

**UN Collaborative Programme on Reducing Emissions from Deforestation
and Forest Degradation in Developing Countries (UN-REDD Programme)**

STRATEGIC OVERVIEW

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The purpose of this paper is to provide a strategic overview of where the UN-REDD programme is today and to stimulate discussion on the way forward.

1. Time for Action

The urgency of the climate change threat is now recognized. Leaders from a range of diverse areas representing climate, forests, biodiversity, human rights, business, etc. are coming together and cooperating in a new way to act on a common challenge.

This is a unique opportunity to scale up lessons learnt and build on UN experiences, working with a greater understanding of the centrality of forest and land tenure for progress on climate, livelihoods and ecosystems.

The UN-REDD Programme was launched in 2008 in response to and support of the UNFCCC Decision in Bali 2/CP.13 on 'Reducing emissions from deforestation in developing countries (REDD)'. Further, this collaboration is a response to requests for joint UN action from the UN Secretary General, together with requests from governments, including members of the Coalition for Rainforest Nations and other countries, for support with REDD programmes.

1.1. UN-REDD Programme as part of the solution

FAO, UNDP and UNEP are organizations and stakeholders with relevant and wide experience and expertise in forest management, governance, poverty reduction, finance, environmental policy and standards. Working together through the UN-REDD collaborative programme, the three organizations can provide critical assurances necessary to build consensus for a transparent and efficient REDD framework, while supporting and complementing the work of the World Bank's Forest Carbon Partnership Facilities (FCPF).

The challenges of REDD go beyond what any one institution can do. The critical factor in this collaborative programme is to ensure approaches are complementary, do not burden forested developing countries with duplicative demands, and contribute to the UNFCCC negotiations on a post-2012 framework.

The governing bodies, international mandate, expert networks, convening capacity and in-country presence of the three UN agencies provide invaluable mechanisms for information exchange, for access to technical and scientific expertise, and for capacity building and institution strengthening. Existing modalities for Joint Programmes enable efficient and rapid initiation of programme implementation and channelling of funds for REDD efforts.

1.2. The UN-REDD Programme aims and outcomes

To generate the necessary flows of resources to significantly reduce global emissions from deforestation and forest degradation, the UN-REDD Programme aims to ensure international coherence and to support developing countries in building capacity to design and implement REDD measures. It moves towards this through international dialogue and with real experience in forested developing countries with various risk management and benefit sharing solutions.

The immediate goal is to assess whether new payment structures and capacity can ensure *actual, lasting, achievable, reliable and measurable* emission reductions while maintaining and improving the other ecosystem services forests provide.

The collaborative programme has two components: (i) assisting developing countries prepare and implement national REDD strategies and mechanisms; (ii) supporting a dialogue and consensus around normative solutions and standardized approaches based on science and broad participation for a REDD framework linked with the UNFCCC.

The programme support is country-driven, and builds on existing processes, such as UNFCCC, key programmes such as the World Bank's FCPF and Forest Investment Programme (FIP), and the GEF. It empowers countries to manage their REDD processes and to access financial and technical assistance.

Guided by the UN human-rights-based approach with particular reference to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and the UNDG Guidelines on Indigenous Peoples' Issues, the UN-REDD Programme supports country efforts for informed involvement of national stakeholders, particularly forest-dependent local-communities.

The implementation of the UN-REDD Programme is led and supported by a Policy Board, which will provide the overall leadership and strategic direction of the UN-REDD Programme. A Coordination group will ensure coordination between the three UN agencies for successful implementation of programme goals and objectives, and a Technical Secretariat will provide the secretariat to the Policy Board and ensure that its decisions are implemented and adhered to.

1.3. Quick Start Actions (Phase 1)

Leading up to the UNFCCC COP in Copenhagen in December 2009, the UN-REDD Programme will demonstrate that early results are possible in some of the major forest-countries of the world. Quick Start Actions will work with pilot countries, selected based on expressed willingness, emission reduction potential, degree of REDD readiness and existing collaborations.

1.4. Country Actions

More specifically, the UN-REDD Programme will support scoping and alliance building to identify REDD needs and support demonstration activities to test the delivery of REDD, including consultations to ensure stakeholder identification, needs assessment and participation.

The UN-REDD Programme provides tools for REDD assessment and monitoring, including reporting and data management.

The Programme supports national REDD strategy development and implementation, and testing of REDD payment structuring and distribution options which guarantee carbon sensitive policies that link with pro-poor and environmental policies.

1.5. International Support Functions

The purpose of the UN-REDD International Support Functions, (implemented through the Global Joint Programme (GJP)), is to increase international confidence and understanding about the feasibility and options for including a REDD mechanism in a Post-Kyoto decision.

The International Support Functions are designed to support country efforts and to build consensus and knowledge ensuring consistency in approaches and economies of scale in the delivery of REDD.

2. The UN-REDD Programme moving forward

Whilst the Quick Start programme has been designed to address the immediate need for accelerated and coherent progress towards Copenhagen and immediately after, there is clearly scope to play a useful role beyond this initial readiness phase.

An effective REDD framework has the potential to enable global transformation of the tropical forest sector. At its full potential REDD could achieve climate change mitigation, provision of other global and local environmental services, poverty reduction and economic growth.

For this to happen, the ongoing REDD process needs to evolve from readiness, into a functioning performance-based system, capable of mobilizing resources at the scale of the desired transformations in climate change mitigation and the multiple benefits they will bring about.

Whilst the exact configuration of the ultimate state of a REDD framework is still uncertain, the process is clearer. Putting it simply, the process is taking place in three sequential phases: 1) initial REDD readiness and confidence building 2) full readiness and designing of a REDD financing mechanism(s) 3) operating a REDD financing mechanism(s).

The UN REDD Programme would welcome initial feedback from Policy Board participants at their first meeting on 9-10 March 2009, on where and how far the UN REDD programme should move along this comprehensive process.

The proposed **VISION** for UN-REDD would cover the following phases and elements:

2.1. Phase 1. Confidence building and initial readiness (Quick Start)

By mid 2010 the UN REDD Programme is expected to have built confidence in REDD within the international community through a process of analyses, stakeholder engagement, and capacity development for institutional arrangements and regulatory measures. It will also have supported a number of pilot countries to reach a more advanced stage of readiness. The foundations of a REDD framework should be in place: reference emission level, monitoring capacity, reduction strategy and an investment portfolio, institutional arrangements to handle transactions, incentives

systems, tools to integrate multiple benefits and supportive and engaged stakeholders.

This work is the subject of the Quick Start programme and is already in progress both at the global and country level. The scope (technical assistance, science support, capacity building, stakeholders' engagement) and approach (need for neutrality, coordination with key readiness players, Quick Start pilot countries) have been established in the founding documents of the UN REDD Programme. The first meeting of the UN REDD Programme Policy Board offers an opportunity to consolidate a strategy to ensure the most useful outcomes are delivered in time for Copenhagen.

Separate overview documents on the International Support Functions and the Country Programmes have been prepared for discussion at the first Policy Board meeting. They provide an overview of progress to-date and future actions, setting the stage for a dialogue on the way forward in the Quick Start phase.

2.2. Phase 2. Full readiness and design of a financing mechanism

The readiness work started during the Quick Start phase could continue through 2010 and into 2011, supporting pilot countries to achieve full readiness according to the guidance emerging from Copenhagen and building on the lessons learnt during the early work in pilot countries. In the aftermath of COP 15 there will be greater clarity on the REDD framework, and subsequent capacity building and institution strengthening activities can therefore be undertaken in a more focused way.

The two years after Copenhagen will see the REDD process increasingly moving through the entire REDD value chain with demonstration activities covering both the investments to reduce deforestation (financial and policy) and the resulting performance based transactions. There are a number of initiatives (bilateral, multilateral, private sector) intending to test the entire value chain. The UN REDD Programme could have a strong role here given the importance of continued capacity building to achieve cost-effective and long-lasting measuring, assessment, reporting and verification, and to address multiple benefits of forest ecosystems, supporting full readiness for emission reductions to significantly reduce deforestation and forest degradation.

Beyond readiness and demonstration activities, the years leading to 2012 will be crucial to fine-tune the REDD financial mechanism design and its implementing specifications (institutional and operational arrangements), on the basis of the agreement reached in Copenhagen.

It is plausible that a two-track approach could emerge.

(1) in the short term (for example 2013-2020), establish and operate a fund to provide significant and predictable incentives for REDD to start operating at an incisive (for mitigation and multiple benefit purposes) order of magnitude even if not at full scale, regardless of the connection or lack thereof to a compliance market.

(2) in the longer term (2020 onwards), establish and operate a financial mechanism for full-scale and sustainable REDD which may or may not be included into compliance

carbon markets. REDD here is understood in its current definition, but not necessarily to the exclusion of a more integrated and broader forest and land-use scope, if such a decision is reached.

The UN REDD Programme would welcome initial feedback from the Policy Board on the above scenario and specifically also on:

- the opportunity to increase the number of UN REDD Programme pilot countries, building on the lessons learnt from the Quick Start and in continuing collaboration with the World Bank's FCPF
- the opportunity for the UN REDD Programme process to use the experience gained during the Quick Start and its collective expertise on institutional strengthening and capacity building, to engage more broadly on the REDD value chain beyond readiness
- the opportunity for the UN REDD Programme to use the experience gained during the Quick Start and its collective expertise to offer expert guidance and inputs in the design and specifications of the financing mechanisms for REDD in continuing engagement with ongoing relevant process and work (such as, for example, the REDD Options Assessment Report (OAR), McKinsey's Project Catalyst).

2.3. Phase 3. Operating a financing mechanism for REDD implementation

With a post-2012 international climate change regime in place and an operationally determined mechanism for REDD established, the years after 2012 will be critical to deliver on the climate change mitigation and multiple-benefits potentials of forests. A fund-type arrangement could be in place from 2012 to allow significant and predictable incentives for REDD to start operating at a significant (for mitigation and multiple benefit purposes) order of magnitude. Such a fund might not initially have a sufficient endowment to sustain a full-scale REDD regime, but could evolve in time into a compliance carbon market mechanism or into a full-scale fund.

The purpose of this initial fund and its successor would be to enable the implementation of REDD at a significant scale. This would include financing activities addressing the drivers of deforestation, payments for achievement of performance targets and testing options for inclusion of REDD in a compliance carbon market.

Whilst it is premature to speculate on the specifics of a post-2012 financial mechanism the UN REDD Programme would welcome early feed-back from the Policy Board on the above scenario and specifically on the role that the UN REDD Programme could play in the funding mechanism.