

# 1<sup>ST</sup> WORKSHOP ON RESULTS-BASED FINANCE: BRIEFING BY THE CO-CHAIRS

**2<sup>nd</sup> Workshop on Results-Based Finance for the Full Implementation of the  
Activities Referred to in Decision 1/CP.16, Paragraph 70**

21-22 August 2013

Bonn, Germany



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## Mandate from the COP Work Programme

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By its decision 1/CP.18, the COP established that the aim of the REDD-plus work programme is to contribute to the on-going efforts to scale up and improve the effectiveness of finance for the full implementation of REDD-plus, taking into account decision 2/CP.17, paragraphs 66 and 67 (these paragraphs relate to the consideration of market-based and non-market based approaches respectively).

- The work programme will address options to achieve its objective, including:
  - Ways and means to transfer payments for results-based actions;
  - Ways to incentivize non-carbon benefits;
  - Ways to improve the coordination of results-based finance.

The COP requested the co-chairs of the work programme to conduct two workshops before COP19.

[1/CP.18 \(para. 25-40\)](#)



## 1<sup>st</sup> Workshop on Results-Based Finance (10 June 2013)

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A half day workshop was held in conjunction with the 38th sessions of the Subsidiary Bodies in Bonn. The focus of the first workshop was on issues relating to ways and means to transfer payments for results-based actions.

Parties had the opportunity to discuss issues and explore options for transparent transfer of payments for results-based actions and for improving the effectiveness of finance for REDD-plus activities. Participants discussed in detail these issues based on a set of questions proposed by the co-chairs. The questions explored several themes:

- The unique features and common elements that define results-based finance for REDD-plus;
- The challenges and barriers faced by developing countries in their access to or receipt of results-based payments;
- Ways in which bilateral and multilateral initiatives can address these barriers;
- The requirements for scaling up and ensuring predictable financing;
- Examples of best practices that promote effective transfer of payments.

[Workshop Website](#)



## Key Outcomes of the 1<sup>st</sup> Workshop on Results-Based Finance (10 June)

Five Parties (Australia, Costa Rica, Germany/EU, Ghana and Indonesia) presented their views on a panel touching on a range of issues and key themes emerged from the discussions:

(a) Uniqueness of REDD-plus finance

- Examples of unique features: land tenure rights, drivers, risk of reversal, ex-post payments.

(b) Requirements for scaling up and ensuring predictable financing for results-based actions of REDD-plus

- Financing must be new, additional, predictable, sustainable and equitable access/distribution of finance;
- Public financing should remain as main source of financing but such financing may be limited;
- Flexible basket of financing options - public, private, market and non-market;
- There should be transfer of payments for all five REDD-plus activities.



## Key Outcomes of the 1<sup>st</sup> Workshop on Results-Based Finance (10 June)

### (c) Barriers faced by developing countries to access finance

- Uncoordinated support;
- Inadequate financing and access to financing is burdensome;
- Technical barriers (e.g. capacity to implement methodological guidance) and non-technical barriers (e.g. regulatory and addressing drivers).

### (d) Recommendations to address barriers

- Good governance and credible system to track financial support;
- Simplified central architecture at international level that avoids duplications;
- Strengthening capacities of all stakeholders and institutions at national level and addressing transboundary issues to strengthen regional cooperation.



## Key Outcomes of the 1<sup>st</sup> Workshop on Results-Based Finance (10 June)

### (e) Best practices available

- National actions should be supported by strong policy and legal frameworks and should also consider a more holistic approach to the sustainable management of forests, including both mitigation and adaptation aspects.

(f) Links to other relevant issues that should be taken into account were also made, including links to the GCF, Standing Committee, Various Approaches, new market mechanism and non-market-based approaches.

### (g) Additional issues raised

- Several practical questions, such as what happens after results are MRV-ed? Besides the GCF, who else could pay for REDD-plus results? Are payments direct transfers? Who owns the "product" after payment?
- Parties recalled proposals on developing modalities for sub-national level implementation to help build capacities.



## 2<sup>nd</sup> workshop on results-based finance, Bonn, Germany (21-22 Aug 2013)

- Ways and means to transfer payments and ways to improve the coordination of results-based finance
- Ways to incentivize non-carbon benefits
- Key elements for consideration in the design of an architecture for results-based financing for the full implementation of actions relating to REDD-plus

[Workshop Website](#)



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# THANK YOU

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