

The informal working group on interim finance for REDD

REDD finance workshop
Paris, 28-29 May 2009



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- Agreed principles:
 - “Financial flows to support REDD efforts must be **adequate, predictable, sustainable, and results based**, with developed countries contributing significantly.”
 - “**National REDD strategies, ownership and commitment** to REDD in developing countries are preconditions for success, and should constitute the cornerstone of our efforts.”
 - “**Transparent, collaborative, balanced and inclusive international arrangements** for supporting REDD efforts should be developed.”
 - “A **reliable framework for measuring, reporting and verification** is crucial to the integrity and credibility of REDD efforts in general and REDD in the outcome agreed in Copenhagen in particular.”
- Signatories:
 - Australia, Belgium, Brazil, Cameroon, Costa Rica, D.R.Congo, Ecuador, the EU Commission, France, Germany, Ghana, Guatemala, Guyana, Indonesia, Italy, Japan, Madagascar, Netherlands, Norway, Panama, Peru, PNG, Singapore, Suriname, Thailand, Uganda and United Kingdom.

Joint Ministerial statement, Poznan, 12 Dec 08

- Meeting convened by His Royal Highness the Prince of Wales
- Consideration of the challenges of tropical deforestation.
- Recognition of the importance of significant and rapidly increased early action on REDD and REDD financing.
- Recommendation that an informal working group of interested countries be established to
 - explore how to fill this need,
 - build the greatest possible consensus regarding its proposals,
 - be complimentary and not pre-empt UNFCCC negotiations.
- Top-level representation from: Italy, USA, Gabon, Brazil, France, Germany, Saudi Arabia, Guyana, Australia, Canada, Japan, Indonesia, Norway, European Commission, UN, World Bank.

Meeting of world leaders, London, 1 Apr 09



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- “REDD” understood broadly to include all elements mentioned in the Bali Action Plan, section 1 (b) (iii), which calls for
 - *“Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries”.*

Scope

- IWG IFR is informal forum for technical discussion to make recommendations on
 1. The evolution of **financial needs** over the short, medium and long term of rainforest nations seeking to embark on significantly scaled up national REDD strategy development and implementation;
 2. **Interim financial mechanisms** designed to cover those needs until financial flows can be generated through the UNFCCC, and the contribution that may be required from the public and private sector to implement such interim mechanisms, taking into account currently available financial flows;
 3. The potential **architecture for delivering interim finance** for REDD, including deliberations on the potential role of existing initiatives including the World Bank hosted Forest Carbon Partnership Facility and Forest Investment Program, the UN REDD Program and other multilateral, domestic and bilateral initiatives can fit into this architecture;

Terms of reference

- IWG IFR is informal forum for technical discussion to make recommendations on (...)
- 4. The **relationship between interim REDD funding and financing options under the UNFCCC**. Adherence of the interim mechanisms to the main principles of UNFCCC REDD efforts must be established. An option for adjusting IWG-IFR conclusions after Copenhagen for this end should be retained,
- 5. **Other relevant issues** should be considered as they related to interim finance for REDD, potentially including but not necessarily limited to:
 - monitoring, reporting and verification requirements;
 - forest governance issues;
 - inclusive and transparent multi-stakeholder REDD strategy and implementation processes; and
 - strategies to increase the understanding of the urgency and importance of reducing rates of deforestation toward long-term climate objectives.

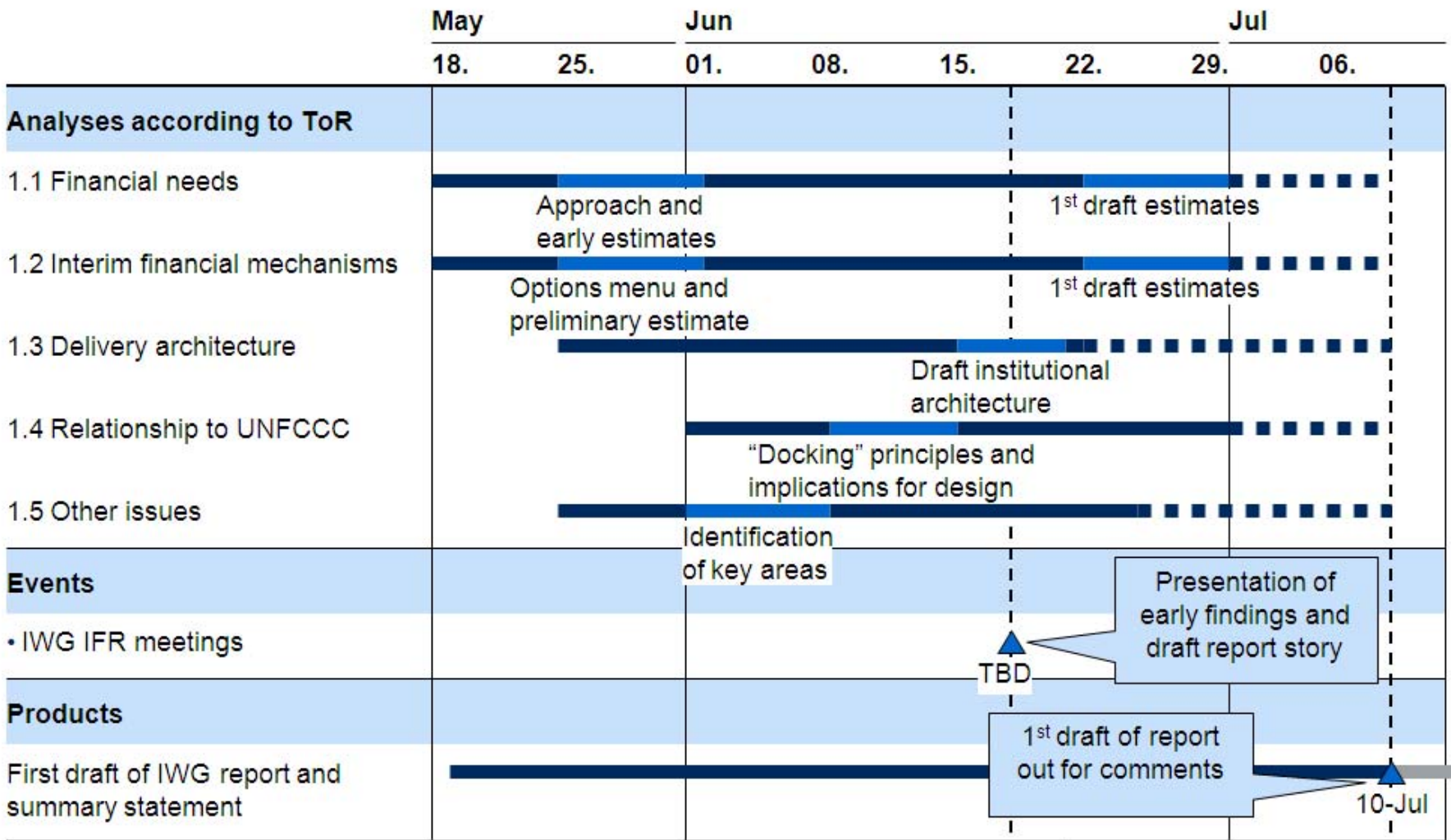
Terms of reference

- A core group of countries drive the process forward
- A Secretariat, hosted by Norway
- A number of technical advisors

Administrative arrangement

Proposed immediate timeline for IWG-IFR

- Analysis / writing
- Products to core group
- Refinement as needed



- Final report presentation**
- UN General Assembly, September
 - WB Annual Meeting, October



Relationship with AWG LCA

- National/local REDD implementation
 - Think *gradual* - No REDD out of the blue.
 - Learn from past, work with existing structures, ramp up fast
- International REDD coordination and support
 - Think *big-bang* - Break away from the old ways of conducting ODA or FDI
 - Empower local REDD partners with
 - downward accountability
 - significant discretionary power

Some thoughts...

