

STRATEGIC OVERVIEW

UN-REDD PROGRAMME

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TABLE OF CONTENTS

1. Time for Action.....	3
1.1 UN-REDD Programme as part of the solution.....	3
1.2 The UN-REDD Programme aims and outcomes.....	4
1.3 Quick Start Actions.....	4
2. The UN-REDD Programme moving forward.....	6
2.1 Phase 1: Initial Readiness (Quick Start).....	6
2.2 Phase 2 (Interim Phase).....	7
2.3 Phase 3 (GHG-based Phase).....	8
3. Issues for consideration by the Policy Board.....	8

The purpose of this paper is to provide a strategic overview of where the UN-REDD Programme is today and to stimulate discussion on the way forward.



1. Time for Action

The urgency of the climate change threat is now recognized. Leaders from a range of diverse areas representing climate, forests, biodiversity, human rights, business, etc. are coming together and cooperating in a new way to act on a common challenge.

This is a unique opportunity to scale up lessons learnt and build on UN experiences, working with a greater understanding of the centrality of forest and land tenure for progress on climate, livelihoods and ecosystems.

The UN-REDD Programme was launched in 2008 in response to and in support of the UNFCCC Decision in Bali 2/CP.13 on 'Reducing emissions from deforestation in developing countries (REDD)'. Further, this collaboration is a response to requests for joint UN action from the UN Secretary General, together with requests from governments, including members of the Coalition for Rainforest Nations and other countries, for support with REDD programmes.

1.1 UN-REDD Programme as part of the solution

FAO, UNDP and UNEP are organizations and stakeholders with relevant and wide experience and expertise in forest management, governance, poverty reduction, finance, environmental policy and standards. Working together through the UN-REDD Programme, the three organizations can provide a support mechanism for countries to implement REDD from the current readiness phases and beyond, as well as a platform for promoting international coherence in support of the UNFCCC process. The programme is run in full coordination with and complementation of the work of the World Bank's Forest Carbon Partnership Facility (FCPF).

The challenges of REDD go beyond what any one institution can do. The critical factor in this collaborative programme is to ensure approaches are complementary, do not burden forested developing countries with duplicative demands, and to contribute to the UNFCCC negotiations on a post-2012 framework.

The governing bodies, international mandate, expert networks, convening capacity and in-country presence of the three UN agencies provide invaluable mechanisms for information exchange, for access to technical and scientific expertise, and for capacity building and institution strengthening. Existing modalities for Joint Programmes enable efficient and rapid initiation of programme implementation and channelling of funds to countries in support of their REDD efforts.



1.2 The UN-REDD Programme aims and outcomes

To generate the necessary flows of resources to significantly reduce global emissions from deforestation and forest degradation, the UN-REDD Programme aims to promote international coherence and to support developing countries in building capacity to design and implement REDD measures. It moves towards this through international dialogue and with real experience in forested developing countries with various risk management and benefit sharing solutions.

The immediate goal is to assess whether new payment structures and capacity can ensure *actual, lasting, achievable, reliable and measurable* emission reductions while maintaining and improving the other ecosystem services forests provide.

The UN-REDD Programme has two components: (i) assisting developing countries prepare and implement national REDD strategies and mechanisms; (ii) supporting a dialogue and consensus around normative solutions and standardized approaches based on science and broad participation for a REDD framework linked with the UNFCCC.

The programme support is country-driven, and builds on and works together with existing processes, such as UNFCCC, key programmes such as the World Bank's FCPF and Forest Investment Programme (FIP), and the Global Environment Facility (GEF). It works toward empowering countries to manage their REDD processes and to access financial and technical assistance. It also recognizes the vast experience and tools for enhancing sustainable forest management that have been made available since the United Nations Conference on Environment and Development in 1992.

Guided by the UN human-rights-based approach with particular reference to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and the United Nations Development Group (UNDG) Guidelines on Indigenous Peoples' Issues, the UN-REDD Programme supports country efforts for informed involvement of national stakeholders, particularly forest-dependent local-communities.

The implementation of the UN-REDD Programme is led and supported by a Policy Board, which provides the overall leadership and strategic direction of the UN-REDD Programme. A Coordination Group ensures coordination between the three UN agencies for successful implementation of programme goals and objectives, and a Geneva-based secretariat works to support the Programme overall as well as to ensure that the decisions of the Policy Board decisions are implemented.

1.3 Quick Start Actions

Leading up to the UNFCCC COP in Copenhagen in December 2009, the UN-REDD Programme is demonstrating that early results are possible in some of the major forest-countries of the world.



Quick Start Actions work with pilot countries, selected based on expressed willingness, emission reduction potential, degree of REDD readiness and existing collaborations.

In nine pilot countries, the UN-REDD Programme supports scoping and alliance building to identify REDD needs and support demonstration activities to test the delivery of REDD, including consultations to ensure stakeholder identification, needs assessment and participation. The UN-REDD Programme also provides tools for REDD assessment and monitoring, including reporting and data management.

The Programme supports national REDD strategy development and implementation, and testing of REDD payment structuring and distribution options to promote carbon sensitive policies that link with pro-poor and environmental policies.

In addition to the national support functions, the UN-REDD Programme provides international support. The purpose of the UN-REDD Programme International Support Functions, (implemented through the Global Joint Programme (GJP), is to increase international confidence and understanding about the feasibility and options for including a REDD mechanism in a Post-Kyoto decision.

The International Support Functions are designed to support country efforts and to build consensus, generate and share knowledge and provide guidance for ensuring consistency in approaches and economies of scale in the delivery of REDD.

2. The UN-REDD Programme moving forward

Whilst the Quick Start Actions have been designed to address the immediate need for accelerated and coherent progress towards Copenhagen and immediately after, there is clearly scope to play a useful role beyond this initial readiness phase.

An effective REDD framework has the potential to enable global transformation of the tropical forest sector. At its full potential REDD could achieve climate change mitigation, provision of other global and local environmental services, poverty reduction and economic growth.

For this to happen, the ongoing REDD process needs to evolve from readiness, into a functioning performance-based system, capable of mobilizing resources at the scale of the desired transformations in climate change mitigation and the multiple benefits they will bring about.

Whilst the exact configuration of the ultimate state of a REDD framework is still uncertain, the process is clearer. Putting it simply, the process is taking place in three sequential phases: 1) The Current Phase, aiming at developing initial readiness, building confidence in REDD as a fundamental element of a future climate change mitigation regime 2) The Interim Phase, possibly with an interim financing instrument in place, aiming at establishing full readiness, development and implementation of significantly scaled-up national REDD strategies and the development of, and transition towards, a future GHG reduction based REDD financing instrument 3) The GHG-based Phase, to operate a REDD financing instrument to reward forest climate change mitigation performance.

As a way of clarification it is useful to distinguish between the “three phases” as described above and the “financing mechanisms”. Different financing mechanisms are being considered to finance the above three phases. The “Current Phase” is supported by a variety of bilateral and multilateral instruments (such as the World Bank Forest Carbon Partnership Facility and the UN-REDD Programme). For the “Interim Phase” discussions have started on the importance of establishing an “Interim Fund” to allow countries to access predictable significant finance based upon agreed criteria but not necessarily GHG-based. And for the “Third Phase” a GHG-based instrument is also being discussed for performance based compensation on the basis of quantified emissions reduction.

The proposed **VISION** for UN-REDD would cover the following three phases and elements:

2.1 Phase 1: Initial Readiness (Quick Start) and Confidence building (Current Phase)

By mid-2010 the UN-REDD Programme is expected to have helped build confidence in REDD within the international community through a process of analyses, stakeholder engagement, and capacity development for institutional arrangements and regulatory measures. It will also have



supported a number of pilot countries to reach a more advanced stage of readiness. The foundations of a REDD framework should be in place: reference emission level, monitoring capacity, reduction strategy and an investment portfolio, institutional arrangements to handle transactions, incentives systems, tools to integrate multiple benefits and supportive and engaged stakeholders.

This work is the subject of the Quick Start Actions of the UN-REDD Programme and is already in progress both at the global and country level. The scope (technical assistance, science support, capacity building, stakeholders' engagement) and approach (need for neutrality, coordination with key readiness players, Quick Start pilot countries) have been established in the founding documents of the UN-REDD Programme. The second meeting of the UN-REDD Programme Policy Board offers an opportunity to consolidate a strategy to ensure the most useful outcomes are delivered in time for Copenhagen.

Separate overview documents on the International Support Functions and the Country Programmes have been prepared for discussion at the first Policy Board meeting. They provide an overview of progress to-date and future actions, setting the stage for a dialogue on the way forward in the Quick Start phase.

In addition to the planned international and national support functions, the UN-REDD Programme is proposing a special high-level event on REDD during the UN General Assembly in New York on September 21st. A separate presentation will follow to receive the Policy Board feedback on this event.

2.2 Phase 2 (Interim Phase): Full readiness and development and implementation of significantly scaled-up national REDD strategies

The readiness work started during the Quick Start phase could continue through 2010 and beyond until a full scale post-2012 climate change regime is fully operational, supporting pilot countries to achieve full readiness according to the guidance emerging from Copenhagen and building on the lessons learnt during the early work in pilot countries. In the period following COP 15 there will be greater clarity on the REDD framework, and subsequent capacity building and institution strengthening activities can therefore be undertaken in a more focused way.

The years after Copenhagen will see the REDD process increasingly moving through the entire REDD value chain with development and implementation of significantly scaled-up national REDD strategies covering both the investments to reduce deforestation (financial and policy) and the resulting performance based transactions. The UN-REDD Programme could have a strong role here given the importance of continued capacity building to achieve cost-effective and long-lasting measuring, assessment, reporting and verification, and to address multiple benefits of forest ecosystems, supporting full readiness for emission reductions to significantly reduce deforestation and forest degradation.

Beyond readiness and demonstration activities, the years leading to 2012 will be crucial to fine-tune the REDD financial mechanism design and its implementing specifications (institutional and operational arrangements), on the basis of the agreement reached in Copenhagen.

Discussions have started (for example through the REDD Options Assessment Report, McKinsey's Project Catalyst, The Prince's Rainforest Project and the Informal Working Group on Interim Finance for REDD) on the design of an interim financial mechanisms to cover the needs of REDD strategies early implementation in rainforest countries.

It is being envisaged that in the short term (for example 2012-2014), a multilateral fund for the interim implementation of a REDD regime could be established to provide significant and predictable incentives for REDD to start operating at an appropriate order of magnitude (for mitigation and multiple benefit purposes). The purpose of this initial fund would therefore be to enable the implementation of REDD at a significant scale. This would include financing activities addressing the drivers of deforestation, payments for achievement of performance targets and possibly testing options for inclusion of REDD in a compliance carbon market.

2.3 Phase 3 (GHG-based Phase): Full scale UNFCCC REDD mechanism

With a post-2012 international climate change regime in place and an operationally determined mechanism for REDD established, the years after 2012 will be critical to deliver on the climate change mitigation and multiple-benefits potentials of forests. As mentioned above some type of fund arrangement could be in place from 2012 to allow significant and predictable incentives for REDD to start operating at a significant (for mitigation and multiple benefit purposes) order of magnitude. Such a fund might not initially have a sufficient endowment to sustain a full-scale REDD regime, but could evolve and be integrated in the financial flows generated from the UNFCCC REDD mechanism.

Whilst it is premature to speculate on the specifics of a post-2012 financial mechanism the UN REDD Programme would welcome early feed-back from the Policy Board on the above scenario and specifically on the role that the UN REDD Programme could play in the Phase 3 financing architecture

3. Issues for consideration by the Policy Board

What is the best way for the UN-REDD Programme to scale up its capacity building and institutional support functions after Copenhagen? Should this include expanding into additional country programmes?



How can we ensure that the agreement in Copenhagen and its details thereafter not only consider the financing of REDD, but also how to finance the enabling conditions needed for the finance to succeed?

What is the best way for the UN-REDD Programme to contribute to the design of a future REDD mechanism leading up to, during and after Copenhagen?

Can the UN-REDD Programme help or contribute to the interim financing mechanism, as well as help countries quickly access and use this financing?

