Integrated **Benefit Sharing** Mechanism at a Village Level

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Three general questions

1. How to integrate **development planning** of forest-dependent village with performance-based **benefit sharing** mechanism?

2. How to integrate **public and private finance into public management** at sub-national and village levels for climate actions at village level?

3. What are the **existing and potential instruments** for benefit sharing that incentivize village actions for emission reduction from deforestation and forest degradation?

Village planning cycle – planning, budgeting, implementation, monitoring and evaluation

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How to integrate **development planning** of forest-dependent village with performance-based **benefit sharing** mechanism?

Concepts:
Jurisdictional approach for benefit sharing
Territorial approach for performance system
Area approach for ecological fiscal transfers
Landscape approach

Concepts:
Fiscal decentralization, decentralized village governance, responsibility assignments, the notion of “scale”

2 How to integrate **public and private finance into public management** at sub-national and village levels for climate actions at village level?

Policies:
Village Law, Decentralization Law

Concepts: **Efficient** (cost effectiveness, incentive compatibility); **Effective** (in reducing emissions); **Equitable** (equalizing effect)

Concepts: Indicator for performance (qualification and incentive structuring); **Quantitative** (e.g. Forest cover), **Qualitative** (e.g. Carbon stock per assigned area)

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Then, what are the **existing and potential instruments** for benefit sharing that incentivize village actions for emission reduction from deforestation and forest degradation?

Instruments:
Village Fund (Dana Desa), Shared-Revenues and Fiscal Transfers, emerging schemes such as CPO Supporting Fund, etc

Pilot areas, partners, ...

Areas	Districts of Malinau (North Kalimantan), Bungo (Jambi), and potentially Kapuas Hulu (Central Kalimantan) and Sigi (C. Sulawesi).
Ministries, local government, associations	Ministry of Environment and Forestry Ministry of Finance District Governments, Village Associations
Support:	German Agency for International Coooperation (GIZ); European Union REDD Facility/European Forest Institute