

CAN Intervention for COP Work Program Workshop
August 21, 2013
Bonn, Germany

Thank you chairs. I'm speaking on behalf of the Climate Action Network.

We welcome the opportunity to be present in this inter-sessional workshop and we would like to share our views on how to approach the issue of result-based finance for REDD+; and in particular, on the ways and means to transfer results-based payments.

CAN believes that Parties are moving in the right direction in identifying the checks that need to be in place for enabling access to results-based payments for REDD+. The next step is to put into words the framework for accessing these payments and the way in which this framework overlaps with the requirements for REDD+ already agreed upon and mentioned by all countries in this morning presentations; this includes the relation with Reference Levels, as well as with the presentation of the report on how safeguards are fully addressed and respected.

Then, there should be a clear description of how financing is unlocked as REDD+ countries move into the implementation process, demonstrating the technical elements of their actions along the continuum.

Today we have seen that efforts have been made to visually connect all the REDD+ elements that have either already been decided, or that are close to being finalized in Warsaw. These charts and discussions will help Parties to advance in their work towards achieving a decision on results-based finance architecture for the next COP.

However, it should be noted that this effort of creating the architecture for results-based finance should follow a set of principles that includes: simplicity, consistency, environmental integrity, transparency, equity, and predictability among others.

We appreciate the efforts made to link the discussions on results-based finance for REDD+ and the discussions taking place under the long-term finance Work Program and the Executive Board of the Green Climate Fund.

As we mentioned in our last intervention here in Bonn a couple of months ago, we believe that Parties need to start establishing more explicitly the links to other discussions under the UNFCCC. However, the different levels of advancement in other issues under the UNFCCC should not prevent discussions on REDD+ finance here to move forward.

CAN believes that Parties should send clear messages and share information that feed into the Green Climate Fund discussions so as to avoid duplicating efforts or falling into inconsistencies with decisions that have already been made for REDD+. We

believe that this consistency and clarity among discussions is of utmost importance in order to finally unlock the necessary level of funding and given the crucial role that the GCF will play in the future of REDD+.

Now, I want to react to some of the specific discussions from today session as WWF since we didn't have time to discuss the following issues as a group.

1. Per Cancun decision, REDD+ finance should pay for results-based actions – effectively ERs produced against a RL while meeting/promoting social and environmental safeguards. This is what makes REDD+ different, and we should continue emphasize matching finance with environmentally and socially sound and robustly quantified contributions to a climate solution (in reduced D&D)
2. It's time for developed countries to provide more assurance that money will in fact flow when REDD+ countries accomplish the Emissions Reductions. We need to have clear signals that they are willing to pay for these results at a much greater scale, reaffirming that we cannot achieve a climate solution without addressing drivers of deforestation and degradation.
3. On issues related to the GCF:
 - a. We should not rush to put everything in **one pot**. It has taken serious time to set up **existing REDD funds** and we should BUILD on this momentum and not stall it by prematurely sunsetting them and starting from scratch. But, the UNFCCC should send every signal/incentive possible to promote **harmonization and minimize bureaucracy and transaction costs** for REDD+ countries.
 - b. The GCF should **learn from rapidly growing experience** of already-operational funds, including those created for REDD+, as mentioned by Canada and others.
 - c. GCF should have a **dedicated space for REDD+**, weather it is a window or a sub-window, but a special designated channel.
4. While payments should be for results, and this is the mandate of this discussions, we should acknowledge that:
 - a. Countries need to continue to progress on readiness, so additional readiness funding is necessary, and
 - b. Limited advance payment for quantified, anticipated results should be considered to help put activities in place to achieve them! (e.g., Carbon Fund frees up \$600K US for ERPD preparation and may pay

up front for limited percentage of total ERs before first reporting and payment)

5. Regarding the links to **good governance**

- a. We should take into consideration that REDD+ Countries will or are preparing National Strategies or Action Plans, and there we would expect to find not only institutional and governance arrangements but also information on stakeholder engagement and participation, so we should think how this connect to unlocking RBF.
- b. Also, we would like to bring to the attention the efforts made by the FCPF related to the **R-package** which is a participative self-assessment that was just released a few weeks ago and that could be a good model for the assessment of readiness. This may help to identify elements of readiness that can be further advanced **in synch with activities to produce ERs.**

Again, thanks for the opportunity to express these thoughts on ensuring that results-based finance integrate the agreed-upon REDD+ requirements.