



BUILDING
CAPACITY
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Pact Cambodia

Update on OM REDD and REDD Benefit Sharing: Theory & Practice

Presented by Kurt MacLeod, VP Asia Eurasia,
TWG, March 31, 2011

OM REDD

- OM CF REDD – Cambodia's 1st CF mosaic REDD project (68,000 hectares with 13 CFs)
- Coincides with Natl. REDD Roadmap process– practical experience and capacity to articulate Cambodia's approach to REDD
- Approved by the Council of Ministers Decision 699 in May 2008
- Highlighted in the R-PP, supports the NFP
- Provides lessons learned to the region & world

Recent Achievements – Mar 11'

- 'Mosaic' Methodology approval by Tuv Sud and SCS
- Ongoing support for 13 CFs
- Capacity building for CFMCs – social/biodiversity assessment
- Social assessment (300 HHS, 13 PRA)
- Biodiversity assessment in 4 CFs – High Conservation Value (HCV) species identified
- Draft project monitoring framework
- Repeated Biomass inventory in 5 CFs
- ANR demarcation in 9 CFs
- VCS project design document input (TGC currently finalizing)
- ERPA development (w/FA & TGC)

The next 6 – 12 months

- Finalize FA/Pact MOA, workplan and budget
- Signing ceremony for remaining 2 CF Agreements w/FA (Phaav, Rolus Thom)
- Finalize VCS PD (TGC) - FA review
- OM capacity building: project implementation, establish participatory monitoring system
- Facilitate 1st site visit project verification with independent verifier – review & address findings
- Go to market (TGC) – develop marketing plan, Term Sheet, find/select buyers
- Draft & review agreed ERPA & benefit sharing mechanism

Benefit Sharing

Key Principles

- **Transparency and Accountability** (annual audit shared publicly)
- **Equity** (stakeholders fairly compensated for work done)
- **Participatory** (involvement of key stakeholders including communities)
- **Incentives** (supports SFM)

Learning from Experience

- Government mechanisms
- PES
- Limited but some examples of REDD benefit sharing mechanisms
- Grants delivery mechanisms

Pilots vs. National Level

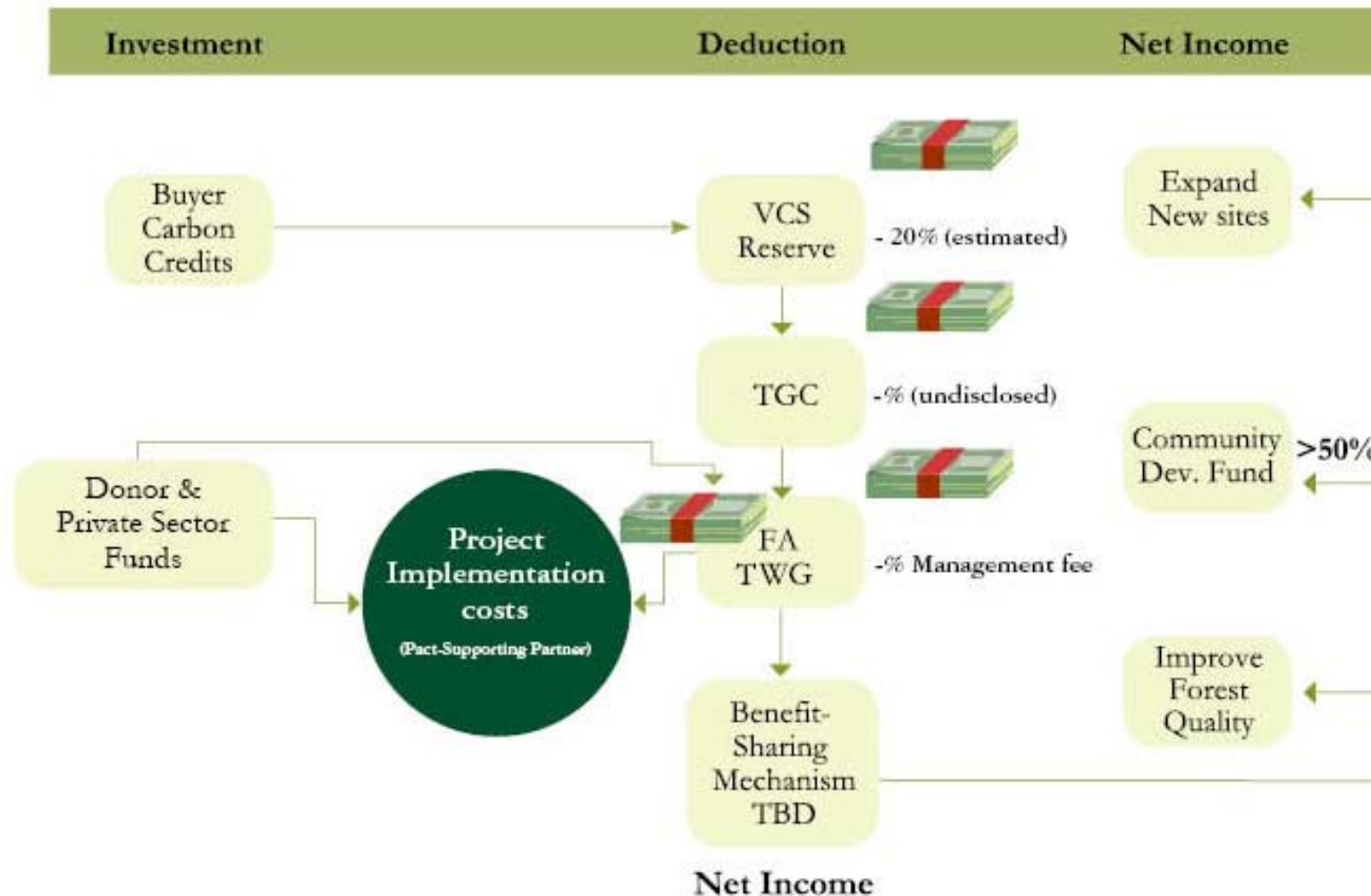
- National level systems will take time to develop
- National level systems will be necessary when there are larger sums of revenues
- Pilots allow testing of different mechanisms
- Pilot systems can eventually be folded into national systems

Government Decision No. 699

- Designates the FA as the Seller of forest carbon in Cambodia.
- The RGC is responsible for helping to fulfill the terms and conditions in the Emission Reduction Purchase Agreement (ERPA).
- Revenue from the Project will be used to:
 - Improve the quality of the forest;
 - Maximize the benefits flows to local communities who are participating in the project,
 - Study potential sites for the new forest carbon credit REDD project
- Revenue from the project will be channeled through the TWG-F&E during the first five years of the project

Decision does not clarify procedures

Oddar Meanchey CF REDD: Proposed Flow of Revenues



Proposed Mechanism

Management & Project Implementation Costs:

- Revenue flows to TWG Secretariat, where 5% is deducted as a management cost
- Collaborative 30 year workplan with clear responsibilities
- Five year WP and budget of Pact as Implementing Partner approved by FA and funds are disbursed on regular basis
- IP delivers small grants to local NGOs, CF Association and CFMC capacity development
- IP and FA reports to the TWG on a bi-annual basis

Additional Considerations

- Sufficient funds should flow to the CFMCs and local FA
- How will the FA report to the National Govt. on these revenues. Are the revenues subject to tax.
- Performance-based payments at what level (carbon sequestered in each site)
- Cash payment to CF members, in-kind support (training, etc.), community grants
- Payments based on size of the area (could use a coefficient)
- Long term revenue mechanism after first 5 years (example endowment/trust fund to cover activities after year 6 and after the 30-year project finishes)



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THANKS