

The legitimacy of multilevel governance structures for benefit sharing

REDD+ and other low emissions options in Peru

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Key points

- Local governments, indigenous organizations, producer groups and government agriculture offices are noticeably absent from broad regional REDD+ discussions about benefit sharing.
- The legitimacy of project-level benefit-sharing arrangements may be compromised if existing locally recognized institutions and actors are not integrated into both the design and implementation of benefit-sharing schemes.
- Non-monetary benefits are currently more important than direct cash payments in existing benefit-sharing arrangements in Peru, especially because of the absence or delay of carbon payments.

Benefit-sharing arrangements for low emissions development: a multilevel and multi-sectorial challenge

Land-use decision making is inherently a multilevel process. Numerous actors¹ are involved, both directly and indirectly, representing multiple scales and sectors. These include national and subnational governments, private firms, nongovernmental organizations (NGOs), indigenous communities, smallholders and other civil society organizations (CSOs). Land-use decisions include benefit-sharing arrangements in initiatives aimed at reducing carbon emissions from land use such as REDD+. Benefit sharing refers to the distribution of both monetary and non-monetary benefits generated through the implementation of these kinds of projects (Luttrell et al. 2013).

The many actors involved in benefit-sharing arrangements have different perspectives, interests and powers. The design of such arrangements is shaped by the governance institutions and processes that determine who participates, who makes decisions, how decisions are made and who influences whom, how and why. In landscapes that involve multiple actors, land uses and sectors, it may not always be possible to simultaneously achieve desired livelihoods, equity and carbon outcomes. Trade-offs must therefore be negotiated through multilevel governance structures and instruments for benefit distribution (ibid).

Benefit-sharing structures and processes can be characterized as more or less legitimate. Legitimacy refers to the democratic nature of decision-making processes and reflects opportunities

for representation and participation, as well as the transparency of such processes (Beisheim and Dingwerth 2008). REDD+ and similar initiatives depend on the quality of governance arrangements and the perceived equity of benefit sharing (Corbera et al. 2007; Pham et al. 2013).

Peru has opted to adopt a nested-jurisdictional approach for REDD+, but the development of the national benefit-sharing system has just begun. In this context, an immediate challenge is the creation of a multilevel governance architecture and process that integrates the benefit-sharing proposals and *ad hoc* arrangements emerging at the project and regional levels into a national benefit-sharing system compatible with REDD+ and other initiatives for low carbon emissions.

This brief presents data from multiple sites of land-use change in Peru – including, but not limited to, REDD+ pilot initiatives – to assess the legitimacy of multilevel governance institutions through which benefit sharing is being negotiated. First, REDD+ processes at the regional level are discussed based on 125 key informant interviews in Madre de Dios, Ucayali and San Martín, followed by a description of approaches to benefit sharing at the project level. Second, the legitimacy of these strategies is assessed based on data from interviews with 109 respondents from nine case studies (see Table 1).² The conclusions follow.

¹ For ease of reading, acronyms have been used throughout the text. A glossary appears at the end of the brief.

² Our methods did not include household-level interviews and thus we were not able to get at some very important issues such as gender in benefit-sharing arrangements, which is being researched in other CIFOR activities.

REDD+ policy discussions at the subnational level

San Martin and Madre de Dios have made more progress on REDD+ than other regions, as they are the two pilot regions where the Ministry of Environment (MINAM) has dedicated funding and support since 2012.³ Each region is characterized by different governance dynamics, including the diversity of actors participating in the REDD+ process.

In the absence of a national benefit-sharing system for REDD+, which the national and some regional environmental authorities have recently begun to discuss, regional actors have developed their own REDD+ roundtables to discuss and negotiate the development of REDD+. Created at different times in each region, these roundtables have provided an important forum for the development of REDD+ initiatives and activities. They are regional inter-institutional working groups that allow actors operating at the subnational level to address issues concerning forests and REDD+, including benefit sharing, and negotiate future steps. The REDD+ roundtables have fostered coordination among governmental and nongovernmental actors, including pilot initiative proponents. Though all roundtables provide an important space for developing REDD+ at the regional level, they vary as to their level of activity. Madre de Dios is the most active, meeting frequently with all members, whereas in San Martin only the technical team, which engages few people, meets regularly. Ucayali's roundtable is starting to meet more frequently, though it was created more recently.

The most active participants in the roundtables include the regional environmental authorities, project proponents (mainly NGOs) and other NGOs. In some cases, other CSOs such as indigenous groups and producer organizations are invited, but few attend; in other cases, they are not invited. Local governments are not invited. Previous research has suggested that government involvement in, and ownership of, such processes can be key to advancing REDD+, underscoring the importance of this issue (Sehring et al. 2013). In addition, some actors are concerned about the NGOs' high level of influence on the regional agenda, criticizing their control over projects and information. Some respondents even characterized them as having "infiltrated" government decision-making processes. At the same time, NGOs have also filled some gaps at the regional government level, for example by providing technical capacity and expertise.

Another major issue that emerged from key informant interviews is the lack of coordination in government, both within and between national and regional levels. For example, different offices at the national level are using conflicting deforestation maps, which affects all regions. Still other maps are used at the regional level, such as in Madre de Dios. Some regions have moved faster than the national government and now feel hampered by slower national progress, as well as the lack of methodological clarity, all of which leads to confusion. In addition, in all three regions, regional offices managing other sectors such as agriculture and mining are not involved in the

roundtables, even though these actors have substantial influence on land-use decisions.

Local governments and indigenous and producer organizations are not well represented in the regional REDD+ roundtables, in part due to lack of resources, such as travel funds, to facilitate their participation. In addition, the technical nature of roundtable discussions discourages broader participation. Almost none of the 22 district governments interviewed were informed about REDD+, and in most cases, they did not even know about REDD+ project activities in their district or province.

Though indigenous organizations have participated little in the broader regional roundtables, AIDSESEP, a leading indigenous peoples' organization in Peru, spearheaded the creation of parallel national and regional indigenous REDD+ roundtables in 2011. While many were initially skeptical of REDD+, key indigenous organizations have moved towards the position that REDD+ is acceptable if it is compatible with indigenous land-tenure security, livelihoods and cultural values.⁴ A representative of AIDSESEP's regional branch in Ucayali (ORAU) argues that "without territory [rights], we will not accept REDD+."⁵ In practice, several indigenous communities in Ucayali are already participating in REDD+ projects, such as the environmental services projects led by AIDER, a Peruvian NGO. AIDSESEP is negotiating directly with REDD+ proponents, including the World Bank.

Benefit sharing at the project level

As mentioned previously, this study included both REDD+ and other initiatives aimed at reducing deforestation such as payment for ecosystem services (PES) projects. REDD+ initiatives, which are still in their early phases, are primarily distributing only non-monetary benefits, rather than cash payments for environmental services or carbon credit sales. Capacity building, technical assistance for improved forest management and mechanisms to promote land-tenure security are among the most common types of benefits. All projects provide non-monetary benefits to locals in the form of other goods and services. In addition to benefits, there may also be costs or burdens assumed by project proponents or communities in relation to low emissions development initiatives. This section summarizes the diverse projects (see Table 1) and the types of benefits and burdens found in the case studies (see Table 2). Projects are referred to by their case names presented in Table 2.

Direct monetary benefits: In the cases examined in this study, direct monetary benefits were rare, and were identified in only two initiatives at the time of the research. To a large extent, the lack of direct monetary benefits in REDD+ and other low emissions development initiatives is due to the absence of a global or national compliance market for carbon; some project proponents promise direct monetary benefits once linkages to carbon markets are reliably established. For example, once the BAM project sells carbon credits, it will retain 70% and

⁴ For example, indigenous leaders sometimes refer to *Vida Plena*, or "full life."

⁵ ORAU's Declaration and Regional Agreement on Indigenous REDD+, June 28, 2011.

³ Funding and support were not equally distributed to San Martin and Madre de Dios.

Box 1. The Madre de Dios and Ucayali REDD+ Roundtables

In Madre de Dios, the roundtable has been the focal point of an emergent regional coalition of actors interested in advancing low emissions development. Among other accomplishments, the roundtable has been widely recognized for its work between 2011 and 2013 in coordinating the establishment of regional deforestation reference levels. Despite these accomplishments, the roundtable has still faced several challenges. Harmonizing these regional initiatives with the national approach advocated by offices in MINAM has been problematic, and discussions on how to proceed are ongoing. Also, producer organizations have expressed fears that large NGOs will impose their agenda through the roundtable without adequately considering the interests of smallholders and farmers. Clarifying its role, and addressing these concerns, presents an ongoing challenge for the roundtable as discussions related to benefit sharing move forward.

In Ucayali, the REDD+ roundtable has struggled to coordinate with the regional indigenous organization, ORAU, as both groups have different agendas. ORAU's representatives attend the Ucayali roundtable meetings, but usually abstain from voting since they need to consult with ORAU's board before making decisions. Some consider this to be a bottleneck for indigenous participation in REDD+ discussions. Today, the alternative Ucayali Indigenous REDD+ Roundtable is formally part of the Regional REDD+ Roundtable.

relinquish 30% of the profits to the Brazil nut concessionaires association involved in the project (FEPROCAMD) to disperse equally among its members. In addition, in 2009, BAM invested USD 500,000 in FEPROCAMD, which partly supported micro loans to concessionaires. According to BAM, these micro loans have been effective in helping producers cover immediate needs and hold out for better market prices for the sale of their Brazil nuts, though some have not paid back the loans. In the case of ACOPAGRO, the company Pur Projet provides farmers with trees for its reforestation project and pays them one Peruvian Sol for each tree that they plant and maintain for several months after planting. Local participants refer to this project as "my retirement" (*"mi jubilacion"*) and see it as an investment for their children, who can benefit from the future timber harvest. This is not yet considered a REDD+ project, however.

Capacity building: Several cases involved training on issues such as environment, REDD+, strategic planning, forest management, territory surveillance, business management, tourism and park management. Capacity building is central to the benefit-sharing arrangements of BAM-Ucayali, AIDER-Ucayali, AIDER-MDD, CIMA-PNCAZ and CI-AMPF. As part of conservation agreements in CI-AMPF, subscribers are trained in improved coffee management and production (see Box 5).

However, sometimes these efforts are more concentrated on community leaders than on the broader population, like in the case of AIDER-Ucayali. Other respondents have linked capacity building to environmental changes witnessed on the ground. Reflecting on CIMA's trainings and education on environment and strategic planning around a national park, one municipal authority stated: "before, [communities in the park's buffer zone] hunted animals without taking precautions, but now this has been controlled." Another local authority remarked that people "are becoming more environmentally conscious", are now "making decisions based on this, and [they] respect the watersheds" and see that "saying 'no' to logging results in the improved management of their coffee plantations."

Technical and legal assistance: Technical assistance is one of the major benefits included in most all of the benefit-sharing arrangements explored. Given the general goal to reduce deforestation and degradation, project proponents have focused on providing free technical advice to ensure the support and assistance of participants in reducing potential and existing deforestation and degradation threats. The cases of BAM-MDD, ACOMAT, CI-AMPF, and CIMA-PNCAZ demonstrate the different forms of technical assistance provided by project proponents. They help with paperwork and provide legal/administrative advice for diverse purposes such as harvesting forest products and complying with forestry regulations; they also provide technical support for exploring alternative sustainable livelihoods. For example, in the AMPF, CI has provided technical support for coffee production to those who follow the rules set out in the conservation agreements.

Land control and tenure security: Several of the cases demonstrate efforts to reduce threats to land-tenure security by setting up mechanisms to stop encroachment into project areas (AIDER-MDD, BAM-MDD, ACOMAT, BAM-Ucayali). Local people control these areas in return for other benefits, but also benefit from the collective effort to secure their own properties. However, in only one case (ACOPAGRO) did the project proponent make a concrete commitment to secure land titles for local people. ACOPAGRO has been working with the regional government to secure land titles for the majority of its members. The National Protected Areas Service's (SERNANP) involvement in the AIDER-MDD project also signifies an additional form of land security and protection for community members. SERNANP has placed nine control towers in the Tambopata reserve and its buffer zone and has increased monitoring and control in this area. AIDER also plans to construct a control tower in the traditional mining sector of the buffer zone. These initiatives have helped protect local peoples' lands from invasion.

Organizational strengthening: In several cases, project proponents have helped to create and/or strengthen an organization representing local communities in order to create a space for dialogue and information sharing between actors. Such associations can motivate local support and participation in initiatives. In 2009, BAM helped to legally reestablish and strengthen FEPROCAMD, which

represents all Brazil nut concessionaries in the project. Similarly, AIDER created a Consultative Group that will receive training on issues related to forest management and REDD+. This group is also expected to disseminate information about REDD+ in participating communities. Several informants noted the problematic nature of project proponents' role as both advisers and proponents, as support from these spaces will ultimately benefit proponents by advancing their projects.

Employment: Employment opportunities through initiatives are not common and tend to benefit only a few people. For example, CIMA hires 18 communal park rangers to assist SERNANP's park management efforts in PNCAZ and pays the park rangers USD 100/month. Every year, CIMA hires a different set of individuals to provide this support in the area. Similarly, in the conservation initiative (AMCI) in the Alto Mayo Protected Forest (AMPF), REDD+ funding has gone towards the hiring of 16 park rangers, the construction of park ranger lodges and provision of equipment to improve park management.

Information and knowledge sharing: One project proponent facilitate research in the project area, which enhances knowledge for project partners and local communities with whom results are shared. For example, AIDER offers technological and research assistance to SERNANP. There is ongoing information sharing among SERNANP park rangers, AIDER employees and visiting researchers. AIDER has held several workshop trainings on geographic information systems (GIS) mapping and wildlife inventories with local leaders.

Access to natural resources: This benefit was apparent in all of the cases involving indigenous populations (AIDER-MDD, CIMA-PNCAZ, BAM-Ucayali). In the case of AIDER-MDD, for example, AIDER ensured the recognition of the traditional uses of indigenous communities (Infierno, Palma Real, Kotsimba) and ancestral use of non-indigenous communities (Sandoval and Nueva America) in SERNANP's Master Plan for the Tambopata

Box 2. When tenure is not a benefit but a requirement for benefits

In the benefit-sharing arrangement established in the BAM-MDD case, concessionaires had to first show FEPROCAMD their concession agreement with the regional government of Madre de Dios, which demonstrates their (temporary) legal rights to land and forest products. After that, they signed an agreement that gave FEPROCAMD ownership and use rights over sequestered carbon – but not their products (i.e. Brazil nuts and timber). FEPROCAMD then signed an agreement with BAM that demonstrates that FEPROCAMD transfers rights to sequestered carbon from the project area to BAM, and in return, BAM is responsible for business development and investment for FEPROCAMD. This case demonstrates the potential importance of tenure in qualifying local people for participation in initiatives and underscores the complex property rights transactions that may occur as part of low emissions development initiatives.

Box 3. Burdens and costs

Burdens for project proponents: Our findings demonstrate that the delay in carbon sales and the cumbersome process for obtaining voluntary certification for REDD+ projects have placed significant pressure on project proponents to obtain external funding to cover substantial start-up costs.

Burdens for beneficiaries: Communities incur costs when they are barred from continuing their traditional practices as part of an initiative, as in the cases of Mishquiyacu-Rumiyacu, CIMA-PNCAZ, and AIDER-MDD. Despite the delay in payments from carbon sales, to date, project participation has placed few burdens on communities primarily because proponents take on the burdens or costs while communities receive benefits and incentives. The extent to which required behavioral changes – such as discontinuing traditional agricultural practices – represent costs or burdens depends on the availability of alternative livelihoods or compensatory payments, as well as on the legal tenure and de-facto use status of land.

National Reserve and Bahuaja Sonene National Park for 2011-2016 (SERNANP 2011). These communities are therefore allowed to hunt, fish and gather non-timber forest products (NTFPs) for subsistence purposes.

Burdens: Burdens are experienced primarily in the form of limits on prior livelihood activities. In the case of CIMA-PNCAZ, for example, where local communities reside in the park's buffer zone, they are prohibited from entering the area to hunt without prior authorization and are limited as to how often they can hunt. Informants noted the lifestyle change: they used to hunt frequently in the park, are limited as to the species, quantity and season in which they can hunt as stipulated by park management regulations. One communal authority admitted that his community opposed the presence of park rangers, because, as he said, "We are protecting our forests!" One municipal authority reflected on the challenges presented by these limits in the buffer zone: "it was a little shocking because [the communities in the buffer zone] didn't like that they were told they could *not* do XYZ." On the other hand, he noted that over time people have seen how the animal population has risen and that there is now more trust between local communities and park rangers than when the park was created.

Similarly, in the case of Mishquiyacu-Rumiyacu, local communities are prohibited from undertaking certain land-use practices. For many, participating in the initiative does not provide sufficient livelihood alternatives or immediate benefits to meet their short-term needs. Several participants interviewed participate in the local apiculture association and benefit from honey sales, although the associated income is minimal. Others expressed frustration with the limits placed on them and the meager benefits they receive from the project. Nevertheless, since most participants also

have a house in the nearby city of Moyobamba, they feel less burdened by the project restrictions; this, however, calls into question the sustainability of the initiative, which may ultimately see the departure of most people from the participating rural communities in the future.

The legitimacy of existing benefit-sharing arrangements

Given the multilevel and multi-sectorial nature of low emissions development initiatives, benefit-sharing arrangements at the subnational level are being negotiated through both multilevel governance forums such as REDD+ roundtables and local organizations created or strengthened by project proponents. Ensuring that these negotiations are open and inclusive is essential to assuring that the benefit-sharing arrangements are legitimate and that outcomes for those affected are fair.

Legitimacy can be broken down into two interrelated components: the legitimacy of processes, or procedural legitimacy, and the legitimacy of outcomes. Legitimate processes are expected to generate legitimate outcomes (eg. Bäckstrand 2006). Procedural legitimacy is founded on a participatory democratic process and “depends on the degree to which those affected by [decisions] have been included in the decision-making process and have had the opportunity to influence the outcomes” (Young 2000, 5-6). This understanding of legitimacy holds that the process must be open and inclusive because only groups that feel they have had a legitimate opportunity to participate will develop a commitment to the process (eg. Ansell and Gash 2008). By requiring representation and participation, coordination and transparency in all phases of the decision-making process, procedural legitimacy facilitates understanding and cooperation. REDD+ must enable the engagement of a range of stakeholders (Mayrand and Paquin 2004) who are affected by decisions and who should have the right to access information during the REDD+ process (Corbera et al. 2007; Vignola et al. 2012; Pham et al. 2014). Their involvement in, and input into, the design process can enhance their chances of shaping benefit sharing and other outcomes.

Procedural legitimacy is linked to outcome legitimacy, as legitimacy also refers to “the way in which outcomes are negotiated, administered and accepted by stakeholders, including a fair distribution of decision-making power” (Corbera and Schroeder 2010). Legitimacy of the decision-making process facilitates long-term project support within the local population and could lead to better conservation outcomes as a result. However, evidence suggests that a fair decision-making process alone does not guarantee outcome legitimacy, as it also depends on delivering and securing reliable benefits to participants and thus meeting local needs and expectations. Indeed, there are different perspectives on what the main benefits of REDD+ ought to be. Global discussions tend to frame carbon sequestration as the main benefit, with livelihoods and other environmental benefits framed as “co-benefits.” However, none of the respondents in this study considered carbon emissions reductions to be the sole or even main goal of REDD+. Instead, all respondents believed that emissions reductions should be combined with local livelihoods benefits, holding carbon emissions reductions as a secondary aim.

Given that the outcomes of these benefit-sharing arrangements are not yet measurable, this brief emphasizes procedural legitimacy. Key aspects are analyzed in the context of the cases that comprised this study to shed light on how existing processes fare with respect to the normative components of procedural legitimacy. Implications for decision makers in the context of benefit sharing are subsequently discussed.

Representation and participation: The creation of “representative” organizations and/or committees of local participants helps build procedural legitimacy, and potentially outcome legitimacy, if they create a truly representative entity for dialogue and information-sharing among actors involved in the project. In several cases, project proponents have helped organize or strengthen representatives of local communities in relation to the design and oversight of the projects. For example, AIDER created the Consultative Group in Ucayali (see Box 4) and BAM helped re-organize and legally establish FEPROCAMD in Madre de Dios, in order to create a forum that would enable information sharing and support project activities. Several organizations in the cases studied, however, need to do more to improve representation.

Some local actors call for greater participation. For example, one concessionaire from the BAM-MDD project reflected that while many workshops with concessionaires explained the project, only a small group of leaders were involved in the negotiation of the benefit-sharing arrangement itself. That final agreement established that 30% of net revenues from carbon sales would belong to the concessionaires and 70% to BAM. Likewise, the municipal government and NGOs involved in the Mishquiyacu-Rumiyacu initiative organized multiple workshops, but according to several respondents, attendance by local participants and civil society actors decreased over time. These participation challenges are linked to information and transparency issues, which are discussed below. At the same time, as free, prior and informed consent (FPIC) has recently gained importance in Peru through Law 29785 (in accordance with the ILO Convention No. 169), engaging communities in such processes is becoming more common. However, there are still challenges facing implementation, and the impact of FPIC on final decisions is debatable.

Coordination: In the case of national protected areas, collaboration between NGOs and SERNANP is important for obtaining funds from REDD+ for improved protected area management. Evidence suggests that such collaboration between government and nongovernmental actors could help hold each entity accountable to the local population, improve information flow between these entities and optimize resources to better serve the local population (Zeli et al. 2014). Actors from multiple organizations involved in the CIMA-PNCAZ initiative stated that coordination between SERNANP, CIMA, local communities and some local governments was essential in developing strategies that were universally acceptable. Respondents working in, and representing, communities that were more remote from the core of CIMA’s activities also suggested the presence of CIMA, and its work with both SERNANP and the regional government, has been important. At the same time, some noted their communities have faced reduced hunting access with the establishment of the park. This underscores that tradeoffs may occur even in initiatives that enjoy a high degree of coordination among multiple stakeholders.

Box 4. Local representative organization in Ucayali

AIDER helped establish the Consultative Group in its Ucayali project, comprised of six community members who will receive training from AIDER on issues related to forest management and REDD+ and is expected to disseminate information about REDD+ in their communities. According to AIDER, the Consultative Group will be involved in developing the REDD+ strategy. Nevertheless, communal authorities say the Community Assembly (traditional community decision-making arena) will make final decisions on AIDER activities.

According to the seven communal authorities interviewed, communities were initially unhappy with the creation of the Consultative Group: they disapproved of electing a committee that would make a small group more knowledgeable than the rest. They reported this group would be exclusive and that all community members should receive the same training and information. After discussion among community authorities and AIDER, however, a decision was finally reached. AIDER argued that a smaller group was more practical, as they prefer to work with a committed group to build capacities in order to support project activities and generally facilitate the process. In interviews, AIDER mentioned the risks of working with communities, particularly when internal struggles for power make governance unstable, as chiefs and authorities are often removed and replaced.

Information flow: Although some project proponents try to share information on REDD+ and benefit-sharing arrangements with local participants and beneficiaries, they differ as to when, how and what they have shared. Overall, there were several indications that information sharing was insufficient. For example, most project proponents withheld information from local populations to avoid generating false expectations or confusion about REDD+, given its complex and abstract nature. One initiative in Madre de Dios held multiple workshops to disseminate information among local participants and generate buy-in. According to one local participant, however, these workshops failed to disseminate information in a way that was understandable, with many materials written in technical language and even in English. In addition, this respondent said she was unable to gain access to carbon measurement data that was taken from her land. This may have been linked to the proponent's desire not to raise false expectations about carbon revenues, but was nevertheless frustrating for the participant.

Limitations and asymmetries of information are also related to the low level of participation in project discussions, as well as users' minimal identification with the project and their accompanying lack of interest. Multiple respondents associated with initiatives in all three regions suggested that local participants are not always interested in attending meetings and workshops, and consequently are not as well informed as those who consistently attend. To address this, some initiatives, such as AIDER-Ucayali, rely on representatives of communities to attend workshops and

disseminate information back to other community members. This study did not assess how well this system keeps all local participants informed though evidence suggests that little information is shared with these communities.

These findings suggest that involving a diversity of actors from multiple levels and sectors can improve the legitimacy of processes and outcomes associated with benefit sharing. In the case of Mishquiyacu-Rumiyacu, the regional government entity, PEAM, organized a management committee consisting of representatives from the government, private sector and civil society. This committee is responsible for planning, monitoring and implementing the compensation for ecosystem services (CSE) mechanism, and for coordinating activities with local participants and public entities. Similar efforts elsewhere could focus on involving local governments in low emissions development initiatives and ultimately building their capacity to deliver services to their constituents. As it is today, however, NGOs are dominating REDD+ governance at different levels, particularly at the project level. In general, NGOs are performing many functions expected from governments, which lack the resources to carry them out. In the context of the legitimacy of benefit-sharing arrangements, these issues should be considered carefully.

Conclusions and recommendations

The results presented above present a mixed picture of processes related to benefit sharing, with important implications for procedural legitimacy, as well as options available for future benefit-sharing policies. The findings demonstrate that REDD+ offers an important incentive to project proponents because it offers new opportunities to generate funding to enable ongoing development efforts with local communities. Despite the long wait for carbon payments, these economic opportunities outweigh the burdensome nature of the design process for project proponents. The findings also illustrate the benefit of collaboration between the proponents, often NGOs, and SERNANP, as REDD+ offers an important source of funding for the government to meet its protected area obligations. The cases of CIMA-PNCAZ, AIDER-MDD and CI-AMPF demonstrate the importance of innovative solutions to protect local livelihoods in and surrounding these areas.

With respect to legitimacy, there are two key findings. First, while subnational REDD+ initiatives represent a promising and innovative platform for deliberation over policies related to REDD+, including benefit sharing, they have limitations. Most strikingly, this research suggests that at the subnational level, there is no direct participation in regional roundtables of local governments and CSOs, such as farmers' associations and other producers' organizations, and only minimal participation of indigenous peoples' organizations. In addition, the agricultural sector has been missing from the REDD+ roundtables. The absence of these groups and actors from these important platforms for deliberation and policy negotiation may compromise the legitimacy of these forums, as well as future benefit-sharing policies that they engage with.

Second, the quality of information sharing at the project level has been mixed, with considerable information asymmetries between project proponents and local people. These asymmetries

Box 5. The Alto Mayo Protected Forest in San Martin

The Alto Mayo Protected Forest (AMPF) was legally created in 1987, but in practice lacked management and enforcement until 2001. During this time, migrants, who were unaware that the protected area had been established, colonized the land and engaged in unsustainable coffee production, land trafficking and illegal logging. At the time of its creation, there were only two communities inside the protected area as compared to the 26 that exist today. In 2010, the NGO Conservation International (CI) joined forces with SERNANP to establish a 15-year co-administration agreement to strengthen conservation efforts after years of government absence and insufficient funding to manage the area. CI had to inform people of the existence of the protected area – a classification that considered all migrants who arrived after 1987 as illegal. CI negotiated with SERNANP to allow these settlers to remain if they complied with certain conditions laid out in conservation agreements, which would be signed by CI, SERNANP and local participants or “subscribers”.

The conservation agreements were included in the protected area’s Master Plan. They were modeled primarily on experience from another project involving CI that was implemented in another part of the region. CI and SERNANP established the agreement guidelines, specifying conditions for permissible activities, as well as commitments and accountability mechanisms linked to different activities. In 2011, CI and SERNANP visited communities with their

proposal. The agreements included land-use restrictions that required subscribers to abstain from logging, selling timber and hunting. As part of the negotiation, however, the population could make proposals regarding what they would want in return for obeying the law.

One key informant from CI referred to the negotiation process as a “tug of war,” but in the end, they reached an agreement on the provision of extensive technical assistance for coffee production. In 2012, CI and SERNANP began implementing conservation agreements with the local population within the area and with those settled in the buffer zone.

According to key informants, the situation was initially laden with conflict, but little by little the project won greater trust from the local population; today there is more interest in signing agreements. When Disney purchased carbon credits for USD 3.5 million in early 2013, local media delivered the misleading message that Disney had bought the area. The local population reacted with skepticism and fear, as they assumed this meant they would be evicted. In response, park management visited communities and rectified the misunderstanding. Overall, project proponents note a substantial shift in local interest in the project, although people in one remote area of the park still refuse to work with CI or accept the existence of the park.

have been generated to some extent by project proponents’ reluctance to discuss REDD+ openly during the first stage of the projects, out of concern for creating confusion and false expectations in the context of persistent uncertainty about the future of an international carbon market. However, withholding information, even in the interest of avoiding false expectations, can lead to more confusion and compromise trust between local people and project proponents. In this way, information asymmetries can threaten the legitimacy of processes linked to the design and implementation of benefit-sharing arrangements. Project proponents should therefore make concerted efforts to explain REDD+ to local actors, including possible associated trade-offs. Such efforts should include workshops to engage as many local stakeholders as possible in these discussions, with accessible and non-technical language.

Findings also indicate that the creation of new organizations intended to represent local people does not necessarily guarantee a robust and legitimate benefit-sharing arrangement. Several cases illustrated the often complex nature of creating local representative organizations around projects. While these entities could facilitate information flow to communities and involvement in the process, there is no guarantee they will be transparent or accountable: the selected few need to engage those they represent, and those they represent need ways to hold them to account (Agrawal and Ribot 1999). Reflecting on these complexities, project proponents should consider promoting fair and locally legitimate selection processes for representatives and

provide guidance to communities regarding transparency and accountability mechanisms. This also includes respecting, to the extent possible, existing local rules and norms where they exist (Larson and Pulhin 2012). It also may be beneficial for project proponents to reconsider the role of local participants in initiatives by expanding their involvement in the design and oversight of the initiative. This may help increase local identification with, and thus support for, initiatives. There is also a need to hold regular workshops that are more accessible to all stakeholders to discuss specific issues related to project design. This would help ensure that information reaches the broader local population, without relying only on local representatives who may fail to transfer knowledge to their communities (Zelli et al. 2014).

Finally, the evidence presented above demonstrates the importance of non-monetary benefits linked to projects. Interviews with respondents from multiple levels and sectors underscore the importance of communication and deliberation concerning these multiple benefits. Indirect livelihoods benefits, infrastructure, technical assistance, capacity building and institutional benefits, such as support for local tenure claims, have all been found among the case studies. Promoting forums for policy deliberation related to benefit-sharing arrangements like the REDD+ roundtables, in addition to striving for legitimacy through wider incorporation of stakeholders from all relevant levels and sectors, should foster broad and creative thinking about the multiple types of benefits that low emissions development can generate.

Table 1. Characteristics of projects examined

	Madre de Dios			Ucayali		San Martin			
Project name	Brazil nut management with FEPROCAMD	Tambopata National Reserve and Bahuja-Sonene National Park	ACOMAT	Environmental Services for Native Communities	Reforestation with Native Commercial Species on Degraded Lands for Timber and Carbon Purposes	PNCAZ	AMCI in the AMPF	ACOPAGRO reforestation project	Compensation for Ecosystem Services in Mishquiyacu, Rumiyacu, Almendra
Type of Project	REDD	REDD	Sustainable forest management/pre-REDD	REDD	Reforestation project	REDD	REDD	Reforestation project	PES
Project Proponent	BAM, private company	AIDER, NGO	ACCA, NGO	AIDER, NGO	BAM, private company	CIMA NGO	CI (Conservation International) NGO	Pur Projet, private company	EPS (Entidad Prestadora de Servicios de Saneamiento de Moyobamba) and PEAM (Alto Mayo Special Project)
Project participants	400 Brazil nut holders and members of FEPROCAMD	2 indigenous communities living within the protected area	11 concessions affiliated with ACOMAT	7 indigenous communities (578 households)	2 of the 3 directly neighboring communities	50 communities (of 250 total and population of 170,000) in buffer zone of protected area that have access to park for hunting and fishing	>700 households (coffee farmers) within protected area and in buffer zone	2,000 cacao farmers and members of ACOPAGRO	60 families from communities in the sub-basins of Mishquiyacu-Rumiyacu-Almendra
Duration of BS intervention	31 years (2009-2040)	20-year co-administration contract (2008-2028)	Undetermined	2 years (2012-2014); in development	10 year crediting period (VCS) that is renewable up to 2 times (BAM aims at a total of 20 years)	20 years (2008-2028)	20 years (2008-2028)	40 years (2008-2048)	Two phases: PEAM (2008-2012) and EPS (2012-2014); next phase depends on future funding
Total project area (ha)	291,566 ha	573,299 ha	316,282 ha	127,000 ha	16,493 ha	2,301,117.24 ha (including park's buffer zone)	182,000 ha	2 million trees by 2015	2,486 ha
Land tenure situation	Brazil nut concessionaires own private title to land	Indigenous communities hold customary land rights in protected area	Timber, NTFP, conservation and eco-tourism concessions	Communities hold collective titles	Project area is comprised of lands privately owned by BAM; surrounding communities hold private property of land bordering the project area	No communities hold title in the protected area; indigenous communities hold title in the buffer zone	No communities hold title in the protected area; no communities hold title in the buffer zone	~500 of the 2,000 members of ACOPAGRO hold land titles (possession certificates)	No communities hold title in this regional conservation area
Number of respondents	12	18	10	8	11	18	4	10	18

Table 2. Types of benefits by project across regions

Region	Madre de Dios			Ucayali			San Martin		
Case No	1	2	3	4	5	6	7	8	9
Case Name	BAM-MDD	AIDER-TAMBOPATA	ACCA-ACOMAT	AIDER-Ucayali	BAM-Ucayali	CIMA-PNCAZ	CI-BPAM	ACOPAGRO	Mishquiyacu-Rumiyacu
REDD+- related certification	VCS: 2013 CCB: in progress	VCS: 2012 CCB: 2012	N/A	VCS: in progress CCB: Process has not yet begun	VCS: 2008 CCB: 2009	VCS: 2009 CCB: 2014	VCS: 2012 CCB: 2012	N/A	N/A
Benefits									
Direct Monetary	Yes	No	No	No	No	No	No	Yes	No
Capacity building	Trainings and workshops on sustainable forest management	Community capacity-training for volunteer park rangers	Improved management practices	Trainings and workshops to increase communities' management and production capacity and commercialization of timber, NTFPs and carbon	Trainings and workshops on sustainable forest management (aguaje management); low impact logging techniques; plantation management; Fire control and management: (to reduce risk of uncontrolled fires); pest control techniques	Environmental education; Capacity-building for decision making aimed at conservation and sustainable development; participatory processes for zoning and land use planning	Training and technical assistance on sustainable coffee production	Training and technical assistance on reforestation practices	Training on sustainable management practices for production
Technical assistance	Technicians from FEPROCAMD offer technical assistance with various forest management plans required to legally harvest or sell Brazil nuts	No	Technical and administrative advice on sustainable natural resource use alternatives in concessions; Assistance with legal documents, taxes and other permits	No	No	Facilitate process of establishing community statutes (written rules and norms)	Sustainable coffee management techniques	Reforestation techniques; Securing land title to members through project with the ARA	No
Burdens									
Reduced access to natural resources	Yes-prohibited from illegally harvesting timber	No	No	No	No	Yes- communities in buffer zone are prohibited from hunting in park without prior authorization and limited as to the species, quantity and season in which they can hunt	Yes-communities within park are prohibited from illegally harvesting timber	No	Yes-communities within regional conservation area are prohibited from illegally harvesting timber

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Glossary

ACOMAT	Association for the Forest and NTFP concessions in the provinces of Manu and Tampobata	AMCI	Alto Mayo Conservation Initiative
ACOPAGRO	Cooperativa Agraria Cacotera	AMPF	Alto Mayo Protected Forest
AIDER	Association for Research and Integrated Development	BAM	Bosques Amazónicos
AIDSESP	Asociación Interétnica de Desarrollo de la Selva Peruana (Interethnic Development Association of the Peruvian Jungle)	CIMA	Centro de Conservación, Investigación y Manejo de Áreas Naturales
		EPS	Entidad Prestadora de Servicios de Saneamiento de Moyobamba
		FEPROCAMD	Federación Departamental de Productores de Castaña de Madre de Dios
		MDD	Madre de Dios región of Peru
		MINAM	Ministerio del Ambiente
		ORAU	Organización Regional AIDSESP – Ucayali (AIDSESP Regional Organization – Ucayali)
		PNCAZ	Cordillera Azul National Park
		PEAM	Alto Mayo Special Project
		SERNANP	National Protected Areas Service



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