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PARTICIPATORY FOREST MANAGEMENT AND REDD+ IN TANZANIA



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CONTENTS

Background	1
Forest tenure and carbon rights	2
Benefit sharing	4
Distributing carbon benefits between national and district levels	6
Distributing carbon benefits within communities.....	10
Awareness, consultation and consent	13
Monitoring, Reporting and Verification (MRV)	16
Conclusions and policy implications	21
Forest tenure and carbon rights	21
Benefit sharing	21
Awareness, consultation and consent	22
Monitoring, reporting and verification.....	22
References	24



Background

Tanzania's land, local government and forest laws mean that rural communities have well-defined rights to own, manage and benefit from forest and woodland resources within their local areas through the establishment of village forests. This approach, known by practitioners as Community Based Forest Management (CBFM) results in the legal establishment of Village Land Forest Reserves, Community Forest Reserves or Private Forests. By 2008, 1,460 villages on mainland Tanzania¹ were involved in establishing or managing village forests covering a total of over 2.345 million hectares. A further 863 villages are currently involved in Joint Forest Management (JFM) approaches within government forest reserves, in which management responsibilities are shared between government and local communities. 1.78 million hectares of forest reserve under central or local government jurisdiction are now under JFM arrangements.

Since 2008, the Tanzanian government has been making preparations for the establishment of systems and structures for REDD+ (Reduced Emissions from Deforestation and Forest Degradation). Tanzania is being supported in its preparations by the World Bank's Forest Carbon Partnership Facility (FCPF), UN-REDD+ and the Norwegian Forests and Climate Initiative as well as a number of local and international NGOs.

As part of its preparations, the Tanzanian government has established a REDD+ task force with membership drawn from the Vice-President's Office, Division of Environment (VPO-DoE), the Ministry of Natural Resources

and Tourism, Forestry and Beekeeping Division (MNRT-FBD), the Prime Minister's Office, and the Ministry of Agriculture, Livestock and Environment in Zanzibar. This task force has prepared a National REDD+ Framework document, which provides a vision of future REDD+ outcomes and processes, as well as the key challenges to be addressed if goals are to be met, followed more recently by a National REDD+ Strategy and Action Plan. With support from the Norwegian government, several REDD+ demonstration projects have been launched, spread across different parts of the country, implemented by national and international NGOs

Since its genesis in Tanzania in the early 1990s, a significant body of experience has emerged regarding how and under which conditions participatory forest management (PFM) approaches appear to have worked best, as well as some of the underlying constraints to its scaling up (Blomley and Iddi 2009). Many of these lessons are of great relevance to the emerging REDD+ systems and structures being developed through the REDD+ Task Force.

This report has been prepared to provide inputs to the development of policy processes currently evolving in Tanzania regarding REDD+. This review draws on almost two decades of experience within Tanzania on the development and establishment of PFM—an approach which (like REDD+), aims to achieve the combined objectives of sustainable forest management with secure rights, improved local forest governance and secure livelihoods for forest-dependent communities.

The report is presented in four main sections, namely:

- Forest tenure and carbon rights;
- Benefit sharing;

¹ Legislation regarding land, forests, local government and environment differ between mainland Tanzania and Zanzibar.

- Awareness, consultation and consent; and
- Monitoring, reporting and verification.

Each section presents relevant experiences and lessons from PFM, assesses current status within REDD+ and then presents options regarding how these experiences can be incorporated into emerging REDD+ proposals in Tanzania. Proposals, recommendations and policy options are presented in a final concluding section.

Forest tenure and carbon rights

Tanzania is currently promoting two different models of PFM—one where forest management rights and responsibilities are transferred from central or local government to community institutions in a legally enforceable manner (CBFM) and one where responsibilities for management are shared between the state and local actors (JFM) and where rights are largely unclear. Of the two models being promoted in Tanzania, CBFM appears to be the more effective in improving forest condition and reducing overall levels of forest disturbance. Studies conducted over the past five to ten years all point to the fact that when clear and enforceable rights together with corresponding responsibilities are fully devolved (as under CBFM), incentives appear to be sufficient for communities to invest in forest restoration and long term management (Blomley et al.2008). In situations where community managers are subject to weaker tenure, unclear rights and external governance influences, the link to improvements in forest management and conditions appear to be less clear (Persha and Blomley, 2009). These findings suggest therefore that verifiable emission reductions from reduced deforestation and forest degradation are more likely to be realized in

situations when forest (and carbon) tenure rights are clear and enforceable, and when these rights and responsibilities are devolved to the lowest possible level.

Clearly, the unfolding debate over REDD+ and carbon rights has much that can be learned from the experiences of PFM. Carbon tenure (and by implication the rights to any payments that arise as the result of reduced emissions) remains one of the most complex and potentially controversial issues in the emerging debate on REDD+, not only in Tanzania, but also in many other countries. A binding decision by government on the allocation or transfer of carbon rights has yet to be taken. The following section reviews land and forest tenure systems in Tanzania and explores future options for the allocation of carbon rights and revenues.

Land in Tanzania is divided into three broad categories—“reserved” land, “village” land and “general” land. Reserved land is land set aside by the government for a specific purpose (such as biodiversity conservation through the establishment of nature reserves or national parks). Village land is land that is under the direct management of village governments and includes land for settlement as well as local use, contained within the “village area.” The 1999 Village Land Act defines general land as a residual category—‘all public land which is not reserved land or village land’. In contrast and somewhat confusingly, the 1999 Land Act defines general land as ‘all public land, which is not reserved land or village land and includes unoccupied or unused village land’. There are no provisions in either Act that clarify to what exactly the definition of unoccupied and unused refers.

As a result of these legal inconsistencies, interpretations vary widely between different parts of government about the true extent of

village land and general land. (See Box 1) The REDD+ Framework Document (United Republic of Tanzania 2009) states that “17.3 million hectares (49% of all forest land) are unprotected forests in General Land”. The National Land Use Planning Commission (within the Ministry of Lands) indicate however, that general lands cover only 2% of the country, with village lands covering over 70% and reserved lands the remaining 28% (United Republic of Tanzania, 2010).

This inconsistency creates further legal grey areas with regard to the management and beneficiaries of timber harvesting on village land. The Forest Act (2002) assigns the responsibility for managing forests (and collecting “royalties”- a form of harvesting tax) on general lands to the Forestry and Beekeeping Division, at national level, a task that is often delegated to District Forest Officers and District Councils. When trees are harvested from Village Land Forest Reserves, no royalties are payable, as a means to create incentives to local managers (in effect, the trees are considered “tax free”). Villagers may charge prevailing market rates for the sale of timber. However, trees that are on village land, but outside Village Land Forest Reserves are taxed by central government (through the payment of royalties), although management decisions regarding their harvesting are taken jointly with village leaders. Villagers may negotiate a fee for the value of the timber but this is often only sufficient to compensate local laborers for identifying and harvesting valuable trees. Where the boundaries between village land and general land are uncertain, roles and responsibilities with regard to the management of trees, as well as the payment and beneficiaries of royalties and other revenues is often uncertain and open to local interpretation. This uncertainty is only likely to be accentuated through the addition of

Box 1

Village Land or General Land?

The Jane Goodall Institute (JGI) has developed a REDD+ demonstration pilot project in western Tanzania. The project site encompasses the vast Masito-Ugalla Ecosystem (MUE). The MUE is a forested landscape of approximately 10,827 km², composed mostly of native *miombo* woodlands and includes 13 villages. The MUE is made up of approximately 470 km² of woodlands actively managed by the 13 villages and on village land; an additional 1,538 km² of woodlands within two National Forest Reserves; and an additional 2,683 km² of forest and woodland described by FBD as “General Lands”.

This “General Lands” designation has been challenged by a number of key individuals in the surrounding 13 villages, arguing that these lands are ancestral, customary in nature and used by villagers before the “villagization” exercise of the 1970s. As a result, they argue that they are village lands and should be managed by the village council. Staff from the District Council (supported by NGOs such as JGI) argue that these areas are “unused and unoccupied” and due to their size and distance from villages are difficult to manage. Consequently, they argue that the land is general land and administration falls under the remit of central government.

unclear carbon rights through REDD+.

Although the question of uncertainties regarding landownership and tenure is described in the R-PP, this is not followed by an analysis of possible options or actions. With regard to the allocation of carbon tenure, one option being discussed is that carbon rights follow tree and land tenure rights. If this decision is taken, a number of legal issues will require clarification and agreement, such as:

- the status and legal definition of “unused and unoccupied” village land, outside village land forest reserves and in particular those lands with extensive forest or woodland cover;
- the extent and geographical distribution of village, general and reserved land;

- the rights of village governments to carbon revenues in unreserved forests on village land, and the possibility of creating more positive incentives for local management and conservation;
- the rights of community level forest managers to carbon revenues in JFM forests; and
- the beneficiaries of carbon sales in wildlife management areas (WMAs), where agreements have already been reached regarding the sharing of wildlife hunting revenues between village, district and central governments.

A second possibility is that carbon is inherently a public good that cannot be divided or allocated at the individual, group or institutional level, and consequently the rights to carbon are retained by the state on behalf of its people. Possible arguments for this model include the fact that tree and land tenure are so complex and heterogeneous that the transaction costs of allocating payments based on forest tenure would be prohibitively high, and any benefits gained at the local level would be outweighed by the costs of establishing and maintaining such a system. It might be argued that if government retains carbon rights, it can act in the public interest to ensure “fair play” and where necessary protect the rights of vulnerable groups who may be negatively affected by REDD+ initiatives. This could for example, include measures to discourage speculative land purchases or leases, with a view to capturing future carbon payments from reduced emissions, thereby avoiding the risk of disenfranchising communities of land and natural resources in the process. Furthermore, it could provide funding support to areas of the country that

are already deforested and where afforestation or reforestation opportunities exist. While this scenario offers many potential advantages, it is ultimately dependent upon the existence of a benign state, acting fully in the public interest.

Benefit sharing

As discussed above, PFM in Tanzania (and elsewhere in the world) appears to work best (for both people and forests) when clear, binding and mutually enforceable agreements are made regarding how the benefits of forest management are shared between stakeholders at different levels. In CBFM, all forest management benefits are transferred to local actors, in return for the transfer of all corresponding forest management costs and duties. In JFM, no clear agreement has been reached on how much forest management benefits are transferrable to local actors (from, for example, licensed forest harvesting in jointly managed production forests) despite a number of concrete proposals having been made and discussed over recent years. The matter is further complicated by the fact that JFM potential in high biodiversity catchment forests is further limited by restrictions on the use or harvest of forest products as a result of their higher levels of protection. Consequently the viability of JFM at the local level is questionable due to the disproportionate transfer of management costs to local managers and minimal transfer of benefits. In the absence of legal clarifications regarding benefit sharing arrangements in JFM, many observers are beginning to question its long term future (Pfliegner and Moshi, 2007).

The differential adoption rates of the two models over the past decade also point to the fact that despite strong support to JFM from a number of conservation-oriented NGOs, the

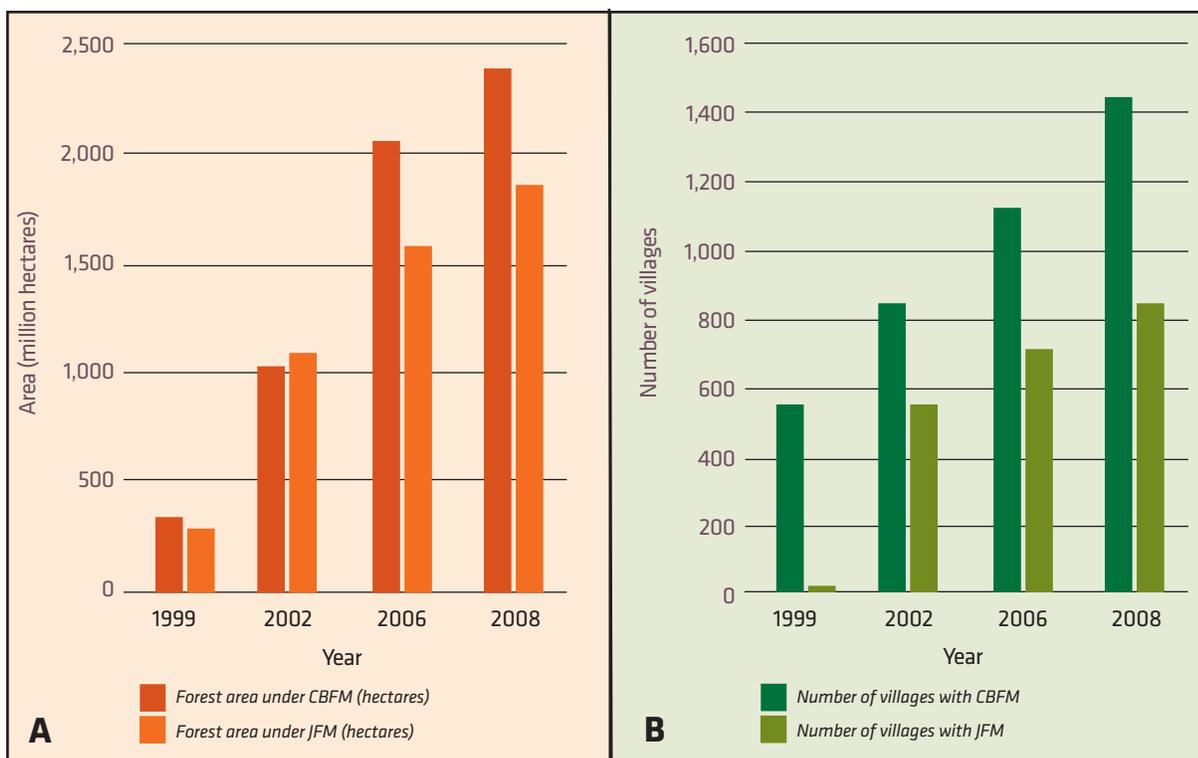


FIGURE 1: (A) SPREAD OF PFM BY AREA AND (B) SPREAD OF PFM BY NUMBER OF VILLAGES

Source: Blomley and Iddi, 2009

spread of CBFM in terms of both geographical coverage and number of communities appears to be outpacing that of JFM (Figure 1).

Given the increasing role of local governments in the delivery of services (including forest extension and training) and their autonomy from central government, a key aspect of supporting PFM across Tanzania has been the development of financial transfer mechanisms to district level facilitation teams. Government has a long history of transferring funds from national to sub-national level through its advanced system of decentralised local government authorities and inter-governmental transfers. Block grants are routinely disbursed from the Ministry of Finance and Planning, using the so-called “Exchequer System” to provide “ear-marked” support to

a variety of sectors such as health, education, rural roads, water and agriculture (and more recently in support of PFM). Given that this usually involves actors from different ministries, (such as Prime Ministers Office-Regional Administration and Local Government—PMO-RALG), sector ministries, the Ministry of Finance and Planning and development partners) it is common to see inter-ministerial steering committees overseeing the allocation, transfer and reporting of these payment systems. More recently, government has also introduced “performance based” criteria within the funding allocations. Local government authorities are required to meet “minimum conditions” of governance, financial management and planning capacity before they become eligible for larger sources of discretionary development funding.

This creates incentives for local governments to improve management and governance systems. The PFM program, being overseen by the Forestry and Beekeeping Division has adopted similar systems for the transfer of performance-based grants to strengthen local level service delivery and extension services through local governments (Blomley, 2006).

Learning from these experiences tells us that it will be important to ensure that legally binding agreements are made regarding the allocation and/or sharing of carbon benefits from forest management, and that any system developed to transfer benefits from one level to another is effective, transparent and creates positive incentives for performance. The following section reviews this debate in two parts: the distribution of benefits between national and local level actors (vertical benefit-sharing) and the distribution of carbon benefits within communities (horizontal benefit-sharing).

Distributing carbon benefits between national and district levels

Given that any future international REDD+ agreement is almost certain to involve demonstrating and verifying emission reductions from reduced deforestation and forest degradation at a national level, it is equally likely that some form of national fund and associated structures will be established, within which REDD+ carbon credits could be deposited and then disbursed to implementing agencies and sub-national actors. Although a purely market-based instrument has been discussed, this does not currently remain the government's preferred option. This is for a number of reasons including the fact that payments will be channelled to those individuals or communities with defined property rights. Given the lack

of clarity regarding village and general lands discussed earlier, there is a risk that those with customary tenure rights may be omitted. Although the creation of fungible carbon units would increase the liquidity of international carbon markets, there are concerns with respect to the predictability of the funding that can be accessed via markets. Risks of fluctuations in the price of REDD+ credits may negatively impact upon the willingness of local level forest managers to engage in the market (Meridian Institute, 2009). Furthermore, concerns have been raised by government that compliance requirements under such a system may be so rigorous that most communities would be unable to qualify on their own in the absence of external private or donor funds.

As described above, government has many years of experience in the transfer of funds to district and sub-district governments to support service delivery across a range of sectors. Could REDD+ funds be allocated through such a system that bring national and local government players together around agreed principles and systems? REDD+ payments are likely to differ from routine inter-governmental transfers in a number of specific ways:

- *Fund allocations are likely to be linked strongly to performance rather than a wider adherence to capacity and the development of systems.* Furthermore, other considerations more typical of mainstream development funding (such as poverty and population levels) may not feature so highly.
- *The beneficiaries of payments are likely to be more numerous and at different levels than those under routine grant systems.* Local government grants are almost entirely directed at local government authorities such as district and town councils, whereas under



Communities undertake forest resource assessment in Kilwa. Photo by Steve Ball

REDD+, beneficiaries are likely to include individuals, groups, village governments, local governments and even national government agencies managing forest areas (such as wildlife division, TANAPA and FBD).

- *“Co-mingling” (or mixing) of different funds is unlikely.* Current government policy seeks to reduce transaction costs by amalgamating and clustering government transfers under simplified and unified systems. Development partners—together with government—have signed agreements at the national and international level designed to align and harmonize external development funds with those of government. It is likely that any future REDD+ fund will have to be entirely “stand-alone” and will not be permitted to mix funds with other government funding sources directed, for example to natural resource management. Further questions remain, however, regarding the relationship between the REDD+ fund and the “Forest Fund” which is mandated under the 2002 Forest Act, for the purpose of furthering forest conservation and management in Tanzania, and which will be established through retaining a small percentage of all royalties, levies and taxes collected on the harvesting, transport and sale of forest produce.

As a result of these fundamental differences, it is quite likely that transfers to and from a REDD+ fund will take place outside any routine local government block grant transfer system and that the establishment of some kind of parallel structure seems inevitable. Given this, it will be important to consider a number of different options with regard to the design and establishment of this fund.

- *Payments made entirely based on performance in reducing emissions from deforestation and forest degradation.* Payments made from national to sub-national level will be linked in some way, to evidence of reduced (or avoided) deforestation and forest degradation. One option open to government would be to make these payments entirely performance based, with the result that payments would only flow to management agents who have made demonstrable emission reductions as a result of improvements in forest management. This would require projections of emission reductions from REDD+ not only at national level but at a more disaggregated level (such as regions, zones or ecotypes), and the ability to monitor these independently. The advantage of a system entirely based on performance is that it is transparent, verifiable and relatively simple to maintain, once it has been established. A possible disadvantage of such a scheme is that it may lead to funds flowing to those institutions or agents that already possess capacity (such as national government agencies involved in the protection or management of forest landscapes, or private corporations with established systems and capacity). Weak institutions (such as village governments or community based organizations) with an interest and mandate in forest management, but with limited capacity, would be disadvantaged by a system entirely based on performance. This is an inherent weakness that has already been recognized within routine local government transfer systems and has been addressed through the introduction of “capacity building grants,” aimed at assisting local government authorities who fall short

of minimum governance and capacity benchmarks to establish and introduce improved administrative and finance systems.

- *Other criteria introduced into payment systems designed to incentivise good governance and achieve equitable outcomes.* The national REDD+ framework document recognizes some of the trade-offs that may need to be made in terms of achieving both equity and effectiveness as well as some of the potential risks that could arise if payments were entirely based on performance. In addition to concerns over capacity raised above, this includes the fact that some communities are involved in shared management of high biodiversity forests experiencing little or no deforestation. They would therefore not benefit from any kind of REDD+ payment, despite the clear efforts they are making with regard to active forest management. Concerns over eligibility of funding to community groups or village governments involved in forest restoration in areas that have already been deforested for a considerable time is a second example of how distortions, or perverse incentives could be created from a system driven solely by performance in reducing deforestation or forest degradation.² Furthermore, Tanzania has been selected to pilot National REDD+ Social and Environmental Standards developed by the Climate, Community and Biodiversity Alliance (CCBA) and CARE International (CCBA 2010), which introduce a range of requirements linked to ensuring

equitable outcomes at the household level. These developments indicate a general trend in Tanzania away from a more rigid approach to REDD+, to one that embraces a wider range of social and environmental outcomes such as biodiversity conservation and sustainable forest management.

Unreserved forests tend to be those that are subject to the highest levels of degradation. Interestingly much of the unreserved forest within Tanzania is found in some of the most remote (and consequently under-developed) parts of the country, where other economic opportunities are severely limited. This correlation is illustrated below (Figure 2) by comparing regional poverty rankings (a) and the area of unreserved forest per square kilometer of land area (b).

This linkage between poverty levels and coverage of unreserved forests may mean that introducing additional allocation criteria based on poverty indicators may be redundant, but also highlights the potential benefits that REDD+ payments could provide to deprived and relatively poor areas of the country.

While these all represent compelling arguments, it will be necessary to consider the risk that by adding in additional variables or criteria for the allocation of funds, complexity in terms of administering such a scheme may increase exponentially (and with it, increased costs at national level and higher risks of failure). Of course, this depends on the degree to which the application of standards are voluntary and linked (or de-linked) to the flow of funds. Furthermore, if additional variables are introduced, this must be done in a way that is open to public scrutiny and independently verifiable using clearly defined and measurable criteria.

² These concerns appear to be diminishing with the inclusion of conservation and sustainable forest management in REDD+.

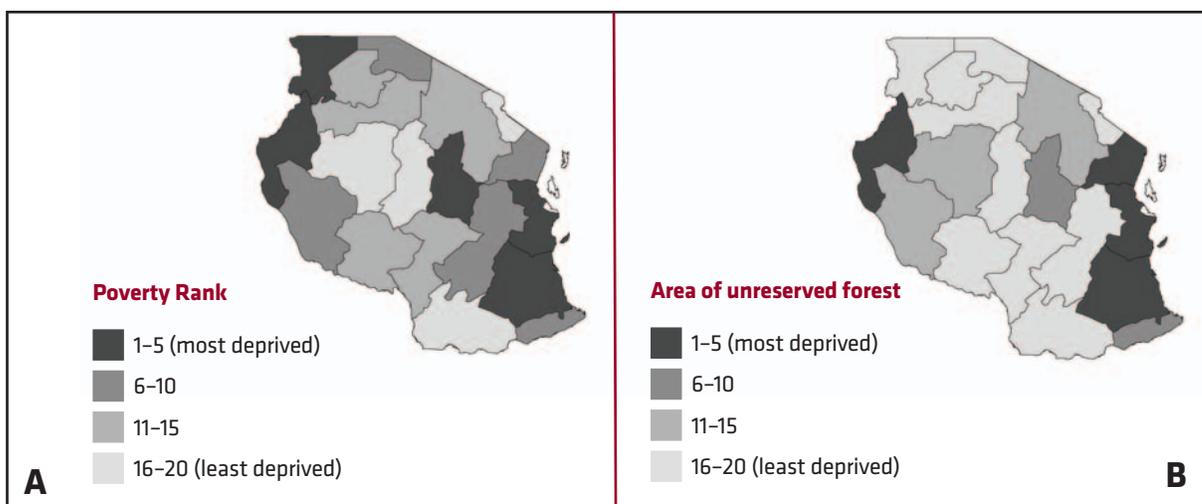


FIGURE 2: (a) Regional poverty rankings and (b) Area of unreserved forest per square kilometre by region (Blomley et al. 2009)

Moreover, an important area that will need attention before any kind of national fund is launched relates to the administrative costs associated with maintaining it, the relative share of these costs to the total amount of financing available and how these costs are recovered and reinvested. Clearly some kind of compromise will need to be reached in this regard. On one hand, experience from PFM has shown that unless a real and tangible flow of benefits is received from active forest management at the local level, long term sustainability of community management processes is questionable. However, it is also clear that there will be considerable costs involved in establishing and maintaining national REDD+ structures. This will include a national REDD+ fund and associated systems of financial disbursements, monitoring and accounting, as well as a coherent carbon accounting and registration system. Although concerns have been raised from a number of NGOs regarding concerns over high levels of administrative overheads if the REDD+ Fund

is established within government, experience from non-governmental funds performing similar functions appear to incur similarly high management and administration costs (Box 2).

Distributing carbon benefits within communities

Most of the debate surrounding the issue of benefit sharing in REDD+ concerns how future REDD+ payments will be shared between stakeholders at the national level and those operating at the field, or sub-national level and involved directly in the management of forests. However, experience from Tanzanian PFM has shown that it is equally important to consider how benefits are shared within communities to avoid the risk of poorer or more marginalized members of a given community losing out from the direct benefits of PFM (Vyamana 2009). Particular risks within ongoing PFM processes were identified that either consolidate the position of richer and more influential members of the community, or conversely result in increased marginalization of poorer members.

Furthermore, the limited representation of women within management forums or decision making processes has been shown to lead to their interests being poorly reflected in forest management outcomes. Some examples of how benefits are skewed within PFM processes are presented below:

- Licenses, fees and other upfront payments required to harvest products from village forests mean that it is only middle income and richer members of the community who can take advantage of the economic opportunities presented by CBFM. Licensing of forest use under PFM, even for domestic purposes, places prohibitively high costs on the poor.
- The poor are rarely represented within forest management committees, and even when they are, their participation and voice is rather low.
- Opportunities for forest management committees to provide feedback and solicit input from the wider community are rare. Furthermore, there are limited options for forest management committees to be held accountable for their actions to their constituents.
- Forest management committees, being essentially government institutions, are more upwardly accountable (to the village and district government), than downwardly accountable to the wider community.
- Domestic and subsistence forest management uses favoured by women (such as firewood, building materials and non-wood forest products) are often neglected or relegated in favor of commercial harvesting uses (such as charcoal or timber), typically favored by men.

Box 2

Eastern Arc Mountains Conservation Endowment Fund (EAMCEF)—operational costs

EAMCEF was established to conserve the biodiversity and ecosystems of the Eastern Arc Mountains in Tanzania. An initial endowment of USD 6 million was provided through the Global Environment Facility. The fund is registered as an independent trust and managed by a board of trustees that are drawn from government, NGOs and the private sector. A proposal submitted to the Norwegian government indicates that over a five year period US\$ 600,000 is allocated for field costs, while US\$ 630,000 is allocated to staffing, training, capital investments, technical inputs, office, vehicle and board costs. This represents an overhead of around 51% and a field-level expenditure of around 49%.

- Knowledge of forest management plans, bylaws and concepts outside the membership of the forest management committee is often low.
- Some District Councils had either deliberately or accidentally misinterpreted the government's Forest Harvesting Guidelines and, as a result, were placing additional burdens, barriers or costs to villages regarding harvesting (and securing potential incomes).
- Income generating activities (IGAs) tended to be more suitable for richer members of the community due to the investment of time and funds required to establish the projects. There was little attempt to design activities in ways that were within reach of the poor.
- Furthermore, IGAs tend to be provided on a demand-driven basis, or through existing groups which generally do not include the poor and rarely, if ever, are targeted towards the poor.



A community meeting under a tree in the Shinyanga District. Photo by Danielle Christophe

- There is often a displacement of forest-based incomes among poor, forest-dependent users following increased protection and conservation measures from PFM.
- There is sometimes a deliberate exclusion of the poor, fuelled by the widespread belief that the poor are responsible for forest destruction as well as a belief that the poor are unable to contribute in a useful or constructive manner.
- Seasonal forest users such as pastoralists may not be included in planning processes, as they are not in the village at the time key decisions are taken, or because they are not

viewed by the village as having a legitimate claim on forest use and management.

The combined impact of these distortions is a tendency for an inequitable distribution of forest management costs and benefits between richer and poorer households, with richer households harvesting a greater proportion of benefits, and poorer households bearing a greater proportion of costs.

As REDD+ projects look increasingly towards PFM initiatives as a foundation for launching community level initiatives, it will be important to ensure that safeguards are introduced to minimise the risk of elite capture.

These safeguards are not particular to forest management, but are typical of any measure designed to increase transparency, accountability and equity. They might include ensuring that forest management committees provide formal and regular opportunities for members to review and question how decisions are taken and how any funds have been distributed. It may also include measures designed to ensure that poor households, dependent on forests and woodlands for their livelihoods are not negatively impacted by the introduction of PFM or REDD+, which may introduce rules restricting access and use—rules which may hit poorer, forest dependent households disproportionately hard.

Awareness, consultation and consent

The PFM experience in Tanzania suggests that a key component regarding the successful introduction of PFM at the village level is managing expectations, communicating effectively and raising awareness. An understandable enthusiasm from project staff coupled with high levels of demand for new livelihood opportunities among poor communities often creates unrealistically high levels of expectations at the local level. When these high expectations are inevitably confronted by the realities of long and complex planning processes, and in some cases, long periods of forest protection and recovery before economically profitable harvesting can take place, this tends to dampen local enthusiasm and engagement. In other cases, poor information management has led to concerns from community members that the introduction of PFM will lead to total forest protection and

the loss of access or use rights. In some cases, local concerns have been raised that PFM is a conspiracy designed to transfer village land into a protected area under government ownership.³

A second, but related problem is that due to time pressures and funding constraints, some projects seek “short cuts”, by engaging only with a small group of village leaders (such as village forest management committees), in the expectation that information will flow downwards to members and back up to committee members. While this approach may ensure a more rapid and smooth planning process, it may represent a false saving. There are many cases where planning processes, dominated by a selected village leadership, misses or ignores important interest groups, and as a result, they become alienated from management planning. Other cases exist where management committees have actively sought to restrict information flow as a means to consolidate and abuse power (Pfliegner and Moshi, 2007). Clearly then, effective planning must be accompanied by a correspondingly effective information management process that targets both committee members and forest users alike if the risks of misinformation, unrealistic expectations and elite capture are to be reduced.

REDD+ is a complex concept and one that continues to evolve rapidly as international negotiations and experiences develop and change. The understanding of REDD+ within Tanzanian society is restricted to a very few people, drawn from a limited number of government departments, NGOs and development partners. Knowledge and understanding of REDD+ at local government

³ These concerns are not entirely without foundation. Government has extended the coverage of protected areas significantly over the past decade and often across areas that are permanently settled.

or community level remains very limited and highly selective. As a result of this, the expectations that people have with regard to the flow of benefits (both net and gross) may be unrealistically high but also their ability to engage in informed policy debate is limited. Some of the prevailing misconceptions regarding REDD+ include:

- Unrealistic expectations with regard to potential levels of REDD+ financing available to local level forest managers and owners.
- A perception in some quarters that the establishment of REDD+ necessarily implies total protection and strict conservation measures and that this is incompatible with any form of local use.
- Limited recognition of the technical demands of measuring and accounting for emissions reductions at the local level (through avoided deforestation or forest degradation), the costs that this will incur and the proportion of total finances that may be deployed in covering these costs.
- Limited understanding regarding the direct link between carbon payments and performance in reducing emission reductions.

These and other examples illustrate the critical importance of ensuring effective communication around REDD+ issues at national, district and community level if misconceptions and unrealistic expectations are to be managed effectively. Already, as part of REDD+-readiness activities, the REDD+ Task Force has overseen a process of awareness raising at provincial and district levels, but so far, this has mainly been conducted with the participation of government staff and with limited participation from local level civil society or the private sector.

Expanding this awareness raising process across different sectors of society remains an important priority. Working in partnership with established networks (such as the National Association of Community Forest Managers— known as MJUMITA by its Kiswahili acronym) is an effective means of achieving this.

The establishment of a functional REDD+ system will involve a number of key decisions at both policy and practical implementation levels that will have far reaching consequences on forest management in the coming years. Again, experience from the development of laws and regulations relating to PFM, suggests that an iterative and participatory policy formulation process offers many benefits, including both increased buy-in of key stakeholders but also the contribution of new ideas and experiences. However, there are also important trade-offs to be made between participation and inclusion on the one hand, and efficiency considerations (such as cost and time) on the other.

The government of Tanzania has already established a REDD+ Task Force whose membership has recently been expanded to include representation from Zanzibar. This task force has been given the responsibility of drafting key documents relating to the design and development of REDD+ structures, institutions and systems. Equally important, the task force is required to consult with stakeholders inside and outside government to solicit views and to ensure that the models being developed are acceptable to key players across the sector. Experience from other similar consultative policy development processes would suggest that if the contributions from stakeholders representing interests beyond the task force are to be captured, it will be necessary to ensure a very “deliberate” consultation

process. This will involve the development and dissemination of a clear timetable and process for soliciting views, providing interest groups with sufficient time to review draft policies and ensuring adequate space for receiving inputs. Participation levels will be increased if those providing inputs see their involvement as part of a deliberate, planned and organized process.

- **The role and involvement of NGOs and pilot projects:** Pilot projects, implemented largely through NGOs are already playing an important role in the development of REDD+ policy and practice through the development of site based, project-level systems, as well as helping raise awareness among different levels of society on the potential opportunities and risks that REDD+ presents. To date, the number of NGOs with the capacity to understand and actively contribute to the REDD+ discussions is relatively limited to a number of key national NGOs, but this is expanding with the establishment of new REDD+ pilot projects and other REDD+ capacity building events being organized specifically to build NGO capacities in this area. Many questions of direct interest to NGOs remain, such as the potential nature and role of REDD+ projects operating at the sub-national level, the way in which they could operate with finances from voluntary markets within a “nested approach” and how carbon accounting at project level might interact or support national level carbon monitoring and accounting processes. Furthermore, a number of NGOs by virtue of their involvement with development processes within rural communities are also interested in the potential benefits, opportunities as well as threats that REDD+

policies may create at grassroots levels. Providing opportunities to NGOs to both contribute towards and provide comments to the emerging REDD+ strategy will be important if these and other concerns are to be adequately captured within the final agreed policy process.

- **Capturing the true economic value and contribution of forests.** The forest sector has traditionally been seen very much as a “minor player”, when compared to more influential, priority sectors such as health, education or agriculture. This is despite the fact that forest goods and services contribute across the economy as well as providing very important cash and subsistence benefits at the household level. The real contribution of the forest sector is often “hidden” or goes unrecognized by policy- and decision-makers alike. Although REDD+ is a complex subject, it has the potential to provide new sources of funding for the government. Recognizing the potential economic value of REDD+ payments and using this as leverage to gain widespread political support across government will be an important way in which the REDD+ Task Force will be able to catch the attention of important ministries such as the Ministry of Finance and Planning, PMO-RALG, and the Vice President’s Office.
- **Capturing the views from both central and local government institutions.** Given that many of the drivers of deforestation and forest degradation are site specific and local in nature, it will be important to ensure that government agencies with implementation mandate at the local level are also involved in the design and development of REDD+ policies. The REDD+ Task Force,

Box 3

Agricultural marketing co-operatives— a possible model for carbon sales?

Since independence, agricultural co-operatives have been viewed by government as a key vehicle for supporting farmers and farmer groups to access agricultural markets, ensure quality produce and realize fair prices. “Primary societies”, formed at the village levels form the lowest organizational level of agricultural co-operatives. One person per family becomes a member following the payment of a one-time entrance fee. Primary societies buy crops from members and provide input supplies. In some cases, societies also act as commercial enterprises and own storage facilities, equipment (such as weigh scales) and vehicles, all of which can be leased for a fee. Primary society members can, but are not obliged to, sell their crops to the society. Farmers deliver their crops throughout the harvest season. At each delivery the crop is examined, weighed, recorded and the farmer paid. Delivery of superior quality crop is rewarded with a premium. Crops are delivered in bulk to a Cooperative Union at District or Regional level for processing and eventual marketing.

The 1991 Co-operative Societies Act and the 1997 Cooperative Development Policy introduced key reforms into the sector by de-linking co-operatives from government control and making them fully member-owned. The 1991 Act encourages the formation of apex organizations around particular commodities such as coffee, cotton, tobacco and cashew nuts. These apex organizations, are charged with representing the interests of members at national levels through interaction with policy makers within government. Apex organizations are represented at the national level through Crop Industry Councils, which are forums developed by government to facilitate dialogue between producers, traders and government. Recent liberalization of the markets has meant that trading monopolies enjoyed by co-operatives have been lost and as a result they have lost some market share. However they remain the major channels through which most rural poor still sell their produce.

in recognition of this, has taken the step of requesting the participation of PMO-RALG. This is an important development as both PMO-RALG and local government authorities have significant experience in the management of development funds targeted at specific sectors, but also can give

useful perspectives about the challenges and realities of working at the community levels and below.

Monitoring, Reporting and Verification (MRV)

Although MRV is a term largely associated with REDD+ processes, there are a number of important lessons learned from PFM with regard to monitoring changes in forest condition as well as the achievement of positive outcomes with regard to improvements in forest management and biodiversity.

Experiences from a number of PFM sites in Tanzania, particularly in Iringa district, have pointed to the important role played by local forest managers in monitoring forest conditions and disturbance. Within the context of a Danida-funded PFM project, a community-managed biodiversity and natural resource use monitoring scheme was established. The monitoring scheme was established in 2002 and was developed specifically to meet the needs and capacities of forest management committees engaged in the management of the forests. Rather than measuring biodiversity as an end in itself, the monitoring was focused on resource extraction and disturbance. The scheme is based on data collected by village guards during patrols and by village committee members interviewing people about their perception of changes in available forest resources. The village forest management committee also keeps records of their own activities and all transactions related to natural resources—such as issuing user permits, and collecting fees and fines. The monitoring was initially implemented in 23 communities and has since been replicated by other villages. Recent research conducted at this site was able

to show that local monitoring was continuing across the majority of sites, despite the fact that external project assistance had been withdrawn in 2004. Furthermore, when the findings of locally managed monitoring schemes were compared with monitoring carried out by experts conducted in similar areas, it was found that variations in accuracy were small and overall monitoring costs were significantly lower when implemented by communities (Danielsen et al., 2010).

A number of studies have demonstrated that the introduction of PFM leads to improvements in forest management and a reduction in forest disturbance. Fewer studies, however, have analyzed the impact of PFM on adjacent, non-PFM areas. Recent research conducted across different PFM sites has suggested that “leakage” of unsustainable forest harvesting may be a significant problem in certain situations (Vyamana, 2009). In CBFM sites, the study found that communities had other patches of forest that were not formally covered by the CBFM bylaws but in which the community was nevertheless informally applying the same bylaws. This suggests strong local ‘ownership’ of the bylaws and recognition by the community that they have a generally positive impact. The reverse was true in JFM sites studied. Bylaws developed by the village were only applied to the specific forest areas under JFM management—and were not applied to other areas of government forest reserve, leading to a displacement of use from one site to another. This shift in utilisation pressure from JFM to non-JFM forest suggests that the improvements in forest conditions, recorded elsewhere, needs to be interpreted with caution.

Much of the effort behind the establishment of a functional REDD+ system involves the development of an effective monitoring,

reporting and verification (MRV) framework. A number of on-going, externally-funded initiatives are assisting this process including work by the Clinton Foundation on the development of a carbon baseline, and work by the National Forest Resources Monitoring and Assessment (NAFORMA) process being supported by the Government of Finland and FAO. The establishment of a Tanzanian Carbon Monitoring Centre is being planned, which will be the institutional home for national level MRV processes.

It looks likely that MRV processes will take place at both the national level and also at the project, or site level, where specific interventions are on-going. Site level MRV will be needed within the context of some of the projects that are currently being developed with Norwegian funding to assess and account for reduced emissions as well as social benefits, with a view to complying with the Voluntary Carbon Standard (VCS) and Climate, Community and Biodiversity (CCB) standards. At the national level, MRV systems will be needed to assess to what degree national rates of deforestation and forest degradation are changing over time.

As the development of MRV processes takes place at these two levels, two potential risks emerge. First, there is the risk that actors at the local level begin to develop monitoring and accounting tools that are not compatible with those being developed at the national level, which would mean that it would not be possible to “nest” sub-national projects within any national accounting system. This risk is increased by the fact that different projects, working in different parts of the country may themselves develop MRV processes that are not compatible with each other, or with national systems, but need to be balanced with the need for local innovation and experimentation.



Photo by Tom Blomley

The second risk is that of increased cost and growing inefficiencies. Assuming that agreements are reached on a common approach, there is an additional risk that systems that could most effectively be established at a higher level, are being repeatedly created and established at a lower one. It will become increasingly important, as national and sub-national approaches develop, to ensure coordination and harmonization between actors at all levels, and to agree a common framework for MRV. Furthermore, it will be important to agree which MRV functions can be most effectively institutionalized at which levels to avoid the risk of increased cost and spiralling inefficiencies.

Some of the key areas for the emerging MRV architecture include:

- **Role of local stakeholders and communities in MRV.** As discussed above, locally-driven monitoring approaches appear to be both accurate and cost effective. As high-level discussions continue on the technical specifications of MRV systems, including choices of digital and GIS approaches, it will be important to consider how national demands for standardised data collection can be reconciled with participatory carbon and forest monitoring approaches.
- **The applicability of MRV models developed to date within the Tanzanian context.** REDD+ places extremely high methodological demands in terms of MRV. This is complicated by the fact that in the absence of any global and legally binding agreement on REDD+, systems are in a state of flux and based on assumptions of what may or may not feature in any final convention. The methodologies for accounting for reduced deforestation and forest degradation are being developed

in many countries through externally funded pilot projects, often supported by international NGOs. The bulk of these efforts have been directed to areas with tropical high forest such as Brazil, Indonesia, Ecuador and some parts of Central America. In these areas it is often deforestation that represents the principle threat (through conversion to oil palm, through logging or other forms of planned use or conversion). In Tanzania, however, the threats to forest cover are largely driven by factors related to degradation, rather than deforestation. This includes illegal logging, charcoal production and small scale agriculture. Large scale conversion of forests to alternative non-forest uses is relatively rare, apart from a limited number of biofuel or agro-industrial production sites. This presents some challenges within the Tanzanian context for both projects and national level actors wishing to assess the impact of degradation as well as deforestation.

- **Options for aggregation of carbon accounting and payments at project level.** Forests managed and owned by village governments, community groups and individuals tend to be fragmented and dispersed, rather than in large, continuous blocks. This presents significant challenges for MRV processes within community-level projects and raises questions regarding the economic viability of REDD+ processes in these areas due to potentially high transaction costs. Pilot REDD+ projects currently being funded by the Norwegian government have recognized this constraint and are experimenting with various models that allow for transaction costs to be reduced through economies of scale.

The Tanzania Community Forest Conservation Network is proposing to establish a “carbon co-operative” which would offer participating community forest managers the opportunity to market REDD+ credits to the voluntary market, through the adoption of agreed common standards and criteria. This would build upon Tanzania’s long history of supporting agricultural marketing co-operatives (Box 3). A cooperatives model has advantages in that a) Cooperatives are the government’s preferred vehicle for addressing rural poverty reduction and are supported by prevailing policy and legislation; b) Membership based, voluntary cooperatives have a long history in Tanzania and capacity building, regulatory and audit institutions exist to support their functioning; c) Cooperatives are flexible and should be able to market new “products” such as emission reductions on behalf of their members; d) The voluntary and autonomous nature of cooperatives is enshrined in law and means that members are in control of their own development agenda; and e) Cooperatives, once trained, can be used to monitor, report on and verify agreed standards.

Similarly, the Tanzania Traditional Energy Development Organisation (TaTEDO), another national NGO, is proposing to aggregate functions related to MRV for individual, private forests (called *ngitiri*) at community level as a means to reduce transaction costs. The practical challenges related to establishing such aggregation models, and the compliance of these models to any future REDD+ agreement at national or international level remain unanswered questions that TaTEDO and other NGO pilot projects hope to answer.

- **Learning from pilots and sharing experiences.** There are currently several NGO REDD+ pilot projects being supported by the Norwegian government and overseen by the REDD+ Task Force. These projects are currently in the process of developing project design documents (PDDs), as well as detailed carbon accounting and measurement tools. Given the relatively limited number of REDD+ pilot projects that have been developed worldwide in *miombo* or coastal woodlands, tools and methodologies for these conditions are lacking and in some cases, non-existent. At the same time, government is moving swiftly with the development of national REDD+ systems (including the design of a national carbon accounting centre and the development of a carbon baseline through NAFORMA). Clearly, the benefits of ensuring that lessons are shared both horizontally between pilot projects, and nationally between these pilots and national agencies are substantial. These benefits include ensuring that MRV development proceeds in ways that build upon emerging field experience; identifying and capitalizing on opportunities for collaboration and reduced costs; and avoiding the development of multiple, (and potentially incompatible) MRV systems at different levels. At present, apart from one or two ad-hoc workshops there has been little deliberate networking between REDD+ pilots and national (or international) level experiences. One option in this regard may be to identify a national institution with a mandate and track record in networking between governmental and non-governmental stakeholders within the field of natural resources management who could perform this function. Their

capacity could be complimented through a partnership with an international centre of excellence with global expertise in REDD+.

- **Reducing the risks of leakage across PFM sites.** As discussed above, leakage from PFM sites (and in particular JFM areas) appears to be a significant risk. Given the prominence of PFM as a foundation for REDD+ activities within government policies, it will be important to invest resources in developing a deeper understanding of leakage across PFM sites, and to develop clear leakage mitigation strategies (such as broader, landscape level planning processes) when supporting local level forest management.

Conclusions and policy implications

Experiences gained over the past 15 years in the development, implementation and scaling up of participatory forest management offers a range of useful insights for REDD+ policy and practice in Tanzania. In this final section, the policy implications of these insights are presented and summarized.

Forest tenure and carbon rights

Given the prevailing uncertainties regarding the legal definitions of village land and general land, rights and responsibilities relating to the management of trees, as well as the payment and beneficiaries of royalties and other revenues, are often uncertain and open to local interpretation. This uncertainty is only likely to be accentuated through the addition of carbon rights through REDD+. It will therefore be important for government to help clarify the following legal questions:

- the status and legal definition of “unused and unoccupied” village land, outside village land forest reserves and in particular those lands with extensive forest or woodland cover;
- the actual extent and geographical distribution of village, general and reserved land;
- the rights of village governments to carbon revenues in unreserved forests on village land, and the possibility of creating more positive incentives for local management and conservation;
- the rights of community level forest managers to carbon revenues in JFM forests; and
- the beneficiaries of carbon sales in areas under wildlife management areas (WMAs), where agreements have already been reached regarding the sharing of wildlife hunting revenues between village, district and central governments.

Benefit sharing

Distributing carbon benefits between national and district level managers

Government is increasingly emphasizing the need for a fund-based approach for carbon payments at the local level. A number of options present themselves regarding the identity of such a fund—although some form of autonomous, non-governmental status seems likely, perhaps building on the experiences of the Eastern Arc Mountains Conservation Endowment Fund, which now disburses funds directly to community based organizations and NGOs as a means to support effective biodiversity conservation. While establishing an independent

organization offers a number of benefits in terms of transparency and effectiveness, it will be important to ensure that transaction costs do not become prohibitive, thereby limiting potential revenues to community and household levels.

Furthermore, it will be important to clarify the basis and rationale by which REDD+ payments will be made. Will they be based simply on verified emission reductions due to reduced deforestation, or will other factors such as social safeguards, good governance, biodiversity and pro-poor approaches also be used to direct payments?

Distributing carbon benefits within communities

As REDD+ projects look increasingly towards PFM as a foundation for launching community level initiatives, it will be important to ensure that safeguards are introduced to minimise the risk of elite capture. These safeguards are not particular to local level forest management approaches, but are typical of any measure designed to increase transparency, accountability and equity. They might include ensuring that forest management committees provide formal and regular opportunities for members to review and question how decisions are taken and how any funds have been distributed. It may also include measures designed to ensure that poor households, dependent on forests and woodlands for their livelihoods are not negatively impacted by the introduction of PFM or REDD+, which may introduce rules restricting access and use—rules which may hit poorer, forest dependent households disproportionately hard.

Awareness, consultation and consent

As a new, and rapidly evolving approach, with the potential to inject significant amounts of additional financing into Tanzania, REDD+ has the potential to create unrealistic expectations, as well as misconceptions relating to forest exclusion and foregone use. As government together with NGOs and other projects move towards the implementation of REDD+, ensuring effective communication, at all levels of society, will be of utmost importance. Perhaps most importantly, community members must clearly understand the costs, benefits and potential risks of REDD+ projects and have the opportunity to discuss it internally before taking any kind of decision. PFM experiences have highlighted the risks of focusing exclusively on communicating and negotiating with village leaders, in the absence of a more widespread agreement.

It will be important to strengthen the dialogue between government and REDD+ pilot projects across the country (as well as between projects working on similar problems in different areas) as a means to strengthen the transfer of experiences, but also as a means to inform and influence policy development processes in an iterative and practical manner.

Monitoring, reporting and verification

Local forest managers have a demonstrated track record in the monitoring of forest conditions, biomass and disturbance to a level of accuracy comparable to that achieved by experts and at considerably lower cost. Furthermore, as managers of the resource itself, they are perhaps best placed to oversee monitoring, so that it can

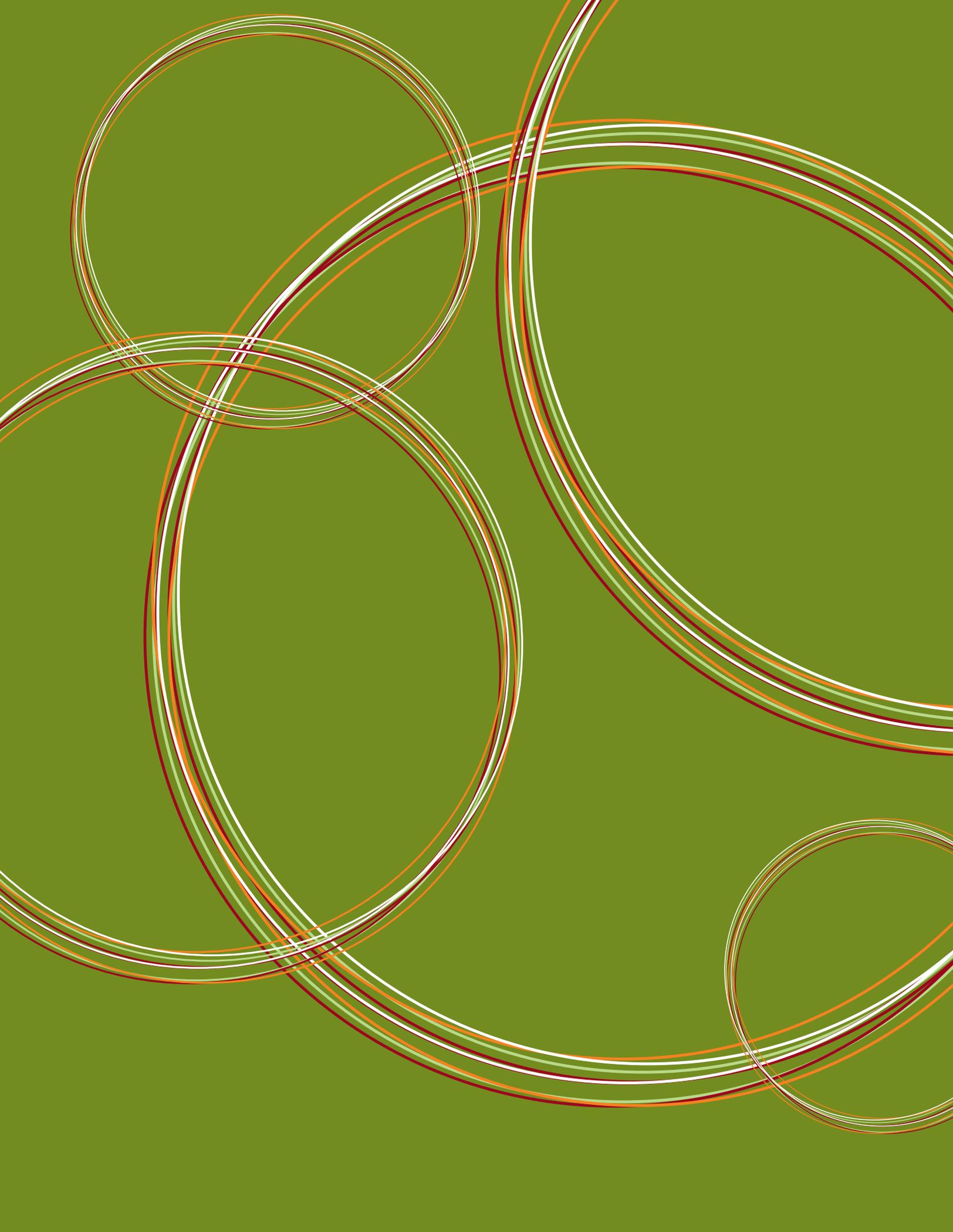
feed back into management decision-making. As the highly technical debate on MRV evolves in Tanzania, it will be important not to lose sight of the very real and effective contribution community-level forest managers can make to this process.

Due to the fragmented and geographically dispersed nature of many PFM forest sites across the country, alternative models of MRV will be needed to avoid prohibitive costs on a forest-by-forest basis. Working with and through the emerging community forest network (MJUMITA) presents a number of attractive options in terms of reducing transaction costs, developing standards and synergies and the possibility of aggregated carbon sales.

Leakage, particularly within sites managed under JFM, remains a concern and more work will need to be done in understanding when, how and where leakage occurs and how mitigating actions may be taken to avoid it. This may involve working at a broader, landscape level, and applying similar management approaches (and bylaws) across forest management areas under various forms of control.

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