

At the Crossroads?

The Nexus between public and private finance for REDD+

**A discussion paper prepared for the
FOREST CARBON FINANCE SUMMIT 2010: GETTING TO SCALE, GETTING RESULTS
WASHINGTON, DC • FEBRUARY 25-27, 2010**

Draft prepared by Pablo Gutman & Bruce Cabarle, WWF-US / February 2010

1. Introduction

The world loses about 13 million hectares of forest every year – an area the size of England – due to land use change driven by market failures to adequately value the environmental and social value of forests. According to the Intergovernmental Panel on Climate Change (IPCC), deforestation and associated degradation is responsible for about 17 per cent of the heat trapping gases that drive global climate change – more than the combined impact from every boat, bus, car, plane, train and truck on the planet. Stopping, and ultimately reversing, deforestation and degradation of the world's forests and promoting afforestation and reforestation – generally referred to as “REDD+” – is critical to achieving the commonly accepted target of limiting global temperatures to no more than 2°C above preindustrial levels. Recent analyses suggest that REDD+ could supply upwards of 30 percent of the most cost-effective mitigation options available in the short term, largely through existing technologies and institutions. REDD+ offers the added benefits of securing rural livelihoods of some of the world's poorest of the poor, while conserving biodiversity and environmental services (IWG-IFR, 2009).

There is widespread agreement that financing for climate change in general and for REDD in particular will need to come from several sources, both public and private. Yet, questions remain such as what the best division of labor among these various sources of finance will be and which opportunities exist for collaboration and positive synergies between them. When considering the relationship between public and private finance for REDD+, we must take the role of public policy into account. In establishing a mandate for global environmental action, public policy creates the underlying demand and conditions under which a REDD+ market is created and can flourish. Without clear public policy, sustained demand for REDD+ finance will not materialize and the stable conditions under which REDD+ finance can operate will not be present.

In this context, a good starting point for such a discussion about the relationship between public and private finance is the recognized “three phase” approach to REDD. These phases include: 1) preparatory or readiness activities; 2) REDD pilots and early actions; and, 3) full implementation. Each phase raises different issues regarding financing needs, performance standards, and the mix of public and private financing that may be required.

Figure 1 (below) depicts these three phases in a simplified manner. This figure also highlights the following assumptions of this discussion paper:

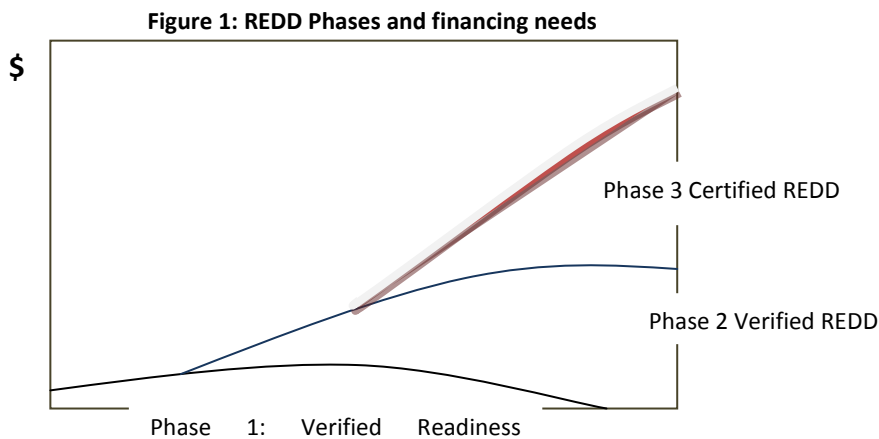
- The three proposed phases of REDD+ may overlap due to an assortment of factors including: various REDD host countries progressing at different speeds; discrete REDD areas within the same country progressing at different speeds; or, certain REDD countries bypassing Phase 1 and progressing directly to Phase 2 or Phase 3 depending upon their current level of policies, market conditions and institutional capacity.
- The projected cost of Phase 1 will be relatively small compared with the projected costs of Phases 2 and 3. According to available estimates, US \$4 billion may cover the projected costs of Phase 1 for all potential REDD host countries, while Phases 2 and 3 could require anywhere between US \$10 billion and US \$30

DRAFT FOR COMMENT: Do not cite or quote

billion a year by 2020 depending upon the ambition of the REDD target¹ agreed to by the global community under the United Nations Framework Convention on Climate Change (UNFCCC).

- Distinct, and increasingly stringent, performance standards for monitoring, reporting and verification (MRV) will likely be associated with graduation from one phase to the next.
- Current international debate on REDD+ suggests that there may be an association between the three proposed phases of REDD and the corresponding potential demand sources for REDD outputs (i.e. public, voluntary carbon markets and regulated carbon markets).
- International public demand and associated public funds will likely finance Phase 1. Public funds will likely progress from grants to payments for performance linked to reduced emissions and policy/economic reforms during Phase 2. Private investment linked to carbon offset markets will likely play an increasing role as REDD host countries progress from Phase 2 to Phase 3, though public funds will likely play a role throughout all phases of REDD.

Figure 1: REDD Phases and financing needs



The purpose of this paper is to briefly discuss, within the context of the framework above, the experiences of three multilateral public funds, active in the past few years, and explore what their future role could be, particularly regarding their interaction with private financing for REDD. The three funds in question are:

- The World Bank Forest Carbon Partnership Facility (FCPF)
- The UN-REDD Program, and
- The Forest Investment Program under the Climate Investment Funds (FIP/CIF) jointly implemented by the World Bank, Inter-American Development Bank (IDB), Asian Development Bank (ADB), African Development Bank (AfDB), and European Bank for Reconstruction and Development (EBRD)

¹ See IWG-IFR, 2009; Catalyst and McKinsey 2009; UNFCCC Sec, 2008 EU/JRC/IPTS, 2009 Parker et al, 2009

2. International Public Financing for REDD²

There are already numerous channels delivering a modest flow of bilateral and multilateral public financing for REDD activities in developing countries. Table 1 (below) lists the most significant among these.

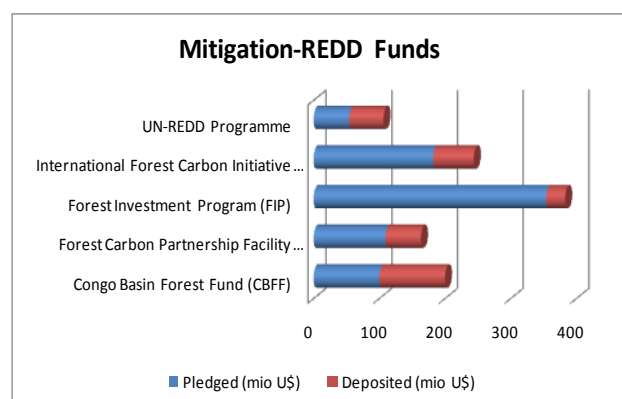
Table 1: Existing forest carbon financing institutions

Mitigation - REDD Funds		
Name	Type	Administrated by
Congo Basin Forest Fund (CBFF)	Multilateral	African Development Bank
Forest Carbon Partnership Facility (FCPF)	Multilateral	The World Bank
Forest Investment Program (FIP)	Multilateral	The World Bank
International Forest Carbon Initiative (IFCI)	Bilateral	Government of Australia
UN-REDD Program	Multilateral	UNDP

Multipurpose Funds with a REDD component		
Name	Type	Administrated by
Amazon Fund (AF)	Multilateral	Brazilian Development Bank (BNDES)
Global Climate Change Alliance (GCCA)	Bilateral	European Commission

By late 2009, donor countries had pledged approximately US \$2 billion dollars to these funds, and to date, have actually deposited a third of that amount (see figure 2 below). Still pledges are below, and in some cases far below, the funds' financial targets (see for example figure 3).

Figure 2: Pledged vs. deposited funds in various major REDD Funds



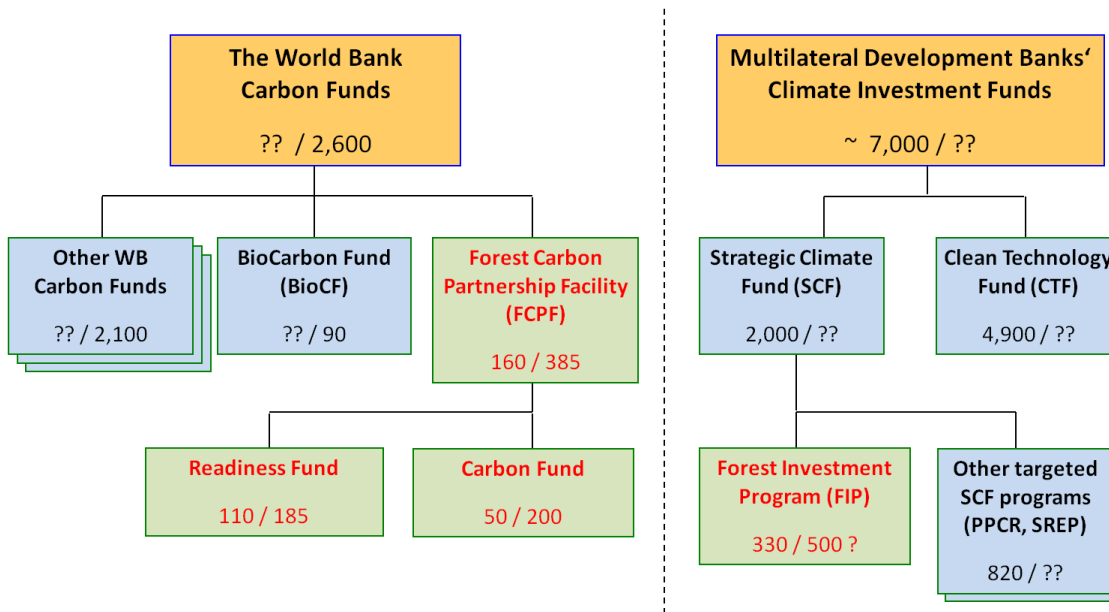
Source: Climate Funds Update

² Section 2 of this document draws from a background document commissioned by WWF to Intercooperation, Bern (see Robledo and Gardi, 2010)

2.1 The World Bank Forest Carbon Partnership Facility (FCPF)

The Forest Carbon Partnership Facility (FCPF) (www.carbonfinance.org/fcpf), one of the World Bank's Carbon Funds (see Figure 3 below), was announced at COP-13 in Bali and became operational in July 2008. The FCPF assists developing countries in their efforts to introduce REDD as a climate change mitigation option.

Figure 3: World Bank Climate Change managed and co-managed financing instruments
(amounts pledged by countries/funds financial targets in million USD)



Source: The World Bank

The FCPF seeks to create an enabling environment in developing countries so that these countries can undertake REDD activities, thereby preparing the countries to participate in a future REDD mechanism under the UNFCCC. Through sponsoring knowledge creation and experience exchange, the FCPF aims to facilitate the development of a larger global program of incentives for REDD over the mid-term. However, the FCPF is not designed to finance the policy and investment programs that will be needed to achieve sustainable emission reductions.

The FCPF has established two mechanisms for achieving its goals: the Readiness Mechanism and the Carbon Finance Mechanism. The World Bank is the trustee of the FCPF's Readiness Fund and Carbon Fund, and provides secretariat services through a Facility Management Team. The Facility Management Team administers the Funds, makes proposals to the FCPF Participants Committee, which is the governing body, and provides country advisory services and REDD methodology support. At the end of 2009, the FCPF had 37 country participants in the Readiness Mechanism³, 11 Readiness Fund donors⁴, 5 Carbon Fund donors⁵ and 6 observer groups⁶ (FCPF, 2009).

The Readiness Fund: This Fund focuses on financing REDD Phase 1 activities. Eligible readiness activities under the World Bank Readiness Fund are narrowed to early planning, analytical work and system design. The FCPF secretariat looks for the design and application of an environmental and social due diligence framework following established

³ Argentina, Bolivia, Cameroon, Cambodia, Central African Republic, Chile, Colombia, Congo Democratic Republic, Costa Rica, El Salvador, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guatemala, Guyana, Honduras, Indonesia, Kenya, Laos, Liberia, Madagascar, Mexico, Mozambique, Nepal, Nicaragua, Panama, Papua New Guinea, Paraguay, Peru, Suriname, Tanzania, Thailand, Uganda, Vanuatu and Vietnam. Map under <http://forestcarbonpartnership.org/fcp/node/203>

⁴ Agence Française de Développement (AFD), Governments of Australia, Finland, Denmark, the Netherlands, Norway, Japan, Spain, Switzerland, United Kingdom, and the United States of America

⁵ Germany, Norway, Denmark, EU Commission and The Nature Conservancy

⁶ Forest Dependent Indigenous Peoples, Private Sector, International Organizations, NGOs, UNFCCC Secretariat, UN-REDD Program

DRAFT FOR COMMENT: Do not cite or quote

Work Bank Operational Policies & Safeguards as part of the readiness process. By the end of January 2010, the Readiness Fund was capitalized at USD \$112 million.

Activities under the Readiness Mechanism follow two phases:

1. Formulation of a Readiness Preparation Proposal: To start the process, countries first prepare a Readiness Preparation Idea Note (R-PIN). Based on the quality of their R-PINs, countries are selected for participation in the Readiness Mechanism and thus eligible to receive financial support from the Readiness Fund for designing the Readiness Preparation Proposal (R-PP). The formulation of the R-PP⁷ includes the preparation of organizational arrangement for REDD, the consultation and participation plan, the diagnostic of causes of deforestation and forest degradation, and the terms of reference for undertaking the design of the REDD strategy, the reference scenario and the monitoring, reporting and validation system.
2. Readiness Preparation (Readiness Package preparation): Readiness Preparation includes the fulfillment of the terms of reference prepared in the R-PP with financial support of the Readiness Fund. The Readiness Package represents the final product of the Readiness process. It has to describe: i) how the monitoring system is implemented; ii) the reference scenario adopted; and, iii) the REDD strategy and the multi-stakeholder process conducted for its preparation (FCPF, 2008).

The Carbon Fund: The FCPF will support small scale Phase 2 activities in a few countries that have successfully graduated from the Readiness Fund. The Carbon Fund's goal is to test and evaluate incentive payments for REDD programs in approximately five developing countries. The Carbon Fund will remunerate the selected countries in accordance with negotiated contracts for verifiably reducing emissions beyond the reference scenario. According to the FCPF, "the Carbon Fund's payments are intended to provide an incentive to the recipient countries and the various stakeholders within each of these countries to achieve long-term sustainability in financing forest conservation and management" (FCPF, 2008). The Carbon Fund would purchase emission reductions from REDD host countries. It is questionable whether this fund can achieve its intended goal given its limited capital.

2.2 The UN-REDD Program

The UN-REDD program (<http://www.un-redd.org/>), a collaborative program jointly implemented by three UN agencies (the Food & Agriculture Organization (FAO), United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP)), was launched in September 2008 and established its Secretariat in July 2009. The UN-REDD program focuses on supporting REDD Phase 1 activities, with the following aims:

- To assist developing countries prepare to participate in a future REDD mechanism and by so doing, build confidence in the establishment of such a mechanism;
- To support the national REDD Readiness process and contribute to the development of one national REDD strategy;
- To promote REDD financing as an opportunity for countries to develop low carbon growth, energy access, and adaptation strategies and to place these themes at the heart of their national development plans;
- To apply the principles of Paris and Accra declarations on country ownership and leadership in order to build confidence in the establishment of a REDD mechanism;
- To be at the forefront of UN Agency joint programming, in terms of delivering coordinated and harmonized national programs that limit transaction costs for recipient countries and maximize delivery benefits. Efforts will be in accordance with the approaches developed and agreed by the UN Development Group (UNDG), the UN's instrument for harmonizing its development activities;
- To help empower countries to manage their REDD processes and facilitate access to financial and technical assistance tailored to the specific needs of the participant REDD countries;

⁷ To date, 9 of the 37 countries in the FCPF Readiness Mechanism have submitted their R-PPs: Argentina, Democratic Republic of Congo, Ghana, Guyana, Indonesia, Madagascar, Mexico, Panama and Suriname. 3 R-PPs have been endorsed by the 3rd participants meeting in June 2009 (Guyana, Indonesia, and Panama). Due diligence is continued with a view to entering Readiness Grant Agreements to access up to USD \$3.6 million for Readiness Preparation.

DRAFT FOR COMMENT: Do not cite or quote

- A special focus will be given on monitoring technology, mainly based on the analysis of satellite imagery and the use of GIS.

To date, the UN-REDD program has mobilized fewer resources than FIP or FCPF and has the fewest number of countries involved. By late 2009, the FCPF was supporting 37 countries' Phase 1 and readiness activities, while UN-REDD was assisting 9 countries. Likewise, by late 2009, the FCPF had raised some US \$200 million compared with approximately US \$54 million raised by UN-REDD.⁸

2.3 The Forest Investment Program under the Climate Investment Funds (FIP/CIF)

Through a collaborative effort among the Multilateral Development Banks (MDBs)⁹ and a group of donor countries¹⁰, a new package of Climate Investment Funds (CIF) was launched in July 2008 (see Figure 3). The Forest Investment Program (FIP) (<http://www.climateinvestmentfunds.org/cif/node/5>) is a targeted program under the CIF's Strategic Climate Fund.

The FIP was designed to achieve four specific objectives (FIP, 2009):

1. To initiate and facilitate steps towards transformational change in developing countries' forest related policies and practices;
2. To pilot replicable models to generate understanding of and learning on the links between the implementation of forest-related investments, policies and measures, and long-term emission reductions and conservation, sustainable management of forests and the enhancement of forest carbon stocks in developing countries;
3. To facilitate the leveraging of additional financial resources for REDD, including through a possible UNFCCC forest mechanism, leading to an effective and sustained reduction of deforestation and forest degradation, thereby enhancing the sustainable management of forests; and,
4. To provide valuable experience and feedback in the context of the UNFCCC deliberations on REDD.

REDD related activities to be supported by the FIP include:

- Investments that build institutional capacity, forest governance and information;
- Investments in forest mitigation efforts, including forest ecosystem services; and,
- Investments outside the forest sector necessary to reduce the pressure on forests such as alternative livelihood and poverty reduction opportunities.

The FIP is currently the only dedicated multilateral mechanism to provide scaled-up financing for initiating transformational changes in sectors related to REDD. The FCPF and UN-REDD are active observers to the FIP Sub-Committee, the decision-making body of the FIP. As of February 4, 2010, six countries have pledged US \$406 million to the FIP, with which the FIP governing Sub-Committee has agreed to finance five country and regional pilots.¹¹

All three funds are now fully operational, with the FCPF and UN-REDD already active on the ground in selected countries. The FIP is capitalized and will start activities at the country level by the end of 2010. In March 2010, the governing body of the FIP will decide on the 5 pilots which will receive support under the FIP and identify 3 additional pilots if more financing becomes available.

⁸ At the end of 2009, Norway donated USD \$52 million and Denmark USD \$2 million to finance the initial phase of UN-REDD under the UNDP-administered Multi-Donor Trust Funds. Other donors are considering supporting the UN-REDD program.

⁹ African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD) and the Inter-American Development Bank (IDB)

¹⁰ By the end of 2009 Australia, Canada, Denmark, France, Germany, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom and United States pledged totally US \$6,313 million

<http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/CIF%20pledges%20as%20of%20Dec%2031%202009.pdf>

¹¹ Contributing countries: Australia, Denmark, Japan, Norway, United Kingdom and the United States

3. Prospects for Growth, Cooperation and Division of Labor among the Three Multilateral Funds

The Copenhagen Conference and its disappointing outcomes have left many unresolved questions regarding the future development of both REDD+ institutional architecture and basic operational issues. In this context, it is not surprising to witness the new ambitions of the World Bank and its multilateral partners in the Climate Investment Funds seeking to establish themselves as the principal outlet for international public financing for addressing climate change. Suffice to say that equal ambitions and confusion exist in certain quarters of the FCPF and UN-REDD as the global community scrambles to fill the vacuum left by COP15 with regard to early action on REDD+.

It is certain that the Copenhagen Accord calls for US \$30 billion in public financing for the period 2010-2012 with a substantial part of this total going to REDD. To that end, six countries combined have pledged over US \$3 billion for REDD for that same 3-year period. But all specifics, including the preferred disbursement channels, are not defined. With no UNFCCC proposal formally submitted for final negotiation and agreement, the most plausible assumption is that donors will channel their financing through existing bilateral and multilateral arrangements. Hence, it is highly likely that the role of the FCPF, the FIP/CIF and UN-REDD may be enlarged, provided that they are able to address the concerns and demands of their donors and clients.

This inescapable reality highlights the importance of strengthening cooperation among the three existing funds. To this end, the governing bodies of all three funds have requested that their respective secretariats work with other multilateral REDD institutions and REDD initiatives to study options for enhancing cooperation and for seeking coherence among them. Moreover, several governments have identified specific challenges regarding the division of labor and the FIP approach to REDD financing¹², including:

- An urgent need to develop a collaborative mechanism in those countries where at least two funds are active. Since the FIP has not yet identified the countries that will receive FIP financing, the governing body of the FIP might discuss the selection of pilots also in the context of piloting the collaboration among the other funds;
- An urgent need to harmonize readiness approaches among the funds, including methodologies and results-based measurement particularly given that both the FCPF and UN-REDD have a specific mandate to work on readiness. In addition, given the FCPF and UN-REDD experience acquired to date, the FIP could facilitate the design of results-based measurement systems for MRV in countries that are not supported by the FCPF or UN-REDD while still leveraging the experience and best practices generated in their portfolios.
- An urgent need to match country needs to address REDD (readiness strategy or plan) with the best sources of knowledge and finance based on comparative advantages between the funds.

Translating these expressed concerns and recommendations into operational terms could lead to an institutional integration and realignment along the following lines:

1. The FCPF, with its accumulated technical expertise and fairly broad country participation, could be integrated into the FIP with its far broader financial base and more inclusive multilateral institutional platform;
2. In such a merger, the FCPF's focus on Phase 1 readiness financing coupled with its Phase 3 Carbon Fund, could nicely match the FIP's emphasis on Phase 2 demonstration projects, policy reforms and capacity building;
3. UNREDD, with its focus on Phase 1 readiness activities, could become a specialized technical, capacity building and training mechanism that could play a decisive role in helping less prepared countries move through the early phases of REDD+ finance.

¹² See for instance the Government of Norway's International Climate and Forest Initiative January 2010 Discussion Note to the Forest Investment Program Sub-Committee

4. Prospects for Cooperation and Division of Labor among Public and Private Financing

There is no doubt that attaining ambitious worldwide REDD targets – in the range of 25% reduction in global deforestation by 2015 – could cost anywhere between US \$20 and US \$35 billion dollar a year. More ambitious targets of a 50% reduction by 2030 – or zero net deforestation – would cost several fold more. Under any scenario, there is no doubt that the level of necessary finance will call for the mobilization of both private and public financing. Still, there is a great deal of uncertainty regarding the division of labor between private and public financing for REDD and what needs to be done to increase cooperation and synergies among these two sources.

4.1 The role of the Public Sector in Creating Market Conditions and Generating Supply

Public policy to address climate change is critical for creating a robust market for carbon. Without a public policy framework to reduce GHG emissions, there will not be much of a market for forest carbon. As such, public sector activities must:

1. Establish the institutional and regulatory standards that will ensure transparency, accountability and fairness in market activities;
2. Absorb risks, through insurance, start-up finance, equity holdings, fiscal incentives and many other mechanisms, that private investors will not, and cannot be expected, to absorb;
3. Finance the generation of co-benefits, such as poverty reduction and biodiversity protections, that private sector actors will not address.

Well-targeted support from the public sector can also help reduce investment risks and market barriers for responsible private operators in regions or countries where national enforcement capacity is weak by addressing forest governance, transparency, land tenure and complex social and environmental challenges which are beyond the capacity or appropriate role of such private investors.

There are also significant opportunities for public sector finance to help leverage environmentally and socially sustainable private sector investment in climate relevant operations, such as afforestation, reforestation, restoration of degraded landscapes and sustainable natural forest management. Public sector finance can be instrumental in supporting sound agro-business and bio-energy investments which are climate friendly and socially responsible by providing incentives for stabilizing forest margins, supporting best practice examples of sustainable management through involvement of local populations, and through creating company partnerships with forest smallholders.

In addition, public sector finance to the private sector can: promote sustainable market chains for wood and non-wood products; support the country-wide establishment and implementation of a certification scheme for wood and non-wood products, as well as tradable REDD+ units; promote the use of ecosystem services to create viable partnerships between the private sector and local communities, such as eco-tourism in forest protected areas; and support forest-based value-added industries with low-carbon technologies.

In addressing these activities, public sector finance is quite critical in generating a supply of forest carbon by creating institutional and policy conditions in developing countries. In examining the functions of the FCPF, the UN-REDD and the FIP, we note that most of their resources are dedicated to financing Phase 1 and Phase 2 activities, where all of the above public sector functions are concentrated. Specifically:

- Public international financing seems well positioned to support all Phase 1 readiness needs, considering that the FCPF and the UN-REDD are already supporting Phase 1 activities largely through grants to some 40 developing countries;
- Public international financing may be important in Phase 2, an area of designated focus for the FIP but left untouched by both FCPF and UNREDD. Moreover, only the FCPF through its Carbon Fund can offer financing for Phase 3. Yet, the amount of financing currently available in these funds is relatively small compared with the financing needs estimated by IWG-IFR (2009) for Phases 2 and 3;

DRAFT FOR COMMENT: Do not cite or quote

- There are other current or prospective sources of public financing for Phase 2 and Phase 3 besides these multilateral funds, such as the bilateral funds established between Norway with Brazil and Guyana and the Australia-Indonesia partnership. Still, these public funds in aggregate do not add up to the scale of funding required so private financing will be needed to close the gap for Phase 3 and potentially also for Phase 2 as well.

4.2 The role of the private sector in creating demand for forest carbon

If there is no demand, in the form of a market of buyers willing to pay for carbon emission reductions, then there will be no private investment in REDD. To date, there are only three possible demand streams:

1. Public demand for REDD generated through public policy prescriptions (e.g. Norway's International Climate and Forest Initiative, or the Supplemental Emission Reduction provisions in the US Congress climate change bills);
2. Markets, linked to cap and trade regimes (also the result of public policy), both in the form of direct offsets or indirect market-linked funds; and,
3. Voluntary carbon markets.

It is only in the voluntary carbon market that the private sector is central. Cooperation and a clearer division of labor between private and public financing will be essential in determining the pace and scale at which private investment enters into the market. As we have seen, public financing dominates the development of Phase 1 of REDD, the phase that shapes developing countries' systems that will produce REDD outputs. However, it is the market shaped by the private sector that will ultimately determine the demand for REDD+. It is thus imperative that public financing be deployed in such a way that it meets the needs of the demand sources where REDD+ outputs are likely to flow.

At this point, the issue of risk reduction for the private investor rises to the fore. Can developing country governments and markets deliver anticipated returns? And at what cost? What about in case of default or expropriation by the REDD+ host country? In addition to risk reduction in developing countries, there are also considerable risks associated with markets in developed countries: Who is going to buy forest carbon? At what price? What about the stability of the market given the shocks recently experienced during the global finance crisis?

For a discussion of the ample opportunities for cooperation between private and public financing in developing countries, as both have experiences and instruments to manage commercial and sovereign risk, we encourage the reader to turn to the companion document *Architecture for REDD+....Management and Flows of Funds* that deals with early action finance.¹³

¹³ See the companion paper by C. Streck et al on Early Action

5. Issues for Further Discussion

In the above discussion, the critical link between public and private sector finance to successfully implementing REDD+ is clear. If there is no publically generated demand for REDD+ units, and hence a market of buyers willing to pay for carbon emission reductions, there will be no interest from the private sector in investing in REDD+. At the same time, there is a need to provide a sustainable flow of REDD+ investments within transparent market mechanisms to minimize the risk for the private sector in investing and to maximize returns without hampering socio-economic and other environmental benefits. The following two conclusions arise from this discussion:

1. Public sector finance is leading the creation of a global supply of REDD+ units through the preparation of REDD readiness plans (Phase 1) in some 40 countries. Yet, there is no clarity from the demand side as to who is going to buy those REDD+ units (Phase 2 and 3). Of greater concern is the absence of dialogue with the private sector on its emerging engagement in the voluntary market or potential offset market (projected to be the largest source of demand for REDD+ units). What is urgently needed is an exchange of experience as to what conditions are necessary for private investment to enter into the REDD+ sector at scale.
2. The private sector is reconsidering how to engage in the emerging REDD+ markets amidst uncertainty as to what types of investment it should employ. There is, however, limited private sector dialogue and partnership building with public sector actors that are currently shaping the supply side of the REDD+ market. In particular, there is little awareness that many developing countries are already advancing with their REDD planning and other readiness activities. There is the risk that with limited or no engagement from the private sector, mechanisms created at the national level in developing countries will fall short of, or be incompatible with, the needs of the private sector.

Pablo Gutman & Bruce Cabarle, WWF-US
February 21, 2010

References

- Catalyst (2009) Project Catalyst Symposium March 4 and 5, 2009 Washington DC
- FCPF (2008) Forest Carbon Partnership Facility – Information Memorandum
- EU/JRC/IPTS, 2009 Economic Assessment of Post – 2012 Global Climate Policies
- FAO (2005) Forest Resource Assessment, Food and Agriculture Organization, Rome, Italy
- FCPF (2009) FY2009 Annual Report. The World Bank, Washington DC
- FIP (2009) Forest Investment Program Final Design Document, July 2009
- IWG-IFR (2009) Report of the informal working group on interim finance for REDD+ (IWG-IFR), October 27, 2009, Discussion Document
- Robledo, C. and Gardi, O. (2010) The View After COP15: What Role for the FCPF, the UN-REDD and the Forest Investment Program Intercooperation, Bern
- UNFCCC (2008) Investment and financial flows to address climate change: an update, 26 November 2008 (FCCC/TP/2008/7)