

Informal Summary of the second workshop on results-based finance for the full implementation of the activities referred to in decision 1/CP.16, paragraph 70

21-22 August 2013

Wissenschaftszentrum, Bonn, Germany

Notes by the co-chairs of the COP work programme

Section I: ways and means to transfer payments and ways to improve the coordination of results-based finance

Points of convergence:

- Need to increase accessibility of information, done through an information hub (repository, registry, clearing house)
- Functions such an information hub should fulfill:
 - o track actions, results and payments
 - o collect all information at one place and make it easily accessible for all stakeholders
 - o avoid duplication of efforts and/or gaps in financing
- Need for national REDD+ authority (coordination entity or focal point)
- Principles for finance architecture:
 - o Simplicity, avoiding of more bureaucracy
 - o equitable and effective distribution
 - o avoid overlap and ensure consistency and coherence with decision making inside and outside of the Convention
 - o environmental integrity
- Recognition of a central role that the GCF could have in the overall REDD-plus finance architecture, potential guidance to the GCF and invitations to existing financing institutions to use agreed methodological guidance adopted by the COP
- Recognition of the importance of adequate financing for the readiness phases as a prerequisite for implementation of results-based actions
- Recognition that provision of information on how safeguards are addressed and respected is a requirement to receive results-based finance, and that such information could be included in the information hub

Other points for further elaboration:

- Recognition of the importance to mobilize financing from the private sector, and clarification of the role the private sector can play in financing implementation of results-based activities

- Need to coordinate and streamline funding and creation of a decision-making body to disburse payments
- Need to integrate different approaches into a common architecture
- The possible role of the NAMA registry within the information hub

Other key points:

- Parties encouraged participants to exchange with their colleagues negotiating in other processes to ensure coherence of decisions and approaches

Section II: ways to incentivize non-carbon benefits

Points of convergence:

- NCB are linked to safeguards and are a critical part of REDD-plus implementation
- NCB are crucially important for the long-term sustainability of REDD-plus
- The information hub can contain information on NCB

Other points for further elaboration:

- Concerns that introducing NCB at this stage could increase complexity and can lead to delays with REDD-plus implementation as there is no common understanding of the scope and nature of NCBs. Introducing NCBs could also result in diverting resources.
- Uncertainty about the ways and cost to measure NCB at national scale, and whether appropriate common metrics can be developed for all REDD-plus countries given the diversity of NCB
- Different views on whether the appropriate level for consideration of NCB is at the local, national or international level
- Some concerns whether UNFCCC is the appropriate venue to deal with NCB
- Concerns whether co-benefits can be attributed to REDD-plus activities, and thus considered REDD-plus results
- Also concerns with further commodification of environmental services

Other key points:

- Parties acknowledged that SBSTA work on methodological issues relating to NCB at SBSTA 40 could contribute to progress the work on incentivization of NCB

Section III: key elements for consideration in the design of an architecture for results-based financing for the full implementation of actions relating to REDD-plus

Points of convergence:

- Same as in Section I

Other points for further elaboration:

- Clarity on adequacy and predictability of REDD-plus finance
- Further elaboration on modalities for transfer of payments
- Some Parties reiterated the need for a new REDD-plus governance body to coordinate and disburse finance, while others indicated that the delegation of decision-making to a such a body would not be acceptable. Several other Parties suggested to first explore functions and linkages with other institutions under the Convention before considering the establishment of more institutions.
- Views on a specific funding window under the GCF reached from not necessary because of the existing mitigation window, to a specific REDD-plus window, to a broader window for forest mitigation and adaptation
- Some Parties would like to elaborate on the concept of an incentive level / compensation level, while this idea is not acceptable for others
- Eligibility of subnational level actions in phase 3

Other key points:

- Parties expect more clarity on the type of guidance that could be given to the GCF after the next meeting of the GCF Board in October
- Consolidation of REDD-plus finance discussions (on all phases) to come to a single REDD-plus finance decision in Warsaw