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**Back to Office Report**  
**Submitted by Aki Kono**  
**Title RTA**  
**Date submitted: March 9, 2016**

**1. Practice area:** PBPS SDC

**2. Mission period (incl. of travel days):** From: 2-4 March 2016

**3. Type of mission:** Participating in the BIOFIN regional workshop as a resource person

**4. Clients:** BIOFIN and BIOFIN countries

**5. Purpose of mission:** To introduce UN-REDD activities and present potential entry points for collaboration in countries where both BIOFIN and UN-REDD work in Asia.

**6. Documents, materials, resources**  
– Workshop description (attached)  
– Presentation (attached)

**7. Mission members:** Aki Kono

**8. Costs:** UN-REDD Global Programme Budget

**9. Brief summary of the mission**

The objective of this mission was to participate in the Biodiversity Finance Initiative’s regional gathering to present the work of UN-REDD in the region as well as talk about potential entry points for collaboration between the two initiatives.

**10. Findings**

**General**

- BIOFIN’s objective is to develop a highly nuanced methodological approach to mobilize biodiversity finance for NBSAP implementation in each participating country, based on the methodological framework developed by the global support team.  
([http://www.biodiversityfinance.net/sites/default/files/uploads/documents/biofin\\_workbook\\_final.pdf](http://www.biodiversityfinance.net/sites/default/files/uploads/documents/biofin_workbook_final.pdf))
- The general approach of BIOFIN is very similar to the process of REDD+ strategy development – starting from the identification of drivers and potential interventions to address the drivers, to setting up indicators and targets to monitor and measure progress, and all the way up to the costing of interventions and identification of sources of finance through an expenditure review and external resource mobilisation.
- BIOFIN sees itself moving beyond just providing analytical tools in order make a development impact through the delivery of transformational outcomes through capacity building and strategic policy planning and implantation.
- One of the transformational outcomes they look to deliver is biodiversity friendly climate change adaptation and mitigation to leverage support through the broader climate governance mechanism.
- BIOFIN also actively promotes South-South cooperation – e.g., the Philippines received TA support from Costa Rica in carrying out their biodiversity expenditure review.
- In Asia and the Pacific, BIOFIN works with Bhutan, India, Indonesia, Fiji, Malaysia, Mongolia, the Philippines, Sri Lanka, Thailand and Viet Nam, and except for the Philippines, they are more or less at the stage of setting up the initiative to start implementing.

**Entry Points**

- Generally speaking, there are some obvious entry points for the two initiatives to collaborate, particularly through the assessment of D&D drivers, identification and prioritisation of candidate policies and measures and development of an integrated action plan to implement the PAMs.
- As the REDD+ readiness and demonstration phases generally focus on a much wider range of issues, sectors and stakeholders, concerning land use and land cover change, it would be of benefit to BIOFIN to make use of the existing REDD+ readiness/demonstration infrastructure to build on the existing policy debates and processes concerning forest and climate change.

- From this perspective, Indonesia (updating the national strategy while entering into ground demonstration activities), Mongolia (identifying candidate PAMs), Sri Lanka (developing an integrated financing plan), and Viet Nam (implementing PRAPs) seem to offer a range of opportunities for BIOFIN to make use of the existing planning and implementation mechanisms under REDD+ in each of these countries.
- BIOFIN plans to deliver \$500K over 3 years in each participating country, and purely due to the size of funding, they may face some challenges, as we have experienced through the implementation of TS, in getting the necessary implementation support from the Country Office and buy-in from the government and non-governmental stakeholders beyond a core group of actors involved in each country.
- Furthermore, as with CPEIR, BIOFIN's methodology to focus on the reclassification or re-labelling of national budget items to identify and track biodiversity finance may pose a challenge, as it might simply end up being a desktop exercise without actually looking at how such finance is actually spent and the return on investment (e.g., increase in ecosystem health, increase in PA income, more generally the business case).
- Otherwise, it might just be an exercise of budget reclassification for the purpose of reporting to the CBD, while the biodiversity sector continues to be relegated a secondary financing priority in the shadow of those traditionally powerful sectors like health, education and industry in reality.
- UNDP HQ has a website called Financing Solutions for Sustainable Development, which might also be useful for the UN-REDD Programme as well.

#### 11. Issues to follow up

- Sri Lanka CO and UN-REDD NP will try to align the two initiatives as much as possible to allow BIOFIN activities to be able to take advantage of the existing policy processes under REDD+, and to avoid unnecessary duplication of work.
- This will hopefully bring the Forest and Wildlife Departments to collaborate more closely to identify and move towards a common goal.

#### 11. Follow up action matrix

Action to be taken	By whom	Expected completion date
Share findings with relevant RTA	Aki	Within a week

#### 12. Distribution list: UN-REDD, and the CO

## **Agenda** **Biodiversity Finance Initiative – BIOFIN**

**2<sup>nd</sup> Regional Workshop, Eurasia/Pacific**  
**March 2-4, 2016**  
**Bali, Indonesia**

### **Background**

Launched in October 2012, the Biodiversity Finance Initiative (BIOFIN) promotes a new methodological approach to encourage more effective investment in biodiversity. The methodology considers the opportunities and financial gaps in a realistic manner and develops measures to improve the quality of investment and profitability. BIOFIN also raises optimization strategies and mobilization of additional resources to meet national goals related to biodiversity and sustainable development. In this context, BIOFIN promotes the incorporation of biodiversity in development strategies and investment policies at national and sectorial levels.

Currently, 30 countries are participating in BIOFIN, coordinated by a global technical team at UNDP that encourages and supports the development and use of this new methodology. The global team works with BIOFIN countries to periodically refine the methodology and support effective peer-to-peer learning.

BIOFIN works at the national level under the leadership of the Ministries of Finance (Treasury), Economy, Planning and Environment, and with other organizations and key sectorial institutions. BIOFIN includes the following components:

- **Biodiversity Finance Policy and Institutional Review**;
- Public and Private **Biodiversity Expenditure Review**;
- **Financial Needs Assessment** for Biodiversity Strategies and Action Plans - Estimating the cost (results based budgeting) required to implement national biodiversity strategies and achieve national biodiversity goals;
- **Biodiversity Finance Plan** – Analysis of options to optimize current investment (public, private, national, international) on biodiversity, and development of finance plans; including new diversified finance solutions to reduce the existing financial gaps, realign expenditures, reduce future costs, and delivery better biodiversity outcomes;
- **Raise awareness** in order to achieve adequate appropriation and adoption of BIOFIN and its recommendations at the national level; and incorporate the management of biodiversity and ecosystems into sustainable development policies at the sectorial level. To do this, BIOFIN also promotes economic valuation studies aimed at demonstrating the economic links between sustainable development and healthy ecosystem services/biodiversity;
- **Launch the implementation** of the recommendations emerging from BIOFIN, such as the improvement or creation of a financial mechanisms or environmental fiscal reform.

The implementation of the different components of BIOFIN at a national level generates a great wealth of knowledge that is periodically incorporated to the evolving BIOFIN methodology by the national, regional and global teams. Through this adaptive management approach, one of the major objectives of the 2nd BIOFIN Regional Workshop in Eurasia and the Pacific is to move forward with the institutionalization of the valuable lessons that this initiative generates.

### **Global Objectives**

- Introduce a new version of the BIOFIN Workbook
- Facilitate knowledge exchange among BIOFIN Eurasia and Pacific countries
- Assess progress towards attaining overall outcomes / impacts of BIOFIN and address implementation issues
- Discuss integration of BIOFIN with related initiatives including SDGs, Climate, PEI
- Enable BIOFIN countries to develop communications strategies and determine appropriate knowledge management platforms

### **Goals**

- Present to the new participating countries and new members of the national teams BIOFIN's philosophy and its community;

- Present the updated BIOFIN methodology and provide a platform for discussing it;
- Train countries in the components of the updated BIOFIN methodology that have not yet been applied at national level;
- Discuss strategies and interventions on how BIOFIN can ensure that the desired transformational outcomes are attained either through mainstreaming activities, communications, and establishment of institutional frameworks to sustain BIOFIN philosophy and actions beyond project lifetime;
- Capture and hold detailed discussions about the results and experiences (challenges, innovations, best practices, entry points, technical strategies and policies, etc.) of the national teams implementing BIOFIN's components: completed and still in progress, to (i) Enable the global team to reflect the comments in the completion of the new methodology; and (ii) offer the opportunity for a south-south exchange, through which participants can develop a broader understanding and skills for optimal execution of BIOFIN in their respective countries;
- Discuss and clarify how BIOFIN can contribute to a better integration of biodiversity and ecosystem services into sectorial development strategies and investment policies at both national and sectorial levels; and respond to the priorities of the Ministries of Finance and Economy (Treasury)/Planning; and,
- Define knowledge management needs to facilitate implementation across all BIOFIN countries in the region.

### **Participants**

The workshop brings together over 70 participants including delegations of the 13 countries of Eurasia region that are part of BIOFIN (Bhutan, Fiji, Georgia, India, Indonesia, Kazakhstan, Kyrgyzstan, Malaysia, Mongolia, Philippines, Sri Lanka, Thailand and Vietnam). These delegations are composed of representatives of the Ministries of Environment; Ministries of Finance, Economy and/or Planning; and the respective UNDP country offices and national BIOFIN teams. UNDP participants include representatives of the Regional Center in Bangkok and relevant representatives of intergovernmental donor organizations.

### **Venue**

The workshop will be held at the Marriott Courtyard Nusa Dusa Bali, Indonesia

# UN-REDD PROGRAMME



## UN-REDD Programme in Asia-Pacific

Biodiversity Finance Initiative  
2nd Regional Workshop, Eurasia/Pacific  
March 2, 2016

Aki Kono  
Regional Technical Advisor,  
UNDP/UN-REDD Programme



### Outline of Presentation



- i. Role of forest in GHG emissions
- ii. Key international decisions
- iii. What is REDD+?
- iv. How does REDD+ work?
- v. UN-REDD Programme
- vi. Common countries/status of progress
- vii. Potential entry points for collaboration

## Key Decisions of UNFCCC Conference of the Parties

- CoP 11 (2005): a group of tropical countries headed by PNG & Costa Rica initiated a process to consider RED.
- CoP 13 (2007): with **Bali Action Plan**, REDD first entered into the UNFCCC CoP negotiation process and its broad scope was identified.
- At CoP 15 (2009): **Copenhagen Accord** called for the establishment of a **REDD+** mechanism.
- At CoP 16 (2010): **Cancun Agreements** provide specifications of the REDD+ mechanism, including guidance on strategies and technologies for carbon **measurement, reporting and verification (MRV) and safeguards**.
- At CoP 19 (2013), **Warsaw Framework** provides a **complete** (technical and procedural guidance) **REDD+ package**
- Paris Agreement recognises the role of REDD+ and the importance of adequate and predictable financial resources incl. RBPs.
- Discussion on finance still continues.

## What is REDD+?

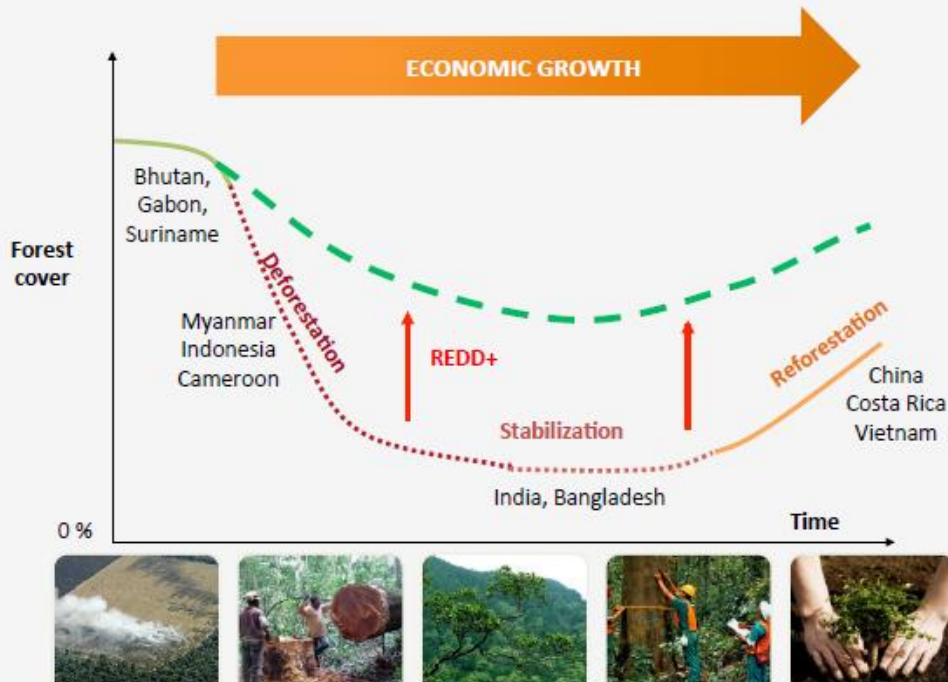
- **REDD+** is a new climate change mitigation mechanism under the UN Framework Convention on Climate Change (UNFCCC).
- The key idea is for developing countries to receive **results-based payments** for verified carbon emission reductions or removals.
- **REDD** = Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (can chose any one(s) of the five)

“+” stands for

- + Conservation of forests
- + Sustainable management of forests
- + Enhancement of forest carbon stocks

- Participation is voluntary and financing is expected to come from **both the public** and private **sources**.

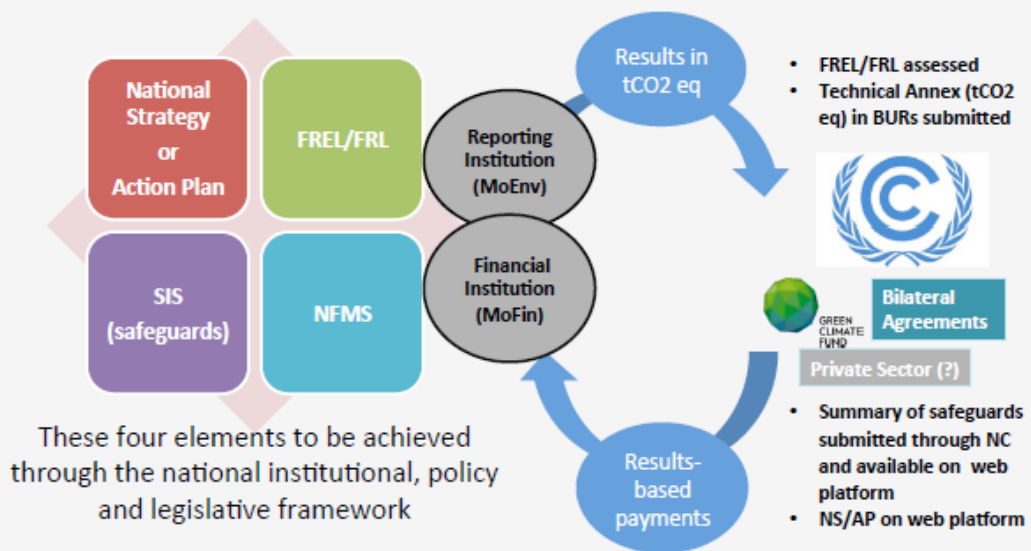
## What is REDD+?



## How does REDD+ work?

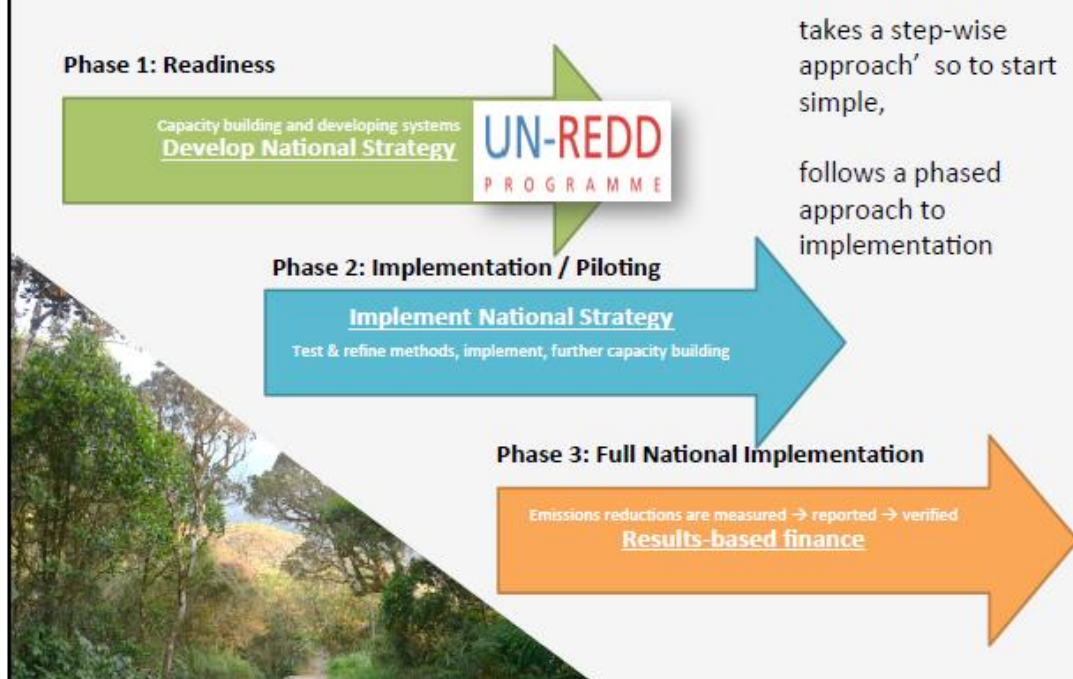
### National REDD+ Design

### UNFCCC facilitated Process





## How does REDD+ work?



## UN-REDD Programme

- United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
- Joint FAO, UNDP, UNEP effort initiated in 2008 to support developing countries in preparing to implement REDD+ activities
- Supports development and implementation of country-led REDD+ strategies through 1) *full national programmes*; or 2) *focused Targeted Support*
- 64 partner countries globally, and 19 partner countries in Asia-Pacific

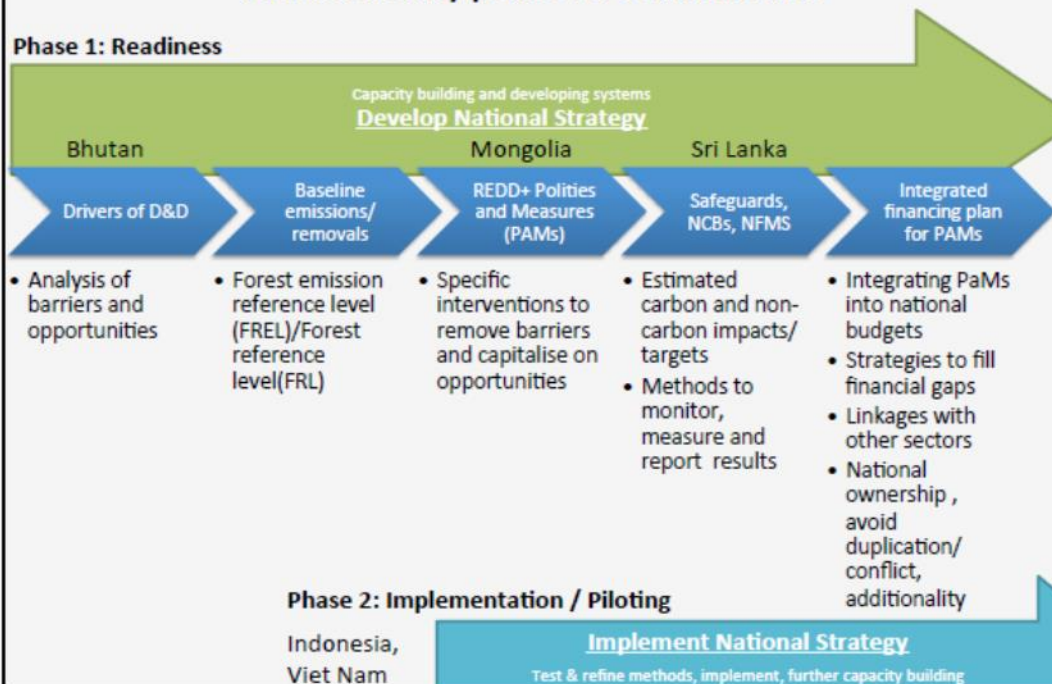


## Common countries/status of progress

Common Countries (with on-going activities)	Support Type			Status of Progress /	UN-REDD/ REDD+ Regional Advisor
	TS	NP	T2		
Malaysia	x			FREL/FRL submitted to UNFCCC for assessment, Nat'l Strategy being finalised, development of a private sector engagement strategy and REDD+ fund management mechanism planned.	Aki Kono
Indonesia			x	Nat'l Strategy developed in 2012- now defunct, US\$1b Letter of Intent signed in 2010 to enter 2 <sup>nd</sup> phase with local demonstration, US\$ 800mil in RBPs up to 2020	Joel Scriven
Bhutan	x			Main readiness efforts funded by WB FCPF, currently initiating work on assessing drivers of D&D, plan to develop potential policies and measures by year end, Nat'l Strategy preparation starts in 2017	Joel Scriven
Mongolia	x	x		Assessment of drivers of D&D done, REDD+ policies and measures to address drivers will identified in 2016, an action plan developed in 2017	Aki Kono
Sri Lanka	x	x		REDD+ policies and measures identified and prioritised, an action plan completed in 2016, Nat'l Strategy completed in Q1 2017	Aki Kono
Vietnam			x	Phase 2 funding (US\$ 30mil) by Norway signed in 2013, FREL/FRL submitted to UNFCCC for assessment, Nat'l Strategy planned for completion by end 2016, NFMS partially functioning, safeguards under design, provincial REDD+ action plans (PRAPs) being piloted in 21 provinces, refinement of national level REDD+ policies and measures	Tim Boyle

TS – Small scale support (less than 400K), NP – Full national programme (2-5 million), T2 – Bilateral agreement (~ several million USD for Phase 2 support)  
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## Potential entry points for collaboration



## Example: Sri Lanka – Drivers and Interventions to address them

- **Drivers of D&D** - encroachment, infrastructure, commercial agriculture, localized illegal felling
- **Sri Lanka's REDD+ OBJECTIVE** - less emphasis on RBPs and more on sustainable development
- **24 candidate policies and 39 candidate measures** to address drivers to address drivers and barriers to forest enhancement
- PAMs cover a wide range, suggesting an **inter-sectoral approach**
- **A set of prioritization criteria** were identified to narrow down a list of PAMs based on their potential to deliver carbon impact and non-carbon benefits, to respect/address safeguards, and social and institutional acceptability, and to ensure feasibility and alignment with national priorities and international commitments.



## Example: Sri Lanka – detailing out each intervention

PAM1: Forest Boundary Demarcation		
<b>Cost</b>	Rs 70,000,000 /yr over 3 yrs	
<b>Description</b>	<b>Overall goal</b>	Adopt a national policy to stop regularization of encroachments
	<b>Outcomes</b>	Natural forests and regenerated forests portended
	<b>Coordinating agency</b>	Forest department in collabotation with Wildlife Department
	<b>Implementing agency/partner</b>	Forest Department and Wildlife Department
<b>PAM Targets</b>	250 km of forest boundary demarcated in the northern region over 3 years (approx. 500,000 ha. of forest land) GHG emission reduction target: 150,000 tCO <sub>2</sub> eq/yr. GHG removal target:100,000 tCO <sub>2</sub> eq/yr.	
<b>M&amp;E</b>	<b>Proxy indicators</b>	<b>Info Source</b>
	Volume increase, areas under protection, no.of filed complaints	NFI, BD data, Registred claims
<b>Expected Safeguards risks (social, environmental, governance) and status</b>	<b>Risks</b>	<b>Safeguards status</b>
	Rights of local communities ignored	Fullyt address and partially respected
	Limited access to and poor disclosure of informaiton and etc.	Partially addressed and partially respected etc.

**Example: Sri Lanka – costing and incorporating into existing national (also development partner) programmes**

REDD+ Policy/ Measure	Total Annual Cost (mil.Rs)	Nat'l / Ext'l Budget	Imp. Agency	Existing Annual Budget (mil.Rs)	Budget Gap (mil.Rs)	Total Carbon Potential (tCO <sub>2</sub> eq/yr.)	REDD+ Impact timeframe (S/M/L)	NCB (L/M/H)	SE Risk (L/M/H)	REDD	SFM
Inclusion & Implementation of FPIC in EIA law	140	5468	MMDE	20	70	n/a	L	M	L		X
		WB SESA	WB	70							
Forest Boundary demarcation	70	6781	Forest Dep	50	20	250,000	S	M	H	X	
Assisted Natural Regeneration	100	n/a	n/a	0	100	500,000	M	H	L	X	

**1. Ensuring national ownership and additionality , 2. eliminating potential duplications/conflicts, 3. increasing donor/investor confidence**



**Thank you!**

For more information on UN-REDD, please visit <http://www.un-redd.org>

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