**South-South Knowledge Exchange on national REDD+ fund architectures**

**Concept note**

**Background**

Several countries have opted for the establishment of REDD+ funds as funding modality to channel different sources of funding towards the implementation of REDD+ activities (DRC, Ethiopia, Indonesia, Vietnam and Colombia). They are at different levels of development and are receiving international technical support from the World Bank and the UN-REDD program. There are lessons learnt in each of these countries that could be shared with other countries and used in the fund design process. In addition, experiences in the field of conservation funds and forestry funds could also be relevant in this context. **The objective** of this series of South-South knowledge exchange dialogues would be to exchange experiences on topics relevant to fund design identified by DRC, Ethiopia, Indonesia, Colombia and Vietnam). This activity will be led by a partnership between the UNDP and the WB.

**Knowledge Exchange Concept**

This South-South Knowledge exchange activity will foster a dialogue across countries currently dealing with the establishment of national REDD+ funds. It will be structured around a series of face-to-face meetings throughout 2013, complemented by potential field visits. Each meeting will provide a space for in-depth discussions on key topics identified by the targeted countries during the planning session.

1. **Pre-workshop in-country dialog** with DRC, Ethiopia, Vietnam and Indonesia to refine topics and expectations to be presented during the planning workshop
2. The first meeting would be a **planning meeting** in Geneva with brief snapshots of the topics, discussions on country needs and identification of 3-4 key topics for further discussion.
3. Based on the planning meeting 3-4 key topics would be selected for which further international **technical meetings** would be organized.
4. **Country specific** topics could be followed up in individual countries based if necessary, including through field visits.

**Proposed topics**

TOPIC 1: Fund governance

* + Legal arrangements (i.e. country legal risk analysis)
  + Issues of fund governance
  + Capacity development of national entities to assume responsibilities in the governing structure of funds or become implementing partners/beneficiaries of the funds
    - Functional capacities (financial management, links to PFM assessments and reforms, risk management (financial))
    - Technical/programmatic capacities
  + Transition planning to enhanced national ownership

TOPIC 2: Models of delivery

* + Comparing on-budget modalities with extra-budgetary funds (and aligning extra-budgetary funds with country systems)
  + Funds and the general fiscal environment
  + Fund types (sinking, endowment, revolving, combination)
  + Windows/sub-accounts to disburse the funds
  + Financial products that can be offered by the funds
  + Beneficiaries of the funds

TOPIC 3: Funds and REDD+ national programs (linkages)

TOPIC 4: Resource mobilization (raising capital and revenue for the funds)

TOPIC 5: Aligning disbursement to strategic objectives

* + The planning process of fund development (strategic plan, financial plan, fund mobilization plan, business plan, operational manuals, programming, others such as MRV, safeguards and project registries)
  + Project cycles
  + Monitoring and evaluation of fund performance
  + Results-based payments vs. traditional ODA
  + Risk management (programmatic risks)

TOPIC 6: Safeguards

**Proposed venues and tentative dates**

* June – Planning meeting (during SBSTA meeting in Bonn 3-14 June 2013)

Technical meetings (4 or 5):

* September – first technical workshop (back-to-back with performance based payments workshop organized by Meridian Institute – date and venue to be confirmed)
* October – Oslo REDD+ Exchange (a session on Funds, or a parallel event). Second technical workshop on a selected topic
* December - Third workshop
* March 2014 – Fourth workshop
* June 2014 – Fifth workshop

**Participants**

Targeted countries:

* DRC
* Ethiopia
* Vietnam
* Colombia
* Indonesia

Others based on interest or experience relevant to the topics identified:

* Brazil (FUNBIO, Amazon Fund, Fundação Amazonas Sustentável)
* Costa Rica (FONAFIFO)
* Mexico (National Forest Fund / CONAFOR)
* Donor community (Norway, KfW, DFID…)
* Consultants

**Outcomes**

Fund development process in DRC, Ethiopia, Vietnam, Colombia and Indonesia is informed and enriched by discussions and expertise of participants.

**Budget**

See attached excel sheet