Agenda

1. PNG’s Experience: Development & REDD+
2. Status for REDD+ post-Copenhagen
3. Thoughts on the Institutional Needs for an Interim REDD+ Arrangement
4. Conclusions and Next Steps
PNG’s “Vision 2050” implies strong growth, relying heavily on agriculture, mining, oil, gas and services.PNG’s “Vision 2050” implies strong growth, relying heavily on agriculture, mining, oil, gas and services.
Overall, emissions can be reduced by 50-75% by 2030 on the way to carbon neutrality by 2050.

Predictability of funding necessary for developing countries to embark on a low carbon growth pathway

Political and economic risk associated with difficult economic transformations needs to be balanced with adequate, predictable, sustainable funding.
**Interim REDD+ Partnership Arrangement – 11 March 2010 - Paris**

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**Next steps**

- Over 70 countries have made public commitments to mitigation and adaptation actions since Copenhagen
- The Accord envisages continued engagement of developing countries with the UNFCCC process, leading to COP-16 in Mexico
- The Accord envisages continued commitment to mitigation and adaptation actions, including those that are developed and support for REDD+
- Over 70 countries have made public commitments to mitigation actions since Copenhagen

**Funding of CDM versus Copenhagen Accord**

- Copenhagen 2008
- 2010-12 average
- 2020 target
- ~100 USD billion

- Principle of Copenhagen Accord includes substantial financial commitments
- The Copenhagen Accord includes substantial financial commitments overall
- Commitments developed countries to provide additional funds
- Raises importance of adaptation and mitigation
- Continues REDD+ as a critical component
- Land-use change and forestry
- Broadens scope of adaptation actions to more countries and sectors, including land-use change and forestry
- Recognizes that mitigation and adaptation go together with economic development
- Recognizes that all mitigation in developing countries must go together with economic development
- Above pre-industrial level
- Seals goal for all countries to limit global temperature rise to less than 2 degrees

**Funding and next steps**

- Setting target of $100 per year by 2020
- Commitments developed countries to provide additional funds
- Raises importance of adaptation and mitigation
- Continues REDD+ as a critical component
- Land-use change and forestry
- Broadens scope of mitigation actions to more countries and sectors, including land-use change and forestry
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- Above pre-industrial level
- Seals goal for all countries to limit global temperature rise to less than 2 degrees
Short term financing committed through a fast start partnership

The role of REDD recognized and $3.5bn so far committed

Formal commitment of $30bn for 2010-12 by developed countries

- Adaptation and REDD strongly emphasized
- Mechanism for channelling funds to developing countries
- Goal of $100bn per year by 2020
- Governance systems to be defined
- Sources undefined

- 25% [IWG-IFR]

- In global deforestation rates of between 2010-15 for a decrease for early action on REDD+

- EU 15-25bn ($20-35bn) is required

- 100% = 3.5

- $15–25bn ($20-35bn) is required

- Goal of $100bn per year by 2020 in long-term finance

- Sources undefined

- Governance systems to be defined

- Formally committed by

- Japan

- Australia

- France

- UK

- Norway

- US

2010-12 commitments approx 1/3

$3.5bn committed for REDD-plus...

...but commitment is only first step

$3.5bn, total 2010-12

100% = 3.5

3.5 2010-12 committed

20.0-35.0 2010-15 required

$bn

Source: Copenhagen Accord, National announcements, WB.
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**Remaining Issues**

- Systems for MRV of Actions and Support
- National Accounting (role of sub-national)
- Structure of Financial Mechanisms (NAMAs)
- Ambition (reductions and finance)

**Phase Approach**

- Inclusion of all REDD+ Actions
- Safeguards
- Principles

**Conference**

- Guidance for Demonstration Activities
- National forest monitoring systems (steps toward)
- Apply IPCC Methods for carbon estimation
- REDD+ part of future regimes

**Overview**

REDD+ almost completed within the UNFCCC
There is pressing need to restructure existing REDD+ efforts

- National development strategies
- Appropriate and timely consultation
- Clear and lean processes
- Best practices and knowledge exchange
- An agreed set of guidelines
- Funding from multiple sources
- Clear responsibilities
- Establishment of central coordination

... needs to be improved ...

Overview of the current landscape of major REDD+ initiatives

**Payment**
- Pay for readiness and emission reductions
- Pay for readiness transformation
- Pay for readiness preparations
- Pay for readiness emission reductions and readiness activities

**FCPF Carbon Fund** ($55 / $34 / $0 / $0*)

**FIP** ($406 / $0 / $0 / $0*)

**UN REDD Programme** ($74 / $54 / $10 / $16[2]*)

**GEF** ($250 / $0 / $0 / $0*)

**FCPF Readiness Fund** ($180 / $155 / $10 / $3*)

**Synergies and Learning Sectors**
- Learning Slows
- Inconsistent methods
- Significantly under-funded
- Overlapping governance
- Lack of coordination
- Disagreements

**Establishment of central coordination**

**Bilateral partnerships**
- Pay for performance
- The Amazon Fund
- Pay for performance
- Guyana REDD+ Investment Fund (GRIF)
- Pledges: USD ~ $1 bil.
- Disbursed
- USD ~ $1 bil.
- Pledged: USD $1 bil.

**Multilateral funds**
- $ pledges: USD $1 bil.
- $ disbursed: USD ~ $1 bil.
- $ directly to REDD+: USD ~10 million

NOT EXHAUSTIVE
An institutional and finance framework should be built to support the financing process. A phased approach provides flexibility and immediate action.

Phase 1
- Strategy development
- MRV of funding and actions
- Multi-stakeholder consultation
- Minimum monitoring capability
- Safeguards

Phase 2
- Advanced monitoring capability
- Multi-stakeholder consultation
- MRV of funding and actions
- Payments for verified emission reductions and removals measured by verified proxies
- Grants for enablers

Phase 3
- Responsible for Measurement and Reporting, with HLB overseeing Verification
- IRC
- Developing Countries

Interim REDD+ Partnership Arrangement
- INTERIM REDD+ PARTNERSHIP ARRANGEMENT - 11 March 2010 - Paris
National options for distribution of finance based on policies or drivers

- Regions/provinces

National Accounting

International forestry finance

All units registered nationally to avoid ‘double counting’

State can opt to invest directly and keep the credits centrally...

...and/or devolve credits to regional level

...and/or allow investors and communities to certify projects and receive credits in return

Global cap and trade

Funds from partial access to carbon markets could make the sector carbon neutral

2030 target: carbon market finance could make the sector carbon neutral

2020 projection: carbon market finance could be $7 billion per year and fund a 22% cut in deforestation emissions

2020 goal: carbon market finance could be $7 billion per year

Funding gap: $1.1-1.9 billion per year in 2020

Public finance needed before carbon markets can be phased in during the medium term

Short term

Medium term

Long term

Funding gap: $1.1-1.9 billion per year in 2020

Funding

Source: The Eliasch Review

Source: Modelling for the Eliasch Review

2012
Interim REDD+ Partnership Arrangement – 11 March 2010 - Paris

Principle Description

▪ The choice of implementing partners should be under national control of developing countries
▪ Encourage public-private partnerships
▪ National trust funds should be made to work reliably and transparently
▪ Equitable and fair benefit distribution
▪ Prudent financial management

Strengthen national trust funds
Transition to direct access to funds

▪ Developing countries may enter partnerships with international institutions to ensure fiduciary oversight
▪ Developing countries should over time develop own processes and capabilities
▪ Enhance development of technical bodies
▪ Support strengthening of national institutions and mechanisms that make the global finance mechanism develop under UNFCCC governance

Supporting a phased approach
In a REDD+ institutional framework, a REDD+ fund with three windows

Authority Information

COP
Single fund
with three funding streams
REDD+ Fund
Climate Fund(s)
Implementation (incl. investment)
Performance proxies
Strategy design and planning

Apply lessons learnt from FCPF, FIP and UN REDD Programme Standards

Registry & Verification
(i) MRV funding
(ii) MRV action
High Level Body
Interim REDD+ Committee

Bi-lateral
Funding flows controlled by Committee / COP

Multi-lateral & national funds
Market-based carbon credits
Funding flows controlled by Parties, accounted by Committee / COP

Bi-lateral
Funding flows controlled by the private sector

Encourage public-private partnerships
The choice of implementing partners should be under national control of developing countries
Process and capabilities
Developing countries should over time develop own institutional institutions to ensure fiduciary oversight
Developing countries may enter partnerships with

Principle
Funds
to Transition
Strengthen
National Trust
Functions
governance
Development of
National Level Institutions built around a set of principles
Description

Principle
Flexible choice of implementing agencies
Development of national governance functions

Encourage public-private partnerships
The choice of implementing partners should be under national control of developing countries
Process and capabilities
Developing countries should over time develop own institutional institutions to ensure fiduciary oversight
Developing countries may enter partnerships with

Principle
Funds
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Suggested outcomes from today’s discussion

1. Agree to work together towards the establishment of an 'Interim REDD+ Partnership Arrangement'…
2. Finalize arrangements by May 27 at the Oslo Climate negotiations
3. Start process today (Paris meeting of March 11)…
4. Interim REDD+ Partnership Arrangement should be informed by a thorough review of the status quo (actions, finance and institutions) which should be completed asap
5. Draft concepts for the Interim REDD+ arrangement could be submitted asap
6. Virtual group of facilitator countries (4+4) overseeing
7. be informed by a thorough review of the status quo (actions, finance and institutions) which should be completed asap
8. Agree to work together towards the establishment of an ‘Oslo Accord for an Interim REDD+ Partnership’ including a scale-up plan for REDD+

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