

Forests Forum UNFCCC Standing Committee on Finance

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- The *challenges and opportunities* of implementing REDD-Plus actions that produce results and of delivering payments in the context of overall financing for forests: How to establish the policy and finance infrastructure required to implement REDD-Plus and how to mobilize finance for them? How to ensure the effectiveness and fairness in allocating limited REDD-Plus resources in light of the broad range of national circumstances?



62

partner countries across
Africa, Asia-Pacific and
Latin America and the
Caribbean

57

partner countries with
approved funding for
UN-REDD National
Programmes

US\$245.37
million

in donor contributions
from Norway, the
European Union,
Denmark, Spain, Japan,
and Luxembourg

96%

of donor contributions
already allocated to
support partner countries
through UN-REDD National
and Global Programmes



3,300+

REDD+ practitioners trained
since 2010 in UN-REDD
Programme regional and global
capacity building events
on MRV, governance, gender,
transparency and accountability,
stakeholder engagement, multiple
benefit and green economy
scenario analysis

34%

of the world's
forests

56%

of the world's
tropical
forests

1 million+
monthly hits on

1,300+

members of unredd.net,
the UN-REDD Programme's

PHASED APPROACH TO REDD+ IMPLEMENTATION

Financial Requirements by Countries

Phase I: Readiness

Countries design national strategies and action plans with relevant stakeholders, build capacity for REDD+ implementation, work on policies and measures for forest governance and initiate demonstration activities.

Phase II: Implementation

National strategies, policies and action plans proposed in Phase I are tested, implemented and scaled up from sub-national to national scale. This phase may include results-based demonstration activities and require additional capacity building, technology development and transfer.

Phase III: Results-based actions for results-based payments / finance

Results-based actions are supported on a national level and all results are fully measured, reported and verified.



Types of finance	Types of activities	UN-REDD	FCPF readiness fund	FIP	GEF	GCF	FCPF-Carbon Fund	KFW-REM
up-front classic ODA: grants	Readiness Capacity Building	x	x			x		
Up front finance, public and private, national and international: grants, and loans	Investment for Implementation of Policies and measures/NAMA			x	x	x		
Results-based payments	Results-based finance for REDD+					x	x	x
	Results-based finance for NAMAs ?					?		



Content	UNFCCC Process and form
<p>Country completes 4 REDD+ elements</p> <ul style="list-style-type: none"> a. A National REDD+ Strategy or Action Plan (NS) b. A forest reference emission level (FREL) which serves as the basis for quantifying the results c. A National Forests Monitoring System (NFMS) to measure and report the results achieved d. 4. A system for providing information on safeguards (SIS) 	<ul style="list-style-type: none"> a. NS link published on information hub b. FREL reviewed by UNFCCC experts c. NFMS described in technical annex of the biennial update report d. SIS described in National Communication to UNFCCC along with summary of how safeguards are promoted and respected
<p>If needed, the REDD+ country mobilizes public and private, national and international funding to implement the policies and measures</p>	
<p>REDD+ country implements the policies and measures of the REDD+ National Strategy or Action plan</p>	<p>There is no process of supervision of the implementation of the policies and measures of the National Strategy under the UNFCCC</p>
<ul style="list-style-type: none"> a. Country submits Biennial Update report with technical annex including the REDD+ results (emission reductions relative to the forest reference emission level) b. Country must submit summary information on safeguards at least once before requesting results-based payments. 	<p>Biennial Update Report including technical annex undergoes a review process under the UNFCCC (ICA process)</p>
<p>If there are emission reductions, the country may request and obtain results-based payments.</p>	<p>These payments can come from a variety of sources (market and non-market) and will go to entities designated to receive results-based payments by the country's REDD+ focal point.</p>
<p>Results-based payments are used to pay back loans or advance payments, are shared with beneficiaries or reinvested in the implementation of policies and measures (optional but may be needed to ensure non-reversal of the results)</p>	<p>Entities designated to receive results-based payments will have specific fiduciary practices and modalities which will determine how money is used.</p>

Country Concerns regarding REDD+ Finance



- Accessing financing to implement Phases 1 and 2; Most countries are not in Phase 3 and won't be able to get there until they have built their capacities and institutions in Phase 1 and 1;
- Funds are required ex-ante to implement REDD+ to access RBPs - readiness financing is critical to get broad participation of all developing countries;
- Accessing RBPs at scale, as required:
- Harmonization amongst providers of RBPs and pilot programmes providing RBPs;



Country Concerns regarding REDD+ Finance



- *Need for coherence, avoiding duplication of efforts and development of different standards and methodologies by each donor; Follow the UNFCCC processes and the Warsaw Framework;*
- Additional requirements of different donors for implementing REDD+ and accessing RBPs is not attractive to countries and might turn them away from REDD+ - How much should countries report;
- There is an understanding amongst countries that donors and financing entities have different requirements but how can they *harmonize these requirements*.
- Necessity for *coherence* at the national level, the same type of information could be applied for all the different donors, without need to collect new data and info.



- The general approach of this partnership is based on the understanding that:
 - Peru defines commitments with outcomes relevant to REDD+;
 - Donors/partners support the preparation phase and strengthening of forest governance;
 - Partners define funding commitments based on those outcomes;
 - Funding flows according to delivery of outcomes (contributions-for-delivery).



- How is it possible to the change the ratio of funds for forests v.s funds "against" forests? – a UNEP report recently said that 80 per cent of global deforestation occurs as a direct result of agricultural practices, estimated at \$200 billion annually;
 - Increasing forest finances without changing the way national or international budgets are spent will probably solve very little.
- What is the viability of RBP schemes to finance forests protection or sustainable landscape management, given all the complexities related to its implementation (FREL, SIS, etc...) as REDD is voluntary!
 - If non-RBP schemes are less stringent (a forestry NAMA for instance) then what is the future of REDD RBP effort?
- What will be the impact of defining a price for carbon?
 - will it be good or bad for forest finance?

