

## DRAFT BENEFIT SHARING PLAN

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## 1. Introduction

Benefit sharing can be defined as the distribution of both the monetary and the non-monetary benefits generated through the implementation of REDD+ projects and programmes as well as through outcomes of activities. As part of the submission of this Ghana Shea Landscape REDD+ Proposal (GSLRP) several different mechanisms are part of, or inform the benefit sharing approaches or arrangements which include allocation and distribution of benefits. These include Ghana's national safeguards approach and its accompanying safeguards information system; at the GSLRP these include level, the Environmental and Social Management Plan, the Stakeholder Engagement Plan and the Project's Grievance Redress Mechanism, (see Annex 6b). The BSP will also be informed by the document [Benefit Sharing for REDD+ Implementation in Ghana](#).

An effective benefit sharing design will create incentives for direct and indirect beneficiaries that are involved in the project activities with all the stakeholders including government agencies, private sector companies, traditional authorities and sub national governments, to initiate and support action to achieve the outputs and ultimately the results of the project. The types of benefits are improvements to local livelihoods through training, capacity building and awareness creation, increased income from the shea value chain, building or strengthening forest governance modalities, access to, use and sale of timber and non-timber forest products (including wood fuels) and fees, access to land for cropping and income from forest management activities.

Benefit sharing pertains to the benefits from trees, both planted and natural, on- and off- forest reserves, as well as other types of benefits that will accrue as a result of the implementation of the project. These will be informed by policy and legal frameworks as determined by the government of Ghana (See Addendum 1) and tested and implemented through stakeholder engagement and participatory implementation of the project.

The benefit sharing plan will be finalized during the project inception period as stakeholder engagement and consultation needs to take place with respect to the arrangements and expected outcomes. As decision making bodies, CREMA executive committees and CREMA Community Resource Management Committees need to be selected/formed for Output 1. MTS contracts with the Taungya communities and fire brigades need to be defined in Output 3. Discussions with smallholder farmers, women's cooperatives, and nursery management stakeholders will take place to determine how benefits are integrated. In addition, the testing of reforms that are recently presented to policy makers, will influence how benefit sharing will take place within the various scenarios in all three outputs. Benefit sharing will enable and provide incentives for the attainment of the Green Climate Fund's core indicator and fund level impacts relating to climate mitigation actions through reduced deforestation and forest degradation and sustainable forest use. It will be consistent with the policy, legal and regulatory framework of Ghana and will test reforms and progressive forms of benefit sharing. It will draw heavily on the work done on tree tenure and benefit sharing as described in Addendum 1.

## 2. Existing Benefit Sharing Models

Currently in Ghana, there are four different forms of benefit sharing arrangements that have been documented in Ghana's forest sector. These include, Constitutional Timber Revenue benefit sharing, Modified Taungya System (MTS) benefit sharing, Commercial Plantation benefit sharing and Community Resource Management Area (CREMA) benefit sharing. There are also systems of benefit sharing in off-reserve forests for the harvest and marketing of charcoal and for rosewood, though these reflect local variants of how such benefits are shared and how they are negotiated. Other forms of benefit sharing arrangements exist in the agricultural sector referred to as traditional share contract (sharecropping/land

sharing) benefit sharing namely, *Abunu* and *Abusa*. These are further described in a consultancy report prepared for the Forestry Commission of Ghana in 2014, entitled ‘Benefit Sharing Mechanism for REDD+ Implementation in Ghana, by the Forestry Research Institute<sup>1</sup> of Ghana (FORIG). The benefit sharing models address elements of equity, effectiveness, co-benefits and safeguard measures.

### 3. Context for changing Benefit Sharing Systems

Ghana’s land tenure regime is complex and legally pluralistic. Land can be owned by one entity but ownership and access to some resources such as trees are held by another entity. Both customary and statutory laws govern land tenure in Ghana. Nonetheless, all forestlands in Ghana are managed by the State in trust for the Stool/Skin (traditional) landowners, under community management or are privately managed plantations.

Ownership and user-rights of land and resources (for example, trees) are intimately linked to the right to share the benefits that arise from these resources. This is because the system creates scenarios where it is possible to “own” the resource and yet not have full economic management rights, as in the case of land owning families or stools with respect to trees on-reserve and off-reserve.

Farmers and local communities on whose land these trees occur have access rights, unrecognized management rights, de jure exclusion rights and withdrawal rights in the form of timber utilization permits. If a tree is planted under the customary tenure system, it is largely perceived that planting of trees is a means to gaining access to land or extending one’s stay on the land through by sharecroppers or tenant farmers in off-reserve areas. Tenant farming and sharecropping are therefore means to gain access to land for farming.

Current analysis based on REDD+ work, FLEGT VPA<sup>2</sup> and the Natural Resources and Environmental Governance Technical Assistance (NREG-TA), highlights the challenges of unsustainable management of forest resources and concludes that “existing tree tenure regimes is largely regarded as a disincentive to sustainable forest management”, and this is in part attributed to the inadequacies in the legislation.

The revised Ghana Forest and Wildlife Policy (FWP) 2012 allows active community and landowner participation in the management of forest resources. A study supported by the World Bank under NREG-TA through the Ministry of Lands and Natural Resources has proposed solutions for resolving issues related to tree tenure and benefit-sharing in a manner that is consistent with the provisions of multilateral treaties that Ghana is a party to, and international best practices and in consultation with a wide range of stakeholders<sup>3</sup>.

These recommendations are described in a document entitled ‘**Tree Tenure and Benefit Sharing Framework in Ghana**’. **June 2016 by the Ministry of Lands and Natural Resources**. This 150-page document provides comprehensive recommendations on tree tenure and benefit sharing on and off-reserves for both naturally occurring and planted trees. The document concludes, *inter alia*, that the

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<sup>1</sup> The report can be found [here](#).

<sup>2</sup> The European Union Forest Law Enforcement Governance and Trade (FLEGT) initiative seeks to regulate the management, harvest and trade in timber and timber species to ensure sustainability and improve forest governance. Voluntary Partnership Agreement (VPA) is a binding agreement between EU and timber producing agreement under the framework of the FLEGT to regulate the trade in timber and timber products between the two parties.

<sup>3</sup> Tree tenure and benefit sharing framework in Ghana, Ministry of Lands and Natural Resources, 2016, available at: [https://www.fcghana.org/userfiles/files/MLNR/Tree%20Tenure%20final%20\(2\).pdf](https://www.fcghana.org/userfiles/files/MLNR/Tree%20Tenure%20final%20(2).pdf) (accessed 09-04-2018)

existing tree tenure should be reformed such that ownership of naturally occurring timber trees are vested in persons or entities with management, exclusion and alienation rights to trees and land. The implication is that holders of allodial and freehold land titles under customary land ownership would exercise ownership right over naturally occurring trees on their lands. This would incentivize critical stakeholders, such as farmers and forest-adjacent communities, to invest in forest management and conservation for effective implementation of any tree growing mechanism.

Going in this direction will require some reform in the policy and legal framework. The most favoured arrangement for land and tree tenure reform in the country is the right for the farmer and the land owner to negotiate their rights to own trees and benefit sharing with each other followed by decentralized land titling and registration that allows for farmers to register not only their land but also trees on their farms.

The least favoured option is where government and Traditional Authorities give the right to dispose of trees on farmlands. Changing the current tree tenure regime requires revisions at many levels, including the Constitution and has fundamental knock-on effects on many other components of the forest legislative framework, so will be virtually impossible to treat alone. To be pragmatic, the analyses and drafting processes for tree tenure reform and broader forest regulatory framework reform in practice will need to run in parallel, with very close coordination and communication between the two. There is a ground swell with forest communities in favour of rights related to decentralize land and tree tenure governance that gives more right to land owners and farmers who invest resources in the regeneration/creation/protection of a forest.

The following are recommendations for policy and legal reform:

- The policy should ensure that the farmer has the right to adequately negotiate benefit sharing arrangements from trees that he/she plants/nurtures with land owner (labelled as ‘farmer right’ with landowner);
- There should be a decentralized land title registration that allows farmers to demarcate and register their lands in the community/district and also register trees on their farms in order to ensure that at the time of benefit sharing, ownership of trees would not be in dispute;
- There should be a standardized benefit sharing options for on-reserve (naturally occurring), on-reserve (planted), off-reserve (naturally occurring) and off-reserve (planted);
- Off-reserve planted and naturally occurring trees should be managed by the traditional authority and landowners. The FC can provide guidelines, such as supporting farmers to register trees, since legally it has no mandate in off-reserve forests; and
- Land use plans for district assemblies should reserve areas for forests/woodlands.

The document notes also that the following **principles** should be applied to benefit sharing;

**Effectiveness:** Ensuring that benefits reach those who contribute to a particular resource and create the right incentives for them to continue doing so in the long term;

**Efficiency:** Ensuring that the benefit sharing mechanism maximizes benefits on each unit of input and delivering benefits in a reasonable amount of time; and

**Equity:** Ensuring that benefits are shared among all legitimate actors in a manner that is widely perceived as fair” (Davis, 2012; Xiaoting Hou, 2013: 2, cited in TBI Ghana 2014).

#### 4. Types of Benefits in the GSLERP

The project beneficiaries will not be receiving any results based payments for carbon emission reductions in this Project. Rather this is a project focusing on implementation and therefore the types of benefits that accrue are:

**General information.** Through a communication strategy to raise awareness and knowledge on climate change and REDD+, greater participation and ownership of the project, knowledge on climate change, on how climate change affects them,

**Targeted and specialized training and knowledge transfer** in community forest management (natural resource management, silvicultural methods, governance and fund management, business skills and accountancy, fire management, training on aggregation and efficient kilns/charcoal production. These will be pertinent to the Community Resource Management Areas (CREMA) and the Modified Taungya System (MTS). Training on shea restoration and marketing involves restoration of shea parklands through replanting or farmer-managed fallow vegetation, nursery development and management, grafting and planting, warehousing, aggregation and direct marketing of shea kernels, business management skills for women's groups and collaboration with private sector buyers and intermediaries, NGOS and CSO through a shea multi-stakeholder platform. There are a number of activities related to fire management, including training, means of transportation and eventually skills to manage fires and prevent the negative impacts of late dry season burning. Other benefits will be through training on geographic information systems, collection and analysis of land use data, monitoring of the application of safeguards, integrating monitoring systems and innovative methods involving community, government and private sector partners to collect and confirm data. Finally in order to ensure that when there are disagreements that cannot be addressed through project-level stakeholder engagement, stakeholders have recourse to a grievance mechanism.

**Direct benefits** such as wood for wood fuels, timber and non-timber forest products (NTFPs) for use on the farm or in the community, charcoal, household utilization of shea trees. Warehouses to store shea nuts will belong to women farmers.

**Income** from sale of shea kernels and other NTFPs from agricultural lands, timber, wood fuels and payments for fire management from MTS and CREMA, as well as other timber and non-timber forest products to be defined in the community management plans for the CREMA and in the agreements between farmers and Forestry Commission in the MTS.

## 5. Safeguards

See Annex 6b. Based on the safeguards approach, the following criteria/characteristic will be employed when developing the benefit sharing plan;

1. The needs and interest of the vulnerable stakeholders and gender requirements will be taken into account
2. Benefits will be distributed fairly and interests will be balanced as agreed to by villagers.
3. Role and responsibilities will be defined prior to benefit distribution (codes of conduct, contracts)
4. Efficiency - costs in managing the process will be reasonable

## 6. Preliminary analysis and identification of issues for the Benefit Sharing Plan

### **6.1 Output 1 - Off-reserve, degraded, savannah forests restored under self-financing community management in CREMA**

The first generation of CREMA consisted of off-reserve areas within which one or more communities contiguous to a protected area have agreed to incorporate sustainable wildlife management into existing land use (Wildlife Division, 2004). The rationale behind these CREMA is to involve adjoining communities in wildlife management while providing them with economic incentives through sustainable income-generating activities compatible with wildlife management. This mechanism was intended to help to reduce pressure on forests and wildlife resources located in the protected areas while allowing people to meet their livelihood needs (A Rocha Ghana and Forestry Commission 2009).

One of the longest running and most successful CREMAs was established around the Wechiau Community Hippo Sanctuary in Upper West Region (Sheppard et al, 2010). Other CREMAs were initially established around other key protected areas in recognition of the fact that wildlife tended to move as well as migrate across wide areas, including both reserved and non-reserved land. In addition to revenues from tourism, CREMAs have also depended on alternative sources of income from activities such as bee-keeping and the sale of non-timber forest products (such as Shea nuts and Dawadawa fruits).

The GSLRP aims to set up areas dedicated to forests and the benefit sharing arrangement would strive at equity by allocating benefits to all relevant actors contributing to forest management and conservation. Stakeholders will contribute to forest management and conservation by actively setting up community-run forest areas and by refraining from activities that contribute to forest degradation and deforestation such as farming in this dedicated zone, and engagement in illegal logging in forest reserves and protected areas.

Under MTS and Commercial forest plantation development models, degraded forest reserves are being restored by stakeholders (particularly farmers). Community revolving fund as a fund-based benefit sharing scheme has the potential to support participating stakeholders in planting and maintenance of trees and to enable beneficiaries to engage in economically viable income generating activities.

In a typical CREMA, 5-10% of revenue goes to the CREMA Executive Committee (CEC), while 90-95% is allocated to the communities for development purposes.

GSLRP will expand the CREMA concept to the multiple use, community management of forest resources, including the production and marketing of timber, wood fuels and other non-wood products. In each CREMA, there will be a stakeholder engagement process involving the CREMA Executive Committee, the Community Resource Management Committees (CRMC – about 6 in each of the CREMA) and the district assemblies to define, execute and monitor forest management objectives, the forest management plan and the plan for the sharing of benefits that will accrue from the community management of the forest. A major focus will be placed on profitability and self-financing that adhere to environmental and social safeguards.

Community members, unless they otherwise decide, will harvest wood fuels for the marketing of charcoal and fire wood and for the harvesting of NTFP. Those harvesting the wood fuels will get the largest share of revenue generated as a direct function of the quantity of charcoal or fuelwood they have produced. A portion of the revenues generated will go into the community's forest management fund to cover labor, professional and other operational costs. Another portion can be allocated development needs. The CEC, CRMC in consultation with PMU and stakeholders will decide on how benefits will be shared equitably. CREMA communities may decide to share revenues with District Assembly and Traditional Authorities in return for services rendered. It is important to note that CREMA are owned and managed by communities. Current access rights for grazing livestock in CREMA will need to be discussed and agreed up with all stakeholders especially if these areas coincide with those designated by the CREMA as community forest.

## **6.2 Output 2 - Degraded shea parklands restored through public private partnerships**

A number of field sites for shea restoration have been identified during project preparation. Land use planning identified under Output 1 and consultative processes will contribute to the identification of the areas where a) bush fallow systems are still in use allowing restoration through farmer-managed fallow vegetation, and: b) permanent agricultural land where there are higher population densities, and where agricultural intensification and tractor ploughing are intensive, where shea losses are high and where shea restoration will require community nurseries for the production and out-planting of shea seedlings.

The location of project intervention areas will also be determined in tandem with private companies and NGOs providing co-finance who may have already set up arrangements with farmers. To help ensure these restoration efforts are gender equitable to the extent possible, field sites that are farmed, owned and/or managed by women will be identified and targeted. Nurseries for the production of two-year old shea seedlings will be set up and run by the 26 women's cooperatives that will be created and/or supported under Activity 2.2. The women's groups will be involved in the nursery production and out planting of shea seedlings, direct seeding of shea, and will also be trained in the layout of the in-field planting schemes, in techniques for planting and care of the young trees and in other techniques for the sustainable management of shea parklands. These efforts will be supplemented by extension services from government and NGOs, depending on whatever arrangements are deemed the be the most appropriate locally.

On farms where bush fallow is still practised, these will be identified with stakeholder consultation and restoration will consist primarily of the reactivation of traditional farmer-managed natural regeneration of the fallows, selecting healthy, well-positioned young shea and other high valued trees (such as African Birch and Rosewood) to be retained as part of the agroforestry system when the rest of the fallow vegetation is cleared. Support will also be provided to those bush fallow farmers who chose to invest in the planting of high-yielding varieties by direct seeding, planting or grafting (for both improved varieties and to trigger early fruiting).

On smallholder farms with continuous cropping, restoration will be achieved through nursery production and out planting of seedlings, or through direct seeding, in both cases supplemented by the option of grafting of improved varieties to stimulate early fruiting. Shea and other high value species will be planted in farmers' fields in spatial configurations that are compatible with mechanized ploughing and the other technologies used by the farmers.

In both instances, the right to collect shea fruits will be determined, especially since women do not hold title to the land. When these shea trees mature, yields would be collected by women and these benefits need to be discussed when trees are planted and rights to collect and receive income from sale of shea agreed upon. This will be accompanied by the responsibilities that need to be undertaken to ensure the shea and other trees grow to maturity.

## **6.3 Output 3 - Modified Taungya System plantations and fire management in forest reserves**

Ghana has introduced a number of strategies to improve the livelihoods of communities, restore forest cover and address timber deficits. The MTS is one of these. Results from the high forest zone indicate that the lack of regular income after the canopy closes and until tree harvesting, the delay in signing MTS agreements and the absence of a clear mechanism for sharing the 40% timber benefits among farmers



are constraints. In addition, restrictions on the tree and crop species allowed and inadequate knowledge and extension support also demotivate farmers to invest in labour in farm maintenance<sup>4</sup>.

The GSLRP will address these barriers. The Forestry Commission is the implementing agency for the project and will work with a Taungya management committee set up in each reserve to ensure that legally binding contracts are set up in a timely manner and support and supervision is adequate. Farmers are considered co-owners of the plantations with the Forestry Commission. There are four main groups of stakeholders; the FC, farmer groups, traditional authorities and the local community. Each has a defined role and responsibility and concomitant benefits and costs.

40% share of the tree revenues and all of the proceeds from agricultural crops will need to be clearly determined within the Taungya communities themselves and there is the possibility to set up additional bylaws to guide implementation of the system on the ground. The GSLRP project will address one of the main issues which is that the 40% share only comes at the end of the rotation period. These include harvest of NTFPs preferred by the communities, selection of some short with long rotation indigenous trees and planting of preferred crops (such as cassava).

Taungya communities will be structured and will be contracted and trained by FC for fire prevention, control and management. Community members will be employed to create and maintain fire breaks. Fire brigades will be created and trained for early burning/fire management. All the conditions relating to access to forest reserves, cropping periods, land preparation, planting and maintenance of trees, choice of tree species and crops, fire management and benefits from wood fuel and timber harvesting will be determined through a participatory culminating in the signing of contracts between taungya farmers and the FC.

Table 1 below indicates indicative benefits, stakeholders and context for the three outputs.

Table 1 – Description of benefits and stakeholders.

Benefit	Stakeholder	Issue to be considered and costs
<ul style="list-style-type: none"> <li>Allocation of woodlots for harvesting in CREMA</li> <li>Cash from sale of sacks of charcoal and steres of firewood in CREMA</li> <li>Cash from the sale of stumpage – may be sold on competitive bids or as an established rate per log or per cubic meter in CREMA</li> <li>Cash from the sale of saw logs – may be sold on competitive bids or per established rates based on log dimensions, species and quality in CREMA</li> </ul>	<p>Men, women and older youth from the village get first priority for allocation of sections of the annual cutting unit for the harvest and processing of wood into charcoal or stacks of firewood.</p> <p>Allocation of revenues to be decided by the community CMRC and Village assemblies</p> <p>Allocation generally divided amongst:</p> <ul style="list-style-type: none"> <li>Wood cutters/workers</li> <li>Investments in community projects</li> </ul>	<p>Communities must establish their own rules on allocation of harvest and marketing rights. Harvest is done in compliance with the forest management plan and the agreed communities rules and regulations. Marketing is usually done by the community managers and wood cutters are paid– per sack of charcoal or per stere of firewood -- at the time of sale.</p> <p>Trained village workers paid to transform the logs into sawn wood products using portable saw mills owned by community or by community-based enterprises</p> <p>Alternatively, harvest rights for charcoal and firewood may be sold as stumpage.</p> <p>Stumpage is the price a private firm pays for the right to harvest timber from a given</p>

<sup>4</sup> Acheampong, Emmanuel, Thomas Insaadoo and Mirjam Ros-Tonen. Management of Ghana's modified taungya system; challeng and strategies for improvement. Agroforestry Systems (2016) 90:659-674



<ul style="list-style-type: none"> <li>Cash from the sale of sawn wood products – sold based on market prices in CREMA</li> </ul>	<ul style="list-style-type: none"> <li>Forest management fund</li> </ul> <p>Community must decide how to allocate communal benefits. Choices are generally between:</p> <p><b>Cash distribution</b></p> <ul style="list-style-type: none"> <li>By household</li> <li>By adult</li> <li>Special allocations <ul style="list-style-type: none"> <li>Funerals</li> <li>Widows and orphans</li> </ul> </li> </ul> <p>Traditional authority may get a share in return for enforcement of rules</p>	<p>land base. It is paid to the current owner of the land.</p> <p>Community must then allocate stumpage fees - Stumpage may be sold to: Commercial loggers and Community enterprise.</p> <p>A portion of revenues is apportioned to the community's forest management fund. This is used to pay workers, technicians, professional staff, other operating costs and for investments beyond the project life.</p> <p><b>Costs to be considered:</b></p> <ul style="list-style-type: none"> <li>FC levies a transport tax on charcoal</li> <li>District assemblies levy a tax on charcoal</li> <li>A portion of revenues is paid as taxes if stipulated by law.</li> </ul>
Non-timber forest products from CREMA	<ul style="list-style-type: none"> <li>Preference usually given to those who traditionally harvest each NTFP</li> <li>Distinction to be made between harvest for commercial sale or for household use</li> <li>Preference given to those who have established reputation for respect for all community rules governing NTFP</li> </ul>	Community must decide which trees to plant and how to allocate NTFP harvest rights.
Increased production/use of charcoal, firewood, saw timber and NTFPs resulting from MTS, Sale of charcoal, firewood, saw timber and certain NTFP	Wood cutters men women and youth of village Outsider charcoal makers Charcoal and firewood traders Logging companies Fire Brigades	
Access to crop land and increased crop production in MTS. Enhanced food security. Increased revenues from crop production from MTS	Men and women who lack adequate productive cropland in taungya villages	
Income from FC contracts for fire protection of MTS plantations and for implementing fire management plans for savannah forests Benefits from Fire Brigade (training, transport allowances)	Men and women of taungya/MTS villages	

Income from early, semi-commercial thinnings of TMS plantations yield wood fuels for local use and for sale Income from stumpage fees from logging companies for commercial harvest of MTS plantations	Fire Brigades outside CREMA	
Increased shea fruit production on farmlands and fallow lands	Wives of farmers and village women starting about 10-15 years from now  Future generations of women over the next several hundred years	Preservation of the parkland management system in the next 15 years.
Increased prices from aggregation and enhanced quality of shea kernels	Women in the villages	
Increased climate resilience and yields of smallholder farms (due to better soil conditions and infiltrability)	Farmers and their communities Future farmers	Continued best practices about tree protection after the project
Increased prices from aggregation and enhanced quality of shea kernels	Women members of the cooperatives	Cooperatives by-laws determine profit-sharing among members. Guidance is available through GSA warehouse management manual. Warehouse and cooperative management costs are taken into account in the profit-sharing mechanisms.
FDI and associated knowledge transfer in engineering, and high-tech industrial processing	Ghana  Shea and industrial processing sector	
Newly created industrial jobs in shea processing	Employees of the processing factories, their families, and their communities	

#### **Addendum 1**

**Tree Tenure and Benefit Sharing Framework in Ghana'. June 2016 by the Ministry of Lands and Natural Resources.**

[https://www.fcghana.org/userfiles/files/MLNR/Tree%20Tenure%20final%20\(2\).pdf](https://www.fcghana.org/userfiles/files/MLNR/Tree%20Tenure%20final%20(2).pdf)