



The World Bank

5 December 2009

Excellency,

We commend your continued leadership and commitment to address the Reduction of Emissions from Deforestation and Forest Degradation (REDD+) challenge as an essential element of tackling global climate change.

In your letter dated 19 November 2009, you and your fellow signatories have highlighted two issues where progress should be made prior to Copenhagen, to enable the scale-up of efforts on REDD+. The first is the provision of substantial new finance. The second is the institutional architecture for supporting REDD+. Both are key components of a Copenhagen outcome, a message we also have conveyed many times in the past months.

As heads of the United Nations and the World Bank Group, we are therefore delighted to have the opportunity to respond to you together, demonstrating our joint commitment for the United Nations system and the World Bank Group to operate effectively together to support the institutional architecture for REDD+. Integrated solutions are required, enabling participating countries to (i) build internal capacity; (ii) fund initial REDD+ programme investments; (iii) ensure that real results occur with appropriate accountability; and (iv) receive additional, performance-based finance to help sustain REDD+ over the medium-term. In this regard, we accept the call to enhance coordination and to reform and streamline our REDD+ institutions.

We are pleased that significant progress has been made in the past year to provide a coordinated approach to REDD+. As you noted, the Forest Carbon Partnership Facility (FCPF), UN-REDD Programme (UN-REDD) and Forest Investment Programme (FIP) are already serving to generate a community of practice, policy development, and on-the-ground lesson learning around REDD+ and transformational forest investments. The FCPF and the UN-REDD Programme are already providing early action support for countries to get ready for REDD+.

His Excellency
The Rt. Honourable Gordon Brown, MP
Prime Minister of the United Kingdom
of Great Britain and Northern Ireland
London

None of these initiatives taken individually is sufficient to meet the REDD+ challenge. Taken together, however, building on their innovative governance arrangements, we are confident that we have a unique opportunity to establish a unified and coherent institutional architecture to provide REDD+ services at the scale required. In doing this, we are mindful of the need to work with indigenous peoples, civil society organizations, the private sector, and other stakeholders who can contribute to this agenda. In response to a mandate from the United Nations Framework Convention on Climate Change (UNFCCC) Parties and requests from the governance bodies of the three initiatives, the United Nations Agencies and the World Bank Group stand ready to work together with bilateral and other partners to support a REDD+ governance structure with delivery channels that capitalise on the comparative strengths and capacities of the United Nations System and the World Bank Group.

We believe that the institutional architecture to support developing countries in preparations for, and up-scaling of, REDD+ efforts can be built on existing and proven strengths in financial services, capacity building, and technical assistance. These strengths should be considered from perspectives of scale (ability to support all participating countries), timing (ability to provide required support within stipulated time frames), and quality assurance (e.g., Measurement, Reporting and Verification systems that stand up to the high requirements of performance-based payments as well as appropriate application of fiduciary, environmental, and social principles in the management of funds).

We consider that our current initiatives in this area, UN-REDD and FCPF, have stimulated useful early action and provided valuable lessons for the next phase, including clarity on future division of labour. These initiatives could therefore be a starting point in the design of a unified and coherent institutional architecture for REDD+, which would continue to draw on the respective strengths of the participating Agencies (FAO, UNDP, UNEP and the World Bank Group) to meet country requirements in a timely, effective, and coordinated manner. The strong performance of the United Nations in supporting institutional and technical capacity building and the World Bank Group in transforming pilot programs into large-scale investment programmes provides an excellent foundation for supporting countries in implementing an international REDD+ agreement.

With respect to the provision of substantial new finance, you requested the World Bank Group to work urgently with developed and developing countries, the private sector and regional development banks on potential new financial instruments for REDD+. In this regard we are pleased to inform you that the World Bank's Treasury staff, working with key partners, has suggested one way to attract private investment into performance-based finance to help accelerate and sustain REDD+, with as modest and efficient an application of public credit as possible.

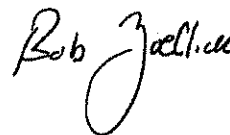
This includes raising funds in global markets with credit enhancement from multilateral development banks and Governments. In response to a request from the UNFCCC Parties, the World Bank Group is ready to pursue the concept, aiming for a full-fledged proposal in early 2010. The World Bank Group is ready to explore additional avenues beyond these existing and planned initiatives in collaboration with other partners.

Following guidance of the Conference of the Parties to the UNFCCC, the United Nations and the World Bank Group are ready to embark on a rapid process to design a unified and coherent REDD+ institutional architecture as set out above.

Please accept, Excellency, the assurances of our highest consideration.



BAN Ki-moon
Secretary-General



Robert B. Zoellick
President

cc:

His Excellency
Mr. Jens Stoltenberg
Prime Minister of Norway
Oslo

His Excellency
Mr. Óscar Arias Sánchez
President of the Republic of Costa Rica
San José

His Excellency
Sir Michael T. Somare, GCMG, CH, CF, KStJ
Prime Minister of Papua New Guinea
Port Moresby

His Excellency
Mr. Bharrat Jagdeo
President of the Republic of Guyana
Georgetown