

TFD's consensus on frameworks for the financing and implementation of REDD-plus

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“Investing in REDD-plus”

28 -29 October 2009

Brazil REDD READINESS
Dialogue

Belém, Pará, Brazil



Process 2009

- Build on *Beyond REDD* consensus document
- Multi-stakeholder process focusing on REDD plus finance and implementation
- To provide specific recommendations for Negotiators, the Informal Working Group on Interim Financing of REDD and REDD Readiness dialogues
- Policy dialogues – Montreux, Gland, London
- 100 forest sector leaders involved





The Forests Dialogue

- THE FORESTS DIALOGUE COMMITTEE 2009
- George Auld**
Laird Togo Forest Trust - New Zealand
 - Marcus Colchester**
Forest Peoples Programme
 - Walter de Jong**
International Alliance of Indigenous and Tribal Peoples of the Tropical Forests
 - Colin de Zeeuw**
The World Bank
 - John C. Ewel**
Monsi
 - James G. H. Wright**, **TFD Co-Chair**
World Business Council for Sustainable Development
 - Jack Must**
The Nature Conservancy
 - John R. Saxe**
Australian National University
 - Walli Swales**
Stora Enso
 - Michael Swaine**
Ecobusiness Conservation Center - Forests
 - Lars Lundqvist**
World Resources Institute
 - Stewart Maguire**, **TFD Co-Chair**
World Conservation Union (IUCN)
 - John Mayne**
International Institute for Environment and Development (IIED)
 - Colin Munn**
Global Forest Partners
 - Colin Phillips**
Neyerhaver Company
 - Bill Rotherham**
Building and Woodwork International
 - Carlos Rojas**
Araucaria Celulosa
 - Andi Sugi**
Confederation of European Private Forest Owners
 - Li Zhaohua**
American Forest Foundation
 - Walter de Zeeuw**
Angus de Tere - Australia唐德林
 - Kim Swaine**
Kimberly-Clark
 - Andi Sugi**
WWF International
 - John Must**
Conservation International
 - Christopher M. Wills**
International Tropical Timber Organization
 - Ray Swilling**
Executive Director
The Forests Dialogue

Investing in REDD-plus

Executive summary of The Forests Dialogue consensus—September 2009

Between April and September 2009 The Forests Dialogue* held four international dialogues that engaged nearly 100 leaders from forest stakeholder groups across the business, environmental, scientific, indigenous Peoples’ and forest-based communities.

These dialogues produced a consensus on financing for REDD-plus, including 26 recommendations which, if taken up, will ensure the integrity of REDD-plus as a mechanism for combating climate change through reducing emissions from deforestation and forest degradation and the conservation and sustainable management of forests. The 26 recommendations are presented in full in a separate document. The key points of the consensus are summarized here.

UNDERPINNING PRINCIPLES

- REDD-plus finance mechanisms should be sufficiently robust to deal with in-country and international leakage, use credible baselines, must achieve verifiable additionality, and result in value for money.
- REDD-plus should lead to real reductions in CO₂, enhance forest ecosystem functions and the supply of critical ecosystem services, protect and respect the rights of Indigenous Peoples and local communities, and ensure equitable benefit sharing.
- In addition to reducing emissions from deforestation and forest degradation REDD-plus finance mechanisms should also create incentives for additional actions in forest conservation, sustainable forest management, and the enhancement of carbon stocks.
- REDD-plus processes should allow the broad participation of all stakeholders, on equitable terms, at the national and international levels.

PHASED APPROACH

- A phased approach will allow REDD-plus to address the drivers of deforestation according to country-specific circumstances.
- In phase one, REDD-plus strategies will be developed at the national level.
- In phase two, enabling policies and measures will be put in place to allow the implementation of REDD-plus and encourage scaled-up investments.
- In phase three, market and fund-based mechanisms will deliver performance-based payments for emission reductions and carbon stock enhancements that are subject to third-party verification.

FINANCIAL ARCHITECTURE

- The finance portfolio for REDD-plus should make optimal and coordinated use of both markets and funds, as well as other sources of finance.

Investing in REDD-plus

Launched October 1st, 2009 during UNFCCC Climate Change talks in Bangkok:

Twenty-six recommendations and an executive summary & matrix

“This submission represents the consensus of a range of forest leaders across the business, environmental, scientific, Indigenous Peoples and forest – based communities on financing for REDD-plus.”

“TFD’s findings have bearing on both an eventual REDD finance mechanism within the UNFCCC and any interim finance arrangements that might complement such a mechanism.”



TFD Investing in REDD plus – Consensus on frameworks for financing and implementation

UNFCCC Bangkok Climate Change Talks 1 Oct 2009



- Incentivize a full range of SFM actions linked to additional reductions in GHG emissions
- Phased approach – capacity building leading to verifiable performance payments
- Social, environmental and financial safeguards
- Mix public and private funds to be utilized

Underpinning Principles



- Robust enough to deal with leakage, use credible baselines, verify additionality and be economically efficient
- Lead to real CO2 reductions, enhance forest ecosystems, respect rights of Indigenous Peoples and local communities and ensure equitable benefit sharing
- REDD plus... in addition to avoided deforestation, create incentives for forest conservation, sustainable forest management and enhancement of carbon stocks
- REDD plus should allow the broad participation of all stakeholders on an equitable terms at national and local levels

Phased Approach

- Phased Approach with strong performance-based safeguards
- Triggers guiding the transition from one phase to the next
- Matrix mapping key outcomes, safeguards, finance mechanisms and triggers



Financial Architecture

- Financial Stability through public and private funding and country commitments
- A portfolio of finance mechanisms
- Additionality of funds: additional to regular Overseas Development Aid (ODA) funding



MRV and Financial Assurance



- Importance of robust Monitoring, Reporting & Verification (MRV)
- Performance-based delivery and safeguards (including benefit sharing)
- Social, environmental and financial audit to complement carbon monitoring (either part of or separate from MRV)
- Free prior and informed consent as a rights issue and as a procedure

Institutional Arrangements

- Build governance through adaptive management, piloting and learning
- REDD-plus oversight body with mandate from & under auspices of COP
- Standards for accounting and tax codes
- Formal grievance structures
- Strong partnerships & active participation through multi-stakeholder platform



Matrix map

Three phases

1. Preparation & readiness
2. Policies & measures
3. Performance payments

Based on

- Outcomes
- Safeguards – environmental, social & financial
- Finance Mechanisms
- Triggers – eligibility criteria



	PHASE 1 Preparation and readiness	PHASE 2 Policies and measures	PHASE 3 Performance-based payments
Outcomes	<ul style="list-style-type: none"> - REDD-plus strategy - Issue identification - Preparation of protocols - Capacity building assessment - Institutional development - Demonstration activities - Co-relate national and regional development policies, including landscape land-use plans and forest plans 	<ul style="list-style-type: none"> - Capacity building - Development of national REDD-plus portfolios - Benefit sharing and equitable distribution - Pilot projects - Inclusion of small-scale projects - Carbon registry 	<ul style="list-style-type: none"> - CO₂ reduction - Verification - Social and environmental impact assessment
Safeguards	<ul style="list-style-type: none"> - Transparency - Participation and representation 	<ul style="list-style-type: none"> - Stakeholder platforms - Social and environmental audits - Governance and legality audits - Free prior and informed consent of Indigenous Peoples - MRV system - Transparency 	<ul style="list-style-type: none"> - MRV system - Free prior and informed consent of Indigenous Peoples - Social and environmental audit - Financial audit - Financial accounting guidance from the Financial Accounting Standards Board and the International Accounting Standards Board
Finance mechanisms	<ul style="list-style-type: none"> - Multilateral and bilateral grants - Proposed windows within the UNFCCC - Private funding - Public-sector funding 	<ul style="list-style-type: none"> - A portfolio of finance tools - Underwriting financial, livelihood and political risks - Rules for performance-based payments - Implementation of equitable distribution mechanisms 	<ul style="list-style-type: none"> - Compliance market - Non-market compliance fund - Underwriting risk - Equitable distribution mechanisms
Triggers/eligibility criteria	<ul style="list-style-type: none"> - Multi-stakeholder endorsement - Plan for overcoming governance and policy gaps 	<ul style="list-style-type: none"> - Adequate legal rights and tenure systems - Endorsement of benefit distributions - National capacity to implement and audit - Carbon registry - Free prior and informed consent of Indigenous Peoples - MRV system - Proxy indicators 	<ul style="list-style-type: none"> - Forest carbon-pool buffer and forest carbon project insurance

REDD Readiness Dialogues

Main Objectives:

- Raise awareness and promote exploration of REDD readiness challenges among a wide spectrum of local stakeholders
- Provide well-targeted recommendations to overcome challenges experienced in the REDD readiness phase at the local, national and international levels



REDD Readiness Dialogues

Sub-Objectives:

- Catalyze stakeholder engagement processes and create & support on-going local mechanisms
- Educate locally-rooted well-connected REDD protagonists
- Establish a feedback loop between international and local REDD related processes



Current Action Plan

- 7 August- REDD Readiness Field Planning Meeting (Switzerland)
- September input to final report of Informal Working Group on Interim Financing of REDD
- 26-29 October- REDD Readiness Field Dialogue (Brazil)
- 16-19 November – REDD Readiness Field Dialogue (Ghana)
- UNFCCC COP 15 Copenhagen – promotion & networking
- 12-15 January, 2010-REDD Readiness Field Dialogue- (Guatemala)

Expected Outcomes

- REDD Readiness Dialogue Country Reports
- REDD Readiness Country Recommendations to be shared with local government and international initiatives
- TFD review on REDD Readiness Field Dialogues

Post Copenhagen COP 15

It depends on what:

•Negotiators & Governments decide

•The Informal Working Group on Interim Financing for REDD does next

• Actions take World Bank's Forest Investment Program & Forest Carbon Partnership Facility



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THE FORESTS DIALOGUE COMMITTEE 2009

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New Zealand

Wawan Colchester
Forest Peoples Programme

Walter deGruy
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Michael Swaine
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Lars Lundholm
World Resources Institute

Stefan Wiegand, the co-ordinator
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John Wright
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Colin Munn
Global Forest Partners

David Phillips
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Paul Taylor
WWF International

John Ward
Conservation International

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The Forests Dialogue



TFD Documents and Publications

Available electronically in English,
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