Annex: Support to National REDD+ Action: Global Programme Framework 2011-2015 Workplan and Budget Revision 2014

UN-REDD PROGRAMME ELEVENTH POLICY BOARD MEETING

9-10 December 2013

Geneva, Switzerland

CONCEPT NOTE

Engaging with the Private Sector and Private Sector Finance to Achieve REDD+

I. Summary

Objective	To facilitate the phase out of deforestation and forest degradation from productive and financial supply chains. It will achieve this by identifying (i) necessary incentives, levers and enabling conditions for supply chain actors to adopt widely recognized good agricultural practices and, (ii) financial instruments and mechanisms to channel private-sector finance and investment from conventional into sustainable land-use activities and REDD+.
Expected results	1. Raised awareness and behavioural shifts: developing critical information and knowledge on REDD+ risks and opportunities that can improve private sector decision making on REDD+ and catalyze transformational change. 2. Policy and regulation: formulate, advance and support the instalment of the policy, regulatory and institutional frameworks and enabling conditions required to effectively engage private sector productive and financial supply chains in REDD+. 3. Capital mobilization: supporting the mobilization of private capital along productive supply chains by improving the risk-return profiles of key REDD+ activities and developing investment instruments that allow investors to reduce the 'forest footprint' of their investments.
Level of intervention	Global: conceptual work, advocacy, and global partnerships. National: Pilot countries to be selected.
Related work area, as defined in the UN-REDD Programme Strategy[1]	Private sector engagement REDD+ in a Green Economy (The proposal relates to Outcome 6 "Green economy transformation and REDD+ strategies and investments are mutually reinforcing" and Output 4.5 "Private sector engagement in REDD+ readiness and broad stakeholder consensus on private sector engagement is built" of the Support to National REDD+ Action: Global Programme Framework 2011-2015 (SNA).
Total amount requested	US$ 3,584,500 for activities to be undertaken until 31 December 2014.

[1] The work areas are: Measurement, Reporting and Verification (MRV); Governance; Stakeholder Engagement; Multiple Benefits and Safeguards; Transparency and Accountability; and Green Economy.

II. Background

Forests provide tremendous value, yet the world's forested areas continue to decrease. Forest-related activities captured by traditional economic measures are predominantly extractive and often involve conversion to other types of land use. The causes of deforestation and forest degradation are complex and interconnected, involving various sectors of the economy and multiple actors yet the largest single driver of deforestation remains the production of agricultural commodities.[2] Current rates of deforestation and forest degradation can threaten economic progress and human well-being, which are dependent on healthy forest ecosystems, which provide shelter, food, timber and non-timber forest products, jobs, medicine, water, climate regulation and energy to more than one billion people.

The UN-REDD Programme was created in 2008 to assist developing countries to build capacity to reduce emissions from deforestation and forest degradation and to participate in a future REDD+ mechanism. As part of this, the Programme will support selected countries in their efforts to engage the private sector to achieve REDD+.

The private sector is a key actor in both development trajectories and resource use. They account for around 60 per cent to 70 per cent of both global GDP and jobs and have a material role to play in deforestation and forest degradation globally. Changing private sector behaviour and land-use practice is therefore critical to the success of REDD+. Increases in global population, wealth and the resulting changes in consumption patterns will considerably intensify the pressure on land and the forest frontier in the coming decades. This suggests that the role of the private sector in the global land-use economy will increase, not decrease. Conclusive empirical evidence is lacking, yet the lack of private sector engagement and investment in 'forest-friendly' activities to date implies that in the prevailing economic paradigm it is generally more profitable in the short-term to include deforestation in financial and productive supply chains than to exclude it.

Two broad groups of private sector actors are key to the success of REDD+, yet have hitherto been marginal to the REDD+ process. These are the private actors in 'forest risk' agricultural commodity supply chains and private sector financial institutions. These stakeholders are often the primary agents of change in many forest landscapes: they are key actors in current patterns of deforestation-based land-use (both planned and unplanned with wide-ranging environmental and social impacts) yet they are also integral to the success of REDD+.[3] They can be a source of investment, implementation and innovation in the transition to a green economy and the reasons for focusing on these two broad private sector groups is expanded on below:

- Engagement with major commodity market players—producers, processors, traders, retailers—is imperative in order to define and implement effective land-use legislation / regulation (including incentives and sanctions), better management practices, and appropriate environmental and social standards. Yet, while increasing market demand for responsible

[2] Kissinger at al (2012). *Drivers of Deforestation and Forest Degradation: A Synthesis Report*

[3] Sukhdev, P. (2012) New Economics Foundation blog

agricultural products (through platforms such as the Consumer Goods Forum (CGF) or the different roundtables on sustainable commodities) has already brought some change on the ground and benefits for agricultural communities, it is also necessary to build capacities at the country level, increase market access and provide support for financial mechanisms and policies if good agricultural practices are to be widely adopted in producer countries.

- Engagement with financial intermediaries is also critical given the enabling role of investment and finance in REDD+ and its interaction with land use change and commodity supply chains. Most physical land-use activities that directly or indirectly impact the forest, such as timber extraction, cattle ranching, the production, trade and distribution of soft commodities, require one or more enabling financial transactions (such as provision of a grant, loan or equity investment) or services (such as different types of insurance or fund management). The scale of existing capital flows into the drivers of deforestation is vast relative to anticipated REDD+ funds. Despite enormous financial assets in the global capital markets, a range of factors has limited deploying these assets towards REDD+.[4] Unless deforestation is phased out of the 'financial economy,' it will be extremely challenging to address deforestation in the 'physical economy.'

Engaging the private sector is a means to an end to effectively transform private sector behaviour and practice in land use. The magnitude of the challenge to slow, halt and reverse deforestation and forest degradation is such that an unprecedented reconfiguration of the productive and financial supply chains will be required to achieve REDD+. The 'systemic nature' of unsustainable land-use patterns, and the resulting need for approaches and solutions that are equally 'systemic,' have received relatively little attention in the global debate on REDD+ compared to other topics such as MRV or the development of safeguards.

The UN-REDD Programme has increased its focus on the private sector over the past twelve months though such work as clarifying the role of the private sector in REDD+[5] and articulating how REDD+ can contribute to the transition to a green economy.[6] However, in order to build on these foundations, a package of activities needs to be defined whereby practical interventions at the global and national levels bring the productive and financial supply chains into the global and national REDD+ dialogue. Given their work with the relevant supply chains and extensive private sector networks, UNEP Finance Initiative (UNEP FI) and the UNDP Green Commodities Facility (GCF) are uniquely positioned to address these challenges. This document sets out a proposed approach.

[4] These include policy distortions and uncertainties, real or perceived risks, the lack of investment track records and the higher capital intensity of many green investments relative to conventional investments.

[5] UN-REDD Programme (2013) *The Role of the Private Sector in REDD+: the Case for Engagement and Options for Intervention.*

[6] UN-REDD Programme (2013) *Integrating REDD+ into a Green Economy Transition: Opportunities and Challenges*.

III. Results framework and theory of change

This proposal aims to contribute to the phase out of deforestation and forest degradation from productive and financial supply chains. (See Figure 1 below on the linkages between the physical and the financial economy underlying forest-risk commodities trade, and REDD+ financing). It will achieve this by identifying (i) necessary incentives, levers and enabling conditions for supply chain actors to adopt sustainable agricultural practices and, (ii) financial instruments and mechanisms to channel private sector finance and investment, away from conventional, and into sustainable land-use activities and REDD+.

The proposal builds on the comparative advantages of the UNEP FI and the UNDP GCF, under the auspices of the UN-REDD Programme, to address the single largest driver of deforestation (the production of agricultural commodities), and to facilitate private sector finance and investments into REDD+ and sustainable forest management and utilization. The proposal focuses largely on agricultural commodity production through both the 'physical economy' (production and consumption) and the 'financial economy' (financial transactions and services) simultaneously, capitalizing on the fact that global production and trade of key agricultural commodities is highly concentrated both in terms of producers/traders, and is enabled to varying degrees by the finance sector. This proposal seeks to address the well-documented issue that agricultural and private sector finance stakeholders, who are critical to the ultimate success of REDD+, have largely been marginal to the REDD+ debate so far. The proposal focuses on three pilot countries in 2014-2015, with a view to scale up to ten countries for a second phase in 2015-2020.

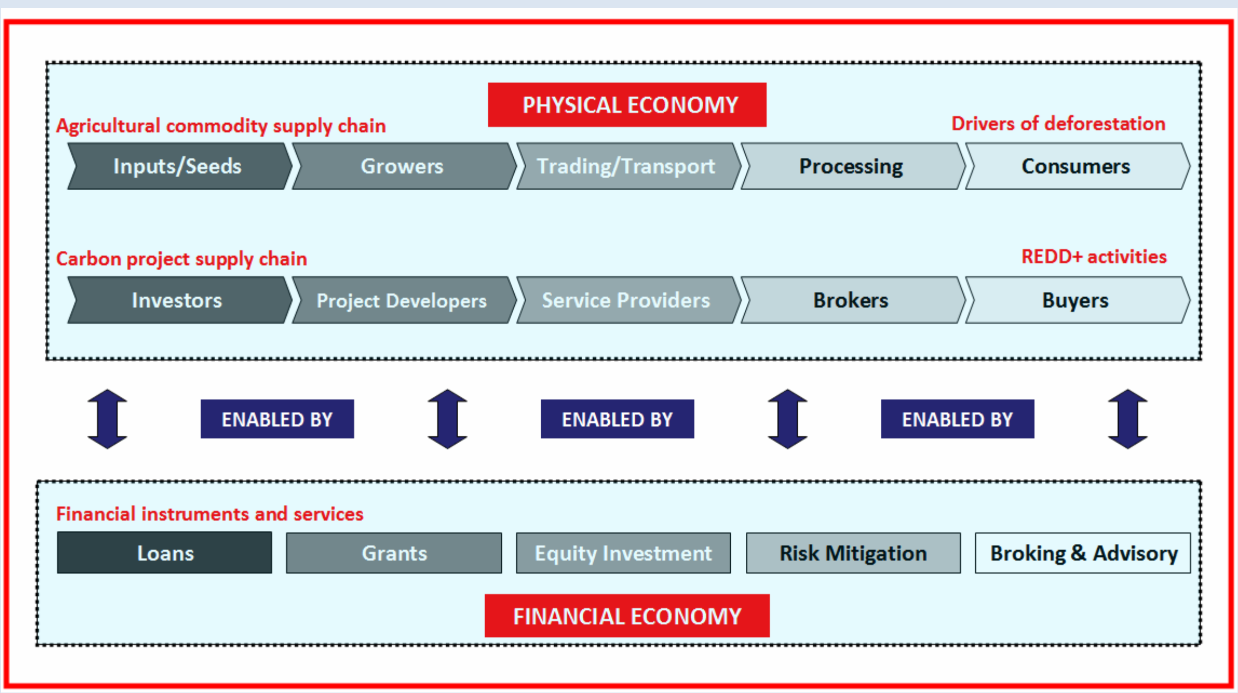

Figure 1: The relationship between the 'physycal economy' and the 'financial economy'.

A programme of work has been designed that addresses issues related to three barriers to achieve

REDD+: awareness and behavioural failures; policy failures; and capital failures. (See Table 1 below). The outputs expected from the implementation of this package are presented below (full description of activities in **Annex I**):

	Today *(Baseline)*	Mid-2015 *(Output)*	2020 *(Outcome)*
Awareness raising & behavioral shifts	• Little transparency over value-at-risk in investment & lending portfolios • BAU scenario: deforestation is embedded in many financial flows and cannot be quantified	• Methodology is developed to quantify potential scale of deforestation-related value-at-risk in investment • Market leading financial institutions adopt best practice and have robust roadmaps to strip deforestation out of their operations	• Investment and lending portfolios are deforestation-free • Market laggards adopt best practice • Commodity buyers have phased out deforestation from their supply chains
Policy & regulation	• Little awareness of what 'investment grade policy' means for REDD+ • Few agricultural extension systems train producers to produce sustainably • Few countries have an integrated approach to land-use planning • Little incentives exists for producers to reduce deforestation	• There is an acceptance and understanding amongst REDD+ policy makers for the need and key elements of investment grade policy • Agricultural extension systems in 3 countries train producers in widely recognized GAP • 3 countries have integrated approaches to land-use planning • Policy in 3 countries provides incentives to producers for reducing deforestation	• Most forest country national REDD+ programmes have been designed with the principles of investment grade policy in mind • Strengthened policy framework and land use planning to limit agricultural expansion into forests • Strengthened national extension systems Increased economic incentives for producers to reduce deforestation
Capital mobilization	• High capital costs are a barrier to expanding 'forest-friendly activities • Lack of access to capital for prevents more sustainable practices being adopted	• New tools, policies and mechanisms are piloted in forest country landscapes to increase capital flows to forest friendly activities	• Investment in forest friendly activities is the norm rather than the exception • Forest friendly activities can access capital on similar terms to conventional land use activities in terms of yield, tenor and term

Table 1: Theory of Change

Expected Result 1 – *Awareness raised and behavioural shifts:* developing critical information and knowledge on REDD+ risks and opportunities that can improve private sector decision making on REDD+ and catalyze transformational change

Indicative Activities

- Examining the finance and economics of REDD+ from a country perspective and building a robust business case for the involvement of the private sector in REDD+ in the selected countries, identifying investment shortfalls and opportunities for the private sector. This will in turn inform the development of investment plans for REDD+ implementation.
- Providing information that allows investors and companies to reduce their exposure to deforestation in their investment portfolios and supply chains. This will be done by identifying the 'hidden' financial risks which are currently not quantified by the financial community yet to which stakeholders are exposed to through financial or commercial relationships. This will contribute to the development of a methodology to measure hidden 'value at risk' related to direct or indirect deforestation exposure in institutional equity investment portfolios based on exposures and holdings in publically listed companies.
- Developing a series of innovative communications products (in multiple languages) that demystify the private sector and private sector finance with a view to narrowing the 'perception gap' that currently exists between public and private sectors actors.
- Engagement with commodity buyers – supermarkets, brands, manufacturers, traders and banks – that purchase and finance forest-risk commodities from selected countries, in order to

influence supplier and producer behaviour. The corporate engagement will assist participating companies in developing corporate policies to reduce deforestation, and identify associated investments in sourcing areas. As part of achieving this outcome, the initiative will work with individual companies, industry associations, notably the Consumer Goods Forum, the different roundtables on sustainable commodities, the Tropical Forest Alliance 2020 and the World Cocoa Foundation.

Expected Result 2 - *Policy and regulation:* formulate, advance, and support the instalment of the policy, regulatory and institutional frameworks and enabling conditions required to effectively engage private sector productive and financial supply chains in REDD+

Indicative Activities

- Analyzing and examining the extent to which favourable enabling conditions or 'investment grade policy' are in place to attract investment and finance into sustainable land use activities and supply chains in selected countries; identifying key bottlenecks and providing recommendations on opportunities for intervention.
- Supporting the establishment and operation of National Commodity Platforms for forest-risk commodities within the Ministries of Agriculture (or a more suitable government agency). Setting up specific task forces focused on deforestation, convening all producers and supply chain stakeholders, to bring the agricultural sector and international supply chains into dialogue and focusing activity on the issue of deforestation. This will facilitate the other activities below.
- Strengthening policy frameworks and land use planning to limit agricultural commodity expansion into forests. This will be backed up by recommendations to reform national laws that may still promote deforestation from commodity production and expansion. This may include introducing new laws to recognize High Conservation Value forests, or changing land use categories so that forests are not available for plantation concessions. Land use planning will be in conjunction with the large producers and buyers to assist in development and implementation of the land use plans in key commodity producing landscapes.
- Strengthening national agricultural extension systems of Ministry of Agriculture to train producers to produce sustainably and not deforest. Working within government agricultural extension agencies to expand their focus beyond conventional agriculture practices for the targeted commodities to promote good agricultural practices and environmental sustainability (including reducing deforestation) in priority landscapes at the agricultural frontier. The agricultural extension systems themselves will be assessed and systemic and institutional awareness over deforestation raised and capacity to tackle the issue strengthened. Private sector extension officers from traders, exporters and buyers, will be connected to and coordinated with Ministry of Agriculture extension services to provide farmers and enterprises with more efficient public-private extension services. Training to be provided to government extensionsists will include: GAP, REDD+, legal compliance, watershed management and improved access to markets.
- Increasing economic incentives for producers to reduce deforestation. Complementing the land use planning and agricultural training by working with the relevant institutions to provide an

array of economic incentives to farmers to reduce their interest to expand into forested areas. These may include a combination of the following:
  - Targeting of positive incentives, as appropriate within the national REDD+ frameworks, to forest landowners at agricultural frontiers.
  - Provision of public policy-based incentives such as subsidies on equipment and technology to improve their production practices. This will be particularly relevant to sustainable cattle and the introduction of silvopastoral systems.
  - Strengthened enforcement of forest law to recue illegal activity in protected forest areas.
  - Water payments to producers connected to the conservation of forests in important upper watershed areas.
  - Connecting buyers for certified products to producers, through the National Commodity Platforms. This can also include innovative marketing campaigns to promote “deforestation free” commodities.
- Engaging with the Green Climate Fund and convening representatives from the finance sector to ensure that the Green Climate Fund and particularly its Private Sector Facility are fit-for-purpose to deliver efficiently, effectively and equitably on REDD+ at the required scale.

Expected Result 3 – *Capital mobilization*: supports the mobilization of private capital along productive supply chains by improving the risk-return profiles of key REDD+ related activities and developing investment instruments that allow investors to reduce the ‘forest footprint’ of their investments

Indicative Activities

- Analyzing the feasibility of, and developing recommendations for, the creation of in-country finance delivery mechanisms for scaling up long term financing for agricultural smallholders in three UN-REDD countries. This will include specific implementation plans for pilots in each country with a focus on gender equitable financing considerations.
- Examining the application of the Social Impact Bond (SIB)[7] model to REDD+ and forest landscapes (so establishing the feasibility of an ‘Environmental Impact Bond’ or EIB). Exploring the relevance of the model to environmental finance, identifying possible eligibility principles and criteria and identifying diverse case studies to explore different potential revenue streams and structures.
- Developing three ‘zero net deforestation’ equity indexes. These investment products will facilitate the transition of investment from portfolios with a high exposure to deforestation to portfolios with a low exposure to deforestation. They will also help develop a financial ‘track record’ - which is of significant importance to investors - for ‘best in class’ companies.

[7] Social Finance defines Social Impact Bonds as, “a form of outcomes-based contract in which public sector commissioners commit to pay for significant improvement in social outcomes (such as a reduction in offending rates, or in the number of people being admitted to hospital) for a defined population.”

Risks

As with any proposal of this nature, there are various risks and uncertainties that might impact this proposal during the period of implementation. Some risks that could possibly affect components of the proposal, along with potential ways to mitigate them are outlined below:

- Risk: a lack of institutional and personnel continuity at the country level might impact project delivery.
    - Risk mitigation: activities will be structured with a broad involvement of relevant personnel both in forest countries and in any other relevant geographies to ensure that there is institutional continuity despite unforeseen changes in personnel involved in the projects.
- Risk: resistance to engage with private sector among some REDD+ stakeholders.
    - Risk mitigation: activities will be structured to involve and engage a broad stakeholder base and ensure relevant on-going in-country initiatives of both the UN-REDD Programme and other appropriate actors are leveraged.
- Risk: that there is insufficient engagement from private sector actors.
    - Risk mitigation: both UNEP FI and UNDP GCF have very broad networks of formal and informal private sector partners. This should ensure that there is sufficient private sector involvement even if due to unforeseen circumstances the initial choice of partners is not able to engage in the projects.

IV. Management arrangements and partnerships

The work will be coordinated by the UN-REDD Programme under the leadership of the UNEP FI, based in Geneva, and with the UNDP GCF based in Panama as the key implementing partner. Other partners will be brought in as needed including private sector actors. UNEP FI and UNDP GCF will lead on global work with their respective sectors, finance and productive, to ensure the private sector partnerships and tools are in place to support change on the ground. Pilot country activities will be led by UNDP, with joint UNEP/UNDP teams supporting developing countries in key project activities.

As shown in Figure 2, below, the project will contribute to the overall work streams on Private Sector Engagement and REDD+ in a Green Economy (Output 4.5 and Outcome 6, respectively, of the Support to National REDD+ Action: Global Programme Framework 2011-2015 (SNA)).

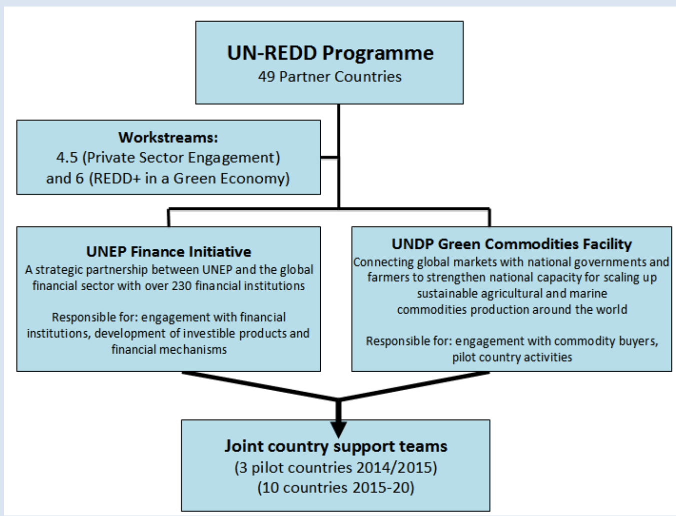

Figure 2. Organizational structure[8]

UNEP FI is a 20-year-old partnership between UNEP and over 230 financial institutions globally, representing the banking, insurance, and investment sectors. UNDP's GCF has been working since 2009 to connect global markets, including major companies, with national governments and farmers to strengthen national capacity for scaling up sustainable agricultural commodities production around the world. This combination of skills, resources and access to key partners creates a unique platform with both global and national presence in addition to strong links to both the public and private sectors.

A Steering Committee will be formed by the UN-REDD Programme with UNEP, UNDP, donors and two representatives of the private sector to jointly oversee and coordinate activities, progress and results. UNEP and UNDP will then lead the management of their respective activities within the project.

A consortium of partners will be put together to work on specific activities, each bringing their

[8] Outcomes according to the Support to National REDD+ Action: Global Programme Framework 2011-2015 (SNA): Outcome 6: Green economy transformation and REDD+ strategies and investments are mutually reinforcing; and Output 4.5: Private sector engagement in REDD+ readiness and broad stakeholder consensus on private sector engagement is built.

comparative advantages. For example, in the work focused on the productive supply chains, NGOs assisting farmers might work in tandem with think tanks to develop in-depth analysis required to engage national governments, different supply chain actors and other REDD+ stakeholders. UNDP's corporate partners, such as Mondelez and IKEA, will also be heavily engaged on supply chain management activities. In addition, leading actors in the finance and environment field will be partners in the delivery of finance-related activities. Actors might include: UNEP FI signatories (230 predominantly private financial institutions), leading international law firms with a strong environmental/REDD+ practice, leading private sector initiatives such as the Cambridge Programme for Sustainability and the Natural Capital Declaration, international organizations such as the Global Mechanism and World Bank, as well as relevant specialist companies such as communications firms, Environmental Social and Governance (ESG) research firms and ratings agencies.

Corporate engagement at the global level for actors involved in productive supply chains will be done in close collaboration with the Consumer Goods Forum and other relevant industry associations including the roundtables on sustainable commodities. Linkages and synergies with the work of the Tropical Forest Alliance 2020 will be explored.

Lessons learnt from other ongoing UN-REDD Programme and UNEP FI projects on REDD+ will be sought, including from a project in partnership with the Global Canopy Programme to examine the feasibility of developing an Interim Forest Finance Facility (IFFF) to stimulate private sector investment in REDD+ and sustainable land use activities.

Synergies with and lessons learnt from relevant GEF projects will also be sought, for example with the ongoing UNEP project 'Greening the Cocoa Industry' (2011-2016, US$ 15 million) in collaboration with Rainforest Alliance, which aims to change production practices in major cocoa producing countries and business practices in cocoa and chocolate companies, and to reduce deforestation and forest degradation, and restore productive forest landscapes. It is expected that this approach is extended to other forest-risk commodities in GEF VI, and the project will work closely with the UNEP and UNDP GEF teams on a harmonized and mutually reinforcing approach.

V. Monitoring and evaluation

While an initiative that aims to change the behaviour of a wide array of private sector actors will be difficult to monitor, certain indicators have been developed. Results in addressing the drivers of deforestation by engaging the private sector will not be fully in control of the project as effectively addressing these drivers requires complex market transformations and a significant reconfiguration of the productive and financial supply chains.

The outputs will contribute to:

- Improve private sector decision making on REDD+.

- Establish the policy, regulatory and institutional frameworks as well the enabling conditions required to effectively engage private sector productive and financial supply chains in REDD+.
- Mobilize private capital along productive supply chains by improving the risk-return profiles of key REDD+ related activities and developing investment instruments that allow investors to reduce the ‘forest footprint’ of their investments.

Additionally, as per UNDG guidelines for joint programming on resources for monitoring, five per cent of the implementation budget has been allocated for monitoring and evaluation costs and is included in the budget of the concept note on “Results Based Management – Managing for Results.” A mid-term and final evaluation of the project will be undertaken.

Annex I: Approaches and interventions of the different project components

Awareness raised and behavioural shifts
1. The Business Case for REDD+
What: A report examining the finance and economics of REDD+ from a country perspective and building a robust business case for the involvement of the private sector in REDD+ in the selected countries, identifying investment shortfalls and opportunities for the private sector. The analysis will inform the development of investment plans for REDD+ implementation. **Why:** While a strong economic case for REDD+ at the global level exists, there is a need to articulate a business case for REDD+ from a country and private sector perspective with concrete recommendations for investment and a roadmap for implementation. **Who (partners/contractors):** UN-REDD, UNEP FI, UNDP GCF partnering with Vivid Economics, PwC or McKinsey Global Institute. **Results:** (i) A strong business case for REDD+ at the national level in three partner countries is built and (ii) Draft investment plans for the three selected countries are prepared and considered at the national level.
2. Uncovering hidden risk in forest risk commodity supply chains- equity portfolios
What: Providing information that allows investors and companies to reduce their exposure to deforestation in their investment portfolios and supply chains. This will be done by identifying the financial risks to which investors are exposed through their exposure to deforestation in the supply chains of the companies they own and invest in. This will contribute to the development of a methodology to measure hidden 'value at risk' related to direct or indirect deforestation exposure in institutional equity investment portfolios based on exposures and holdings in publically listed companies. **Why:** Understanding and measuring risk is a powerful lever for change. It is a precondition for disclosure and ultimately the reduction of exposure to deforestation. The work of the Carbon Tracker group on quantifying the risks associated with 'unburnable carbon' in portfolios of listed equities has had huge impact over the past few years. HSBC estimates that many of the top 200 fossil fuel companies globally could be at risk of a 40-60 per cent fall in their share price under a tighter environmental policy environment. This has contributed to surge in divestment by many global investors which damages corporate brands and increases their cost of capital. A similar body of work has not yet been carried out for the risks related to deforestation embedded in the operations of publically listed companies. **Who (partners/contractors):** UN-REDD, UNEP FI, EnviroMarket, Natural Capital Declaration, CFA UK and ESG research firms would contribute to devising a robust methodology (leveraging work already done by groups such as Carbon Tracker) to enable an credible approximation of financial forest-related value at risk based on available country, corporate and proxy data. **Results:** Adoption or endorsement of methodology by leading financial institutions or umbrella organizations.

3. ‘Smart Communications’- demystifying finance

What: Three written briefs and three short (five minute) animated videos in multiple languages explaining the basics of the private sector and private sector finance for REDD+ professionals.

Why: A ‘perception gap’ exists between the private sector and other actors in REDD+ that needs to be bridged.

Who (partners/contractors): UN-REDD, UNEP, UNEP FI and UNEP FI signatories with specialist communications partners (such as the animation specialists, Cognitive Media).

Result/outcome: Greater awareness of the potential of private sector investments to support REDD+ is built amongst policymakers and other relevant REDD+ stakeholders in selected countries.

4. Engagement of commodity buyers

What: Engagement of commodity buyers – supermarkets, brands, manufacturers, traders and banks – that purchase and finance the commodities from the selected countries, in order to influence supplier and producer behavior.

Why: To encourage corporate buyers to offer various incentives and support to producers in their efforts to shift to sustainable commodity production practices.

Who (partners/contractors): UN-REDD, UNDP GCF. As part of achieving this outcome, the initiative will work with individual companies, industry associations, notably the Consumer Goods Forum and the World Cocoa Foundation.

Result/outcome: Companies identified, engaged and partnerships developed, with dialogue initiated for (i) corporate policies to phase out deforestation from their supply chains (ii) corporate engagement in country level strategies.

Policy and Regulation

5. Regulatory frameworks to attract REDD+ investment (carbon-linked and sustainable supply chains)

What: A legal, economic and financial analysis of the broad regulatory framework, fiscal policy, subsidies/sanctions and tax code selected countries in the context of REDD+ with a specific focus on the impacts on at least one relevant ‘forest-risk’ commodity supply chain per country.

Why: A key driver of investment decisions is the business climate of the ‘target’ investment country. This analysis will examine the extent to which favorable conditions or ‘investment grade policy’ are in place to attract investment into sustainable land use activities and supply chains in the context of UN-REDD countries and examine where some of the key opportunities and bottlenecks lie.

Who (partners/contractors): UN-REDD, UNEP FI and leading national or international law firms.

Result/outcome: Production related taxes, subsidies and other fiscal instruments are reviewed at the national level.

6. Support the establishment and operation of National Commodity Platforms within the Ministries of Agriculture
What: Set up specific task forces focused on deforestation, convening all producers and supply chain stakeholders, to bring the agricultural sector and international supply chains into dialogue and focusing activity on the issue of deforestation(this will facilitate activities 7, 8 and 9). **Why:** Task forces are needed to increase production and trade of sustainable commodities in order to reduce conversion of forests into farmland, increase biodiversity within productive landscapes, improve water management, reduce ecological and carbon footprint of production, protect food security and ensure sustainable livelihoods for rural communities affected by supply chains. **Who (partners/contractors):** UN-REDD, UNDP GCF with commodities producers, traders, and buyers, to liaise and strategize with the public and private extension services; the financial entities providing credit to agriculture and fisheries; national government entities with a mandate over production and environment; municipalities and institutions involved with land use planning. **Result/outcome:** A National Commodity Platform is established and operational in at least two countries and supporting REDD+ efforts.
7. Strengthened policy framework and land use planning to limit agricultural expansion into forests
What: Strengthening policy frameworks and land use planning to limit agricultural expansion into forests backed up by recommendations to reform national laws that may promote deforestation from commodity production and expansion. **Why:** Ambiguity involving land tenure and generally weak capacity of land registries undermine efforts to conserve forested areas, providing virtual open access to forests for agricultural producers and cattle ranchers, additionally, There are often national laws and policies which incentivize deforestation, such as those dating back to times when governments (and banks) required land clearance to demonstrate use and ownership. There are also laws, which do not adequately define forests, and are opening up forests for plantation concessions when they should be held for conservation purposes. Reforms of these laws can have a profound impact across a country on future plantation concessions and targeting of production areas. The implementing partner will work at a national and landscape level to strengthen the effectiveness of the national policy and regulatory frameworks and land use planning tools to zone and limit agricultural expansion into forested areas targeted for conservation. **Who (partners/contractors):** UN-REDD**,** UNDP GCF with relevant departments within Ministries of Agriculture. **Result/outcome:** Land use plans and relevant regulations are identified in each country (e.g., legal riparian forest conservation or forest set aside areas) with recommendations made for reforming them.
8. Strengthened national extension systems in three UN-REDD partner countries
What: Strengthened national agricultural extension systems of Ministry of Agriculture to train producers to produce sustainably and not deforest – to work with government agricultural extension agencies to expand their focus beyond conventional agriculture practices for the targeted commodities to promote GAP and environmental sustainability (including reducing deforestation) in priority landscapes at the agricultural frontier.

Why: To have a significant impact, hundreds of thousands of farmers may need to be trained in key geographic areas. Yet, even some of the more promising approaches to agricultural extension, such as the farmer field school model, typically reach many fewer farmers and also tend to be expensive, with costs of US$ 50-100 per farmer for a week of training. Given the limited capacity of Ministry of Agriculture extension systems to promote GAP to assist smallholder farmers to increase productivity on existing land, innovation is needed to improve the financial viability and effectiveness of national extension systems, through partnerships with the private sector involved in the supply chains so that adequate scale and continuity in delivery of training can be achieved. Training to be provided to government extensionists will include: GAP, REDD+, legal compliance, watershed management and improved access to markets. **Who (partners/contractors):** UN-REDD, UNDP GCF. **Result/outcome:** A strategy for strengthening agricultural extension is developed in at least 2 countries so that it contributes to reduced deforestation.
9. Increased economic incentives for producers to reduce deforestation
What: Working to with relevant institutions to examine a possible array of economic incentives to farmers to reduce their interest to expand into forested areas. These may include a combination of the following: • Targeting of positive incentives, as appropriate within the national REDD+ frameworks, to forest landowners at agricultural frontiers; • Provision of public policy-based incentives such as subsidies on equipment and technology to improve their production practices. This will be particularly relevant to sustainable cattle and the introduction of silvopastoral systems; • Strengthened enforcement of forest law to recue illegal activity in protected forest areas; • Water payments to producers connected to the conservation of forests in important upper watershed areas; • Connection of market buyers for certified products to producers, through the National Commodity Platforms. This can also include innovative marketing campaigns to promote “deforestation free” commodities. **Who (partners/contractors):** UN-REDD, UNDP GCF. **Result:** In at least two countries a package of options for economic incentives for farmers to reduce deforestation has been developed e.g., PES, certification, REDD+ payments.
10. Influencing global public finance mechanisms
What: Engaging with the Green Climate Fund and convening representatives from the finance sector to ensure that the Green Climate Fund and particularly its Private Sector Facility are fit-for-purpose to deliver on REDD+ at the required scale. **Why:** Global public budgets are strained after repeated financial crises in recent years. This increases the necessity that scare global resources are allocated in a strategic manner to maximize the volumes of private sector investment these public funds leverage. Many of these public finance mechanisms, such as the Green Climate Fund are in the early stages of development and are seeking input into design, structure and process. **Who (partners/contractors):** UN-REDD, UNEP FI and economic consultancies such as Vivid Economics. **Result/outcome:** The design of the Green Climate Fund and other public finance mechanisms considered is fit for

purpose to channel private sector finance and investment capital for REDD+ activities.

Capital Mobilization

11. Meeting the long-term financing needs of smallholders

What: An analysis and implementation plan for scaling up long term financing (>1 year) to agricultural smallholders in at least three UN-REDD Programme countries including an assessment of the gender dimensions of the implementation plan.

Why: Smallholders will increasingly play a significant role in global agricultural supply chains. Smallholder production is often characterized by low yields, poor market linkages and little access to finance. One of the largest obstacles to positive, sustainable change for smallholders is the provision of finance, and the smallholder financing market is undeveloped, fragmented and undercapitalized. Most finance available to smallholders is short term (<1 year) trade finance with little long term finance for vital capital expenditure like machinery or tree renovation. Empirical evidence suggests that increased provision of long term finance could have considerable benefits for livelihoods while simultaneously taking pressure off the forest frontier.

Who (partners/contractors): UN-REDD, UNEP FI, UNDP GCF, UN-REDD Programme Partner Countries, FAO, Impact Investors, Dalberg, ICRAF, EcoAgriculture Partners.

Result/outcome: A strategy for scaling up small holder finance is developed in at least two of the selected countries.

12. Environmental Impact Bond (EIB) feasibility study

What: Feasibility study examining the application of the Social Impact Bond (SIB) model to REDD+ and forest landscapes (an 'Environmental Impact Bond' or EIB). The study will explore the relevance of the model to environmental finance, suggest eligibility principles and criteria and use diverse case studies to explore different potential revenue streams and structures.

Why: SIBs have generated tremendous interest in the world of social finance since the first bond was issued in 2010. The model is based on the cost-effective delivery of *results or outcomes*, rather than *activities* and creates an innovative platform based on flexibility and incentives for multiple actors to work together. The model has been applied to social finance, is currently being examined for broader development outcomes (HIV prevention, low-cost schooling etc.) but its application to environmental issues remains unexplored. The SIB model has many interesting features that are relevant to REDD+ including:

- Aligning interests of investors, service providers, governments & donors toward effective delivery of results, not activities;
- Leveraging private sector skills, investment and management to improve quality of services and increase efficiency;
- Enabling experimentation, innovation and learning;
- Providing up-front financing to service providers enabling them to participate more easily in results-based contracts;
- Increasing public confidence in aid, because risks can be transferred to investors and tangible results can be identified.

Who (partners/contractors): UN-REDD, UNEP FI, Global Mechanism, Accenture, Cambridge Programme for Sustainability, Danone Livelihoods Fund, SNS Asset Management, World Bank.

Result/outcome: A process to issue a pilot environmental impact bond for REDD+ is initiated with development financial institutions and private financial institutions.

13. Zero net deforestation equity indexes

What: Three 'zero net deforestation' equity investment indexes that track commonly used, mainstream indexes, however, with a considerably smaller 'forest footprint'. A smaller forest footprint is achieved by listing and/or overweighting companies that feature best practice in the area of deforestation (for instance companies with public 'zero net deforestation' commitments) and by de-listing and/or underweighting companies that do not.

Why: widespread inertia in the mainstream of capital markets is a result of investors 'sticking' to the markets and companies they 'know' ('herd behavior'). For a variety of reasons (including the measurement of performance and investment mandates) investors avoid deviating from proven benchmarks (indexes); this inertia keeps investment patterns from shifting from 'business-as-usual' to 'zero net deforestation'. An avenue that investors can take to reduce portfolio exposure to 'deforestation risks' without having to deviate far from common benchmarks involves the establishment of 'zero net deforestation' investment indexes in the largest financial markets. These new indexes would track existing indexes but increase exposure to 'forest-friendly' companies and decrease exposure to 'forest-unfriendly' companies. The tracking error would be within the tolerance of large institutional investors but the forest footprint of the new index would be considerably lower than that of the existing, underlying benchmark.

Who (partners/contractors): UN-REDD, UNEP FI in partnership with one of the following: Standard & Poors, FT, Natural Capital Declaration, MSCI, UNEP WCMC.

Result/outcome: At least one of the three 'zero net deforestation' indexes has been launched as is available for commercial investment.

UN-REDD PROGRAMME

Knowledge Management and South-South Capacity Development to Support Countries for REDD+ Readiness and Implementation

I. Summary

Objective	To establish a systematic approach to Knowledge Management in the UN-REDD Programme, positioning the UN-REDD Programme as the go-to knowledge broker to support countries for REDD+ readiness and implementation; and to develop South-South capacity building at scale.
Expected result	The UN-REDD Programme designs, develops and delivers a REDD+ Academy capacity development initiative in collaboration with partner countries and institutions. UN-REDD Programme Knowledge Management Systems enhanced to enable efficient and effective knowledge support to countries for REDD+ readiness, including communication and outreach.
Level of intervention	Global, regional and country levels
Related work area, as defined in the UN-REDD Programme Strategy[9]	The work refers to the development, management, analyses and information sharing to support REDD+ efforts at all levels. The proposal refers to Outcome 7 of the Support to National REDD+ Action: Global Programme Framework 2011-2015 (SNA).
Total amount requested	US$ 3,156,500 for activities to be undertaken until 31 December 2014.

[9] The work areas are: Measurement, Reporting and Verification (MRV); Governance; Stakeholder Engagement; Multiple Benefits and Safeguards; Transparency and Accountability; and, Green Economy.

II. Background

The work of the UN-REDD Programme and wider REDD+ Community has generated a significant body of experience in the development and implementation of REDD+ processes. It is essential that the Programme capitalizes on this experience and applies a systematic approach to knowledge management, enabling the effective and efficient flow of experience and information to achieve agreed objectives, to support South-South capacity development at scale and implement appropriate outreach activities that enable the REDD+ stories, products, knowledge and experience to flow from the field to decision makers and vice-versa. The knowledge management vision is that the UN-REDD Programme is the go-to knowledge broker to support countries for REDD+ readiness.

1. UN-REDD Programme Knowledge Management Systems, communication and outreach

The UN-REDD Programme is well placed to support countries for REDD+ readiness: it has a five year history, which is not a long time, but long enough in terms of REDD+ to generate useful experience; the strength of three UN Participating Organizations working at national, regional and global levels; experience working in partnership with the countries with National Programmes (currently 17 countries) and countries assisted through targeted support (29 countries) in three regions; and, strategic partnerships with other actors in REDD+.

The UN-REDD Programme Knowledge Management Strategy will focus on how the Programme will continually improve the effective and efficient exchange of knowledge for countries to address their REDD+ readiness needs. In order to advance the quality and depth of support to countries, the Programme will build on prior work, such as the Country Needs Assessment, by conducting regional workshops with country representatives to address knowledge and capacity development needs, conducting surveys and interviews with countries to explore their knowledge needs, preferences for how to access and re-use knowledge, and identifying potential solutions in partnership with the countries. This analysis and consultation period will be able to inform and guide the UN-REDD Programme to establish a systematic approach to enable knowledge to flow effectively and efficiently to support countries for REDD+ readiness. These Knowledge Management practices will be an integral part of the entire work programme of the UN-REDD Programme and be an important component in drawing out the experience of the previous five years. They will ensure that knowledge and good practices will be discussed, documented, synthesised and the best quality learning on REDD+ made accessible to enable learning before, during and after important events and milestones in REDD+ processes. The Programme will also look to engage in strategic knowledge partnerships with other multilateral institutions and organisations working on REDD+ to leverage collective experience, generate a multiplier effect and to broker knowledge in support of countries.

A Knowledge Management Framework that provides more detail as to the components that will be rolled out as part of the Knowledge Management Strategy can be found in Appendix 1. The Framework will be tailored to meet the particular needs of partner countries and regional variations.

Four components will be key in establishing the UN-REDD Programme Knowledge Management

Systems:

- Capacity development – The Programme provides capacity development services for countries, institutions and individuals through a variety of delivery mechanisms. One new initiative which is aimed at supporting REDD+ coordinators and national programme managers to have holistic REDD+ capacity and specialised training where needed is through the REDD+ Academy (see below). The UN-REDD Programme will also provide capacity development in knowledge management and communication for staff and partner countries of the UN-REDD Programme.
- Lessons learned – A lessons management system will be established, to identify important knowledge areas for REDD+ readiness, involve subject matter experts and people with experience in these areas, to explore what works and doesn't work, capture these lessons and make this knowledge more widely available to inform REDD+ decision making and action. This approach will be strengthened with knowledge exchange workshops at the regional level to encourage peer learning amongst Programme partner countries.
- Knowledge products – A review of existing knowledge products will be undertaken, including the need for a holistic overview of knowledge needs amongst partner countries and preferred knowledge delivery mechanisms. This will inform improvements to the process for designing REDD+ knowledge products and making knowledge more accessible across the Programme, recognising that this may include regional variation.
- Information management – UN-REDD Programme knowledge management technologies are needed to connect people working on REDD+, capture, organise and make knowledge and knowledge products accessible and useful to various stakeholders. This will require an assessment of user needs and the establishment of new IT tools and approaches to information management. This can help to facilitate access to REDD+ subject matter experts, geographic and thematic communities of practice.

As part of the support for UN-REDD Programme Knowledge Management Systems, communication and outreach support for partner countries will help tell the REDD+ story, including the impacts and evidence on the ground, challenges and opportunities, facilitating factors and constraints, reflections on past experiences, and future directions for REDD+. This will include providing UN-REDD partner countries with training and tools to capture their experiences, knowledge and events, supporting translations of materials into local languages to enhance their outreach potential, and supporting national counterpart participation in UN-REDD Programme events of relevance, to maximize global exposure.

In addition to the above, new and cutting edge areas in relation to REDD+ will be explored, at least conceptually in order to help address some of the emerging issues based on experiences from support to countries and also based on some global trends. By way of example these include the landscape focus versus economic sectors, the nexus between REDD+ and illegal timber trade, the place and relevance of community based monitoring within MRV systems, addressing drivers of deforestation versus compensation for opportunity costs and institutional grounding of REDD+ at national levels. These think pieces on such topics and others as they emerge, will enable the programme to better assist countries in anticipating potential avenues and innovations as relevant to REDD+.

2. REDD+ Academy capacity development initiative

A challenge at present is how to provide support to the institutions and individuals in countries who will be the agents of change for REDD+ readiness, so that they have holistic understanding of the REDD+ landscape and its specialisations, contextualised to their country needs. It is evident that there is a need for a REDD+ capacity development initiative which can match the scale of this global challenge and enable systematic, focused capacity development to deliver REDD+ on the ground. In fact, Parties to the UNFCCC have requested that information on REDD+ be better coordinated in order to address the wide range of tools and information available.

At this stage, however, capacity building efforts are offered by a variety of actors without clear coordination (see Appendix 1). Although many have demonstrated positive results, they are usually from short-term workshops or training that cover only a small part of the wide spectrum of required REDD+ competencies and knowledge. The target audience also tends to be varied and delivery to these audiences is often uncoordinated. Furthermore, many existing capacity building initiatives are passive. Information is developed and posted but there are few mechanisms to assess the suitability of the information or to adapt their delivery to match regional and national needs. Most existing initiatives also lack a monitoring and evaluation system to assess the impacts of participation.

At the same time, the body of knowledge and experience on REDD+ readiness and implementation has grown considerably, and there is an increasing potential for South-South Cooperation to complement capacity building. Several leading REDD+ countries have expressed an interest in supporting a South-South-focused capacity development initiative and in sharing their experiences in REDD+ readiness and implementation. The success of such an initiative will linked to the ability to successfully respond to regional and national needs, an ability to support South-South Cooperation, and the development of a learning framework that can deliver tangible benefits to participants over both the short- and long-term.

There is also significant training and capacity building experience that could contribute to the development of a more coordinated and systematic approach based on best practices and lessons learned at the national and regional levels. These include the specific REDD+ experiences from the UN-REDD Programme and partners in the wider REDD+ community. UN-REDD Participating UN Organizations could also bring their capacity development experience from, for example, the FAO Knowledge Forum, the UNDP Capacity Development Group, and the UNEP Environmental Education and Training Unit. Other potential partners, such as one or more universities and organisations working on REDD+ will be identified as needed.

The REDD+ Academy

An initial task for a responsive REDD+ capacity building initiative is to create a strong framework in which the needs of participants are tied to the delivery of on-the-ground REDD+ readiness activities through a long-term and sustainable learning experience. A key target audience for the REDD+ Academy include REDD+ coordinators and national programme managers and their needs will inform the REDD+ Academy framework.

The REDD+ Academy would address the key issues mentioned above in a systematic, coordinated approach to REDD+ capacity development, drawing on existing strengths, and current and future needs of stakeholders. Through the adoption of a demand-driven regional approach tied to implementation, the REDD+ Academy would also support ongoing South-South Cooperation through mentoring, institutional twinning and other mechanisms to be defined during the design phase. In doing so the REDD+ Academy will build on past experiences with regards to capacity building, will provide a platform for further specialization in REDD topics through relevant initiatives (where agreed with partners), and continue to engage alumni of graduates from the REDD+ Academy.

Some initial considerations for the types of learning modules a REDD+ Academy could cover include:

- Scientific evidence on climate change and significance of forests to sustainable development;
- International commitments on sustainable forest management, climate change, biodiversity, and rights of indigenous peoples, and the rationale behind REDD+;
- Developing and implementing a National Forest Monitoring System to deliver national MRV and monitoring capacity for REDD+ and reporting to other international processes;
- Credible, inclusive national governance and tenure systems for REDD+ implementation;
- Stakeholder engagement including Indigenous people and Free, Prior and Informed Consent (FPIC);
- Safeguards and multiple benefits of REDD+;
- Linkages between REDD+ and a Green Economy transformation processes;
- Communication and public awareness; and,
- REDD+ funding, benefit distribution and public-private partnerships.

The process of designing and managing the REDD+ Academy is critically important to ensure the outcomes are useful for key stakeholders, addressing country needs and building the right competencies and capacities of sufficient numbers of people to bring REDD+ up to scale. Because the REDD+ Academy is intended to support long-term and sustainable learning, elements need to be carefully designed to support South-South Cooperation and the dissemination of capacity by participants throughout their institutions and organizations. In effect, the REDD+ Academy will empower participants, not just to be better managers of REDD+ processes, but also to be agents of change.

It will also be important to ensure that the REDD+ Academy design process includes monitoring and evaluation mechanisms to assess the on-the-ground impacts of capacity building efforts and allow for adaptive management. This process will include regional needs assessments in order to support a baseline against which impacts can be assessed and frame the institutional context within which capacity building will take place.

The delivery mechanism is also important and could consist of learning that is formal (e.g., through a university), non-formal (e.g., workshops), or informal (e.g., self-paced e-learning course). Options will be explored for accreditation that will give graduates a recognised qualification, such as a certificate, and differentiates the Academy's approach from other REDD+ capacity development initiatives.

III. Results framework and theory of change

For the UN-REDD Programme to support countries with the knowledge and capacity needed for REDD+ readiness, we need to comprehensively understand country needs, work in collaboration with countries to support discussion at national and international level, capture and document relevant knowledge, synthesise this knowledge into quality products, drawing on experience from national, regional and global networks, and ensure that knowledge is accessible and re-usable. This will be supported by an appropriate combination of people, processes, technology and governance to support the creation of systematic knowledge management in the UN-REDD Programme. Likewise, by taking a systematic approach to identifying the needs and capacities of REDD+ coordinators and national programme managers, building this into a comprehensive framework, and delivering a systematic, coordinated approach to capacity building, we will enable the countries, institutions and individuals to have the knowledge and capacity needed for REDD+ readiness.

Expected Result 1: UN-REDD Programme Knowledge Management Systems enhanced, including communication and outreach.

This would be achieved by:

- UN-REDD Programme Knowledge Management Systems will be enhanced in line with the UN-REDD Programme Knowledge Management Strategy to ensure the people, processes, technology and governance mechanisms are in place to enable knowledge to flow efficiently to support effective decision making and action on REDD+. This will incorporate a strong focus on identifying, capturing, sharing and applying lessons learned from experience in UN-REDD partner countries to improve the effectiveness and efficiency of the UN-REDD Programme work, including direct knowledge exchange events between countries and enhanced knowledge product development. Communication and outreach support for partner countries will help tell the REDD+ story, the impacts on the ground, challenges and opportunities, reflecting on past experience and future direction for REDD+. This will include providing UN-REDD Programme partner countries with training and tools to capture their experience, knowledge and events, support for translation of materials into local languages to enhance their outreach potential, and provide support for participants from national counterparts to UN-REDD Programme events to maximize global exposure.

Expected Result 2: The UN-REDD Programme designs, develops and delivers a REDD+ Academy capacity development initiative in collaboration with partner countries and institutions.

This would be achieved by:

- A South-South focused REDD + capacity development initiative (e.g., a 'REDD+ Academy'), will be designed and developed, drawing on the experience, needs and capacities of UN-REDD partner countries and partner organizations to train practitioners in a holistic approach to the management of REDD+ initiatives at the country scale. This will include holding regional workshops (one in each of Africa, Asia and Latin America and the Caribbean) to scope and design the initiative based on country and regional needs and the creation of suitable methods, materials and implementation mechanisms. Both the peer-to-peer exchange in the design process, along with participants of the completed capacity development initiative will build a strong network for ongoing South-South exchange.

IV. Management arrangements and partnerships

The UN-REDD Programme Knowledge Management Strategy is being coordinated through the Secretariat and working in collaboration with all three agencies, as per the UN-REDD modus operandi to ensure cohesion and coherence. At a national level, particularly with countries with National Programmes, the UN-REDD program and its agencies will work with relevant institutions at the national level.

The UN-REDD Programme lead agency for the REDD+ Academy is UNEP, which will be responsible for overall coordination, management and reporting, whilst all three agencies will collaborate to ensure cohesion and coherence, with the support of the Secretariat. Other partners will be incorporated into this initiative based on identified functions for the development and delivery of the Academy. As this will have a strong South-South focus, partnerships with UN-REDD Programme partner countries will be particularly important. A potential partner organization under consideration at the moment is the Alliance for Global REDD+ Capacity (AGRC) and as the Academy develops, additional partners will be identified.

V. Monitoring and Evaluation

The Knowledge Management System will incorporate qualitative and quantitative monitoring techniques against agreed targets in the UN-REDD Programme Knowledge Management Strategy, as well as assessments of current knowledge management practices in the UN-REDD Programme to provide a benchmark for comparisons over time. Knowledge Management measures of activities (e.g., use of UN-REDD Programme workspace and website), tools (e.g., number of lessons captured), implementation of the strategy against agreed targets (compliance with agreed expectations), and process improvements, will be monitored.

For the REDD+ Academy, a monitoring and evaluation framework will be defined within the first three months of the project with reasonable, simple and measurable indicators that will be identified jointly by partners. It is envisioned that once the REDD+ Academy is established, it will enable its impacts among alumni to be monitored and evaluated.

As per UNDG guidelines for joint programming on resources for monitoring, five per cent of the implementation budget has been allocated for monitoring and evaluation costs and is included in the budget of the concept note on “Results Based Management – Managing for Results.”

Appendix 1: UN-REDD Programme Knowledge Management Framework

The UN-REDD Programme Knowledge Management Strategy incorporates a Knowledge Management Framework which is based on commonly recognised components of knowledge flow and enablers of knowledge management. These are elaborated below and presented in Table 1, with further description of each of the components listed beneath (numbers 1 to 16).

Four commonly recognized components of knowledge flow (SECI)[10]:

- Socialisation (Discuss) – the transfer of knowledge from person to person through communication.
- Externalisation (Document) – the documentation of tacit knowledge
- Combination (Synthesise) – compiling, synthesising and organizing captured or documented knowledge
- Internalisation (Access and re-use) –interacting with explicit knowledge in order to understand and integrate it into your thinking.

Four commonly recognized enablers of knowledge management:

- People (roles and accountabilities) – the networks of people, their roles and accountabilities
- Processes – the processes applied to reach objectives
- Technology – technology used to support the management of explicit knowledge and connect people
- Governance – expectations, policies, performance management, rewards and recognition, and support

Table 1: UN-REDD Programme Knowledge Management Framework

KM Framework	Socialisation (Discuss)	Externalisation (Document)	Combination (Synthesise)	Internalisation (Access and re-use)
People (Roles)	1. PB, CoPs, Team meetings, Retreats	5. Knowledge Product Manager	9. Lessons Team	13. Subject Matter Experts, Country Focal Points, National REDD+ Institutions
Processes	2. Missions, Peer Assists	6. Reports, After Action Reviews, Knowledge Products	10. Knowledge Exchange Events, SMEs + RTAs + Country Focal Points + National REDD+ Insitutions	14. Induction, KM Plans, Communication, Meetings and events
Technology	3. Workspace, Skype, Online meetings, Yellow pages directory, Social Media	7. Lessons Management System	11. Workspace, Taxonomy, Website, Knowledge product development software	15. Resource library, search engine, knowledge maps
Governance	4. KM training, expectations, performance management	8. Expectations, policies, support, reward and recognition	12. CoPs for subjects, KM roles, communication support	16. REDD+ Academy

[10] Ikujiro Nonaka and Tokyo Hirotaka Takeuchi, The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation, (New York: Oxford University Press, 1995).

1. The focus for the exchange of tacit knowledge through discussion will be undertaken primarily through meetings of the Policy Board, REDD+ Communities of Practice (CoPs), team meetings and staff retreats, with appropriate facilitation techniques and methods to maximise knowledge exchange.
2. Missions to countries to provide targeted support, capacity development and guidance are an important support mechanism the UN-REDD Programme uses to support partner countries. These will be strengthened with Peer Assists which will help support South-South cooperation amongst partner countries further advanced in their National Programmes.
3. A variety of technological tools are used or will need to be introduced to further support connecting people and facilitating the discussion and exchange of knowledge. These tools include the UN-REDD Programme Workspace (www.unredd.net), collaborative online meeting tools, enhanced contacts management or a 'yellow pages directory' of REDD+ experts and contacts, and enhanced social media presence to reach out to a wider audience.
4. Knowledge Management training will be provided to UN-REDD Programme staff and partner countries to enable knowledge management practices to be integrated into the regular ways of working. Expectations will be agreed and performance management established.
5. Each UN-REDD Programme knowledge product will be supported by a Knowledge Product Manager who will oversee the full life cycle of the knowledge product, ensuring that the design, development, dissemination and use of the knowledge product is as effective and efficient as possible, meeting the needs of the target audiences and forms part of a wider cohesive approach to UN-REDD Programme knowledge product development.
6. The externalisation of knowledge will be captured through the application of After Action Reviews, Knowledge Products and Reports prepared by the UN-REDD Programme.
7. A lessons management system will be established to systematically capture, synthesise, disseminate and apply lessons based on experience from the UN-REDD Programme and REDD+ community. These lessons will support decision making and action based on experiences from national, regional and global levels of the Programme.
8. Expectations from documenting knowledge will be established, policies developed and implemented, support structures will be put in place and reward and recognition for good practices applied.
9. In order to coordinate the synthesis of lessons based on identified important knowledge areas, Lessons Teams will be established to support the lessons learned system.
10. Knowledge exchange events provide opportunities for the synthesis of knowledge and will include meetings of the Policy Board, targeted workshops, working groups on thematic areas. The process for capturing and synthesising knowledge will draw on subject matter experts, Regional Technical Advisors, UN-REDD Programme Country Focal Points and REDD+ National Institutions.
11. Technology to support the combination of knowledge include the UN-REDD Programme Workspace, UN-REDD Programme website (www.un-redd.org), which will both be supported by a taxonomy to assist structuring and organising REDD+ knowledge and knowledge product development software.
12. The synthesis of knowledge will be supported through CoPs for REDD+ subjects, knowledge management roles [e.g. Knowledge Manager, Knowledge Management Sponsor, Knowledge Management Implementation Team, Steering Team, Community leader, Community facilitator,

Community sponsor, Roles for knowledge capture (for example facilitators, learning historians, project knowledge managers), Knowledge owners, Subject matter experts, Lessons management team, Knowledge workers (all people in the organisation)], and support for communication.

13. Facilitating access to and re-use of knowledge will involve subject matter experts, UN-REDD Programme country focal points and REDD+ National Institutions.
14. The processes for accessing and re-using knowledge will include induction processes, knowledge management plans, communication approaches, meetings and events to support the provision and access to knowledge.
15. A resource library for REDD+ knowledge, including robust search and browse systems will help access REDD+ knowledge. Knowledge maps will help with the navigation of knowledge at various scales and thematic areas.
16. A REDD+ Academy will provide comprehensive REDD+ capacity development for REDD+ managers at the national level, enabling them to have competencies to oversee REDD+ processes within their country and provide areas of specialisation as needed.

Appendix 2: Resources on South-South Cooperation and Capacity Building

Title	Summary	Key Components	Lead Organization	Additional Information
General				
SolArid	Knowledge sharing on SLM tools and methods within countries in the Maghreb and Sahel	Electronic forum Training on resource mobilization Thematic workshops	Global Mechanism (UNCCD)	www.global-mechanism.org/en/Special-Initiatives/SolArid-South-to-South-Cooperation
Scope|acp	Capacity building, knowledge sharing and partnership building to improve access to SLM financing	Knowledge portal E-learning courses Access to public or private online workspace Q&A with GM experts	Global Mechanism (UNCCD) / UNEP	http://global-mechanism.org/en/Platforms/Scope-ACP
REDD+ Specific				
Building REDD+ Capacity in Developing Countries	Capacity building for REDD+ negotiators and policy makers from Africa and Asia	Database of tools and publications Links to projects and programmes	IISD, ASB-ICRAF	www.iisd.org/climate/land_use/redd/
South-South REDD	Partnership between Brazil and Mozambique to increase the capacity of Mozambique to engage in REDD+	Multi-stakeholder institution Technical studies to exchange experience (interesting because they're project specific) Provision of technical expertise	IIED	www.iied.org/south-south-redd-brazil-mozambique-initiative
Asia-Pacific Regional Knowledge Exchanges	Platform for the exchange of experience on REDD+ in Asia - Pacific	Workshops Exhibitions Lessons learned document	UN-REDD	www.unep.org/south-south-cooperation/case/casedetails.aspx?csno=79

Other Capacity Building

Title	Summary	Key Components	Lead Organization	Additional Information
General Climate Change				
E-Learning Courses: Climate change	Introduces: climate change, low emission development planning and financing, sustainable energy, and climate-smart agriculture	E-learning courses Expert facilitation Electronic forum Live webcasts Webinars	World Bank Institute	http://wbi.worldbank.org/wbi/Data/wbi/wbicms/files/drupal-acquia/wbi/infosheet_4.15.13.pdf
Traditional Knowledge and Climate Science Toolkit	Builds that capacity of indigenous peoples and local communities to access scientific research on	Guide Videos Database of articles	UNU	www.unutki.org/news.php?news_id=161&doc_id=103

	adaptation and mitigation			
REDD+ Specific				
UNFCCC REDD Platform	Database of information on capacity building for REDD+	Online database	UNFCCC Secretariat	http://unfccc.int/methods/redd/redd_web_platform/items/6676.php
IPACC Training Kit	Introduces: climate change, REDD, the role of ILCs	10 page document with information, key questions and lists of supporting documents	IPACC	www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Oct2009/REDD_TRAINING_KIT.pdf
Estimating the Opportunity Costs of REDD+	Tools and methodologies to assess how REDD+ may impact different stakeholders	Training manual Regional workshops	World Bank, FCPF, UN-REDD, ICRAF	http://wbi.worldbank.org/wbi/Data/wbi/wbicms/files/drupal-acquia/wbi/REDDbrochure_v2pages.pdf
REDD+ Learning Sessions	Invited guest experts present on different REDD+ topics each month	Monthly webinar (presentation followed by Q&A)	WWF	http://wwf.panda.org/what_we_do/footprint/forest_climate2/redd_learning/learning_sessions/
Conservation Training: REDD+	Introduces: climate change and forests, REDD+ policy and REDD+ implementation	E-learning courses Podcast series	Conservation International	www.conservationtraining.org/mod/page/view.php?id=4254
Community forestry and REDD+	Introduces REDD+ and community forestry and explains how the two can be mutually reinforcing	Training workshops Field studies	RECOFTC - The Center for People and Forests	www.recoftc.org/site/Community-Forestry-and-REDD-
FPIC for REDD+	Tools and methods to engage indigenous peoples through free, prior and informed consent	Training workshops Field studies	RECOFTC - The Center for People and Forests	www.recoftc.org/site/Free-Prior-and-Informed-Consent-for-REDD-
REDD+ Community	Online platform to exchange resources, experiences and lessons learned on REDD+	E-courses Webinars Communities of practice Database of publications and events	WWF (affiliated)	http://reddcommunity.org/
The REDD Desk	Online platform for the exchange of information on all aspects of REDD	Database of publications and events WikiREDD and REDD twitter Online country profiles	Global Canopy Programme, Forum on Readiness for REDD	www.theredddesk.org/