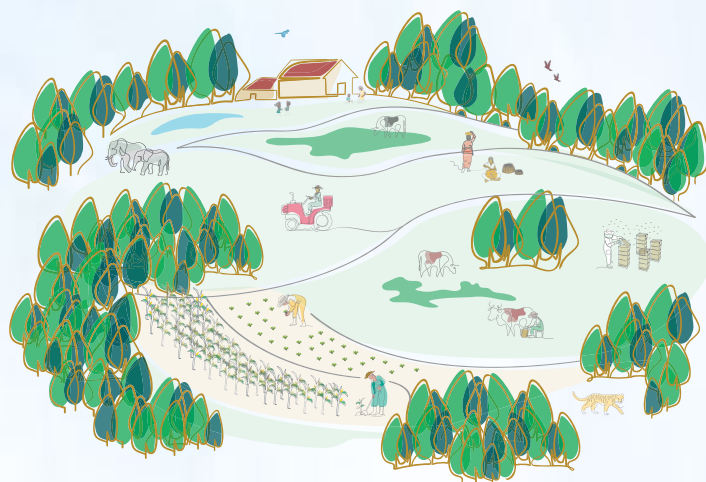


Achieving High-Integrity Carbon Credits:

The Role of Benefit-Sharing Plans in the BioCarbon Fund Initiative for Sustainable Forest Landscapes



PEOPLE are at the heart of emissions reduction programs under the World Bank's [BioCarbon Fund Initiative for Sustainable Forest Landscapes \(ISFL\)](#).

Communities, companies, governments, and other stakeholder groups do the work of reducing emissions by sustainably managing land and natural resources, adopting clean energy sources, and engaging in other low-carbon approaches and technologies.

World Bank results-based climate finance provides incentives for this work by not only paying for the carbon credits that countries achieve, but also requiring these payments be shared among all participants in a fair and socially inclusive manner.

It is vital that everyone who has a stake in the process, including Indigenous Peoples, local communities, women, youth, and other marginalized and vulnerable populations, can fully participate and reap the rewards.

With support from the ISFL, countries' emission reductions programs focus on **social inclusion at every stage of result-based climate finance programming** — from up-front engagement and investment in communities to enable their participation in emissions reduction activities, to the design and implementation of **benefit-sharing plans** that guide the distribution of results-based payments.

What is a Benefit-Sharing Plan?

Benefit-sharing plans are created through extensive stakeholder engagement and are important contracts for guaranteeing access to program activities and resulting benefits for historically marginalized communities and vulnerable groups.

These plans—developed in a consultative, transparent, and participatory manner—determine how monetary benefits and non-monetary benefits generated under emission reductions purchase agreements are distributed among program beneficiaries.

- ➔ **Benefits can be monetary**, such as cash payments beneficiaries receive from carbon credit payments.
- ➔ **Benefits can also be non-monetary**, including capacity building and training, increased yields from sustainable land-use practices, as well as infrastructure and income-generating activities.

"With cycles of rain and drought becoming more unpredictable, learning new ways of farming has been extremely important to us... The best part is we have had stronger harvests which allows us to feed our families and better support our community." — **Chief Kapatamoyo of Kapatamoyo Chiefdom in Zambia's Chipata District**

Case Study: Ethiopia's Benefit-Sharing Plan

The proceeds from Ethiopia's Emission Reductions Purchase Agreement (ERPA) with the ISFL and potentially other income from the sale of carbon credits will be channeled through an established plan to ensure benefits reach communities in the jurisdiction.

Ethiopia's benefit-sharing plan allocates 75 percent of net ERPA benefits to local communities, with an additional 5 percent going to private sector entities. Community beneficiaries have the right to use 45 percent of their proceeds for social and income-generating projects, while 50 percent will be reinvested in activities that generate additional carbon credits. The remaining 5 percent of community funds will provide dedicated support for underserved and vulnerable people in local communities.

Initial estimates suggest that approximately 400,000 local people will benefit from the program, including 2,000 organized cooperatives.

"We are excited about these benefits for communities. And as more climate finance flows, we expect to see more improvements in sustainable land management, generating even more emission reductions while increasing incomes across the region." — **Yitebitu Moges, National REDD+ Program Coordinator, Ethiopia's Forestry Development**

Benefit-Sharing Plans: An Essential Pillar of High-Integrity Carbon Credits

Inclusive benefit-sharing plans enhance the integrity of ISFL emission reduction programs by ensuring the equitable participation and fair distribution of rewards among stakeholders. By fostering trust and transparency, these plans contribute to the long-term success and sustainability of high-integrity carbon credits produced by World Bank supported emission reductions programs.

More on Social Inclusion in Emission Reductions Programs:

- ➔ World Bank video: [The Importance of Social Inclusion in Emission Reductions Projects](#)
- ➔ World Bank Climate Explorer: [What You Need to Know About Social Inclusion in Results-based Climate Finance](#)

Learn more about ISFL carbon credits:

- ➔ [ISFL carbon credits overview](#)
- ➔ [ISFL's approach to MRV](#)
- ➔ Infographic: [How ISFL Programs Generate Emission Reductions Credits](#)



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