

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

FAO, UNDP, UNEP
Framework Document
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PART 1 – INTRODUCTION

Purpose of the Document

The purpose of this document is to set out how FAO, UNDP and UNEP intend to work together to support countries' efforts to reduce emissions from deforestation and forest degradation (REDD). It aims to establish a collaborative framework for coordinated interventions, both among the participating UN Organizations and with other partners, particularly the World Bank and GEF-supported programmes and other members of the [Collaborative Partnership on Forests](#). The focus is on national action delivered through Joint Programmes, reinforced by supporting measures at regional and global levels. The target audience for this note is potential partners and donors.

Background

Tropical forests are continuing to disappear at an alarming rate: between 1990 and 2005, the rate of deforestation averaged about 13 million hectares a year, occurring mostly in tropical countries. Planting of new forests as well as natural expansion of forests in some countries have resulted in a decrease in the net loss of forests. Yet we are still losing about 200 km² of forest each day. These trends are a result of land use change, mainly the expansion of agricultural land, which in turn is closely connected to the conditions of rural livelihoods, the increasing demands for food, feed and fibre and the overall economic development. Addressing deforestation and forest degradation goes beyond the forest sector and is an important item on the general development agenda.

The Fourth Assessment Report of the Intergovernmental Panel on Climate Change indicates that the forestry sector, mainly through deforestation, accounts for about 17% of global greenhouse emissions, making it the second largest source after the energy sector. In many developing countries, deforestation, forest degradation, forest fires and slash and burn practices make up the majority of carbon dioxide emissions. There are many causes of forest degradation and they vary from place to place. They include, among other things, poor forest management practices in production forests, forest fires, overgrazing, overharvesting of fuelwood and other non-wood forest products, illegal cutting of timber, forest pest outbreaks and forest disease.

Deforestation and forest degradation also have severe adverse impacts on forest biodiversity, the availability of wood and non-wood forest products, soil and water resources and local livelihoods and often remove an important safety net for the rural poor.

Reduced deforestation and forest degradation may play a significant role in climate change mitigation and adaptation, can yield significant sustainable development benefits, and may generate a new financing stream for sustainable forest management in developing countries. If cost-efficient carbon benefits can be achieved through REDD, increases in atmospheric CO₂ concentrations could be slowed, effectively buying much needed time for countries to move to lower emissions technologies. Support for efforts to reduce emissions from deforestation and forest degradation has been expressed at the highest political levels (G8, [UN General Assembly](#)) and has been included in the [Bali Action Plan](#) of the United Nations Framework Convention on Climate Change (UNFCCC).

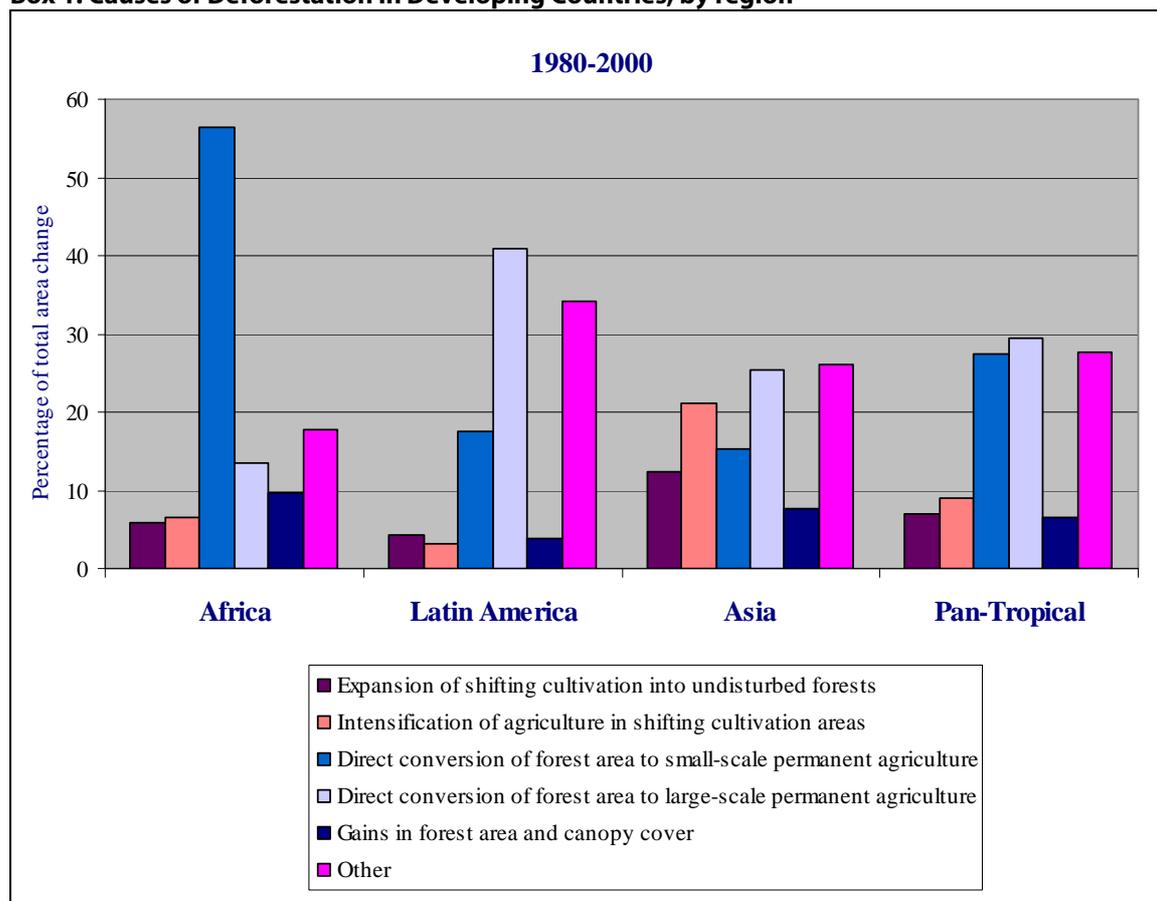
The Bali Action Plan, adopted by UNFCCC at the thirteenth session of its Conference of the Parties (COP-13) held in Bali in December 2007, mandates Parties to negotiate a post 2012 instrument, including possible financial incentives for forest-based climate change mitigation actions in developing countries. COP-13 also adopted a decision on "[Reducing emissions from deforestation in developing countries: approaches to stimulate action](#)". This decision encourages Parties to explore a range of actions, identify options and undertake efforts to address the drivers of deforestation. It also encourages all Parties in a position to do so, to support capacity-building, provide technical assistance, facilitate the transfer of technology and address the institutional needs of developing countries to estimate and reduce emissions from deforestation and degradation. Furthermore, it lays out a process under the Subsidiary Body for Scientific and Technological Affairs (SBSTA) to address the methodological issues related to REDD emissions reporting.

Key Issues

Complex causes require complex solutions

The underlying causes of deforestation vary from country to country and even within a country and are often complex in nature. Box 1 below shows the results of an FAO study that highlights general regional differences. While the primary cause of deforestation in Latin America was a conversion of forests to large scale permanent agriculture, in Africa deforestation was mainly caused by conversion of forests to small scale permanent agriculture and in Asia there was a mix of direct causes. The underlying causes are often even more intractable, ranging from governance structures, land tenure systems and law enforcement, to market and cultural values of forests, to the rights of indigenous and local communities and benefit sharing mechanisms, to poverty and food production policies. As a result, solutions need to be tailor-made to the environmental and socio-economic conditions of each country and their institutional capacity.

Box 1: Causes of Deforestation in Developing Countries, by region



Risks related to delivering REDD benefits

Concerted efforts have been made by developing countries with support of the international community for the past couple of decades or longer to reduce unplanned deforestation, stem forest degradation and implement sustainable forest management. Despite some success stories, the challenges have proven to be considerable. Delivering emission reductions adds a significant layer of complexity and risk (see Box 2).

Box 2: Forest Emission Reduction "Delivery Risks"

Actual	• Reference scenario	• Verifiable
Lasting	• Non-permanence	• Leakage
Achievable	• Deforestation drivers	• Policy effectiveness
	• Opportunity costs	• Institutional/regulatory change
	• Socio-economic equity	• Corruption
Reliable	• Willing buyers	• Compatibility with UNFCCC negotiations
	• Market fungibility	
Measurable	• Data uncertainty	• Land cover change
	• Land cover classification	• Carbon stock/flux monitoring

If there are doubts about the ability to deliver *actual*, *lasting*, *achievable*, *reliable* and *measurable* emission reductions, REDD investors will remain risk adverse. They will seek to transfer the risks by making carbon payments to REDD countries *ex-post*, or "on-delivery". The logic is that this creates a stronger incentive for REDD countries to successfully implement their REDD programmes and achieve emission reductions. However, it is not clear whether the incentive of payment-on-delivery

will be sufficient to achieving lasting change in forest-use practices, or whether it will create perverse outcomes. For example:

- On-delivery payments have the effect of making REDD countries bear all the delivery risk, thus limiting the incentive for countries to invest in time-consuming participatory, community-based measures
- Having to pre-fund the implementation of REDD programmes may reduce the incentive to equitably distribute the proceeds from REDD transactions to forest-dependent stakeholders whose livelihoods may be impacted by the measures taken
- This in turn, may affect the sustainability of REDD interventions and thus compromise the permanence of REDD carbon savings

Technical and Institutional Capacity

The technical and methodological issues that need to be addressed in order to deliver emission reductions have been identified under a [SBSTA process](#) since 2005. Some of the issues are currently being addressed, but others will require new approaches and new alliances. Insufficient technical capacity and resources (*i.a.* for establishing national reference scenarios against which to assess REDD emissions reductions; for monitoring and assessment of changes in forest carbon, and for developing and implementing REDD strategies and field activities) is a barrier to REDD in many countriesⁱ. Many developing countries may need assistance to set up systems to assess carbon emissions and removals on forest land, using methodologies recognized by IPCC (IPCC Good Practice Guidance) so that future results could be demonstrable, transparent, verifiable, and estimated consistently over time.

Co-Benefits

Fears have been raised that REDD payment systems could amplify many of the concerns leveled against payment for ecosystem services (PES) in generalⁱⁱ:

- REDD will lock-up forests by decoupling conservation from development
- Asymmetric power distribution will enable powerful REDD consortia to deprive communities of their legitimate land-development aspirations
- Hard-fought gains in forest management practices will be wasted
- Commercial REDD may erode culturally rooted not-for-profit conservation values

Yet on the other hand, REDD programmes have the potential to achieve significant sustainable development benefits for millions of people worldwide and to sustain essential ecosystem services. Forests also provide a wide range of cultural services and traditional values. An estimated 60 million indigenous people are completely dependent on forests, while 350 million people are highly dependent, and 1.2 billion have some dependence on forests for their livelihoods. REDD activities could enhance biodiversity, enhance soil and water conditions, help ensure sustained supplies of timber and non-timber forest products and help sustain or improve livelihoods and food security for local communities. Further, a premium may be negotiable for emission reductions that generate additional benefits.

However, it is also possible that REDD benefits in some circumstances may have to be traded off against other social, economic or environmental benefits.

The linkages between deforestation, development and poverty are complex and context-specific. Weak governance and institutional capacity in some countries, as well as inadequate mechanisms for effective participation of local communities in land use decisions, could seriously compromise the delivery of both local and global benefits and the long-term sustainability of REDD investments. If REDD programmes are not carefully designed, they could marginalize the landless and those with informal usufructual rights and communal use-rights.

PART 2 – UN COLLABORATION

Rationale for UN Collaborative Programme

The needs of forested developing countries are paramount. The Collaborative Programme grew out of requests from our respective governing bodies and rainforest countries to address issues related to forests and climate change, including through cooperation and coordination with others.

The scale of the REDD challenge is fully acknowledged. As set out in the previous Key Issues section, there are many challenges and a myriad of REDD complexities that need to be tackled if countries' efforts to reduce deforestation and forest degradation are likely to be successful and if UNFCCC COP negotiators are to feel comfortable about including REDD in a post-2012 regime. The rationale for the UN Collaborative Programme on REDD is to assist forested developing countries and the international community to gain experience with various risk management formulae and payment structures. The aim is to generate the requisite transfer flow of resources to significantly reduce global emissions from deforestation and forest degradation. The immediate goal is to assess whether carefully structured payment structures and capacity support can create the incentives to ensure *actual, lasting, achievable, reliable and measurable* emission reductions while maintaining and improving the other ecosystem services forests provide.

Donors pledging funding for REDD can be positioned to test risk formulae that fall between payment-upon-delivery and up-front-payment. Donors have the capacity to share REDD delivery risks and to use overseas development assistance (ODA) to test new and innovative mechanisms. Donors have legitimate and additional objectives to those of investors, such as helping REDD countries make progress in avoiding deforestation and forest degradation, building their capacities and gaining experience with different REDD mechanisms. These objectives help to defray the delivery risks donors carry.

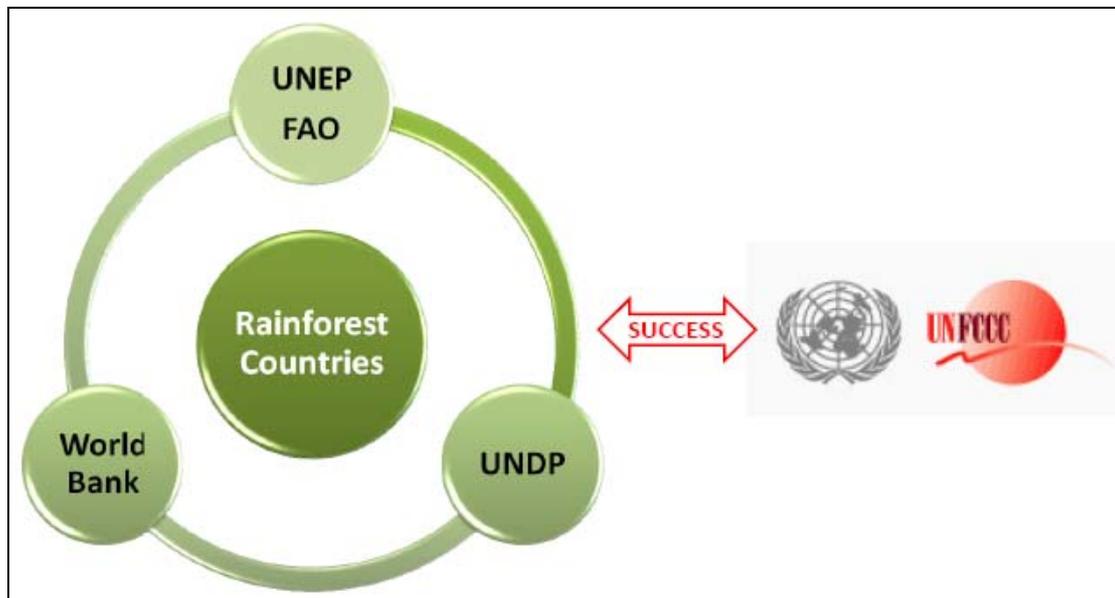
It is recognized that REDD is a huge undertaking and time is extremely limited. The challenge is not likely to be met by any one initiative. The critical factor is to ensure all approaches are complementary, do not burden forested developing countries with duplicative demands, and can contribute to the final UNFCCC negotiations on a post-2012 framework.

For this reason FAO, UNDP and UNEP are working closely with the World Bank's [Forest Carbon Partnership Facility \(FCPF\)](#) and the [GEF Tropical Forest Account](#) as GEF Agencies, as well as welcoming Australia's [International Forest Carbon Initiative \(IFCI\)](#) (formerly known as Global Initiative on Forests and Climate) and are working with other members in the Collaborative Partnership on Forests to

support progress toward sustainable forest management in countries around the world.

The added-value of joint FAO/UNDP/UNEP REDD programmes that complement the FCPF – especially with regard to readiness activities – has been recently recognized by the Coalition for Rainforest Nations in their proposed “Strategic Alliance for Success” (see Box 3).

Box 3: Coalition for Rainforest Nations' Proposed 'Strategic Alliance for Success'



A draft framework for enhanced cooperation with the FCPF has already been prepared and is being discussed among FAO/UNDP/UNEP and the World Bank. Discussions have also commenced with the GEF Secretariat on forging a strong link to the Tropical Forest Account.

Guiding Principles of Collaboration

A partnership of the three organizations is consistent with the “One UN” approach advocated by UN members. Building on existing initiatives and networks and using existing modalities for Joint Programmes will enable rapid initiation of programme implementation and channeling of funds for REDD efforts. It will also encourage coordinated and collaborative UN support to countries, thus maximizing efficiencies and effectiveness of the organizations’ collective input.

The programme will be guided by the five inter-related principles of the UN Development Group (UNDG):

- Human-rights-based approach to programming, with particular reference to the [UNDG Guidelines on Indigenous Peoples’ Issues](#)
- Gender equality
- Environmental sustainability
- Results-based management
- Capacity development

In addition, each UN Organization will:

- Build on its comparative strengths

- Facilitate partnerships, drawing on expertise from a range of national and international organizations acting as executing agencies to ensure well coordinated and timely action
- Actively contribute to coordination and mainstreaming in-country, while avoiding duplication of effort with other REDD initiatives

PART 3 – UN COLLABORATIVE PROGRAMME

Programme Outline

The collaborative programme will have two components: (i) assisting developing countries prepare and implement national REDD strategies and mechanisms; (ii) supporting the development of normative solutions and standardized approaches based on sound science for a REDD instrument linked with the UNFCCC. The programme will help empower countries to manage their REDD processes and will facilitate access to financial and technical assistance tailored to the specific needs of the countries.

UNDP, UNEP and FAO can provide critical assurances necessary to establish a REDD regime. As neutral bodies, the organizations would work as “honest brokers” to support country-led development programmes and to facilitate the informed involvement of national stakeholders, particularly forest-dependent local communities. They will also use their convening power to bring together experts and scientists to develop the global monitoring, assessment, verification and financial components. They recognize the importance of working together and also with other REDD actors such as the World Bank, bilateral donors, research institutions, NGOs and potential REDD investors.

The application of UNDP, UNEP and FAO rights-based and participatory approaches will also help ensure the rights of indigenous and forest-dwelling people are protected and the active involvement of local communities and relevant institutions in the design and implementation of REDD plans.

Using existing modalities for Joint Programmes will enable rapid initiation of programme implementation and channeling of funds for REDD efforts. It will also encourage coordinated and collaborative UN support to countries, thus maximizing efficiencies and effectiveness of the organizations’ collective input.

The UN organizations’ in-country presence represents a crucial support structure for countries, and the organizations’ governing bodies, expert networks and convening capacity provide invaluable mechanisms for information exchange, for access to technical and scientific expertise, and for capacity strengthening. A partnership of the three organizations is consistent with the “One UN” approach advocated by UN members.

Country Actions

National actions will be identified and led by the host government and supported by the UN Country team. It will be important for governments to determine the scope of activities and the roles of the participating international organizations. Given the complexity of achieving lasting reductions of deforestation rates, similarly it will be important to establish whole-of-government responses and contributions to national REDD strategies. A primary objective of national actions

will be to facilitate and broker the challenging national process in which REDD actions are defined and agreed.

National level actions will be designed as Joint Programmes. REDD Joint Programmes will be flexible enough to harmonize with other REDD initiatives within country, and take advantage of the comparative advantages of participating UN Organizations. They will be developed in accordance with the UN Development Group's [guidance for Joint Programmes](#).

Areas of support:

Support will vary from country to country, depending upon the drivers of deforestation, emission reduction potential, the level of REDD readiness, and other risk factors. Examples of areas of potential support include the following:

Scoping and Alliance Building

This would entail an initial needs assessment by each country to identify its REDD needs (forest data, technical resources, institutional and systemic capacity) and to discuss necessary cooperation – both among government institutions and REDD support initiatives. This could include:

- Scoping workshops
- Joint missions
- Briefings on REDD issues with government technical agencies (including forestry departments)
- Identification of relevant national development planning processes
- Creation of National REDD Offices to coordinate whole-of-government REDD responses

REDD Readiness for Monitoring and Assessment

Readiness support may be provided, where appropriate and in concert with other readiness support (such as that provided by FCPF or IFCI). It will be critical not to compete with existing initiatives or duplicate data collection. "Readiness" related to monitoring and assessment needs includes:

- Development of baseline and reference scenarios based on historic emissions and on future models following guidance from the UNFCCC
- Guidance on approaches, establishment and management of national forest and carbon monitoring systems
- Implementation of national forest monitoring and reporting systems.
- Development of a verification system

Capacity support for Readiness will include:

- Forest carbon emissions assessment methodologies: application of IPCC Guidelines for reporting in the LULUCF context;
- Procedures for national reporting to UNFCCC on forest GHG emissions;
- Approaches for the development of a REDD monitoring strategy;

- Capacity building and transfer of technology on:
 - forest resource assessments, which will provide the information needed for carbon and co-benefits inventory data;
 - monitoring forest area changes through remote sensing;
 - implementation of methods to estimate emissions from forest area and in establishing historical reference emission levels;
 - assessing forest soil organic matter carbon pool.

REDD Dialogue

Bringing stakeholders together and ensure meaningful participation

- Identification of local stakeholders and communication channels
- Stakeholder consultation and awareness, especially resource owners, groups with traditional rights and economic agents
- Stakeholder participation in the establishment of REDD payment distribution structures, especially at indigenous peoples and local community level
- Identification of local regions that show the political will to form partnerships and implement REDD programs
- Connecting REDD “supply-chains”, especially government to non-government
- Building national support and whole-of-government action
- International alliances: networking to promote cooperation and enhance country effectiveness

National REDD strategy

An important strategy for mitigating delivery risks will be to ensure the national REDD strategy is integrated into existing national development planning processesⁱⁱⁱ. This will ensure carbon savings are not made at the expense of other national priorities (i.e. poverty reduction, job creation, biodiversity conservation, human rights etc.) – and vice versa - without a careful assessment of the trade-offs. It will also help to ensure REDD programmes are developed in a participatory manner with the active involvement of local communities and relevant institutions. Nevertheless, it is recognized that ensuring a cohesive policy setting will not in itself be sufficient to relieve REDD countries of the burden of delivery risks under “on-delivery” schemes. Other activities include:

- Analysis of deforestation drivers
- Estimation of opportunity costs for various drivers of deforestation and stakeholders
- Identification and valuation of the co-benefits that could accrue through REDD actions
- Feasibility assessment of the options for reducing deforestation and forest degradation, taking into consideration co-benefits

- REDD programmes, outlining the actions to be taken and the institutional arrangements, capacity strengthening and implementation measures that need to be put in place
- REDD delivery risk management mechanisms
- Assessment of in-country REDD payment distribution options

Support for implementing the REDD measures

Many countries, in order to implement their REDD strategies, will need technical and financial assistance in developing or helping to mainstream the use of existing guidelines and tools for best practices in sustainable forest management and to address driving forces outside the forest sector (e.g. in the agriculture and energy sectors). Relevant areas related to sustainable forest management might include improving forest governance arrangements, strengthening capacities and means for forest law enforcement, encouraging adoption of reduced impact logging, strengthening forest conservation programmes, developing of community-based small scale forest enterprises for wood and non-wood forest products; improving forest fire management systems, among others. Assistance for policy analysis and efforts in harmonizing REDD strategies and sector policies both inside and outside the forest sector may also be provided.

REDD Data Management

The REDD related initiatives in countries are typically long-term engagements. Experiences show that countries may have institutional or financial constraints to pursue these activities over the long term. FAO, UNEP and UNDP would therefore, as part of their normative mandates, provide services to participating countries to ensure sustainability in key country programmes. Activities include, on request from participating countries:

- Serve as a data repository for key country databases and provide long-term secure storage for these data
- Provide information to users, following guidance and restrictions from the participating country
- Strengthening country involvement in normative work on global databases and reports on state, changes and trends of forest resources, land use and natural resources management

REDD Payment structuring

Upfront payments could be received by national governments (with some sort of guarantee backing) and dispersed in-country over time. Annual payments could also be made, gradually linked to annual deforestation rates as REDD Programs are implemented and monitoring capacity increases. The duration of regular payments needs to be considered. It is probably not feasible to spread payments over the full duration of REDD interventions (which could be over 100 years). This creates a risk for sellers in that benefit flows could cease before the end of a project's lifetime, in which case they would be bound contractually to protect the forest until the project finished, but would not receive commensurate benefits. Such a mechanism would only be viable if REDD policies and measures are effective in altering local development paths to those that permanently reduce pressure on forests without the need for additional and sustained cash incentives^{iv}.

UN Organizations have for some time engaged in assisting countries on the Clean Development Mechanism and other financing schemes for carbon. The objective of this work has been to expand the number of countries benefiting from the carbon finance markets and increase the development benefit of CDM projects. This has been achieved by reducing barriers to market entry (capacity development) for developing countries and finding new market risk solutions. For example, UNDP's MDG Carbon Facility has reduced market risk for countries by developing a portfolio approach that allows the financial service provider (Fortis Bank) to provide the same price for certified emissions reductions (CERs) regardless of the country of origin and regardless of project type. Much of this approach can be translated to the REDD approach in the form of innovative market risk solutions. This includes:

- Assessment of scale of regular REDD payments to forested developing country, including an analysis of whether to commence with a full nation-wide program, or selected provinces/areas.
- Agreement of delivery risk management arrangements with provider of regular REDD payments
- Establishment of transparent mechanism for national government to receive annual REDD payments, including any permanence guarantee mechanism
- Determination of proportion of payments to be retained by the government to fund administration of the national system (including establishing a forest carbon and monitoring system, changing regulations and compensating forgone revenues such as from log export taxes).
- Mitigation of timing risks through the use of structured financial mechanisms, such as the sale of options for REDD credits or the issuance of government-backed bonds, to raise up-front cash streams.
- Assistance and guidelines on appropriate and transparent REDD financial structures and long-term business planning
- Assessment of need for new or modified country institutions for international REDD payment transactions and regulation

REDD Payment Distribution

REDD schemes do not automatically guarantee a capacity to link carbon sensitive policies with pro poor and environmental policies (for income, employment generation, for asset/rights/biodiversity preservation and for social/cultural cohesion). REDD induced changes to legal frameworks that regulate incentives, rights, financing options (including taxation) and practices do not necessarily ensure equitable delivery.

A variety of distribution mechanisms need to be tested. For example, direct payments could be made to individuals where rights are clearly established, with indirect payments (e.g. to local government units) also being made to improve development service delivery. Elite capture is the main risk for legitimate beneficiaries. This risk can only be reduced through strong democratic processes in local institutions and placing conditionalities on payments, such as transparent audit procedures^v.

The UN Organizations have significant experience in the design of pro-poor performance-orientated transfers^{vi}. In recent years a number of innovative reforms with performance-based grant systems (PG) have been applied in various developing countries to create incentives for enhanced Local Government (LG) capacity and performance. They have acted as important tools for improved vertical links between Central Government (CG) and LGs and between the LGs and their constituencies. PG systems vary from country to country, but the common defining characteristic of these grants is that they are aimed to promote a positive change in some aspects of the performance of the LGs, which receive them or try to get access to them. While most performance-orientated transfer conditionalities relate to the administrative performance of LGs, not a specific outcomes such as reduced deforestation, REDD benefit distribution systems can draw on the work that has been done in this area of fiscal decentralization. This includes:

- Provision of case studies on best practice in equitable revenue distribution
- Examine the options to build on REDD payments to include other or bundled payment mechanisms and incentives, at both international and local scales
- Development of pro-poor co-benefit indicators for REDD interventions.
- Development of a REDD policy index, to assess the targeting efficiency of REDD programmes

International Support Functions

Consistent with the principles of the Collaborative Programme, the three UN agencies – coordinating with other partners – can support the actions of forest countries in a variety of ways. Such efforts will be designed to maximize country benefits in the delivery of REDD and to ensure consistency in approaches and economies of scale in the development of science, knowledge, management and monitoring and reporting. This section introduces key international support functions to be addressed by the partner agencies.

Technical and Scientific Support:

Enabling integrated and equitable approaches to REDD, through developing methodologies, safeguards, standards & tools.

Monitoring systems

Establishing appropriate monitoring systems at the national level is a key REDD preparation action, not only as a basis for accounting for carbon and other greenhouse gas (GHG) stocks and fluxes, but also for generating knowledge and feedback to the policy processes tasked to realize verifiable emission reductions within a broader sustainable rural development context. While the IPCC provides standards for carbon monitoring, the REDD monitoring systems must address a much broader set of parameters and at the same time generate affordable and timely knowledge for national level decision-making and accounting. As potential synergies between monitoring for REDD purposes and monitoring for other purposes such as forest and land management are very high, the REDD monitoring systems should be approached in a broader context and take advantage of existing monitoring systems to the extent possible.

International action is required to ensure effectiveness at the national level:

- Providing a common framework and an agreed set of methodologies, guidelines and standards (based on IPCC Good Practice Guidance where appropriate)
- Linking science outputs to subregional and national needs
- Providing, through established standards and remote sensing, effective support, oversight and quality assurance of national monitoring systems

Relevant activities include:

- Voluntary guidelines and knowledge reference, established and continuously revised through stakeholder consultations and based on IPCC guidance and other specifications, providing principles and standards for the overall national forest/land use monitoring process (multilingual)
- Regional and subregional training programmes for use of IPCC Good Practice Guidance
- Regional and subregional training programmes for use of remote sensing for forest area change assessments and establishment of baseline deforestation rates
- Development of models and scenarios to identify the consequences of different monitoring approaches and facilitate their adaptation to developing country needs
- Consultations with expertise at international level to verify and improve guidelines and methods, with special emphasis on forest degradation monitoring
- Deliver capacity-building workshops at regional and subregional levels on methods and guidelines
- Communication and education products and technology transfer to raise awareness and help build professional capacity

Accounting Methods and Verification of Reduced Emissions

Accounting for reduced deforestation/forest degradation, including baseline setting and regular reporting of progress, requires analyses of existing information, an established monitoring system that generates new information, institutional capacity, as well as a stakeholder process to verify findings and ensure transparency. Support functions at the global level are required in the REDD preparation phase to:

- Work with international stakeholders, including IPCC, to establish principles, guidelines and indicators for the accounting process, including agreed methods for reporting on deforestation/forest degradation
- Develop standardized inputs for national capacity support in the areas of:
 - Baseline setting, monitoring and reporting

- Risk analysis and accounting for leakage;
- Coordinate with existing carbon/GHG measurement initiatives, such as that being developed by the World Bank and UNEP for GEF projects and the Australian carbon accounting system, including peatlands and above and below ground carbon
- Peer-review country processes (quality assurance) established in the preparation phase
- Further, in future implementation of REDD, a mechanism to verify reduced emissions should be built into the international support function.

Guidelines, methods and tools for reducing deforestation and forest degradation

International support functions, which would reinforce efforts in the countries, would include the development of new technical guidelines and tools for REDD, adaptation of existing general guidelines and tools for region or biome specific use, and translation into languages, as needed.

Co-benefit and Trade-Off Tools

Knowledge of the additional benefits/trade-offs associated with REDD activities are necessary for informing countries' work on REDD strategies. Support functions at international level are proposed to:

- Develop methodologies, information materials and a trade-off toolkit/standards to help countries take into consideration non-carbon ecosystem services (e.g. water regulation, nutrient recycling, natural hazard regulation) in REDD strategies and in demonstration activities
- Develop frameworks to enable conflict resolution, and build capacity with countries on solving potential conflicts between multiple policies affecting forest and carbon resources, as well as key stakeholder groups.
- Develop, communicate and build capacity in the application of social-, environmental-, and financial sustainability safeguards.
- Development of pro-poor indicators for REDD interventions. This will build on the work of UNDP's Oslo Governance Centre^{vii}, which has developed a generic framework on building democratic governance indicators that are gender sensitive and pro poor. This framework could be applied to REDD in cooperation with sector experts.
- Encourage participatory, multi-stakeholder, cross-sectoral best practices that can be adapted at the country level
- International support to address land tenure issues through the encouragement of institutional reform, government willingness and community engagement in REDD-relevant land, ecosystem and development planning
- Documenting and sharing the experiences at a series of regional workshops as well as at UNFCCC sessions and other relevant events

Capacity building in negotiation

Ensuring that negotiators and observers (especially non-governmental organizations (NGOs) representing local communities and indigenous peoples) from developing countries are fully abreast of the latest developments, and effectively participate in the negotiations, in advancing the REDD agenda is a key building block of the Bali Roadmap. Relevant activities:

- Assist the Parties in articulating and/or refining their national/sub-regional/regional policy positions with regard to REDD
- Undertake preparatory subregional/regional workshops for negotiators from developing countries on REDD and the Bali Roadmap
- Undertake preparatory subregional/regional workshops for observers from developing countries on REDD and the Bali Roadmap

Knowledge Management:

Knowledge Sharing Between Countries

The main component of the UN REDD approach is country-driven joint programmes. To be effective, and realize the advantages of scale of the programme at the national level, it is essential to have an active exchange of technical information, knowledge, expertise and experiences related to efforts to reduce deforestation and forest degradation and in implementing REDD strategies. This will be facilitated as part of the international support functions of the programme. Proposed activities include:

- Joint regional reviews of progress in country programmes and publication of best practices
- Networking – including international and regional technical meetings between national professionals to share experiences in the various fields of REDD country programmes
- Provide capacity building on and where appropriate document and manage knowledge generated
- Facilitate south-south collaboration through secondments of expertise between participating countries
- Active information sharing between countries and stakeholders through internet portal and other means

It is anticipated that this component would involve many partners, including those involved in other REDD programmes (including the World Bank's FCPF which will also have a knowledge management component), as well as development organizations, technical and scientific bodies, NGOs and others working to promote sustainable forest management.

REDD Awareness

REDD is still a new concept in most circles including the international community and financial institutions. Greater awareness and communications on multiple aspects of REDD must be promoted. UN agencies have a variety of networks and methods to get issues noticed at the international level. Relevant activities include:

- Develop education material and other factual communications on REDD related issues
- Targeted campaigns, involving non-governmental organizations, media, etc. to enhance general understanding of REDD as part of the carbon market as well as to push other non-market options, paving the way for countries to advance

Data availability and interpretation

Data and information will be need both to monitor changes in forest carbon and also to assess the progress in implementing REDD strategies and the impacts of these actions. Support functions at global level are required to achieve reliable and cost-effective monitoring at national level, including:

- Build alliances with international providers to secure supply of time series of remote sensing data to national monitoring programmes
- Commission coordinated standardized preprocessing of remote sensing data, according to requirements of national monitoring systems
- Broker the direct and free access to processed data using information exchange standards and tools (Geonetwork, UN Spatial Data Infrastructure)
- Provide software tools for interpretation at national/local level to facilitate national monitoring efforts
- Provide training in the use of remote sensing for change monitoring
- Further develop national forest assessment programmes so that they can meet the needs for forest carbon assessments and can be tailored for data collection for assessing REDD implementation progress and impacts.

Cutting edge science and policy networks

The UN has scientific and technical expertise in monitoring and assessment, in the range of aspects for sustainable forest management, including forest conservation, which is strongly supported by a wide network of scientific, technical and development institutions and collaborating centres. The convening power and mandate of the UN enables the mobilization of independent scientific expertise and to facilitate the interface between science and policy.

UNEP, FAO and UNDP have strong organizational relations with multilateral networks of experts on climate change, ecosystems services and biodiversity such as the Intergovernmental Panel on Climate Change (IPCC), the Millennium Ecosystem Assessment (MA), the International Union of Forest Research Organization, the CGIAR system, and the Convention on Biological Diversity (CBD) and its Subsidiary Body for Scientific and Technological Advice. Additionally, all three agencies are partners of the Collaborative Partnership on Forests, which enables them to bring together a variety of intergovernmental organizations to promote consistency of approaches and country needs. Relevant activities include:

- Advocate for REDD in the work of partner organizations to expand support for country efforts beyond the three UN agencies

- Create an expanded REDD network for exchange of methodologies, case studies and success stories

ANNEXES

Annex 1: Quick Start Actions

“Quick Start” actions will be implemented during the 18 months leading up to the UNFCCC COP in Copenhagen in December 2009, focusing on the needs and priorities expressed by a set of pilot countries participating in the Quick Start phase. The objectives for Quick Start actions include:

- Building capacity of developing countries to implement REDD actions to maximize emission reductions and activities towards beneficial outcomes at the national and local levels (including co-benefits);
- Testing a range of activities relevant to the REDD negotiations under the auspices of the UNFCCC, leading up to the Conference of the Parties in 2009, including training of negotiators about REDD;
- Testing preliminary concepts and scenarios for REDD building both knowledge base of successes and failures; and
- Paving the way for long-term engagement of REDD into the carbon market through payment for ecosystem services.

Proposed activities are divided into Country Actions and International Support Functions focusing in particular on deliverables, outcomes, developing a knowledge base and preparatory activities for scaling-up.

For the Quick Start actions, up to six pilot countries will be selected, based on a variety of factors, including:

- An expressed willingness for Quick Start action
- Emission reduction potential
- Degree of REDD readiness
- Existing collaboration between the country and the UN partners in related areas that will help ensure rapid progress.

Quick start actions will be defined and detailed according to country needs, and considering complementarities with existing and proposed programmes in the country, noting that proposed activities to support REDD may develop strong synergies with activities towards other development objectives. To this end, collaborative arrangements will be established at the country level with existing bi-lateral, multi-lateral or basket funding arrangements to maximize synergies and minimize overlaps. Further, a number of the pilots may be undertaken in conjunction with the World Bank’s Forest Carbon Partnership Facility (FCPF) and REDD-relevant donors, such as the Global Environment Facility (GEF). To date, UN-REDD has received expressions of interest from Papua New Guinea and Panama to support REDD readiness in conjunction with the FCPF. Other pilots may provide an opportunity for UN-REDD to support alternative approaches for generating REDD carbon assets.

The UN partners will coordinate their respective support according to their areas of comparative advantage. The table below indicates activities through which the partner agencies will focus their support to country programmes in the

implementation of Quick Start actions. The list is indicative and only outlines the broad categories for national action and international support. *(NB: for additional information on the action categories, please refer to the main text of this document.)*

Country Actions

The roles and states of readiness may vary between countries and will be defined in consultation with the country as part of the scoping and alliance building activity in each country aimed towards the elaboration of a National Readiness Action Plan. The scoping and alliance building will also be the mechanism by which linkages and synergies between existing and planned development programmes, including the FCPF, are established. Additional specificity regarding the actions in the matrix below is contained in the main text.

International Support Functions

As detailed in the UN-REDD document, international support actions are designed to assist countries in their activities; build a knowledge base to later upscale the process beyond quick starts. A more detailed specification, including the roles and responsibilities for each of the UN partners, for the Quick Start actions will be prepared by the UN partners in an initial work planning phase.

Activity	Indicative support areas ²		
	FAO	UNDP	UNEP
Country Actions:			
Scoping and Alliance Building	X	X	X
REDD Readiness for Monitoring and Assessment	X		
REDD Dialogue ¹			
National REDD strategy ¹			
Support for implementing the REDD measures ¹			
REDD Data Management	X		
REDD Payment structuring		X	
REDD Payment Distribution		X	
International Support Functions:			
<i>Technical and Scientific Support:</i>			
Monitoring systems	X		
Accounting Methods and Verification of Reduced Emissions			X
Guidelines, methods and tools for reducing deforestation and forest degradation	X		X
Co-benefit and Trade-Off Tools	X	X	X
Capacity building in negotiation		X	X
<i>Knowledge Management:</i>			
Knowledge Sharing Between Countries	X	X	
REDD Awareness			X
Data availability and interpretation	X		
Cutting edge science and policy networks	X		X

¹⁾ To be determined by country

²⁾ Indicates activities where agencies have comparative advantages for supporting country REDD programmes. These indications do not exclude agencies from other activities in the list and are primarily to illustrate the complementary roles of the partner agencies. The roles of agencies will be specifically defined for each country programme.

Budget

An indicative budget for Quick Start actions over a period of 18 months is provided below. The budget items follow the outline of activities in the UN-REDD document. Activities are divided into Country Actions and International Support Functions. Country Actions and corresponding budgets are indicative as the requirements and detailed programming will be done in consultation with the individual countries and taking into account complementary programmes. Up to six countries will be included in the pilot phase.

Indicative budget per country, Quick Start actions next 18 months

Item	Million US\$
Scoping and Alliance Building	1.00
REDD Readiness for Monitoring and Assessment	1.70
REDD Dialogue	0.50
National REDD strategy	0.50
Support for implementing the REDD measures	0.20
REDD Data Management	0.30
REDD Payment structuring	0.10
REDD Payment Distribution	0.10
Total	4.40

Indicative budget for Quick Start international support functions next 18 months

Item	Million US\$
<i>Technical and Scientific Support:</i>	
Monitoring systems ¹	1.50
Accounting Methods and Verification of Reduced Emissions	0.75
Guidelines, methods and tools for reducing deforestation and forest degradation ¹	1.00
Co-benefit and Trade-Off Tools	0.75
Capacity building in negotiation	0.50
<i>Knowledge Management:</i>	
Knowledge Sharing Between Countries	0.50
REDD Awareness	0.30
Data availability and interpretation	0.50
Cutting edge science and policy networks	0.50
Total	6.30

¹⁾ Includes international training program on monitoring assessment and accounting, and REDD strategy development

Total indicative budget for Quick Start actions next 18 months

Item	Million US\$
Country Action, 6 countries	26.40
International Support Function	6.30
UN Indirect support cost, 7%	2.30
Total	35.00

Annex 2: MDTF Terms of Reference

Structure and procedures

The **UN-REDD Policy Board** provides overall leadership and sets the strategic direction of UN-REDD. It decides on Programme financial allocations, in line with the budget parameters set out in the UN-REDD Framework Document, and develops monitoring mechanisms, with a view to ensuring Fund-wide success. The UN-REDD Policy Body will ensure coordination with REDD actors at a global scale, such as the World Bank's FCPF participants' committee. It will include UNEP, UNDP, FAO, the MDTF donors, the World Bank and may include representatives of other REDD partners and stakeholders such as the Secretariat of the United Nations Framework Convention on Climate Change, the Global Environment Facility Secretariat, the Collaborative Partnership on Forests, the Convention on Biodiversity Secretariat, the Secretariat of the United Nations Permanent Forum on Indigenous Issues, the Coalition for Rainforest Nations, CGIAR organizations, ITTO, IUCN, NGOs and civil society groups, etc.

The **UN-REDD Technical Secretariat** serves the Policy Board, using the capacities of the participating UN organizations, research institutions and recognized experts. It ensures policies and strategies decided by the Policy Board are implemented and adhered to. The Secretariat will manage the national joint programme review process. It will also manage the UN-REDD's overall monitoring and evaluation function which includes *inter alia* monitoring allocations to and delivery by the international support functions and country joint programmes, and tracking Programme-wide progress and ensuring that monitoring mechanisms are applied. It will include independent third party verification/evaluation of emission reductions, an on-line review and comment process, and an ombudsman system for complaints.

UN-REDD will be implemented through joint national programmes for country actions and global programmes for international support functions (hereinafter referred to as "Programme Documents"), as set out in the main text. While these programmes will be implemented by FAO, UNDP and/or UNEP, it is recognised that close coordination and participation with other REDD actors will be critical. UN-REDD is not an exclusive UN mechanism. National governments, Regional Development Banks and NGOs can receive funding through a participating UN organization and act as executing agencies. In addition, UN-REDD will consult and coordinate closely with other relevant REDD initiatives and donors, particularly the World Bank, the GEF and bilaterals.

Administration of the UN-REDD MDTF is entrusted to the Multi-Donor Trust Fund (MDTF) Office of UNDP, as the Administrative Agent who serves as the administrative interface with donors. UNDP's accountability as the Administrative Agent is set out in the policy "[UNDP's Accountability when acting as Administrative Agent in MDTFs and/or UN Joint Programmes using the pass-through fund management modality](#)". Participating UN organizations, in this case FAO, UNDP and UNEP, assume full programmatic and financial accountability for the funds received from the Administrative Agent.

The UNDP MDTF Office is **the Administrative Agent** of the Fund. The MDTF Office manages the distribution of resources and oversees the work of UNDP Country

offices that may be involved in the provision of Administrative Agent function at the country level. The MDTF Office as AA will be responsible for:

- a. Receipt, administration and management of contributions from donors;
- b. Disbursement of funds to the Participating UN Organization, in accordance with the instructions of the UN-REDD Policy Board;
- c. Provide support to UN-REDD in their reporting functions;
- d. Compilation of consolidated narrative and financial reports to the Policy Board through the REDD Technical Secretariat, national steering committees and to donors. Participating UN Organizations are responsible for preparing and submitting the reports based on the UNDG standard narrative reports and financial reports to the Administrative Agent in accordance with the reporting schedule noted below.

The Administrative Agent may undertake additional functions at the request of the Participating UN Organizations. The Administrative Agent will charge a one time fee of 1 per cent for fund administration and fiduciary responsibilities which will be provided in advance on the basis of Programme Documents budgets approved by the Policy Board.

UN-REDD will be supported by **UN Resident Coordinators** in their strategic leadership of the UN Country Team and relationships with national authorities. The UN Resident Coordinator will provide ongoing oversight to the joint programme at the national level, ensuring the participating UN organizations are meeting their obligations. The Resident Coordinator is entrusted with supporting the overall programme design under the government's leadership, ongoing programmatic oversight of the UN-REDD activities and UN coordination with the National REDD Office where such exist. The Resident Coordinator also facilitates ongoing monitoring and evaluation of UN-REDD activities in conformity with UN standards. On receipt of consolidated country level reports, the Resident Coordinator will provide an overall assessment of the programme's progress and results. He/she will also facilitate ongoing monitoring and evaluation of Fund-supported activities in conformity with UN standards and any guidance provided by the UN-REDD Technical Secretariat or Policy Board.

Each **Participating UN Organization** shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Each Participating UN Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. The Participating Agencies participate in the design, ongoing programmatic implementation and oversight of the country Joint Programme. Participating UN Organizations shall be entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme. Any indirect costs will be reflected in the Joint Programme submitted to the Technical Secretariat. Indirect costs will not exceed 7 per cent of the project budget.

A **National REDD Steering Committee** mechanism will be established to provide operational coordination to the Joint Programme and integration under the UNDAF thematic structures in place at the country level. The establishment of a country-led **National REDD Office** will be encouraged to provide day-to-day

management of the Joint Programme, coordinate national REDD activities, ensure whole-of-government responses, and integrate REDD into national development planning processes.

Resident Coordinators are encouraged to keep Country Team members fully-informed on UN-REDD activities. Involvement of the Government in the deliberations concerning the Fund-related activities in the country is also crucial. UN-REDD also looks to Resident Coordinators to reach out to NGOs, CSOs, national governments and non-resident UN agencies, where appropriate.

Activities supported by UN-REDD at the country level are expected to take the form of Joint UN Programmes whereby multiple UN organizations collaborate around a common programmatic goal. Funds will be channelled to individual organizations to meet their commitments to the Joint Programme, through the Administrative Agent.

Contributions to the UN-REDD Fund

Contributions to the UN-REDD Fund may be accepted from governments of Member States of the United Nations or from intergovernmental or non-governmental organisations, or from private sources. Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines on cooperation between the UN and Business Community (the UN Secretary General's guidelines:

<http://www.un.org/partners/business/otherpages/guide.htm>).

In support of the overarching aim of UN-REDD, and to ensure maximum flexibility and coordination, a guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year pooled/ unearmarked resources. However, if this is not possible, country specific contributions will also be accepted.

Contributions to the UN-REDD Fund may be accepted in fully convertible currency. Such contributions shall be deposited in the bank accounts designated by UNDP. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment.

Formulation process and release of funds

Resident Coordinators will facilitate the development of Joint Programme documents at the country level. The draft Joint Programme document will then be submitted to the UN-REDD Technical Secretariat. The UN-REDD Secretariat will review the document with a view to ensuring consistency in design standards. The Secretariat may also seek technical comments on the draft document from a recognized expert in the field.

The Joint Programme will then be presented to the UN-REDD Policy Board for final decision and budget approval. On receipt of the Policy Board's final budget approval, the Technical Secretariat will request the Resident Coordinator to proceed with the signing of the Joint Programme document.

On receipt of a copy of the signed Joint Programme document, the Multi Donor Trust Fund Office will pass funds to the Participating UN Organization(s). The Administrative Agent will release funds to Participating UN Organizations. Periodic

reviews of programme management and finances will be undertaken jointly by the country-level Steering Committee.

Monitoring and accountability

Participating UN Organizations in receipt of UN-REDD resources will be required to provide the Administrative Agent with the following statements and reports:

- a. Narrative progress reports for each twelve-month period ending 31 December, to be provided no later than two months after the end of the applicable reporting period;
- b. Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Joint Programme Account, to be provided no later than three months after the end of the applicable reporting period;
- c. A final narrative report and financial report, after the completion of all Joint Programme activities financed from the UN-REDD MDTF, to be provided no later than 30 April of the year following the financial closing of Joint Programme activities;
- d. A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of Project activities.

The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Organization, and shall provide those consolidated reports to the respective Resident Coordinators and subsequently to the UN-REDD Policy Board through the Technical Secretariat.

Decisions by the UN-REDD Policy Board will be shared with all stakeholders in order to ensure the full coordination and coherence of UN-REDD efforts. The UN-REDD Technical Secretariat and the MDTF office will develop a dedicated web site to ensure appropriate transparency and accountability. In line with the UN's commitment towards public disclosure of its operational activities, summaries of project information, periodic progress reports and monthly updates on project commitments and disbursements, procurement requests and contract awards will be posted on the web site. Participating UN Organizations will be encouraged to publish expressions of interest, requests for proposals and invitations to bid on the public web site.

Activities carried out by the UN Agencies shall be subject to internal and external audit as articulated in their applicable Financial Regulations and Rules. In addition, the UN-REDD Policy Board will consult with the UN Agencies on any additional specific audits or reviews that may be required, subject to the respective Financial Regulations and Rules of the UN Agencies. Participating UN Organizations will provide a summary of their internal audit key findings and recommendations for consolidation by the AA and submission to the Policy Board.

Evaluation

UN-REDD will establish an Evaluation Plan which ensures that all programmes supported by the UN-REDD MDTF will undertake a final evaluation which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation.

Joint Communications

Information given to the press, to the beneficiaries of UN-REDD, all related publicity material, official notices, reports and publications, shall acknowledge the role of the UN-REDD donors, the UN Agencies, and any other relevant parties.

Whenever possible and to the extent that it does not jeopardize the privileges and immunities of UN Agencies, and the safety and security of their staff, UN Agencies will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

Other Matters

The UN-REDD Fund will be established upon signing of the first Memorandum of Understanding amongst participating UN Organisations and the Administrative Agent. It will become operational upon signing of the first Standard Administrative Arrangement with the donor. The UN-REDD Fund will terminate upon completion of all Projects/Programmes funded through the UN-REDD Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the UN-REDD Fund, any unutilized balances will continue to be held in the UN-REDD Fund Account until all commitments and liabilities incurred in implementation of the Projects/Programmes have been satisfied and project activities have been brought to an orderly conclusion. Any balance remaining in the UN-REDD Fund Account or in the individual participating UN Agencies' accounts upon completion of UN-REDD shall be used as decided by the Policy Board.

Further Information

For more information about the MDTF pass-through modality, please see:

www.undp.org/mdtf/overview.shtm

Endnotes

ⁱ Holmgren, P. And Marklund, L. 2007. National Forest Monitoring Systems: Purposes, Options and Status. In: Forestry and Climate Change pp163-173. Cab International

ⁱⁱ See Griffiths 2007

www.forestpeoples.org/documents/ifi_igo/avoided_deforestation_red_jun07_eng.pdf, with background PES issues from Wunder 2006 www.ecologyandsociety.org/vol11/iss2/art23/ citing Vogel 2002, Bulkan 2004, Karsenty 2004, Karsenty and Nasi 2004, Romero and Andrade 2004

ⁱⁱⁱ See the statement made on behalf of International Organizations at the Forest Carbon Partnership Facility, technical design workshop, 13 November 2007, Washington D.C.

http://carbonfinance.org/docs/IO_Statement.pdf

^{iv} Based on the work of Leo Peskett and his co-authors at ODI. See

www.odi.org.uk/fecc/TEAM/leopeskett.html

^v See endnote iv

^{vi} See "Conceptual Basis for Performance Based Grant Systems and Selected International

Experiences" <http://stone.undp.org/undpweb/eo/evalnet/eval-net/document/International%20Experiences%20Final%20for%20Workshop%2029%20May%202005.pdf> and

<http://www.undg.org/docs/7436/Paraguay%20Fund%20Transfer%20to%20Local%20Governments%20Consolidated%20Reply.doc>

^{vii} www.undp.org/oslocentre/