

Fourth Voluntary Meeting on the Coordination of Support for the Implementation of Activities referred to in Decision 1/CP.16, Paragraph 70 (REDD+)

13 May 2017, 1500–18:00h
Altes Hochhaus, Upper Conference Room, UN Campus
Bonn, Germany

Co-Facilitators' Summary of Key Messages

I. Introduction

In accordance with decision 10/CP.19, paragraph 4, the Conference of the Parties (COP) encouraged national entities or focal points, Parties and relevant entities financing REDD+ activities to meet on a voluntary basis to address the needs and functions related to the coordination of support for the implementation of the activities and elements related to REDD+.

The fourth voluntary meeting was held on 13 May 2017, in conjunction with the forty-sixth session of the subsidiary bodies of the UNFCCC, and was co-facilitated by Mr Ayman Cherkaoui, COP22/CMP12 Presidency (Morocco) and Mr Samuela Vakaloloma Lagataki, incoming COP23/CMP13 Presidency (Fiji).

Parties, their REDD+ focal points and other relevant stakeholders, including civil society, entities financing and/or implementing REDD+, intergovernmental organizations and UN agencies participated at this meeting. It was attended by approximately 120 participants.

A. Opening of the Meeting

At the opening, the co-facilitators welcomed the participants to the meeting and introduced the agenda.¹ The co-facilitators introduced Fiji's Chief Negotiator for the COP23 Presidency, H.E. Ambassador Ms. Nazhat Shameem Khan, who presented her opening statement. The Ambassador highlighted the importance of the land sector for achieving global mitigation ambition, the solid foundation provided for action by Article 5 of the Paris Agreement and the Warsaw Framework for REDD+ to contribute to achieving this global goal.

She noted that the voluntary meeting was intended to serve as an informal forum for Parties, financing entities and other relevant stakeholders to discuss REDD+ implementation and its challenges through sharing of information and lessons learned, and to consider how such knowledge and experiences could enhance the coordination of support. Meetings such as this voluntary meeting were important as they provide a venue to share experiences and search for areas of opportunity.

Ambassador Khan stressed the need to ensure the momentum for REDD+ implementation continues to grow, in order to protect the world's forests. She wished participants a productive and successful meeting.

¹ All information and presentations at the meeting are available here: <<http://redd.unfccc.int/meetings/voluntary-meetings.html>>

II. Substantive matters discussed at the meeting

A. Updates from entities financing REDD+ activities on current needs and challenges relating to access to and coordination of support

Summary of key issues raised during the first panel:

- The first panel consisting of representatives from financing entities presented the activities that they were undertaking to improve the coordination of support for REDD+ implementing countries. Three financing entities presented: the Green Climate Fund (GCF), the Global Environment Facility (GEF) and the World Bank (WB).
- The main messages included: i) country ownership is vital to the success of REDD+ programs; ii) the harmonisation of modalities between financing entities facilitates access to finance; iii) consultation is critical, particularly with the people and communities whose livelihoods rely on REDD+ project areas; and iv) in addition to coordination between financing or implementing entities, coordination within such large organizations (as well as within recipient countries) is also very important in delivering results for recipient countries. In other words, it is important to enhance coordination at all levels.

1 – The Green Climate Fund, represented by one of its Board members and a representative of the secretariat, presented on its efforts to operationalize REDD+ results-based payments and to develop further guidance for the early phases of REDD+ implementation in the Fund. The representatives outlined key milestones in the process, which included an online call for inputs from all stakeholders, including indigenous representatives and inputs from board members and countries, and a technical experts workshop on results-based payments held on 20-25 April in Bali, Indonesia. The secretariat received 22 submissions from the Board and 23 submissions from other stakeholders. The secretariat representative also highlighted the nomination of two REDD+ champions in December 2016 and provided an overview of the outcomes of the expert consultations in Bali. Participants were informed that the Board requested the secretariat to develop a draft request for proposals (RfP) on results-based payments which should be in accordance with the Warsaw Framework for REDD+ and other relevant REDD+ decisions under the Convention for its consideration at its 17th Board meeting planned for early July 2017. The GCF call for inputs as well as discussions at the technical workshop identified some convergence of views on procedural and technical elements for inclusion in the draft RfP but there were also very divergent opinions on some other elements. The outcomes of the workshop as well as the submissions will be taken into account in the development of the draft RFP and the design of a process to evaluate RFPs.

2 – The representative from the Global Environment Facility presented on the Facility's global implementation of its Sustainable Forest Management (SFM)/REDD+ programme. The GEF, since 1991, has allocated US \$2.7 billion (with US \$13.8 billion co-financing) to 411 forest projects, but this has not included results-based payments. GEF projects have focused on enabling the provision of important environmental services, biodiversity, climate change, land degradation and on the welfare of forest-dependent people. Since the introduction of REDD+, the GEF has made increased funding available and, at the same time, has simplified access for countries, particularly for LDCs and SIDs. Programmes under the GEF 6th replenishment include a non-grant instrument to help private sector actors bring low productivity land back into production. A pilot programme that addresses the role that agricultural commodities play in driving forest loss, has also been developed. The 7th cycle will include

both geographical and thematic funding windows. Focus areas will include drylands and restoration of degraded lands.

3 – A representative of the **World Bank** presented on the Bank’s coordination of REDD+ support, including through the Forest Carbon Partnership Facility (FCPF), the Forest Investment Programme (FIP) and the BioCarbon Fund. Working towards 2020, the Bank is supporting 54 countries on REDD+ readiness and large-scale multisector programmes. The Bank recognises the need for coordination within as well as between other financing entities. The Bank’s recent Forest Action Plan, which is based on a programmatic approach, aims to break down different silos within the Bank by focusing on sustainable forestry as well as “forest smart” interventions in other economic sectors, including agriculture, energy, mining and transport, and avoiding or minimizing adverse impacts on forests and/or maximizing development outcomes based on forest activities. The main idea is to promote multi-sectoral approaches. In terms of resources allocated, since 2008, the FCPF has allocated US \$369 million in REDD+ readiness and US \$727 million in the Carbon Fund. In the FIP, the Bank has allocated US \$399 million and mobilized US \$775 million from other financing institutions and implementation partners. Several examples on working with the private sector, such as working with the World Cocoa Foundation to understand drivers of deforestation in Ghana were presented. The presentation also identified broader challenges and opportunities, including ensuring broader country buy-in (including working with finance and planning ministries), country leadership in identifying potential synergies between different funding streams, and looking at bonds and guarantees as well as traditional funding instruments. The representative emphasized the importance of country buy-in and leadership and identifying existing sources to leverage more funding.

4 – A member of the **Standing Committee on Finance** (SCF) also provided an update on the Committee’s activities related to financing for forests. She recalled the work that has already been done by the Committee, which included the 2015 Forum on financing for forests in which the outcomes of this Forum was captured in the SCF report to the COP. The SCF plans to integrate forest finance into the scope of the biennial assessment 2018.

Key points raised during the discussions

A number of participants sought further elaboration on the process for results-based payments for REDD+ from the GCF. In particular, they wanted to know the amount of resources to be allocated for results-based payments. A few participants also wanted to know whether GCF funding will address the early phases of REDD+. In response, the GCF said that their Board will need to consider all aspects of the procedural and technical elements for results-based payments and relevant proposals for evaluation of these elements before taking a decision on the request for proposals. It was stressed that it is essential to avoid double counting and to adhere to the provisions of the Warsaw Framework for REDD+ without needing to develop new guidance. The GCF informed that, at this time, it cannot confirm the amount of resources that will be actually allocated for REDD+ results-based payments but also reassured participants that GCF funding would address all phases of REDD+.

Several participants also pointed out that the disbursement of funds by financing entities was slow, in particular for those countries participating in the readiness phases of the FCPF. To this issue, the World Bank representative noted that the process was slower than most had expected but highlighted that the verification of planned actions and outputs was not a straightforward process and required time to build and to ensure a solid process is in place. The representative added that the sharing of experiences and

knowledge among recipient countries and the results produced from identified actions were critical for mobilizing existing resources as well as providing a strong basis for further and future investments.

The issue of coordination among financing entities was again raised by participants, with a few noting that the issue of fragmentation of resources available and provided remains. It was noted that better matching with country needs is essential. One participant noted that a database on REDD+ financing could serve as a useful tool for tracking financing allocation and matching needs. All three presenters agreed that coordination among the financing entities was considered a key priority but also noted that in-country coordination is equally important. Recipient countries need to find their own ways to organize and coordinate the funds they receive, according to their own national circumstances. National institutions involved in REDD+ implementation also require strengthening, not only on the technical aspects but also on the social-policy aspects as well as enhancing the involvement of indigenous peoples and civil society. In-country coordination is also needed for the different sources of funding received for the various plans and programmes involving forests and the forest sector such as nationally determined contributions (NDCs), nationally appropriate mitigation actions (NAMAs) and national adaptation plans.

To a question on how the World Bank is coordinating with the International Civil Aviation Organization (ICAO) on matters relating to results-based payments, the representative responded that at this point in time, the two organizations are sharing information but a more formal collaboration between the two has not been decided.

B. Country presentations to share experiences, knowledge and lessons learned from efforts to mobilize and coordinate support for REDD+ implementation

Summary of key issues raised during the second panel:

- The second panel demonstrated the work that developing countries were undertaking to ensure they were ready for results-based payments and that their REDD+ activities could deliver real outcomes, both in terms of mitigation and other benefits.
- Countries identified a number of crucial issues during this session, including: i) the central importance of country ownership in enabling successful REDD+ investment; ii) that REDD+ should go beyond the project-based approach, allowing for national ownership and for countries to be in control of implementation and the structural reforms needed; iii) the role of strong internal governance in preparing for results-based payments; iv) the need that many developing countries still have for capacity-building activities relevant to REDD+ implementation; and v) an understanding that different countries would move at different speeds based on their capacities and capabilities. REDD+ is a process that could be perceived as slow but it is necessary to ensure the robustness and integrity of the process.
- Some countries noted that the International Civil Aviation Organisation also have important views to add to the broader conversation about REDD+ coordination.

1 – The Dominican Republic outlined the legal framework it has established for REDD+, including institutional arrangements and the framework’s development process. A broader context for REDD+ activities was also provided, including insights into forest cover trends and drivers of degradation and deforestation. Drivers included direct causes such as agricultural expansion, forest disturbance (e.g. fires, pests and disease) and infrastructure construction, as well as underlying causes like population

growth, poverty and land tenure issues. Since 1967 and up to 2013, several national policies and strategies have been developed and implemented to counter deforestation and forest degradation. The construction of the Dominican Republic's forest reference level was also outlined, as well as systems for forest monitoring and the country's forest inventory. The representative noted that countries need to move quickly with implementation in order to protect the forests and acknowledged that current actions and financial support may not be sufficient.

2 – The Democratic Republic of Congo (DRC) shared the country's strategic approach for coordination of REDD+ activities. The DRC has 152 million hectares (ha) of forests, but is losing 500,000 ha per year. The DRC's ambition is to stem this loss to 200,000 ha per year by 2022 and achieve zero deforestation by 2030. The main challenges to reach these goals are the complex interaction among drivers; the size of the territory and existing land use patterns. To address these challenges, there is a need to conduct important land use and land tenure reforms, as well as to strengthen law enforcement and institutional arrangements and coordination of financial support. The DRC has formulated a national REDD+ strategy, which was endorsed at ministerial level in 2012, to address these issues. It has also developed an investment plan aimed at addressing the multiple drivers of deforestation using multiple investment instruments. The plan is currently funded by the Central African Forest Initiative (CAFI) (US\$ 200 million) and the World Bank FIP (US\$60 million) and it is negotiating with the FCPF Carbon Fund for additional support. In addition, a national REDD+ fund (FONAREDD) has been set up, governed by a steering committee chaired by the Minister of Finance and administered by the UN Multi-Partner Trust Fund Office. FONAREDD is the mechanism to implement the investment plan, enabling tighter fiduciary controls, ensuring coordination and transparency, catalyzing complementary sources of funding and maintaining national ownership.

3 – Uganda noted that its REDD+ programme was aimed at restoring forest cover back to 1990 levels. Uganda has received funds from the World Bank since 2009 which have been dedicated to the activities defined in its readiness plan. Consultations are ongoing to finalize Uganda's national REDD+ strategy. The country submitted its proposed Forest Reference Level for technical assessment in 2017. It is currently undergoing the technical assessment process. Challenges facing the country include a lack of human and institutional capacity, and managing high levels of expectations, particularly from communities. Lessons learned to date include the need to embrace 'no regrets' measures immediately, to secure long-term finance to ensure the sustainability of forest assets, and to ensure country ownership. The activities are financed through a multi-donor system, including the World Bank and the UN-REDD Programme.

4 – Germany spoke on the partnership between Germany, Norway and the United Kingdom (GNU). The partners of this initiative have finalized a clear statement of intent which has produced confidence in mid-term support as well as showing strong political commitment to REDD+ support and implementation. The three countries are coordinating their approach to REDD+ support as donor countries in order to improve the outcomes of country actions. They have advocated for an approach to results-based payments in the Green Climate Fund that should be guided by the Warsaw Framework for REDD+, strengthening of countries' implementation capacities and acknowledging existing guidance to ensure coherent approaches. The partnership's vision is to see a shift towards sustainable land use that would involve looking at agricultural subsidies, and supporting all phases of REDD+, encouraging supply chain transformation and targeting early movers in the process. One key lesson learned was that there was a need to take a holistic approach to REDD+, including by-passing activities that are only at the project level for implementation at the national level. A second lesson learned was that under

benefit-sharing regimes, benefits have to flow to those who sustained forests in order for such programmes to be successful.

5 – Fiji discussed that country's experiences with REDD+ implementation. Fiji has received support from different sources including from Germany, the World Bank and the UN-REDD Programme to develop the country's REDD+ programme, such as developing a strategy / action plan to address the drivers of deforestation and forest degradation. However, donors did not anticipate Fiji's particular capacity needs and constraints. It was noted that there was a need for donors to better understand a recipient country's internal processes and needs. Fiji aims to move towards eligibility for results-based financing by 2019, and is working to ensure that the relevant instruments and processes are in place in order to satisfy the conditions of all funding and implementing entities.

6 – Papua New Guinea (PNG) noted that there was a lot of potential to raise ambition through REDD+. It was important to PNG that these activities are not restricted to the requirement of reducing emissions. PNG also recognised that there were good opportunities to look to the private sector to develop innovative funding instruments. In addition, consideration of sustainable alternative livelihoods was also important – including sustainable palm oil production. PNG found the different subsets of policy requirements needed for the implementation of financial instruments from different financing institutions challenging, and stressed that these institutions should look to harmonising the different requirements. In addition, PNG underlined the need to respect country ownership.

Key points raised during the discussions

During the discussions, the country representatives were able to further elaborate on their REDD+ plans and actions and the issues being faced.

The DRC responded to a question on how its national policy was dealing with land tenure. DRC noted that this was a critical issue in Africa, one which straddled civil and customary laws. The country is continuing to work with communities to see how forest rights are perceived and used. These views are being taken into account in the policy-making process. Participants were also informed that through the discussions of the country's national REDD+ plan, finance and national entities were being brought together. The plan involves ensuring that investments in the forest sector were supported by investments in other sectors – including agriculture and energy. The national plan enabled cross-sectoral and cross-government coordination.

Dominican Republic stressed on the need for coordination among national institutions and the need for a leader organization. He also clarified the country's process to establish reference levels, indicating that the initial reference levels were developed with pre-inventory information. Consequently, they are aware of the need to continue working on improving data and information, foreseeing some changes to the initial reference levels due to more accurate data.

Fiji commented that funding is now in place, but they still need to work on developing capacities as well as working on processes and procedures. It was noted that capacity development has to go hand-in-hand with funding.

A participant noted that in REDD+ implementation, the safeguard relating to the involvement of relevant stakeholders, in particular forest dwellers, was extremely critical. These local stakeholders should be given ownership of the implementation. Some participants also noted that transparency in the

process was also important for its success. Another participant noted that there should be further investment in south-south cooperation in REDD+ implementation.

C. Sharing of knowledge and experiences on coordination of support by relevant stakeholders supporting REDD+ actions, in accordance with decision 10/CP.19, paragraphs 3(f) and 8

Summary of key issues raised during the third panel:

- The third panel, represented by other stakeholders, presented their project activities, strategies and lessons learned through their support of REDD+ actions in countries.
- Key messages from speakers highlighted the importance of: i) linking jurisdictional and project-level efforts to facilitate coordination of support; ii) designing REDD+ strategies or action plans that could also serve as investment plans to provide guidance to donors; iii) complementary policies to support REDD+ efforts, both in terms of promoting co-benefits of REDD+ actions and facilitating these REDD+ efforts, for example, by supporting sustainably harvested forest products.

1 – A representative of the **UNDP REDD+** team presented UNDP’s support for countries implementing REDD+ through a number of partners. It was useful for recipient countries to have a product or a process around which partners can coordinate themselves – for example, a REDD+ strategy process is useful for identifying and understanding the drivers of deforestation and forest degradation, and through that, identify the priority policies and measures most appropriate to address those drivers. The representative noted that national REDD+ strategies or action plans were most effective when transformed into investment frameworks, and that the example of the Central African Forest Initiative was a useful national framework approach which aided in fostering coordination.

2 – Two representatives of the **World Wildlife Fund (WWF)** provided a brief overview on the organization’s work on coordinating support for REDD+. Its strategy for effective and enhanced coordination includes supporting local and regional governments to link their REDD+ policies to national frameworks; ensuring local communities benefit from REDD+ activities by providing them with technical support to measure and monitor forests and community lands; and facilitating partnership between stakeholders, including donors and indigenous groups. The WWF is also working with developing countries to integrate REDD+ activities into their NDCs and build capacity around the world. The presentation provided case studies on two countries, Nepal and the Democratic Republic of Congo.

3 – A representative of **The Nature Conservancy (TNC)** presented on the organization’s jurisdictional-scale work in Mexico, Brazil and Indonesia since 2007. The representative noted that REDD+ is approaching a significant turning point, with significant potential demand for REDD+ results on the horizon in light of recent moves by the GCF and ICAO. Lessons learned from its jurisdictional work have been shared, including the utility of taking a diversified approach to Phase 2 investment that supported low carbon outcomes instead of strictly emission reductions. The TNC reflected that coordination had come a long way, but that further efforts to coordinate between international agencies and national departments were essential, to ensure (for example) project-level and subnational approaches were complementary. It is important to leverage private capital and to coordinate on ensuring that corporate commitments to address deforestation are kept, e.g. the New York Declaration on Forests.

4 – A representative of the **Amsterdam Declaration** on eliminating deforestation in support of a fully sustainable palm oil supply chain by 2020 provided an overview of this Declaration. It is a non-legally binding declaration signed by Denmark, France, Germany, the Netherlands, Norway and the United Kingdom. Its commitment, by 2020, is to promote a fully sustainable palm oil supply chain and deforestation-free commodity imports (palm oil, cocoa, soy). The Declaration’s strategy is to bring together the production and demand sides, promoting sustainable deforestation-free production and market uptake of such sustainable products in consumer countries and by influencing relevant key processes. It supports private sector commitments and initiatives (e.g. the European Sustainable Palm Oil Initiative) and cooperates with the private sector through partnerships (e.g. national round tables, European or multilateral initiatives). Within the European Union (EU), coordination is ensured through formal EU channels and working groups in various areas, such as the Action Plan on deforestation, forest law enforcement, governance and trade, the sustainable development goals and trade negotiations. The Parties to the Declaration also coordinate on diplomatic approaches and dialogues with palm oil producing countries and other large consumers, as well as within multilateral fora. The Declaration represents an opportunity to coordinate actions and share lessons learned, including both inside and outside formal EU processes.

Key points raised during the discussions

A few questions were raised seeking clarification from the speakers regarding their work with developing countries. In response to a question on leakages in the sustainable supply chain, the representative from the Amsterdam Declaration informed that displacement of emissions and drivers of deforestation are not addressed directly by the Declaration. However, the representative noted that it was important to have strong cooperation with local stakeholders as well as to coordinate widely among all relevant stakeholders and also at the international level. Certification of products and prior informed consent of relevant stakeholders could also ensure sustainability of products.

A participant also raised the issue as to why the TNC was not more involved in projects in Africa, to which the response was that the TNC’s REDD+ programme was still at developing stages in Africa and may require some time to develop before there can be large-scale jurisdictional programmes on REDD+.

Several participants made remarks relating to private sector involvement in REDD+ implementation. First, it was noted that there appears to be a disconnect between various initiatives or discussions at the higher policy level with actions or implementation on the ground. It was also noted that it is essential to work with the private sector in order to scale up implementation, and hence, a need to consider how private sector involvement could be enhanced. Following this point, one participant raised the issue on how to engage the private sector in helping countries achieve their NDC targets, particularly on reducing deforestation.

III. Conclusion

In conclusion, the co-facilitators noted some key themes brought up in the presentations and during the plenary discussions, including:

- The critical importance of country ownership for ensuring the success of REDD+;
- The equally vital importance of in-country consultations with those whose livelihoods rely on forests, particularly indigenous people;

- The growing maturity of the global REDD+ network, with strong interests, intention and practice of cooperation between financing institutions, countries and implementing partners;
- The strong opportunities for dialogue within existing programmes and agencies such as UN-REDD and the GCF;
- The importance of promoting non-carbon benefits in REDD+ actions;
- The importance of coordination at all levels: to ensure linkages within the national processes as well as with international processes/systems; and
- Above all, the need to ensure that REDD+ activities undertaken by countries make sense in the context of broader development priorities.

H.E. Ambassador Aziz Mekouar (COP22 Presidency) provided the closing statement.
