

# CLIMATE INVESTMENT FUNDS

FIP/SC.4/6  
June 21, 2010

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Meeting of the FIP Sub-Committee  
Washington, D.C.  
June 24, 2010

**ENHANCING COOPERATION AND COHERENCE AMONG REDD+ INSTITUTIONS  
TO SUPPORT REDD+ ACTIVITIES**  
(Working Draft)

**Proposed Decision by FIP Sub-Committee**

The FIP Sub-Committee reviewed document FIP/SC.4/6, *Enhancing Cooperation and Coherence among REDD+ Institutions to Support REDD+ Activities*, and welcomes the progress made in identifying collaborative and coherent arrangements among REDD+ institutions and organizations for effectively addressing REDD+ at the country level and globally.

The Sub-Committee agrees that the governing bodies of the FIP, FCPF and UN-REDD should provide comments on the document with a view to preparing a final document for review and approval by a joint meeting of the governing bodies of FCPF, FIP and UN-REDD.

The FIP Sub-Committee invites the Secretariats of the three initiatives to organize a joint meeting of the governing bodies of FCPF, FIP and UN-REDD on November 6, 2010 in Washington, D.C.

## Introduction

1. The governing bodies of the Forest Carbon Partnership Facility (FCPF), the Forest Investment Program (FIP), and the UN-REDD Programme (UN-REDD) have mandated their secretariats to collaboratively develop options to enhance cooperation and coherence among REDD+ institutions in support of REDD+ efforts. The governing bodies' decisions follow:

*FCPF Participants Committee (March 22-25, 2010)*

“The Participants Committee requests the FMT to work with appropriate ongoing initiatives and institutions, including the UN-REDD Programme and the FIP, to study options for enhancing systematic cooperation and improving efficiency, and seeking coherence in support of REDD-plus countries efforts, and report to the PC at its sixth meeting with options, implications and recommendations as appropriate.”

*FIP Sub-Committee (February 3-4, 2010)*

“The FIP SC also requested the CIF Administrative Unit to work with other multilateral REDD+ institutions and other REDD+ initiatives to study options for enhancing cooperation, and seeking coherence between them to support countries REDD+ efforts. The CIF Administrative Unit should report back to the FIP Sub-Committee with an options analysis report, if appropriate, at its June session.”

*UN-REDD Policy Board (February 22, 2010)*

“Given the role of the UN-REDD Programme Secretariat in managing partnerships and liaising with other REDD+ initiatives, the Policy Board requests the Secretariat to work further with other REDD+ initiatives to explore options for strengthening cooperation and seeking coherence among them to support countries' REDD+ efforts. The Secretariat should present any findings to the Policy Board, as appropriate, and no later than at the 5<sup>th</sup> meeting.”

2. In April 2010, the secretariats of the CIF, FCPF and UN-REDD Programme met and agreed on a roadmap and key milestones to produce a joint paper on “**Enhancing Cooperation and Coherence among REDD+ Institutions to Support REDD+ Activities.**”

3. The purpose of this paper is to identify and discuss both short and long-term options to enhance cooperation and coherence among REDD+ institutions in support of REDD+ activities.

4. The paper is organized into five sections and an annex:

- a. Introduction
- b. Context for effective REDD+ collaboration
- c. REDD+ Financing and Support under the FCPF, FIP and UN-REDD
- d. Options for enhanced country-level REDD+ collaboration

- e. Pragmatic suggestions for a strategic collaboration on REDD+
  - f. Annex: Information on selected REDD+ mechanisms.
5. The approach proposed in this paper supports the principle of matching identified national REDD+ needs with available financial and technical resources from national and international REDD+ institutions and other relevant organizations. This will not only reinforce the collaborations among various actors, but also strengthen coherence by utilizing each actor's comparative advantage.
6. At the global level, this paper offers pragmatic suggestions for fostering collaboration among existing REDD+ institutions in the context of the ongoing negotiations within the UNFCCC framework. This includes a REDD+ work program with analytical tasks relevant to the three institutions as well as the confirmation of already established collaborative activities.
7. This draft reflects the comments of representatives of the Amazon Fund, Congo Basin Forest Fund, Global Environment Facility, and UN Forum on Forests, who met with the FCPF, UN-REDD and FIP teams in Washington, DC on May 3-4, 2010 to discuss the content.
8. It also builds on the outcomes of the *International Conference on Major Forest Basins* which took place on March 11, 2010 in Paris and the *Oslo Climate and Forest Conference 2010*, which took place on May 27, 2010.
9. The draft will be submitted to the three governing bodies for review and discussion at their upcoming meetings:
- |                             |                                |
|-----------------------------|--------------------------------|
| FIP Sub-Committee           | June 24, 2010                  |
| FCPF Participants Committee | June 28-July 1, 2010           |
| UN-REDD Policy Board        | Week of November 1, 2010 (TBC) |
10. Based on the comments received from each governing body, it is proposed that the paper be revised and a final version presented to a joint meeting of the FIP Sub-Committee, FCPF Participants Committee and UN-REDD Policy Board. That meeting is proposed for November 2010 in Washington, DC (TBC).

### **Context for Effective REDD+ Collaboration**

11. Policy discussions on REDD+ were initiated at COP13 in December 2007. An important milestone was the Bali Action Plan<sup>1</sup>, which was adopted in Bali and elaborated through the work of the Ad Hoc Working Group on Long-term Cooperative Action on REDD+.

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<sup>1</sup> Decisions 1/CP.13, Bali Action Plan and 2/CP.13, Reducing emissions from deforestation in developing countries: approaches to stimulate action

12. While COP15 in December 2009 did not result in any binding global agreement, delegates confirmed the need for joint action to reduce GHG emissions to meet the overarching objective of keeping the increase in global temperature rise below 2°C above pre-industrial levels. COP15 provided methodological guidance and the Copenhagen Accord called for immediate establishment of “a mechanism including REDD+. Also in Copenhagen, six donor countries (Australia, France, Japan, Norway, the United Kingdom, and the United States) collectively pledged approximately US\$3.5 billion in ‘fast start’ funding for REDD+ through the end of 2012.

13. Following COP15, progress has been made on moving closer toward a REDD+ mechanism that will allow the challenges associated with deforestation and forest degradation to be addressed jointly and effectively.

14. Last March, representatives from 54 major forest basins and donor countries attended an *International Conference on Major Forest Basins*, which was held on March 11 in Paris. The conference reaffirmed the fast start pledges for REDD+ made in Copenhagen, proposed the creation of a REDD+ partnership and initiated a data collection effort on REDD+ activities and financing. Participants further agreed that the work of the partnership would complement the UNFCCC process.

15. Building on the Paris conference, the Government of Norway sponsored the *Oslo Climate and Forest Conference 2010* on May 27. Among the conference outcomes was the adoption of a voluntary, non-legally binding document that provided a framework for an Interim REDD+ Partnership. The goal of the Interim Partnership is to improve the effectiveness, efficiency, transparency and coordination of REDD+ initiatives and financial instruments.

16. A number of donor countries have pledged substantial resources for REDD+. While a significant portion of these will be disbursed bilaterally (Table 1) a part is expected to be channeled multilaterally, including through existing REDD+ arrangements, such as CIF/FIP, FCPF and UN-REDD.

Table 1: Bilateral commitments to REDD+

Country/Organization	Indicative Interim Financing (USD)	Details
Australia	120,000,000	Australia has pledged USD120,000,000 (approximately AU D130,000,000) for REDD+ over the fast-start period.
Denmark	At least 16,500,000	Amount only includes multilateral contributions for 2010. Potential contributions for 2011 are not yet determined.
France	Approximately 330,000,000	France committed EU R246 million for the fast-start period. This represents 20% of France's fast start funding commitment.
Germany	Approximately 503,000,000	Germany will use around 30 percent, i.e. at least 350 million Euros, of the fast-start financing for international climate protection for the prevention of deforestation in developing countries.
Japan	Approximately 500,000,000	Japan pledged USD500 million for REDD+ assistance (including bilateral/multilateral) from 2010 to 2012 at COP 15.
Netherlands	Not available	
Norway	1,000,000,000	Norway has pledged USD1 billion for REDD+ over the fast-start period.
Spain	27,100,000	Includes financing pledged to UN -REDD Programme, but still waiting for definitive approval by the Council of Ministers.
United Kingdom	Approximately 450,000,000	The financial contribution shown for the United Kingdom is an indicative amount. It does not represent a pledge by the United Kingdom, which will only be able to formulate a final position after a new government has taken decisions following the May 6 election.
United States	1,000,000,000	The US intends to dedicate USD1 billion for REDD+ over the fast-start period; preliminary figures for 2010 and 2011 are not yet complete, but include at least USD536 million.

Source: *Synthesis Report: REDD+ Financing and Activities Survey*, prepared by an intergovernmental taskforce (2010)

17. Consistent with the need to tap into more organizational support, policy initiatives and cross-sectoral and cross-institutional initiatives which would advance the objectives of REDD+ and scale up the financing and policy support for countries around the world, the UNREDD, FCPF and FIP have recognized the importance of engaging with other international initiatives engaged in REDD+ activities. Annex 1 provides detailed self-reported information for selected institutions and organizations currently supporting REDD+.

18. For example, the Global Environment Facility (GEF), which not only serves as the multilateral financing mechanism for the UNFCCC, but also for the CBD and now the UNCCD, has included \$250 million in a funding window for sustainable forest management in its fifth replenishment. These funds are to be bundled with funding in the GEF focal areas by countries seeking funds from the GEF. This opportunity to leverage financing from the GEF in support of REDD+ objectives offers the possibility to significantly increase the sources of financing.

19. The 192 member states of the United Nations Forum on Forests (UNFF) have mandated a four year work program on forest financing, focusing on all sources of funding, on gaps and opportunities. The UNFF program of work will be addressed by the UNFF10 in 2013, culminating in recommendations for increased need for financing resources through existing mechanisms, consideration of, among other options, the need for an international forest fund separate from what already exists. UNFF will be working closely with the REDD+ financing mechanisms to follow the financing for forests for their carbon benefits, understand what further support may be required, identify gaps and opportunities for countries not qualifying in the short term for this funding and identifying some of the possible distortions created by the rather significant amount of funding now available due to the REDD+ mechanisms and commitments.

20. The multitude of multilateral and bilateral institutions and initiatives supporting REDD+ suggests that there exist both opportunities and challenges arising from coordinating international efforts aimed at reducing deforestation and forest degradation and restoring forests in developing countries. In particular, if these institutions do not collaborate and build on their comparative advantages, efforts to address REDD+ will create unnecessary redundancies and competition. Recognizing this, the international community has called for a more coordinated and harmonized approach for REDD+ financing and technical assistance among existing multilateral REDD+ institutions, especially FCPF, UN-REDD and FIP, as well as emerging bilateral and other multilateral efforts.

21. The debate currently revolves around the financing needs for addressing REDD+ and coordination among public sector REDD+ institutions. One aspect that needs special attention is the involvement of the private sector in REDD+ activities. Private sector engagement will generate both private and public benefits. Private investments in forest and natural resource operations as well as forest-based industries dwarf the combined flows from multilateral development banks, bilateral agencies, civil society organizations, and charities. Currently, the private sector accounts for an estimated 80-90 percent of forestry financing, with small and medium sized businesses representing the overwhelming majority of forest-related enterprises in developing countries.

22. FCPF, FIP and UN-REDD teams have proposed a collaborative approach to identify opportunities for supporting country-level REDD+ needs. The identification of relevant global activities will complement this approach. It is suggested that lessons learned will be collected systematically and shared with the international community with the view of informing the UNFCCC process.

## **REDD+ Financing and Support under the FCPF, FIP and UN-REDD**

### *Financing*

23. The FCPF Readiness Fund and UN-REDD Programme are currently helping 38 countries build their capacity for REDD+. They are also providing grants for the development of national REDD+ strategies, the design of measurement, reporting and verification (MRV) systems, the adoption of reference scenarios, and the establishment of national management arrangements for REDD+.

24. The FCPF Carbon Fund will support a number of countries in undertaking results-based actions by providing them with contractual payments for emissions reductions generated by REDD+ activities.

25. UN-REDD is currently providing support to nine pilot countries and that number is increasing. A total of US\$42.6 million has been approved by the Policy Board for eight of the nine countries, four of which are in the programme implementation phase. In addition, the UN-REDD Programme provides technical support and advice on REDD+ readiness through its Global Programme, which currently totals US\$8.7 million.

26. The FIP is an investment program implemented by five multilateral development banks with the objective to support developing countries' REDD-efforts, providing up-front bridge financing for readiness reforms and public and private investments identified through national REDD readiness strategy building efforts, while taking into account opportunities to help them adapt to the impacts of climate change on forests and to contribute to multiple benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities, poverty reduction and rural livelihoods enhancements.

27. The current funding level is US\$542million. The FIP is providing grants and concessional loans to [5] countries that will be implementing transformational investments in the forest sector and other sectors, undertaking targeted REDD+ activities, and investing in capacity building.

### *Harmonized REDD+ Readiness Support*

28. Cooperation on readiness has yielded significant achievements to date. For example, the FCPF and UN-REDD Programme have aligned some of their "readiness" processes and standards in an effort to reduce transaction costs for countries developing national strategies, especially those participating in both initiatives.

29. At a country's request, a common template can be used for country submissions to the FCPF and UN-REDD Programme. The Democratic Republic of Congo, for example, decided to submit its Readiness Preparation Proposal (R-PP) to both.



30. The Democratic Republic of Congo assumes leadership in a GEF co-financed project which focuses on building institutional capacities to develop sound policies and incentive frameworks to efficiently reduce pressure on forest ecosystems in the Congo Basin, and reliably measure carbon fluxes. The country's REDD+ Readiness process is much advanced after having received support from the FCPF and the UN-REDD Programme. DRC may soon become a model for the development of REDD mechanisms, and share its experience with the other countries in the region.

31. The UN-REDD Programme and FCPF are also striving to adopt a common review process, which is based on an ad hoc Technical Advisory Panel comprised of independent reviewers with relevant multi-sectoral and cross-country expertise.

### *Stakeholder Engagement*

32. Current efforts to harmonize support for stakeholder engagement are already having an impact. The UN-REDD Programme has pioneered the engagement of civil society and Indigenous Peoples in the REDD+ agenda and both groups are full members of its Policy Board. The FCPF has active observers from civil society and indigenous peoples in its Participants Committee and supports a capacity building program<sup>2</sup> that specifically targets forest-dependent indigenous peoples and other forest dwellers. FIP also has active observers from both civil society and indigenous peoples in its Sub-Committee. It is intended that FCPF would follow FIP's self-selection process for indigenous peoples. The FIP is developing a grant mechanism to support REDD+ activities that would directly benefit indigenous peoples and local communities in the FIP pilot countries.

33. As a current joint effort, FCPF and the UN-REDD Programme have been working to present clear guidance on a coordinated consultation and engagement process that will ensure the meaningful participation of indigenous peoples and forest-dependent communities in REDD+ work, beginning with readiness<sup>3</sup>.

34. The UN-REDD Programme's programmatic approach to Operational Guidance was drafted in consultation with indigenous peoples and civil society organizations, while the FCPF relies on the World Bank's Operational Policy on Indigenous Peoples and has issued recommendations in a Guidance Note. The two initiatives have started to

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<sup>2</sup> In fiscal year 2009, FCPF provided support to Coordinadora de las Organizaciones Indigenas de la Cuenca Amazonica, the Indigenous Peoples of Africa Coordinating Committee, and the Kuna Yala General Congress (Panama) on behalf of Coordinadora Nacional de Pueblos Indigenas de Panama.

<sup>3</sup> Although a draft single guidance note adopts the principles and guidelines of the UN-REDD Programme and the FCPF Guidance Note on Stakeholder Engagement, several critical issues must be resolved before the guidance can be fully harmonized. For example, discussions are currently underway regarding the differences in how the two initiatives uphold the rights outlined in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), and specifically the concept of "Free, Prior and Informed Consent (FPIC)." While several sources have recently suggested that the World Bank policy of "free, prior, and informed consultation" resulting in "broad community support" is essentially equivalent to the process required and results obtained through the application of FPIC, the UN is committed to adhere to the stricter term "consent," as are States that are signatories to the UNDRIP. As FPIC is still in its initial stages of being defined in the REDD+ context, an important next step will be to build on the operational and practical steps for carrying out joint consultations, based on successful experiences.

harmonize their procedures into a single process following the highest standards. This could also serve to operationalize two of the safeguards in the draft COP15 decision on REDD+, namely the “respect for the knowledge and rights of indigenous peoples and members of local communities” and the “full and effective participation of relevant stakeholders, including in particular indigenous peoples and local communities”.

35. Subparagraph 16 (d) of the *FIP Design Document* stresses the inclusive processes and participation of all important stakeholders, including indigenous peoples and local communities. Annex III of the *FIP Design Document* provides further guidelines for consultations to be carried out in accordance with subparagraph 16(d). These guidelines should be followed to facilitate the full and effective participation of indigenous peoples and local communities likely to be affected by a proposed strategy, program or project in a process of public consultation.

### **Options for Enhanced Country-level REDD+ Collaboration**

36. The UNFCCC Ad Hoc Working Group on Long-term Cooperative Action<sup>4</sup> drafted a COP decision for possible adoption at COP15 in Copenhagen. Although the decision itself was not adopted in Copenhagen, its introduction resulted in COP15 delegates reaffirming their commitment to reduce GHG emissions.

37. The draft text refers to three “phases” of REDD+ activity:  
*..., “beginning with the development of **national strategies or action plans**, policies and measures and capacity-building, followed by the **implementation** of national policies and measures, and national strategies or action plans and, as appropriate, sub-national strategies, that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into **results-based actions** [that shall be fully measured, reported and verified].”*

38. The three phases are not intended to be sequential, and activities in more than one phase are likely to be undertaken in parallel. Each country will determine its own course of action—for example, by entering the phases at different times or completing each phase according to its own schedule. The FCPF, FIP and UN-REDD Programme can contribute to all three REDD+ phases: national strategies, implementation, and results-based actions.

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<sup>4</sup> “Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries”.

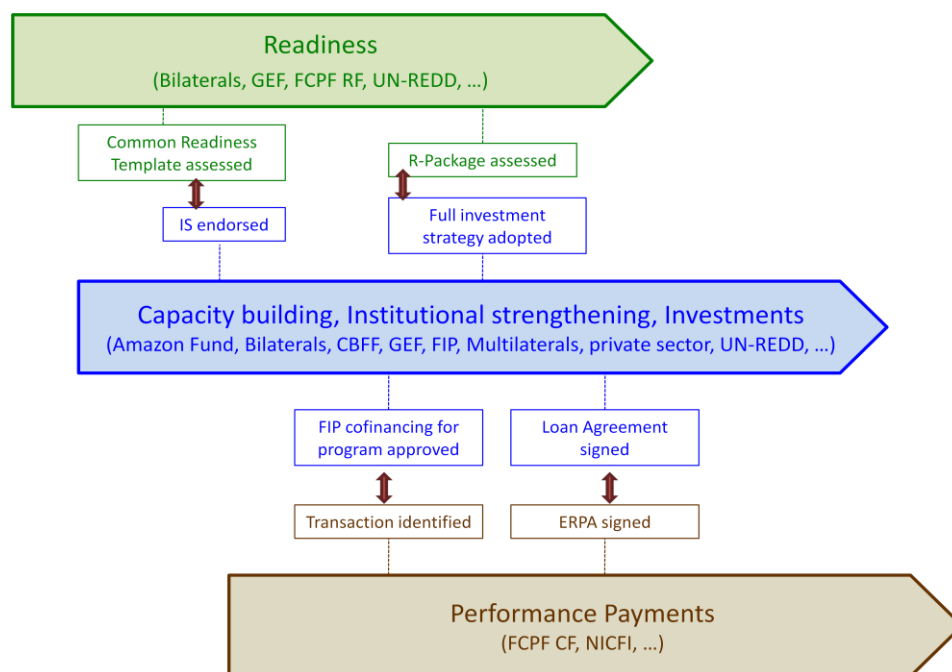


Figure 1: FCPF, FIP and UN-REDD Programme Contributions and Linkages to REDD+

39. In addition to ensuring efficient implementation during each phase, the expanded process would help ensure a smooth transition between initiatives. Initial thinking on linking the business processes of the FCPF, FIP and UN-REDD Programme across the three phases of REDD+ is shown below as are the contributions of the three initiatives.

40. The different phases can overlap. In order to guarantee coordinated implementation procedures at a country level, the FCPF, FIP and UN-REDD propose to consider a Common Delivery Platform, managed by the REDD country. The Common Delivery Platform would contribute to avoid a fragmented implementation structure and would contribute to the transparent use of operating principles and common standards. These common standards would include social and environmental standards, stakeholder engagement principles, procurement and financial management standards, disclosure procedures and grievance mechanisms. Approaches to technical support such as to MRV need also be streamlined.

41. In an effort to further streamline support to REDD countries during the REDD+ readiness phase, the FCPF FMT has proposed to make it possible for institutions other than the World Bank to assist REDD countries implement the FCPF readiness grants. A single country would thus be able to work with one or more delivery partners and tap into the globally available expertise in addition to financial assistance. There are several options in consideration by the FCPF and UN-REDD teams on how this might be implemented.

42. A REDD country's national strategy may be formulated with assistance from the UN-REDD Programme and/or FCPF and is reviewed by the FCPF Participants Committee and/or the UN-REDD Policy Board. Endorsement of the investment strategy,

which builds on the national strategy or equivalent analysis, can lead to approval of FIP co-financing for a specific investment program.

43. The country may propose an emissions reduction program linked to this investment program or another investment or policy decision. As the country refines its REDD+ strategy in line with its readiness package, it may decide to revise its investment strategy. Meanwhile, the investment program can be prepared and a loan agreement supporting the program signed. In parallel, the emission reductions program can evolve into an emission reductions payment agreement under the FCPF Carbon Fund.

44. Investment and carbon finance modalities can create positive incentives for countries. Investment finance can make it possible for REDD+ countries to initiate policies and programs by providing upfront funding. Carbon finance can help REDD+ countries sustain these policies and programs by supplying performance-based payments over a specified time period. If investment finance is in the form of a loan, carbon finance may help a country repay the loan.

45. Countries that have identified national REDD+ priority actions and are working to create an enabling environment to sustain results from these activities have a definite advantage. Not only can they attract large-scale external finance for investments, they can also offer incentives for national stakeholders to find a common platform for collaboration. Investments can build on and strengthen readiness activities as well as ensure sustainability and minimize the risk of non-performance.

46. The FIP supports investments that aim to initiate transformational changes in the forest sector and those sectors affecting the integrity of forest ecosystems. Upfront financing is provided in form of grants, concessional loans and guarantees for readiness reforms and public and private investments identified through national REDD+ readiness strategy building efforts. The Investment Strategy, the strategic planning framework for programming FIP resources, builds on existing REDD+ plans and responds to identified REDD+ priorities. FIP investments will build on the “readiness work” already funded by FCPF and UN-REDD. It may also reach beyond projects and programs co-financed by FIP to include the contributions of development or other relevant partners.

47. All three initiatives (FCPF, UN-REDD and FIP) are committed to organize joint missions and emphasize the broad participation of government representatives, national stakeholders, and development partners in order to promote country ownership of the National REDD+ Strategy and related Investment Strategy. Such joint missions provide an excellent opportunity to engage at the country level with other REDD+ or forest-relevant initiatives.

## Pragmatic Suggestions for Enhanced Cooperation on REDD+

### *Governing Bodies*

48. The FCPF Participants Committee, UN-REDD Programme Policy Board, and FIP Sub-Committee have different mandates and origins, but their governing bodies share many similar characteristics. Representatives of REDD+ and contributor countries are members of all three initiatives. In addition, all three actively engage non-profit civil society and indigenous peoples' groups as observer participants or full members. (See Annex A for details).

49. These similarities were noted at the 4<sup>th</sup> meeting of the Policy Board of the UN-REDD Programme and the 5<sup>th</sup> meeting of the Participants Committee of the FCPF. Both governing bodies called for closer integration of the initiatives, including establishment of a joint platform to share country experiences, disseminate lessons learned, and facilitate policy discussions.

50. Based on these decisions and the ensuing discussions by the three secretariats, it is proposed that *joint annual meetings of the governing bodies of the three initiatives be convened*.

51. The secretariats propose that a one-day "joint platform" be organized during the first week of November 2010, in conjunction with the governing body meetings in Washington, DC. Ideally, this joint platform would be held before the actual business meetings, so that the conclusions and recommendations can be presented to the respective governing bodies for consideration.

52. Such gatherings could also provide a venue for the Interim REDD+ Partnership (and/or its core group), should the Partnership so request.

53. Potential agenda topics for the November *joint platform* could include:

- a. Progress in developing country-level REDD+ strategies on institution strengthening, national coordination, MRV, and possible benefit sharing and payment structures. This could take the form of a country dialogue focusing on specific examples of country readiness, FCPF and UN-REDD funding levels, and progress on priority setting.
- b. Cooperation among FCPF, UN-REDD and FIP, including a review of the final joint paper on enhanced collaboration for REDD+.
- c. Progress by FCPF and UN-REDD in providing country level readiness support.
- d. Status of proposed joint delivery mechanisms as well as key topics such as MRV, safeguards, IP/CSO engagement, governance, and ecosystem benefits.

- e. Coordination with other multilateral financing and policy bodies to address cross-sectoral and cross-institutional aspects relevant to REDD+ support.

54. In this context, better coordination in scheduling FCPF, FIP and UN-REDD governing body meetings is essential. For logistical and other reasons, coordinated scheduling has been a challenge. However, with closer cooperation among the three initiatives, future scheduling is expected to be streamlined.

#### *Regular planning meetings*

55. In addition to the proposed joint meetings of the governing bodies, the FCPF, FIP and UN-REDD secretariats have initiated joint planning meetings, which could frequently include other REDD+ institutions. The first was held on 3-4 May 2010 in Washington, DC and focused on country-level delivery mechanisms as well as global activities that would benefit from more coordination.

56. Thus far, the FCPF Participants Committee, the UN-REDD Programme Policy Board, and the FIP Sub-Committee have all participated in each other's governing body's meetings. This cross-representation has been helpful, but a more proactive strategy is necessary to enhance cooperation.

57. The joint meetings would also benefit from the participation of other multilateral financing and policy bodies which have a relationship to and effect on financing for forests, including for REDD+, including the Amazon Fund, the Congo Basin Forest Fund, GEF and the UNFF.

#### *International support for country-level efforts*

- Voluntary REDD+ database

58. As requested by the Interim REDD+ Partnership, FCPF and UN-REDD have been encouraged to support the development of a voluntary REDD+ database.

59. The database is expected to contain information related to REDD+ commitments, including financial pledges, national strategies, and investment plans; commitments and expressed formal agreements that include a financial transfer and stated objectives; actions linked to an agreement with explicit targets; and independent verification of action results. The development of the voluntary REDD+ database will be guided by the interim REDD+ partnership and may include, beyond system development *per se*, data collection, capacity building, and active information dissemination.

60. A REDD+ database appears technically feasible based on the World Bank's experience with the Carbon Asset Registry System (CARS) database, FAO's development of the Foris information system as well as other project and finance monitoring tools, and UNEP's support for CDM databases.

61. A protocol regarding information ownership, languages, neutrality, and the security and stability of IT platforms and standards would need to be developed. Details of the system and the content will be provided by the interim REDD+ partnership.
62. FAO has offered to take the lead in initiating the database concept and to work in close collaboration with the other UN-REDD agencies, the World Bank, and the UNFCCC Secretariat, under the guidance of the interim REDD+ partnership.
63. The UNFF is leading a four year study of forest financing, within which the data being collected on national, regional and international financing for forests from a cross-sectoral and cross-institutional perspective will provide a substantive context for the work on REDD+ financing.
- Measurement, Reporting, and Verification
64. REDD+ countries and the UNFCCC have discussed the need for national measurement, reporting and verification (MRV) systems as well as REDD+ monitoring. The UN-REDD Programme and the FCPF are already collaborating on MRV activities in the Democratic Republic of Congo. Both organizations are working together to revise the R-PP and produce a work plan that includes joint workshops and coordinated support to countries.
65. Under FAO leadership, UN-REDD has been working on a framework proposal to implement a National Monitoring System for REDD+, including MRV of carbon and monitoring of forest benefits, impacts, and governance. The framework addresses information needs at strategic levels (national reporting, policy analyses) as well as at operational levels (within country and on-the ground implementation). The framework explains the concepts of REDD+ requirements under the UNFCCC and describes the elements of a fully operational MRV system that follows IPCC guidance regarding the development of national GHG inventories for REDD+ reporting.
66. The measurement and reporting components of the proposed MRV system will comply with national development strategies and include satellite land monitoring as well as national forest inventories.
67. In collaboration with the FAO team, the FCPF is facilitating technical assistance to member countries for the development and design of MRV systems. This support includes identifying experts, convening workshops, and implementing focused missions and in-country activities, such as joint technology assessments with country-based partners.
68. The FCPF also supports the development of knowledge products and technical documents that synthesize current MRV technologies and disseminate country-level good practices, including those of indigenous peoples and MRV governance structures. Internal to the World Bank, these activities are carried out in coordination with the Bank's regional departments to ensure integration of REDD+ activities into relevant lending and technical assistance activities.

69. Both the FAO and FCPF teams are liaising with international partners and increasing their coordination. All three UN-REDD agencies and the World Bank are participating in the Collaborative Partnership on Forests. The UN-REDD Programme also works closely with GEO and GEOSS to provide free, timely, standardized, and relevant remote sensing data. In coordination with the Brazilian Space Agency (INPE) and other institutions, UN-REDD provides training courses on national MRV systems.

- REDD+ Safeguards

70. The decision drafted for COP15 includes safeguard provisions for future REDD+ activities:

*“(The Conference of the Parties) further affirms that when undertaking (REDD+) activities (...), the following safeguards should be [promoted] [and] [supported]:*

- (a) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;*
- (b) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;*
- (c) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;*
- (d) Full and effective participation of relevant stakeholders, including in particular indigenous peoples and local communities in (REDD+) actions (...);*
- (e) Actions that are consistent with the conservation of natural forests and biological diversity, ensuring that (REDD+) actions (...) are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;*
- (f) Actions to address the risks of reversals;*
- (g) Actions to reduce displacement of emissions.”*

71. Monitoring safeguards has gained more attention during recent REDD+ dialogues. UNEP-WCMC is providing guidance on ecosystem co-benefits at the national and global levels and ways to incorporate these benefits into national REDD+ strategies. The recent Chatham House/UN-REDD Workshop provided draft guidance and a framework for monitoring governance safeguards for REDD+.

72. Operationalizing these safeguards in a coordinated manner is critical. The UN-REDD Programme, FIP, and FCPF currently follow environmental and social safeguards in accordance with the requirements of their respective foundational documents. Of the three, the FIP and FCPF’s approaches are the most similar.



73. The FIP provides that Multilateral Development Banks<sup>5</sup> implementing the FIP-financed operations should follow their own policies and procedures, including those regarding safeguards.
74. The FCPF is currently implemented by the World Bank, which applies its own safeguard policies. The proposed expansion of delivery provisions to include entities other than the World Bank would make the FCPF Readiness Fund similar to the FIP in that each delivery partner would follow its own safeguard policies.
75. The UN-REDD Programme is adopting a strategy for implementing minimum social and environmental standards and developing an accompanying due-diligence style risk assessment tool. Both build on the framework provided by the safeguards section of the draft COP15 text on REDD+ and reflect UN policies set out in relevant rights conventions and treaties. To facilitate coordination, the risk assessment tool draws upon criteria from existing voluntary and minimum standard initiatives, such as the CCBA/Care REDD+ Social and Environmental Standards.
76. The minimum social and environmental standards and risk assessment tool are expected to be used iteratively in the design and implementation of the National UN-REDD Programmes. The intention is to make them flexible enough to be adopted by other stakeholders as well as guide program design, build stakeholder confidence, and improve overall transparency and sustainability. When risk areas are identified, program activities will be revised or appropriate risk mitigation measures taken.
77. Rather than seek mutual recognition (equivalence) of environmental and social standards, the UN agencies and World Bank consider it more feasible to enter into a framework agreement in which the policies and procedures of the implementing organizations are recognized and applied, subject to agreed minimum standards (reciprocity). This decentralized approach is already used by the FIP since the MDBs are governed by relatively similar policies and procedures, including those related to environmental and social standards. However, the approach may be challenging for the FCPF Readiness Fund, which has a more diverse set of delivery partners, including the UN Agencies composing the UN-REDD Programme and the MDBs. Further work is needed in the area.
78. All three initiatives recognize the need to address the governance of national readiness efforts. A number of approaches for monitoring REDD+ governance are already being developed by other organizations, including the World Resources Institute in partnership with Imazon and ICV-Global Witness/Chatham House. For UN-REDD, UNDP is initiating multi-stakeholder governance country-led assessments for REDD+ in selected countries as a basis for policy reform.
79. Other potential opportunities for closer collaboration include contributions to the multiple benefits of forests and REDD+ while adhering to the safeguards for biodiversity,

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<sup>5</sup> African Development Bank, Asian Development Bank, Inter-American Development Bank, European Bank for Reconstruction and Development, World Bank Group

ecosystem services, and livelihoods, in alignment with REDD+ development and conservation investments. In this regard, coordination with bodies such as the UNFF can be an important way to recognize the REDD+ financing experiences, the limitations of the process at national levels and opportunities to improve the systems in place and to support the institutional issues related to the need to recognize and support the multiple benefits of forests.

- Information sharing

80. *Calendar, file-sharing, and contacts.* All three program teams have dedicated websites that are accessible to the public and are committed to sharing information on their planned activities, upcoming missions and meetings and workshops. In addition, the UN-REDD Programme maintains an online collaborative *Workspace* ([www.unredd.net/](http://www.unredd.net/)), which features an interactive calendar, file-sharing, and contact database. The Workspace could be made accessible to FCPF and FIP member teams to improve and enhance collaboration. An enhanced shared information platform with direct access to country information as well as specific subjects and events could provide significant benefits to REDD+ stakeholders.

81. *Training modules and materials.* Another proposed method of cooperation would focus on lessons learned and South–South cooperation. Targeted training modules and materials could be designed for—and with—developing country practitioners to enhance their ability to engage in REDD+ readiness activities, develop national REDD+ strategies, and deliver upon commitments.

82. *Lessons learned.* The UN-REDD Programme and the FCPF teams are exploring joint efforts to collect, organize, and disseminate knowledge and lessons learned, and to further enhance stakeholder awareness. The Climate Investment Funds organize an annual Partnership Forum to provide a platform for knowledge exchange among CIF pilot countries. The Forums focus on lessons learned from the design and implementation of strategic programs addressing climate change mitigation and adaptation, including REDD+. The next Partnership Forum will be held in March 2011 in Tunis, Tunisia. These meetings could be expanded to include an annual meeting of all countries participating in REDD+ initiatives to exchange lessons and build a robust community of practice. The meetings could be jointly organized with all agencies participating in REDD+, including the Amazon Fund, the Congo Basin Forest Fund, FCPF, FIP, GEF, ITTO, UN-REDD and bilateral agencies.

83. *Joint inputs and events.* Joint side events at major international meetings and coordinated inputs to the UNFCCC REDD platform and COP meetings offer opportunities for cooperation. Such activities could complement individual efforts.

**Annex 1 – Information on Selected REDD+ Mechanisms (self-reported)**

	CIF/FIP	FCPF	UNREDD	GEF SFM/REDD+ Program
<b>Objective</b>	<p>1) To initiate and facilitate steps towards transformational change in developing countries forest related policies and practices.</p> <p>2) To pilot replicable models to generate understanding and learning of the links between the implementation of forest-related investments, policies and measures and long-term emission reductions and conservation, sustainable management of forests and the enhancement of forest carbon stocks in developing countries.</p> <p>3) To facilitate the leveraging of additional financial resources for REDD.</p> <p>4) To provide valuable experience and feedback</p>	<p>1) Building capacity for REDD in developing countries in tropical and subtropical regions.</p> <p>2) Testing a program of performance-based incentive payments in some pilot countries, on a relatively small scale, in order to set the stage for a much larger system of positive incentives and financing flows in the future.</p>	<p>Generate the requisite transfer flow of resources to significantly reduce global emissions from deforestation and forest degradation. The immediate goal is to assess whether carefully structured payment structures and capacity support can create the incentives to ensure <i>actual, lasting, achievable, reliable</i> and <i>measurable</i> emission reductions while maintaining and improving the other ecosystem services forests provide.</p>	<p>Achieve multiple environmental benefits from improved management of all types of forests.</p>

	in the context of the UNFCCC deliberations on REDD			
<b>Targeted Countries</b>	Peru, Laos PDR, Indonesia, Burkina Faso, Ghana  (6 more pending)	37 REDD+ countries: Argentina, Bolivia, Cambodia, Cameroon, Central African Republic, Chile, Colombia, Congo DRC, Republic of Congo, Costa Rica, El Salvador, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guatemala, Guyana, Honduras, Indonesia, Kenya, Laos PDR, Liberia, Madagascar, Mozambique, Nepal, Nicaragua, Panama, Papua New Guinea, Paraguay, Peru, Seychelles, Suriname, Tanzania, Thailand, Uganda, Vanuatu, Vietnam	9 pilot countries for Quick Start: Africa: DRC, Tanzania, Zambia Asia-Pacific: Indonesia, , Papua New Guinea, Viet Nam, Latin America: Bolivia, Panama, Paraguay  15 other countries have joined the programme: Argentina, Cambodia, Republic of Congo, Costa Rica, Ecuador, Kenya Mexico, Nepal, Nigeria, Philippines, Solomon Islands, Sri Lanka, Sudan	All GEF beneficiary countries (144) with forests that can produce global environmental benefits.
<b>Governance</b> - Decision-making body	<b>FIP Sub-Committee</b> with equal representation of 6 contributor and 6 developing country representatives (Self-	<b>FCPF Participants Committee</b> with equal representation of 14 contributor and 14 REDD+ country	<b>UNREDD Programme Policy Board</b> with 3 full members from UNREDD countries (Africa, Asia-Pacific, LAC) and 3 current	<b>GEF Council</b> with 32 members, regional constituencies: 18 developing country constituencies; 8

	selection process)	representatives (annual election by the 51 members of the Participants Assembly)	donors (Norway, Spain and Denmark)  CSO: 1 member UNPFII: 1 member FAO, UNDP, UNEP: 1 member each	developed country members, 1 developed country constituency, 4 mixed constituencies
- Observers	CSO: 4 IPs: 4 Private Sector: 4  GEF, FCPF, UNREDD, UNFCCC Secretariat	6 (representing civil society, indigenous people, international organizations, UNFCCC Secretariat, UN-REDD Programme, private sector)	UNFCCC Secretariat FCPF GEF IPs: 3 regional representatives CSO: 3 regional representatives	1 each of GEF Agencies, Convention Secretariats, CSO, STAP
- Accessing Agencies	IBRD, IFC, IADB, AfDB, AsDB, EBRD	World Bank	FAO, UNDP, UNEP	IBRD, IFC, IADB, AfDB, AsDB, EBRD, UNEP, UNDP, IFAD, FAO, UNIDO
<b>Funding</b>	US\$542million (as of March 3, 2010)	Readiness Fund: about US\$115 million; an additional contribution of ~US\$20 million considered by Germany and US\$5 million by US in FY10 budget process.  Carbon Fund: about US\$34 million signed; an additional ~US\$16	US\$105million (as of March 2010)	Approximately US\$1billion throughout GEF-5 (4 years) (US\$250million from SFM/REDD+ incentive mechanism plus about US\$750 million from Country allocations for Climate Change, Biodiversity and Land Degradation Focal Areas)

		million by UK through Strategic Climate Fund and US\$5 million by US in FY10 budget process.		
<b>Contributors</b>	Australia, Denmark, Japan, Norway, Uk, USA	11 Readiness Fund donors  5 Carbon Fund contributors	Norway, Denmark, Spain	32 donors
<b>Financing Modalities</b>	Grants, concessional loans, risk guarantees, equity options for Private Sector	Grants	Grants	Grants
<b>Status</b>	About to start implementation	In implementation: <ul style="list-style-type: none"> <li>- 37 R-PINs submitted</li> <li>- 14 R-PP preparation grants approved</li> <li>- 6 R-PPs submitted</li> <li>- 3 R-PPs assessed and funding authorized</li> </ul>	National Programmes developed and approved for 8 countries. Four of them are at implementation stage (as of March 2010)	Under implementation since 2008 (GEF-5 to start in July 2010)
<b>Coordination with other REDD+ Mechanisms</b>	UNREDD, FCPF and GEF are observers in the FIP Sub-Committee	UNREDD and GEF are observers in the FCPF Participants Committee	FCPF and GEF are permanent observers in the UN-REDD Policy Board. FIP has also been invited in the meetings. Collaboration at the	All 9 FIP, FCPF and UN-REDD accessing agencies are also GEF Implementing Agencies and observers in the GEF Council

			country level with FCPF and ITTO REDDES. UN-REDD Programme is observer at FIP SC, FCPF PC and ITTO REDDES, and all the three UN-REDD agencies are GEF agencies.	
<b>Relationship to UNFCCC</b>	UNFCCC Secretariat is observer of the FIP Sub-Committee		UNFCCC Secretariat is observer of the UN-REDD Programme Policy Board, and all the three UN-REDD agencies are observers in UNFCCC.  UN-REDD provides regular information updates to the UNFCCC REDD+ platform	GEF is an operating entity of the financial mechanism of the UNFCCC (meaning its is the only REDD+ institution that receives guidance and reports back to UNFCCC COP)
<b>Planning Frameworks</b>	Investment Strategy (IS)	<ul style="list-style-type: none"> <li>• Readiness Program Information Note (R-PIN)</li> <li>• Readiness Preparation Proposal (R-PP)</li> <li>• Readiness Package (R-Package)</li> </ul>	Joint Program Document (JPD)	<ul style="list-style-type: none"> <li>• National Portfolio Identification Exercise (NPIC)</li> <li>• Project Identification Form (PIF)</li> </ul>

	Amazon Fund	Congo Basin Forest Fund	ITTO REDDES Program
<b>Objective</b>	<ul style="list-style-type: none"> <li>i. To promote and reduce the rate of deforestation in Brazil.</li> <li>ii. To transform the reduction of emissions from deforestation into a system that finances the conservation and the sustainable use of forests.</li> <li>iii. To demonstrate the feasibility of mechanisms that encourages the reduction of emissions from deforestation.</li> <li>iv. To make the forest more valuable than its alternative uses.</li> </ul>	<ul style="list-style-type: none"> <li>1) To alleviate poverty;</li> <li>2) To address climate change through reducing, slowing and eventually reversing the rate of deforestation in the Congo Basin.</li> </ul>	<p>The <u>general objective</u> of this ITTO Thematic Programme is to reduce deforestation and forest degradation, enhance environmental services and help improve forest dependant livelihoods through sustainable management of tropical forests, forest restoration and other related activities.</p> <p>The <u>specific objective</u> of the Programme is to strengthen the capacity of ITTO developing member countries and their stakeholders to</p> <ul style="list-style-type: none"> <li>a) reduce unplanned deforestation;</li> <li>b) reduce forest degradation;</li> <li>c) maintain and enhance climate change mitigation and other environmental services of tropical forests;</li> <li>d) contribute to the social and economic sustainability and well-being of forest-dependent communities by increasing forest values through forest restoration and rehabilitation, as well as payments for forest-based environmental services; and</li> </ul>



			e) enhance adaptation and resilience of tropical forests to negative effects of climate change and human-induced impacts.
<b>Targeted Countries</b>	Brazil (can use up to 20% of its funds in monitoring projects in other tropical forest countries).	DRC, Congo, Cameroon, CAR, Chad, Equatorial Guinea, Gabon, Rwanda, Burundi, Sao-Tome	All ITTO developing member countries in <u>Africa</u> (Cameroon, CAR, Congo, Côte d'Ivoire, DRC, Egypt, Gabon, Ghana, Liberia, Nigeria, Togo); <u>Asia &amp; Pacific</u> (Cambodia, Fiji, India, Indonesia, Malaysia, Myanmar, Nepal, PNG, Philippines, Thailand and Vanuatu); and in <u>Latin America &amp; the Caribbean</u> ( Bolivia, Brazil, Colombia, Ecuador, Guatemala, Guyana, Honduras, Mexico, Panama, Peru, Suriname, TTB and Venezuela)
<b>Governance</b> - Decision-making body	Deputy Management of BNDES Board of Directors guided with by the Guidance Committee of the Amazon Fund	Governing Council comprising : 2 Fund's Co-Chairs 1 representative of AfDB 1 representative of donors 1 representative of civil society from the region The president of COMIFAC The Secretary General of CEEAC	Thematic Programme Advisory Committee (formed by representatives of consumer and producer countries and one representative of the ITTO Secretariat). The TPAC responds through the ITTO Secretariat, to the International Tropical Timber Council (ITTC).
- Observers	N/A	-COMIFAC Executive	n/a

		Secretary -A representative of UNEP - Another representative of donors -The Facilitator of the Congo Basin Forest Partnership	
- Accessing Agencies	National entities (federal, state and municipal levels; PPP, NGOs)	AfDB	Proposals are submitted to REDDES through the ITTO official contact point in the member country. Any organization in the member country can submit proposals once approved by and channeled through the official contact point.
<b>Funding</b>	US\$1billion (pledged) over the next 4 – 7 years by Norway. EUR18 billion (pledged )by Germany.	€ 115 millions pledged over 3 years	US\$ 18million over a 3 years period
<b>Contributors</b>	Norway	UK and Norway	Norway, Japan, Switzerland, Sweden, USA
<b>Financing Modalities</b>	Concession funds.	Grants	Grants for small projects (up to US\$150,000), pre-projects and projects (variable value, but average of US\$680,000) . Also, up to 3% of the total REDDES funds are allocated to support project formulation when requested by an ITTO member country.

<b>Status</b>	In implementation	-10 grant agreements approved and first disbursements - 5 grant agreements under processing - 420 submissions under review	Under implementation (in Brazil, China, DRC, Ghana, Guatemala, Guyana, Indonesia, and Peru)
<b>Coordination with other REDD+ Mechanisms</b>	N/A	UN-REDD is an observer in the CBFF Governing Council  CBFF is an observer in the UN-REDD Policy Board	The REDDES project in DRC is developed in close coordination with, and in support of the UN-REDD programme in the country.
<b>Relationship to UNFCCC</b>	N/A		Support ITTO member countries in their reporting to UNFCCC, when requested.
<b>Planning Frameworks</b>	Sustainable Amazon Plan  Action Plan to Prevent and control Deforestation within the Amazon	CBFF Strategy  COMIFAC Plan de Convergence	ITTO Action Plan 2008-2011 and the Thematic Programme Document (both available at <a href="http://www.ito.int">www.ito.int</a> )
<b>MRV Methodology Guidance</b>	Calculation methodology for the reduction of emissions in the year: based on comparisons between average historical emissions over the last ten years and those emissions in the year in question.  The average historical		REDDES project are recommended to use the IPCC Guidelines and the Voluntary Carbon Standard Guidelines for carbon related MRV; in addition to the ITTO monitoring, evaluation, reporting and auditing systems.

	<p>emissions for a 10-year period are revised every 5 years.</p> <p>Emissions are calculated based on the deforestation rate per hectare in the year, considering 100 tons of COeq per hectare.</p>		
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## **Annex 2 – Acronyms**

CARS	Carbon Asset Registry System
CBFF	Congo Basin Forest Fund
CDM	Clean Development Mechanism
CIF	Climate Investment Funds
COP	Conference of the Parties
ERPA	Emission Reductions Payment Agreement
FAO	Food and Agriculture Organization of the United Nations
FCPF CF	Forest Carbon Partnership Facility Carbon Fund
FCPF RF	Forest Carbon Partnership Facility Readiness Fund
FIP	Forest Investment Program
FPIC	Free, Prior and Informed Consent
GEF	Global Environment Facility
IP	Indigenous Peoples
IPCC	Intergovernmental Panel on Climate Change
IS	Investment Strategy
MRV	Measurement, Reporting and Verification
NICFI	Norway's International Climate and Forest Initiative
R-PP	Readiness Preparation Proposal
R-Package	Readiness Package
UNDP	United Nations Development Program
UNDRIP	UN Declaration on the Rights of Indigenous Peoples
UNEP	United Nations Environment Program
UNFF	United Nations Forum on Forests
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries