



# Incentivising emissions reduction through community forestry performance-based incentive payments

## Overview

Communities can qualify for performance incentive payments based on the Community Forest Management Agreement entered into with the Director of Forestry. The Zambia Integrated Forest Landscape Project (ZIFLP) is supporting the formation of Community Forest Management Groups (CFMGs) in the Eastern Province as part of the support to the Government's National Strategy to Reduce Deforestation and Forest Degradation, to secure the long-term sustainable management of forests to mitigate climate change. Incentives (payments) to CFMG's are linked to the obligations to protect, manage, control and sustainably utilize their community forest according to the legal Agreement entered into with the Director of Forestry. These include marking and maintenance of boundaries, protection from late fires, pests, poaching, vandalism and other such hazards, enforcing local rules, issuing permits, preparing reports and conducting meetings and decision making in accordance with their constitution.

## Performance incentive payment process

This covers the following:

1. The Community enter into an Agreement with Director of Forestry taking on responsibilities for communal control use and management of a designated forest;
2. The CFMG receive training in Community Forestry Step 6: on controlling access to the community forest area, issuing permits, collecting and accounting for revenue;
3. The CFMG develop an annual workplan covering activities relating to the obligations under section 3 of the Community Forest Management Agreement signed with the Director of Forestry. Performance assessments will be based on the following elements:
  - a. Forest protection, development and management:
    - Boundary marking and maintenance;
    - Forest fire management and control;
    - Control of access and use of the forest;

- b. Management meetings of the CFMG:

- Records of meetings and participation;
- Financial records and accounts;

- c. Forest utilization and enterprise development:

- Promotion of income generating activities based on sustainable use;

These will be core to the roll out of the incentive payments and form the basis of performance monitoring for release of payments.

4. Signing of the Emissions Reduction through Forest Management Performance Based Payment Agreement: This document sets out the basis for the incentive payments supporting the legal responsibilities of the community to protect, conserve and manage the community forest according to the Community Forest Management Agreement and the management plan for the community forest;

5. Opening bank accounts: the CFMG need to open a dedicated bank account to bank funds from the project and be used as a training tool to support financial management capacity building for accountability, transparency and reporting;

6. Monitoring by the District Team: mentoring and build capacity to fulfil the management responsibilities provided for in the Community Forest Management Agreement entered into with the Director of Forestry as well as to assess performance for release of subsequent tranches of incentive payments in accordance with the **Emissions Reduction through Forest Management Performance Based Payment Agreement**. These would be based on the Details of the workplan and budget, targets and monitoring framework developed under 3. above.

7. Regulatory monitoring: Monitoring for the final payment would be facilitated by the Provincial Forest Office under their regulatory monitoring mandate. The assessment would follow the process outlined in the National Guidelines for Community Forestry, Step 7: Participatory planning, monitoring, evaluation and lesson learning, action b) Assessment mentoring and learning by the FD in the CF site. See [www.ziflp.org.zm/cfm](http://www.ziflp.org.zm/cfm)

## Eligibility

Communities who are working with ZIFLP and have entered into a legal **Community Forest Management Agreement** with the Director of Forestry.

## Conditions

1. The Executive Committee of the CFMG is responsible for the wise and sound management of the funds provided by the ZIFLP
2. The Committee must ensure that funds deposited in the Project Account are used ONLY to finance the activities of the agreed workplan. Use of sub-project expenditure for purposes other than the agreed activity will NOT be accepted by the ZIFLP, and the community will be asked to repay any unauthorized expenditure

## Rate of payment for starter and area-based payment:

The payment formula has been developed to cover the range of forest governance and management interventions expected from the new CFMGs. These cover the administrative activities of conducting meetings, making decisions, monitoring, reporting and disseminating information to the community and others. Secondly, the new responsibilities to control access, protect and manage in respect to the **Community Forest Management Agreement** and management plan entered into with the Director of Forestry. While the administrative arrangements will be standard across all CFMGs, the costs of management and protection of controlling through patrolling, boundary maintenance and fire management will vary by the size of the community forest area. Therefore the **performance incentive payment** per CFMG is calculated as follows:

All CFMGs	K100,000
CFAs >500ha up to 1,000ha	K50/ha
CFAs >1,000 ha additional	K10/ha

The payment and disbursement schedule for CFMGs with approved management plans (and those currently due for approval) covered by a Community Forest Management Agreement is as follows:

- 25% advance to verified CFMG bank account upon signing of the Performance Based Payment Agreement;
- 50% Following monitoring of implementation of the approved management plan by the DMT;
- 25% Based on evidence through annual monitoring of control measures and absence of illegal activities and wildfires within the CFMA by the PFO.

## Duration

Payments will be eligible on an annual basis, subject to the operation of the scheme under ZIFLP, and meeting the conditions and performance criteria set under the scheme for each site.

## Emissions Reduction through Forest Management Performance Based Payment Agreement

This document sets out the basis for the incentive payments supporting the legal responsibilities of the community to protect, conserve and manage the community forest or part thereof pursuant to the community forestry agreement

## Summary

The incentive payments promoted are clearly linked to resource management and in support of emissions reduction and will prepare communities engaged in emission reduction activities to access future payments under the proposed Jurisdictional Sustainable Landscape Program. The area-based payment is disbursed in instalments to the CFMG based on performance monitoring and achievement of emissions reductions.

**Zambia Integrated Forest Landscape Project** (implementation phase) is a five year initiative which aims to provide support to rural communities in the EP to allow them to better manage the resources of their landscapes so as to reduce deforestation and unsustainable agricultural expansion; enhance benefits they receive from forestry, agriculture, and wildlife; and reduce their vulnerability to climate change. Simultaneously the project will create the enabling environment for emission reduction purchases, to be done through the subsequent emissions reduction project - EP-JSLP.

The ZIFL-Project is a product of cooperation between the Government of Zambia and the World Bank

In collaboration with:



For further information, please contact:

### ZIFL Project Implementation Unit

1940 Building, opp High Court  
PO Box 510169, Chipata, Zambia

Visit us at: [www.ziflp.org.zm](http://www.ziflp.org.zm)