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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Subsidiary Body for Scientific and Technological Advice

Thirty-eighth session

Bonn, 3–14 June 2013

Item 5 of the provisional agenda

**Coordination of support for the implementation of activities
in relation to mitigation actions in the forest sector by
developing countries, including institutional arrangements**

Subsidiary Body for Implementation

Thirty-eighth session

Bonn, 3–14 June 2013

Item 6 of the provisional agenda

**Coordination of support for the implementation of activities
in relation to mitigation actions in the forest sector by
developing countries, including institutional arrangements**

Views on the matters referred to in decision 1/CP.18, paragraphs 34 and 35

Submissions from Parties

1. The Conference of the Parties (COP), at its eighteenth session, recognized the need to improve the coordination of support for the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and to provide adequate and predictable support, including financial resources and technical and technological support, to developing country Parties for implementation of those activities.¹

2. It requested the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI), at their thirty-eighth sessions, to jointly initiate a process with the aim of addressing the matters referred to in paragraph 1 above, and to consider existing institutional arrangements or potential governance alternatives including a body, a board or a committee, and to make recommendations on these matters to the COP at its nineteenth session.²

¹ Decision 1/CP.18, paragraph 34.

² Decision 1/CP.18, paragraph 35.

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3. The COP invited Parties and admitted observer organizations to submit to the secretariat, by 25 March 2013, their views on the matters referred to in paragraphs 1 and 2 above, including potential functions, and modalities and procedures.³ It requested the secretariat to compile the submissions from Parties into a miscellaneous document for consideration by the SBSTA and the SBI at their thirty-eighth sessions.⁴

4. The secretariat has received 11 such submissions from Parties. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the languages in which they were received and without formal editing.⁵

5. In line with established practice, the three submissions from non-governmental organizations have been posted on the UNFCCC website.⁶

³ Decision 1/CP.18, paragraph 36.

⁴ Decision 1/CP.18, paragraph 37.

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

⁵ Also available at <unfccc.int/5901> and <unfccc.int/5902>.

⁶ Available at <unfccc.int/3689.php>.

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* This submission is supported by Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia and the former Yugoslav Republic of Macedonia.

Paper no. 1: Bangladesh, Belize, Chad, Congo, Costa Rica, Côte d'Ivoire, Democratic Republic of the Congo, Dominican Republic, Fiji, Gabon, Ghana, Guatemala, Guyana, Honduras, Kenya, Nigeria, Panama, Papua New Guinea, Solomon Islands, Suriname, Uganda and Viet Nam

**Matters referred to in paragraphs 34 and 35 of decision 1/CP.18,
including potential functions, modalities and procedures.**

Draft

1) Background

The COP at its eighteenth session, respectively in paragraph 34 and 35 of decision 1/CP.18:

Recognized 'the need to improve the coordination of support for the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and to provide adequate and predictable support, including financial resources and technical and technological support, to developing country Parties for implementation of those activities.'

And requested 'the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation, at their thirty-eighth sessions, to jointly initiate a process with the aim of addressing the matters outlined in paragraph 34 above, and to consider existing institutional arrangements or potential governance alternatives including a body, a board or a committee, and to make recommendations on these matters to the Conference of the Parties at its nineteenth session.'

Under paragraph 36 of decision 1/CP.18 the Conference of the Parties invited Parties and admitted observer organizations to submit to the secretariat, by 25 March 2013, their views on the matters referred to in paragraphs 34 and 35, including potential functions, and modalities and procedures.

For this purpose, the Coalition for Rainforest Nations considered issues related to the above and drafted this submission of views. This submission has been prepared to reflect the discussions and views from many other developing country Parties on the need for adequate and predictable support for the implementation of REDD+ activities and on potential governance alternatives. Furthermore, this submission includes concepts and textual language prepared by CfRN during COP18.

2) Justification

Given that REDD+ is a reality within many rainforest nations, where readiness and preparatory phases are ongoing, this submission of views outlines key elements for the establishment of a

[REDD+ Committee] which should function as the overall advisory body to oversee, address and facilitate the implementation of REDD+ activities in developing countries, including the provision of financial support, capacity development and technology.

The [REDD+ Committee] should work under the authority of the COP to provide recommendations to coordinate cross-cutting issues, guide the subsidiary bodies, and coordinate multilateral funding bodies and bilateral financial cooperation.

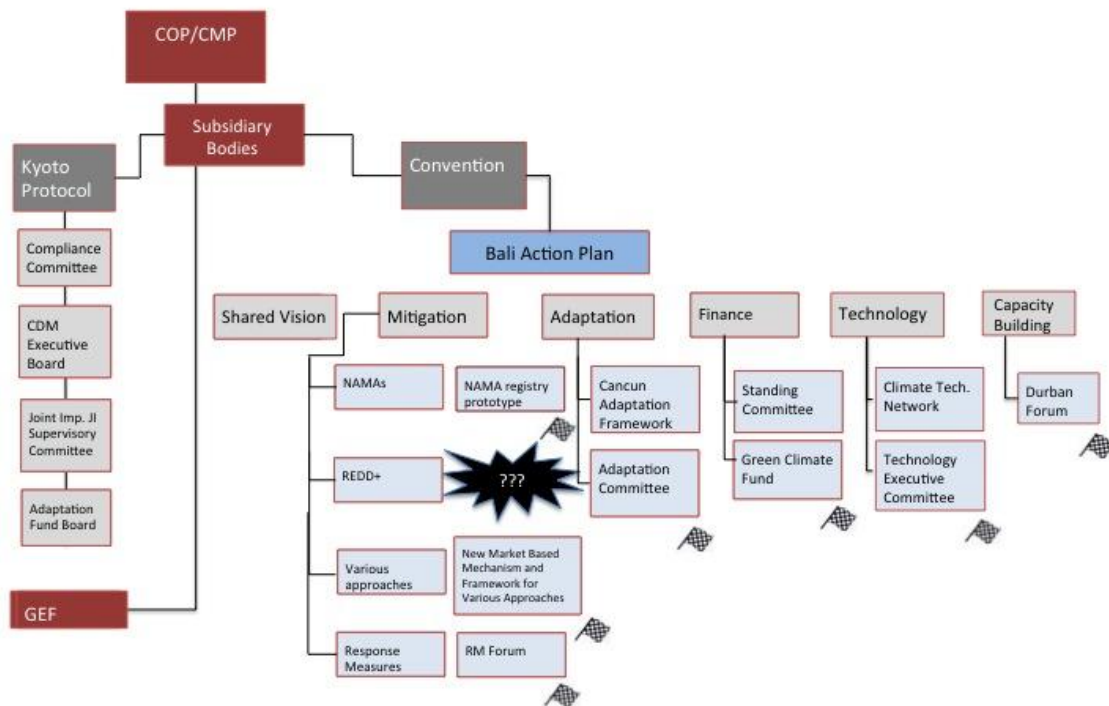
Precedent: There is strong precedent for a [REDD+ Committee] given Parties have already agreed on many institutional arrangements and governance structures for most other elements within the Bali Action Plan and beyond such as those listed below, inter alia:

- **Global Environmental Facility** (11-12-13-14/CP.2) http://unfccc.int/cooperation_support/financial_mechanism/guidance/items/3655.php
- **Green Climate Fund** (1/CP.16, GCF governing instrument decision 3/CP.17) [http://unfccc.int/cooperation_and_support/financial_mechanism/green climate fund/items/5869.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/5869.php)
 - Transitional Committee (for the design of the GCF) (Annex III to decision 1/CP.16) [http://unfccc.int/cooperation_and_support/financial_mechanism/green climate fund/items/6902.php](http://unfccc.int/cooperation_and_support/financial_mechanism/green_climate_fund/items/6902.php)
 - Standing Committee (1/CP.16, 5/CP.18, full report Doha) [http://unfccc.int/cooperation_and_support/financial_mechanism/standing committee/items/6877.php](http://unfccc.int/cooperation_and_support/financial_mechanism/standing_committee/items/6877.php)
- **NAMAs**
 - NAMA Registry Prototype (1/CP.16, 2/CP.17)
- **Adaptation**
 - Adaptation Fund (1/CMP.3) http://unfccc.int/cooperation_and_support/financial_mechanism/adaptation_fund/items/3659.php
 - Cancun Adaptation Framework (1/CP.16) http://unfccc.int/adaptation/cancun_adaptation_framework/items/5852.php
 - Adaptation Committee (2/CP.17, revised ROP March 2013) [http://unfccc.int/adaptation/cancun_adaptation_framework/adaptation committee/items/6053.php](http://unfccc.int/adaptation/cancun_adaptation_framework/adaptation_committee/items/6053.php)
- **Technology**
 - Technology Executive Committee (1/CP.16, 4/CP.17) <http://unfccc.int/ttclear/jsp/TEC.jsp>
 - Climate Technology Centre and Network (1/CP.16, 2/CP.17) <http://unfccc.int/ttclear/jsp/CTCN.jsp>

- **Capacity Building** (1/CP.16, Durban Forum on CB 2/CP.17) http://unfccc.int/cooperation_and_support/capacity_building/items/3022.php
- **Forum on Response Measures** (1/CP.16, 2/CP.17) http://unfccc.int/cooperation_support/response_measures/items/4908.php
- **CDM EB** (dec 17/CP.7 and 3-4/CMP.1) <http://cdm.unfccc.int/EB/index.html>

In contrast, REDD+ is a founding and interlinked element of the Bali Action Plan that effectively ended in Doha at COP-18 along with the conclusion of the AWG-LCA *without an adequate institutional structure and governance framework to carry forward under the UNFCCC*, as highlighted in the chart below.

Convention and KP governance structure



Coordination: Further, a [REDD+ Committee] should seek to facilitate better coordination and a clearer division of tasks among the subsidiary bodies, other existing governance arrangements within the UNFCCC, multilateral bodies, and bilateral cooperation to scale up and improve the effectiveness of implementing REDD+ activities.

Cross-Cutting: REDD+ issues are integrated within many UNFCCC decisions covering cross-cutting issues, such as ambition, finance, adaptation, technology, NAMAs, the GCF, etc .

However, the delegations of developing country Parties are too small to ensure adequate coverage across this diverse set of UNFCCC sessions, which are often overlapping. The [REDD+ Committee] is needed to address these structural governance constraints as they clearly compromise the effective decision making and implementation of REDD+ activities.

3) Functions

The [REDD+ Committee] shall be the overall advisory body to the Conference of the Parties on REDD+ and should promote the implementation of REDD+ activities in a coherent manner under the Convention, inter alia, through the following functions:

- Improve the coordination of support for the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and to provide adequate and predictable support, including financial resources and technical and technological support, to developing country Parties for implementation of those activities;
- Facilitate the mobilization of finance, technical support and guidance to the Parties, respecting the country-driven approach, with a view to scaling up the implementation of REDD+ activities;
- Provide advice, recommendations, and coordinate linkages through the COP with cross cutting finance related work programmes, bodies and institutions under the Convention including the Green Climate Fund, various approaches and the new market based mechanism, nationally appropriate mitigation actions by developing country Parties and the corresponding registry (NAMA registry prototype) and the private sector, as appropriate;
- Address technical and capacity building needs and requests for related support by developing country Parties;
- Request guidance from the COP, the Subsidiary Bodies or other relevant institutions under the Convention;
- Provide guidance to the multilateral and bilateral initiatives outside the Convention, such as FCPF, UN-REDD, FIP, REDD+ Partnership, etc., that are focused on implementing REDD+ activities;
- Strengthen, consolidate and enhance the sharing of relevant information, knowledge, experience and good practices, at the local, national, regional and international levels, taking into account, as appropriate, traditional knowledge and practices.

4) Modalities:

The [REDD+ Committee] should make use of the following modalities in exercising its functions:

- Meetings;
- Expert groups;
- Workshops;
- Compilation, review, synthesis, analysis reports of information, knowledge, experience and good practice;
- Channels for sharing information, knowledge and expertise;
- Advice, recommendations, coordination and linkages with and to all relevant bodies, programmes, institutions and networks, within and outside the Convention.

5) Indicative list of activities for the [REDD+ Committee]

- Consider means to improve the coordination of support for the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and to provide adequate and predictable support, including financial resources and technical and technological support, to developing country Parties for implementation of those activities;
- Identify the process for and scope of overview and other periodic reports on REDD+ issues relevant to the work of the REDD+ Committee;
- Prepare periodic overview reports synthesizing information and knowledge relating to, inter alia, the implementation of REDD+ actions and good REDD+ practices, observed trends, lessons learned, gaps and needs, including in the provision of support, and areas requiring further attention, for consideration by the Conference of the Parties, drawing on information from Parties and on other relevant reports and documents, including those of other bodies under the Convention. Upon request, considering technical support and guidance to the Parties as they develop national REDD+ plans;
- Exchange information with relevant Convention bodies and others, including the Standing Committee and the Technology Executive Committee, on means to incentivize the implementation of REDD+ actions, including finance, technology, and capacity-building, with a view to identifying opportunities and further actions for consideration by the Conference of the Parties;

- Upon the request of the Parties, provide advice on REDD+ matters to relevant Convention bodies, including to the operating entities of the financial mechanism, as appropriate;
- Compile a roster of experts on REDD+ issues, building on the existing UNFCCC rosters.

6) Conclusions

The 19th Session of the Conference of the Parties should establish the [REDD+ Committee], identify relevant functions, modalities and activities that are consistent with the request to improve the coordination of support for the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and to provide adequate and predictable support, including financial resources and technical and technological support, to developing country Parties for implementation of those activities.

Annex

Questions which highlight the need for a [REDD+ Committee]

Cross-cutting Issues: Under which forum are links between different tracks resolved, such as REDD+ and NAMAs, New Market Mechanism, the GCF, Adaptation, etc?

- Finance: Where do we decide how REDD+ finance works for Phase 1 and Phase 2, and Phase 3? SBSTA cannot do it. Must REDD+ rely on the GCF Standing Committee? They do not have the expertise and REDD+ experts have no role there.
- NAMAs: How should REDD+ work with the NAMA Registry for Phase 1 and Phase 2?
- Markets: Where do we discuss how REDD+ may work with a New Market Mechanism or existing market mechanisms? SBSTA is not structured to integrate issues effectively.
- Adaptation: Should REDD+ Parties be required to make individual presentations to the Adaptation Committee and then wait for the Adaptation negotiators to tell REDD+ representatives what to do in overlap areas?
- Capacity: What about implementing capacity building for REDD+? Should REDD+ be required to wait for the Durban Capacity Forum before REDD+ capacity issues are addressed?

Overlaps between the Convention and the Kyoto Protocol:

- COP vs CMP: Where are discussions to be held for overlap between the Convention and the KP, such as the subject of REDD+ on a national scale within the KP?
- NMM: Where should REDD+ be taken up to consider KP Parties seeking to participate in REDD+ under the New Market Mechanism?

Policy Overlaps:

- MRV: While Measurement and Reporting may be addressed within SBSTA, where do we decide policy issues such as the Verification for REDD+ MRV?
- Endless Special Tracks: Must we develop special tracks under the Convention like we did in Doha for each policy issue under REDD+, such as verification for REDD+ results?

Process Overlaps:

- Endless Contact Group Conflicts: If several of these cross-cutting issues are ongoing at the same time, [GCF, NAMAs, NMM, Adaptation, Capacity, etc.], how will it be possible for REDD+ negotiators to simultaneously represent REDD+ issues in a coherent way while simultaneously ensuring that REDD+ is effective and efficient?

Views from Parties and admitted observer organizations on the matters referred to in paragraphs 34 and 35 of FCCC/CP/2012/L.14/Rev.1, including potential functions, modalities and procedures.

34. Recognizes the need to improve the coordination of support for the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and to provide adequate and predictable support, including financial resources and technical and technological support, to developing country Parties for implementation of those activities;

35. Requests the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation, at their thirty-eighth sessions, to jointly initiate a process with the aim of addressing the matters outlined in paragraph 34 above, and to consider existing institutional arrangements or potential governance alternatives including a body, a board or a committee, and to make recommendations on these matters to the Conference of the Parties at its nineteenth session;

According to the Plurinational State of Bolivia, the discussion of the institutional arrangements or potential governance alternatives for implementation of the activities referred to in decision 1/CP.16 are contingent upon the decisions to be taken in three different scenarios of the Convention, as follows:

1. The paragraph 44 of the decision FCCC/CP/2012/L.14/Rev.1 on the issue of “*Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries*” establishes to requests the Subsidiary Body for Scientific and Technological Advice to conduct a work programme to elaborate a framework for such approaches, drawing on the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention with a view to recommending a draft decision to the Conference of the Parties for adoption at its **nineteenth session. Also, paragraph 46 states that the work programme shall address the institutional arrangements for the framework.**
2. The paragraph 47 of the decision FCCC/CP/2012/L.14/Rev.1, requests the Subsidiary Body for Scientific and Technological Advice to conduct a **work programme to elaborate non-market-based approaches**, with a view to recommending a draft decision to the Conference of the Parties for adoption at its nineteenth session.
3. The paragraph 50 requests the Subsidiary Body for Scientific and Technological Advice to conduct a work programme **to elaborate modalities and procedures for the mechanism defined in decision 2/CP.17, paragraph 83**, drawing on the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention on this matter, including the relevant workshop reports and technical paper, and experience of existing mechanisms, with a view to recommending a draft decision to the Conference of the Parties for adoption at its nineteenth session;

Since there is an on-going process of discussion about the broader institutional arrangements under the UNFCCC is not timely and does not worth the discussion about specific institutional arrangements for activities referred to in decision 1/CP.16, paragraph 70. Therefore, the Plurinational State of Bolivia considers that first and foremost the conclusion of the work programmes highlighted on paragraphs 44 and 47 of the FCCC/CP/2012/L.14/Rev.1 is needed in order to move forward this specific debate.

The Plurinational State of Bolivia considers that the implementation of non-market-based approach 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” is the “**Joint Mitigation and Adaptation Mechanism for the Integral and Sustainable Management of Forests**” to be developed under the Convention.

The Conference of the Parties at its nineteenth session should agree a decision that specific institutional arrangements on issues related to the activities referred to in decision 1/CP.16, paragraph 70 are contingent upon the conclusions of the work programmes referred above.

Paper no. 3: Chad on behalf of Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda, and Sao Tome and Principe

Soumission des vues des pays du Bassin du Congo (Burundi, Cameroun, Congo, Gabon, Guinée Equatoriale, République Centrafricaine, République Démocratique du Congo, Rwanda, Sao Tomé et Principe et Tchad)

PREAMBULE

Cette soumission est présentée par les pays du Bassin du Congo réunis au sein de la Commission des Forêts d'Afrique Central (COMIFAC), conformément à la déclaration des Chefs d'Etat de 1999, dite « Déclaration de Yaoundé », relative à la conservation et à la gestion durable des écosystèmes forestiers d'Afrique Centrale, soutenue par la signature et la ratification du traité de la COMIFAC.

La COMIFAC regroupe 10 pays : Burundi, Cameroun, Congo, Gabon, Guinée Equatoriale, République Centrafricaine, République Démocratique du Congo, Rwanda, Sao Tomé et Principe et Tchad.

La COMIFAC est un organe crée par les Chefs d'Etat en vue de gérer de manière concertée les forêts du Bassin du Congo à travers une plate forme commune dénommée « Plan de Convergence », qui comprend dix axes stratégiques. Le premier axe met un accent tout particulier sur les Conventions de Rio de Janeiro de 1992 dont la Convention Cadre des Nations Unies sur les Changements Climatiques (CCNUCC).

Le Partenariat pour les Forêts du Bassin du Congo (PFBC), lancé en 2002 lors du Sommet Mondial sur le Développement Durable de Johannesburg, regroupe 34 membres composés des pays du Bassin du Congo, des ONG internationales et des partenaires au développement (bilatéraux et multilatéraux). Et pour appuyer les pays de la COMIFAC, plusieurs membres du PFBC contribuent à la mise en œuvre du Plan de Convergence.

Dans le contexte des pays du Bassin du Congo, la déforestation et la dégradation restent modestes comparée à d'autres régions du monde.

Les pays de la COMIFAC considèrent que les efforts entrepris jusqu'à présent dans les domaines de la Gestion durable des forêts, la Conservation et de la préservation des écosystèmes forestiers sont bénéfiques pour le climat global et revendiquent leur prise en compte dans le futur régime climatique.

Les pays de la COMIFAC souhaitent également faire référence aux principes-clés énoncés dans leurs soumissions précédentes, à savoir :

- Bénéfices réels pour le climat,
- Responsabilité commune mais différenciée,
- Souveraineté des Etats et Développement Durable,
- Equité,
- Rapport coût efficacité,
- Ressources additionnelles,
- Actions rapides préservant l'intégrité des mécanismes existants.

MANDAT

La Conférence des Parties (COP- 18) de la Convention Cadre des Nations Unies sur les Changements Climatiques (CCNUCC), a invité les Parties à soumettre au Secrétariat d'ici le 25 mars 2013, leurs avis portant sur certains points à débattre lors des 38^{ème} Sessions des organes subsidiaires de ladite Convention.

Les points ci – dessous ont été retenus par les Pays membres de la COMIFAC et font l'objet de ces soumissions conformément à la demande du Secrétariat :

- **Concernant le processus de coordination de l'appui, y compris les incitations positives et questions de gouvernance, y compris les fonctions potentielles, les modalités et les procédures (FCCC/CP/2012/L14/Rev.1 paragraphes 34,35 et 36).**

Les pays de la COMIFAC réaffirment qu'il est essentiel qu'un financement

accru, additionnel, prédictible et adéquat, provenant de sources publiques et privées, soit mis à la disposition des pays en développement ;

Ils rappellent que les engagements financiers des pays développés doivent provenir principalement de sources publiques, et que le financement par le biais de, sources privées doit compléter ce financement, et s'y substituer.

Ce financement privé ne doit, par ailleurs pas être une façon détournée de subventionner le transfert technologique d'entreprises basées dans les pays développés, mais plutôt engendrer des bénéfices concrets dans le pays hôte afin de répondre aux besoins urgents en matière d'adaptation et d'atténuation, qui s'intègrent obligatoirement dans leurs programmes nationaux de développement économique et social;

S'agissant du paragraphe 35, les pays membres de la COMIFAC optent pour la mise en place d'un Conseil pour le mécanisme de la REDD+.

Submission by Chile to the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) on 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.

February 2013

1. Chile welcomes this opportunity to provide views on the 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, in particular on the matters referred to in paragraphs 34 and 35 of document FCCC/CP/2012/L.14/Rev.1.
2. Chile generally agrees with the ideas expressed on paragraph 34, recognizing the need to improve the coordination of support for the implementation of REDD+ activities, and to provide adequate and predictable support, including resources and technical support, to developing country Parties to implement those activities.
3. Chile recognizes the existence of problems in the readiness phase of REDD+ that have generated important delays in delivering the expected results. These problems have resulted from different causes, partially due to the lack capacity and high level of bureaucracy of the Organizations/Programmes supporting the countries, but also due to problems generated by the countries themselves.
After 4 to 5 years of a learning process the first successful results are becoming a reality. Both, the Organizations/Programmes and the countries have learned how to advance in the implementation of the REDD+ programmes. In this line, it is important to recognize that some countries are already entering in Phase II.
4. Chile has serious concerns regarding the possible benefits of potential governance alternatives laid out in the paragraph 35, including a body, a board or a committee and its ability to address the coordination problems affecting the implementation of the activities referred to in decision 1/CP.16, paragraph 70.
5. Chile believes that generating a new governance system, namely a body, a board or a committee, in charge of financial resources and technical and technological support may generate an important delay in the REDD+ implementation process. This new body will not be free of bureaucratic problems and, most importantly, will have to undergo a long

learning process, even longer than the learning process experienced by the existing Organizations/Programmes, which have already accumulated a significant amount of experience in working with developing countries. If country Parties want to see real advances in implementing REDD+ programmes the most reasonable approach is to strengthen the capabilities of the existing organizations. The existing problems will not be solved by creating a new organization.

6. Chile recognizes that existing Organizations/Programmes have long-standing experience in supporting countries on different development issues and managing aid funds. The fund disbursement process, is, in general, a long and difficult process that must take into account and respond to donor country requirements and rigorous measures to ensure that funds are used correctly. Any attempt to oversimplify these procedures may result in a significant reduction of funding for REDD+ activities.
7. Chile considers that it is necessary to develop mechanisms and procedures for the existing Organizations /Programmes to officially report to the UNFCCC Secretariat and the COP on the progress and results of their activities regarding financing and technical support to developing country Parties on the implementation of REDD+ activities. These mechanisms and procedures shall not constitute a new governance structure, but a repository of data, information and knowledge.

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

I. Background

The Conference of the Parties at its eighteenth session decision on *agreed outcome pursuant to the Bali Action Plan*, invites Parties and admitted observer organizations to submit to the Secretariat, by 25 March 2013, views on the matters referred to in paragraphs 34 and 35 of FCCC/CP/2012/L.14/Rev.1, including potential functions, modalities and procedures:

II. Views of Indonesia

Indonesia considers the importance of this submission to be taken into account in the in-session workshop at the thirty-eighth sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) and in the relevant UNFCCC sessions for recommendation to the Conference of the Parties at its nineteenth session. In this regard, Indonesia submits its views on issues related to Paragraphs 34 and 35 as follows:

A. The need to improve the coordination of support (Paragraph 34) :

- Improving the coordination of support is crucial both at the international and national levels in order to increase transparency and avoid unnecessary duplication and repetition of areas and scopes of supported REDD+ activities. Furthermore, it will facilitate of sharing experiences and achievements among REDD+ countries at the global level and among sub-national REDD+ activities at the national level.
- At the international level, improved coordination of support will reduce the likelihood of mismatch between priority areas of developing countries where support is needed and priority of support given by developed countries, for example, preference of support towards certain area (e.g. governance) and lack of support for other priority areas, that has resulted in some challenges for developing countries to obtain the support needed. Furthermore, improved coordination will also provide opportunity to harmonize similar requirements of supports (e.g. safeguards) and approaches to assess progress of supported activities (e.g. reporting formats), as well as to promote regional and sub-regional cooperation including south-south cooperation. Eventually, improved coordination will increase resource efficiency as well as overall programs/actions effectiveness. Before

institutional arrangement for REDD+ is agreed, Secretariat of the UNFCCC should facilitate the coordination of REDD+ supports.

- At the national level, taking into account national circumstances, legislation, capacity and capabilities, country receiving multiple supports or using multiple sources of finance for REDD+ activities should have mechanism for coordination in place.

B. The need to provide adequate and predictable support, including financial resources, technical and technological support (Paragraph 34) :

- Referring to in Decision 1/CP.16 paragraphs 71, 72, 73 and 74, adequate and predictable support, including financial resources, technical and technological support will be needed for all phases to enable developing countries, irrespective of the phases they are in and scope of REDD+ activities under paragraph 70 of the decision 1/CP. 16 they undertake. According to decision 1/CP.16 paragraph 71, developing countries intending to undertake REDD+ activities should develop a national strategy/action plan, reference emission level or reference level, national forest monitoring system, and safeguards information system. Furthermore, paragraph 72 requires REDD+ countries to address drivers of deforestation and forest degradation, and other relevant issues. This paragraph implies the need to support REDD+ actions beyond fast start finance period.
- Considering that fast start finance has ended and long-term finance is under discussion, mid-term finance is crucial for developing countries to start or continue their REDD+ activities. Indonesia acknowledged the pledges made in Doha by some developed country parties for mid-term financing, however, commitments for supporting REDD+ actions between the end of fast start finance period to the start of long-term financing, especially between 2013-2015, need to be further enhanced.
- REDD+ has a potential to significantly contribute to enhance the level of ambition in emission reduction to achieve target of holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels, as well as to achieve sustainable development and livelihood improvement of forest dependent people. In this regard, REDD+ finance should be part of the long-term finance for mitigation and adaptation.

C. Joint SBSTA-SBI process in the thirty-eight session (Paragraph 35) :

- Activities to be carried out by developing countries referring to in paragraphs 71 and 72 of decision 1/CP. 16 demand for certain level of capacity and technology, as well as finance including for capacity improvement and access to technology.
- The SBSTA works relating to paragraphs 71 and 72, Annex II of decision 1/CP. 16, and decision 12/CP. 17 need to be balanced by SBI works on addressing the needs of developing countries for finance, capacity enhancement and access to technology to implement REDD+ activities. The joint initiatives of SBSTA-SBI should address the balance

between methodological requirements and commitment for supports to implement REDD+ activities, so that consensus on methodological guidance including on NFMS and MRV can be reached in COP-19. It is also important that previous decisions on finance and methodological aspects relating to REDD+ be respected in this process.

- On the institutional arrangements, Indonesia opens to exploring potential governance alternatives including a body, a board or a committee. However, discussion should start with “roles” and “functions” that need to be carried out to support implementation of REDD+ activities under decision 1/CP.16, followed by consideration on the most appropriate institutional arrangements for REDD+ implementation under different phases, taking into account financial implications of such institutional arrangements.
- In considering institutional arrangements or exploring governance alternatives (under a body, a board or committee) for REDD+ activities, joint SBSTA-SBI should take into account relevant processes under the COP and relevant COP’s decisions including guidance related to GEF and GCF. Experiences gained under existing body (SBs), board (CDM, GCF), and committee (Standing Committee of Finance, Adaptation Committee, and Technology Committee) should shed light on to what the most appropriate institutional arrangement that can effectively support the implementation of REDD+ under different phases.
- Irrespective of the institutional arrangement, REGISTRY (tracking system) will be needed both at the national and international levels, to track REDD+ activity and its performance including REDD+ units in result-based actions, as well as supports provided. With REGISTRY, double counting both in performance/actions and supports may be avoided.
- At the international level, before institutional arrangement for REDD+ is in place, Secretariat of the UNFCCC may act as the interim REGISTRY for REDD+ both for actions/performance and supports.
- At the national level, REDD+ country should decide on the setting of REDD+ registry under its overall mitigation actions, taking into account national circumstances, legislation, and capacities.

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

Based on the decision of the Conference of the Parties at its eighteenth session on *agreed outcome pursuant to the Bali Action Plan* Paragraph 36, Parties and admitted observer organizations are invited to submit views, to the Secretariat of the UNFCCC by 25 March 2013, on the matters referred to in paragraphs 34 and 35, including potential functions, modalities and procedures.

The joint submission by Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam, as the members of the Association of South East Asian Nations (ASEAN), address the issues under Paragraphs 34 and 35 as follows:

I. Paragraph 34

- 1) On the need to improve coordination of support for the implementation of the activities referred to decision 1/CP.16, paragraph 70 :
 - Improvement on coordination of support is necessary both at the international and national levels in order to increase efficiency and effectiveness of support. Improved coordination will increase transparency, and facilitate disbursement of funds and identification of gaps and overlaps of support.
 - At the international level, improved coordination will facilitate equitable access to support by developing countries, provide opportunity for harmonization of similar requirements (such as safeguards), and reduce mismatch between the needs and the support provided. Furthermore, improved coordination at the international level will also facilitate knowledge exchange and experience sharing among REDD+ countries. Before an institutional arrangement for REDD+ is agreed, the coordination of international support should be undertaken by the UNFCCC Secretariat.
 - At the national level, REDD+ countries should have a mechanism for coordination of support in place, taking into account national circumstances, legislation, capacity and capabilities.
- 2) On the need to provide adequate and predictable support, including financial resources, technical and technological support, to developing country Parties for implementation of those activities:
 - In accordance with decision 1/CP.16 paragraph 71, developing countries intending to undertake REDD+ activities should develop a national strategy/action plan, reference emission level or reference level, national forest monitoring system, and safeguards information system. Furthermore, paragraph 72 requires REDD+ countries to address drivers of deforestation and forest degradation, and other relevant issues. Therefore, adequate support including sustainable finance is needed for all phases to enable developing countries to successfully implement REDD+ activities, irrespective of the phase they are in (paragraphs

73 and 74 of decision 1/CP.16) and the scope of REDD+ under paragraph 70 of the decision 1/CP.16 they undertake,

- Recognizing that fast start finance has just ended, mid-term finance is essential to ensure the continuation of readiness activities and transition to full implementation of result-based actions. However, the support pledged under fast start finance that are in progress shall be continued. Lessons should be drawn from it including the impediments to fast start finance. The disparity between pledges and disbursement of funds need to be addressed to facilitate the scaling up of REDD+ activities at the sub-national level to national level and to facilitate faster transition from readiness to result-based actions.
- REDD+ has the potential to contribute to achieving the global goal of maintaining average temperature below 2 °C or 1.5 °C above pre-industrial levels, as well as to sustainable development and securing livelihoods of forest dependent peoples. Hence, REDD+ finance should be part of long-term finance for mitigation and adaptation, which should be adequate and sustainable from all possible and diversified sources, taking into account paragraphs 65, 66 and 67 of decision 2/CP.17.

II. Paragraph 35

On the joint process of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI), at their thirty-eighth sessions, with the aim of addressing the matters outlined in paragraph 34 above, and to consider existing institutional arrangements or potential governance alternatives including a body, a board or a committee, and to make recommendations on these matters to the Conference of the Parties at its nineteenth session:

- The joint process of SBSTA and SBI should focus on addressing the need to achieve balance between methodological guidance for REDD+ activities and the commitment of support for implementing REDD+ in all phases, including capacity enhancement for and access to technology by developing countries. It is important that previous decisions on finance and methodological aspects relating to REDD+ be respected in this process.
- With regard to an institutional arrangement for REDD+, ASEAN member states are open to exploring potential governance alternatives including a body, a board or committee. However, the “roles” and “functions” including financial implications of such an institutional arrangement should first be defined, and an arrangement that is transparent, fair, equitable, efficient and effective. Clear definition of these “roles” and “functions” will be necessary to support the implementation of REDD+ activities under decision 1/CP.16, and should be the basis for considering the most appropriate institutional arrangement for REDD+ implementation under different phases.
- As part of an institutional arrangement for REDD+, ASEAN member states also consider the importance of a Registry or Database at the international and national levels, to track both support and actions. The Registry or Database will provide transparency and contribute to avoiding double counting and reporting of support and actions. At the international level, before an institutional arrangement for REDD+ is in place, the interim Registry or Database for REDD+ support and actions should be managed by the Secretariat of the UNFCCC. At the national level, REDD+ countries, depending on national circumstances, legislation, and capacities, should decide on a Registry or Database for REDD+ activities that they find most appropriate under their overall mitigation actions, bearing in mind that REDD+ activities are voluntary.

This submission is supported by Albania, Croatia, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Dublin, 19 March 2013

Subject: 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 (SBSTA/SBI)

This submission sets out the EU views on issues of adequate and predictable support for the implementation of REDD+ activities, including financial resources and technical and technological support, and institutional arrangements to improve the coordination of this support, as per the invitation contained in paragraph 36 of UNFCCC Decision -/CP.18 (Agreed outcome pursuant to the Bali Action Plan)¹.

The key messages from the EU are:

- **REDD+ is important in the context of the 2-degree target, both in closing the pre-2020 mitigation gap and also progress beyond 2020, as well as the full realisation of environmental and socioeconomic co-benefits.**
- **We aim to contribute to the successful completion of the ambitious REDD+ work programmes in 2013. The amount of work and fragmentation of REDD+ related issues across the different work programmes means we need to prioritise our work.**
- **Finalising the methodological guidance under the SBSTA is an immediate priority that will provide clear signals for the implementation and mobilisation of support for REDD+.**
- **The EU provided significant support for REDD+ during the fast-start period and will continue to provide support after 2012. As public support alone will be insufficient for result-based actions, UNFCCC decisions should facilitate increased involvement of the private sector, including the need to address the drivers of deforestation and forest degradation.**
- **The coordination of support for REDD+ initiatives is best served through improving existing arrangements rather than through creating new structures.**
- **The joint SBSTA/SBI process should result in recommendations on enabling environments for REDD+ support and on how finance for REDD+ and the coordination of support for REDD+ should inform and relate to the general UNFCCC work on long-term finance. These recommendations should include how existing institutional arrangements could address the need to improve the coordination of support for REDD+ and to provide adequate and predictable support for REDD+.**

¹ The EU has outlined views on some of other aspects of the work programmes in previous submissions from Poland contained in FCCC/SBSTA/2011/MISC.7 and from Denmark contained in FCCC/SBSTA/2012/MISC.1.

Organising work in 2013

The EU had hoped for a stronger outcome on the development of technical guidance and on modalities and procedures for financing results-based actions in Doha. However, we appreciate the agreement with respect to further work in 2013 on 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 (for the purpose of reader-friendliness abbreviated in the following as “REDD+”). The EU believes that the completion of methodological guidance should be the immediate priority and appreciate that the work programme under the Conference of the Parties (COP) should give greater political focus to REDD+ in 2013.

The EU sees the new areas of work listed in the Doha outcome in combination with the areas of work not completed in 2011 and 2012. We understand that the COP and its subsidiary bodies are expected to make progress in 2013 on the following aspects of REDD+:

Item	Work-stream	Initial mandate	Recall mandate
Methodology-related items			
a) Modalities for national forest monitoring systems	SBSTA	Cancun agreements (§b of Appendix II of decision 1/CP.16)	SBSTA37 conclusions (§2 of FCCC/SBSTA/2012/L.31)
b) Measuring, reporting and verifying anthropogenic forest-related emissions and removals	SBSTA	Cancun agreements (§c of Appendix II of decision 1/CP.16)	SBSTA37 conclusions (§2 of FCCC/SBSTA/2012/L.31)
c) Guidance for the technical assessment of the proposed reference levels	SBSTA	Durban outcome (§15 of Decision 12/CP.17)	SBSTA 36 conclusions (§23 of FCCC/SBSTA/2012/2)
d) Timing and frequency of presentations of the summary of information on safeguards + Further guidance for informing on safeguards	SBSTA	Durban outcome (§5 and 6 of Decision 12/CP.17)	SBSTA 36 conclusions (§23 of FCCC/SBSTA/2012/2)

Finance/institution-related items				
e)	Modalities and procedures for financing results-based actions / Ways and means to transfer payments for results-based actions	COP work programme	Durban outcome (§69 of Decision 2/CP.17)	Doha outcome (§29a of Decision 1/CP.18)
f)	Ways to improve the coordination of results-based finance / Improve the coordination of support and consider existing institutional arrangements or potential governance alternatives	COP work programme + Joint SBSTA/SBI work programme	Doha outcome (§29c and §35 of Decision 1/CP.18)	
g)	How non-market-based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, could be developed	SBSTA	Doha outcome (§39 of Decision 1/CP.18)	
Other items				
h)	Addressing drivers of deforestation and forest degradation	SBSTA	Cancun agreements (§72 of decision 1/CP.16, §a of Appendix II of decision 1/CP.16)	SBSTA36 conclusions (§22 of FCCC/SBSTA/2012/2)
i)	Methodological issues related to non-carbon benefits + Ways to incentivise non-carbon benefits	SBSTA / COP work programme	Doha outcome (§29b and 40 of Decision 1/CP.18)	

The EU will continue to contribute to the **successful and timely completion of this ambitious work programme in 2013**. But we are concerned by the **amount of work and fragmentation of REDD+ related issues across different work streams**. While essential decisions were already made in past conferences, there is a need to prioritise and focus our work in 2013 to complete the REDD+ rulebook. This will give more clarity to governments, the private sector, civil society actors and international organisations.

We see **the finalisation of the methodological guidance for REDD+** (items *a*, *b*, *c* and *d* from the table above) as immediate priority providing clear signals for implementation and the mobilisation of support. Parties captured much progress on items *a* and *b* (modalities for national forest monitoring systems and measurement, reporting and verification (MRV) of anthropogenic forest-related emissions and removals) in 2012, as contained in the annex to SBSTA37 conclusions on REDD+ (FCCC/SBSTA/2012/L.31). The EU sees these as relatively mature considerations and near ready for a COP19 decision. Items *c* and *d* (guidance for the technical assessment of the proposed reference levels and for provision of information on safeguards) have had less focus and will require detailed consideration at SB38 in order prepare for a COP19 decision on these matters.

Concerning the need to provide adequate and predictable support for the implementation of REDD+ activities, including financial resources and technical and technological support

Following the invitation contained in Decision 2/CP.13 and reiterated in Decisions 2 and 4/CP.15, contributor countries have provided support for REDD+ activities through a range of bilateral and multilateral channels. This support has complemented resources mobilised by REDD+ country governments from their own budgets, and resources invested by the private sector and civil society organisations.

In Doha, the EU and its Member States showed that they have provided fast start finance totalling 7.14 billion EUR in their provisional report on fast start funding and that they were on track to fulfil the 7.2 billion EUR pledge by the end of 2012. The final report will be submitted to the UNFCCC Secretariat in May 2013. This significant achievement in times of deep financial and economic crisis underlines Europe's commitment to supporting developing countries in their efforts to address climate change. About 1 billion EUR (13%) of this amount was for REDD+ support.

EU fast start support covers a wide spectrum of REDD+ activities. These include demonstrating how to adjust policies and incentives in favour of protecting and conserving forests, strengthening sustainable management of forests and enhancing forest carbon stocks, supporting necessary policy and governance reforms and also building developing countries' capacities to measure and report on anthropogenic forest-related emissions and removals. By improving forest governance, particular attention is often required to reform land-tenure, to enforce forest-related laws, and to ensure benefits for local communities and indigenous peoples.

The EU will continue to provide climate finance support after 2012 and to work in a constructive manner together with other developed countries towards the identification of pathways for scaling up climate finance from 2013 to 2020 from a wide variety of sources – public finance and private sector finance, bilateral and multilateral, including alternative sources of finance, as needed to reach the international long term committed goal of mobilising jointly USD 100 billion per year by 2020 in the context of meaningful mitigation actions and transparency on implementation with a view to reducing global greenhouse gas emissions so as to keep the increase in global average temperature below 2°C compared to preindustrial levels. In this respect, the EU welcomes the decision in Doha to continue the Work Programme on Long-term Finance, which will help identify these pathways and strategies. At the same time, the EU Commission and a number of EU Member States announced on a voluntary basis in Doha their objective to contribute more than 5.5 billion EUR of climate finance from their respective financial provisions for the coming years.

Domestic funding is a primary source of finance for REDD+ implementation, and more generally for national forest programmes, as highlighted *inter alia* in the Simula report carried out in the context of the interim REDD+ Partnership², in chapter 7 of the FAO Forest Resource Assessment 2010 report³ and in the 2012 forest finance study of the Collaborative Partnership on Forests⁴.

Private sector investments also play a critical role both in causing and addressing drivers of deforestation and forest degradation⁵. A recent review from the European Tropical Forest Research Network compiles practical experiences of the private sector engaging innovatively in sustainable forestry⁶. UNFCCC decisions and national REDD+ strategies or action plans should facilitate increased involvement of the private sector in reducing emissions from deforestation and forest degradation.

The voluntary REDD+ database (VRD) of the Interim REDD+ Partnership, established as a result of the Paris and Oslo ministerial conferences in early 2010, has analysed data from 15 contributor countries and the European Commission, 31 REDD+ countries and 14 institutions on the state of REDD+ finance⁷. While there remain significant challenges in accessing, reconciling and interpreting data for a variety of reasons, its report indicates in particular that:

- Contributor countries have reported a total of almost US\$6.27 billion in funding for REDD+, primarily through bilateral grants.
- The main vehicles for multilateral support to REDD+ are the Global Environment Facility (GEF) and its REDD/sustainable forest management program; the Forest Investment Program (FIP) of the World Bank; the Forest Carbon Partnership Facility (FCPF) of the World Bank; the Congo Basin Forest Fund (CBFF) of the African Development Bank; the UN REDD Programme of the UNDP, UNEP and FAO; and the International Timber Trade Organisation (ITTO).
- Over half of the funding has gone to five countries, namely India, Brazil, China, Indonesia, and the Democratic Republic of the Congo. Asia accounts for most REDD+ financing received so far, although much of it consists of concessional loans provided to a few countries prior to 2010.
- Types of actions receiving most support so far are: capacity building and local awareness, social and environmental benefits, REDD+ strategy and other policy preparations, demonstration and pilot activities, stakeholder consultations and engagement, monitoring

² Markku Simula, 2010. Analysis of REDD+ financing gaps and overlaps. Report to the interim REDD+partnership <http://reddpluspartnership.org/25159-09eb378a8444ec149e8ab32e2f5671b11.pdf>

³ www.fao.org/forestry/fra/en/

⁴ www.un.org/esa/forests/pdf/AGF_Study_July_2012.pdf

⁵ Kissinger, G., M. Herold, V. De Sy. Drivers of Deforestation and Forest Degradation: A Synthesis Report for REDD+ Policymakers. Lexeme Consulting, Vancouver Canada, August 2012.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/65505/6316-drivers-deforestation-report.pdf

⁶ Good business : making private investment work for tropical forests. ETRN, Tropenbos international. <http://www.etrn.org/publications/good+business+making+private+investments+work+for+tropical+forests>

⁷ Towards transparency in public financing for REDD+: An analysis of data submitted by members of the REDD+ partnership to the voluntary REDD+ database. 27 November 2012.

http://reddplusdatabase.org/process_reports/VRD_Analytic_Report_2012_Nov_27_FINAL.pdf

systems, governance, research, monitoring and evaluation, payments and transaction systems, sectoral transformation and reference scenario development.

The REDD+ Partnership and its voluntary REDD+ database were established on an interim basis with the aim to promote and support the establishment of a REDD+ mechanism under the UNFCCC⁸. In Doha, Parties agreed to **a common tabular format for the reporting on finance** in the biennial reports. This will greatly improve the understanding of financial flows.

REDD+ finance is also part of the broader landscape of **forest finance**, which is at the agenda of the upcoming tenth session of the **United Nations Forum on Forests (UNFF10)**⁹. In preparation for UNFF10 work on forest finance, the **Collaborative Partnership on Forests (CPF)**¹⁰, has updated its study on forest finance in 2012¹¹ and maintains a valuable online Sourcebook on Funding for Sustainable Forest Management¹². The UNFF also held intersessional expert group meetings on the matter in recent years, most recently in Vienna in January 2013¹³.

When dealing with financial resources and technical and technological support for REDD+, the UNFCCC also needs to bear in mind **progress made on the Strategy for Resource Mobilization by the Convention on Biological Diversity**, most notably through Decision XI/4 adopted respectively at the Hyderabad conference in October 2012.

The UNFCCC work programme on long term finance, established by Decision 2/CP.17, has reported on its activities in 2012 (FCCC/CP/2012/3) and is extended to 2013 in accordance with Decision -/CP.18 (Work programme on long-term finance).

In relation to technological support, linkages and synergies with the Technology Mechanism of the Convention, which is intended to enhance action on technology development and transfer to support action on mitigation and adaptation, shall be promoted and ensured.

Against this background, the EU:

- **welcomes activities that promote and further enhance the transparency of the different bilateral and multilateral funding sources made available in the context of REDD+;**

⁸ REDD+ Partnership Document adopted at the Oslo Climate and Forest Conference on 27 May 2010.

www.reddpluspartnership.org

⁹ United Nations Secretary General report on means of implementation for sustainable forest management (E/CN.18/2013/11). <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N13/221/61/PDF/N1322161.pdf?OpenElement>

¹⁰ <http://www.cpfweb.org/en/>. The CPF was established by Resolution 2000/35 of the UN Economic and Social Council (ECOSOC). Its member organisations are : the Center for International Forestry Research (CIFOR), the Secretariat of the Convention on Biological Diversity (CBD), the Food and Agriculture Organization of the United Nations (FAO), the Global Environment Facility (GEF), the International Tropical Timber Organization (ITTO), the International Union for Conservation of Nature (IUCN), the International Union of Forest Research Organizations (IUFRO), the Secretariat of the United Nations Convention to Combat Desertification (UNCCD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the Secretariat of the United Nations Forum on Forests (UNFF), the World Agroforestry Centre (ICRAF), the World Bank, and, of course, the Secretariat of the UNFCCC.

¹¹ www.un.org/esa/forests/pdf/AGF_Study_July_2012.pdf

¹² <http://www.cpfweb.org/73034/en/>

¹³ Background documents, presentations and report of the meeting: www.un.org/esa/forests/adhoc.html

- believes that, irrespective of the source of finance, REDD+ outcomes may be best achieved and sustained if environmental and social objectives are secured up-front with a strong articulation of safeguards¹⁴;
- considers that any outstanding issues in relation to scaling up support for the implementation of REDD+ activities, including financial resources and technical and technological support, should be considered in relation to the discussions on the long term finance work programme under the UNFCCC;
- further considers that discussions in the joint SBI/SBSTA process should focus on REDD+ specific elements, e.g. support for different phases of REDD+.

Concerning the need to improve the coordination of support

The EU, together with other Parties, recognises the need to improve coordination of support for the implementation of REDD+ activities (§34 of Decision -/CP.18, Agreed outcome pursuant to the Bali Action Plan).

The international community has a growing understanding that climate and development finance should be channelled through country-led strategies and country systems and aligned with partner country priorities, thus supporting partner countries' ownership and leadership. At the 4th High Level Forum on Aid Effectiveness in Busan, South Korea, in November 2011, more than 150 countries and 45 international organisations decided to establish the Global Partnership for Effective Development that took over from the OECD Working Party on Aid Effectiveness as of June 2012.

The coordination of REDD+ support primarily involves REDD+ country governments, and it also involves contributor countries and organisations at national, regional and global levels. In the Paris Declaration on Aid Effectiveness¹⁵, governments committed *inter alia* to coordinate their actions, simplify procedures and share information to avoid duplication and to reduce transaction costs for developing countries. Examples of approaches to improve aid effectiveness include: supporting programme-based approaches rather than fragmented individual projects, conducting their field missions and country analytical work together with recipient countries and providing more support in line with the development strategies set by developing countries.

The EU regards certain initiatives as **success stories in coordinating support for REDD+**. For example, the Congo Basin Forest Partnership has provided significant assistance to Central African governments, the Executive Secretariat of the Central African Forest Commission (COMIFAC), contributor country governments and other actors in aligning their contributions behind the goals of COMIFAC convergence plan adopted at the Brazzaville Summit of 2005. Also, some multilateral institutions have made significant progress in recent years to reduce the administrative burden on partner countries. For example, the FCPF and the UNREDD program have harmonised their respective templates for Readiness Preparation Proposals and strive to organise their meetings back-to-back. The EU looks forward to learn from other success stories and best practice in improving

¹⁴ As also recommended by the recent IUFRO Global Forest Expert Panels (GFEP) report on sustainable forest management, governance and REDD+. <http://www.iufro.org/science/gfep/biodiv-forman-redd-panel/report/>

¹⁵ <http://www.oecd.org/dac/effectiveness/45827300.pdf>

the coordination of REDD+ support and to draw lessons from an exchange of experience with other Parties.

The EU's work with partner countries on Forest Law Enforcement, Governance and Trade (FLEGT)¹⁶ also has strong synergies with the objectives of REDD+. For example FLEGT can address direct and indirect drivers of deforestation and forest degradation and it can also showcase the role of stakeholder consultation platforms to build consensus around forest policies. The EU REDD Facility¹⁷ managed by the European Forest Institute works with a number of countries to help identify and support law enforcement and governance reforms contributing to national REDD+ strategies or action plans and, in doing so, promote synergy between REDD+ and FLEGT processes.

In the interim period, the REDD+ Partnership is playing a central role through offering an open and transparent platform to exchange views, ideas and practical country-based experience on national and international coordination with existing bilateral and multilateral initiatives in support of nationally identified REDD+ needs. The interim REDD+ Partnership has also commissioned a report on the effectiveness of multilateral REDD+ initiatives¹⁸ and formulated recommendations for targeted improvements to multilateral initiatives¹⁹. As such the REDD+ Partnership serves as an interim platform to discuss ways to improve the coordination of support for the implementation of results based actions.

The **Facilitative Process established by the UNFF** in 2009²⁰ also assists countries *inter alia* in mobilising, accessing and enhancing the effective use of funds for sustainable forest management, to identify obstacles and opportunities for accessing funds from all sources and for all types of forests and to enhance coordination, cooperation and coherence among relevant funding sources and mechanisms to improve the implementation of the UN forest instrument and the achievement of the global objectives on forests.

Consideration of existing institutional arrangements or potential governance alternatives for REDD+

As the joint SBSTA/SBI process is to consider institutional arrangements or potential governance alternatives to addressing the need to provide adequate and predictable support and to improve the coordination of that support (§35 of UNFCCC Decision -/CP.18 – Agreed outcome pursuant to the Bali Action Plan), **the EU is of the view that these matters would be best served by existing or recently established arrangements, rather than by the creation of new structures.** Moreover, it could delay proper coordination, go against the principle of institutional economy and divert resources from REDD+ implementation. In effect:

- Operating entities of the Financial Mechanism of the Convention (the Global Environment Facility and the Green Climate Fund) are already encouraged to provide REDD+ results-based finance by §68 of Decision 2/CP.17. The Global Environment Facility has launched a

¹⁶ This process has been inspired by a series of regional initiatives, supported by the World Bank, such as the East Asia and Pacific Forest Law Enforcement and Governance process.

¹⁷ www.euredd.efi.int

¹⁸ <http://reddpluspartnership.org/29149-0db58e819221ae34c06b8182087d74669.pdf>

¹⁹ <http://reddpluspartnership.org/29150-0a295b7969610359d16d658db5cab4c22.pdf>

²⁰ Report of the Special Session of the 9th Session of the United Nations Forum on Forests, E/CN.18/SS/2009/2 • E/2009/118, §3. <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/608/38/PDF/N0960838.pdf>

new program for Sustainable Forest Management/REDD+ at its 5th replenishment²¹. The Green Climate Fund, created by §102-111 of Decision 1/CP.16 and launched by Decision 3/CP.17, is supposed to finance REDD+ activities as well (§35 of Decision 3/CP.17), both through public and private capital.

- The COP is assisted by a Standing Committee on Finance, established by §112 of Decision 1/CP.16. According to §121 of Decision 2/CP.17, the activities of the Standing committee on Finance will include: (a) organising a forum for the communication and continued exchange of information; (b) maintaining linkages with Convention bodies; (c) providing to the COP draft guidance for the operating entities of the financial mechanism of the Convention; (d) making recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities of the financial mechanism of the Convention; (e) providing expert input, including through independent reviews and assessments into the preparation and conduct of the periodic reviews of the financial mechanism by the COP; (f) preparing a biennial assessment of climate finance flows. REDD+ is covered by the Standing Committee on finance as part of its activities on broader climate finance.

Conclusion: proposed output of the joint SBI/SBSTA process

The joint SBSTA/SBI process should, in the EU's view, result in recommendations on enabling environments for REDD+ support and on how finance for REDD+ and the coordination of support for REDD+ should inform and relate to the general UNFCCC work on long-term finance. These recommendations should include how existing institutional arrangements could address the need to improve the coordination of support for REDD+ and to provide adequate and predictable support for REDD+.

²¹ The GEF Incentive Mechanism for Forests. A new REDD+ multilateral finance Program.
<http://www.thegef.org/gef/sites/thegef.org/files/publication/REDDEnglish.pdf>

Submission by Nepal on behalf of the Least Developed Countries Group on issues of adequate and predictable support for the implementation of REDD+ activities, including financial resources, technological support, and institutional arrangements to improve the coordination of this support

The Least Developed Countries Group (LDC Group) welcomes the invitation to submit views on 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 (SBSTA/SBI).

LDCs have urgent funding needs to enable them to prepare for and undertake REDD+ actions and despite various international REDD+ initiatives, large gaps remain. Based on UNFCCC Article 4.9, Parties shall take full account of the specific needs and special situations of LDCs in their actions with regard to funding and transfer of technology. This must be reflected in all decisions related to REDD+. The LDC Group calls upon developed countries to take the lead to meet their obligations for financial and technology transfers to the LDCs. While addressing REDD+ activities, national circumstances should be acknowledged and where possible the work of existing institutions and systems of LDCs should be built on.

The LDC Group believes that there is a need for systematic valuation of forests to understand other co-benefits associated with the implementation of REDD+ activities in reducing emissions from deforestation and forest degradation; conservation of carbon stocks; sustainable management of forests; and enhancement of carbon stocks.

To build on the work of LCA, REDD+ should be included in the ADP framework and a time-bound plan should be developed within ADP for the implementation of REDD+ as identified in paragraph 70 of decision 1/CP.16 including:

- Provision of long-term adequate, predictable, and transparent financial resources for REDD+ phases 1, 2 and 3;
- Provision of technology, and capacity-building to support implementation;
- Institutional arrangements governing REDD+; and
- Adaptation co-benefits of REDD+ actions in improving resilience capacity of communities and forests to climate change as well as other non-carbon benefits should be addressed with provisions of technical and financial support; and
- Provision for LDCs to execute REDD+ actions on the ground as an early mitigation measure and long-term adaptation strategy.

The LDC Group urges for the completion of the proposed REDD+ work programmes in time and consider development of REDD+ methodological guidance for addressing the drivers of

deforestation and forest degradation under SBSTA as an urgent priority for the implementation of REDD+ activities.

The LDC Group calls for the establishment of a REDD+ coordination body and REDD+ Advisory Committee that work under the guidance and authority of the COP as the best mechanism to coordinate the support to be provided for the implementation of REDD+ activities. This should, however, be expedited so that the interventions and implementation of result based phase 3 activities are not delayed.

The ongoing SBSTA/SBI work should result in concrete recommendations on provision of long-term adequate, predictable, transparent and equitably distributed financial resources for the REDD+ result-based actions including non-carbon benefits and establishment of new institutional arrangements to improve coordination in REDD+ actions under the guidance of COP to improve the coordination of support provided for REDD+.

Relevant Decisions of CP / SBSTA	Pakistan's Views
<p>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 (SBSTA/SBI)</p> <p>(FCCC/CP/2012/L.14/Rev.1, paragraph 36)</p> <p>Views from Parties and admitted observer organizations on the matters referred to in paragraphs 34 and 35 of FCCC/ CP/ 2012/ L.14/ Rev.1, including potential functions, modalities and procedures.</p> <p><i>Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention</i></p> <p>34. Recognizes the need to improve the coordination of support for the implementation of the activities referred to in decision 1/CP.16, para 70, and to provide adequate and predictable support, including financial resources and technical and technological support, to developing country Parties for implementation of those activities;</p> <p>35. Requests the SBSTA and the SBI, at their 38th sessions, to jointly initiate a process with the aim of addressing the matters outlined in paragraph 34 above, and to consider existing institutional arrangements or potential governance alternatives including a body, a board or a committee, and to make recommendations on these matters to the Conference of the Parties at its nineteenth session;</p>	<p>Ministry of Climate Change organized “National Consultative Workshop on REDD+ Roadmap Development Process and Feedback on Doha Outcomes” on 21st February 2013 in Islamabad. The views synthesized in the workshop are narrated as under:</p> <ul style="list-style-type: none"> • In the implementation of UN-REDD Programme (Global Programme including Targeted Support), there is a need to improve coordination among three UN implementing agencies within the country. • Among the GEF implementing UN agencies, the clear understanding about GEF/SFM-REDD+ Programme is required and further coordination with GEF Secretariat is required on specific provisions of this window. • Coordination among donors / investors at the level of UN-REDD Policy Board and REDD+ Partnership is satisfactory, however, at the country level, there is no mechanism for donors / investors coordination. • In Pakistan, a National REDD Steering Committee has been constituted with due representation of FAO and UNDP, which serves a means for coordination, yet their proactive participation is required. • Constitution of country-level REDD+ Donors/Investors Coordination Group with the guidance and support of UN-REDD Programme and develop national portfolio of donors-assisted REDD+ programmes and projects • UN-REDD Policy Board may consider country-specific allocations on the analogy of GEF-Resource Allocation Framework, to ensure predictability. • The matters of forest financing and alternative governance structures are under consideration of United Nations Forum on Forests (UNFF). Pakistan proposes that SBSTA and SBI take some guidance from the relevant decisions of UNFF and ECOSOC Resolutions to avoid duplication and contradiction.

Relevant Decisions of CP / SBSTA	Pakistan's Views
	<ul style="list-style-type: none"> • Pakistan proposes that within the country, REDD+ financing must adhere to national and provincial laws, rules and procedures of accounts and audits. • Coordination is also required at the level of CDM Executive Board and Ad Hoc Working Group on Long-term Cooperative Action for possible creating inter-linkages and dovetailing Afforestation / Reforestation activities under LULUCF with REDD+ activities under Para 70. • SBSTA and SBI may capacity needs of REDD+ countries on financing matters including coordination and negotiation with donors and investors.

Improving coordination of support for implementation and institutional arrangements or potential governance alternatives for REDD+

March 25, 2013

Introduction and background

Switzerland and Mexico are pleased to share our common views in this submission. The [COP18 decision](#) “Agreed Outcome to the Bali Action Plan”, section on REDD+, II.C. paragraph 36 invites Parties and admitted observer organizations to submit to the secretariat, by 25 March 2013, their views on the matters referred to in paragraphs 34 and 35, including potential functions, modalities and procedures. Paragraphs 34 and 35 read:

34. *Recognizes* the need to **improve the coordination of support** for the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and to provide adequate and predictable support, including financial resources and technical and technological support, to developing country Parties for implementation of those activities;

35. *Requests* the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation, at their thirty-eighth sessions, to jointly initiate a process with the aim of addressing the matters outlined in paragraph 34 above, and to **consider existing institutional arrangements or potential governance alternatives including a body, a board or a committee**, and to make recommendations on these matters to the Conference of the Parties at its nineteenth session;

1. Improved coordination of support for the implementation of REDD+

Existing institutional arrangements to support implementation of REDD+ include the multi-lateral initiatives: FCPF, UN-REDD, GEF, FIP, as well as bi-lateral, national, and sub-national programs in developing countries. The first step is for the major initiatives working on readiness, the FCPF and UN-REDD, responsible for about 80% of multi-lateral readiness funding ([Simula 2010](#)), to improve coordination amongst themselves.

This coordination is already improving in different areas. The R-PP (Readiness Preparation Proposal) of the FCPF template has been revised so countries can use it under both initiatives. Also, the “Joint Guidelines for Stakeholder Engagement on REDD+ Readiness” as well as the planned Joint Budget Template to avoid financing overlaps are in the interest of streamlining. The two initiatives differ, however, in i.e. their approach to funding performance-based payments. The FCPF’s Carbon Fund is available to all member countries for pilot performance-based experience, whereas UN-REDD will create a fund when a member country enters the performance-based phase.

Establishing REDD+ readiness requires more support than FCPF and UN-REDD can provide at present. The FIP is complementary to these initiatives, providing ex-ante financing to resolve some of the larger issues of

tenure, governance and policy reform, infrastructure, and restoration of degraded land. Further, the GEF also contributes directly to readiness efforts. It could be useful to map out the differences in the functions of the four multi-lateral initiatives, in order that complementarity and overlaps are clear.

Coordination activities of the REDD+ Interim Partnership

Switzerland and Mexico consider that the REDD+ Interim Partnership is already making a transition from an information sharing forum to promoting coordination. A more proactive role of the Partnership is being developed under the work program for 2013-14, in which the Voluntary REDD+ Database could eventually be used as a centralized resource for disseminating information on financial needs and support. It is important that the rules and roles of the Partnership are reviewed and redesigned in order to give it the functionality that is intended.

The idea of a common delivery platform between the multilateral initiatives was suggested by the [IDL Study](#) contracted by the Partnership in 2011 on the Effectiveness of Multilateral Initiatives: “all four multi-lateral initiatives (MIs) should continue to pursue and promote a common delivery platform for their interventions and the use of joint missions whenever possible”. The workplan of the Partnership could follow up on this suggestion under component 4, facilitating the scaling up of finance and actions.

Another objective of the Partnership was to address gaps and overlaps in REDD+ finance and implementation. Particularly the following elements of future work discussed in Doha could lead to useful coordination activities:

- Share views on funding sources and mechanisms, including public and private financing;
- Enhance mobilization and promote the effective deployment of finance to address the gaps and overlaps in finance and actions
- Enhance the use of the database to address the outcome of the analysis of financing gaps and overlaps
- Present the platforms and database to wider range of participants in order to encourage their utilization
- Consider and explore other finance tracking initiatives in order to complement and align efforts.

Coordination activities under the Partnership are in our view transitional and should eventually be integrated into the UNFCCC. Once REDD+ countries are making verified emissions reductions and receiving performance-based incentives to do so, the role of the Partnership may no longer be necessary. Its functions and database could be transferred to institutional arrangements within the UNFCCC that have yet to be defined, since they are part of the 2015 Roadmap being negotiated under the ADP toward a post-2020 agreement.

The Partnership must prioritize functioning as a think tank and coordinating international efforts to facilitate REDD+ becoming the performance-based forest sector.

2. Consideration of existing institutional arrangements or potential governance alternatives including a body, a board or a committee

REDD+ is a transitional mechanism whose goal is to integrate the forest sector into a global emissions reductions system. The over USD 6 billion ([REDD+ Database](#)) pledged by donor countries, complemented by substantial investment of developing countries (estimated by [Simula](#) 2010 to be 20% of readiness funding)

in the mechanism to date, is a very significant amount of funding for the international forest sector. Some REDD+ countries already have created specific agencies, task forces, and trust funds to manage the mechanism. At the international level, when is the appropriate moment and what functions would a more centralized institutional arrangement for forests under the UNFCCC fulfill?

In our view, this question is within a broader framework than the forest sector, as the international architecture, the other sectors, and incentive systems are currently in the process of development. The broader context of forest sector emission reductions encompasses i.e. accounting for all land-uses (including agriculture) and forestry, monitoring, reporting, and verification of sources and sinks, incentive systems and sources of finance such as market or non-market mechanisms and private sector activities.

Finally, we think it is crucial not to duplicate the efforts of multi-lateral institutions or take the initiative from national governments by prematurely creating an international institution within the UNFCCC. If a REDD+ institutional arrangement under the UNFCCC were to be created by COP 19, it would run the risk of anticipating the outcome of the evolution of the financial, market and non-market, MRV, land-use accounting, NAMA, and even adaptation areas of the post-2020 accord. Rather, these areas will first fit together in a roadmap by the end of 2014. Therefore, COP 20 would be a logical opportunity to integrate the forest sector within the overall institutional structure being defined under the ADP.

3. Conclusions

First priority: UNFCCC package of guidance for REDD+

Forests will undoubtedly be a priority sector in the future of the UNFCCC, since for many, if not most developing countries forests, and more generally land-use will be the largest contributor to their mitigation pledges. However it should be very carefully analyzed whether a specific institution needs to be created for the sector. Admittedly, the Convention presently has an Adaptation Board and a Finance Committee, however a sectoral body for forests would be a new construct. What would such an institution do, what would its powers consist of, its relationship to other institutions, the resources necessary for it to function, how would it fit into the Convention, would it be worth the effort, and when would it will come into existence?

The UNFCCC presently supports REDD+ by developing and providing a yet-unfinished package of methodological guidance (including e.g. reference levels, national forest monitoring systems, MRV, safeguards, how performance-based emissions reductions will be incentivized). Methodological guidance being developed within the UNFCCC should be coordinated with the well-advanced [methodological guidance of the FCPE](#), including the recently completed [R-Package](#). In our view, the first priority task of the UNFCCC is to adopt a basic package of guidance which is being developed since Cancun so that national and jurisdictional governments, stakeholders, and multi- and bi-lateral initiatives can apply it.

Support for REDD+

Would a body or committee for REDD+ or forests under the UNFCCC have the capacity to generate more support or be able to direct it more equitably? It is a very large step from the current system of multi- and bi-lateral direct funding to developing countries demonstrating REDD+ readiness, to an international committee that would intervene. Would international coordination be decisive in moving from readiness to performance-based emissions reductions? Coordination requires effort and resources, may generate conflicts, and can be counterproductive if the effort is not worth the gains. In the future the GCF could be

expected to fulfill these functions, however it is still too early to tell whether a new sectoral body would be advantageous.

According to [UNEP_RISOE](#) (2013), “Large amounts of investment will be required and while public multilateral efforts are building readiness on the ground, private sector engagement continues to be reluctant due to high risks associated with forest projects. Furthermore, legal issues related to land tenure, forest ownership and carbon rights require much stronger influence from state governments through national legislation, which poses significant challenges for countries with weak governance capacity.” Currently, REDD+ is being incentivized in a diversity of ways in different national and sub-national emissions trading systems, the voluntary market, or funded by ODA, governments, and the private sector. According to [Simula](#) (2010), this is an advantage for allowing flexibility but is a challenge for coordination of funding flows to duly address gaps and avoid overlaps. His study concluded that “coordination should be strengthened at all levels drawing both on formal and voluntary mechanisms. The focus should be on REDD+ country level coordination which should be respected by partners.”

Governments and the private sector

The UNFCCC alone will not be able to achieve verified emissions reductions from forests. A structural solution consolidating effective forest governance combined with directing the private sector toward sustainable forest management will be necessary.

Consistent with the experience of the [Swiss-Philippine initiative of 2011](#), “Towards a governance framework for REDD+ financing”, financiers of REDD+ projects were able to communicate to government officials that *the policy framework for developing REDD+ projects needed national-level policies that encourage foreign direct investment and land-based sectors to make responsible investments*. Further, *Governments in REDD+ countries should ensure balanced investments within and outside the forest sector in order to address all drivers of deforestation and forest degradation*. Responsible investments should also guarantee compliance with safeguards implementation. Therefore the forest sector must be integrated within green economy and low-carbon growth efforts.

Forest governance as a means to achieving sustainable forest management

Switzerland and Mexico have collaborated closely also within the UNFF on making effective governance of the forest sector a central improvement made by the REDD+ mechanism. Since forest governance is a national responsibility, international guidance can only go so far. The methodological roots of forest governance are in participation and decentralization. One of the conclusions of the [Oaxaca, Mexico workshop](#) of the UNFF CLI process on “SFM, decentralization, forest governance, REDD+, and livelihoods”, was that national governments can most effectively achieve sustainable management of their forests when local communities are empowered to implement SFM. This national process includes “securing tenure, governance reforms, programs and schemes such that ensure benefit sharing and input by communities”.

Fungibility is a central concern of the sector, and guidance on permanence within accounting modalities needs further development. This includes guidance on i.e. duration of projects and credits, guarantees, buffers, and insurance will be determinant for forests to be compatible with other sectors.

If REDD+ is successful in enabling sustainable forest management under a landscape approach in developing countries, this will be the foundation for long-term climate mitigation and adaptation benefits. According to the [IPCC AR4](#), “in the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fiber or energy from the forest, will generate the largest sustained mitigation benefit”.

Paper no. 11: United States of America

Finance for REDD+ March 25, 2013

Introduction

Decision 1/CP.18, paragraph 36, invites Parties and admitted observer organizations to submit views to the secretariat on matters related to paragraphs 34 and 35 of the same decision, which address improved coordination in the implementation of the activities referred to in decision 1/CP.16 paragraph 70 (for simplicity, hereinafter referred to as REDD+), and the associated institutional arrangements, functions, modalities, and procedures.

Context

In discussing improved coordination for the activities referred to in decision 1/CP.16 paragraph 70, and the associated institutional arrangements, functions, modalities, and procedures, it is useful to recall elements of past UNFCCC decisions related to REDD+ finance that are germane to this discussion, including those summarized here:

- Effective and continued support will continue to be needed for the activities referred to in decision 1/CP.16 paragraphs 73 and 76 (decision 2/CP.17 preamble);
- Results-based finance provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources (decision 2/CP.17 paragraph 65);
- Both market-based and non-market based approaches to results-based financing might be considered (decision 2/CP.17 paragraphs 66 and 67);
- To obtain and receive results-based finance, results-based actions should be fully measured, reported, and verified (decision 1/CP.16 paragraph 73; decision 2/CP.17 paragraph 64);
- Net emissions reductions resulting from the implementation the activities referred to in decision 1/CP.16 paragraph 70 should be measured, reported, and verified (decision 1/CP.16 paragraph 73 annex 2);
- To obtain and receive results-based finance, developing countries must also have the other elements referred to in decision 1/CP.16 paragraph 71 (decision 2/CP.17 paragraph 64);

We also recognize that other decisions relevant to finance for the activities referred to in decision 1/CP.16 paragraph 70 have been taken by the COP. Several of the most relevant decisions are summarized here:

- Various approaches, including markets, can enhance the cost-effectiveness of, and promote, mitigation actions, if they meet standards that deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of effort, and achieve a net decrease and/or avoidance of greenhouse gas emissions (decision 2/CP.17 paragraph 79; decision 1/CP.18 paragraph 44);
- A new market-based mechanism, operating under the guidance and authority of the Conference of the Parties, to enhance the cost-effectiveness of, and to promote, mitigation actions, may assist developed countries to meet part of their mitigation targets or commitments under the Convention (decision 2/CP.17 paragraph 83; decision 1/CP.18 paragraph 45);
- The mechanism defined in decision 2/CP.17 paragraph 83 will include *inter alia*:
 - Requirements for the accurate measurement, reporting and verification of emission reductions, emission removals, and/or avoided emissions;
 - Criteria, including the application of conservative methods, for the establishment, approval and periodic adjustment of ambitious reference levels (crediting thresholds and/or trading caps);
 - Criteria for the accurate and consistent recording and tracking of units (decision 1 CP.18 paragraph 54)

We further note that certain financing activities will be taken by the GCF subject to decisions of the GCF Board:

- The Green Climate Fund will finance mitigation activities, including REDD-plus activities. GCF support may include resources for readiness and preparatory activities and technical assistance; in addition, the GCF may employ results-based financing approaches, including, in particular, for

incentivizing mitigation actions and payment for verified results, where appropriate (GCF Governing Instrument, paragraphs 40 and 55);

- The GCF is governed and supervised by a Board that is responsible for funding decisions. (GCF Governing Instrument paragraph 5);

Beyond financing arrangements under the guidance of the UNFCCC, a range of entities and institutions will continue to provide financing for all phases of REDD+.

- We expect that decisions regarding such financing, and specific operational modalities and procedures, will be made by the financing entities or institutions.
- As with all other sectors, there are likely to be different financing arrangements agreed to by REDD+ countries and donors or investors; decisions on issues such as financing approaches, crediting baselines, MRV requirements, and pricing will be determined by the relevant entities or institutions.
- We see this diversity in financing opportunities as a means to ensure that a variety of needs and priorities are addressed, and there is opportunity to learn from differing approaches.

Based on this context, we submit the following views:

Coordination of Support

- There is value to the increased coordination of support for the implementation of the activities referred to in decision 1/CP.16, paragraph 70 (hereafter referred to as REDD+ activities);
- This coordination can happen in a number of different ways, including:
 - Through coordination intrinsically provided by the governance structures of the operating entities of the financial mechanism of the Convention, and new financing mechanisms under the Convention such as the new market mechanism, as these mechanisms by definition coordinate the support of multiple Parties;
 - Through the coordination of resources already carried out by existing multilateral financing institutions currently supporting REDD+, such as the BioCarbon Fund, Forest Carbon Partnership Facility, Forest Investment Program, and UN-REDD. These multilateral funds by definition operate through the coordination of the support of all relevant partners. Efforts are underway to increase the coordination among these entities; these efforts might be enhanced to further streamline multilateral support for REDD+.
 - Through greater coordination of bilateral support for REDD+ among donor governments and other institutions. Various donors are already engaged in efforts to improve this coordination; the November 29, 2012 Joint Statement by Australia, Germany, Norway, the United Kingdom and the United States is one example (<http://webarchive.nationalarchives.gov.uk/20121217150421/http://decc.gov.uk/assets/decc/11/tackling-climate-change/international-climate-change/7126-joint-statement-tackling-deforestation.pdf>);
 - Through the efforts of REDD+ countries to coordinate the support received from various sources to effectively implement a coherent strategy. National and subnational governments have the responsibility to see that support is applied to activities and programs that contribute to clearly-defined strategies, is coordinated to provide complementary support to the range of planned activities and programs, and that duplications of effort are avoided.

Institutional Arrangements

We do not believe that any of the opportunities for improved coordination of support above requires new institutional arrangements or governance structures:

Operating Entities and Financing Channels of the Convention

- The operating entities of the financial mechanism of the Convention function independently, and each has an existing governance structure responsible for making decisions:

- The Global Environment Facility Council is responsible for developing, adopting, and evaluating GEF programs, including REDD+ support;
- The Green Climate Fund Board is responsible for the operation of the GCF, including any future support for REDD+;
- Modalities and procedures are currently being developed for the new market mechanism to govern market-based finance under the Convention;
- The existing financing channels under the Convention already have, or are developing, institutional arrangements that can work for REDD+ and other sectors related to the adaptation and mitigation of climate change;
- Creating additional institutions or governance structures on top of these existing arrangements would take years, potentially create a fragmentation of support, and greatly slow advances towards REDD+ financing under the Convention;
- For these reasons we believe it is not only unnecessary but also unwise to attempt to create new sector-specific governance bodies or institutions for REDD+ under the Convention;
- It would be far more effective to focus on integrating REDD+ effectively into existing financing mechanisms, and striving to ensure as Parties that these mechanisms function both efficiently and effectively.

Non-Convention Financing

- The Convention has no role in overseeing bilateral or multilateral financing or technical support outside the Convention;
- Many efforts are already underway to ensure better coordination among multilateral trust funds and among bilateral donors; these efforts do not require new institutions;
- Coordination of the delivery of financing within countries is a sovereign decision and should be encouraged, using the approaches most relevant to national circumstances.

Tools to Improve Coordination

While new institutional arrangements or governance bodies are not necessary, we already have or are developing a number of tools that could help improve the coordination of support, and thus enhance the effectiveness of, REDD+ actions. Among these are:

- **REDD+ Strategies and Action Plans:** These strategies or plans, which have already been developed or are in development by REDD+ countries, can and should serve as frameworks to guide both support and actions. If well crafted and effectively applied by national (and subnational, as appropriate) governments and other stakeholders sharing a common vision for REDD+, REDD+ strategies and action plans, and the associated institutional arrangements they propose, could serve as the most effective means of coordination within a country.
- **Voluntary REDD+ Database:** This database, managed by the REDD+ Partnership, has brought increased transparency to financing for REDD+. Though widely used by bilateral donors, the VRD has been less broadly adopted by REDD+ countries, multilateral institutions, NGOs, foundations, and the private sector. Increasing the number of stakeholders reporting to this database will help bring clarity on where financing is currently allocated, and help identify both overlaps and potential areas with fewer resources (reddplusdatabase.org);
- **A system for tracking units:** A system that can track units generated by net emissions reductions resulting from REDD+ activities, such as the systems being discussed in relation to the framework for various approaches and the new market mechanism, would reduce the probability of duplication in either the financing or use of units.

Scaling Up and Improving the Effectiveness of Finance

Decision 1/CP.18 also establishes a one-year work program on REDD+ Finance, with the aim to contribute to the ongoing efforts to scale up and improve the effectiveness of finance. We believe there are many useful topics of discussion for the planned workshops. Opportunities to improve the effectiveness of existing finance, access types of finance typically not tapped for REDD+, and reduce the risk associated with REDD+ finance in order to attract additional financing are:

- Have clearly defined **national strategies and action plans** (and subnational strategies or plans as appropriate) that present a clear vision for REDD+ action and facilitate a cohesive program of support.
 - These are likely to be most effective when they include a **sound, sustainable long-term financing plan** not fully dependent on grants or carbon finance;
 - Implementation of this vision requires a **strong institution(s)** in country, coordinating both actions and the relevant support;
- Demonstrate **good governance**. Financing requires a sound regulatory and legal framework, strong fiduciary capabilities in recipient institutions, transparency on the use of funds, etc. Where these elements are lacking, risk is perceived as high. Without such good governance, financing is likely to go elsewhere or be channeled through alternate institutions;
- **Reduce other perceived risks** sometimes associated with REDD+ (and the land sector in general) by mitigating leakage, addressing permanence, fully implementing and reporting on environmental and social safeguards and incorporating REDD+ into a sound overall development strategy with diversified revenue streams, etc;
- **Apply different types of financing, and financial tools**, to implementing REDD+ strategies. Finance is available everywhere from pension and sovereign wealth funds to agriculture programs. Tools such as tax concessions or government bonds can generate substantial additional revenue, while risk mitigation tools like political risk insurance can attract new finance. We need to think creatively about how and where to generate the finance needed to implement different elements of REDD+ strategies and action plans. We need to think creatively about financing opportunities in order to increase the resources available to implement REDD+ strategies. The REDD+ Partnership put together a good primer on financing opportunities: http://foris.fao.org/meetings/download/2012/redd_partnership_meeting_and_workshop/misc_documents/advanced_redd_finance_1.01.pdf.

Prioritization of Effort

Finally, it is worth noting that we believe the focus of our collective time and effort during the limited negotiations sessions this year should be on the **numerous methodological areas still pending resolution in SBSTA from past meetings**: national forest monitoring systems; measuring, reporting, and verifying; the technical assessment process for reference emissions levels/ reference levels; and additional guidance on safeguard information systems. These topics require resolution, as progress in developing the associated systems in REDD+ countries has been slowed by a lack of clear guidance at the international level. While efforts to improve the effectiveness of REDD+ finance are critical and we believe the planned work program may lead to useful results, we believe reaching decisions on these methodological issues will have a greater immediate impact and should be the highest priority.
