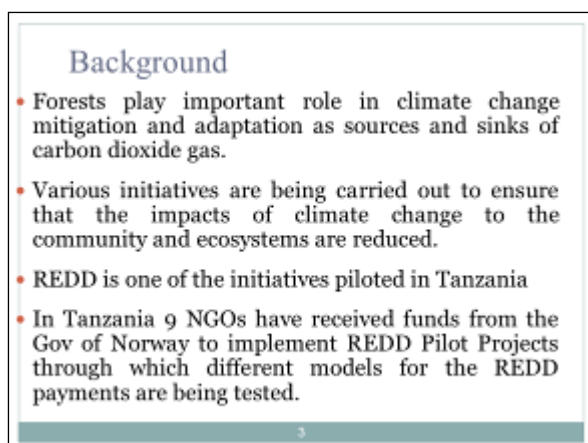


## Experience in Piloting REDD+ Payments in Tanzania

Riziki Shemdoe (Ardhi University, Tanzania)



My presentation will have these five aspects. I will talk about the background of the study, the status of REDD implementation in the country, REDD payment mechanisms that are being tested in the country by various NGOs, lessons that we learned as well as the proposed payments and benefit distribution mechanism that we think might work for the country.



Quickly, taking you to the background, I think we have been discussing quite a lot on issues related to REDD and forest and climate change and some of the initiatives that are being carried out to embark on reducing emission is REDD from the start of this seminar. In Tanzania, we have nine pilot projects that have been funded to pilot REDD and REDD payment systems. I have taken five pilot projects out of nine, that I will share with you on the mechanisms that these NGOs actually using in enhancing benefit sharing.

PAYMENTS EXPERIENCE FROM REDD PILOT PROJECTS IN TANZANIA		
SN	NGO	Project
1	TFCG/MJUMITA	Making REDD Work for communities and Forest Conservation in Tanzania: Carbon Enterprise Development
2	MCDI	Combining REDD, PFM and FSC Certification in South – Eastern Tanzania
3	TATEDO	Community – Based REDD Mechanisms for Sustainable Forest Management in Semi-Arid Areas (Case of Ngaitilis in Shinyanga Region)
4	CARE	Carbon Incentive Payment Test
5	JGI	Building REDD Readiness in the Masito Ugalla Ecosystem Pilot Area in Support of Tanzania's National REDD Strategy

These are the five NGOs. We have the Tanzania Forest Conservation Group, the Mpingo Conservation and Development Initiative, the Tanzania Traditional Energy and Development Organization, CARE International in Tanzania<sup>1</sup> and the Jane Goodall Institute. These are some of the NGOs that are 'Piloting REDD in Tanzania,' and they have various mechanisms that they are testing for benefit sharing, mainly REDD Payment Mechanisms. I have grouped these into five cases. The very first case is the case from Tanzania Forest Conservation Group, and I will just talk about the models that they are using.

### Case 1: TFCG/MJUMITA

- Title:** Carbon Enterprise Development
- Requirements:**
  - To develop a simple and transparent system that ensures fair decisions in REDD implementation
  - To develop a village by-laws for REDD revenues sharing guided by Local Government Act of 1982;
  - The village by-laws be prepared in a participatory manner;
  - Equally distribution of funds to all villagers in the respective villages.

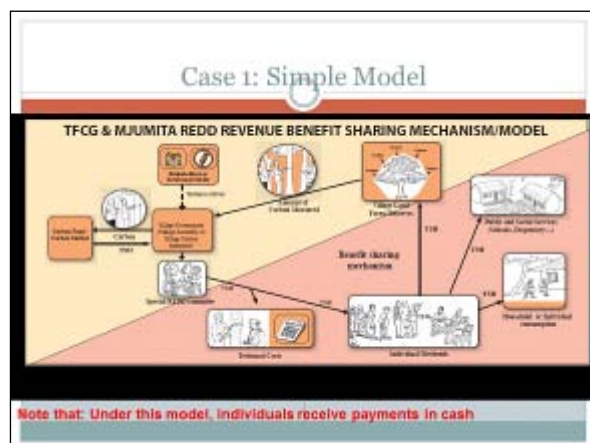
### Case 1: TFCG/MJUMITA

- Conditions for payments**
  - Completion of :
    - VLUP and CBFM at village level
    - Carbon assessment according National Forestry Resources Monitoring and Assessment (NAFORMA) protocol
    - Estimates of potential carbon revenues according to the historical deforestation rate, potential leakage factor and current prices of carbon credits in the voluntary market
  - REDD revenue distribution by-law approved by the village assembly
  - Absence of any conflict within and between communities

They are trying to develop the so-called Carbon Enterprise. Under this model, the requirement for the model is that, before the village or before the community is accessing the funding, the community has to develop a simple and transparent system that ensures fair decisions in REDD implementation. They have to develop a village by-law that has to be shared and guided by the Local Government Act of 1982, and the village by-laws must be prepared in a participatory manner. That means it has to be shared at the village level and they have to make sure that there is a mechanism of equal distribution of the funding that the communities will share.

<sup>1</sup> Cooperative for Assistance and Relief Everywhere: <http://www.care.org/careswork/countryprofiles/100.asp>

Conditions for payments are that the village has to have a Village Land Use Plan and also must have done a carbon assessment based on the NAFORMA or National Forestry Resources Monitoring and Assessment. They also have to estimate potential carbon revenue according to historical deforestation, so they have to have at least a baseline. They also have to have the approved REDD by-law and there must be no conflicts at the village level.



This is actually the model of the first case they are using. I will not talk much on the model due to the limited time that we have. Under this model, what we have to note is that individuals receive payment in cash. At the end of the day every person in the village would get at least a single dollar out of the funding.

**Case 2: Mpingo Conservation and Development Initiative (MCDI)**

- **Title: Combining REDD, PFM and FSC Certification in South – Eastern Tanzania**
- **The model:**
  - Revenue generated from the sale of carbon credits provide the funding for further expansion of PFM work
  - The existing Forest Stewardship Council (FSC) certification scheme deliver community benefits from selling logging rights.
  - For the REDD payments, Village Natural Resources Committees (VNRC) have the responsibility of monitoring revenue from the sale of timber and providing reports to the village governments.

**Case 2: Mpingo Conservation and Development Initiative (MCDI)**

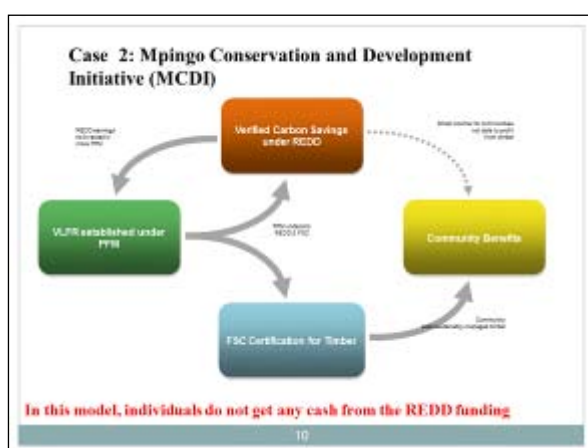
- **Conditions required for the payments:**
  - Involvement of the Villagers in the planning of the use of funds through village assembly meeting
  - Communities decide to either give certain amount to the district based on responsibilities in maintaining and managing the forest
  - The revenue are shared between the Village and the Village Natural Resources Committee (VNRC)
  - Revenue that remains in the village are used for forest management activities as set out in the annual action plan.

In the case 2, that is Combining REDD, Participatory Forest Management (PFM), and FSC<sup>2</sup> Certification, is implemented by the Mpingo Conservation and Development Initiative. The model tells us that the revenue generated from carbon sale will be used to add on, or to bring in more villages that will participate in the PFM, and the existing Forest Stewardship Council certification scheme delivers community benefits from selling the logging rights. Here, there is a Village Natural Resources Committee that is actually

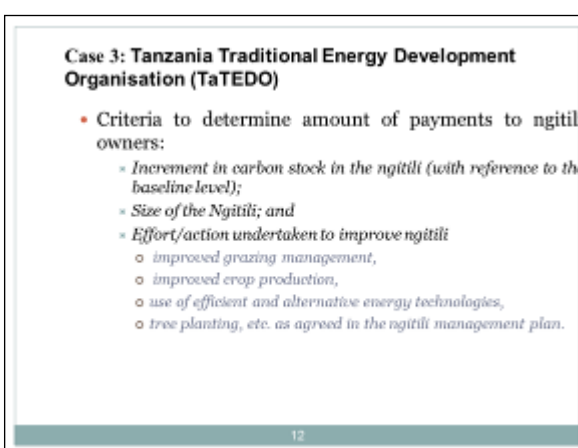
<sup>2</sup> Forest Stewardship Council: <http://www.fsc.org>

looking at everything related to benefit sharing.

The conditions for payment are that all villagers should be involved in the planning and also the communities to decide whether to give some money to the district or not. The revenues are shared between villages and the Village Natural Resources Committee, and the revenues that remain in the village are used for village development activities.



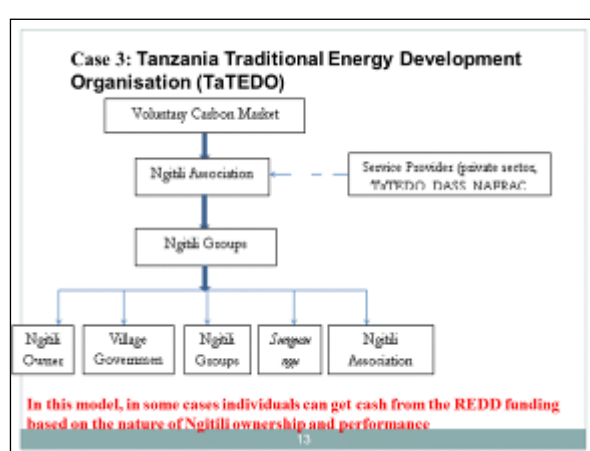
This is the model. I will just indicate here that in this model individuals do not directly get any single shilling to their pockets. All the funds that will be generated will be used for Village Development Projects.



The third model is from Tanzania Traditional Energy, Development and Environment Organization (TaTEDO) and the model is based on a traditional in-situ pasture conservation system called Ngitiri. Ngitiri itself talks about people conserving pasture for livestock for the whole wet season and they will always accept people to use the pasture during the dry season. They are expecting that they will generate quite a lot of vegetation that can absorb a lot of carbon. These are divided into three: There are

individual household-owned Ngitiri, there are community-owned Ngitiri, and there are institutions-owned Ngitiri .

On the criteria that determines the amount to be paid; first of all it depends on the increment of carbon in the Ngitiri. It depends on the area and the size of the Ngitiri and the efforts or actions that are taken to improve the Ngitiri. This also takes into account this resource and these resources as well: improved grazing, improved crop production, the use of efficiency and alternative sources of energy and also tree plantings agreed in the management plan.



Under this model, individuals can get some money based on the type of ownership of these traditional Ngitiri.

**Case 4: CARE Tanzania Project**

- **Title:** Carbon Incentive Payment Test
- **The model**
  - CARE has developed a payment sharing model which takes into account forest aspects where by :
    - 60% of the funding is being directed to forest activities,
    - 30% of the funding is directed to social and development projects and
    - 10% of the funding is uses as a transaction cost.

**Case 4: CARE Tanzania Project**

- **Conditions**
  - Establishment of aggregation entity
  - Establishment of payment systems under Community Forest Management Agreements (COFMAs)
  - Establish the list of the communities in the areas that should share the 30 %.

CARE International in Tanzania has a Carbon Incentive Payment Test whereby CARE has developed a payment sharing model that takes into account forest aspects whereby they think that 60% of the funds generated by selling carbon will be directed to the forest activities. 30% will be shared between communities in the participating villages, and 10% will be used as a transaction cost.

The condition for the payment is that there must be established aggregation entity and the mode of payment systems and there must be list of all community members who will share the 30%.

### Case 5: JGI REDD+ Project

- Title: Financial Incentive Payment Test.
- **Works under three levels**
  - CBO
  - Village Council and
  - Community
- Requirements:/Criteria
  - Involvement in forest patrols
  - Action taken on illegal forest harvesters/poaching
  - Law enforcement
  - Conservation awareness creation
  - Efforts towards reduced illegal activities

### Case 5: JGI REDD+ Project

- **The criteria used to distribute the trial payments:**
  - 10% is retained by CBO as a transaction cost,
  - 90% will be distributed to village development projects for various used including establishment of alternative income generating activities.
- IGAs under JGI include:
  - bee keeping ,
  - poultry project and
  - improved crop production

The fifth one is the JGI REDD<sup>3</sup> Project and this works on three different levels: The community based organization, village council, and the community. The requirement for this is that the community should be involved in some of the activities such as forest patrols, action taken on illegal forest harvesters, law enforcement, conservation awareness creation, and efforts towards reducing illegal activities.

On the benefit sharing, the criteria are that 10% of the funds will be retained by the CBO<sup>4</sup>. The CBO will use this money as a transaction costs and 90% will be taken to the community whereby the community will decide what to do with the money. In most cases, they do the village development activities and also the income generating activities such as bee keeping, poultry projects, and some improved crop production. Out of these what do we learn? After analyzing these models, we learned the following lessons.

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<sup>3</sup>Jane Goodall Institute: <http://www.janegoodall.org/programs/tanzania-redd-program>

<sup>4</sup>Community-based Organization



### Lessons

- All models are still in the INFANT stage, thus there is a need to evaluate the models in their final year of implementation to ascertain which model should suit the country;
- There is a need to balance the benefit sharing for the forest activities and the income to the communities in the respective areas where these models are tested;

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One of the lessons that we are learning is that all pilot projects are still in the infant stages. Two to three years have passed since their implementation, so we cannot really say whether these models can indeed tell us what we wanted to learn, but at least we can use them to have a more of a case to argue on what is currently happening. What we learn also is that there is a need to balance benefit sharing for forest activities and the income of the communities. This is very important as if you do not generate income for the community who are depending so much on the forest and demand them to conserve the forest where community has been benefiting from the specific forest actually you would not get anything out of it.

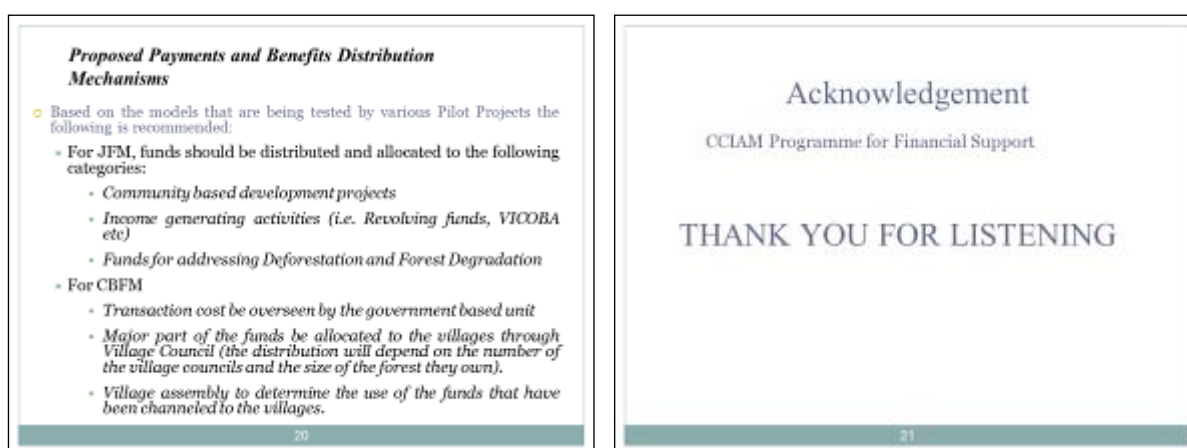
### Lessons

- Alternative income generation activities are needed to assist the community not to depend entirely in the forests
- There is no guideline for REDD payments in the Country
- There is a need of establishment and capacitating CBOs under REDD to sustain REDD activities after the pilot phases out.
- There is a need to ensuring that the existing government structure is not excluded to ensure sustainability
- Transparency in handling the carbon finance is needed

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The other thing is that there is a need for alternative income generating activities needed to assist communities not to depend entirely on the forest resources. We also learned that there are no guidelines for the benefit sharing, thus, each NGO had to do whatever they think that is right. There is a need for establishing kind of guideline to guide the benefit sharing. There is also a need to establish capacitating CBOs and sustaining REDD activities after the pilot project phases out. There is a challenge here that after the pilot project phases out, and if there are no further policies at the government level to push forward REDD, what will happen? Are we going to sustain the activities that the pilot projects have actually initiated? There is also a need to ensure that the existing government structure is not abandoned.

We have seen that in some of these pilot projects they have sidelined the government structure and this is actually very bad, to some extent, because if the NGO leave, supposing it was led by 'L', and they will say, okay this project was not a government project, it was L's project, which actually would not be good for sustainability. We are advocating for the need to ensure that the government structure is actually is not left behind during the implementation. Also we need to ensure transparency in handling the carbon finances as one of the safeguards. What do we propose?



In these studies, we have seen that the payment mechanisms that are implemented by these organizations are based on two types of forests management approaches. Joint forest management and community based forest management. For the joint forest management we advocate that the model should take the community-based development projects onboard. The model should take income-generating activities and also should have some funds that are addressing drivers of deforestation and forest degradation. Any carbon money that will be generated one has to ensure that some amount should go to community-based development projects, some to income-generating activities, and others should be set aside to address drivers of deforestation and forest degradation. For the community-based forest management, the transaction cost should be overseen by the government unit. The government should establish a unit that will also look at the transaction costs and also major part of the funds should be allocated to the villages, and village assemblies should determine the use of the funds.

I thank CCIAM<sup>5</sup>, this is the one that funded the project, and I also thank the organizers for supporting my being here.

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<sup>5</sup>Climate Change Impacts, Adaptation and Mitigation : [www.sim.ul.pt/cciam/](http://www.sim.ul.pt/cciam/)