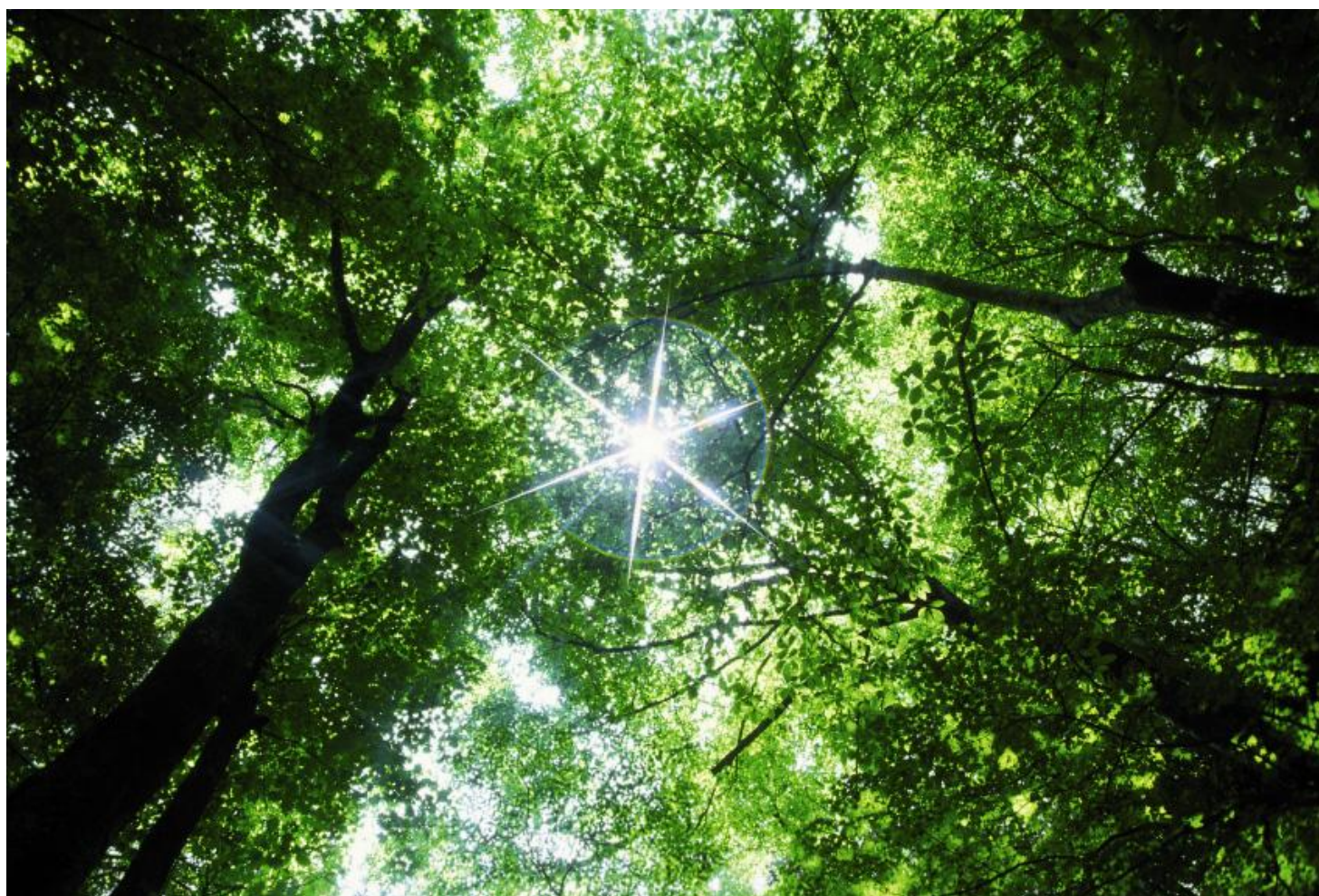


# Executive Summary

## Report for the Conservation Finance Alliance

### National REDD+ funding frameworks and achieving REDD+ readiness – findings from consultation





#### Important notice

This report should be considered as an analysis of stakeholder views and publicly available data as gathered through the research and not as a reflection of the views of Conservation Finance Alliance or member firms of the PricewaterhouseCoopers global network. It does not constitute professional advice and you should not act upon the information contained in this report without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this report, and, to the extent permitted by law, the Conservation Finance Alliance and PricewaterhouseCoopers do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. This report does not propose optimal routes for national fund management and disbursement, nor does it provide an exhaustive analysis of national REDD funding flows.

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## About PricewaterhouseCoopers (PwC)

PwC provides advisory support to conservation organisations, multi-lateral institutions and government agencies in the development of conservation finance and biodiversity and ecosystem service markets. We have a deep understanding of policy developments and market trends, strong relationships with policymakers, experience advising on institutional, legal and financial arrangements for ecosystem service market mechanisms, and a track record of diverse thought leadership. [www.pwc.com/sustainability](http://www.pwc.com/sustainability)

## About the Conservation Finance Alliance

The Conservation Finance Alliance (CFA) is a collaborative network created in 2002 to address the challenges of sustainable financing for conservation. Governments, multilateral agencies, NGOs, private companies, academic institutions and independent experts cooperate in the CFA to promote conservation finance solutions. Currently with more than 90 members from 40 countries, the CFA contributes to the exchange of knowledge and best practices in conservation finance issues. The CFA acts through Working Groups that carry out meetings, research, publications and workshops. This report is fruit of the collaboration of the members of the CFA Environmental Funds Working Group. For more information on the CFA, please access [www.conservationfinance.org](http://www.conservationfinance.org)

# Glossary of terms

Term	Meaning
<b>Capacity building for REDD+</b>	Externally or internally initiated processes designed to help individuals and groups to appreciate and manage REDD+ policy and project development, and to enhance their abilities to identify and meet challenges related to REDD+ in a sustainable manner <sup>1</sup> .
<b>Carbon credit</b>	A certificate or instrument which represents the reduction of emissions of greenhouse gases by the equivalent of one tonne of carbon dioxide relative to an agreed baseline.
<b>Environmental fund</b>	Private or public/private institutions that provide sustainable financing for biodiversity conservation, sourcing and managing funding from international donors, national governments and the private sector. Environmental funds provide funding, typically through grants, to non-governmental organizations (NGOs), community based-organizations and governmental departments or local government offices <sup>2</sup> . In the case of REDD+ these funds may be adapted to provide loan or investment finance in addition to grant based funding.
<b>'Fast Start' Funding</b>	Funding resulting from a pledge included in the Copenhagen Accord in 2009 by a selection of developed countries to 'provide new and additional resources, including forestry and investments through international institutions approaching \$30 billion for the period 2010 to 2012 with balanced allocation between adaptation and mitigation' <sup>3</sup>
<b>Monitoring, Reporting and Verification</b>	In relation to REDD+, monitoring and reporting of carbon stock changes and the social and environmental impact of REDD+ at a project, sub-national and/or national level, and verification of reports by a designated third party.
<b>National approach</b>	A national carbon accounting framework and MRV system, with nations being rewarded for emissions reductions relative to an established national reference level, rather than at a sub-national or project level. Reductions may be rewarded through allocation of tradable carbon credits, by financial transfers from a global fund or other mechanisms <sup>4</sup> .
<b>Nested approach</b>	<p>A national climate change policy, carbon accounting framework and MRV system, whereby emissions reductions at both the national and sub-national or policy level are rewarded through allocation of tradable carbon credits.</p> <p>Under a nested approach the national government sets up a national accounting framework and establishes a nationwide monitoring system. This government could implement certain policy reforms that would lead to verifiable emission reductions and therefore earn incentives from an international system (or a bilateral arrangement). Meanwhile, implementation of REDD+ activities occurs at the sub-national level led by local/regional governments, communities, NGOs, or private developers. These activities would account for emission reductions at the sub-national level and earn incentives directly from the international (or bilateral) system based on those reductions. This sub-national accounting would need to be aligned to the national level (i.e. all credits issued in any given year are based on the performance of the nation as a whole relative to its reference emission level)<sup>5</sup>.</p>
<b>Portfolio environmental funds</b>	An environmental fund with a portfolio of funding programmes divided along thematic or geographic lines. These funds provide donors and investors with increased visibility and choice regarding where their money is directed and the outcomes it generates.

1 Adapted from RECOFTC, (2009). What is Capacity Building? Available online: [www.recoftc.org/site/index.php?id=376](http://www.recoftc.org/site/index.php?id=376)

2 Adapted from Conservation Finance Alliance: Working Group On Environmental Funds, (2008). Rapid Review of Conservation Trust Funds.

3 World Resources Institute, (2010). Fast Track Climate Finance: Do The Numbers ADD Up? Available online: [www.wri.org/stories/2010/06/fast-track-climate-finance-do-numbers-add](http://www.wri.org/stories/2010/06/fast-track-climate-finance-do-numbers-add)

4 Adapted from Angelsen, A et al, (2008). What is the right scale for REDD? The implications of national, subnational and nested approaches. CIFOR info brief.

5 Cortez et al, (2010). A Nested Approach to REDD+: Structuring effective and transparent incentive mechanisms for REDD+ implementation at multiple scales. The Nature Conservancy and Baker & McKenzie. Available online: [www.theredddesk.org/sites/default/files/resources/pdf/2010/TNC\\_june\\_2010\\_A\\_nested\\_approach\\_to\\_REDD.pdf](http://www.theredddesk.org/sites/default/files/resources/pdf/2010/TNC_june_2010_A_nested_approach_to_REDD.pdf)

Term	Meaning
<b>Project developer</b>	In relation to REDD+, an organisation, company or multi-stakeholder partnership responsible for the development of REDD+ projects
<b>Readiness</b>	<p>REDD+ Readiness requires the following elements to be in place:</p> <ul style="list-style-type: none"> <li>• A favourable policy environment which allows for the implementation of REDD+ programmes in an efficient effective and equitable manner (the Three Es);</li> <li>• An institutional structure that allows for effective decision making regarding REDD+ development at a government level;</li> <li>• Adequate physical and human capacity within the government, non-governmental, academic and private sectors to effectively assess forest carbon stocks and measure carbon changes and leakage;</li> <li>• Clear and transparent revenue and incentive sharing mechanisms put in place; and</li> <li>• A financial management system established for funds to flow to beneficiaries and stakeholders in an efficient, effective and equitable manner (the Three Es)<sup>6</sup>.</li> </ul>
<b>Readiness Preparation Proposal (R-PP)</b>	An R-PP is a document submitted by a Forest Carbon Partnership Facility participant country to the FCPF Participants Committee. The R-PP consists of a summary of the current REDD+ policy and governance context, what study and other preparatory activities would occur under each major R-PP component, how they would be undertaken in the R-PP execution phase, and then a Terms of Reference or work plan for each component <sup>7</sup> .
<b>REDD</b>	Reducing Emissions from Deforestation and Forest Degradation (REDD) is an effort to create a financial value for the carbon stored in forests, offering incentives for national and sub-national actors to reduce emissions from forested lands and invest in low-carbon paths to sustainable development.
<b>REDD+</b>	“Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries <sup>8</sup> .”
<b>Sub-national approach</b>	<p>A national climate change policy, carbon accounting framework and MRV system, whereby emissions reductions are rewarded only at the sub-national or project level.</p> <p>Using this approach both REDD+ accounting and implementation would be focused on a defined geographic area or project site. Project development activities could be undertaken by individuals, communities, NGOs, private companies, and different levels of government. Forest CO<sub>2</sub> emission baselines; subsequent monitoring, reporting, verifying (MRV), and rewarding would only be for the sites in question. Projects would have to account for any ‘leakage’ or displacement of destructive activities from the project site to other forest areas outside the project area<sup>9</sup>.</p>

6 CIFOR, (2009). Moving ahead with REDD to achieve the 3 Es: Efficiency, effectiveness and equity. Available online:

[www.cifor.cgiar.org/Knowledge/Publications/NewsOnline/NewsOnline47/moving-ahead.htm](http://www.cifor.cgiar.org/Knowledge/Publications/NewsOnline/NewsOnline47/moving-ahead.htm)

7 Forest Carbon Partnership Facility (FCPF) Readiness Mechanism Readiness Preparation Proposal (R-PP) External Review Template, (2009). Available online:

[www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/PC\\_peru\\_review.pdf](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/PC_peru_review.pdf)

8 UNFCCC/CP/2007/6/Add.1, 14 March 2008; Decision 1/CP.13 [BAP], paragraph 1 (b)(iii)

9 RECOFTC - The Center for People and Forests, (2009). Decoding REDD: Issues of Scale, An Asia-Pacific Perspective. Available online:

[www.recoftc.org/site/fileadmin/docs/Themes/Climate\\_change/Decoding\\_REDD\\_\\_web\\_.pdf](http://www.recoftc.org/site/fileadmin/docs/Themes/Climate_change/Decoding_REDD__web_.pdf)

# Executive summary

## Background and focus of the report

Fast Start funding to the value of \$4.5 billion has been committed during the 2010 – 2012 'Readiness' phase of REDD+ but there has been limited analysis of how REDD+ funding is currently, or could in the future, be managed and disbursed within the intended recipient nations. This report has been prepared in order to add to this discussion and stimulate debate amongst policymakers, the private sector, NGOs and academic institutions at a national and international level.

In 2010, in-person and telephone based interviews were carried out by PwC with stakeholder representatives from government, civil society, academia and the private sector in six countries: Brazil, Cambodia, The Democratic Republic of Congo, Indonesia, Madagascar and Peru to provide a national level perspective on how REDD+ funding is being managed now and how it could be managed in the future. Interviewees were asked to complete a 'stakeholder map', then answer questions on existing and projected REDD+ funding management at a national, sub-national and project level. The analysis of these interviews, supplemented with desk based research, are presented in six case study reports in this report. These country reports are based on data collected from February to August 2010 and as such may not capture the most recent REDD+ policy changes and project development.

The specific objectives of the six in-depth case study country reports are to:

- Determine the current REDD+ funding flows from international sources to the national and project level, including the identification of existing national and sub-national funding structures which manage and deliver REDD+ funding.
- Investigate the barriers to achieving a scalable, equitable, effective and efficient REDD+ funding structure able to distribute and manage the relevant portion of the \$4.5 bn in Fast Start funding.
- Identify alternative funding models that could be used by funders in the future (national governments, multilateral organisations and others) to both distribute and manage the \$4.5 bn Fast Start funding and the financial flows likely when REDD+ activities are funded through a market mechanism.

In late 2009 interviews were carried out with stakeholder representatives from government, civil society, academia and the private sector in the six countries mentioned above and six additional countries: Costa Rica, Tanzania, Colombia, Ecuador, Mexico and Uganda. The results of these interviews were used to analyse the current and potential future role for environmental funds and civil society in the development of REDD+.

The specific objectives of these high-level case studies are to analyse the role of environmental funds and civil society in:

- Fiduciary management – Managing funds for REDD+ activities and any income they produce, including the pre-agreed distribution of revenue between actors.
- Stakeholder engagement – Engaging stakeholders, whether at an international, national or local level, to ensure their support for REDD+ activities.
- Monitoring of project activities – Assessing the ongoing performance of REDD+ projects to accurately quantify emissions reductions, and the wider biodiversity and socio-economic benefits delivered over time.

An analysis of these interviews is provided in the final chapter of this report 'High level case study countries: The role of environmental funds and civil society organisations in REDD+'.

## Findings and recommendations of the report

Table 1 provides a comparative summary of country specific findings:

**Table 1: Comparative summary of findings across in-depth case study countries**

Country	Brazil	Cambodia	DRC	Indonesia	Madagascar	Peru
Mature REDD+ project activity	Extensive activities	Emerging activities	Growing activities	Extensive activities	Emerging activities	Growing activities
Relevant environmental funds experience	Extensive experience	Emerging experience	Emerging experience	Growing experience	Emerging experience	Growing experience
Civil society organization REDD+ activity levels	Extensive involvement	Emerging involvement	Growing involvement	Extensive involvement	Emerging involvement	Extensive involvement
Examples of country specific issues highlighted during the study, requiring further attention (this is sample only – see country case studies for complete analysis)	<ul style="list-style-type: none"> <li>• Need to link national economic objectives with REDD+ objectives</li> <li>• Acceleration of progress in engaging indigenous communities in Amazonian states using best practice examples e.g., participatory GIS land planning. Include application of FPIC principles</li> <li>• Exploration of options for establishment of state, ecosystem or smaller level REDD+ environmental funds</li> <li>• Increase level of REDD+ readiness in non-A Amazonian states</li> </ul>	<ul style="list-style-type: none"> <li>• Need to ensure that findings of REDD+ Taskforce review of legal and tax barriers in Cambodia influence the development of a regulatory framework</li> <li>• Sale of carbon credits solely through Forestry Administration as sole seller of carbon credits , at present, may discourage private sector interest</li> <li>• Project revenue sharing models developed beyond direct fund management by TWG FE</li> </ul>	<ul style="list-style-type: none"> <li>• Without national environmental funds in place, existing regional fund options should be explored e.g. potential for Congo Basin Forest Fund in funding REDD+ readiness</li> <li>• Existing Multi-Donor Trust Fund structures may need migration to in-country management to support a national REDD+ approach</li> <li>• Portfolio funds could be used to support geographically-integrated pilot projects at a provincial or territorial level, as outlined in the R-PP's 'Programme of experimentation'</li> </ul>	<ul style="list-style-type: none"> <li>• Role of ITCCF or new environmental funds defined</li> <li>• Clarification of roles between Ministry of Forestry, National Climate Change Council and Ministry of Environment</li> <li>• Tax Office position on REDD+ credits needs clarification</li> <li>• Donor funding used to reduce or underwrite REDD+ risk for private investors. Structured meetings between private investors and donors may help define how best this can be achieved.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for REDD+ Readiness Trust to implement an environmental fund structure based on or including existing environmental funds in Madagascar</li> <li>• Definition of role of Gestion Contractualisée des Forêts (GCF) in facilitating communal REDD+ project ownership</li> <li>• Development of formal means of sharing and leveraging information from PHCF and FORECA projects</li> </ul>	<ul style="list-style-type: none"> <li>• Support required for existing fund management options e.g. PROFONANPE, dependent on outcome of Environmental Services Provision Bill</li> <li>• Need for increased community and indigenous groups involvement in R-PP review</li> <li>• Definition of roles and functioning of Unidad de Carbono Forestal (UCF) and Sistema Nacional de Monitoreo e Verificación de Carbono Forestal (SISNACAF)</li> </ul>

## Current REDD+ funding flows

\$30 billion of 'Fast Start' funding from developed to developing countries for the period from 2010 to 2012 was promised as part of the Copenhagen Accord agreed at the UN Climate Conference in December 2009. Some \$4.5 billion of this funding is to be directed at forest emissions. It is expected to be used principally to support institutional and technological capacity building, in anticipation of the development of regional or global mechanisms for 'reduced emissions from deforestation and forest degradation and sustainable management' (REDD+).

Reasonable progress has been made with the commitment of these funds to specific projects (e.g. the recent \$1 billion commitment made by the Government of Norway to REDD+ in Indonesia); however the distribution and deployment of funds has yet reached scale.

It is likely that one of the key barriers to this is that there is insufficient current capacity to distribute and manage this level of donor funding, in an equitable effective and efficient way. Capacity constraints tend to be exacerbated by a lack of coordination between government ministries, agencies and regional offices, community engagement and land tenure, the taxation of REDD+ revenues and uncertainty regarding REDD+ specific regulations.

There may be an opportunity here to leverage the experience of the many existing environmental funds within a national REDD+ funding framework, and explore the added benefits these could have for improving the transparency and accountability of REDD+ funding management, and hence investor interest.

It is important to emphasise that in many of the case study countries in this report there is already small-scale private sector funding flowing into sub-national level projects based on the existing voluntary forest carbon market and in anticipation of the development of compliance based forest carbon markets in the future (whether national or international). In some countries the level of private sector investment in project development is comparable to the level of donor or public funding currently flowing into the country and these private projects are providing valuable models and lessons for the national REDD+ readiness process.

It will be essential that whilst countries progress through the 3 stages of REDD+ readiness, private investment is encouraged, complemented and in due course replacing public funding for national REDD+ development. The nested approach to REDD+ may help to facilitate this process and foster private sector investment whilst still allowing governments to manage national carbon accounting systems.

## Potential barriers to funding future REDD+ activity at scale and recommended actions to address these

Table 2 below summarises the key barriers which we identified in the case study countries, in attracting and managing REDD+ funding at scale, with recommended actions to address these barriers and improve the likelihood of achieving REDD+ success.

**Table 2: Barriers and recommended actions for funding future REDD+ activity at scale**

Barrier	Recommended action
<b>Inadequate institutional framework to manage REDD+ funds</b>	<ul style="list-style-type: none"> <li>• Potential creation of new REDD+ fund management bodies with representation from each relevant ministry and non-governmental actors at board level</li> <li>• Discussions between donor and investment community with REDD+ country governments regarding donor and investor preferences for national and sub-national fund management</li> </ul>
<b>Knowledge and skills gaps at all levels, from government</b>	<ul style="list-style-type: none"> <li>• Equal or greater focus given on capacity building at the project level in relation to the national level</li> <li>• Creation of formal partnerships with national and sub-national NGOs with recognised track record in inclusion of indigenous and forest communities in ecological conservation and protection of their rights</li> <li>• Application and training of GIS decision tools for collaborative land use planning with forest communities</li> <li>• Development of a national process of informed consent with indigenous federations and communities and other key stakeholders</li> <li>• Training and engagement of indigenous groups and local communities in national level and sub-national level decision making related to REDD+ strategies</li> </ul>
<b>Lack of relevant national funding mechanisms in place for distributing REDD+ funding and revenue in an equitable, efficient and effective manner</b>	<ul style="list-style-type: none"> <li>• Exploration of options for using existing non-REDD+ fund structures such as multi-donor trust funds as a model for creating new REDD+ funds</li> <li>• Exploration of options for using portfolio funds at an ecosystem or provincial level, to provide enhanced investment choice, flexibility and transparency for investors</li> <li>• Creation of new REDD+ specific environmental funds, including a revolving fund function to manage both grant based funding and carbon market revenue</li> </ul>
<b>Regulatory uncertainties in relation to REDD+, taxation and state ownership of carbon assets</b>	<ul style="list-style-type: none"> <li>• Structured discussions between project developers, legal specialists and government stakeholders regarding how private REDD+ investment and revenue returns will be taxed and where tax revenues will be distributed within government</li> </ul>
<b>Political risk</b>	<ul style="list-style-type: none"> <li>• Integration of non-governmental actors into the national REDD+ management framework to facilitate the continuity of REDD+ strategies between successive governments</li> <li>• Regulatory change widely reviewed cross-party and modified accordingly, to broaden political acceptance within government</li> </ul>
<b>Legal uncertainty over land tenure and carbon rights</b>	<ul style="list-style-type: none"> <li>• Clarification of linkage between land and carbon asset ownership and implications for REDD+ project development</li> <li>• Establishment of legal support mechanisms for forest communities and project developers in areas at risk of land dispute</li> <li>• Partnership between project developers and organisations with experience in implementing long term conservation projects in areas where land rights are disputed and difficult to enforce</li> </ul>

### Potential future roles of environmental funds and NGOs in REDD+

REDD+ provides a unique opportunity for environmental funds and NGOs to build on the roles they are already playing and develop new and innovative functions. Table 3 presents a selection of roles that environmental funds and NGOs could adopt in the evolution of an international REDD+ scheme, based on our analysis of stakeholder views.

**Table 3: Potential future roles of environmental funds in REDD+**

Future roles	
<b>Carbon finance and revolving fund functions</b>	If the predicted transition from grant based funding to carbon market based finance occurs, REDD+ environmental funds with revolving fund functions may have capacity to maintain or diversify the types of funds they manage to include both private finance and public funding.
<b>Increasing private sector confidence and investment</b>	Environmental funds could act as a vehicle through which public/private co-funding agreements are channeled. The provision of co-funding from public sources could encourage private sector investment and reduce investment risks by sharing start up investment costs for new REDD+ projects. Environmental funds may also help reduce investment risk by providing a transparent and accountable fund management service for investors.
<b>Convening REDD+ actors</b>	Through managing public and private funds, and by having multi-stakeholder board members, environmental funds may be well placed to assume a cross-sector convening role. Having oversight of multiple REDD+ initiatives may be useful in the design and timing choice for multi-stakeholder meetings.
<b>Capacity building and support to funding recipients</b>	To increase the likelihood of project portfolios meeting objectives, it may be in the interest of donors, investors and the wider stakeholder community for environmental funds to provide in-house capacity building support to fund recipients. This will be of particular importance in countries or remote provinces where project developers have little experience of managing external funding and investments.
<b>Building government capacity</b>	Environmental funds may contribute to building institutional REDD+ capacity or supporting the capacity building process through sharing their expertise and project evaluations with the government. If an environmental fund is engaged in project monitoring, it may also be able to share technical knowledge or GIS technology with Ministries of Forestry, Environment or Planning. Environmental funds could also provide direct funding support for REDD+ projects with local government partners (as has been the case in the Amazon Fund), contributing to decentralised government capacity.
<b>Provision of low interest, long time horizon, risk-tolerant loans</b>	Environmental funds may also encourage private REDD+ project establishment by providing low interest loans with long repayment periods and with high risk tolerance. This could help increase investment confidence in the private sector and enable for projects to reach the capacity they need to attract private sector investment. Interest from loan portfolios could be channeled into a revolving fund to boost the financial sustainability of the fund.
<b>Province or ecosystem level portfolio funds</b>	In countries that adopt a nested or other sub-national approach to REDD+, province or ecosystem level portfolio funds could play an important role in managing public and private REDD+ funding and linking sub-national projects into the national carbon accounting system. Provincial or ecosystem level funds could provide a direct link for donors or investors between their funds and specific projects. This could allow for greater flexibility and choice in funding decisions and generate increased funding interest from donors and investors.
<b>Micro-credit based funds</b>	In countries such as the DRC, where the provision of alternative livelihood options could be central to the success of REDD+, micro-credit programmes could play a key role in supporting low forest impact activities (e.g. fuel wood tree domestication, agroforestry), which often involve initial start up costs outside the reach of low income households. Environmental funds may be well positioned to manage micro-credit funds, using a micro-credit management partner such as a national NGO or bank. Interest from micro-credit loan portfolios could be channeled into a revolving fund to boost the financial sustainability of the fund.

**Table 4: Potential future roles of NGOs in REDD+**

Future roles	
<b>Transition to managing grant funding to carbon market investment and revenue</b>	Many established REDD+ projects are NGO managed. These projects are likely to be some of the first to reach maturity. As this happens, both international and national NGOs could focus on developing the financial management structures to receive and administer private sector investment and carbon market revenue.
<b>Continue building trust and engagement from the public and private sector</b>	NGOs may play a vital role in encouraging the scaling up of both public and private sector funding in REDD+, instilling confidence that projects will be managed according to the principles of the three Es (equity, efficiency and effectiveness).
<b>Distribution of international funding to the local level</b>	In some instances NGOs will be best placed to managed international REDD+ funding and revenue, distributing it in an equitable manner to local communities or investing it in the creation of alternative livelihood or microcredit schemes.
<b>Raising awareness in forest communities – particularly in areas where there is low trust of state actors</b>	Before meaningful engagement from forest communities can be achieved, considerable efforts are needed to raise awareness of climate change, forest carbon and REDD+. NGOs, particularly at the national and local level, have a crucial role to play in this process and are often uniquely placed to deliver this service in areas with low trust in state actors.
<b>Building REDD+ capacity of forest communities</b>	Where forest communities are willing to engage in REDD+, NGOs have a crucial role to play in building the capacity of forest communities to engage in REDD+ through project design, monitoring and reporting.
<b>Technical assistance to national and local government in REDD+ policy development</b>	NGOs can build on their current technical support to governments in carbon monitoring and utilise lessons learned from project development in supporting government REDD+ policy development.
<b>Territorial planning using remote sensing and GIS technology</b>	NGOs may have an important role to play in facilitating REDD+ development between local government, communities and project developers by using GIS technology as a tool for collaborative planning. NGOs can also support forest communities in negotiating with private developers, governments or other NGOs in the development of REDD+ projects using GIS technology.
<b>Legal support for forest communities</b>	NGOs may be able to support forest communities in securing legal support to define and, where necessary, defend customary land rights during REDD+ project development.

### Looking forward, beyond 2012

It is hoped that the increased level of public funding for REDD+ capacity building in the next few years will encourage a significant increase in private sector funding for REDD+ from the carbon markets and directly. Even by 2015, however, public funding for capacity building is likely to make up a significant proportion of total REDD+ funding in many of the case study countries. For example in Cambodia the capacity building effort may only reach scale after 2012 with such programmes likely to last for 3-5 years until a transition to a market mechanism for REDD+ finance is made.

Most interviewees expected the bulk of Fast Start funding to flow through government budgets. This may not be the best way to encourage private sector investment in the longer term. Independently managed environmental funds may have a role to play in building confidence in REDD+ helping to ‘pump prime’ private sector investment. In the Latin American and Asian case study countries we identified a range of funding mechanisms with independent representation in place that could fulfil this role. In the African case study countries, however, we found few such mechanisms. This could be a barrier to REDD+ financing, particularly from the private sector.

By 2015, the majority of interviewees expected the bulk of REDD+ funding to flow to active REDD+ projects with a broadly even split between funding directed from environmental funds and government Ministries of Forestry, Environment and Finance. The current small number and size of independent funding mechanisms is therefore likely to be a barrier to the development of a longer-term REDD+ financing structures. Governments have to play a leading role in establishing these, however there are few plans to do so at present.



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