

Forest and Climate Change Initiative

The Forests Dialogue

Jürgen Blaser
Intercooperation

August, 2009
Singapore





TFD

Founding

- Civil Society and Private Sector Leaders

Mission

- MSD platform for leaders to pursue SFM, build trust, share learning and seek collaboration

Structure

- Steering Committee
- Secretariat





TFD Initiatives

Priority SFM Issues

- Forests and Climate
- Investing in Locally Controlled Forestry
- Free, Prior, and Informed Consent
- Forests & Poverty Reduction and Rural Livelihoods
- Intensively Managed Planted Forests
- Illegal Logging and Forest Governance
- Forests and Biodiversity Conservation
- Forest Certification

TFD's M.O.

(modus operandi)

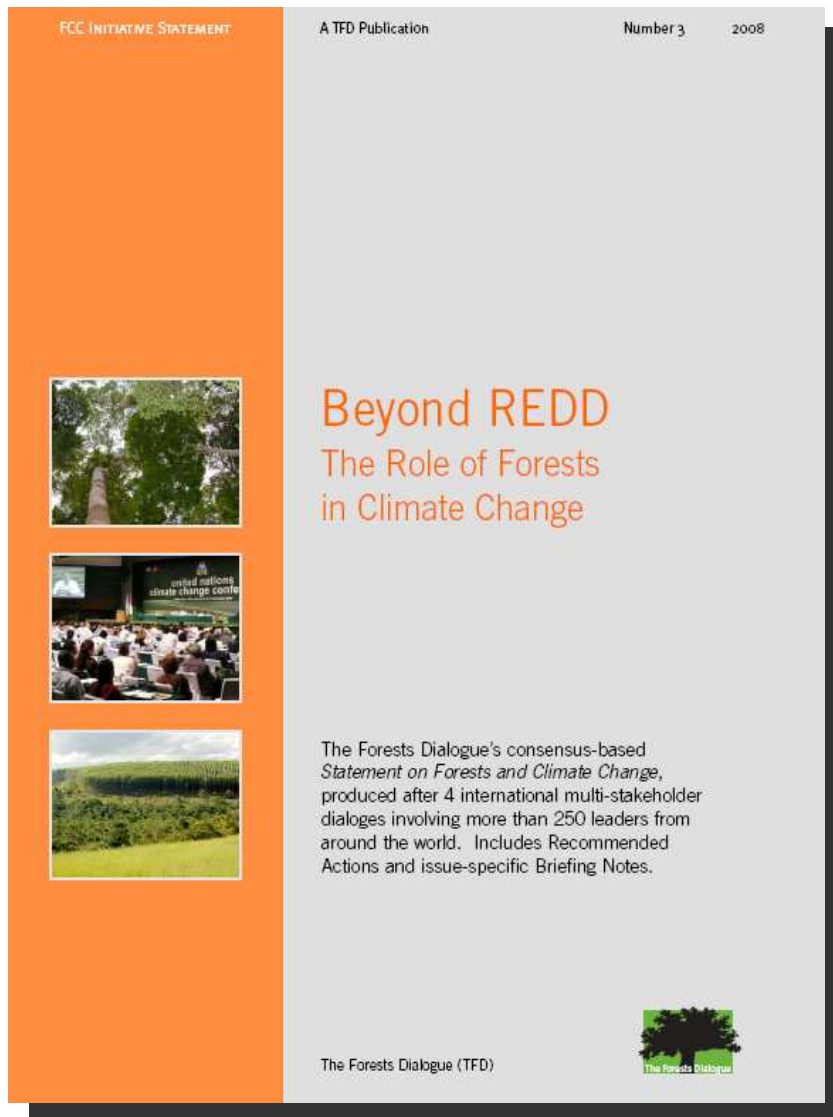
TFD's Mission

“To address significant obstacles to sustainable forest management through a constructive **dialogue** process among all key stakeholders.

TFD's approach is based on **mutual trust**, enhanced understanding and commitment to change.

Our dialogues are designed to **build relationships and to spur collaborative action** on the highest priority issues facing the world's forests”





TFD Statement

“Consensus on forests is rare. When it is achieved, the world should listen. When it offers a solution to climate change, the world *must* listen.”

- Launched October 2008
- Contents
 - Executive Summary
 - Guiding Principles
 - Conclusion
 - Indicative Actions
 - Briefing Notes



Five Guiding Principles

1. Ensure that forest-related climate change options support sustainable development in both forest-rich and forest-poor countries.
2. Tackle the drivers of deforestation that lie outside the forests sector.
3. Support transparent, inclusive, and accountable forest governance.
4. Encourage local processes to clarify and strengthen tenure, property, and carbon rights.
5. Provide substantial additional funding to build the capacity to put the above principles into practice.





FCC 2009

- **Frameworks for REDD+ Finance & Implementation Dialogue**
 - NYC, US, 25-26 April
 - Montreux, Switzerland, 19-20 June
 - Gland, Switzerland, 5-6 August

Frameworks for REDD+ Finance & Implementation Dialogue Objectives

- Define the challenges and opportunities of the financial mechanism options
- Elaborate on the possible solutions for identified challenges
- Develop a series of recommendations to be considered in the negotiations leading the COP-15 in Copenhagen





Conclusions

Agreement on:

- Mechanism should extend to REDD-Plus activities
- Acceptance of a portfolio approach involving both funds and markets
- Better coordination of current bilateral and multi-lateral efforts
- Urgency and need for clarity from forest community



Consensus

- REDD + measures need to be harmonised with SFM policy framework
- Phased approach (OAR) is a useful framework
- Need for triggers to move from one phase to next (but did not agree on what the trigger were)
- No single blueprint – countries need space to move from **Readiness** to **PAMs** to **Emissions Reduction**
- Flexibility on intervention level – recognition (if not full endorsement) of nested approach
- Need for benefits to reach down to ground level



Fracture lines

- International prioritization for allocation (immediate performance – or biggest potential)
- Sub-national distributional
- Need for explicit social and environmental safeguards (esp FPIC)
- Historical legacies (moral hazard of rewarding bad past practice only)
- Role of government (facilitator, broker, regulator, arbitrator, beneficiary?)





Consensus

- Safeguard policies are important and can be applied within a phased approach framework
- Stakeholder groups should have the capability to organize and represent themselves in key forums and decision-making processes
- Phased approach should be flexible for different countries
- Preparation phase should not go too long at the expense of performance-based deals

Phase	Action	Safeguards	Finance
Preparation & readiness	<ul style="list-style-type: none"> • REDD strategy • Protocols • Capacity 	<ul style="list-style-type: none"> • Transparency • Participation 	Multilateral & bilateral grants (FCPF / UN-REDD)
Policy & measures	<ul style="list-style-type: none"> • Capacity • Policy reform • Rights/ tenure • Pilots 	<ul style="list-style-type: none"> • Stakeholder platforms • Soc & env audit • FPIC • MRV system 	<ul style="list-style-type: none"> • Grants and loans • Global facility • Domestic & others • Voluntary market
Performance-based payments	<ul style="list-style-type: none"> • CO₂ reduction • Verification • Assess impact 	<ul style="list-style-type: none"> • MRV system • FPIC • Soc & env audit 	<ul style="list-style-type: none"> • Compliance market • Non-market compliance fund

Addressing key issues: Long-term Viability

- Transparency
- Sustainability of a portfolio instead of individual tools
- The “governance paradox” needs more attention!
- Market-based mechanism: binding contracts
- Fund-based mechanism:
 - Fund Management
 - Revenue distribution guidelines
 - Countries’ negotiation capacity building





Addressing key issues: Safeguards

- Emphasizing the intent of FPIC
- Grievance/dispute resolution mechanism
- Multi-stakeholder participation:
 - Nine Major Groups Model
 - Multi-stakeholder platform
- Inclusion of marginalized groups: e.g. tCER model

Framework for REDD+ Finance and Implementation (Part I)

	Preparation & readiness	Policy and Measures (PAM)	Performance-based Payments
Action / outcome	<ul style="list-style-type: none"> o REDD strategy o Issue identification o Protocols o Capacity building assessment o Institutional development /strengthening o Demonstration activitiesⁱ 	<ul style="list-style-type: none"> o Capacity building o Policy and legal reform o Pilots: learning by doing o Development of national REDD+ portfolio o Benefit sharing/equitable distribution mechanism o Marketing provision for small scale projects Develop Carbon 	<p>CO₂ reduction</p> <ul style="list-style-type: none"> •Verification •Assess impact
Safeguards	<ul style="list-style-type: none"> o Transparency o Participation/Representation 	<ul style="list-style-type: none"> o Stakeholder platforms o Social and environmental audit o FPIC o MRV system relates and includes social and environmental variables o Transparency in the use of funds o Governance and legality audits 	<p>The following safeguards are implemented with emphasis on internationally agreed frameworks:</p> <ul style="list-style-type: none"> ▪ MRV system ▪ FPIC ▪ Social and environmental audit ▪ Financial audit
Finance Mechanismⁱⁱ	<ul style="list-style-type: none"> o Multilateral & bilateral grants o Proposed windows within the UNFCCC o Private funding / banking o Public sector funding 	<ul style="list-style-type: none"> o Diverse financial flows o Underwriting risk (financial, livelihood and political risk) o Rules for performance based payments o Implement equitable distribution mechanism 	<ul style="list-style-type: none"> o Compliance market o Non-market compliance fund o Underwriting risk (financial, livelihood and political risk) o Implement equitable distribution mechanism

Framework for REDD+ Finance and Implementation (Part II)

	Preparation & readiness	Policy and Measures (PAM)	Performance-based Payments
Triggers / Eligibility criteriaⁱ	<p>Multi-stakeholder endorsement of the REDD strategy (this could include the recognition of traditional ways of managing the forest)</p> <p>Co-relate National / regional / landscape land use plan / forest plans / development policies</p> <p>Plan for overcoming the governance and policy gaps</p>	<p>Legal rights – tenure system adequate for REDD (independent third party audit of the land registry)</p> <p>Endorsement of the benefit distribution mechanism by the multi-stakeholder platform</p> <p>Capacity to implement and audit REDD projects at national level</p> <p>Carbon registry (software; linked internationally, IETA, ITL)</p> <p>FPIC – the definition of an appropriate mechanism for implementing FPIC based on international standards and best practices</p> <p>MRV system</p> <p>Proxy indicators of emission reductions or enhanced removals: performance based rewards</p>	<p>Need forestry carbon pool buffer and forestry carbon project insurance</p>

A more comprehensive framework with heavy footnotes will be included in the Co-chair Summary of Gland Dialogue and be uploaded to TFD website at www.theforestdialogue.org



Going Forward

- Mid–September – Finance Paper and Recommendations Finalized
- September/October - TFD REDD Room (UNFCCC SBSTA) Bangkok, Thailand
- 22 October - TFD REDD Side-Event (WFC) Buenos Aires, Argentina
- 26-29 October – REDD Readiness Field Dialogue – Belem, Brazil
- 2-6 November-TFD REDD Side-Event (UNFCCC SBSTA)
- 18-21 November – REDD Readiness Field Dialogue – Ghana (TBD)
- 7-18 December – TFD REDD Room (COP 15) Copenhagen, Denmark
- Jan 2010- REDD Readiness Field Dialogue- Guatemala (TBD)





Thank You!

Beyond REDD: The Role of Forests in Climate Change

Available electronically in English,
Spanish, French and Portuguese at:
www.theforestsdialogue.org/climate.html

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