

# REDD+

## Institutional Options Assessment

Developing an Efficient, Effective, and Equitable Institutional Framework for REDD+ under the UNFCCC



Meridian Institute  
Connecting People to Solve Problems

# *Authors*

## **Charlotte Streck (Coordinating Author)**

Director  
Climate Focus

## **Luis Gomez-Echeverri**

Global Energy Assessment  
International Institute for Applied Systems  
Analysis (IIASA)

## **Pablo Gutman**

Director, Environmental Economics  
World Wildlife Fund

## **Cyril Loisel**

Energy and Climate Program Coordinator  
Institut de développement durable et des  
relations internationales (Iddri)  
& Advisor, ONF International

## **Jacob Werksman**

Program Director, Institutions and Governance  
Program  
World Resources Institute



Meridian Institute

Connecting People to Solve Problems

# *Objectives of the REDD+ IOA*

- Support the agreement on an **effective, efficient, and equitable** international institutional framework for an international REDD+ mechanism.
- Assess **functions** (what needs to be done?) and **roles** (which institutions should perform these functions?) of an international REDD+ mechanism.
- Analyze **three institutional models** that could function autonomously, operate concurrently, or emerge at different stages in the development of REDD+.
- Suggest institutional requirements for **accelerated action and interim finance** for REDD+.



# *REDD+ Negotiation Context*

- Realistic expectations for COP-15:
  - Treaty instrument: objectives, scope, and principles of REDD+
  - UNFCCC decisions: methodological issues and interim action
- To the extent possible, REDD+ should be embedded into NAMAs, referred to in para 1b(ii) of the Bali Action Plan. There is a convergence of views on:
  - Three types of NAMAs: (1) unilateral NAMAs, (2) support path, and (3) accreditation path
  - A NAMA register that would be established to facilitate matching actions with support



# *A Phased Approach*

## Phase 1:

- national REDD-plus strategy development and core capacity-building;
- supported on the basis of needs

## Phase 2:

- implementation of REDD+ actions
- supported on the basis of needs (Component "a" )
- incentivized on the basis of proxies for results (Component "b")

## Phase 3:

- implementation of REDD+ actions
- incentivized on the basis of MRV'ed GHG emissions/removals against agreed reference



	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• National REDD strategy development, including, inter alia:</li> <li>• Institutional strengthening</li> <li>• Demonstration activities</li> </ul>	<ul style="list-style-type: none"> <li>• National REDD strategy implementation, including, inter alia:</li> <li>• Land tenure reforms</li> <li>• Forest law enforcement</li> <li>• Forest management planning.</li> <li>• Reduced impact logging.</li> <li>• Expansion of forest reserves.</li> <li>• Agriculture modernization.</li> </ul>	
<b>Financing</b>	Initial support for national REDD+ strategy development and REDD+ readiness.	<p>Bilateral and multilateral funding.</p> <p>Continued funding under this phase would be results based.</p>	Market or nonmarket funding that rewards performance on the basis of quantified forest emission reductions and removals against agreed reference level.
<b>Performance indicators</b>	<ul style="list-style-type: none"> <li>• Strategy adopted.</li> <li>• Legislative and policy Assessment completed.</li> <li>• Consultations conducted.</li> <li>• Institutions in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of particular measures</li> <li>• Simplified and conservative estimate of emissions and removals against agreed reference level.</li> </ul>	Compliance-grade estimate of emission reductions and removals against agreed reference level.

# REDD+ Functions

Functions	Tasks
Oversight	<ul style="list-style-type: none"><li>• Creating a REDD+ mechanism</li><li>• Entering into, as necessary, memorandums of understanding.</li><li>• Approving standards and criteria.</li><li>• Approving REDD+ strategies.</li><li>• Approving performance criteria for financing and delivery of results.</li><li>• Coordinating funding and approving funding requests.</li><li>• Approving modalities and procedures for MRV, reference (emission) levels, and accounting for REDD+ units.</li></ul>
Financial Support	<ul style="list-style-type: none"><li>• Mobilizing resources.</li><li>• Allocating and disbursing resources.</li><li>• Ensuring responsible and fiduciary sound management of funds.</li><li>• Managing program cycle.</li></ul>
Standard Setting	<ul style="list-style-type: none"><li>• Developing eligibility, readiness, and performance criteria.</li><li>• Developing social and environmental safeguards.</li><li>• Developing standards for the accreditation of REDD+ agencies</li></ul>
Certification	<ul style="list-style-type: none"><li>• Approving national REDD+ strategies.</li><li>• Verifying national achievements along agreed proxy indicators.</li><li>• Verifying inventories of GHG emissions and removals.</li></ul>
Accountability	<ul style="list-style-type: none"><li>• Monitoring and evaluating REDD+ mechanism against agreed objectives and principles.</li><li>• Reaching out to governments and civil society.</li><li>• Hearing and addressing cases of noncompliance.</li></ul>

# REDD+ Roles

Functions	Tasks
COP	Overall oversight function for a REDD+ mechanism
High Level Body	Entrusted with the day-to-day supervision and oversight of the REDD+ mechanism
Admin and technical bodies	Support to the high-level body, support international MRV, contribute to the development of standards, and provide technical advice
REDD+ Agencies	Responsible for the design and implementation of REDD+ activities in accordance with agreed policies
National Agencies	Perform the functions of REDD+ agencies within countries, or work in partnership with the REDD+ agencies in carrying out REDD+ activities



# *National Institutions*

- **Essential for REDD+ success**
- Design of national institutions depends on the particular country economic and legal systems, domestic policy priorities, existing institutions, and the availability of resources.
- The interface between the national-level and international REDD+ institutions require REDD+ countries to fulfill a number of additional functions:
  - Manage relationships to international and bilateral institutions
  - Apply international methodologies and standards



# REDD+ funding models

Models are not exclusive, can be implemented alternatively, in sequence or parallel.



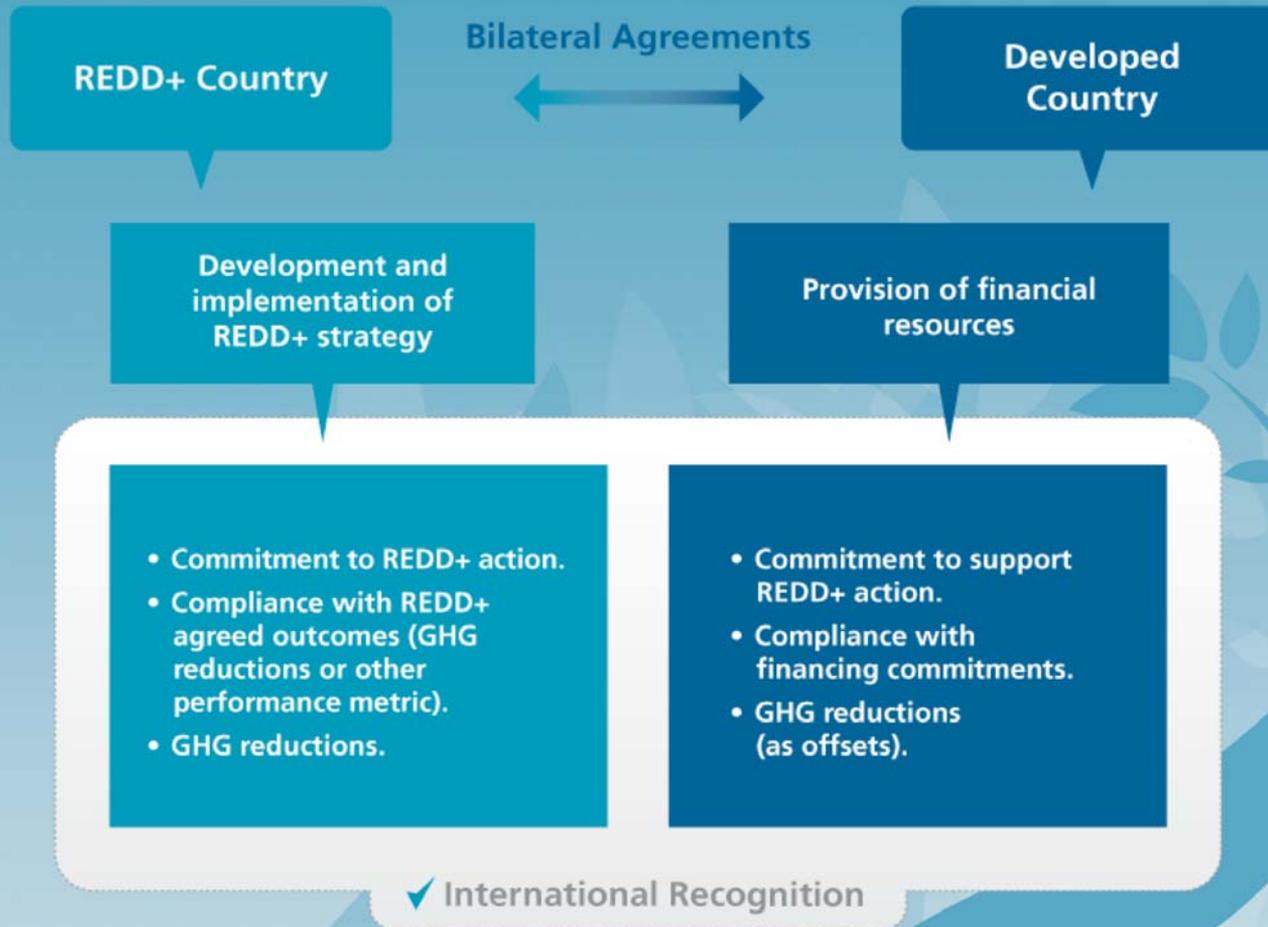
# *REDD+/NAMA Register Model*

Essential tasks associated with the operation of the proposed register would include:

- Maintaining and operating the register;
- Approving (or merely recording) REDD+ strategies, performance metrics, and transactions, including any REDD+ eligibility criteria;
- Verifying the eligibility for the NAMA “support” or “accreditation” path, as soon as the recorded strategies and transactions fall formally under the NAMA umbrella.



# *Bilateral agreements*



# *COP-Mandated Fund Model*

Expands the international functions to include the active provision of financial support. The following tasks that relate to financing of REDD+ actions would need to be performed by a COP-mandated fund:

- Resource mobilization;
- Establishment of allocation and disbursement criteria and procedures;
- Allocation and disbursement of funding;
- Monitoring of allocation of support; and
- Ensuring responsible and fiduciary sound management of funds.



# *Fund Administration Options*

The alternatives allow for a more or less centralized COP oversight over the funds and include:

- A consolidated but decentralized administered fund
- A fund administered by the COP
- A fund administered by the GEF or another operating entity



# *REDD+ Market Model*

Participation in a market-compatible mechanism would require the meeting of a number of criteria including:

- An operational forest GHG inventory with a track record of successfully reviewed inventory reports;
- An agreed reference level endorsed by the COP; and
- A functional national or international GHG register.



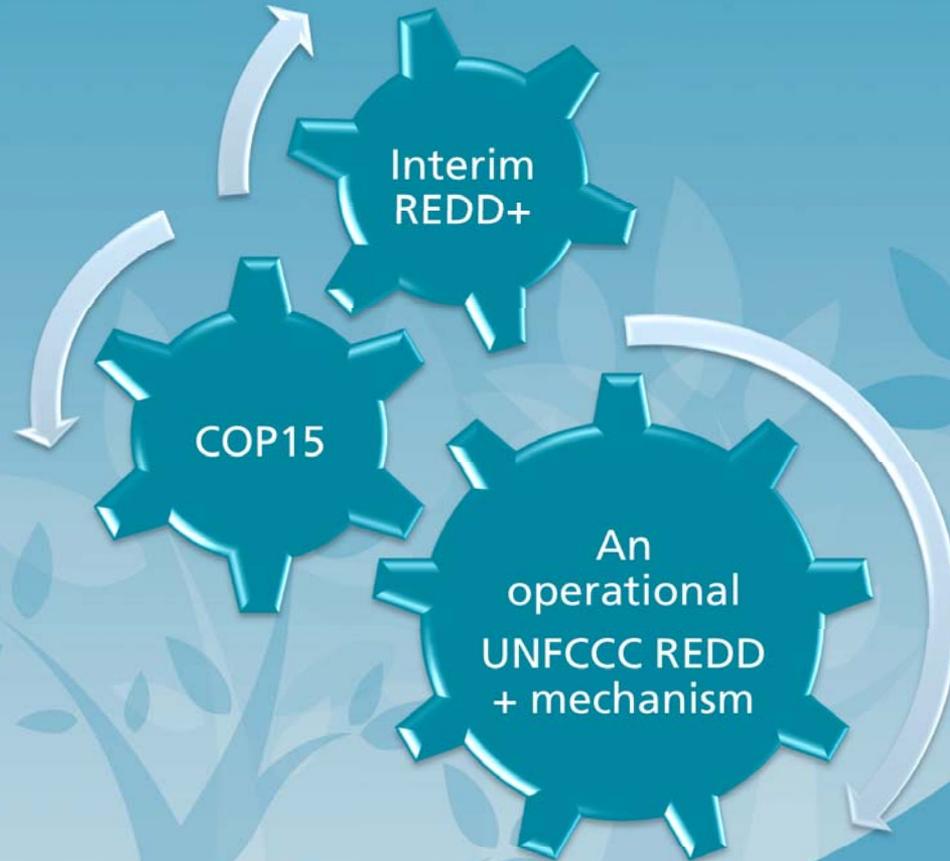
# *REDD+ Market Model*

Consequently, any market-compatible funding model would have to see some additional tasks being exercised at the international level. These include:

- Reviewing and adopting a REDD+ reference level
- Approving monitoring reports and registering verification of monitoring reports
- Developing trading infrastructure
- Elaborating and confirming eligibility criteria for a NAMA accreditation path



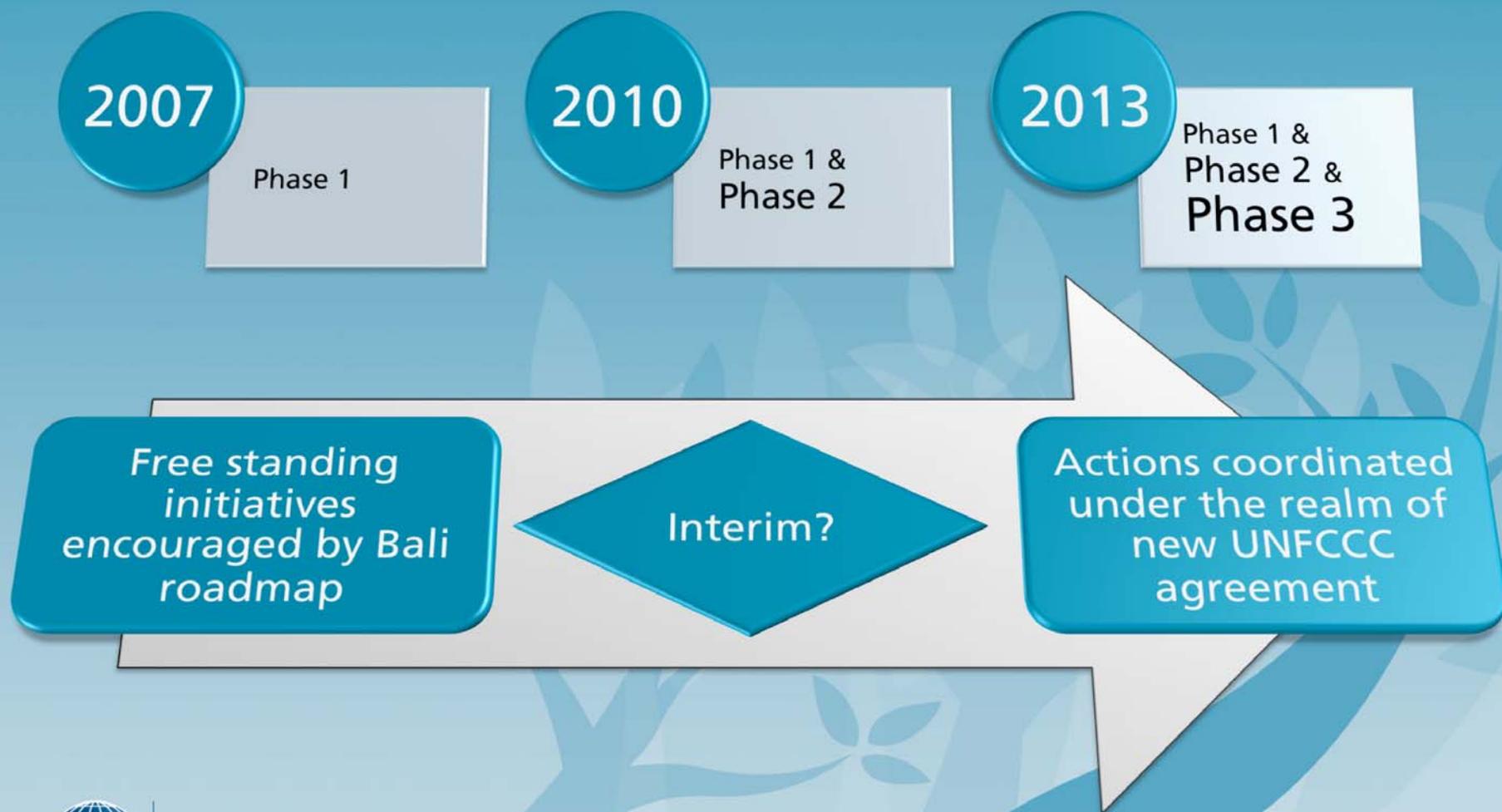
# *Accelerate Action – How do we get there?*



Meridian Institute

Connecting People to Solve Problems

# Timeline for REDD+ implementation



# *COP-15 REDD+ framework*

Outcomes of COP-15 could realistically include the following agreement on REDD+ institutions:

- Agreement on the overall REDD+ framework, including objectives, scope, phases and guiding principles, in the main agreed COP-15 outcome
- Establishment of interim REDD+ arrangements
- Adoption of work programs: for interim and full REDD+ arrangements



# *An interim REDD+ mechanism*

An existing or new entity could be entrusted by the COP with the following:

- Mobilizing funds
- Proposing standards (performance indicators, social and environmental safeguards)
- Approving eligibility to participate in particular REDD+ phases
- Approving REDD strategies, including sub-national REDD+ activities
- Approving REDD+ funding requests
- Maintaining a register of REDD+ action and support
- Introducing support mechanism for enhancing coherence and coordination of on-going initiatives
- Establishing a review procedure to inform a full/longer-term REDD+ mechanism

If designed properly, functions and roles of interim institution(s), could be formally folded into broader UNFCCC structures.



# Thank you

---

- The authors would also like to thank Thiago Chagas of Climate Focus for his assistance and input throughout the writing of this report, and the staff of Meridian Institute for organizing and facilitating the process that produced this report.
- A special thanks goes to the 40+ individuals who shared their insights and knowledge in consultations and written reviews.
- The “Norway REDD+-IOA Report” was made possible by the financial support of the Norwegian Government.

