The UN-REDD Programme

Tiina Vähänen, UN-REDD Programme Secretariat

UNFF AHEG on Forest Financing
Nairobi, 14 September 2010

Three multi-lateral initiatives

Forest Carbon Partnership Facility (FCPF)
— hosted by World Bank

Forest Investment Program (FIP)
— hosted by World Bank

UN-REDD Programme
— collaborative programme of FAO, UNEP and UNDP
REDD+
State of Play

- Deforestation, forest degradation and other changes in forests contribute 17% of all GHG emissions
- Deforestation rate is slowing down but still alarming
- REDD+ efforts are increasing while at early stage
- REDD+ will need to promote equitable development (e.g. local livelihoods and jobs)
- US$4 billion pledged for early action 2010-2012
- REDD+ Partnership established
- UNFCCC negotiations continue
**Two Mechanisms**

**Readiness Mechanism**

**READINESS FUND**

*Capacity Building*

(2008-2012?)

Target ~$185 million
Available $115 million

**Carbon Finance Mechanism**

**CARBON FUND**

*Emission Reductions*

(2011-2015?)

Target ~$200 million
Pledged $55 million

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**Readiness Fund**

<table>
<thead>
<tr>
<th>Participant</th>
<th>Cash Received</th>
<th>Outstanding Balance</th>
<th>Committed</th>
<th>Pledges</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>17.6</td>
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<tr>
<td>UK*</td>
<td></td>
<td></td>
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<td>5.2</td>
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<tr>
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<tr>
<td><strong>Committed Funding</strong></td>
<td>94.2</td>
<td>29.3</td>
<td>123.5</td>
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<td>24.5</td>
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<td>24.5</td>
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<tr>
<td>Japan</td>
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<td>4.0</td>
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<td>4.0</td>
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<tr>
<td><strong>Committed Funding plus Pledges</strong></td>
<td>94.2</td>
<td>29.3</td>
<td>128.5</td>
<td>28.5</td>
<td>157.0</td>
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</table>

* Available through the Strategic Climate Fund

**Pledge of €20m awaiting final government approval**
# Carbon Fund

## Carbon Fund Expected Contributions as at Sept 2010 ($m)

<table>
<thead>
<tr>
<th>Participant</th>
<th>Cash Received</th>
<th>Outstanding Balance</th>
<th>Committed</th>
<th>Pledges</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Commission(^1)</td>
<td>6.3</td>
<td>0.3</td>
<td>6.6</td>
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<td>6.6</td>
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<tr>
<td>Germany(^2)</td>
<td>4.0</td>
<td>9.4</td>
<td>13.4</td>
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<tr>
<td>Norway</td>
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<td></td>
<td>10.0</td>
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<td>10.0</td>
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<tr>
<td>The Nature Conservancy(^3)</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td></td>
<td>5.0</td>
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</tbody>
</table>

**Committed Funding**

|                      | 20.3 | 14.7 | 35.0 |        | 35.0   |

**Committed Funding plus Pledges**

|                      | 20.3 | 14.7 | 35.0 | 40.7   | 75.7   |

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1. European Commission €5m
2. Germany €10m (signed PA)
3. TNC US$5m (Promissory note available for drawdown on request)
4. United Kingdom £11.5m (available through the Strategic Climate Fund)
5. Germany €10m (subject to Parliamentary approval)

Average exchange rates used

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# 37 REDD Country Participants Selected

![Map of 37 REDD Country Participants Selected](image)
FCPF REDD Country Participants

South America
- Argentina
- Bolivia
- Chile *
- Colombia
- Guyana
- Paraguay
- Peru
- Suriname

Meso-America
- Costa Rica
- El Salvador
- Guatemala
- Honduras
- Mexico
- Nicaragua
- Panama

Africa
- Cameroon
- Central African Republic
- Dem. Republic of Congo
- Equatorial Guinea *
- Ethiopia
- Gabon
- Ghana
- Kenya
- Liberia
- Madagascar
- Mozambique
- Republic of Congo
- Tanzania
- Uganda

Asia & Pacific
- Cambodia
- Indonesia
- Lao PDR
- Nepal
- Papua New Guinea
- Thailand
- Vanuatu
- Vietnam

*Countries that have not signed the Participation Agreement, as of June 30, 2010

FCPF Governance

- **Participants Assembly (PA)**
  - All Eligible REDD Countries, Donors and Carbon Fund Participants
  - Forum for exchange of information
  - Meets at least annually
  - Opportunity for ‘subgroups’ to meet and discuss experiences, elect their representatives
  - Overturns PC decisions on some issues

- **Participants Committee (PC)**
  - An elected subset of the PA with equal numbers of Donors and REDD Countries
  - Elected representatives of Participants + Observers
  - Primary decision making body, including all policy issues

- **Facility Management Team (FMT)**
  - FMT acts as secretariat to facilitate the partnership
  - Delivery partner

- **Carbon Fund (World Bank)**
  - Decision making on specific carbon transactions

- **Technical Advisory Panels (TAP)**
  - Provide external technical advice and assessments

- **Readiness Fund (World Bank as Trustee)**
  - Provide external technical advice and assessments

- **Carbon Fund Participants Committee**
  - Decision making on specific carbon transactions

- **Delivery partner (World Bank)**
  - WB Operational Units provide technical support and conduct due diligence on WB policies and procedures
## Preparing for Readiness: Country Status (1)

- 18 national Readiness-Preparation Proposals (R-PP) prepared or under way
- R-PPs reviewed by TAP, assessed by Participants Committee (PC)
- $3.6 million grant allocations authorized by PC
- Due diligence ongoing by WB on technical content, safeguards, procurement, financial management

## FCPF: Current Arrangements

- **World Bank fulfills several roles:**
  1. Trustee
  2. Secretariat through Facility Management Team
  3. ‘Readiness delivery partner’ through WB Regional operations
The main purpose of the FIP is to support developing countries’ REDD-efforts, providing up-front bridge financing for readiness reforms and public and private investments identified through national REDD+ readiness strategy building efforts.

The FIP will finance efforts to address the underlying causes of deforestation and forest degradation.
Country Members
- 6 developing countries: Brazil, DR Congo, Indonesia, Morocco, Nepal, Romania
- 6 contributor countries: Australia, Denmark, Japan, Norway, UK, US,

Observers
- 2 indigenous peoples, 2 non-profit CSO, 2 private sector

Others
- FCPF Secretariat, UN-REDD Secretariat, GEF Secretariat, UNFCCC Secretariat, MDB Committee, Trustee and pilot countries under the FIP

<table>
<thead>
<tr>
<th>Donor</th>
<th>Contribution Type</th>
<th>Pledge (US$ million)</th>
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<tbody>
<tr>
<td>Australia</td>
<td>Grant</td>
<td>9</td>
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<tr>
<td>Denmark</td>
<td>Grant</td>
<td>10</td>
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<tr>
<td>Norway</td>
<td>Grant</td>
<td>144</td>
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<tr>
<td>UK</td>
<td>Capital</td>
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<td>USA</td>
<td>Grant</td>
<td>168</td>
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<td>Japan</td>
<td>Grant</td>
<td>60</td>
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<td>TOTAL</td>
<td></td>
<td>542</td>
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</table>

As of March 31, 2010
DRAFT FIP Financing
Modalities for Public and Private Sector

Grants:
- Preparation of Investment Strategy, programs and projects
- Capacity development, policy-related work (blending)
- Risk mitigation, softening loan terms
- Dedicated Grant Mechanisms for Indigenous Peoples and Local Communities

Concessional Loans
- for investments with expected investment returns

Guarantees
- for risk mitigation

Opportunities for REDD+ Collaboration

FIP main focus on phase 2 of REDD+: Investments but links to phase 1 (readiness) and phase 3 (performance-based payments)

FIP pilot countries (Brazil, Burkina Faso, Ghana, DRC, Indonesia, Lao PDR, Mexico, Peru)
- already involved in readiness activities supported by FCPF and UN-REDD
The UN-REDD Programme

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UN-REDD Programme

• Supports countries on their REDD+ efforts
  – National REDD+ Strategies
• Established in 2008 by FAO, UNDP & UNEP
  – Response to UNFCCC Bali Action Plan
• Offers UN Joint Programme: Delivering as One UN
• Works together with FCPF, FIP and other SFM/REDD+
  initiatives and programmes
UN-REDD Programme Profile

• National and international level action
• Fast-track implementation
• Capacity building focus
• Stakeholder involvement
• Development perspective

UN-REDD Programme Funding & Governance

• Current funding: US$105 million
• Donor countries
  – Norway
  – Denmark
  – Spain
• Governed by Policy Board
  – Meets 2-3 times a year
• Secretariat in Geneva
<table>
<thead>
<tr>
<th>Country</th>
<th>Approved Budgets (million US$)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>4.7</td>
<td>allocated</td>
</tr>
<tr>
<td>DRC</td>
<td>1.9 + 5.5</td>
<td>implementing</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.6</td>
<td>implementing</td>
</tr>
<tr>
<td>Panama</td>
<td>5.3</td>
<td>allocated</td>
</tr>
<tr>
<td>PNG</td>
<td>6.4</td>
<td>earmarked</td>
</tr>
<tr>
<td>Tanzania</td>
<td>4.3</td>
<td>implementing</td>
</tr>
<tr>
<td>Vietnam</td>
<td>4.4</td>
<td>implementing</td>
</tr>
<tr>
<td>Zambia</td>
<td>4.5</td>
<td>allocated</td>
</tr>
<tr>
<td>Global</td>
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<td>Implementing</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>64.7</strong></td>
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</tr>
</tbody>
</table>
UN-REDD Work Areas

- MRV and Monitoring
- Stakeholder Engagement
- Multiple Benefits
- Knowledge Sharing
- Governance
- Support to Sectoral Change

UN-REDD: Looking ahead

- **Scaling up**: growing programme to meet growing demand - new member countries, new donors
- Joint delivery with World Bank hosted initiatives
- Continue to provide REDD+ readiness support and beyond i.e. will also support implementation
- Provide **targeted support** on demand
- Provide secretariat services to the REDD+ Partnership
- Partnerships with other SFM/REDD+ initiatives
Concerted action

Coordination with other initiatives and funding (GEF, UNFF, etc.)

Synergies with other development objectives

UN-REDD

FCPF

UN-REDD

FIP

Large scale, transformational investment programs

Results based payments - Carbon fund

Readiness, Quick start

Capacity building, Institution strengthening & Local action

Joint action among FCPF, UN-REDD and FIP

- Common delivery channel at the national level / delivery partners
- Joint planning and missions
- Joint meeting of Governing Bodies on 6 Nov. 2010
- Joint support to REDD+ Partnership

=> To support country efforts on REDD+