In addition, the capacities of the communities involved should be built to enable them spearhead community-based advocacy when their rights are threatened.

Land and/or forest Tenure

Land/forest tenure lies at the heart of legitimate and equitable benefit sharing arrangements. Tenure systems are recognised legally or by custom in Uganda but the holders of the ownership/use rights are not as clear as it seems at first sight because they are multi-layered. Land/forest tenure will therefore affect how REDD+ programmes are implemented, and thus how the benefits are shared. The Land and Forestry Acts provide general guidance on ownership and user rights/privileges. Therefore it is recommended that:

(a) The on-going review process of the forestry rules and preparation of statutory guidelines should specify what actually accrues to whom, especially in tenure types where ownership/use is multi-layered.

(b) The poor people and local communities should be assisted to develop into legal entities with titled/registered ownership of land and forest holdings. However, it should be borne in mind that the carbon benefits may trigger a scramble for land grabbing by those who can secretly process land titles. Sufficient safeguards should be included in the registration process to ensure transparency.

Conflict management

The long running conflicts such as those in PAs in the Mt. Elgon Landscape, and those involving extensive woodlands in the clan managed lands in Northern Uganda will not be easily resolved to ensure permanence of carbon captured by the forests. Most of hindrances to the resolution of these conflicts are political. Therefore, it will require demonstrable commitment of the politicians at local and national levels before REDD+ programmes can be nationally effective. This calls for an early start on concretizing the Conflict and Grievous Mechanism included in the R-PP.

Moving Ahead

Agreement on the issues above will require countrywide participation in the discussions. The discussions should be done within the framework of the Consultations and Outreach Plan outlined in the R-PP. To this end, a sub-group within the REDD Working Group should be constituted to deal with issues of benefit sharing. This needs to be done early during the REDD+ Strategy development phase so that stakeholders can participate from an informed point of view, and from a common understanding of what is in REDD+ for each one of them.

1. INTRODUCTION

1.1. Background

Simply speaking, the main idea behind reducing emissions from deforestation and forest degradation, including conservation and sustainable forest management (REDD+) is development and implementation of an incentive-based system that makes it economically more attractive to let a forest stand than to cut it down (The Global Mechanism of the United Nations Convention to Combat Desertification, 2012).

Pursuant to this idea, the Global Mechanism describes three phases through which REDD+ is implemented. The first phase is the **readiness phase** under which a national REDD+ Strategy is developed, starting with the REDD Readiness Preparation Proposal (R-PP) in the case of the Forest Partnership Carbon Fund; capacity-building; establishing policies and procedures for measuring, reporting and Verification(MRV) and identifying necessary adjustments in forest law and governance. This is followed by the **investment phase** which involves implementing policies and measures proposed in the national REDD+ Strategy. Investment activities include building capacity (equipment and machines), putting in place benefit sharing systems and developing monitoring and evaluation systems. The third phase is the **results-based phase** which involves full implementation of REDD+ Strategy in compliance with the criteria established during the first two phases. In this phase the countries will get compensation for quantified forest carbon changes (tCO_2e)[1] corresponding with an established reference level.

Uganda is still in the first phase. The R-PP has been developed to serve as a tool for guiding Uganda's preparations to become ready for REDD+. The R-PP points out the need for the development of a benefit-sharing mechanism based on assessment of the potential to provide sufficient incentive to all stakeholders in an affordable and sustainable way within the existing resource limitations, (Government of Uganda, 2012). Consequently, the R-PP proposes that during the REDD+ Strategy phase, it will be necessary to conduct a review of the ongoing benefits sharing arrangements, and then design and gazette benefit sharing and fund channeling mechanisms for REDD+.

1.2. Objectives of the study

The aim of the study was to analyse the various benefit sharing mechanisms in order to identify bottlenecks that increase costs and risks of natural resources reaching the rural poor so as to develop innovative opportunities for benefit sharing in REDD mechanism. In specific terms, the study:

(i) Underscores the importance of equitable benefit sharing within the natural resources / forestry sector
(ii) Analyzes the existing benefit sharing mechanisms in the forestry sector in Uganda
(iii) Captures lessons and experiences from the existing benefit sharing mechanisms
(iv) Proposes issues, options and specific recommendations to guide the design and implementation of national benefit sharing mechanisms for REDD in Uganda

[1] Tonnes of carbon dioxide emissions

1.3. Methods

Survey of Literature

The starting point of the study was to examine available literature on partnerships and benefit sharing in the natural resources sector, especially with respect to REDD+. The main outcome of this literature survey was a list of issues that are pertinent to Uganda's situation with respect to the country's on-going preparations for REDD+.

Stakeholder Consultations

Some of the issues identified under literature survey formed the basis for the stakeholder consultations which were carried out at the community and landscape level in the Mt. Elgon Region of Uganda. At community level, two workshops were held: one brought together representatives of forestry-related community based organisations (CBOs) in the Sebei Sub-region[2], and the other workshop included representatives of forestry related CBOs in the Bugisu Sub-region[3]. At the beginning of each of these community consultation workshops, a presentation that had synthesised the results from literature survey was made by the consultant. This was followed by group discussions in which the list of issues identified during the literature survey were discussed in light the participants' experiences.

The views from the community consultations were then fed into the discussions in the stakeholder workshop which brought together selected stakeholders operating at district level in the eight districts of Kapchorwa, Kween Bukwo, Mbale, Sironko, Bududa, Manafwa, and Bulambuli that constitute the Mt. Elgon landscape in Uganda. Again the starting point for the consultation workshop was a presentation that had synthesised the results from literature survey, plus the views from the community consultation workshops. This was followed by group discussions on the issues raised during the presentation.

The third level of consultations was at the national level involving key Government agencies working on REDD+ issues, development partners, civil society and the private sector. At this level, the discussions focused on issues which had emerged from the Mt Elgon region, in relation to the ongoing processes to generate specific recommendations for consideration during the development of the REDD strategy.

A total of 129 people participated in the consultation workshops in the Mt. Elgon Landscape (**Annex 1a)** and 30 people who participated in the national workshop **(Annex 1b)**. A summary of the proceedings synthesised from the community, district and national level workshops is available as a separate document.

Preparation of the Synthesis Report

The literature survey, together with the discussions and views from the workshop were synthesised into this report.

[2] Sebei Sub-region in Eastern Uganda includes the districts of Kapchorwa, Kween and Bukwo
[3] Bugisu Sub-region in Eastern Uganda includes the districts of Mbale, Sironko, Bududa, Manafwa, and Bulambuli

2. THE CONCEPT AND PRACTICE OF BENEFIT SHARING

Benefit sharing has the dimensions of the **benefits**, the associated **beneficiaries**, and the benefit distribution **mechanisms** Chandrasekharan Behr, et al 2012). Accordingly, sharing of REDD+ benefits includes "…*intentional transfer of monetary and non-monetary assistance to enable parties in the agreement to achieve their objective, whether it is carbon sequestration or profits...*"

2.1. Benefits

Apart from actual carbon revenues, the benefits of implementing REDD+ programmes can also include increased clarity of rights to the forest resources, compensation for a change in resource use, technical assistance, and preferential employment opportunities (Chandrasekharan Behr, et al 2012). In addition, Chandrasekharan Behr, et al observes that single benefits (e.g. compensation for carbon changes) may not be enough to give sufficient motivation to achieve the objectives of the various stakeholders. Leo Peskett (2010) has explored the possible benefits that can be expected in forestry programmes **(Table 1).**

Table 1: Benefits that can be expected from forestry programmes

Benefit type	**Description/function**
National Level	
Economic	• profits from sale of REDD+ credits • contribution of REDD+ finance to national Gross Domestic Product • multiplier effects of REDD+ investments, such as spending of income in local markets or creation of jobs elsewhere in the economy • physical infrastructure improvements (e.g. roads) and institutional improvements (e.g. better resourced forest management institutions) • reduced spending e.g. on flood management due to improved forest environment services
Social	• Accountable national institutions (e.g. access to information, community involvement in decision making, transparency in decision making, etc.)
Environmental	• Improved national environmental quality (e.g. more forests to mitigate climate change effects, reduced soil erosion, better domestic water quality, etc.)
Local Level	
Economic	• employment in REDD+ schemes • income from direct incentive payments • income from sale of products linked to REDD+ • increased net income due to local infrastructure improvements • increased land and forest assets linked to REDD+
Social	• local institutions more inclusive of poorer community members and better represent their interests in decision-making processes • reduced conflict and acknowledgement of cultural traditions • improved health
Environmental	• Improved local environmental quality

Adapted from Peskett, 2010

Therefore, REDD+ partnerships should offer a range of economic, environmental, and social benefits. The emerging carbon opportunities should be understood in this context.

In the experience of the Consultant, when REDD+ benefit sharing is being discussed in Uganda, the main attention is usually put on carbon revenues that will accrue as a result of effectively implementing the REDD+ Strategy. This was vindicated by the consultation workshops which, in spite of being aware of other benefits, tended to dwell on carbon revenues. Such a scope of benefits is not wide enough. The REDD+ benefits need to include the other benefits from responsible forest management of (RFM), which will be catalysed through REDD+ programmes. Various studies, (Steve Nsita, 2011; Nature Uganda, 2011; LTS International, 2011 and Chandrasekharan Behr, et al, 2012), have documented the benefits from responsibly managed forests that can accrue to the local people in Uganda. The benefits include:

- Forest products for income generation and/or domestic use
- Business opportunities for those not directly engaged in harvesting of forest products
- Payments for carbon captured (for the moment from voluntary markets)
- Ecosystem services like watershed management and soil conservation
- Licensed land for tree growing in forest reserves
- Preferential employment (as in MERECP)
- Knowledge and skills resulting from training
- Financial and technical support to income generating activities
- Getting known far and wide
- Participation in events of national and international stature

Therefore, it is also important to remember that benefits to be shared will go beyond the REDD+ payments. Other RFM programmes are likely to emerge and will continue to provide incentives to various actors, and technical & capacity building support. In fact, it will be largely because of these programmes that there will be an upward trend of carbon sequestration compared with the national reference level.

The issue which the process of designing REDD+ benefit sharing arrangements must settle during the preparation phase of the national REDD+ Strategy is establishing an agreeable balance between what is shared in cash and what gets converted into other benefits like training, community development projects, advocacy work of others, etc.

2.2. Importance of Sharing REDD+ Benefits

Henrik Lindhjem et al (2010) advanced two main reasons for sharing benefits with respect to REDD+:

(i) Compensation for changing land use in favour of forestry

Policy makers, forest owners, forest users, etc. are compensated for the costs of changing otherwise legitimate deforestation and forest degradation land or for enhancing carbon stocks. In Uganda, forests compete mainly with agricultural expansion and commercial fuelwood production (for charcoal and firewood) in terms of land use. In many cases (e.g. Mt. Elgon Landscape), the land available is small and the farmers need the forest land for cultivation or charcoal production to get an income. It is therefore necessary to compensate private and community forest owners for not turning their forested lands to agriculture or cutting them down for firewood. This can be done through payments for the carbon held by the forests. But it is also important that the forests are actively managed so that their economic and environmental values can increase. This will often increase the biomass per unit area and thus enhance carbon stocks.

(ii) Creation of legitimacy

Legitimacy means that people directly affected and the wider public are not only treated fairly and equitably, but they see themselves as being treated so. If this is not done, conflicts between resource users and managers will arise, people will ignore regulations & legitimate procedures, and the resource will become difficult to manage, leading to continued degradation and deforestation.

In Uganda, legitimacy would entail sharing of benefits with the people who stay:

- Adjacent to the forest, are impacted by forest management actions, and directly contribute towards its management. For example, such people include members of collaborative forest management (CFM) groups (in the case of Central Forest Reserves) and collaborative resource management (CRM) groups (in the case of National Parks and Wildlife Reserves)
- Adjacent to the forest, are impacted by forest management actions, but do not directly contribute towards its management. Such people may include those who visit the forest occasionally to get firewood, herbal medicine
- Far from the forest, are impacted by forest management actions, and contribute towards its management. This category may include commercial harvesters of forest products
- Far from the forest, are impacted by forest management actions, but do not contribute towards its management. Such people may include people in municipal areas who depend on the forest for their water supplies

It is important to understand that all the categories of people described above include some of the poorest people but some are relatively well off. They all understand the forest to be theirs, and therefore legitimacy requires that all of them see themselves getting a share of the benefits.

Legitimacy in distribution of REDD+ benefits will be especially important for public forests such as those in protected areas[4] (PAs). Even if some of the local people (and sometimes those living far off) may not use the forest products from that forest, they place an "existence value" on it, and therefore they expect to share in the benefits that accrue from enhancing carbon stocks.

[4] Protected Areas in Uganda include forest reserves, national parks and wildlife reserves whether managed by the central or local governments

Thus, to create **legitimacy**, it is important that eligible beneficiaries are clearly identified and appropriate mechanisms for transferring the REDD+ benefits to each of them designed.

2.3. Beneficiaries and/or Actors in REDD+ Programmes

Eligible beneficiaries of REDD+ programmes will be found at national, sub-national, and community/individual levels. They may include government institutions, intermediaries/facilitators, advisory services providers, community organisations, families, and individuals **(Table 2).**

Table 2: Types of actors and beneficiaries in REDD+ at National and Local Levels in Uganda

Actor Type/Level	**Description/function**
National	
National financial institutions (e.g. treasury)	• Managing income associated with REDD+ and allocation sub-nationally • They may also take taxes on REDD+ payments where the law provides for it
Legal frameworks (JLOS)	• Establishing legal frameworks governing benefit sharing • They have a role to play but they do not directly benefit from REDD+
National audit offices/REDD+ registries	• Auditing financial flows from REDD+ and verifying financial performance • Important to ensure accountability and correct distribution of benefits
Central Government departments	• Regulatory agencies like the Forestry Sector Support Department and National Environment Authority will take decisions on allocation of REDD+ payments and establish allocation criteria. They benefit from access to increased funding and capacity building in order to carry out their REDD+ duties effectively • Statutory bodies responsible for managing protected areas are direct beneficiaries of REDD+ payments • Other Government agencies like agriculture become eligible beneficiaries in as far as they contribute towards climate-smart agricultural practices • All of these government agencies have a role to play in mobilizing local people and land owners to participate in REDD+ programmes. They will benefit from funding and capacity building themselves
Intermediaries and advisory service providers	• May be private companies, Trusts, or CSOs which act as aggregators for local level participants or brokers. • They will also provide advisory services for which they will paid or they will be able to access funding for this purpose •
Project developers and implementers	Design, establish and often fund projects (they could be local NGOs, companies or government, or could include community groups/individuals themselves).
Local	
Local government	• Some of the roles played by central government agencies may be implemented on the ground by LGs • May be involved in REDD+ implementation in LFRs and receive

Actor Type/Level	Description/function
	financial benefits • They will be involved in supervising activities on community and family lands and taking decisions about actors that are eligible at grassroots level.
Community groups	• The key structures through which REDD+ activities are managed, including the sharing of financial benefits. • Poor and vulnerable groups may/may not be part of community groups
Individuals	• Individuals (usually owning or with access to land/forest) may directly manage REDD+ activities and receive benefits
Wider community	• REDD+ projects and programmes will likely affect a wide constituency beyond those formally involved in activities or benefit sharing. • They may face increased costs and therefore they need to benefit through community wide actions

Adapted from: Leo Peskett, 2010

Therefore, in order to make sure that sufficient benefits trickle down to the local communities, the REDD+ benefit sharing design stage needs to analyze the interested stakeholders at each level further with a view to establishing the roles and benefits in concrete terms. For purposes of legitimacy, this analysis would necessarily engage all parties involved across the country in discussions so that decisions are taken in a participatory manner.

For purposes of equity and legitimacy, it must always be remembered that among the eligible beneficiaries are the poor and/or the "un-empowered" or "disempowered", who stand to lose out because of the costs involved in restricted use of the forest. And these will normally be found at the bottom of the vertical distribution chain.

2.4. Benefit Sharing Mechanisms

Henrik Lindhjem et al (2010) has defined "benefit or revenue sharing mechanisms" in the context of REDD as "*agreements between stakeholders, such as private sector, local communities, government, and non-profit organizations, about the equitable distribution of benefits related to the commercialization of forest carbon*". To this end the three main types of payments in reference to REDD+ are:

- Compensation for the opportunity costs of changing land use (i.e. to reduce emissions,
- Payments for productive activities that store more carbon (the "plus" in "REDD+")
- Distribution of REDD rent (the "carbon profits").

Electric Power Research Institute (EPRI), 2012 categorises REDD+ benefit sharing mechanisms as being either **jurisdiction wide** or **project based**. EPRI further notes that a key feature of REDD+ is the focus on the jurisdiction-wide emission reference levels. By defining performance at the level of the entire jurisdiction, the state is likely to have a strong incentive and the necessary flexibility to:

- align its policies to proactively fund forestry programmes that lead to emissions reductions or enhancement of carbon stocks
- improve law enforcement (e.g. set up formal coordination structures for law enforcement agencies to deliberately support forest law enforcement and governance)
- institutionalize stakeholder consultation processes and compliance with social and environmental safeguards (e.g. in terms of converting forest lands into other land uses)
- strengthen or build new institutions to increase the likelihood of success (e.g. setting up of a REDD+ fund outside the routine budget disbursements)

On the other hand, EPRI noted that for now, many of the activities that REDD+ has stimulated are being implemented by individual "projects" that were initiated to access opportunities in the voluntary and "pre-compliance" carbon markets. EPRI further noted that the current popularity with project-based mechanisms comes from the fact that the projects:

- Are isolated from public bureaucracies (with funding arrangements that are not always pro-poor). This isolation appeals to private investors and philanthropic funders of REDD+.
- have precisely defined geographical boundaries that make it easier to manage non-performance risk
- have clearly defined project proponents that make it easier to negotiate contracts and manage risk
- deal with emission reductions that can be relatively clearly quantified in a manner compatible with offset market transactions
- work with defined property rights to forest and carbon resources that facilitate clear ownership of carbon offsets

FAO, 2011 observes that government financed PES programmes are normally managed by existing national agencies, or agencies created for the purpose. But even in this case, there is often an intermediary between those providing the ecosystem service (such as carbon sequestration and storage) and those paying for it. This is because the providers of the service are often many and dispersed and thus it requires someone to aggregate their services for the market.

Across Uganda, projects which sell carbon on voluntary markets are being implemented and many more will come up in the course of preparing Uganda's REDD+ Strategy. The project approach is likely to remain popular for a long time, and it will probably be much easier to reach the poor through this approach. In fact, the jurisdiction-wide approach will most likely also work through projects where local jurisdictions are found to be wanting.

PricewaterhouseCoopers (2012) groups the benefit sharing arrangements according to **scale** of operation (national or sub-national) and according to **conditionality** of benefit sharing (performance or input based).

Scale of Operation

National Scale Mechanisms (predominantly **jurisdiction-wide**)

Jurisdictions may be national or sub-national (e.g. states in federal governments). Benefits are distributed from a national to the sub-national level, or to the local level. The benefits can go directly to the end recipients (e.g. private forest owners associations) or they can go through a sub-national organization (e.g. local government institutions, cultural or faith-based institution, or CSO).

Sub-national Scale Mechanisms

Benefits are distributed from a sub-national to local level. The benefits do not have to originate from the central government. In Uganda, since LGs are legally recognised as complete governments, it is possible for the LGs to generate benefits which they can share with other partners (e.g. local communities, forest owners), or official development assistance (ODA) can be channeled directly to them. This scale of operation also includes **project level** benefit sharing mechanisms.

Conditionality

Performance-based Mechanisms

The mechanisms can be at national or sub-national scales. Benefits are distributed on condition that the partners receiving the benefits (e.g. community groups) have achieved a predefined, measurable, and verifiable standard of performance against a baseline (e.g. have restored or protected X number of forest hectares).

Input based Mechanisms

These mechanisms can also be at national or sub-national scales. Beneficiaries agree with the mechanism management body to carry out specified actions, or refrain from certain actions, in return for monetary or non-monetary inputs. No link is provided between the distribution of benefits and future measurable performance in forest management. For example a CBO may agree to carry out enrichment planting of a degraded forest area in return for funds to capitalize the VSLA.

Scale and Conditionality in Benefit Sharing Mechanisms

PricewaterhouseCoopers (2012) then combined the scale of operation with conditionality to arrive at four options for benefit sharing with respect to REDD+.

(i) National Input-Based Benefit Sharing Mechanisms

Potential funding sources include public funds (e.g. tax revenues) and international donor funding. Funds may be managed by the Ministry of Finance, either within the national budget or as a separate fund. Monetary benefits (e.g., cash payments, salaries, grants, loans, or tax relief) may be distributed through the national budget or through a national fund directly to beneficiaries. An example of this type of arrangement is the government's Community Tree Planting Programme in which money from the Consolidated Fund is remitted to NFA through normal budget processes. NFA raises the tree seedlings and distributes them directly to the local people.

Another arrangement could be to manage monetary benefits through local government bodies. In Uganda, this would mean REDD+ payments being made to District LGs as conditional grants for onward distribution at the horizontal level among private and community natural forest owners.

Alternatively, a national REDD+ Agency or other government agencies responsible for REDD+ (e.g., Forestry Sector Support Department) may be appointed as the national fund administrator. This agency may then direct monetary benefits to benefit sharing mechanism partners (e.g. NFA, UWA, and private and community natural forest owners), or it may direct monetary benefits to local government bodies for disbursement to beneficiaries.

Non-monetary benefits (e.g., capacity building, registration of community and private forests, organized consultations, etc.) can be transferred to the beneficiaries directly from the national REDD+ administrator, through local government bodies, the civil society, or the private sector.

(ii) National Performance-Based Benefit Sharing Mechanisms

Initially, potential funding sources include public funds (e.g. tax revenues) and international donor funding, especially during the investment phase of REDD+. Later, when performance can be measured in terms of verifiable carbon emission reductions, funding will also come from national or international carbon markets. Funding received by the Ministry of Finance may be disbursed to the designated national REDD+ agency, LG bodies, civil society & private sector organisations, or a combination of any of these organisations.

An example is the Sawlog Production Grant Scheme (SPGS). Ministry of Finance appropriates money from ODA and passes it on to the Ministry of Water and Environment. Through the SPGS Ministry of Water and Environment gives the funds directly to the commercial timber plantation growers. The condition is that payment is made against number of hectares planted and maintained according to agreed standards.

Non-monetary benefits can be transferred to the beneficiaries direct from the national REDD+ agency, or through local government bodies, the civil society, or the private sector. The non-monetary benefits are directed at creating enabling conditions for effective participation in a performance-based benefit sharing mechanism.

(iii) <u>Sub-national Input-Based Benefit Sharing Mechanisms</u>

Similar to option (i) except that this time the funds would go direct to the sub-national governments, either through own revenue collections or direct ODA payments to the LGs. Because of the lower funding requirements compared to the national scale mechanisms, NGO funding or private philanthropic foundations may also be sources of funding. This kind of funding would be well suited to landscape reference levels (e.g. Mt. Elgon, Albertine Rift, etc. landscapes)

(iv) <u>Sub-national Performance-Based Benefit Sharing Mechanisms</u>

These mechanisms are similar to option (ii) except that this time the funds would go direct to the sub-national governments which are engaged in performance based carbon emissions reductions (e.g. have own reference levels). NGO funding or private philanthropic foundations can also be sources of funding here.

Means of Distributing Benefits

Whichever mechanism is used, PricewaterhouseCoopers identifies ways through which REDD+ benefits are likely to be distributed (**Table 3).**

Table 3: Types of Forest Sector Benefits Distributed Through Benefit Sharing Mechanisms

Benefit Type	**Form Of Distribution**
(i) **Forest rent** (i.e., direct profit from the sale of timber or non-timber forest products)	Cash payments
(ii) **Compensation of opportunity costs** (e.g., forest landowners protect forest rather than convert to crop production and in return receive monetary or non-monetary compensation value equal to the per hectare commercial value of the crop)	• Cash payments • Tax relief
	• Goods and materials (e.g., seedlings and fertilizers) • Capacity building and training (e.g., forest management) • Social infrastructure and infrastructures (e.g., schools, rural irrigation) • Access to loans on preferential terms • Access to microfinance on preferential terms
(iii) **Incentives and support for sustainable land use and livelihoods** (e.g., funding and capacity building for the establishment of fruit tree agro-forestry for smallholder farmers)	• Salaries • Cash payments • Tax relief
	• Formal land titles • Formal access or concession rights • Goods and materials (e.g., seedlings and fertilizers) • Capacity building and training (e.g., forest management) • Increased market access for premium products (e.g., forestry or agricultural commodity certification) • Price guarantees • Cost-sharing arrangements • Access to loans on preferential terms • Access to microfinance on preferential terms

Benefit Type	Form Of Distribution
(iv) **Support for forest governance and institutional development** (e.g., provision of training to district forestry officers in how to improve support services for communities and the enforcement of community forestry law)	• Improved salaries for government staff, NGOs, and community groups to increase retention and reduce relative appeal of bribes
	• Capacity building and training (e.g., organizational development, financial management, anticorruption measures, community support) • Provision of capital inputs needed for more effective forest law enforcement (e.g., vehicles) • Formalization of forest governance working groups at national or sub-national level • Organization of regular forest governance and community forestry workshops and consultations • Additional employment benefits for forest department staff

Adapted from: PricewaterhouseCoopers, 2012

As can be seen, there exists a variety of options through which the benefits can be distributed, depending on the type of benefit and suitability to different beneficiaries.

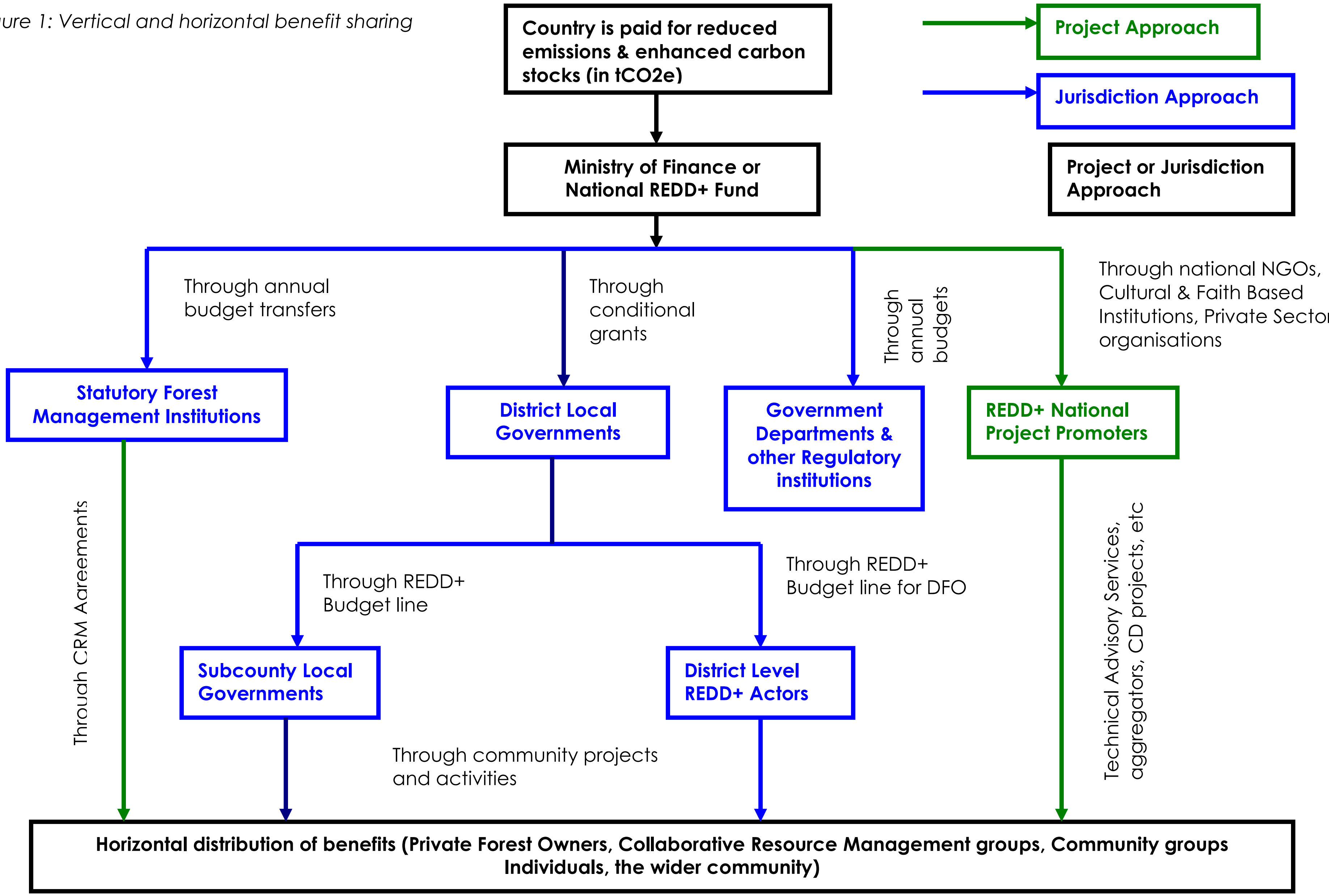
2.5. Vertical and Horizontal Sharing of REDD+ Benefits

Whichever way the benefits are distributed from the national or sub-national REDD+ agency, there will be a number of actors/beneficiaries at various levels who will want to take a share of the REDD+ benefits, either because they have a role to play or because they consider it their right **(Figure 1).** In this competition for the REDD+ benefits, it is important to remember that horizontal distribution at the lowest level is crucial for responsible management of the forests. This is where the private and community forest owners are, this is where collaborating communities are (and most of them are poor), and ultimately this where the drivers for deforestation and forest degradation find application. Therefore distribution of benefits (especially cash) along the vertical axis should not starve the lowest levels of sufficient incentives to participate in the national REDD+ Strategy.

2.6. Equity in Benefit Sharing in the Natural Resources Sector

Equity is at the centre of benefit sharing in natural resource management in Uganda. Equity aims at sharing of benefits with the poor, and often local people, and implementing measures to prevent the wealthiest, best positioned, or most influential members of society from hijacking the benefits.

Figure 1: Vertical and horizontal benefit sharing



Adapted from: Henrik Lindhjem, et al 2010

John Costenbader, 2011 observes that 'equity' in REDD+ benefit sharing may include the following:

- Equitable compensation: all participants' rewards match their contributions
- Equal opportunity: safeguards to ensure poor and marginalized groups have equal opportunity to participate
- The poor communities are actively recruited, provided equal voice, and all participants are rewarded although the program is not exclusively for the poor
- Participation and rewards prioritize those in greatest need, irrespective of contribution or ability to perform.

In Uganda, it is generally known that when it comes to benefiting from forest resources, the poor people, who constitute the majority of those who live near the forest get relegated to firewood, herbal medicines, crafts materials, etc for domestic consumption (Care & NFA, 2007). The juicy products like timber and land for tree planting are often enjoyed by those who are relatively better off, often staying far away from the forest, and are thus removed from the threats to livelihoods that originate from the forest (e.g. crop raiding). As a result, the local people take a *lissez faire* approach towards forest protection, or worse, they try to take as much as they can without authorisation. In other words, the local people take "equity" out of the legal realm into their hands and thus, conflicts with those responsible for management of the resource ensue. In such situations, the forest cannot be relied on to sink and hold the carbon for a long time, leading to uncertain permanence of the carbon captured by the trees.

Equitable compensation therefore arises in order for forest communities to be adequately rewarded for participating in forest protection work and bearing the burden of changes or restrictions in management practices (Costenbader, 2011). In Uganda, this is an issue in CFM/CRM areas where communities feel they have not been adequately compensated for participating in reducing illegal activities (Steve Nsita, 2012).

Henrik Lindhjem et al (2010) makes the point that the most effective policies and measures to reduce emissions from deforestation and forest degradation will depend on the specific drivers of deforestation and degradation in a particular country. In Uganda, these drivers often find application at the local levels, and therefore it is essential that the national government distributes the REDD+ revenues arising out of international payments down to the local levels. Keeping carbon rights and REDD revenues at the central government level will not give local communities incentives to participate in RFM in a carbon friendly way.

As has been indicated in many planning documents of the Government of Uganda (Ministry of Water and Environment 2011; 2007; National Planning Authority, 2010) government institutions in Uganda often do not have the capacity (in terms of personnel, equipment, funding, etc.) to carry out effective forest protection down to the forest management unit (FMU) level. Therefore, halting deforestation and forest degradation has been elusive. On the other hand, experiences in CFM/CRM areas have shown that effective protection of PAs can be done if communities perceive financial benefits from the collaboration, whether the benefits are immediate or they are expected to come in the future (Steve Nsita, 2012, LTS International, 2011). Therefore REDD+ revenues must be shared with the people at local levels because they take part in the protection activities and face restrictions on traditional uses like collection of non-timber forest products.

In practice, it is important to balance legitimacy and incentives (Henrik Lindhjem et al, 2010). For example if too much of the surplus value generated by a project has to be shared with the community (who have put in comparatively little hard cash), the returns to a private forest owner will be too low to sustain the incentive to invest. The local community may see benefit sharing in this case as legitimate, but it will discourage investment. It is therefore important that equity in benefit sharing is set at a level that will be appreciated by the local community, while at the same time encouraging the forest manager/ owner to continue investing in responsible forest management (RFM).

2.7. Governance in the Forestry Sector

The Food and Agriculture Organisation (FAO) of the United Nations (2011) describes governance as being about "*…how decisions are made in practice rather than how they are defined in formal procedures…*". Governance involves the use of power to make and enforce decisions. Decisions regarding how forests are managed and used involve a wide range of stakeholders.

In Uganda, government is responsible for management of forests in protected areas and therefore it is government which really decides on how the forests are managed and how the local communities are engaged in the decision making process. Nevertheless, the communities use the forests for their livelihoods and thus there are often running conflicts on access. In areas where collaborative forest management (CFM) or collaborative resource management (CRM)[5] is being practiced, both sides have moved closer in reconciling their perceptions on resource use.

While the procedures for responsible forest management, including partnerships with the local communities are provided for in the policies and laws of Uganda, the practice on the ground often falls short of these policy ideals. In a study on *The Effectiveness of Collaborative Forest Management as a Means of Engaging Local Communities in Forest Conservation*, 30% of the respondents expressed little or no satisfaction with the CFM arrangements (S.A. Nsita, 2012). Top on the list of main reasons for their little satisfaction was "unfulfilled promises". Closely connected with unfulfilled promises was "inadequate benefits".

The underlying cause of "unfulfilled promises" and "*inadequate benefits*" is corruption, which is closely connected with appropriation of benefits intended for the local communities by the wealthy. For example in Budongo Central Forest Reserve (CFR), CFM communities had been promised to be allowed to convert into charcoal branchwood left by timber harvesters. However, the top leadership of the National Forestry Authority (NFA) turned around and sold the branchwood to the same timber cutters without the knowledge of the local community partners (Irumba D. pers.comm). In another incident in Bugoma CFR, this consultant was told by one of the CFM groups about a local wealthy timber businessman who had been licensed to grow trees in the grassland within the CFM area. The CFM agreement had provided that land for tree growing in the CFR would be one of the benefits

[5] CFM is the term used in respect of forest reserves while CRM is used for national parks/wildlife reserves

accruing to the local community partners but the NFA went against this provision in the agreement.

Therefore governance in the forestry sector is an important consideration for the design of REDD+ benefit sharing mechanisms. This is especially important in terms of benefits intended for local people because they may not be able to marshal sufficient the power to fight for their contractual rights unless their capacity to this effect if built.

2.8. Land and Forest Tenure

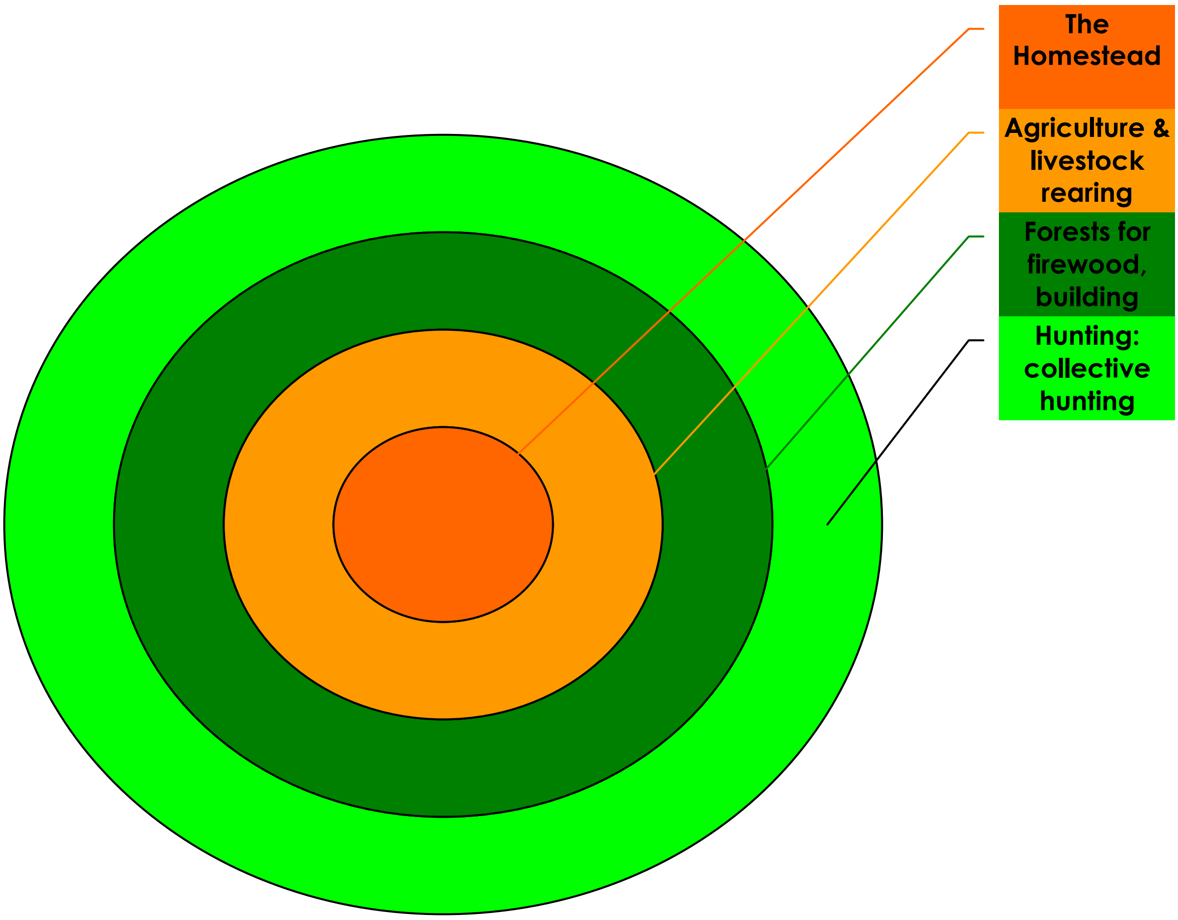
FAO, 211 describes tenure as "…*a variety of arrangements that allocate rights to, and often set conditions on, those who hold land… Tenure regulates access to and use of resources*…" This implies that tenure involves rights to own and/or use resources by an individual or a group of people. Tenure may confer exclusive or shared rights. For example, in Uganda, CFRs are owned by the people of Uganda but managed by the NFA, a statutory government institution. People are often licensed to use the CFR lands for tree growing, operating ecotourism business, etc. Local communities also enter into CFM agreements to use the forest resources for income-generation and subsistence livelihoods. There are legal instruments that install tenure rights to each of these stakeholders. Each of these can be put a claim to carbon rights to a greater or lesser extent.

Outside protected areas, customarily land and forest tenure is multi-layered. For example in the Gulu Sub-region, Northern Uganda, it is said that "*Land belongs to the dead, it is under the care of the living, and is being held in trust for the future generations*" (Kitgum District Local Government, 2012). In effect, most of the land belongs to the clan. This kind of land is normally distributed among families of the clan by the *Rwot Kweri* (chief of the hoe)[6], a clan traditional leader. In Amuru District, local people are rushing to occupy land by clearing the woodland forests and ring-barking the remaining trees. The local custom is that you own the land you are using, or you have used before, and therefore clearing of forests (even if the land is used only for one season) is one sure way of owning new land. This rush has been exacerbated by the fear of land grabbing that is being engineered from high political and business circles in the name of promoting industrial agricultural plantations (Amuru District Local Government, 2012).

Figure 2 shows a schematic representation of how land is used in the Gulu Sub-region. The diagram shows that there is exclusive ownership at the centre (homestead) but this exclusivity gradually merges into a "customary common" used for collective hunting. This is a multi-layered land and forest tenure system which is broadly recognised by law but does not operate according to clear legal rules. This is something that the design of the REDD+ benefit sharing arrangements must discuss at length with the stakeholders involved (clan leaders, political establishment in the sub-region, and the local people themselves).

[6] Traditionally, the Rwot Kweri was chosen by the clan to oversee land use. Every year, he would mark out a block of land in which all families would cultivate, each family with a specific sub-block. When productivity went down, the Rwot Kweri would mark out another block, but the sub-block for each family in the previous blocks would remain the property of that family

Figure 2: Schematic Representation of a Typical Arrangement of Land Use in a Community



Rights come with responsibilities (FAO, 2011). For example, a license to grow trees over a period of 25 years in a CFR requires that the licensee manages the natural forest patches in their area for conservation of water catchments, biodiversity, etc. In CFM areas, local communities accept the responsibility to participate in forest protection.

In terms of payment for ecosystem services (PES), "*…external beneficiaries of an environmental service make direct contractual and conditional payments to local landholders and users in return for adopting practices that secure ecosystem conservation and restoration…*" (FAO, 2011) The ecosystem services delivered and paid for may include carbon sequestration and storage, biodiversity protection, watershed protection or landscape beauty for ecotourism. FAO observes that REDD+ can work only if forest tenure is clear because payments must be made to people with the forest rights to ensure adequate compensation to those who depend on the relevant forest for their livelihoods when access is restricted, for example, for purposes of forest recovery.

2.9. Exclusivity and Conditionality in Benefit Sharing

Costenbader (2011) says that **exclusivity** of land rights is very important in payment for ecosystem services (PES). Land tenure and equity are closely correlated, as wealthier members of society can monopolize the PES payments where tenure is weak or complicated. He argues that traditional access, ownership and use rights systems, especially in Africa and Latin America, present a challenge for PES (and by extension REDD+ payments) where such rights are vested in entire communities rather than a single land owner. This is the case in Northern Uganda (especially in the Acholi sub-region), where clans control large tracts of land. And yet the clan systems do not have the legal capacity to enter into legally binding agreements which are often necessary in ensuring that payments are made to the right owners.

Therefore, the Uganda REDD+ programme must take the issue of **exclusivity** seriously. Legally recorded ownership must be developed, including boundary delineation, building the legal capacity of communities, safeguards against clandestine take over of community and family lands (land grabbing), etc. In some cases, the starting point for clarifying exclusivity will be the traditional land management systems (e.g. the clan systems in Acholi Sub-region).

Costenbader (2011) also argues the notion of **conditionality** as affecting equity. The conditionality element requires that payments be made against a given level of performance, but this would exclude the poorer landholders who lack the capacity to implement RFM activities and report on them in accordance with the MRV provisions (e.g. carry out inventories & process the data). This is the case for the private owners of natural forests in Uganda. The forests are mainly small & scattered, the owners are poor, and lack the skills & funding that are required for implementing a credible REDD+ programme. Against a background such as this, Costenbader asserted that conditionality, while essential for fair implementation and ensuring benefits match performance, may require structuring payments in a more motivating arrangement. For example it is possible to make payments on a scale where the best performers get more and the non-performers get nothing but increased training and/or other forms of capacity building. Otherwise, REDD+ risks becoming a social income distribution or subsidy programme, and not a carbon programme.

3. OPTIONS FOR REDD+ BENEFIT SHARING MECHANISMS IN UGANDA

Various options for REDD+ benefit sharing mechanisms were discussed during the Mt. Elgon Landscape stakeholder consultation workshops.

3.1. Jurisdiction Based Benefit Sharing Arrangements

The options around which to design REDD+ benefit sharing arrangements which were discussed were found to be either using the **normal government administrative structures** (planning & budgeting, line government institutions at national & sub-national levels), or a special **National REDD+ Fund**.

Normal government budgeting processes

The funds would be transferred from the Ministry of Finance through annual budgets of the Ministry of Water and Environment, the NFA, Uganda Wildlife Authority (UWA), and the District Local Governments (LGs). The money going to the District LGs would probably be transferred as conditional grants. The stakeholder workshops identified the following benefits and challenges that are expected to come with sharing the REDD+ benefits through this option:

<u>Benefits</u>

- Enhanced sustainability because government systems are durable and do not change at the will of individuals
- Government structures have a deep penetration across the country, and thus there are established procedures for fund disbursement down to the local communities
- Government ownership is expected to be enhanced
- REDD+ funds are likely to strengthen the government systems of accountability where there are weaknesses
- Wide community involvement will be augmented because of the network of community institutions which reach down to the village level, and therefore interventions and benefits can better reach the communities

But for these benefits to become real, **an effective, decentralized, and democratic system** was seen as a pre-requisite. But judging from the government track record of operating through the decentralised structures, there is still a long way before this pre-requisite is realized. FAO, 2011 notes that it is quite possible to decentralise administrative functions without devolving the power to make meaningful decisions. This is often the case in Uganda. In fact, "resources" are often added to power by the LG Authourities among the problems associated with decentralised government functions.

<u>Challenges</u>

- There is no clear system for transferring money from districts to the actors outside of government institutions. Therefore it would be difficult to reach other actors such as CSOs, community-based organisations (CBOs), and the private sector.
- The possibilities of central government institutions' resistance to transfer power to District and lower LGs are high.

- Tracking money in a basket fund is inherently difficult and therefore money could end up being diverted from forestry/REDD, or it could stay at the centre to meet contrived administration costs
- Delay/bureaucracies in management of funds associated with government programmes(e.g. a string of uncaring signatories) will limit the pace of, and outputs of implementation
- Difficulties in compensating and/or providing incentives to the many actors with varied interests may lead to grievances and thus slow down or interfere with implementation
- Poor governance (deep-rooted corruption, lack of transparency, a predilection to steal public funds with impunity, inherent bureaucracies, and inflexible systems of procurement and financial management, etc.) which is characteristic of government otherwise good intentioned programmes will impact negatively on REDD+ benefit sharing

It is important to understand that it will be an uphill task to design REDD+ benefit sharing arrangements that will be free from these vices. But it must be done if Uganda is to take its rightful place in community of nations.

National REDD+ Fund

The Fund would be set up by law. This could be, either a separate law like the one that established the National Agricultural Advisory Services, or nested and clearly delineated within the Tree Fund which is already provided for in the National Forestry and Tree Planting Act (2003), and the accompanying Forestry Regulations **(Box 1)**.

Box 1: What the National Forestry and Tree Planting Act, 2003 Says about Sharing of Forest Carbon Benefits

For REDD+ purposes, Section 92 of the National Forestry and Tree Planting Act, 2003 (NFTPA) gives attention to issues that are directly relevant to benefit sharing Sub-section (aa) specifically refers to "*support to the development of the trade in carbon sequestration credits*". Accordingly, Regulations for *Trade in Carbon Sequestration Credits* have been done under Part XI of the draft Forestry Regulations. The regulations emphasise the following:

- selling and buying of carbon credits is done through an agreement or similar arrangement, of a buyer and seller
- selecting the area for afforestation or reforestation (the source of carbon credits), prioritizes afforestation of degraded areas, and participation of local communities adjacent to the forest reserve, **including sharing of the projected benefits**
- the ownership of property rights to carbon services from the trees and land shall be clearly defined in the agreement between the person and the owner of the land
- At the relevant time, provision will be made for updated legislation that establishes a framework for carbon credits, carbon accounting or emissions trading.

The workshop identified the following benefits and challenges that may come with sharing the REDD+ benefits through a special National REDD+ Fund:

<u>Benefits</u>

- It provides a good opportunity for private sector engagement because the Fund is expected to be run in a business-like manner (less bureaucracy, adherence to standards, customer care, etc.)

- Since the Fund is focused, there would be fewer delays in disbursement
- It provides an opportunity to operationalise the Tree fund
- The Fund can leverage additional support for RFM, and strengthen governance in the forestry sector
- It enables prioritisation of funding for specific REDD+ activities over other programs

Challenges

- Developing a new institutional framework may take long. It may even be resisted by some of the Government actors
- Possibilities for overlap of activities being implemented through other projects and programmes e.g. community livelihood activities, local economic development activities, etc.

From the above observations, it seems fair to conclude that in spite of the relative stability of government structures, it will be difficult for REDD+ payments to be channeled through the normal government administrative structures with confidence because of the formidable governance challenges associated with government at all levels. On the other hand, the challenges associated with a special National REDD+ Fund can be discussed and agreement reached in the course of preparing the national REDD+ Strategy over the coming 3 years. However, the national level consultation workshop also considered REDD+ as a possible strategic opportunity to address the governance challenges within the sector.

3.2. Project Based Benefit Sharing Arrangements

As has been noted earlier, current project based carbon benefit sharing arrangements with relevance to REDD+ are designed to serve voluntary markets. They are popular, both with the suppliers of the carbon credits and the buyers, because payments are made directly to the forest owners. Examples are Trees for Global Benefits (TfGBs) in South & Mid Western Uganda, Mt. Elgon Regional Ecosystem Conservation Programme (MERECP) in the Mt. Elgon Landscape, The International Small Group and Tree Planting Programme (TIST) in South Western Uganda, and Tree Talk Foundation (in collaboration with Ecotrust) in Northern Uganda.

The common denominator with these interventions is working with local communities for purposes of producing small scale carbon emissions reduction credits for sale on the voluntary market. The main objectives include conservation of the environment and improving livelihoods of the poor people. Since most of the projects are designed for small forest owners/tree growers, they require intermediaries or aggregators to bring the forest owners/tree growers together, to aggregate their emissions reductions credits and negotiate with buyers on their behalf.

Some examples of the options described above are further elaborated in the next chapter to generate lessons from what is actually taking place on the ground with the purpose of feeding into the design of REDD+ benefit sharing arrangements under the Uganda REDD+ Strategy.

4. LESSONS AND EXPERIENCES FROM THE CURRENT BENEFIT SHARING ARRANGEMENTS

In Uganda, some of the mechanisms for sharing revenues are stipulated in laws; others have been elaborated administratively on the basis of policy provisions, and others are somehow operating but they are not formally described and issued. Where the mechanisms have not been formally described and issued, the benefits to be extended to the poor depend on the magnanimity of the forest manager to grant. In the search for a benefit sharing mechanism for REDD+, it is important to examine the benefit or revenue sharing arrangements that exist in the country today. Some are within the forestry sector and others are outside mainstream forestry, but within the natural resources sector. All of them can provide important insights into the future design of Uganda's REDD+ benefit sharing mechanisms. The existing mechanisms are described below.

4.1. Sharing of Mineral Revenues

This is a **jurisdiction wide mechanism.** Revenue sharing is provided for in the Mining Act, 2003. By law, mining royalties are paid to the Central Government, which should remit 17% of the money to the District LG from where the minerals were mined, and 3% to the lawful land owner or occupiers. In turn, the District LG is supposed, on the basis of the Local Government Act, to remit 65% of the money to the Subcounty LG from where the minerals were mined, which then is supposed to remit 25% of what they receive to the relevant Local Councils at village level for use in implementing their work plans.

In one study (Steve Amooti Nsita, 2012), a LG official in one of the subcounties where there is gold mining by a relatively large company said that the subcounty was not receiving its share of the royalties. He said that the district sometimes tried to follow the 17% share but they were told that the companies were not doing good business and thus hardly any royalties are being paid.

Something similar may happen if carbon payments under REDD+ are made to a central government department or Ministry. The LGs do not seem to have the capacity to get the central government institution to remit what is legally theirs. The capacity is even less among the community and private forest owners. Access to the benefits from REDD+ might be easier if the institution responsible is a special National REDD+ Fund, rather than a line government department or Ministry.

4.2. Sharing of Park Revenues

This is a **jurisdiction wide mechanism.** The Uganda Wildlife Act, 1996 provides for sharing of revenue from National Park (NP) entry fees with the communities (20% to communities) living around a NP largely to help mitigate the negative impacts of wildlife on their livelihoods. The money is transmitted through benefit sharing agreements or memoranda of understanding (MoUs) signed between UWA and legally constituted local community groups. But even where there is no revenue to share, UWA enters into resource use MoUs or agreements in which local people may harvest resources in a regulated manner, with or without paying fees. Potential beneficiaries (community groups) are expected to submit project proposals which can be funded from the 20% share due to the community.

Participants in the consultation workshops in the Mt. Elgon Landscape identified the following strengths and opportunities in this model of benefit sharing:

- All eligible stakeholder local communities have the opportunity (at least that is the intention) to share in the benefits depending on what is available to share
- Some of the local people have abandoned illegal activities and have gotten engaged in income generating activities
- Local people are given inputs in terms of seedlings which helps to conserve the natural forests and contribute towards sustainable land management through control of erosion
- Harvesting is regulated so that law abiding local people are not harassed any more

However, there were a number of challenges raised about this benefit sharing model:

- Some communities neighbouring the NP have never benefited from the 20% revenue supposed to be shared. There are many districts around the NP & therefore the money available becomes too little
- The process of accessing the money is cumbersome; some groups fail to write projects to UWA because they do not have the skills or they cannot write it in English; some do not even know where to go for information about the requirements.
- The total revenue being shared is not declared by UWA, and this creates suspicions that UWA is not releasing the correct share of the revenue
- Criteria for selecting groups to benefit are not clear
- Accountability in terms of value for money cannot be guaranteed

Similarly, the REDD+ revenues reaching the local community will not be enough to cater for the needs of all eligible beneficiaries at the same time. In fact, many voices are today calling for restraint in placing too much faith in the carbon revenues to reverse deforestation and forest degradation. Yes, the revenues will be useful but far from being adequate. And so, the normal public and private investments in restoring forest functions must continue.

4.3. Revenue Sharing Between District and Lower Local Governments

This is a **jurisdiction wide mechanism.** The revenue sharing arrangement is set up by the Local Government Act, 1997. The Act stipulates that in the city and municipal councils, a Division Council shall retain 50% of all the revenue it collects in its area of jurisdiction, and remit 50% to the City or Municipal Council. In rural areas, a Subcounty Council shall retain a minimum of 65% of the revenue it collects and pass the remaining part over to the district. Where the revenue is collected at district level, the district is obliged to remit 65% of the revenue it collects to the relevant subcounty. Then the subcounty is supposed to remit 25% of its revenues (the 65% retained or received) to the village councils.

Forestry revenues coming out of forests and trees outside PAs are collected by LGs and therefore forestry revenues (including from carbon payments) should be part and parcel of the revenues shared by the various levels of LG.

In considering this model, participants of the community consultation workshops in the Mt. Elgon Landscape pointed out the following strengths and opportunities:

- Money is supposed to be invested in community development projects which benefit all community members, including the poor
- Leaders participate in monitoring how the money is used and therefore there is ownership of the activities by the political and technical leadership
- Resources are supposed to reach the grassroots levels because procedures require LG to provide services to communities within their jurisdiction.
- Procedures have been designed to promote transparency and accountability
- Easy to monitor because institutions are already in place as legal entities

However, the participants in the community consultation workshops noted the following challenges in the LG revenue sharing model:

- In many areas, people hear of this money but they do not see what it does. It is mostly used to pay allowances, albeit legitimate, to a few administrators
- In many areas, this money is no longer passed down to the village levels. Even where some money somehow reaches the villages, a fraction of the money is retained at each level in the vertical transmission, so that little eventually reaches the intended beneficiaries at grassroots levels
- The resources are too little to reach all members of the communities, retentions at each level notwithstanding.
- Some of the technical officers do not deliver the money to lower LGs but steal it along the vertical transfer chain, often with the connivance of the community group leaders themselves. NAADS was cited as an example.

The strengths of the LG revenue sharing arrangements are mostly presumed, because the weaknesses clearly show that the local people themselves do not see much action out of the money. This is also a real danger for carbon payments under REDD+. It is likely that the money will be appropriated by those with political and administrative power to carry out (sometimes) legitimate government functions, but which are not directly beneficial to the local people. This is also where those who are wealthy and/or politically connected can conspire with the REDD+ Fund managers to short cut the poor people lower down the distribution chain.

Other thorny issues in the LG model that need to be resolved were raised by the Mt. Elgon Landscape stakeholder workshop and are listed below:

(a) Criteria for choosing which districts and subcounties will be included in sharing of REDD+ benefits need to be discussed and agreed. This was raised out of a suspicion that districts with powerful politicians and/or technocrats would hijack the benefits. To this end, participants recommended that local community groups should be effectively represented during the formulation of the benefit sharing criteria
(b) Sharing benefits between various players will likely be difficult to deal with. For example, how will the benefits to private forest owners differ from those who do not own forests but suffer an opportunity cost imposed by the restraints resulting from RFM? What about those who adopt energy efficient cook stoves or switch to alternative energy sources?

(c) How to extend benefits to communities who choose to keep forests on community/clan lands. In addition, these forests may not be as well managed as the forests which are clearly privately owned. How will benefits be shared between community/clan forest owners and private forest owners. How will individual clan/community members benefit during horizontal distribution of benefits?
(d) Establishing the right balance in REDD+ benefits between responsible management of natural forests and tree planting on farm. How will the commercial plantation investors benefit since they are enhancing carbon stocks and reducing pressure on natural forests
(e) How to keep a visible link between RFM and community development projects implemented with REDD+ funds. Otherwise, the people will not see the projects as an incentive for forest protection and RFM. This was raised out of their experiences in which community development investments by non-state organisations are often claimed by local leaders to have been funded from the LG funds. Therefore actions like signposts, branding, and other forms of visual communications would be important in keeping the link with REDD+ clear at local levels

4.4. Benefit Sharing in the Collaborative Forest Management Approach

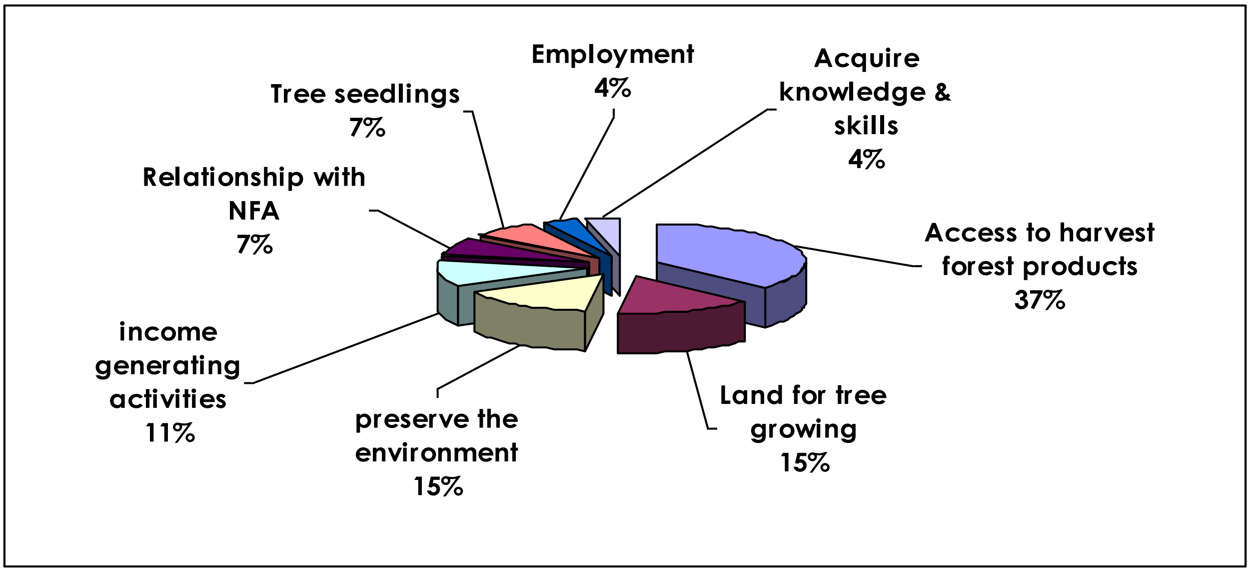
This is a **jurisdiction wide mechanism.** Section 15 of the National Forestry and Tree Planting Act, 2003 makes it optional for a responsible body (NFA for CFRs and LGs for LFRs) to enter into CFM arrangements with forest user groups in accordance with regulations or guidelines issued by the Minister. The draft Forestry Regulations expand this further by providing a broad framework through which CFM may be implemented, and the CFM Guidelines provide a flexible step by step process which starts with CFM initiation and culminates into a CFM agreement and management plan. However, this legal framework does not prescribe benefit sharing arrangements, but leaves that to the negotiations that lead to CFM agreements and CFM plans. One of the inadequacies however is the lack of a clear institutional arrangement for CFM. There is an established position for a CFM Specialist at the NFA headquarters and certain staff in the field have been designated CFM coordinators at Range level, but those positions are not established.

In a study sponsored by WWF Uganda Country Office (Steve Nsita, 2012) it was found that 52% of the expectations of the CFM members interviewed revolved around access to the CFR to harvest forest products like timber, and land for tree growing, **(Figure 3)**. However, most of the CFM groups with opportunities to harvest timber have not yet been allowed by NFA, and in many CFM groups, they have not yet been allocated plots in the CFRs to plant trees. This failure by NFA to fulfill its commitments in the CFM agreements and CFM plans is causing disquiet among the CFM groups.

Compared to the benefit sharing arrangements prescribed by law (discussed above), CFM provides a more flexible arrangement for benefit sharing. The question which REDD+ design will have to settle is: to what extent should benefit be legislated and to what extent should the content be left to be negotiated and included in a contract.

It was interesting to note that under some CFM arrangements (especially those involving a private company or CSO as the outside partner), most of the benefits that were being passed on to the CFM groups were not even included in the CFM agreement (Chandrasekharan Behr et al, 2012). In fact, it will be difficult to include all the benefits in the agreement at the beginning, and neither would it be desirable to do so because they will not be known with precision (quantities, inputs of each beneficiary, etc.). However, it will be important that the agreements are designed with sufficient leg room to enable revision of the agreements as need arises. This therefore means that legislation should allow for this.

Figure 3: Expectations of CFM Communities on Joining the Partnership with NFA (N=27)



Source: Nsita, 2012

4.5. The Tree Fund

This is a national **fund management mechanism** that is provided by law but not yet operational. Section 40 of the National Forestry and Tree Planting Act, 2003 established the Tree Fund to promote tree growing and support tree growing efforts of a non-commercial nature which are of benefit to the public. The sources of its funds as provided for in the law include:

(a) monies appropriated by Parliament
(b) loans obtained by Government
(c) grants, gifts and donations
(d) any monies required to be paid into the Fund (REDD+ funds could come in here)
(e) Monies from any other source approved by the Minister in writing, in consultation with the Minister responsible for finance (REDD+ funds could come in here)

A REDD+ component, built along The National Forestry Financing Fund (FINAFIFO) model in Costa Rica **(Box 2)**, could be established within the Tree Fund, but only if "tree growing" is defined in the widest sense to include trees that are growing naturally under deliberate management interventions. In order for the REDD+ money not to be diverted for other "tree growing" activities, it will be necessary to design the REDD+ Unit with a semi-autonomous status within the Tree Fund.

Box 2: The National Forestry Financing Fund (FONAFIFO): A National Programme for Payment for Environment Services in Costa Rica

The national Payment for Environment Services (PES) program in Costa Rica came into being after the passing of a new forestry law (Forestry Law No. 7575) in 1996. This law established the regulatory basis to pay landowners for the environment services they provide.

The National Forestry Financing Fund (FONAFIFO) operates under the Ministry for Environment and Energy, and is the agency in charge of administrating the PES program. In return for payments, FONAFIFO receives the right to carbon and other environmental services for the length of the contracts. These environmental services can then be sold as a way of financing the program. Hydro-electric and agribusiness companies pay FONAFIFO for the protection of water resources, and private sector actors can buy *Environmental Service Certificates* as voluntary contributions to protection of environmental services. However, the main funding source is a fuel tax, often referred to as the *ecotax*.

The four environment services recognized by the law then were:
(i) mitigation of greenhouse gas emissions
(ii) hydrological services, including provision of water for human consumption, irrigation, and energy production
(iii) biodiversity conservation
(iv) Provision of scenic beauty for recreation and ecotourism

Provision of these environment services were linked to specified land uses, and landowners receive direct flat payments according to how they manage their land and not the amount of services they produce as such. Land uses included were:
- Forest protection – 5 year duration and US$ 210/ha
- Sustainable forest management – 15 year duration and US$ 327/ha
- Reforestation activities – 15-20 year duration and US$ 537/ha

All payments are dispersed over five years. For forest protection the payments are dispersed evenly over the five years, while for sustainable forest management and reforestation activities 50 percent of the money is paid in the first year and then smaller payments are made during the remaining four years. In 2003 sustainable forest management was taken out of the program while payments for agroforestry systems were introduced instead. In 2006 natural forest regeneration was added as a fourth eligible activity.

Private landowners need at least one hectare of land to qualify for payments for reforestation activities and two hectares for forest protection. The maximum area for which private landowners may receive payments is 300 hectares. This limit is 600 hectares for indigenous people's forests. Small projects may be bundled in order to keep transaction costs associated with payment contracts down.

Since the start of the program, the number of participants and size of area included has increased steadily. By 2005 about 500.000 hectares of land had been covered at a cost of US$ 120 million. Forest protection constituted almost 83 percent of the area covered. The interest in participating in the program far outweighs available funding, and only about 25 percent of the applications are accepted. A broad list of criteria including carbon sequestration potential, hydrological importance, and proximity to existing protected areas are used to prioritize applications.

Source: Henrik Lindhjem, et al, 2010

4.6. The Sawlog Production Grant Scheme

This is **project based fund management mechanism**. The Sawlog Production Grant Scheme (SPGS) is a project funded by the European Commission and Government of Norway. It is not strictly a benefit sharing mechanism, but a fund management project from which REDD+ benefit sharing design could take a leaf. While it is technically under the supervision of the Ministry of Water and Environment, its operations are, to all intents and purposes, independent (administrative structure, staff recruitment, procurement & accounting systems, etc.).

SPGS provides grants and technical support to private sector members who invest in timber and large transmission pole plantation crops. The SPGS clients are those who have entered a formal contract, and payment is made only to those who have met the standards agreed in the contract. There is a fixed rate of payment per hectare (monetary payments which are performance based) and at fixed intervals over a period of three years (when the tree crop is considered established). SPGS also subsidizes practical training courses, organizes regular field excursions and produces technical guidelines (non-monetary benefits) for clients. The clients are predominantly medium to large scale (each required to establish over 20 hectares of timber plantations in three years). Smaller ones are also supported but they do not receive direct financial benefits.

The key issue here is payment against standards specified in a contract. It will be necessary for REDD+ to ensure beneficiaries adhere to strict standards for responsible forest management. This will call for training; especially the local community members, to enable them fulfill their agreed responsibilities, and thus earn their share of the benefits.

4.7. The Mt. Elgon Regional Ecosystem Conservation Programme

The Mt. Elgon Regional Ecosystem Conservation Programme (MERECP) supported a trans-boundary landscape initiative under the auspices of the East African Community and funded by the Norwegian and Swedish Governments (LTS International, 2012). The main components of the programme with direct relevance to carbon benefits were the *Forest Restoration, Carbon Sequestration, and Credit Revolving Fund* (CRF) components. Although it was **project based**, it covered a number of LG jurisdictions and therefore REDD+ can take lessons from it. The benefit sharing arrangements were set up in collaboration with the PA managing institutions (NFA, UWA, LGs) and their mother Ministries.

The Forest Restoration and Carbon Sequestration Models

Under these models, local community groups were preferentially given contracts to plant trees in the degraded parts of the PAs in an enrichment planting exercise. Some of the proceeds were used by the groups to pay those who had physically participated in the tree planting operations, and the rest of the payments were put in a common pool for each group, often into Village Savings and Loan Associations (VSLAs), where more members of the community could benefit from it.

The tree planted belong to the forest management responsible body but one of the benefits expected by the local partners in future is sharing of revenues from the timber and carbon resulting from the forest restoration exercise. The sharing arrangements have not been specified, let alone written into the benefit sharing agreements, but there is an unwritten understanding that sharing will be done. This will be a problem because the good faith in which this understanding exists may not be there when the individuals involved change (e.g. transfers of government staff, migration of community members)

This model serves as a good example of an input-based payment arrangement. The local people are paid regardless of whether the trees planted grow up to capture carbon or not. This working arrangement (responsibilities & rewards) is well understood by the parties involved. Even if REDD+ payments from the international buyers will be performance based (tonnes of carbon captured above the national reference scenario), participation of the community in RFM may be designed along the lines of input-based payments.

The Credit Revolving Fund

The CRF model was designed and implemented as a livelihood improvement program that channeled funds to CBOs located adjacent to NPs and CFRs for purposes of establishing income generating activities (IGAs). It was also used to channel funds from the other livelihood activities (e.g. payments for labour under the model above) being undertaken within the ecosystem into IGAs.

US$ 10,000 was disbursed from project funds to each of 10 CBOs selected on the Uganda side of the landscape (also 10 on the Kenyan side). The money was used to capitalize the VSLAs as credit revolving funds (CRFs), which were expected to grow as the money was borrowed and re-paid at interest rates determined by each CBO. Each of the CBOs set their own criteria for lending to the CBO members (as individuals or as groups) as well as terms and conditions of repayment.

Under this model, it was possible to put money into a pool from where other community members could benefit, provided the constitutions of the controlling CBO did not exclude the community members who did not belong to the group.

It is possible to design a benefit sharing arrangement along the lines of this model but an evaluation of the model revealed the following weaknesses which REDD+ benefit sharing design should take into account (LTS International, 2011):

- In some CRF groups, significant amounts of money had been sank into buying of plots of land, construction of buildings, and office furniture, thereby leaving little to revolve among members. While these ventures in some cases were supposed to be income generating, the revolving nature of the fund would suffer because it was being starved of lending capital.
- Technical support provided to the local communities in the implementation of the IGAs funded through the CRF loans was low or lacking. This posed a threat to the CRF because poor stewardship of the IGAs could lead to collapse and hence failure to repay the loans
- Once loans were made to members, the repayments did not go through the banks but kept on revolving. One challenge associated with this way of handling group funds is the inability to keep a proper and adequate paper trail of the CRF transactions, including accountability on the part of management.

When the MERECP models were discussed by workshop participants in the Mt. Elgon Landscape, the following strengths and opportunities were identified:

- Groups had been given the opportunity to build the capital base of their VSLAs so that they could lend to more members and/or give bigger loans to members
- Groups acquired skills in financial management through training offered by the project
- Relationships between the PA managers and the local people improved because of the constant interaction arising out of complementary interests enshrined in the benefit sharing agreements. The relationships were oiled by the intermediary participation of the East African Community (implementers of MERECP) and the funding agencies as third parties to the partnerships.
- Costs associated with the long government procurement processes were eliminated so that the groups were able to procure following their own procedures
- Participatory planning and management of group affairs was enhanced. Members had to meet regularly to discuss issues of the loans and receive reports of how borrowers were faring. This also improved team work within groups
- The saving culture was improved, because in all groups, those who wanted to get loans had to be having saving accounts with the group. The size of loan was often proportional to the amount of money saved by the loan applicant.

However, participants pointed out the following challenges in the MERECP models:

- The MERECP activities left out infrastructure development. The money was solely for the CRF. Since the original objective of MERECP was to test out models for sharing benefits around protected areas, it would have been possible to include community development investments in the design of the project in order to benefit a wider range of local people, including the poor who could are not always able to put up collateral even when the borrowing is from the local VSLA.
- The programme did not help to resolve the 30-year old NP boundary conflict between UWA & the local people, because it avoided the highly sensitive areas around the NP. Again, the design of the project did not include resolution of these types of conflicts, because the project, in its finite period of five years, set out to test benefit sharing models. Experience of the consultant has shown that donor funded projects like this are often wary of areas of deep conflict, and thus the responsibility of resolving such conflicts is often left to government. That is why the jurisdiction approach of REDD+ benefit sharing would possibly motivate government to resolve such conflicts
- Very few groups, and even fewer community members, had an opportunity to benefit because the money available was not enough. Again, the testing approach of the project could only go so far, but lessons learnt would be valuable in scaling up these kinds of benefit sharing mechanisms
- There was little involvement of the LGs in the planning process, and therefore, they did not participate in monitoring and provision of advisory services as had been expected by the project. This was especially so during the first years of the project. This situation changed very much during the last two years of the project because the weakness had been realised and addressed to a reasonable extent
- In some groups, the money generated conflicts among members because of inadequate transparency within groups. With this in mind, the participants

recommended term limits and preventing relatives serving on one executive committee in the community group constitutions

Conflict will be an ever present evil affecting the REDD+ benefit sharing arrangements. Whereas the long running conflict areas such as those in the Mt. Elgon NP and Namatale CFR were avoided by MERECP, REDD+ cannot afford to do that. They must be resolved so that permanence of carbon captured by the forests can be assured and/or leakage prevented. Therefore, REDD should also be looked at as an opportunity to re-engage the relevant stakeholders to discuss these issues and find solutions in order to avoid selective benefit sharing which leaves out other partners due to the conflict.

The R-PP provides for development of a Conflict and Grievance Mechanism as part and parcel of the national REDD+ Strategy. The success or failure of the REDD prospects in Uganda will very much depend on the extent to which this conflict and grievance mechanism succeeds to resolve the deeply entrenched problems of encroachment and PA boundary disputes. In addition, dealing with such conflicts in a humane way calls for a long and thankless process, and is full of pitfalls as a result of political maneuverings.

4.8. Trees for Global Benefits

This is a **project based mechanism.** The Trees for Global Benefits (TfGB) Project shades some light on the mechanics of sharing carbon revenues at a various levels. The project is implemented by Environmental Conservation Trust (Ecotrust), and aims to produce long-term, verifiable emissions reductions through small-scale forestry and agro-forestry contracts with individual landowners. Ecotrust negotiates money for carbon payments from voluntary sources (Chandrasekharan Behr et al, 2012).

Eligible beneficiaries are individuals who have enough land to plant trees, with some to spare for growing food crops and grazing livestock. The main benefits include:

- Money from carbon sales
- Skills training
- A good environment;
- Controlled soil erosion
- Herbal medicines;
- Firewood from prunings
- Shade for animals

Apart from the money from carbon sales, the rest are not written in the agreements but are seen as support benefits in order to achieve what is written in the agreement. Some are welcome impacts of growing the trees.

The proceeds from the carbon sales at each payment stage are distributed as follows:

Beneficiary	**Percentage**
Plan Vivo Foundation (promotes the project to international voluntary market buyers)	5.8
Verification cost	5
Carbon Community Fund	6.06

Beneficiary	Percentage
Ecotrust (the project coordinator)	28.5
The tree grower	54.6
Total	**99.96**

All foreseen cases of carbon leaks get deducted from the gross so that what is eventually paid is the net. In essence the farmer benefits from farmer's percentage and the Carbon Community Fund.

The process of transferring the carbon payments (the 54.6%) due to the tree grower) from the buyer to the tree grower is outlined below:

- The farmer applies to Ecotrust to grow trees for carbon
- When the application is accepted, the tree grower is expected to grow 50% of the number of trees he/she committed themselves to in the application before an agreement is signed (signed only when there is a carbon buyer)
- The tree grower opens a bank account at the Village Bank, and the money computed from the number of trees planted is paid into the account as follows:

Year 0:	Where 50% of the area contracted is planted, 30% of the total amount due is paid
Year 1:	When the other 50% of the contracted area is planted, 20% is paid
Year 3:	If tree survival is at least 85%, another 20% is paid. Otherwise, the farmer has to replant the dead spots
Year 5:	Survival must still be 85% and average diameter at breast height (dbh) of 10cm and above – 10% is paid
Year 10:	When average dbh is at least 20cm, 20% is paid

Many participating tree growers are already getting the money and they are expressing enthusiasm for the programme. However, it is not clear what will happen after the period of 10 years when payments end. TfGB provides valuable insights into how to deal with issues of:

- ***Exclusivity,*** where applicants were required to show evidence of ownership of land by getting the local council chairperson in the area to sign on confirming ownership of the land where there was no evidence of land title.
- ***Food security***, where applicants were required to have adequate land to grow trees (either mixed with agricultural crops or grown in woodlots) and sufficient food crops. However, this disadvantaged the ***poor people*** with little land, since the minimum number of trees to be grown for carbon purposes was 400 (about one hectare depending on spacing)
- ***Equity*** in which all people were given the same opportunity to participate in the project, provided they had enough land, free of encumbrances
- Responding to ***gender*** by requiring agreement of the spouses to participate in the project
- ***Conditionality*** in which the tree growers were paid after achieving targets agreed in the contract
- ***Participation***: the tree growers complained that they did not take part in the negotiations that fixed the carbon prices

These lessons will come in handy during the process of developing detailed guidelines for REDD+ benefit sharing. However, the project was designed to deal only with people who planted trees (indigenous species) and therefore, it was useful only in as far as taking pressure from protected areas was concerned. Accordingly REDD+ benefit sharing mechanisms should be designed to cater for those who plant trees to take pressure off natural forests and those who choose not to cut the natural forests (legally or illegally), but instead manage them (in partnership or as owners) in a responsible manner.

5. CONCLUSIONS AND RECOMMENDATIONS

The conclusions below are made on the basis of what is known and recorded about benefit sharing in the natural resources sector, with lessons also drawn from other sectors involved in revenue sharing, and management of special funds in forestry. The knowledge and practices reviewed represent the national experience that will feed into the design of REDD+ revenue and benefit sharing arrangements for Uganda. The review of documents was complemented by stakeholder consultation workshops in the Mt. Elgon Landscape in Uganda.

The conclusions and recommendations presented below will serve to guide the design and implementation of mechanisms for sharing benefits from REDD+ in Uganda. Emphasis in the conclusions and recommendations will be placed on designing mechanisms that cater for the needs of the poor people, especially those living in the rural areas and those who derive a living from forest products and services.

5.1. Benefits and beneficiaries

(ii) Learning from the experiences of the current benefit sharing initiatives in forestry sector, REDD+ payments alone will not be enough to give sufficient motivation to all parties involved to work effectively towards responsible forest management. Although the amount of money likely to be paid to the country is not known at present, it is clear that the REDD+ payments will not cover all the expectations of the wide variety of eligible beneficiaries (national & LG institutions, local communities, CSOs, private and community forest owners, politicians, etc.). Therefore, in the process of designing appropriate REDD+ benefit sharing arrangements:

(iii) A nationwide participatory assessment of stakeholders (who they are, how they will be affected, what are their interests & expectations, where are they located, etc.) should be carried out to establish those who are eligible for REDD+ benefits. The assessment should be cross-sectoral because the drivers of deforestation and forest degradation cut across a wide range of sectors. This will make it possible to establish the extent of coverage of the benefit sharing arrangement.

(iv) The design of the benefit sharing mechanism should consider investing some of the REDD+ payments in development projects like supply of clean water, VSLAs, etc. which benefit all members of the community to ensure legitimacy. But it will be important that the projects are democratically agreed with the affected communities to promote consciousness about the source of the benefits and thus motivate them towards responsible participation in forest management.

(v) Community wide benefits notwithstanding, it is important to make sure that those who own forests and those who carry out activities with a direct impact on responsible forest management are rewarded beyond the community wide benefits. This category of beneficiaries will often require cash payments in addition to other benefits like training and organisational capacity building to enable them recoup their investments. To this end, the design will need input from nation wide consultations at national to local level in order to establish appropriate guidelines for distribution of payments and other benefits.

(vi) The payments from REDD+ to forest owners and participating communities should be established with a reasonable level of certainty and the other benefits associated with carbon clearly specified as far as is possible, or as soon as they are known with clarity, so that the local people can go into the deal with free, prior, and informed consent. Only then are they likely to remain loyal to the responsible forest management programmes. This will require establishment of a credible national reference scenario against which periodic modeling for emissions reductions can be done to generate information for feeding into the communication plan which will be part of the national REDD+ Strategy.

(vii) The REDD+ benefit sharing programme provides a concrete opportunity to activate payment for ecosystem services (especially watershed management services and biodiversity conservation). This will boost the revenues accruing to the small land owners who chose to grow and manage forests (natural or planted) on parts of their land instead of growing agricultural crops.

5.2. Benefit Sharing Mechanisms

(i) While the national level scenario will lead to performance based payments made to Uganda, it will be necessary for the country to establish benefit sharing mechanisms that make it possible for distribution of benefits across the spectrum of eligible beneficiaries. At local level, eligible beneficiaries who will have to be catered for in the benefit sharing mechanisms include, but are not limited to:

- Forest owners (natural and planted)
- Community members who carry out activities in the management of protected areas (e.g. patrols against illegal activities, boundary opening etc.)
- Community leaders who carry out mobilisation, resolve conflicts, enforce customary rules, etc.)
- Community members who experience opportunity costs associated with strict regulation of access to the forest
- Other local people of goodwill but who do nothing of the above

(ii) For the eligible beneficiaries such as those listed above, it will not be possible to base the benefits due to all of them on tonnes of CO_2 emissions captured (as the forests grow) or retained (existing forest/tree stock) as a result of their actions or restraint from certain actions. Therefore, the benefit sharing mechanisms will vary according to the beneficiary and their role in attaining the emissions levels for which the country is being paid. This means that the mechanisms will be designed to be performance based (e.g. area of natural forest managed according to established standards) or input based (e.g. hours spent on forest patrols, whether illegal timber is impounded or not, local councils sitting to resolve conflicts, etc.)

(iii) There is general mistrust about the efficacy of any monies channelled through the routine government budgeting processes. The mistrust is a result of governance problems (corruption, transparency, bureaucracies in procurement & financial management, etc.) associated with such budgetary processes today. However, it must be said that these governance problems can be surmounted if the government summons the will that is needed to address the urgent problems of deforestation and forest degradation in the country. Corruption and transparency can be overcome by having leaders of high moral integrity in the decision-making positions in the sector. Procurement and financial management procedures can be devolved to a government statutory body that is designed with sufficient flexibility to deal effectively with the wide variety of eligible beneficiaries and actors in the REDD+ Strategy. Therefore, it is recommended that:

(e) A national REDD+ agency should be created under the auspices of the Ministry of Water and Environment. But in order not to be delayed by the long process that is likely to be involved in setting up a statutory body, the current draft Forestry Regulations should be reviewed to provide for an autonomous REDD+ Unit within the Tree Fund which is already provided for in National Forestry and Tree Planting Act, 2003. Creating the REDD+ Unit will serve as an opportunity to operationalise the Tree Fund, whose framework has already been approved by Cabinet.

(f) The Costa Rican FINAFIFO model could provide a starting point for the discussions on the structure and *modus operandi* of the National REDD+ Unit. Key among the discussions should be technical and administrative procedures for the Unit, including those for benefit sharing that ensure the poor and the less powerful sections of society receive the share that is due to them. In addition, the ratios of money to be retained by the forest management and related agencies to cater for administrative costs and for procurement of the other benefits like capacity building need to be widely discussed and agreed using countrywide consultative approaches

(g) The process of setting up the REDD+ Unit should consider including REDD+ decision making bodies that are constituted from community and other stakeholder representatives at strategic levels of the vertical distribution chain to take charge of the REDD+ activities, including benefit sharing (e.g. today's 1st, 2nd, and 3rd level CFM networks in forestry). These bodies would be closely involved in the high level negotiations that would decide the exact parameters of the benefit sharing mechanisms. Effective participation of these bodies will require disclosure of all information pertaining to the carbon revenues and the investments necessary to get the revenues

(h) In order to gain the confidence of all parties involved in the REDD+ activities, it will be important to establish clear and results based monitoring arrangements, including use of independent monitoring organisations, akin to the forest certification auditing firms.

(i) The project approach is likely to remain popular for a long time, and it will probably be much easier to reach the poor more effectively through this approach. In fact, the jurisdiction-wide approach will most likely also work through projects in which some of the benefits are distributed through CSOs, cultural institutions, faith-based organisations, and private sector institutions. It is therefore important that procedures for transfer of REDD+ revenues and other payments from the national REDD+ agency are developed in a participatory manner. The discussions leading to such procedures should also consider payments for ecosystem services along the Costa Rican FINAFIFO model.

5.3. Equity in benefit sharing and participation

(iv) There is a risk that REDD+ payments will be seen by some stakeholders in the light of a forestry subsidy programme, rather than a carbon programme in which people are paid for concrete outputs. To avoid this, arrangements should provide for payments to be made on a scale where the best performers get more and the non-performers get nothing. However, this will likely cause frustration among the poor because of inadequate capacities (common among the poor). Therefore REDD+ implementation programmes should be designed to build the capacity of the local people (including the poor and disadvantaged), so that all eligible stakeholders can play their roles effectively, and thus equitably share the benefits that accrue. For example, local people can take part effectively in forest protection but they need to be empowered by the forestry regulations to arrest forest offenders; they can take part in restoration planting in degraded forest area but they need appropriate equipment and tools; they will be required to report on their activities and so appropriate reporting arrangements need to be developed for them and training given, etc.

(v) Compared to the benefit sharing arrangements prescribed by law, CFM in CFRs, or collaborative resource use (in NPs) are legally recognised but not overly prescriptive about what to do and not to do. This provides a flexible arrangement in which to deal with matters of equity. Therefore, what is needed is to specify in broad terms the benefit sharing principles and a framework within which benefit sharing agreements can be negotiated. The principles and agreement framework should be included in the Forestry Regulations soon to be gazetted.

(vi) The possibilities of highjacking the REDD+ benefits by those who are relatively wealthy, politicians, their cronies, and buccaneer technocrats are real. This is because of the governance problems mentioned in Section 5.2 (iii) above. To guard against this highjack, the decision making bodies mentioned in Section 5.2 (iii) should be closely involved in channeling of REDD+ cash payments to eligible beneficiaries. In addition, the capacities of the communities involved should be built to enable them spearhead community-based advocacy when their rights are threatened. Community-based advocacy is something especially urban & peri-urban communities are increasingly doing as they demand for services from government. Their peers in the rural areas should be nurtured to do the same in terms of REDD+ benefits.

5.4. Land and/or forest Tenure

(i) Land/forest ownership, and user rights/privileges lie at the heart of legitimate and equitable benefit sharing arrangements. These tenure systems are recognised legally or by custom in Uganda but the holders of the rights are not as clear as it seems at first sight because they are multi-layered. land and/or forest tenure will therefore affect how REDD+ programmes are implemented, and thus how the benefits are shared.

(ii) For purposes of exclusivity, it will be important to clarify rights to the carbon and other benefits from forest ecosystem services or the privileges accruing from them. The Land and Forestry Acts provide general guidance on ownership and user rights/privileges but the forestry rules and statutory guidelines should specify what actually accrues to whom, especially in tenure types where ownership/use is multi-layered. For example, when someone is licensed to grow timber plantations in a forest reserve, does he/she also own the carbon from the riverine natural forests within their licensed area? Who in the clan is actually entitled to carbon and PES payments and who is privileged to get other benefits like training, etc?

(iii) Legally recorded ownership of land and forest holdings must be developed, including boundary delineation, building the legal capacity of communities, registration of the forests, and safeguards against clandestine takeover of community & family lands (land grabbing), among others. This "carbon capacity" will reduce conflicts and thus make it possible for the markets to deal with specific "carbon owners" with confidence. This is very important especially where the project approach to REDD+ is used.

5.5. Conflict management

(i) Conflict in benefit sharing, especially with respect to government managed forests will continue to haunt the forestry sector in the foreseeable future. The long-running conflicts of encroachment & boundary disputes in PAs have been perpetuated largely by political motives. Otherwise permanence of carbon captured by the forests will not be assured and/or leakage will not be prevented. The long running conflicts such as those in PAs in the Mt. Elgon Landscape and those involving extensive woodlands in the clan managed lands in Northern Uganda will not be easily resolved. The process will be acrimonious and it will be thankless. Therefore, it will require demonstrable commitment of the politicians at local and national levels before REDD+ programmes can be nationally effective. This calls for and early start on concretizing the Conflict and Grievous Mechanism included in the R-PP.

5.6. Moving Ahead

(i) Agreement on the issues above will require countrywide participation in the discussions. The discussions should be done within the framework of the Consultations and Outreach Plan outlined in the R-PP. To this end, a subgroup within the REDD Working Group should be constituted to deal with issues of benefit sharing. This needs to be done early during the REDD+ Strategy development phase so that stakeholders can participate from an informed point of view, and from a common understanding of what is in REDD+ for each one of them.

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Annex 1a: People Consulted in the Mt. Elgon Landscape

Participants from Mbale District

NAME	GROUP	TITLE
1. Nengone Rosemary	U.W.A	UWA Representative
2. Kharono Justine		Secretary
3. Mudebo Irene		Treasurer
4. Kagere Amani		Secretary
5. Shiondo George		Coordinator
6. Wayiya Muzamiru		Chairman
7. Nambuye Zwaliki	Bushiro dairy Farming Project	Chairperson
8. Masawi Rehema	Mbale Honey Enhancement & investment Project	Member
9. Esther Wazingwi	Wanale Bee Keeping	Treasurer
10. Micheal Wepukhula		
11. Namataka Alice		Vice Chairperson
12. Najala Rebecca		Project Manager
13. Duca Margaret	Local Government	Planner
14. Mafabi Muhammed	Local Government	District Speaker
15. Muliro Will	Local Government	LC5Sec.Will&Production
16. Kuloba Vincent	U.W.A	CCR for CAN
17. Mabuya George	Local Government	DFO for DNRO
18. Bisigwa Ahamed	Local Government	Chairman LC5
19. Richard Gafabusha	IUCN	Project Officer EBA

Participants from Sironko District

NAME	GROUP	TITLE
20. Namataka Rose		
21. Nabuduwa Christine		Member
22. Kisali Deo	Riverside M.F	Member
23. Muzenle Stephen	T.F.Association	Chairman
24. Namalikye Victoria	Masaba Bee Keeping	
25. Nasaga Annette	Kyesha Farmers Group	Secretary
26. Kisaali Bosco	Mt Elgon bee keeping Community	Coordinator
27. Wangoda Rogers	Masaba Integrated Bee keepers	Director
28. Neumbe Sarah	T.F.Association	Treasurer
29. Wogoli Geofrey	Local Government	Sec. DNR
30. Hon. Namonyo Frank	Local Government	Sec. Production
31. Hussein Kato Matanda	Local Government	RDC
32. Mudenga Meresi	Local Government	Speaker
33. Muyobo Peter	Local Government	Vice chair person
34. Walizala Vincent	Local Government	District Planner
35. Napagate Paul	Kyesha Farmers Group	Chairman

Participants from Manafwa District

NAME	GROUP	TITLE

NAME	GROUP	TITLE
36. Masaba Ben	Bupoto Natural Resources Mgt	Secretary
37. Buteme Kanah		Secretary
38. Watt Thomas	Bupoto	Secretary
39. Khakosi George	Wanale Bee keeping Group	Chairman
40. Namono Grace	Bupoto Natural Resources Mgt	Treasurer
41. Munika Micheal	Napiti	Chairman
42. Walimbwa M.P .Charles	Local Government	Chairperson LCVI
43. Bamwete James	Local Government	District Planner
44. Kaboole Walusali Davis	Local Government	For Speaker
45. Wambedde Maimuna	Local Government	Sec.Production
46. Bisikwa Sarah	Local Government	Ag.Natural Resources Officer

Participants from Bududa District

NAME	GROUP	TITLE
47. Muloni Vincent	CISO	Chairman
48. Nasaka Esinansi		
49. Kuloba Patrick		Chairperson
50. Kibeti Patrick	CBO	Chairperson
51. Musamali Micheal	Local Government	NRO/DFO

Participants from Bulambuli District

NAME	GROUP	TITLE
52. Makoso Felix	Mabiri Bee Support Organization	Chairman
53. Joseph Wosulliza	Kitoso	Chairman
54. Nambozo Rosette		
55. Gonyiti Sophie		Chairperson
56. Nangoli Mary		Treasurer
57. Nandira Joseph	R.U.C	Chairman
58. Gimaswa Charles	R.U.C	Chairman
59. Masuda Charles Fred		Secretary
60. Muhulo Jackson	R.U.C	Secretary
61. Nabwana Fabioana		chairman
62. Gimei Francis	R.U.C	Chairman
63. Mugide Beth		Treasurer
64. Wozanywe Milton	R.U.C	Chairman
65. Womena Jackson	GISO	
66. Wamala Anani	Kinyoto Bee keeping	Chairman
67. Nambozo Irene		
68. Birabi John	SNC/A.A.O	
69. Gimei Christopher		Chairman
70. Nengone Dalla	Local Government	District Speaker
71. Madanda Helen Sarah	Local Government	DNRO
72. Tsekeli Alfred	Local Government	DPO
73. Zebosi Nicholas	Local Government	District Planner
74. Wonanzofu Simon P	Local Government	Chairman LC5
75. Ngumbe Betty. M	Local Government	Sec. Production

Participants from Kapchorwa District

NAME	GROUP	TITLE
76. Beatrice Sumoni	Kapkwai R.Y	Member IUCN
77. Silket Mike Chemusto	Kwoti/KBA	Chairman
78. Chelangat Moreen	Tegeres Elgon(SACCO)	Secretary
79. Immaculate.N.Chemonges	Siipi Community Group Association	Treasure
80. Nasiyo Evelyn	Tangwen Kwigoti	Member
81. Tereza Mana Kitiyo	Chematuyi Resource Sharing Group	Member
82. Chelengat Janetrice	Kwoti Women Basket	Treasurer
83. Helen Cherop	Kwoti C.R.M	
84. Sharon Chemonges	K.B.A	
85. Justine Twalla	Basket Group	
86. Chekwel John	SICODA	
87. Evelyn Sabila	Kapchebut	Chairperson
88. Angela Namondo		
89. Mongin Micheal	Kapchorwa Resource Youth.	Chairman
90. Antonina Cheptogek	Tangwen	Beneficiary
91. Kipto Vincent	Kyesoum Bee Keeping	Chairman
92. Dembula Adoniia Moses	C.R.M	Chairman
93. Chokit Stephen	C.R.M	Chairman
94. Mary Mashong	Chesowu	Secretary Finance
95. Gibogi James		Treasurer
96. Maikut Youan	Tegeresi Multipurpose	Secretary
97. Catherine Mozebule		Vice Chairperson
98. Mwanga Boniface	Forest Boundary Line	Secretary
99. Simba Stephen	Kwoti Beekeeping	Secretary
100. Masuda Mibukali		Member
101. Sam Cheptoris	Local Government	District Chair
102. Waniale Vincent	Local Government	Sec. for Production
103. Ojangole.O.Silvester	Local Government	DNRO
104. Kapsandui Backson	Local Government	Speaker
105. Kamugisha Rick Nelson		Social Scientist

Participants from Kween District

NAME	GROUP	TITLE
106. Toskin Nelson	Kisito Bee Keeping	Chairman
107. Kuket Albert	Kisito Bee keeping	Member
108. Sophie Chekwoti	Kapchemoleptai Farmers Group	Treasurer
109. Mongusuo David		Chairman
110. Batei Stephen	Piswa	Chairperson
111. Chebet Juliet	Kitamoi Bee keeping	
112. Chetegei William	Kabafa	
113. Chelangat Fred	Kapta Group	Treasurer
114. Irene Cherukut	Piswa	Member
115. Nyangas Simon		Coordinator
116. Cherotwo Joselyn	Local Government	117. Speaker
118. Mangusho Robert	Local Government	District Planner
119. Chebet Siraj	Local Government	District Councilor
120. Chemusto Samuel	Local Government	DNRO
121. Difas Sarchi	Local Government	Sec. Production
122. Yapsikoria Eunice	Local Government	Sec. Gender for Chairman LCV

Participants from Bukwo District

NAME	GROUP	TITLE
Limo Moses	Local Government	CAO
123. Kusuro Isaac	Local Government	District Planner
124. Cherop Esther	Local Government	Sec. Social services
125. Sikor Stephen Mella	Local Government	Ag. NRO
126. Chebet Micheal	Local Government	District Speaker
127. Burkeywo Moses.S	Local Government	Sec. production & Env't
128. Chemonges George	Rotyo association	Chairman
129. Mashandi Patrick	Rotyo association	Treasurer

Annex 1b: Participants at the national level consultative meeting held in Kampala.

No	Name	Organisation	Title
1	Miguel Leal	WCS	REDD+ Project Manager
2	James Willian Kisekka	UCSD	Intern
3	Barbara Nakangu	IUCN	Head Of Office
5	Twesigye Bashir	Civic Response On Environment And Development	Executive Director
6	Adrine Kirabo K	ECOTRUST	Programme Coordinator
7	Margaret A Mwebesa	MWE (FSSD)	ACF/National REDD+ Focal Point
8	George Owoyesigire	MTTI	Principal Wildlife Officer
9	Kapere Richard	UWA	Senior Planner/Cc Focal Point
10	Robert Nabanyumya	Private Sector Forestry	Senior Forestry Officer
11	Amumpiire Anna	ACODE	Researcher
12	Madira Davidson	NED	Director
13	Asiku Micah	CODECA	Executive Director
14	Kabishanga Emmanuel	AFRICA ADAPT	Coordinator
15	Michael Ahimbisimbwe	MEMD	Senior Executive Officer
16	Namubiru Jaliah	EMLI	Project Assistant
17	Gertrude Kenyangi	SWAGEN	Ex. Director
18	Stu Solomon	World Bank	Environmental Specialist
19	David Nkwanga	Nature Palace Initiative	Director
20	Jonathan Kisakye	Tree Talk	Environmental Officer
21	Henry Bazira	WGI	Water Governance Institute
22	Kapere Richard	UWA	Senior Planner

No	Name	Organisation	Title
23	Charles Langan	UCB	Forestry Carbon
24	Samuel Kajoba	Norwegian Embassy	Advisor
25	Charles Walaga	Environmental Alert	Executive Director
26	Patrick Byakagaba	MUK	Lecturer
27	Robert Mbeche	IUCN	Reseacher
28	Sophie Kutegeka	IUCN	Programme Officer
29	Simon Peter Amunau	IUCN	Project Officer - Redd