Dialogue on REDD financing mechanisms

Environmental NGO Group
Scope

• What is our objective i.e. reducing deforestation by 50% by 2020.
• REDD+ definition: Items under the Bali Action Plan need further clarification.
Generation of Resources

• Definitions are unclear: there are various types of market.
  – Additionalility / Fungibility
• Lessons learned for national activities
  – JI and International Emissions Trading
• How do national PAMs tie in with project-based activities.
• Markets not necessarily the end point.
Phased Approach

- Funding may not flow sequentially
- Lack of clarity about what comes under each phase
- Issues surrounding the transition between phases
- Countries vary in their national circumstances and may not move at same speeds.
## Phased Approach

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<th>1. Readiness</th>
<th>Grants (Voluntary funds)</th>
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<td>3. Performance (ERs)</td>
<td>Markets / Other</td>
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Institutional Arrangement

• No discussions
Delivery Mechanisms

• Performance-based payments will be required.
Revenue Disbursement

• Are we looking for broad participation or targeted emissions reductions (we can solve 2/3 of deforestation in two countries)

• Distribution mechanisms and social equity issues need to be established in phases 1 and 2 (Readiness and PAM)
Sharing of Benefits

• No discussions
Effective Participation

• No discussions□□
Perverse Incentives

• In a phased approach countries might not announce accurate emissions reductions in Phase 2 if they cannot bank into Phase 3