

**POSSIBLE OPTIONS FOR REDD+
FINANCIAL MECHANISM :
Indonesia perspective**

Bangkok, 30 Agustus 2012

Financing options, sources and related enabling conditions

- REDD+ is implemented in phases (para 73 and 74 Dec. 1/CP.16).
- No clear distinction among phases and many countries are in between phases
- Different options for financing REDD+ at different phases of REDD+ implementation need to be developed, including filling the gaps between fast start and long term financing, Innovative financing between 2013-2015

- Financing early actions
- Existing bilateral and multilateral cooperation should be strengthened
- Emerging regional cooperation should be encourages.

- Capacity building and technology is needed in the full implementation.
- Addressing the needs for further capacity building and technology development for full implementation

Private sector participation in REDD-plus actions and financing

- The role of private sector is essential.
- The need for clarity on when private sector is expected :
 - to play role in three REDD+ phases
 - to create appropriate international
- Developing countries may be encouraged to create domestic market through creation of mechanism to incentivize them for engaging their private sector in REDD+ actions.

- Drawing from existing mechanism in combining public-private finance to address simultaneously relevant issues and elements in REDD+ actions (e.g. FIP), UNFCCC process could consider to develop mechanism for public-private partnership in results-based REDD+ actions and financing.

A framework for financing the full implementation of results-based REDD-plus actions

- REDD+ actions provide multiple benefits beyond verified emission reductions.
- Existing financing mechanism does not sufficiently address this issue.
- Certain reform in both national and international financial institutions is needed in order to address this issue.

- Methodology to assess benefits beyond emission reduction yet to be developed,
- Financing methodological development for valuation of non-carbon benefits is essential,
- Sources of financing need to be identified and
- Mechanism for financing non-carbon benefits be developed.

Other issues to be addressed include :

- Source and mechanism of finance to tackle drivers of deforestation and other actions to create enabling conditions,
- Financing the implementation of paragraph 71-72 Dec. 1/Cp. 16 (methodological aspects and safeguards).