We would like to thank Ravi and the UNEP team for investing their time and valuable thinking into the concept note. We share UNEP’s overall commitment to exploring ways to ensure REDD+ revenues are used to catalyse shifts from development plans that produce high carbon emissions to low carbon, climate resilient growth strategies. We welcome UNEP’s leadership on the conceptual thinking and hope our comments contribute to moving the work forward.

As we outlined in a paper presented to the Policy Board in June 2009, payments for forest carbon emission mitigation measures will offer the first opportunity for many developing countries to significantly benefit from carbon finance. The potential revenues provided by REDD+ mechanisms can translate into incentives that can launch countries onto low-carbon development pathways. Current emission-intensive uses of forest resources are often an important source of foreign exchange, energy, food security, new settlements or employment. Simply compensating through REDD mechanisms for the specific ‘opportunity costs’ given up by communities and countries from deforestation and forest degradation activities will not be sufficient for sustained emission reductions and impact. Payments and investments will need to actually advance low-carbon alternatives. Shifting to less emission -intensive uses of forest resources will necessitate careful consideration of how alternatives can meet national objectives.

Countries are now already integrating their REDD+ strategies into national low-carbon development plans. Guyana released its low-carbon development strategy “Transforming Guyana’s Economy While Combating Climate Change” in May 2009 and launched its REDD+ Investment Fund. There is much that can be learned already from these early-action countries and it is important to demonstrate how the UN-REDD Programme’s work is informed by such efforts.

While our initial nine ‘quick start’ were driven by the imperative of initiating Readiness processes (rather than establishing a “comprehensive” approach to Readiness), the UN-REDD Programme has worked extremely hard in 2009 to be internationally recognized as offering a framework for developing national REDD+ Readiness programmes. We believe this has been achieved (practically every report looking at Readiness processes now refers to the UN-REDD Programme). With numerous countries applying to join the UN-REDD Programme and expecting to benefit from our Readiness framework, there is no doubt that we have to look carefully at what we offer post ‘quick start’. This has been an unresolved ongoing issue since this round of strategic planning started in June last year.

We believe that, in light of Copenhagen and the follow-up, the UN-REDD Programme should consider very carefully the conditions under which the Programme should be developing further “niche” national interventions in additional countries. Instead we should heed the calls for one consolidated, or joint, platform for national Readiness programming. The development of national REDD+ strategies/investment portfolios is a key outcome of phase 1 Readiness (as defined by the IWG-IFR). We should not treat this separately from the Readiness process. Therefore, we suggest that strategies for transforming the forest sector cannot be the focus of a stand-alone body of work, but must be a central component of a common Readiness national programme.

In this regard, the concept note is a welcome addition to the process. While we do not believe we have yet reached the outcome we need, the thinking that has gone into the concept note is incredibly valuable in helping to redefine what a Readiness national programme could look like and – most importantly – ensuring a national Readiness process connects to (or even drives) a national low-carbon, climate resilient growth strategy. Clearly there is still significant thinking to be done – including analyzing the early-action countries, general scenario analysis (as per the GEO series), global studies to draw attention to the potential of REDD+ to catalyse low-carbon development, and establishing links to broader green economy initiatives. This is an area that the UN-REDD Programme can – and should – be an agenda setter. We would welcome UNEP’s leadership through the global programme to promote this work.

In addition, UNDP believes there is an opportunity to address a key weakness in the current thinking regarding the REDD+ process, namely the sectoral narrowness of the approach. Efforts to reduce deforestation and forest degradation, and to promote conservation, sustainable forest management and enhancement of C-stocks can only succeed if accompanied by similar efforts to address “demand-side management” in associated industries and by consumers. For example, in the pulp and paper industry, if there are no efforts to reduce overall demand for paper products, or to increase the proportion of recycled or non-wood raw materials, efforts to address REDD+ in one country will likely lead simply to international displacement, and the sourcing of raw materials from other countries with weaker REDD+ regimes. Similarly, the furniture industry would need to source only sustainable produced timber, reduce waste, and increase recycled materials. This is an area where UN-REDD could usefully extend the scope of its work and we believe UNEP has a clear lead role.

Therefore, UNDP recommends that in our elucidation of UN-REDD’s strategy, that we clarify a focus on efforts to re-structure associated industries with the emerging REDD+ strategies. This would be a welcome addition to the UN-REDD global programme.

Specific points concerning the concept paper:

1. Comparative Advantage

With regards to the “comparative advantages” section in the concept note, we would like to recall the discussions concerning whether or not to set out the comparative advantages of the three UN Agencies in the Framework Document. The agencies decided against doing so, recognizing the stress it could cause to the partnership and the difficulty in truly making comparisons. There is a tendency to just list “mandates” and “responsibilities” rather than the comparative ability to deliver certain services. We also recognized that for certain interventions, the agencies comparative advantages could differ from country-to-country (or be determined by partners differently). Therefore it was agreed that for certain interventions – including national strategies – we would not apportion lead agency responsibility, but rather leave it to the individual country to decide which agency they wished to lead. This position is clearly set out in the Framework Document. We strongly recommend that we continue to apply this approach.

1. The rationale for the concept is not sufficiently convincing

As we read it, the logic underpinning the suggested need for action is that current approaches to readiness will result in national REDD+ strategies that are not “transformational” and therefore additional “value” needs to be added to ensure they will achieve lasting changes in the way forest resources are used. This premise is not well supported and appears to run counter to the underlying principles of REDD+: - that payments will be linked to performance (measured in emission reductions), the bulk of the payments will be made *ex post*, and the performance must be lasting (measures to ensure permanence will be established – such as credit buffer accounts and adjustments to RELs).

Since the key elements proposed for national pilots in the concept note already form part of other key Readiness processes, it would appear to be a reconfiguration of some of the elements of the readiness process that have been already articulated – for example, by the FCPF’s R-PP guidance, by the IWG-IFR, by the REDD+ IOA, and by the UN-REDD Programme ourselves. We don’t think this reconfiguration adds enough to justify UN-REDD proposing it, especially given the costs of introducing yet another formulation at this time which are described below.

In our view, the five key premises do not “constitute the intervention logic that provides the rationale for this proposal”. They are already well recognized in the context of REDD+ Readiness.

1. The evolution from the existing National Programmes is not clear. And if we are not consistent with our thinking, we risk creating significant uncertainty about the UN-REDD Programme’s work in the Readiness space

The concept proposes a number of activities that are already being undertaken within our National Programmes. Therefore, it is not clear whether it represents a new approach to REDD+ Readiness or how it complements the existing approach. There is a significant risk that if the UN-REDD Programme presents this concept it would create confusion about our approach to the Readiness process.

The concept should have referenced the UN-REDD Programme components of Readiness (see presentation to PB2 and UN-REDD/PB3/7). Component 2 is “prepare the REDD[[1]](#footnote-2) strategy” and it has 4 sub-sections:

* Assessment of Land Use, Forest Policy and Governance
* REDD Strategy Options
* REDD Implementation Framework
* Social and Environmental Impacts

These sub-components have been agreed with the FCPF and go a long way to responding to the criticism that the UN-REDD Programme is creating confusion and adding complexity. Introducing a slightly different version, or a differently articulated version of the same thing, would undo the efforts and expose the UN-REDD Programme to renewed criticism.

The concept note gives the impression that the UN-REDD Programme is currently not doing anything to support countries develop national REDD+ strategies and plans. This is incorrect and could be misleading. Section 7 of the concept note does not provide any strategic justification for the significant shift from the process that is emerging from the ‘quick start’ national programmes.

1. The concept is not consistent with the emerging consensus regarding REDD+ Readiness

The concept includes elements from different phases of REDD+ Readiness. Element “A1” covers actions that are commonly agreed to fall under Phase 1 (many of which are already being undertaken through our existing National Programmes). Element “A2” then covers actions that would fall under Phase 2.

A National REDD+ strategy is expected to be the product of phase 1 (see the IWG-IFR report) and it is supposed to incorporate *all* the components of Readiness i.e. including the design of a national carbon MRV system and the estimation of a national reference scenario for emissions in the absence of REDD+ actions. The concept note proposes the development of less comprehensive strategy/investment plans that do not include all components of Readiness. This would fragment the phase 1 requirements, potentially lead to uncoordinated or disconnected phase 1 outcomes, and make it harder to determine when a country had satisfied all phase 1 actions. Rather than developing a specific proposal focusing on national REDD+ strategies/investment plans, the UN-REDD Programme should continue to treat them as the outcome of the phase 1 process that incorporates and brings together all components of Readiness.

Element “A2” refers to actions related to the implementation of national REDD+ strategies. However, it makes no reference to the use of performance (or results)-based nature of payments, yet the general consensus is that such payments should be used for the bulk of strategy implementation (see the IWG-IFR report for more discussion on this point and the specific issue of how to provide some “up-front” financing). As has been demonstrated by the Guyana-Norway partnership, transitional funding to kick-start investment portfolios very likely are going to have to be linked to confidence-building “proxy” performance measures. This critical link is missing from the concept note.

Instead of responding to the emerging consensus on the Readiness approach, the concept states that it responds to the “three (emerging) strategic goals of the UN-REDD Programme”. There has not been any discussion concerning these strategic goals (we have all been waiting for the Geneva meeting for that) and therefore alignment to these goals does not in itself provide any justification for the concept note. At this stage, UNDP does not see the three proposed goals as strategic. Indeed there appears to be some circular logic whereby the strategy has been designed to accommodate the concept note and the concept note is designed as responding to the strategy. And the underlying imperative seems to be to divide the work of UN-REDD into three areas to match the three agencies. We are very committed to ensuring that the talents, expertise and resources of all three agencies are fully brought to bear on behalf of countries for REDD and that there is a fair and appropriate allocation of work across the three agencies. But we should not try to force REDD to conform to our own views and needs.

UNDP believes very strongly that the development of national strategies and investment plans must focus on the issue of supporting countries to build their capacity to combine and sequence the appropriate mix of public policies, public finance mechanisms, private finance and market-based instruments. This approach is necessary to redirect existing and planned capital flows from traditional high-carbon to low-carbon investments. We would be happy to contribute UNDP’s significant thinking on the application of environmental finance to transform economies to any efforts the UN-REDD Programme makes to better articulate the concepts in this concept note.

1. It does not make strategic sense for the UN-REDD Programme to propose its own approach to national REDD+ strategies/investment portfolios at this critical time

We appreciate that the concept note makes an effort to better articulate how the UN-REDD Programme contributes to the development of national REDD+ strategies/investment portfolios. We recognize that the ‘quick start’ pilots programmes were designed to focus on the most immediate of the Readiness components – such as component 1 and component 4. In this regard, the concept note plays a useful role in highlighting the need for future National Programmes to emphasis the preparation of REDD+ strategies. Nevertheless, UNDP is not convinced the concept note represents the most appropriate course of action for the UN-REDD Programme to take.

In many respects, the concept is proposing a sort of new alternative to the R-PP. It sets out a very complex set of steps to arrive at a national strategy/investment portfolio (see Annex 3). UNDP has significant reservations with the proposed process. It reads too much as an academic exercise and is not sufficiently informed by our own work in the UN-REDD Programme and by other important existing processes. It appears to us that the proposed process brings a slightly different approach to the process currently followed under the R-PPs to develop national REDD+ strategies – at great potential cost.

As the UN-REDD Programme has already agreed to the harmonization of Readiness components with the FCPF, the concept note may represent a departure from our efforts to converge Readiness processes (to clarify the point we are making here, it would be useful to compare and contrast the proposed process with the process included in the R-PP).

So the question is: is it in the best interests of the UN-REDD Programme to pilot a new, slightly different approach at this time?

UNDP believes it is not in the best interests. We believe that rather than creating new stand-alone national interventions, the world is crying out for the consolidation of the existing multilateral approaches. While we agree with UNEP that the UN-REDD Programme does need to think about its national interventions beyond the ‘quick start’ pilots, we strongly recommend that this be done by establishing a joint platform with the World Bank with a common approach to the Readiness process.

1. Potential for duplication of what is already being piloted under the FIP

The concept note is potentially an important first step in articulating the UN-REDD Programme’s role in the “missing middle” – the phase 2 area where transformation is critical but where REDD+ revenues are not yet flowing sufficiently to cover the investment costs. We in UN-REDD have not succeeded in justifying our role with regards to proxy performance-based payments. While the concept note does not yet specifically address the issue of performance-based payments, this is an area we may wish to consider next. At this stage, the concept note proposes an approach that is quite similar to the FIP. It would be important to compare and contrast the concept with the FIP approach in order to develop a strong justification why the UN-REDD Programme should move into the space. It is also important to acknowledge – and assess - the risks of proposing a competing initiative to the FIP precisely at a time when the REDD+ world is calling out for integration and harmonization among the existing multilateral initiatives.

For these reasons, while we welcome and acknowledge UNEP’s important contribution here, we believe we need to do further thinking together before the UN-REDD Programme would be in a position to adopt the proposal as part of our strategic plan. We look forward to being together next week to make progress on this.

1. The emphasis placed on the addition of “+” to REDD+ is misplaced. There is nothing inherent about the existing National Programmes that restricts their scope to REDD. They are not designed to the constraints of any definition of REDD. On the contrary, they are designed to reflect the definition of REDD determined by the country. The REDD+ definition was established in Bali and is set out in the Bali Action Plan, so even though the existing National Programmes do not explicitly refer to REDD+, they respond to the Bali guidance. Obviously subsequent National Programmes can be developed to explicitly refer to REDD+. [↑](#footnote-ref-2)