



**World Vision Carbon Programming
Benefit Sharing Guidance**



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1. INTRODUCTION

World Vision is a global Christian child-focused humanitarian, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice. As stewards of God’s creation, we care for the earth and act in ways that will restore and protect the environment to ensure children have the opportunity to enjoy life in all its fullness.

World Vision has worked towards ending poverty and improving the well-being of the world’s most vulnerable children since 1950, but the climate crisis in the 21st century is changing the world we live in. We are witness to the unprecedented impact of climate change and environmental degradation – extreme heatwaves, droughts, flooding, cyclones and more – on children, families and vulnerable communities around the world. One billion children, almost half of all the children globally, are now living in the countries at extremely high risk of climate change.¹ Children are asking us [to act now](#) in the face of the climate crisis.

World Vision has experience in carbon markets as a project developer since 2006, piloting successful small-scale clean cookstove and reforestation projects for communities in Ethiopia and Kenya. As outlined in our [Environmental Sustainability and Climate Action Strategic Roadmap](#), we now seek to scale-up carbon programming to other countries to help achieve our environmental sustainability and climate action goal of reaching 20 million people (10 million children)

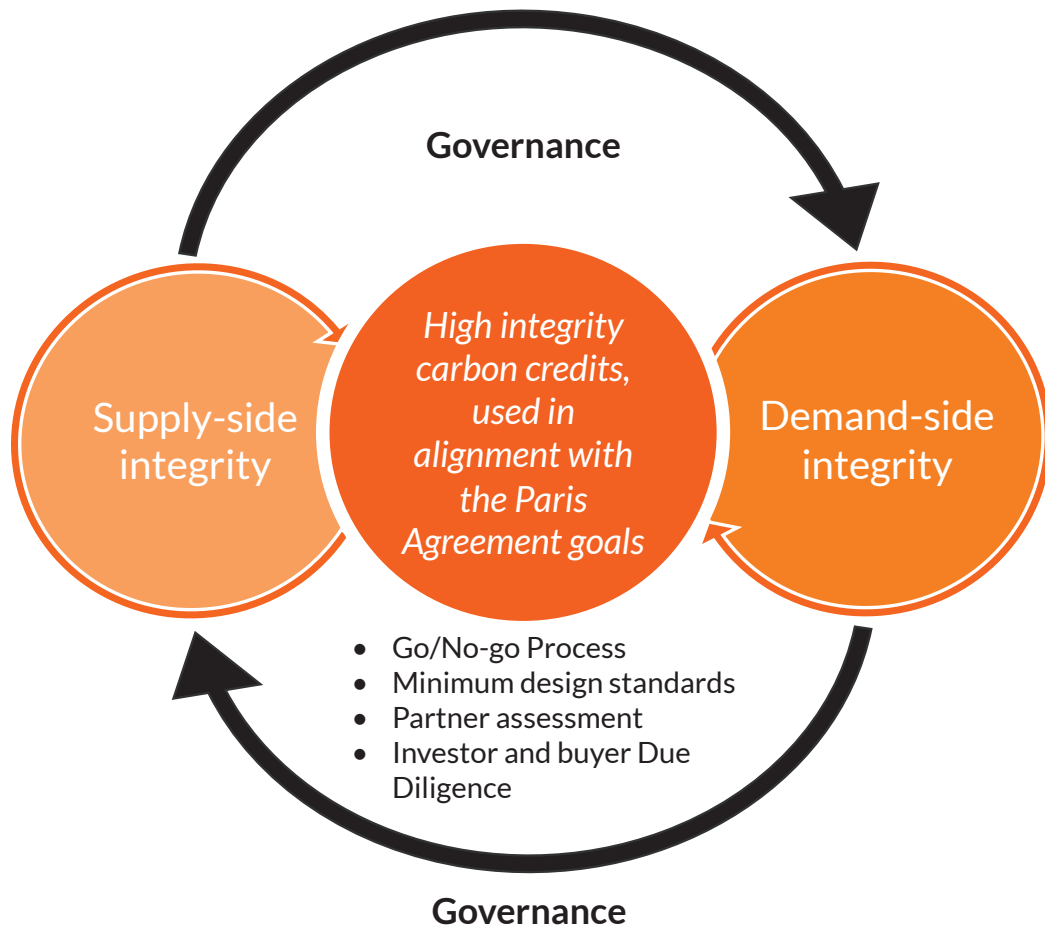
by 2030, so that children and their caregivers can live in a thriving environment with improved resilience against environmental and climate shocks.

Using carbon markets to fund community-based projects presents a great opportunity to contribute to long-term sustainable child well-being outcomes for the most vulnerable children. Our field-based evidence shows that carbon projects have significant potential to contribute to child well-being, on the condition that the projects seek to generate economic, social and environmental benefits for the most vulnerable communities. However, carbon markets have been under intense scrutiny in recent years, with issues related to the integrity of carbon credits produced (e.g., additionality, over crediting) and the claims made by organisations that buy them (e.g., carbon neutrality). Therefore, World Vision must develop projects that deliver social, economic and environmental impact of the highest integrity when they generate carbon credits.

World Vision’s understanding of what makes a high-integrity carbon market is outlined in Figure 1. This understanding is based on a range of initiatives that have emerged recently in the voluntary carbon market, including the establishment of the Core Carbon Principles (CCPs) by the Integrity Council for the Voluntary Carbon Market (ICVCM), Article 6 of the Paris Agreement and the Voluntary Carbon Markets Integrity Initiative (VCMI).

¹ UNICEF (2022), [Children’s Climate Risk Index](#).

Figure 1. High-integrity market philosophy



Supply-side integrity

- Highest integrity projects aligned to ICVCM-CCPs and leading international methods and standards
- Climate impact is additional, targeted at the places that need it the most
- Highest levels of social impact and SDG co-benefits
- Strong permanence incentives through genuine long-term economic (carbon revenue, livelihoods), social, and environmental (ecosystem services) benefits for local communities
- Equitable benefit sharing arrangements that serve all project stakeholders

Demand-side integrity

- Real transparency of net zero emission pledges and commitments
- Rapid and deep cuts to value chain emissions
- Setting near and long-term Paris Agreement-aligned targets and plans
- Go further and faster by using high-integrity carbon credits beyond the value chain to balance out unabated emissions and drive additional climate action

1.1 Purpose of the document

This document outlines World Vision’s approach to developing fair and equitable benefit sharing mechanisms centred on sustainable child well-being outcomes which prioritises a people-centred approach that fosters community empowerment and participation. It is important to note that there is no ‘one-size-fits-all’ approach to benefit sharing and a range of context-specific factors will determine what this looks like for each specific carbon project.

2. OVERVIEW OF BENEFIT SHARING

2.1 Actors in carbon project development and benefit sharing

There are many potential actors involved in the development of a carbon project that may share in the benefits of the project. Table 1 provides an overview of the typical actors and functions in relationship to benefit sharing.

Table 1. Actors involved in carbon project development and benefit sharing mechanisms²

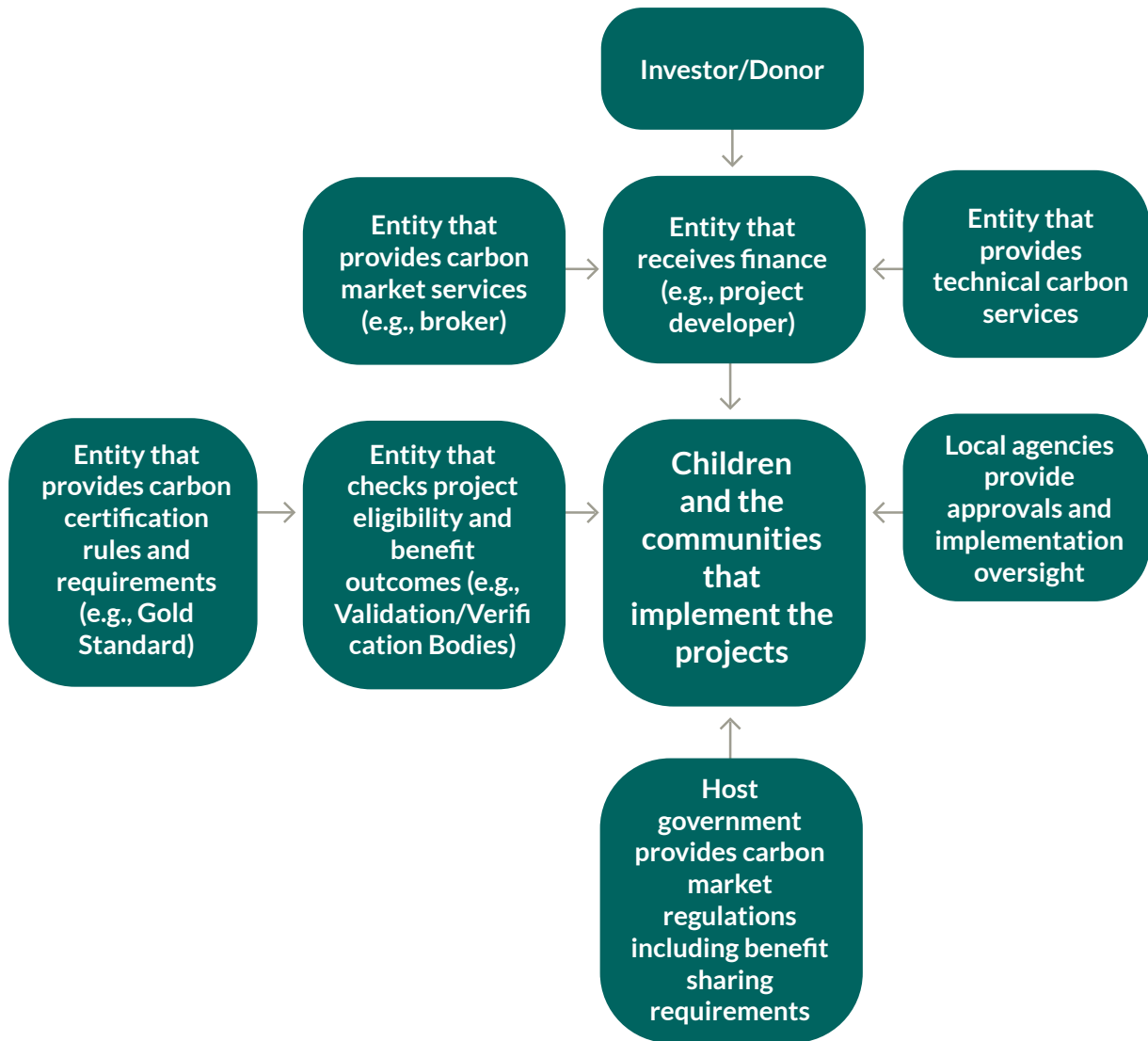
Actor	Function
Financial and market actors	
Investor	The entity/entities providing the finance (e.g., debt finance, equity) to set up the project or to incentivise emission reductions, in many cases, international. Investors will directly benefit by receiving a share of the carbon credits.
Donor	The entity/entities providing the funds, usually in the form of grants, to set up the project or to incentivise emission reductions. Donors will usually not seek any financial benefit from the project.
Offtaker	An entity that agrees to purchase a volume of carbon credits from a project developer. An offtake agreement details the volume of carbon credits the buyer agrees to purchase over a set period and the terms of the transaction.
Carbon brokers	Entities that sell carbon credits on behalf of project developers. In some cases, project developers may also act as carbon brokers. Brokers benefit financially by charging brokerage fees on the sale of carbon credits.
Global carbon project regulating bodies	
Carbon certification body	The organisation (e.g., Gold Standard, Verra) that certifies projects and issues carbon credits to the project developer. Carbon standards benefit by charging fees on project registration and the issuance of carbon credits.
Validation and verification bodies	Entities that undertake validation and verification audits of carbon projects. They will receive payment for service but do not receive direct payments from carbon credit revenues.
Government actors	
National government departments	Sets rules and guidelines for development of carbon projects. May directly share in proceeds from sale of carbon credits. Many national governments are establishing new laws that prescribe benefit sharing rules.

² Adapted from WWF (2021), Assessment Report: Comparative Analysis of Benefit-Sharing Mechanisms in REDD+ Programmes

Actor	Function
Regulators	Establishes legal frameworks that govern registration of carbon projects and benefit sharing rules, such as the minister of environment and/or climate, etc.
Local government	Can be involved in the design and implementation of carbon projects and may receive direct financial benefits from carbon credit revenues.
Project development actors	
Project developer	Designs, establishes, and often funds projects (they could be non-governmental organisations, companies, or government, or they could include community groups/individuals themselves). Project developers hold the rights to the carbon credits generated in line with a country's carbon policy. They will often receive direct financial benefits from the development of a carbon project through owning a share of the carbon credits.
Project participants	Work in partnership with the project developer and are responsible for implementing activities. Project participants are usually community groups, landholders, households and individuals that are directly involved in the implementation of the carbon project. They will directly benefit from carbon revenues generated by the project.
Carbon service providers	Provides technical services to project developers during the design and implementation of a project. Sometimes the carbon services provider may also be the project developer. They usually receive fees for their services or may also be granted a share of the carbon credits – this will be agreed project by project.
Wider community	Carbon projects and programmes can affect a wide constituency beyond those formally involved in project activities or benefit sharing. Actors from this group may benefit indirectly or may face increased costs. For example, reforestation projects may lead to cleaner water and reduced impacts of climate change which will provide benefits to community groups directly involved in the project. Conversely, a reduction in available land for farming increases the price of renting a plot for farming.

Table 1 provides a general overview of who the actors are – but not all actors are always present in a project. Often there can be overlap with the different functions, for example, the project developer may also be a project participant, the carbon services provider or a government body.

Figure 2 provides an overview of the actors involved in carbon project development and the roles that they undertake in the project development cycle.

Figure 2. Overview of the actors and their roles in carbon projects

2.2 Defining the benefits generated by a carbon project

In the context of carbon programming, benefit sharing is the intentional distribution of proceeds generated by projects that avoid, reduce or remove greenhouse gas emissions (GHGs), to actors that have contributed to or participated in the project.³ This may include, for example, providing land for a reforestation project, using clean technologies such as fuel efficient cookstoves or solar pumps, and

participating in safe drinking water supply projects.

Benefit sharing may involve the transfer of financial and non-financial proceeds to actors involved in the funding, design and implementation of carbon projects. The following definitions for financial and non-financial benefits have been adapted from the Forest Carbon Partnership Facilities' 'Designing Benefit Sharing Arrangements: A Resource for Countries':⁴

³ VCM Primer (2023), The Voluntary Carbon Market Explained. Chapter 12: Benefit sharing. <https://vcmprimer.org/chapter-12-how-are-voluntary-carbon-market-benefits-shared/>

⁴ Forest Carbon Partnerships Facility, 'Designing Benefit Sharing Arrangements: A Resource for Countries', World Bank Group. <https://www.forestcarbonpartnership.org/bio-carbon/en/index.html>

- **Financial benefits:** These are financial payments from revenue generated from the sale of carbon credits provided directly to project actors. This may include direct cash payments to individuals (e.g., smallholder farmers who provide some land to establish a agroforestry project), provision of microcredit loans or establishment of a community sustainable development fund shared among community members involved in the implementation of the project.
- **Non-financial benefits:** These are benefits that communities involved in the carbon project may receive such as training and capacity building programmes, local infrastructure development, provision of social services, technical assistance, agricultural inputs, and training for alternative livelihood or income-generating activities.

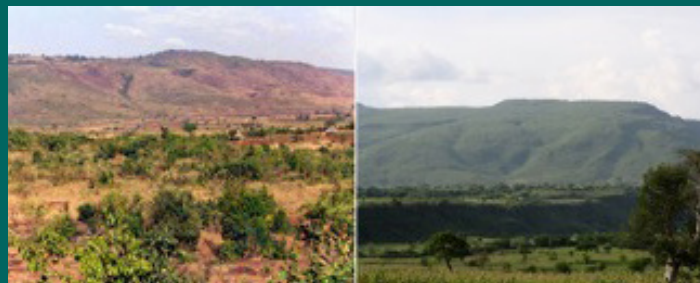
Figure 3 is a hypothetical benefit sharing structure for a landscape level carbon project. Actual benefit sharing allocations to different actors will depend on a range of factors including host country carbon market regulations, investor criteria and land tenure arrangements (e.g., communal land, publicly owned land, private landholdings).



SPOTLIGHT: Benefit sharing in Community Managed Natural Regeneration projects in Ethiopia

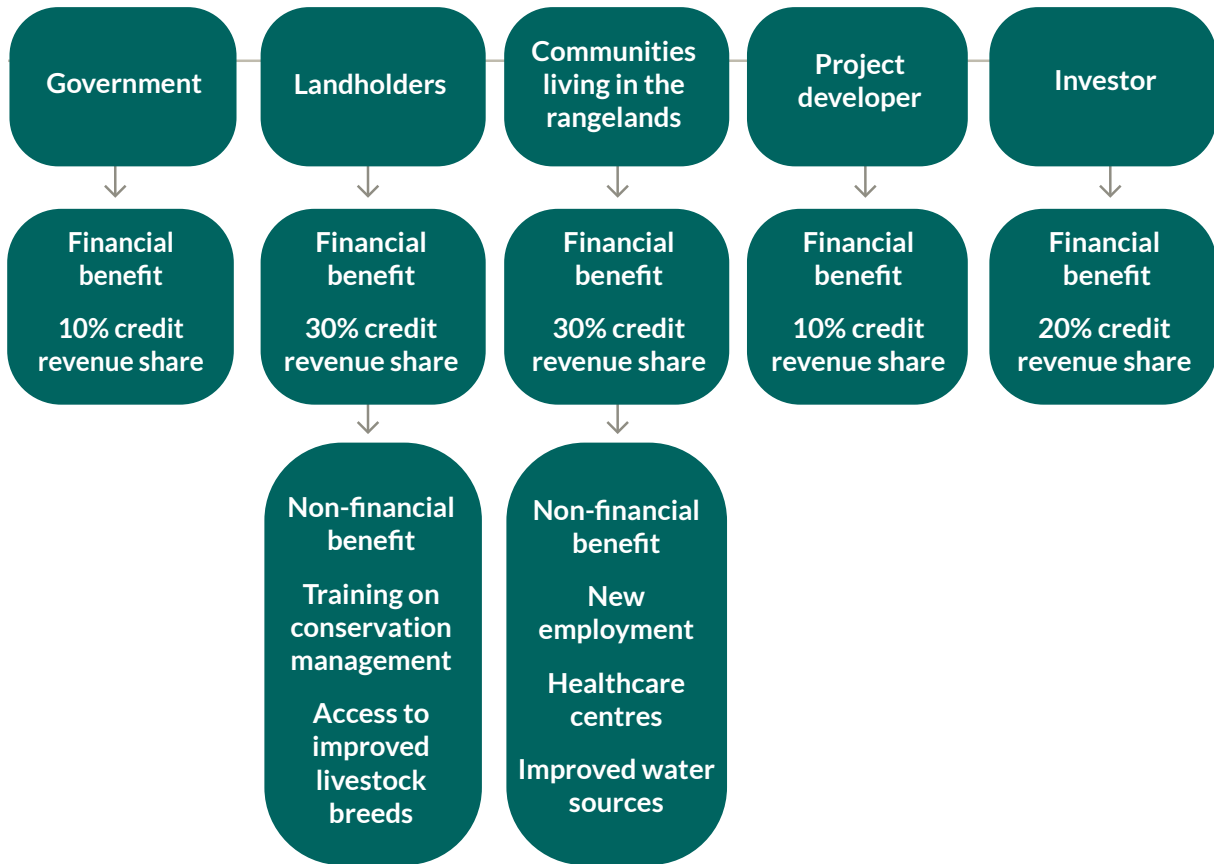
In Ethiopia, World Vision's Community Managed Natural Regeneration projects (Humbo and Sodo projects, 2005–2035), which rehabilitated 3,227 hectares of land for smallholder farmers, has led to the sequestration of 432,642 tonnes of CO₂-e to date. The restored landscape has also helped to strengthen livelihoods in the local community through increased grass cover for livestock, increased availability of firewood, recovery of springs and groundwater, decreased erosion, and less flooding.

Financial benefits gained from carbon credit revenue generated by the projects is paid into a community sustainable development fund which is managed by local forestry cooperatives. In consultation with World Vision Ethiopia and government officials, the cooperative members decide where to allocate the revenue – for example to provide low interest loans to community members to start a small business or to fund the building of a school. Other actors such as carbon brokers also financially benefit from the project through receiving a share of the carbon credit revenue generated from the sales they have achieved. Communities have also received several non-financial benefits such as training on forest conservation, access to improved water resources and new school facilities.



February 2002 - prior to restoration

March 2010 - after restoration began

Figure 3. Hypothetical benefit sharing model

2.3 The role of World Vision in benefit sharing

World Vision will have a key role in benefit sharing whenever it is involved as a funder, project developer or project participant of a carbon project. Some of the key tasks a carbon project developer or project participant will perform – in terms of distributing the proceeds from a carbon project – can include:

- Identify project participants and other relevant actors – in cases where brokers are involved, prior discussion and consent is necessary to avoid conflict, as sometimes communities think the broker is taking ‘their money’.
- Facilitate free, prior, and informed consent process⁵ to all relevant actors in the development and implementation of a carbon project.
- Lead development of the benefit sharing plan in collaboration with relevant project actors, noting not all actors will be part of the benefit sharing plan.
- Provide information to project actors in a culturally appropriate manner.
- Engage with the government and local authorities to ensure the benefit sharing plan complies with any relevant laws and regulations.
- Distribute the benefit sharing plan with the relevant project actors in a transparent way.
- Where applicable, manage the distribution of financial and non-financial benefits to project stakeholders.
- Monitor and report on distribution of both financial and non-financial benefits.

⁵ FAO (n.d.) Free, Prior and Informed Consent. An indigenous peoples’ right and a good practice for local communities. Manual for Project Practitioners.

3. WORLD VISION'S BENEFIT SHARING PRINCIPLES

World Vision's approach to benefit sharing is to be guided by the following principles:



1. Child-focused

World Vision will advocate for the needs of children and that no harm is done to children due to the implementation of the benefit sharing plan. The Alliance for Child Protection in Humanitarian Action's [Child Protection Minimum Standards](#) shall be used as a guideline when World Vision is involved in developing the benefit sharing plan.



2. Equitable

World Vision aspires and advocates to maximise benefits to the participating communities. World Vision will support relevant project actors in the process of identifying and sharing carbon project benefits. In doing so, World Vision will ensure that the rights of groups directly or indirectly impacted by the carbon project are upheld and the benefits are equitably shared (commensurate to the contributions of each of the participants) with the project actors. This includes consideration of the rights of potential project participants such as children, women, indigenous peoples, people with disabilities, ethnic minorities, faith-based groups, landless people and other marginalised groups.



3. Inclusive

World Vision will ensure that benefit sharing considers the social, economic, environmental, religious and political context of the communities involved in the carbon

project, following a people-centre approach. This means that we place the needs, rights and active participation of the people/communities affected by the project at its core (design, implementation and evaluation). World Vision's [Gender Equality and Social Inclusion \(GESI\) Approach](#) will be used as a guide in the design and implementation of the benefit sharing plan.



4. Accessible

To maximise the benefits from the proceeds of the carbon project to relevant actors, World Vision will wherever possible ensure that benefits are delivered to project actors in an easily accessible manner in reasonable time.



5. Transparent

World Vision will ensure the benefit sharing delivery mechanism is accountable through regular monitoring and reporting and has a grievance mechanism and dispute resolution processes that allow project actors to raise issues and concerns as to how benefits are being distributed. Information that is reported publicly will be done adhering to World Vision's [Open Information Policy](#).



6. Consistent with relevant applicable law

World Vision will ensure that the design and implementation of the benefit sharing plan for the carbon project comply with relevant applicable laws in the implementing country, including Indigenous peoples' rights, agreements and customary rights.

4. WORLD VISION'S BENEFIT SHARING PLAN

The purpose of the benefit sharing plan is to elaborate on benefit sharing arrangements for both financial and non-financial benefits. The benefit sharing plan is essentially a written agreement between relevant project actors. The key components of the benefit sharing plan that would form the agreement are outlined in the sections below. Further detailed guidance on how to develop a benefit sharing plan is available through the Forest Carbon Partnership Facilities' ['Designing Benefit Sharing Arrangements'](#) website.

When developing the benefit sharing plan, it will be done in accordance with World Vision's benefit sharing principles (outlined in section 3) and other relevant World Vision policies and guidelines including:

- [Transformational Development Policy](#)
- [Environmental Stewardship Management Policy](#)
- [Integrity & Protection Hotline \(Whistle blower\)](#)
- [Conflict of Interest Policy](#)
- [Anti-Corruption Policy](#)
- [Child and Adult Safeguarding Policy](#)
- [Child Well-being Aspirations and Outcomes](#)
- [World Vision's Programme Accountability Framework](#)

4.1 Legal context

Relevant government legislation on benefit sharing in the implementing country shall be reviewed and the benefit sharing plan adjusted if necessary to ensure compliance. For instance, in some countries, project developers will be required to provide a certain percentage of carbon revenue on

either gross or net revenue to the government and communities participating in the project. Relevant government legislation on carbon markets can be viewed using Gold Standard's [Carbon Market Regulation Tracker](#).

Other relevant laws and regulations in the implementing country will also need to be followed such as land and tree tenure that recognises both customary and statutory laws as well as human rights laws.

4.2 Beneficiary mapping and engagement

Benefit sharing plans should be developed in a consultative, transparent and participatory manner and reflects inputs by relevant project actors. It will usually be the role of the project developer to lead this process on behalf of all actors in the carbon project. It is recommended that evidence of consultations and broad community support should be noted in the benefit sharing plan.





Some key steps to consider when undertaking mapping of beneficiaries and engagement include:

1. Identify all possible project stakeholders and beneficiaries prior to conducting the stakeholder meetings.
2. Give sufficient notice of at least 30 days prior to the stakeholder meeting taking place and ensure meeting places are accessible to all stakeholders.
3. Ensure information shared during the stakeholder consultations on benefit sharing is done in a culturally appropriate format using language easily understandable to stakeholders on the proposed benefits sharing arrangement. The consultations should cover a range of topics including objective of the benefit sharing plan, types of benefits sharing (financial and/or non-financial), sources of funding, and the distribution of funds, where financial benefit sharing is involved.
4. Disclose a draft benefit sharing plan to all relevant project stakeholders and give them sufficient time to provide feedback.
5. Finalise the plan and ensure that it is easily accessible to all project actors involved in the benefit sharing plan. As described in Table 1, this may include investors, project participants, governments (national and local) and so on. The plan should be agreed to and signed by all relevant actors.

4.3 Key elements of the benefit sharing plan

The benefit sharing plan should provide details on the following:

- A description of the carbon project.
- A description of all project actors including their role and responsibilities as part of the implementation of the project. This must include identifying the roles and responsibilities of the local government in the carbon project to avoid future conflicts.
- A description on the types of benefits to be shared – both financial and non-financial.
- Allocation of financial and non-financial benefits
 - Financial: How much carbon revenue will each actor receive and over what time period. The exact proportion of financial benefits provided to each actor will need to be negotiated during the development of the plan.
 - Non-financial: Which beneficiaries will receive what benefits – such as training, local infrastructure, etc.
- Delivery mechanism modalities shall be described in sufficient detail so that is clear to project actors how they will receive the benefits. This must be agreed to and signed off by all legitimate actors. There are a range of mechanisms that could be used. Examples are provided in Table 2.

Table 2. Examples of financial and non-financial delivery mechanisms

Financial	Non-financial
Individual cash payments Example: to smallholder farmers who provide part of their land to undertake an FMNR project	Training and capacity building Example: training is provided to project stakeholders on financial management and small business management, nature-based livelihood trainings in FMNR projects
Community development fund Example: carbon revenues are paid into a community fund which is then used to undertake projects that benefit the whole community	Provision of social services Example: funding provision of school uniforms and books for children
Low-cost microloans Example: carbon revenues are used to provide low interest microloans to community members	Local Infrastructure development Example: building schools and grain stores

- Development of the benefit sharing plan must adhere to free, prior and informed consent (FPIC) principles.
- A grievance mechanism:
A grievance mechanism must be included in the benefit sharing plan to ensure that project stakeholders and other parties can raise concerns with the organisation managing the benefit sharing plan. Good practices to be included in the design of a grievance mechanism include:
 1. **Accessible:** A grievance mechanism must be in a form that is easily accessible to all project stakeholders (e.g., community grievance book, website, etc.) and is translated into all languages used by project stakeholders.
 2. **Transparent:** A grievance repository is available with detailed descriptions on each grievance and how they were addressed and resolved.
 3. **Independent:** Persons involved in the process of managing grievances should not be involved directly in the project and any potential conflicts of interest should be declared.
 4. **Predictable:** The steps to resolving grievances should be clear and easily understood and regular updates should be given to complainants.
 5. **Adequate:** Grievance submissions should be able to be made at any time.
 6. **Safeguards:** Grievances should be able to be raised confidentially and reprisals against complainants are strictly prohibited. Improvements to the grievance mechanism based on past experience should be done on a regular basis.

4.4 Monitoring, reporting and evaluation

The benefit sharing plan should be regularly monitored and results reported to all project actors on an annual basis. The report should be provided in a culturally appropriate manner and in easily understood language. Where appropriate, the report should be translated into the language(s) project actors use on a regular basis. The report should not disclose any confidential information or information that may put members of the community in harm's way. The benefit sharing plan should be evaluated on a regular basis with the results used to improve the effectiveness, efficiency and equity of the plan in consultation with the project actors.

The types of outputs that may be included in the report include:

Financial benefits

- Number of carbon credits issued and sold
- Proportion of revenue shared with each actor (given this sensitive information this will need to be determined on a case-by-case basis. For example, governments might require this information to be reported to them, however this is not information that would be published to the public at large).

Non-financial benefits

This would detail the types of activities implemented during the year such as capacity building, development of infrastructure, etc., and which actors benefited from this. This information would normally be collected by World Vision during project monitoring and therefore should not provide additional reporting burdens.

World Vision is a Christian relief, development, and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice. Inspired by our Christian values, we are dedicated to working with the world's most vulnerable people. We serve all people regardless of religion, race, ethnicity or gender.

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