

UN-REDD PROGRAMME



Note for the Policy Board on the process followed for preparing Tier 2 Terms of Reference

UN-REDD PROGRAMME

30 April 2012

1. Background

In 2010 the Policy Board endorsed the UN-REDD Programme Strategy (2011-15). The Strategy identified creation of a new financial modality, “Tier 2”, as one of its key elements. Further, under the section on Resource Mobilization, the strategy defines Tier 2, the role of the agencies in the process, and reporting to the Policy Board. The “Tier 2”, as defined by the UN-REDD Strategy, incorporates to the UN-REDD Programme REDD+ activities undertaken by the UN participating agencies that are clearly contributing to the overall Programme Strategy and which are funded through various sources. The ultimate purpose of Tier 2 is to provide an opportunity to UN-REDD Programme partner countries to benefit from the UN-REDD agencies expertise, and from the synergies promoted by the “delivering as one concept”, in funding arrangements between the country and donors.

“Tier 2” was further considered at subsequent Policy Boards (see table 1 for references). The Seventh Policy Board meeting requested the UN-REDD Programme Secretariat to share the Terms of Reference for Tier 2 funding with its members, which were duly circulated on 1 March 2012 (provided at Annex 1). At the Eighth Policy Board, the Board requested the Secretariat to recirculate the Tier 2 Terms of Reference to the Policy Board members for comments, along with a review of the procedures adopted to develop and share the Tier 2 Terms of Reference. This note summarizes the process followed.

2. Process for developing the Tier 2 modality

1. In 2010 the Policy Board endorsed the UN-REDD Programme Strategy (2011-15) after requesting certain amendments be made including that the Policy Board is informed of Tier 2 decisions. The Strategy defines Tier 2, the role of the agencies in the process, and reporting to the Policy Board. The Strategy states the following about Tier2 activities:

- *Funded through sources other than the UN-REDD Programme fund.*
- *Tier 2 activities are undertaken jointly or individually by agencies but clearly contribute to the overall UN-REDD Programme as defined in the Programme Strategy*
- *Approved by the UN-REDD Programme CG involving all agencies. The CG approves the UN-REDD Programme affiliation before any formal proposal is submitted to a donor(s).*
- *All tier 2 activities will be implemented preferably through joint programmes and can include both national and global activities.*

- *Progress reports on Tier 2 activities will be submitted to the Policy Board.*
2. The endorsement of the Strategy includes arrangements for the Tier 2 mechanism and the role of the agencies.
 3. The Tier 2 mechanism is consistent with the general funding framework of the UN-REDD Programme, in addition to the funds channeled to the Multi Partner Trust Fund (MPTF).
 4. At the Sixth Policy Board, the Board requested that options such as Tier 2 be explored as a means to raise additional funding for National Programmes. This decision clearly acknowledges the previous endorsement of the Tier 2 mechanism and the Board encouraged the Programme to explore options to utilize the Tier 2 mechanism.
 5. At the Seventh Policy Board the Board stated it “was pleased to note the development of Tier 2 as an important funding window and an attractive mechanism for donors and recipient countries”.
 6. On March 1 2012 the Secretariat circulated the Tier 2 ToR to all Policy Board members and during the Eighth Policy Board informed the members that the ToR was circulated. No comments were received prior to and during the progress report by the Secretariat at the Policy Board meeting. At the closing session of the meeting, one Policy Board member asked for clarifications on the procedures followed to develop the Tier 2 ToR and the following decision was taken:
 - (i) *to re-circulate the Tier 2 Terms of Reference for comments to the Policy Board members; and*
 - (ii) *the Secretariat to circulate a review of the procedures adopted to develop and share the Tier 2 Terms of Reference.*
 - a. *Following up (i) and (ii) above, the Secretariat will circulate an updating note consolidating comments received and advising the Board on possible next steps.*
 - b. *The Board requests an information session on Tier 2 to be held at the ninth Policy Board meeting.*

Table 1: Extracts from Strategy and Policy Board meeting reports relating to Tier 2

Document	Document Reference	Comment	Actions by Secretariat
UN-REDD Programme Strategy 2011-15, November 2010	‘While the MDTF will remain as the main fund arrangement, other funding windows will be used to enable flexibility in funding by donors, delivery by agencies and access by countries. Accordingly, the Programme will use an arrangement that divides UN-REDD Programme activities into two distinct funding tiers.	1. Tier 2 was discussed when the Strategy was presented to the Policy Board for	1. Invited inputs from the PB

	<p>... Tier 2 activities are funded through sources other than the UN-REDD Programme fund. Tier 2 activities are undertaken jointly or individually by agencies but clearly contribute to the overall UN-REDD Programme as defined in the Programme Strategy, and are approved by the UN-REDD Programme CG involving all agencies. The CG approves the UN-REDD Programme affiliation before any formal proposal is submitted to a donor(s). All tier 2 activities will be implemented preferably through joint programmes and can include both national and global activities. Progress reports on Tier 2 activities will be submitted to the Policy Board.</p> <p>The significance of this new tier 2 arrangement is that it creates flexibility for donors who may want to fund technical activities through one or more of the UN-REDD Programme agencies, while expanding the funding base for the Programme given that an increasing amount of REDD+ funding is becoming bilateral. It also recognizes that there are a number of associated agency activities that can and do contribute to the UN-REDD Programme.'</p>	<p>endorsement.</p> <p>2. The strategy defines Tier 2 activities, the role of the UN agencies, UN-REDD Programme coordination group and the Policy Board.</p>	
<p>Policy Board 5 Report, November 2010</p>	<p>'The strategy confirms the MDTF as the main funding mechanism of the Programme. However, to facilitate growth and to provide flexibility in the channelling of funding to the UN-REDD Programme, it also proposes to create a second funding window hereby referred to as Tier 2. This window, coordinated by an interagency steering committee, will enable donors to channel funds directly to the agencies for national or global activities that are directly contributing to the overall UN-REDD Programme strategy and programme of work.'</p> <p>PB Decision: The Board members welcomed the process and the finalization of the UN-REDD Programme Strategy 2011-2015. Board members proposed a few clarifications and recommendations to be incorporated into the final document, including that the Secretariat 'Report to the Policy Board on the nature and funding of Tier 2 activities'. The Board endorsed the UN-REDD Programme Strategy.</p>	<p>1. The Tier 2 mechanism is consistent with the general funding framework of the UN-REDD Programme in addition to the funds channeled to the Multi Partner Trust Fund (MPTF).</p>	<p>1. Comments made by the Policy Board were incorporated into the final strategy, including a reference to informing the PB of Tier 2 decisions</p>
<p>Policy Board 6 Report, March 2011</p>	<p>'The Board also recognized that there are needs for additional funding for National Programmes and proposed that options, such as the Tier 2 funding window, be explored to meet such needs.'</p> <p>PB Decision: The Board requested that the UN-REDD Programme develop options to utilize the</p>	<p>1. The Policy Board acknowledges the Tier 2 window and encourages the use of Tier 2</p>	<p>1. ToR were developed and piloted through a Tier 2 proposal presented by</p>

	Tier 2 mechanism. '	options as a means of increasing funding for the Programme	UNDP and approved by the CG
Policy Board 7 Report, October 2011	<p>The Policy Board was pleased to note the development of Tier 2 as an important funding window and an attractive mechanism for donors and recipient countries. The Board provided the following recommendation:</p> <p>a. Suggested the UN-REDD Programme Secretariat look into the establishment of a new forum for discussing policies and guidelines which could create an opportunity for Tier 2 donors to participate in discussions and ensure alignment of Tier 2 funding with the UN-REDD Programme at the policy level. '</p> <p>PB Decision: Requested the UN-REDD Programme Secretariat to share the terms of reference for Tier 2 funding with its members. The terms of reference should reflect how Tier 2 recipient countries will engage with donors and the procedure and specific bodies of the Programme that will ensure Tier 2 funding will be aligned with the UN-REDD Programme at the policy level.</p>	<p>1. The Policy Board was pleased to note the development of Tier 2 as an important funding window and provided feedback on Tier 2.</p>	<p>1. Secretariat informs PB 7 that an advanced draft of the ToR is undergoing consultations . Also, the Tier 2 modality will be responsive to country context and needs, and governance and quality of Tier 2 activities will be consistent with the UN-REDD Programme strategy and principles.</p> <p>2. Tier 2 ToR circulated to the Policy Board members on 1 March 2012</p>
Policy Board 8 Report, March 2012	<p>PB Decision: Requested the Secretariat to recirculate the Tier 2 Terms of Reference to Board members for comments, and circulate a review of the procedures adopted to develop and share the Terms of Reference.</p> <p>The Board also requested the Secretariat to circulate a note consolidating comments received and advising the Board on possible next steps and for an information session on Tier 2 to be held at the ninth Policy Board meeting. <i>(Note: A contact group was established during the eighth Policy Board meeting to propose language to the decision on Tier 2 and all members of the contact group except one agreed with the decision as registered by the Policy Board Report. The alternative language proposed is to include at the end of the decision the following additional text: "after which</i></p>	<p>1. Tier 2 was not part of the agenda as ToR had already been circulated to PB members and there were no activities under this funding modality to be reported. Conclusion of the Tier 2 ToR was reported during the presentation of the UN-REDD Programme</p>	<p>1. Secretariat informs PB 8 that the ToR were finalised and circulated.</p> <p>2. Alignment between Tier 2 and the Policy Board included in the draft ToR to review the Policy Board that are part of PB 8 formal documents.</p> <p>3. Recirculate</p>

	<i>this matter will be further considered”).</i>	progress report. 2. No comments were provided before PB 8 or during the progress report by the Secretariat.	Tier 2 ToR. Inform PB member on the review of procedures. 4. Prepare information session at PB9.
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Annex 1: Communication on Tier 2 ToR to the Policy Board (1 March 2012)

From: UN-REDD Policy Board

Sent: jeudi, 1. mars 2012 13:07

To: UN-REDD Policy Board

Subject: UN-REDD Programme Terms of Reference for Tier 2

Importance: High

Dear All,

As you may recall, in 2010 at the Fifth Policy Board meeting the Board endorsed the UN-REDD Programme Strategy 2011-2015. The strategy identified the creation of a new financial modality, "Tier 2", as one of its key elements, which will include REDD+ activities undertaken by countries and supported by the UN-REDD Programme agencies that are clearly contributing to the overall UN-REDD Programme Strategy and which are funded through various sources. Further, under the section on Resource Mobilization, the strategy defines Tier 2, the role of the agencies in the process, and reporting to the Policy Board.

This issue has been further considered at Policy Boards. Most recently, the Seventh Policy Board meeting requested the UN-REDD Programme Secretariat to share the Terms of Reference (ToR) for Tier 2 funding with its members. Correspondingly, I am pleased to circulate the approved Tier 2 ToR for your information. To access the document (via the Programme workspace) click on the following link:

http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=6680&Itemid=53

The ToR emphasise that the Tier 2 modality will be responsive to country context and needs, and that the governance and quality of Tier 2 activities will be consistent with the UN-REDD Programme strategy and quality, principles, standards and safeguards. The modality will enable Governments to access UN-REDD technical support by submitting Tier 2 proposals.

Tier 2 will play an important role in building on the solid foundations of the work that has started on initial readiness by providing an opportunity for countries to expand readiness activities. In countries that have made progress with initial readiness it offers an opportunity to scale up.

Tier 2 provides greater flexibility in terms of funding options using funds beyond the UN-REDD Programme Fund. As agreed at Policy Board 5, Tier 2 activities will be reported to the Policy Board for information.

Sincerely,

Dr. Yemi Katerere