



Non-market Based Approaches Related to REDD+ Implementation

VIEWS AND EXAMPLES

ASEAN Member States

(Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam)

SBSTA-40 In-session Expert Meeting, Bonn, 6 June 2014



Terms and Characteristics

(Non-market Based Approaches)

- Approaches for accessing finance and incentives
- The approaches do not generate carbon credit
- Sources: national, international, public, private
- Channels (for international sources): bilateral, regional, multilateral, or combination between them
- Use: capacity building, technical support, create enabling conditions, payment for results not limited to carbon



Existing FCC-NMBAs in ASEAN Member States (AMS)

- AMS, according to their national circumstances, priorities, capacities and capabilities, have national budget allocation for forest-related activities (e.g. forest conservation, forest protection, sustainable forest management, reforestation, rehabilitation of degraded forest/land).
- A number of AMS have specific financial arrangements for REDD+ and REDD+ related activities, from various sources and channels.
- AMS also address forest and climate change issues including REDD+ under ASEAN Framework, supported by ASEAN Partners.



EXAMPLES OF NON-MARKET BASED APPROACHES IN AMS

COUNTRY	TYPE OF FINANCE AND MANAGEMENT	SOURCE AND/OR CHANNELS	MODALITIES TO ACCESS FUND	MODALITIES TO ASSESS PROGRESS/ OUTPUTS	REMARKS
All AMS (national level)	National Budget, Government	Public – national	National budget modalities (annual and multi-years)	Periodic monitoring and evaluation	For forest-related activities, does not necessarily apply COP guidance, but contribute to CC-MA
Cambodia	Funds for REDD+, coordinated by Government	Public – bilateral and multilateral	Grants and contracts, based on agreed programmes and activities to be carried out in defined time frames	Follow assessment procedures for each fund	For REDD+ readiness

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Indonesia	Reforestation Fund, Government (Ministry of Forestry)	Private – national (levy from timber concession)	<ul style="list-style-type: none"> National budget modalities (for MoFor and sub-national forestry institutions) Loan for reforestation (for private companies and communities) 	Periodic monitoring and evaluation (internal and external audits for finance and performance)	Not earmarked for REDD+ activities, but the results may increase enabling conditions for REDD+ implementation
	Part of FREDDI (REDD+ Agency-Board of Trusty)	Public, private – national, bilateral, multilateral, (currently public, bilateral)	<ul style="list-style-type: none"> FREDDI modalities : 1. Grants, 2. Investments, 3. Payment for performance 	Specific assessment are applied for each modality of funding instruments, including using relevant COP guidance	Modality 1 (grants) for readiness , REDD+ infrastructure, capacity building
	Other Funds for REDD+ and FCC (Government, Forest enterprises, CSOs, partner countries, MDBs)	Public – bilateral and multilateral	<ul style="list-style-type: none"> Grants (based on agreed programmes and activities to be carried out in defined time frames), Concessional Loan for strengthening small holder timber plantation 	Specific assessment are applied, including using relevant COP guidance	<ul style="list-style-type: none"> Grants for REDD+ readiness and creating enabling conditions, Result-based payments for reduced emissions and improved forest governance

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Malaysia	Conservation Trust Fund (Ministry of Natural Resources and Environment)	Public – national	Grants for conservation of natural resources, biodiversity, SFM, and REDD+	National Land Council & National Biodiversity Council monitor the implementation of the projects	SFM and addressing REDD+ safeguards
	Cess Fund for Sustainable Forest Management (Ministry of Natural Resources and Environment)	Private – national	Direct investment back to forest owners	National Land Council endorse annual allowable timber volume	Support REDD+ implementation

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Myanmar	National and sub-national budget, Government	Private – national	National budget modalities	Periodic monitoring and evaluation	For ecosystem restoration programmes (eg. mangrove, dryzone, mountain restoration and greening programmes)

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Philippines	National Budget, Government (Department of Energy through the establishment of the WESM ¹)	Private – national	<ul style="list-style-type: none"> National budget modalities Missionary Electrification funds from the sales revenue from missionary areas (the Universal Charge) 	<ul style="list-style-type: none"> Monitoring, accounting, and control of expenditures (PSALM² and SPUG³) Monitoring, accounting of sums collected from the Universal Charge (Department of Energy). 	This draws funds for watershed development and maintenance from revenues gathered from electricity (Republic Act 9136 or Electric Power Industry Reform Act of 2001)
	National Budget, Government (Department of Environment and Natural Resources through the Forest Management Bureau)	Private – national	<ul style="list-style-type: none"> National budget modalities Development funding from the private sector 	<ul style="list-style-type: none"> Field monitoring and evaluation by the Forest Management Bureau 	Sustainable forest management is facilitated through partnerships formed between the communities/Peoples' organization and the government (e.g. Community Based Forest Management Program or CBFMP)

¹ Wholesale Electricity Spot Market

² Power Sector Assets and Liabilities Management Corporation

³ Small Power Utilities Group

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Vietnam	Vietnam Forest Protection and Development Fund (VNFF) : non-profit Fund; coordination of resources to serve Forest Protection and Development Programmes	Public, private – national, bilateral, multilateral	National budget modality; project approach	Periodic monitoring and evaluation	Not earmarked for REDD+, but may contribute to REDD+ implementation

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All AMS (regional level)	Technical Assistance, ASEAN-German Programme on response to Climate Change (GAPCC), managed by GIZ	Public – bilateral German government and ASEAN Secretariat	<ul style="list-style-type: none"> Based on agreed programmes and activities to be carried out in defined time frames by ARKN-FCC (endorsed by ASOF meeting) 	<ul style="list-style-type: none"> Review by ASOF meetings, Review by Ad Hoc SC as part of all GAPCC Review by German-GIZ Review Team 	For REDD+ and other FCC issues (focus on policy development, capacity building, knowledge and experience sharing, and networking)
	Technical Assistance, ASEAN-Republic of Korea Forest Cooperation (AFoCo), managed by a Secretariat under agreement	Public – bilateral agreement between Republic of Korea and all AMS	<ul style="list-style-type: none"> Based on agreed regional/sub-regional programmes and activities to be carried out in defined time frames 	<ul style="list-style-type: none"> Review and monitoring by AMS and ROK including a task force engaged through the agreement 	For forest-related activities (including rehabilitation of degraded lands, reduction of deforestation and forest degradation, capacity building, research)

Views on How to Advance Discussions at SBSTA-40

- Approaches used in financing REDD+ and forest-related activities under the Convention so far are basically non-market based,
- The COP-19 decision has provided sufficient methodological guidance which countries can begin to apply to non-market based approaches in REDD+ implementation and draw lessons from the experiences,
- Discussion on issues relating to non-market based approaches to enhance mitigation actions are ongoing under the SBSTA agenda on market and non-market mechanisms under the Convention,
- Joint mitigation and adaptation (JMA) approaches for integral and sustainable management of forests as referred to decision 2/CP.17, can be understood conceptually but is methodologically and operationally complex, and so, there is a need for clarity on the applicability of JMA at the international setting.

Views on How to Advance Discussions at SBSTA-40 (Continued)

- In-session expert meeting and SBSTA-40 discussions should focus on clarifying issues related to JMA as non-market based approaches (NMBA), including clarity on the applicability of JMA at the international setting, in terms of methodological aspects and operationalization of the concept;
- The timing for developing methodological guidance for non-market based approaches should be considered, taking into account the status of discussion on NMBA under different agenda of SBSTA-40.

Thank you!

