IGES Briefing Note on international REDD-plus negotiations

UN Climate Change Conference in Bonn, 6-17 June 2011
Box 1: Executive Summary

Overview

• Title: UN Climate Change Conference, Bonn, Germany, 6 to 17 June 2011
• Participants: 3,500
• Events: SBSTA, SBI, AWG-LCA, AWG-KP, side events, REDD-plus Partnership meeting and workshop

REDD-plus outcomes

• SBSTA: Closing plenary adopted draft conclusions proposed by the chair on agenda item 4 “Methodological guidance for activities relating to REDD-plus”. The draft conclusions (UNFCC 2011) contain two major outcomes: (1) SBSTA invited Parties and accredited observers to submit their views on the SBSTA work programme by 19 September 2011. These submissions should follow general guidelines outlined in the Annex to the draft conclusions. The guidelines include suggestions on what elements to include for each of the three items in the SBSTA work programme - safeguards, forest reference (emission) levels and measuring, reporting and verifying (MRV) emissions. (2) SBSTA also requested the secretariat to organise, subject to the availability of funds, a number of technical expert meetings, including one before the 17th Conference of the Parties (COP) in Durban.
• AWG-LCA: A contact group undertook informal consultations on agenda item 3.2.3. “Policy approaches and positive incentives on issues relating to REDD-plus” focusing on financial options for the implementation phase of results-based actions. The issue of financing for REDD-plus remains on hold until the broader discussions on financing are resolved.

Our observations

• Whether REDD-plus results-based actions will be financed using markets is a longstanding issue, with perhaps the most likely outcome being a basket of financing options that individual countries select from.
• The road to resolving methodological issues will be a long one. The final draft of the text, particularly the Annex is considerably less specific than earlier drafts discussed in Bonn. There is a clear need amongst parties for more fundamental knowledge, agreement and guidance on basic issues such as definitions of references (emissions) levels, their scope, and how they might be adjusted to reflect national circumstances.

What’s next on the UNFCCC calendar related to REDD-plus?

• Submissions by SBSTA parties and accredited observers by 19 September 2011
• REDD-plus Partnership Meeting and Workshop, 28 and 30 September 2011
• Third part of AWG-LCA 14 in Panama, 1 – 7 October 2011
• Technical expert workshops on methodological guidance (one meeting before COP 17)
• UNFCCC COP 17 in Durban, 28 November – 9 December 2011
I. Background

For REDD-plus, the Cancún Agreements were an important output of the 16th Session of the Conference of the Parties (COP) to the United Nations Convention on Climate Change (UNFCCC), which meet in Cancún, Mexico, from 29 November to 10 December 2010. First, the Agreements defined the scope of REDD-plus as including five activities: (a) Reducing emissions from deforestation; (b) Reducing emissions from forest degradation; (c) Conservation of forest carbon stocks; (d) Sustainable management of forests; (e) Enhancement of forest carbon stocks. Second, the Agreements set out the basic steps by which developing countries should ready themselves for a global REDD-plus mechanism – develop a national REDD-plus national strategy or action plan, a national forest reference (emission) level, a robust and transparent national forest monitoring system for REDD-plus activities, and a system for providing information on how safeguards are being addressed and respected – and explained that these steps should be implemented in phases. Third, the Agreements highlighted the importance of the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities, and elaborated on the environmental, social and governance safeguards for the implementation of REDD-plus.

While the Cancún Agreements set out some of the basic elements of a future REDD-plus mechanism, additional work on methodological issues and negotiations on financing options were held over to 2011, with progress to be reported at the 17th COP in Durban, South Africa. The Parties requested the Subsidiary Body for Scientific and Technological Advice (SBSTA) to develop a work programme on the matters set out in appendix II to the Agreements, which essential boils down to: methodological issues to estimate emissions and removals from land use, land-use change and forestry activities in developing countries; modalities on forest reference (emissions) levels and REDD-plus monitoring and reporting; guidance on the provision of information on safeguards; and modalities for measuring, reporting and verifying anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes resulting from the implementation of REDD-plus activities.

The Parties also requested the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) to explore financing options for the full implementation of REDD-plus results-based actions.

II. Climate Change Conference - Overview

The UN Climate Change Conference in Bonn, Germany, from 6 to 17 June 2011 was attended by around 3,500 participants. The Conference included:

- 34th sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI).
- Second part of the 14th session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA)
- Second part of the 16th session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP)
- Side events
- REDD-plus Partnership Meeting and Workshop held back-to-back to the Conference.

At the Conference, the topic of REDD-plus was mainly discussed under:

- SBSTA agenda item 4 with a focus on methodological guidance
- AWG-LCA agenda item 3.2.3. on policy approaches and positive incentives, specifically on financial options for implementation of results-based REDD-plus action
III. REDD-plus discussions and progress

1. SBSTA: Methodological guidance for activities relating to REDD-plus

The SBSTA plenary assigned a contact group (CG) to develop a text on methodological guidance. In its concluding session on 16 June the plenary adopted draft conclusions proposed by the Chair and an Annex on general guidance for submissions and future work (UNFCCC 2011). The primary objective was to discuss issues to be addressed by COP 17, including: forest reference levels and forest reference emission levels; MRV; and a system for providing information on how the safeguards included in Appendix I to Decision 1/CP.16 are addressed and respected in the implementation of REDD-plus activities. Participants included approximately 35 Parties. The CG was opened to observers who attended in similar numbers.

Key issues raised and common/divergent positions

- **LULUCF activities relating to drivers**: The US pointed out that paragraph (a) of the Appendix of 1/CP.16 on LULUCF activities relating to drivers of deforestation and forest degradation had not been addressed. It stressed the need for delineating and adopting a programme for implementation of the appendices of the Cancún Agreements. TUVALU and INDONESIA supported this view. This was opposed by INDIA, which said that it is not prepared to mix the issues of LULUCF and REDD-plus. COSTA RICA stressed careful reading of all elements highlighting the need for addressing the drivers of deforestation in developing a REDD-plus strategy and generating financial flows.

- **Technical Expert Meeting**: THAILAND, BRAZIL, MEXICO, COLOMBIA, AUSTRALIA, PNG and JAPAN highlighted the need for an expert meeting and welcomed submissions by Parties and civil society. BOLIVIA and ECUADOR wanted information on the participation of civil society in the technical workshops.

- **Reference emission levels (REL)**: PNG urged more focus on RELs arguing that there is a lack of common ground. CHILE wanted clarity on inclusion of planted forests in the REL.

- **Other statements**: The EU wanted clear guidance on safeguards and MRV modalities, as this itself may not be enough for an agreement but can pave the way to an agreement in Durban. GHANA said on behalf of the African Group that they are relatively satisfied with the contents of the text and the guidance in the annex. MEXICO (also on behalf of COLOMBIA) said that the output of Bonn does not match the ambitious target of Cancún and does not reflect the speed in which REDD-
plus is evolving in some developing countries. BRAZIL and CANADA welcomed the progress made and regarded the draft text a basis for future work. An inconsistency in spelling out the full text of REDD-plus – using or not a semi-colon between the wording of REDD and the text standing for the “plus”, i.e. “the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries” – was addressed by following INDIA’s suggestion of removing it. The removal of the semi-colon is understood as underpinning the equal importance of both “REDD” and the three activities covered by “plus”.

- Some parties called for clarification on definitions of forests and the differences between reference emission levels and reference levels, adjusting reference levels to national circumstances and how to define these, and ensuring consistency between subnational and national reference levels.

### 2. AWG-LCA informal consultations on policy approaches and positive incentives on issues relating to REDD-plus

The AWG-LCA plenary addressed the issue of REDD-plus on 7 June and assigned informal consultations to a contact group (CG). The CG convened once to discuss funding options for the results-based third phase of REDD-plus as part of informal consultations on policy approaches and positive incentives relating to REDD-plus. Approximately 35 Parties participated and the CG was open to observers. Time constraints prevented many parties from speaking at the end of this meeting. While the Chair said that he would explore options to continue the informal consultation during the AWG-LCA session in Bonn, no further meeting took place.

The discussion in the CG centred on financing options for implementation of “results-based actions that should be fully measured, reported and verified” in the third phase of REDD-plus as laid out in paragraph 73 of the Cancún Agreements. This included the questions: What should be paid and compensated for? Where should the funds come from? While many countries expressed support for both non-market and market based approaches for funding forest-related activities, some countries expressed caution in relying on the carbon market.

**Key issues raised and common/divergent positions**

- **Basket of alternative funding options**, including market mechanism: Many parties (including, CHILE, COLOMBIA, COSTA RICA, GUYANA, MEXICO, PAPUA NEW GUINEA, PARAGUAY, the Environmental Integrity Group, CANADA and the EUROPEAN UNION) said that public financing should play a major role in the readiness phase, but that a basket of financing options should be considered for the third (results-based action) phase. The possible funding sources suggested include (1) public funding at the national and international levels; (2) the option of a REDD-plus window under the Green Climate Fund; and (3) market mechanisms. Parties emphasised that these sources should be complementary. Some parties said innovative funding sources should be explored, including levies on aviation and maritime transport. Many countries also underscored the role of the private sector in providing funding. Some pointed out that public funds could be used to provide initial incentives for private sector engagement, particularly in view of addressing the drivers of deforestation (EU and PNG).

- **Concerns expressed about using market mechanisms for REDD-plus**: BOLIVIA stressed the urgency of securing financial resources and asked when a carbon market would be working. It proposed a “financial transaction tax” which it felt would be relatively predictable in terms of financial flows. TUVALU also expressed reservation about using market based mechanisms, as this would require a cap and trade system that would operate as an offset mechanism or require developing countries to quantify emission reduction targets. BRAZIL favoured integrating REDD-plus funding into a general climate financing framework (apparently referring to the GCF) that respects safeguards and contemplates mitigation as a whole. Brazil pointed to the Amazonia Fund it has established on 60% of our territory as an example. INDIA,
with the support of INDONESIA, said that while in the case of activities to increment carbon stocks market-based financing is possible, the conservation of forest carbon stocks (“baseline carbon stocks”) will require public funds, not private markets.

IV. What does the outcome from Bonn mean for Durban?

The 17th COP will take place in Durban, South Africa, from 28 November to 9 December 2011. To prepare the ground for a broad and encompassing agreement on the four elements outlined in the SBSTA work programme (safeguards, reference levels, MRV and forest monitoring) at COP 17, it was imperative that Parties mad progress in Bonn on outstanding methodological and financial issues. It was only until late in the second week when negotiators finally agreed on a small step forward on how to progress with the programme of work that has been agreed in Cancún.

1. SBSTA

The expectations of most parties now rest on two major agreements contained in paragraph 4 draft conclusions proposed by the chair (UNFCC 2011) adopted by the closing plenary in Bonn:

(1) SBSTA invited Parties and accredited observers to submit their views on the SBSTA work programme by 19 September 2011. These submissions should follow general guidelines outlined in the Annex to the draft conclusions. The guidelines include suggestions on what elements to include for each of the three items in the SBSTA work programme - safeguards, forest reference (emission) levels and measuring, reporting and verifying (MRV) emissions.

(2) SBSTA also requested the secretariat to organise, subject to the availability of funds, a number of technical expert meetings, including one before the 17th Conference of the Parties (COP) in Durban.

The Annex is very generic, though earlier drafts were more specific. One draft incorporated elements relating to safeguards, which listed a host of specified principles, characteristics and types of process. The final version of the Annex distinguishes three types of guidance:

(1) Guidance on systems for providing information on how safeguards are addressed and respected

(2) Guidance for modalities relating to forest reference levels (RL) and forest reference emission levels (REL)

(3) Guidance on modalities for measuring, reporting and verifying

The annex lacks detail. With respect to (1), the annex merely mentions characteristics, design, provision of information, potential barriers and “other relevant issues” without further detail. The only noteworthy specifications relate to guidance on modalities for forest RL and REL, and for MRV. Their respective characteristics have been expanded to include elements listed in paragraph 1 of appendix I to decision 1/CP.16. Apart from this, however, and similarly to the first type of guidance, guidance for modalities regarding RL and REL only mentions scope and/or purpose, guidance for the construction, process for communication and “other relevant issues”; guidance on modalities for MRV, refers to elements, process for reporting and “other relevant issues” (in addition to the characteristics).

The Annex does not provide a major step forward in terms of presenting any concrete methodological guidance that goes beyond the fundamental elements of the Cancún Agreements. The evident lack of specific guidance is the result of a compromise between a majority of parties, including many developing countries, who had expected progress in formulating stringent and specific methodological guidance, and some developing countries who were opposed to including a range of the specifications found in the initial drafts. The lack of time in Bonn for discussion meant that it was particularly challenging, despite an extraordinary personal engagement of the co-chairs of the CG
recognised by the parties, to reach the final outcome given the opposed views of some parties on key issues.

The proposed technical expert workshops should aim to make concrete progress towards providing clarification on some of the outstanding methodological issues. A challenge that must be faced is how to engage with parties that are wary of detailed provisions on safeguards, and modalities for RLs/RELs and MRV.

2. AWG-LCA

Fourteen informal consultations on funding options for the results-based third phase of REDD-plus took place only once.

Given the divergent views on the role of market based REDD-plus financing, negotiations are taking a flexible approach that allows for a “basket” of alternative and complementary financing options in the results-based phase. These can include market based, voluntary and hybrid funding approaches, and allow for public and/or private funding sources. The basket approach would have the advantage of ensuring a larger availability of funding sources in the face of the expected large-scale funding needs to address the drivers of deforestation. The basket approach would also leave it up to each country to decide the sources of funding that it is willing to provide or use. It would also provide room for various types of bilateral agreements that can involve public funding, market based mechanisms or hybrid approaches.

It is evident that uncertainties remain as to how the architecture of REDD-plus can be conducive to private sector involvement. Barriers to financing through markets include the lack of demand for forest carbon credits; large development and implementation costs of a forest carbon market mechanism; unsure return from investments; and potentially high transaction costs related to MRV.

In terms of future options for public funding, there was no evident opposition to the idea of creating a REDD-plus window under the Green Climate Fund (GCF). The GCF, which was established in Cancún, is intended to support projects, programmes, policies and other activities in developing countries using thematic funding windows (para. 102, 1/CP.16).

The next opportunity for advancing the negotiations on the development of financing options for the full implementation of results-based REDD-plus actions will be provided by the third part of AWG-LCA 14 scheduled for 1 – 7 October 2011 in Panama City, Panama. As agenda matters were finally settled in Bonn, there are few excuses for not achieving real progress in Panama.

V. Next on the calendar

- Submissions by SBSTA parties and accredited observers by 19 September 2011
- REDD-plus Partnership Meeting and Workshop, 28 and 30 September 2011
- Third part of AWG-LCA 14 in Panama, 1 – 7 October 2011
- Technical expert workshops on methodological guidance (one meeting before COP 17)
- UNFCCC COP 17 in Durban, 28 November – 9 December 2011

VI. REDD-plus side-events

BOLIVIA stressed the urgency of securing financial resources. During the UN Climate Change Conference in Bonn a series of side events took place, including a host of events relating to REDD-plus. Many of these events focused on issues pertaining to REDD-plus safeguards. Other topics included REDD-plus related financing, MRV and drivers of deforestation (Box 2).

Some of these side events are briefly discussed.

“Progress on addressing REDD-plus safeguards”

Presenters, who included representatives from several countries participating in UN-REDD and World Bank FCPF programs, outlined their efforts in trying to put in place safeguards ensuring social and environmental benefits for REDD-plus projects.
The UN-REDD Programme informed that it has developed Social and Environmental Principles and Criteria (P&C) with the aim of promoting social and environmental benefits and reducing risks from REDD. The Climate, Community and Biodiversity Alliance (CCBA) argued that the standards of the Society for Standards Professionals (SES) allow for a consistent and comprehensive reporting framework through international consensus. Ecuador presented how it has adopted the REDD-plus SES standards and is interpreting and implementing them in the national context. Ecuador intends to go beyond the criteria provided to deliver multiple benefits from REDD-plus. Vietnam described the implementation of a Free Prior and Informed Consent (FPIC) program at the village level through public awareness-raising, and argued that FPIC should be consistent with international guidance in the process of REDD-plus implementation and suitable for local conditions. Tebtebba, which presented Indigenous Peoples’ perspectives, highlighted the importance of ensuring that no projects including REDD-plus will be undertaken without the FPIC of the indigenous people.

“Biodiversity safeguards of REDD-plus”
This side event presented interim results of a consultation process undertaken by the Secretariat of the Convention on Biological Diversity (CBD), in collaboration with the UN-REDD Programme and other partners, on the development and application of relevant REDD-plus safeguards for biodiversity.

The CBD Secretariat presented the CBD Programme of Work on Forest Biodiversity, the decisions of CBD COP relevant to REDD-plus (Decision IX/5 and the “Aichi Targets of the CBD Strategic Plan 2011-2020”), the linkages between forest carbon and human rights-based approach to all processes in the REDD-plus mechanisms; recognition and respect of collective and individual rights, traditional knowledge, customary governance and institutions; full and effective participation of indigenous people in decision-making and benefit-sharing; and recognition of the role of women.

“Demonstration of Discussion Forum on REDD”
The Secretariat of the UNFCCC presented its plans for the creation of an online Discussion Forum on REDD under the UNFCCC REDD Web Platform. The Forum will be publically accessible, but is primarily meant for experts to discuss methodological issues related to IPCC guidelines and good practice guidance with respect to REDD. The UNFCCC Secretariat will moderate the discussions. An eventual expansion of the Discussion Forum will depend upon its acceptance.

“Linking community based MRV with national REDD-plus governance”
A key message of this side event, organised by the University of Twente (KTGAL project), the University of Toronto and CIGA-UNAM (Mexico), was that the key message was that local communities can collect forest

Box 2: REDD-plus related side events

- Progress on addressing REDD-plus safeguards
- REDD: Consultants, cost curves and safeguards
- REDD-plus Roundtable: Issues for 2011
- Actions needed to halt deforestation and promote climate-smart agriculture
- Developing Indigenous-Sensitive and Gender-Sensitive MRV Tools and Instruments
- Sparing vs. Sharing: Addressing drivers of deforestation and forest degradation
- An ecosystems approach to implementing REDD-plus
- Civil society advice for REDD-plus related national monitoring and reporting information systems
- Tracking REDD Finance: The state of play of finance for REDD
- The DRC national forest monitoring system for REDD-plus: the start-up phase
- Addressing agricultural drivers of deforestation in REDD-plus: critical issues to measure and assess
- Biodiversity safeguards of REDD-plus
- Demonstration of Discussion Forum on REDD
- Linking community based MRV with national REDD-plus governance
condition and carbon stock data of comparable quality to trained scientists, usually at half the cost. Therefore, empowering communities to own and monitor carbon stocks could provide a rapid and cost-efficient way of sequestering CO2, while at the same time contributing to local livelihoods and forest biodiversity conservation. There is already a strong political movement to ensure that communities gain some of the financial rewards of REDD-plus. As the performance of REDD-plus will be assessed at the national (or provincial/state) level, important questions remain on options for a nested approach, such as how individual projects will fit into the national accounting system and if national authorities will claim all the credits or projects can claim credits independently.

VII. REDD-plus Partnership Meeting

The REDD-plus Partnership was launched during the Oslo Climate and Forest Conference in May 2010 and serves as an interim platform for partner countries to scale up actions and finance REDD-plus related initiatives in developing countries.

On 12 June 2011, partners met for the second REDD-plus Partnership meeting of 2011, which was co-chaired by France and Brazil. 90 representatives from 49 countries, 49 stakeholders representing NGOs and intergovernmental organisations (IGOs), and 4 members of the Forest Carbon Partnership Facility and the UN REDD Programme Team (FMT/PT) attended (FMT/PT 2011). The main agenda items were: 1) Voluntary REDD-plus Database (VRD); 2) Gap Analysis and financing; 3) Effectiveness of multilateral initiatives; and 4) Organisational issues and Priorities for the 2nd Semester of 2011.

1. Voluntary REDD-plus Database

An introductory presentation of the recent progress report on the Voluntary REDD-plus Database stressed the importance of the VRD in creating transparency in REDD-plus financing, actions and results, and to support analyses and share experiences. Partners also emphasized that the VRD is an important tool for both donors and developing countries, to identify financing gaps and overlaps, facilitate planning and implementation, and strengthen coordination. It can also be an important tool to inform about tracking financial flows for REDD-plus. Partners noted their appreciation of the advancement of the database work thus far and welcomed the increased reporting by partners. The discussion focused on the discrepancy between the financing reported by donors (USD 4.1 billion) and by developing countries (USD 0.5 billion) pointed out...
in the report (Table 1).

The main issues discussed and suggestions by Partners for the VRD team to consider include:

- The disparity in financing reported by donor and recipient countries needs to be addressed to ensure that data are internally consistent and useful for analysis and decision making.
- There is a need for clearer definitions of pledges, commitments, arrangements and disbursements, and for what constitutes REDD-plus financing.
- General definitions and terms used in the questionnaire should also be harmonised.
- The VRD should explore developing of a web-based questionnaire, where partners can independently submit and update their data.
- Parties could work together to solve discrepancies in reporting, e.g. by mutually confirming information about the arrangement.
- The VRD could report data for the different phases of REDD-plus financing, although some parties felt that VRD should focus on REDD-plus readiness and fast-start financing.

2. Gap analysis and financing

Partners concluded that to allow for reliable financial analysis of existing funding, a priority should be to make the data in the database complete. Dialogue between the partners but also at national level is considered necessary to identify the actual gaps. Stakeholders stressed that improving the data quality of the database is an urgent issue, as financing is critical for REDD-plus.

3. Effectiveness of multilateral initiatives

A consultant presented preliminary findings from a review of the effectiveness of multilateral REDD-plus initiatives. Partners suggested the analysis should focus on the extent to which the various initiatives are consistent and complementary and coherent, support national actions, coordinate with REDD-plus countries, can timely respond to needs, and address safeguards.

4. Organisational issues and Priorities for the 2nd Semester of 2011

DRC and Australia were elected as co-chairs of the REDD-plus Partnership for the period January – June 2012. The Co-chairs for July-December 2011 – Germany and Guyana –presented initial thoughts about priorities during their mandate. They proposed two two-day meetings in the margins of UNFCCC meetings during the 2nd semester of 2011 (October and December). Partners supported the idea of dividing each meeting into a half-day formal meeting and a 1.5-day workshop, to focus more on sharing country experiences with specific themes. I meeting and a 1.5-day workshop, to focus more on sharing country experiences with specific themes.

### VIII.REDD-plus Partnership Workshop

The workshop was held on 18 June 2011 and co-chaired by France, and Brazil. It was attended by 60 representatives from 40 countries, 29 stakeholders and 4 representatives of the FMT/PT. The objective of the workshop was to deepen the Partnership’s understanding of topics related to the scaling-up of finance. The agenda included four themes (Box 3).
Box 3: Themes of the REDD-plus Workshop

**Theme 1: Mobilising private sector finance**

Introductory remarks made by the UK, FERN, BNP Paribas and Brazil highlighted that new kinds of financing mechanisms for REDD-plus are required, and could involve the creation of a public fund designed to support private investment in REDD and improved land management, or the use of demand-pull mechanisms such as advanced market mechanisms (AMC) to provide a price signal for private investors. There was consensus that the private sector should be involved in designing bilateral partnerships and in developing innovative financing options. Government and private sector representatives both stressed the need for collaboration among governments and stakeholders in the development of safeguards, and for a transparent system to ensure positive impacts and social co-benefits of private investments. The private sector argued for a policy and regulatory environment that is conducive to investments.

**Theme 2: Lessons from the fast-start – pilot experiences of scaling up result-based incentives**

Norway and Conservation International (CI) presented lessons from the fast-start financing. They agreed in pointing out that results-based payments have been found to ensure the most equitable form of finance and are preferred by donors. CI pointed out that the FCPF Carbon Fund as the first multilateral results-based payment mechanism could serve as a model for scaling up payments. CI also argued for scaling up demonstration activities to develop national actions, since the goal for REDD-plus should be systemic change. It also said that opportunities for south-south cooperative initiatives should also be explored, and that civil society organisations can play a role in facilitating interim financial arrangements between countries.

**Theme 3: Characteristics of the funding needs for REDD-plus**

Costa Rica presented its strategy for REDD-plus financing and The Nature Conservancy presented a characterisation of funding needs for REDD-plus. The latter pointed out that for countries to undertake long-term REDD-plus action, sustained and sustainable financing is required and financial sources should be diversified. Partners recognized that funding needs may vary, depending on the different nature of activities and changing requirements over time and in the different phases of REDD-plus. There is a need for capacity to handle both private and public financing. A stabilisation facility and catalyst funds were also presented and discussed as two types of funding models.

**Theme 4: Barriers to scaling up REDD-plus finance and enabling environments**

DRC, Germany and PNG made introductory remarks. The largest challenges have been found to relate to the initial stage of scaling up, as there can be a no-win situation between political commitment and availability of finance, and between projects on the ground and capacity. The following strategies were identified for overcoming barriers to scaling up REDD-plus finance:
- Human resources need to be developed through large-scale capacity building programmes.
- The transparency of financial transactions and REDD-plus activities needs to be ensured.
- Different sectors need to be integrated and involved to build an enabling environment.
IX. References


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