

Accra Caucus intervention – REDD+ results based finance workshop
Bonn, 22nd August 2013

Dear co-chairs and Parties, thank you for this opportunity to speak. I am Samuel Nnah Ndobe representing the Accra Caucus on Forests and Climate Change. I would like to comment on the interaction between safeguards, non-carbon benefits, and finance.

The Cancun and Durban decisions are clear that countries must address the Cancun safeguards in order to access results based finance. Reporting on the safeguards provides a crucial threshold, yet the social, environmental and governance aspects included in the safeguards will require ongoing attention, to ensure effective and permanent emission reductions.

In this workshop we are discussing results based finance, yet as many countries have pointed out, there has been little progress on the ‘readiness phases’ of REDD. Defining results so narrowly as carbon, may make it difficult to ensure that ongoing support is available. It will also incentivize countries to invest in technical MRV systems, rather than to implement policies that result in emissions reductions.

Experience from the ground shows that recognition of customary rights and security of land tenure is the best way to protect forests from the wide range of drivers to deforestation and forest degradation. Lack of secure tenure poses the greatest challenge to implementing REDD+, but incentivizing such actions does not mean quantifying them. Results based finance can address the drivers of deforestation by rewarding increased tenure, use and access rights of forest dependent communities, based on changes in national laws and policies. This is just one example of simple indicators for monitoring non-carbon benefits as part of results based payments.

Finally, I would like to comment on sources of finance – we have heard that REDD costs are not covered with a carbon price of \$5 a tonne. With oversupply in the European emissions trading system, carbon markets have collapsed with CDM credits currently trading for 60c a tonne. Carbon markets are neither a reliable source of finance, nor capable of reducing emissions when credits sold as offsets allow emissions to continue. **Appropriate** market based mechanisms cannot include trading carbon as offsets.

Results based finance must take account of these key challenges, to ensure environmental and social aspects are incentivized, drivers which threaten tenure security are addressed, and the risks of failure to reduce emissions are minimized.

Thank you for your attention