**28 November 2012**

**REDD+ LCA spin-off session**

**Summary**

* Session aimed to identify elements for a LCA decision on REDD+ finance
* Three new proposals with significant implications on financing of result-based REDD+ actions: PNG’s proposing the creation of a REDD+ Committee under the Convention, Colombia proposing financing subnational results-based actions, and the EU proposing the introduction of a new concept, “incentive baselines” to be taken in account for defining finance in addition to RLs.
* Parties received with reserves the EU proposal and some expressed concerns about the Colombian proposal
* From the floor several parties (Bolivia, Sudan, Malawi, Tanzania) proposed financing non-carbon benefits in phase 3, while others proposed to focus on financing on verified emission reductions (Norway) which will generate co-benefits.
* Some A1 parties and developing country parties were not in favor of discussing the creation of new institutions at this session
* Parties
* Text was mandated to produce new, streamlined text
* Considering this, is unclear what could be achieved until the end the session

**LCA Chair:** Try to come up with text that reflects all parties views.

**Facilitator- Spin off group.** Mandate originates from Cancun 1CP16. Encouraging developing countries to contribute dev. Countries parties to contribute to mitigation efforts through…spell out REDD. Provided financial support is available, countries will:

Recaps REDD phases

Par 76, and 77 including financing of phase III, by requesting LCA to explore financing options and report back to Durban. In Durban decision 2 CP 17 was adopted. Par 65, finance will come from by a wide variety of sources. Par 66 Markets could also be developed 67 non-market based approaches like JMM could also be developed. Par 71 requested Sec to prepare a technical paper based on submissions, and organized a workshop based on those views. Workshop was in BKK, and key issues and elements were discussed, captured in an informal note. There were request for text. Text was produced, generating mixed reactions.

Request if there are objections about proposed way forward. No-objections.

Like to hear additional views or thoughts on the text from BKK, especially from those parties that indicated that an additional text. Give the floor to EU, PNG, Colombia.

**EU:** Not additional element, but elaboration of additional elements contained in the text. Explanation: on RLs (it was decided before that this are a benchmark, this could be either historic or based on BAU), think that this could serves as basis for result-based finance. In NAMA’s there are some parts of domestic NAMAs and those that require additional support. Think an incentive level could be a useful tool to set provision of results-based finance. Think the concept of incentive levels is important, and will help to direct climate change finance where is most needed. About what should be reflected on a COP decision, notion of a concept is valuable, and explaining what a concept is not realistically think it could be elaborated, could work in a concept level. Have a paper, can circulate a pdf version and text proposal.

**PNG:** Now presenting here a new concept streamlining part of the text. Part of this institutions were presented by CfRN, streamlined the text on what is a red line. On institutional arrangements this should be passed to the Convention. It is the time to bring FCPF and UNREDD to the FCPF. The LCA cannot close without a governance mechanism that links REDD+ with the GCF, and KP. Leave Doha with a REDD+ Committee, which will interphase with SBSTA and SBI on subjects that are relevant. Avoid fragmentation of standards, improve efficiencies, scale up actions and ensure environmental integrity. Is a must for CfRN REDD+ cannot not remain as an orphan from BAP.

**Colombia:** Present a new proposal submitted to the UNFCCC. Gap on eligibility requirements for result-based actions. The submission supports the idea of subnational actions helping implement. Read submission. Do not intend to carry out a project-based approach to REDD+. Step-wised approach for actions needed. Sub-national REDD actions should be eligible for REDD+ financing, based on a subnational MRV system.

<http://unfccc.int/files/bodies/awg-lca/application/pdf/rev2_mozambique_national_submission_on_lca_agenda_item_3biii_on_redd%5B1%5D.pdf>

**Mexico:** Initial reactions. Do not object the way forward, strongly support it. Would like a more succinct document. Hope that would be way to reflect these new proposals in the new text, without too much detailed on what is expected as outcomes from Doha.

**Tanzania:** Provision of new adequate and predictable financial support is paramount for participation. Other environmental and social benefits should be considered to be financed on result-based actions. SBSTA to explore how the result-based payment should be done. Supports PNG on setting a REDD committee.

**Sudan:** COP in Doha should request SBSTA to assess recognition of multiple benetifts. Approach of results –based payments on non-carbon benefits

**Bolivia:** Text is appreciated as recognizes different approaches fro reducing deforestation. This idea is in tune, and consistent with Rio +20. Holistic and integrated approaches. Bolivia committed to discuss the non-market approach. This is why JMMA was proposed. Doha has to promote the non-C based approaches. Regarding 66, 67 2. CP 17. REDD+ should be considered as one approach, that was designed as a market mechanism (post-payment). Bolivia does not accepts the label of REDD+ to encompasses all approaches. Future work should be oriented to recognize all the different approaches. SBSTA should be requested to develop a work-program for JMMA for integral and sustainable forest management of forests. Also request the Board of the GCF of a window for financing different approaches.

**Indonesia:** Supports the idea of the chair proposing new text, reflecting achievement in Durban. Important to see progress on what we achieved in Durban. Welcomes proposal by EU, PNG and Colombia, however we don’t have time to discuss thoroughly these proposals. Hard to have a complete assessment.

**Guyana:** Fully supports the plan for the rest of the time in Doha. We have enough by way on the synthesis paper, summary of workshop in Bangkok and submissions, to develop text. Initial reflections on proposals: Subnational proposal by Colombia, this will be fine as long as it adheres to previous COP decisions. Need to think about the EU proposal, have done lots of work on RELs and RLs. Is not simply a technical tool but a crediting tool. If we want to create another bar on instances on domestic resources for REDD+ no need to create an additional bar. On PNG’s proposal, believe that maybe we were too ambitious, agree that we need is to agree on the institutional architecture, especially considering that the LCA is finishing. Agreeing on the functions here in Doha.

**Dominica:** Supports Guyana and PNG.

**US:** Know that progress will be important for the implementation of REDD+. Moved forward in BKK. That progress was not well reflected in the text. Need to start with a text of shorter, clear on areas where there are real possibilities of reaching agreements. Not the time to create new bodies and institutions. Look forward to reach a good outcome.

**Colombia:** Happy for the facilitator to propose new text. Hope the text can be treated in 4 categories: previous decisions, recalling them, not rephrasing, 2: identify areas of convergence 3: put forward areas that are important but are divergent on views. Missing section like approaches: sub-national, JMMA. Like to put forward a work-programme under the COP. willing to study the option by PNG.

**Norway:** Finance is critical to continue progress. If we don’t establish a significant demand for verified ER, developing countries won’t have an incentive to continue actions. Need to agree on rules and modalities based on which result-based finance will be provided. Informal text from BKK contains too many options. Regarding the proposals heard: REDD+ activities are carried on with the aim of result-based ERs, there are of course multiple benefits, but finance should be based. Need to focus on the functions that rather than establishing new institutions. Need to build upon existing institutions. Independent verification of ERs and reports on how safeguards have been addressed.

**Malaysia:** Support the way forward. Time is needed to study and understand this proposals. On the incentive level baseline, needs to be clarified, more and more requirements will delay implementation of actions.

**Malawi (LDCs):** Result-based payment should include non-carbon benefits that are essential for SFMs. Co-benefits are essential for poverty reduction. Supports PNGs proposal on the REDD Committee. Agrees on giving them the mandate for text production.

**Thailand:** Need to consider the maturity issue on what items a decision can be decided.

**Philippines:** Supports idea of developing a new text. Idea of expanding payments to non-C benefits as this is consistent with the Convention. There should be a home for REDD in case LCA closes.

**Australia:** Looks forward to progress in Doha. Continue to focus in REDD+. BKK text is a good summary. Do not consider as a good basis for negotiations is too large. New text should reflect areas of convergence. Finance should focus on C, but open to make sure that it delivers other benefits, with the main of reducing emissions. Focussing on functions rather than new institutions.

**Ecuador:** Supports further development of text. Expect to come up with a decision on moving faster to Phase 3. Further technical guidance is needed on enabling con. Addressing risks, setting international starndars for market and non-market approaches. Supports a REDD+ window in the GCF.

**China:** Would like to see progress. Notices the divergence of views, we may not be able to have consensus on everything. After Doha there would be more time to discuss, open to PNG proposal. Gives mandate to draft new text, based on the convergent views.

**Ghana:** Comprehensive text developed in BKK, captures parties views.

**Canada.** Look forward to see something more streamline, looks forward to help

**PNG:** Yes on new text. Worried to start on the commonalities, because there are not too many, when we start with the convergence will be ending on the small common denominator. How can we start with the functions without knowing who will do it. Need a place a body that will be do the functions, and after functions can be discussed. On the EU proposal understands that not funding should go in one section however needs to think about it. Talking for so long on the subnational, and finally found agreement with the phases and differentiation on financing, discourages to start this discussion again, based on existing decisions. Bolivia, Tanzania, Sudan, proposes similar proposals, if this Convention is the forum to address these proposals. Look forward to see the new text.

**EU:** Yes to new text. Suggest restructuring one element. Enabling conditions needs to be separated from participation requirements. Regarding the comments for incentive levels, this can be the same as RLs on countries that have linked considerations on addressing mit on their own. Proper basis for result-based finance will allow faster deliver. Think is useful to start thinking the functions if there is a need of a committee to fulfill the functions, it can be considered.

**Brazil:** Asks for clarification on the procedure. When the new version will be presented, and when we can start discussions. Need to agree with the Chair of the LCA. Reconsider the meeting scheduling and start discussions on the new version of the text.

**CI:** Level of finance should be based on mitigation conditional on achievement of safeguard. Social and environmental benefits are essential and already included on safeguards. No plan for REDD+ finance for result-based phase. REDD+ LCA decision needs to provide a signal. RBP should be based on fully MRVable ERTs.

**Safeguards group:** Insufficient action to address drivers of deforestation, RBP should Premature to base finance on C payment only. Request SBSTA to develop methodologies for assessing non-C.

**Facilitator:** Will try to find additional time for a meeting but this depends on the LCA Chair. On convergence, task lays with the parties. Requests parties to look for convergence.