Benefit Sharing in Uganda's Forestry Sector

Issues and Options for REDD+ Implementation in Uganda

Briefing Paper

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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

Introduction

Reducing emissions from deforestation and forest degradation {REDD} is in place to enhance development and implementation of an incentive-based system that makes it economically more attractive to let a forest stand than to cut it down. Consistent 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) supported in Uganda by the Forest Partnership Carbon Fund (FCPF); capacity-building; establishing policies and procedures for measuring, reporting and Verification(MRV) and identifying necessary adjustments in forestry laws and governance practices. 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 (tCO2e)[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).

This document analyses the various benefit sharing mechanisms in order to identify bottlenecks that increase costs and risks of natural resources reaching the vulnerable and rural poor so as to develop innovative opportunities for benefit sharing in REDD+ mechanisms. The process of developing this brief, sought: to underscore the importance of equitable benefit sharing within the natural resources/ forestry sector, to analyze the existing benefit sharing mechanisms in the forestry sector in Uganda with a view to capturing lessons and experiences there from and finally to propose options and specific recommendations to guide the design and implementation of national benefit sharing mechanisms for REDD in Uganda.

With support from the Royal Danish Ministry of Foreign Affairs, the International Union for Conservation of Nature (IUCN) in Uganda led the process to add value to Uganda's REDD+ implementation under the umbrella project entitled: "*Towards pro-poor REDD+: Building Synergies between forest governance, equitable benefit sharing and reduced emissions through sustainable forest management in five tropical countries*[2]". Through this process, IUCN undertook a series of consultations with stakeholders in the Mt Elgon Landscape (Ugandan side). Based on a survey of literature and the consultations, a workshop was conducted in Kampala to present and discuss the findings. Further consultations were fed into follow-up interviews that led to the understanding of key concepts and practices of benefit sharing, drawing

[1] Tonnes of carbon dioxide emissions
[2] Other Countries benefiting along with Uganda are Ghana, Cameroon, Guatemala and Indonesia

lessons from experiences in Uganda, and hence deriving recommendations for the design of benefit sharing arrangements for the Uganda REDD+ Strategy.

Equitable Sharing of Benefits in the Natural Resources / Forestry Sector

Equity is meant to be 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 ('elite capture').

In Uganda, the poor people, who constitute the majority of those who live near the forests, get relegated to forest products for subsistence as the primary benefit from forest resources. Otherwise practice shows that 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 *laissez 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 difficult, 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 both financial and non-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.

In Uganda, forests compete mainly with agricultural expansion and commercial fuel wood 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 by making the value of standing forest more competitive than their conversion through developing and promoting a package of benefits that includes payments for avoided deforestation and carbon sequestration held by the forests. But it is also important to demonstrate that an actively managed forest increases their economic and environmental values. For the case of REDD+, this will often increase the biomass per unit area and thus enhance carbon stocks and associated benefits.

Studies have shown a wide range of cash and non cash benefits which stakeholders, and especially the local communities, can get in the process of implementing REDD+ programmes. In this way, most of the local people affected by responsible forest management (RFM) can benefit from REDD+ without always getting cash payments. The process of designing REDD+ benefit sharing arrangements must establish an agreeable balance between what is shared in cash and what gets converted into other benefits and how equitably the benefits are shared or accessed.

In the table below, Leo Peskett (2010) explores the possible benefits that can be expected in forestry programmes

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

Eligible beneficiaries of REDD+ programmes are 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 equitable 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 dissatisfaction with the CFM arrangements. The main reasons for their dissatisfaction 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 those in positions of authority, the powerful and 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 they may thus be grossly disadvantaged.

Cases of Unfulfilled Promises

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. perscomm).

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

Lessons and Experiences from the Existing Benefit Sharing Mechanisms

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

National Input-Based Benefit Sharing Mechanisms:

(i) Potential REDD+ 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 already existing 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.

(ii) 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.

(iii) 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.

(iv) 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.

National Performance-Based Benefit Sharing Mechanisms

(v) 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.

(vi) 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.

Sub-national Input-Based Benefit Sharing Mechanisms

(vii) 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)

(viii) These mechanisms are similar to the second mechanism above 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.

Whichever mechanism is used, PricewaterhouseCoopers identifies ways through which REDD+ benefits are likely to be distributed as illustrated in the table below;

Table 2: 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
(iv) Support for forest governance and institutional development (e.g., provision of training to district	• Improved salaries for government staff, NGOs, and community groups to increase retention and reduce relative appeal of bribes

forestry officers in how to improve support services for communities and the enforcement of community forestry law)	• 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.

In Uganda, some of the mechanisms for sharing revenues are stipulated in the 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:

- There is all the intension for eligible stakeholder communities to have the opportunity 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, most community members neighbouring the NP never effectively benefited from the shared revenues. There are many districts around the NP & therefore the money available is usually too little to go round.
- In the case of the LG revenue sharing, money is retained at various levels along the vertical distribution chain and in reality very little, if any, ever reaches the lowest levels in the community. Some of the money is embezzlecd along the vertical distribution chain, often with the connivance of the community group leaders.
- In the case of the mineral royalty sharing, the intention is good but

<u>Commitments</u>

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.

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 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.

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 in real practice. It is when the mechanism is implemented well that the local people are motivated to participate in development programmes. Sharing of REDD+ benefits is likely to encounter similar challenges.

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. As a consequence communities have not been left out in sharing more valuable products like timber, or tourism benefits.

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 or frameworks to help them enhance their bargaining power to negotiate with government institutions, and other private companies 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 by addressing the immense challenges of national based funding channels are already facing, thus promoting a more representative, democratic channels that enables equitable sharing at the local level.

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 have a potential to provide equitable benefit all eligible members in the group. The flip side is 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 of achieving significant performance in terms of emissions reductions. In addition, the strategy of overseeing projects would be made democratic to reduce incidences of elite capture and exclusions of vulnerable communities. For example for case of MERECP, the most vulnerable community members who never demonstrated the capacity to pay back were excluded

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 approach disfavoured 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, that was free of encumbrances
- Responding to gender by requiring agreement of the spouses to participate in the project especially where land use for forestry was to be considered
- 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

Policy Options for benefit sharing mechanisms in the forestry sector in Uganda

REDD+ is essentially a jurisdiction (national/sub-national) wide pursuit because emission 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. However reflection on challenges that affected the implementation of the policies and procedures makes this a challenge. Deep-rooted corruption, lack of transparency, a predilection to misappropriate 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.

As a remedial policy option, stakeholders during the national level REDD+ consultations recommended the setting up of a statutory national REDD+ institution should be set up by law. This should 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 should be designed to overcome most of the drawbacks that characterize 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. However, efforts to address challenges of elite capture, exclusion of the most vulnerable and equitable sharing must be clear.

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: 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 their interests & expectations are, where they are 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) 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 and all other benefits from REDD+ to forest owners and participating communities should be established with a reasonable level of certainty, and clarity, so that the local people can go into the arrangement 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.

Benefit Sharing Mechanisms: 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.
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 manipulation of budgetary processes being experienced in the country today. However, it must be said that these governance problems can be outmatched 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 identified, trained and 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 overcome 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. It should have a clear role for local government leaders to oversee and enforce accountability and reduce elite capture

Equitable sharing of benefit and participation: There is a risk that REDD+ payments will be seen by some stakeholders in the light of a forestry subsidy programme, rather than a performance based payment in which people are paid for concrete outputs. To avoid this, it is recommended that:

(a) Arrangements should be designed for payments to be made on a scale where the best performers get more and the non-performers get nothing.

(b) 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. This will minimize the frustration among the poor people who may have capacity inadequacies to attain what REDD+ considers best performers

Compared to the benefit sharing arrangements prescribed by law, CFM and CRM are legally recognized 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 it is recommended that:

(c) 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.

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, it is thus recommended that:

(d) 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.

(e) Frameworks that provide space for communities voices and participation in the process need to be very clear and enhanced.

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. It is thus 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 kept 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 have seemingly political inclinations. Therefore it is recommended that,

(a) Deliberate and demonstrable commitment of the politicians at local and national levels is generated before REDD+ programmes can be nationally effective. This also 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 of all primary, secondary and tertiary stakeholders in the various discussions. It is recommended therefore that:

(a) 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.