

TFD REDD Financial Mechanisms Dialogue

Concept Paper

Overview

For REDD to be successful, a robust and dynamic financing scheme needs to be designed, negotiated and implemented. There are many financial schemes suggested for REDD so far including market mechanisms and fund-based systems. But there is a lack of understanding of and communications about those mechanisms among key stakeholders, which has created a big obstacle for REDD to move forward for the post-2012 regime.

Given its strength in engaging stakeholders in constructive dialogues on forest issues and its international outreach, The Forests Dialogue (TFD) has been approached by UNFCCC's AWG-LCA to develop a clear understanding of current financial mechanisms for forest carbon and to forge synergy among forest sector, financial sector and indigenous people on the most favorable options. To achieve this, TFD will organize three two-day dialogues on REDD mechanisms, which will be convened during UNFF 8, AWG-LCA 6 and AWG-LCA 7 respectively.

The First REDD Dialogue:

- **Dates:** April 25th and April 26th (During UNFF 8)
- **Location:** New York City
- **Participants:** 30-40 key actors from forest sector, financial sector and indigenous group
- **Aim:**
 - Engage all major stakeholder groups in a constructive dialogue on REDD financial mechanisms
 - Through the dialogue, identify and crystallize the true fracture lines in REDD financial schemes
- **Process:**
 - Prior to the dialogue, an analytical paper will be produced by leading REDD consultant commissioned by TFD to advice on the agenda of the dialogue. The paper will review current REDD financial mechanisms, fracture lines between stakeholders over the options, as well as obstacles, especially political ones, in implementing those mechanisms.
 - Before the dialogue, the paper will be distributed to all participants
 - Through a facilitated plenary and working group based process, facilitators will clarify inputs and lead participants to develop rough consensus on the challenges inherent in implementing various schemes presented.
 - Based on feedback, the paper will be revised and redistributed to participants for comment.

Beyond the First REDD Dialogue:

The challenges outlined in the first dialogue will be addressed in the second dialogue in Bonn, Germany. Based on the stakeholders' inputs in the first two dialogues, a third dialogue will be convened in Bangkok, Thailand to develop a set of conclusions and recommendations which will be reflected in a final document to be presented to AWG-LCA leaders and beyond.