**FCPF/UN-REDD Meeting on Collaboration**

29-30 April 2010, New York

**Key Outcomes**

1. Improve mutual understanding of the incentives that drive FCPF and UN-REDD together and the barriers that keep them apart.
2. Develop a clear and common vision on how to optimally enhance FCPF/UN-REDD collaboration efficiently and effectively (given the Partnership proposal and the emerging REDD+ landscape arising from Oslo to Cancun); and communicate this vision to the world.
3. Design and agree on unified global and national delivery platforms, including the following components:
* Enhanced coordination between FMT and UNREDD Programme Secretariat
* Joint meetings between respective governing bodies
* Database Registry
* Standards (including Safeguards, Stakeholder Engagement & IP/CSO Guidelines)
1. Determine:
* How to provide the secretariat function that has been requested to us in last draft of Partnership proposal.
* How to employ and organize FCPF/UNREDD to deploy delivery at the required scale.
* How to prepare respective governing bodies to support improved collaboration.
* How this work feeds into UNFCCC process
* How FCPF/UNREDD relate to and collaborate with other key REDD players (FIP, GEF, CBFF, bilaterals)
1. Develop a clear roadmap on the delivery of the “joint options paper” on how to improve collaboration among REDD+ institutions for FIP June 24th Meeting and FCPF PC Meeting, week of June 28 in Guyana – with the aim to prepare a draft as input to Oslo Climate and Forest Conference, 27 May.

**Rationale and Incentives for FCPF/UN-REDD Collaboration**

* Initiatives’ mutual commitment to realizing the promise of REDD+.
* High level commitment to WB/UN collaboration (as reflected in SG/Zoellick communications).
* The combined capabilities and expertise of FCPF and UNREDD as well as several other key players are essential to deliver at the scale required.
* Opportunity to bring new and practical thinking to Partnership process. Oslo meeting would welcome a generous well thought out proposal for how we can collaborate, proceed and contribute.
* The groundwork is set for the FCPF/UN-REDD collaboration to become a best case model for international cooperation.
* Each initiative benefits from access to the other’s comparative advantages (e.g. UN flexibility in operational responsiveness and trust fund option to earmark funds; WB experience in performance based payments)
* Specific to standards, there is an incentive to assure donors there isn’t a race to the bottom.

**Vision for Collaboration and Response to Partnership Proposal**

* The joint options paper should point to the consequences of a fragmented structure and predominantly bilateral approach to funding and standards. The paper could present an alternative solution of one common delivery platform with a standardized set of operating principles and common standards (financial management, procurement, safeguards), with the objective that bilateral funding follows.
* There is a need to define the minimum standards that every initiative and program must meet. It is imperative that we depart not from the notion that we are setting these standards ourselves, but rather that we are defining what would work for each of our organizations.
* Elements of a unified delivery platform could include: policies and administrative procedures; information and knowledge management; fiduciary standards; safeguards; MRV; financial MRV; matching function; verification of actions; verification of performance; common reporting framework; staff
* DRC example: following approval of R-PP by both governing bodies, instead of having two separate processes going forward – we should demonstrate the principles of a unified delivery platform (see Annex I).
* Consider proposal to have a new “quick start” process for bottlenecked FCPF REDD countries, whereby WB transfers funds to UN-REDD to release in accordance with HACT procedures until FCPF grant agreement is signed (applicable countres: Cambodia, Cameroon, El Salvador, Ethiopia, Gabon, Guatemala, Honduras, Mozambique, Nicaragua, Nigeria, Peru, Thailand)

**Roadmap to Define Elements of FCPF/UNREDD Collaboration**

**Options for Readiness Cooperation (**See slides)

Option 1: Complete transfer of funds and responsibilities from FCPF to UNREDD

* Example Cambodia
* All responsibilities will be passed to UNREDD. FCPF will have an advisory and observer role
* Payments could be passed in two tranches
* First tranche to develop RPP
* Second tranche to finance activities identified in the RPP

Option 2: Partial transfer of funds and responsibilities from FCPF to UNREDD

* Country wants to have a quick start and elaborate the RPP but would then like to have a grant agreement with WB
* UNREDD would support the national implementation platform – early start
* Funds for this technical assistance (preparation activity) could come from
	+ FCPF
	+ As part of the 3.6 million
	+ From the FCPF central TF
* Sources from UNREDD through independent donors

Option 3: Partial transfer of funds and responsibilities from FCPF to UNREDD

* Country prepared RPP with own funds or with the help of 200,000 preparation grant and wants one delivery channel for UNREDD and FCPF grants
* FCPF passes funds to UNREDD (or vice versa)
* Still possibility for joint missions and informal cooperation

Option 4: Cooperation in the implementation of RPP

* Example DRC (two finance mechanism)
* Cooperation in due diligence activities for the grant agreement, supervision missions, reporting requirements, co-financing, etc.
* Possibility of UNREDD supporting a national implementation platform
* Highly qualified consultants assisting the Government and stakeholders to steer process
* Guarantee interface with other donors and activities on REDD beyond UNREDD and FCPF (FIP, CF, GEF, et al.)

Next Steps:

* Scoping exercise to determine which option is most appropriate for proposed countries.
* Develop a roadmap for constructive engagement with FIP on collaborating on a delivery platform during and beyond readiness.
* Once above options have been elaborated, vetted, and agreed upon, an amendment could be introduced into the FCPF Charter to enable their use.
* Working Group: Werner, Mario, Tim

Additional issues to address:

* How FIP relates to each of these options and to the proposed common delivery platform. Consider cases where FIP is engaged in a non-FCPF or UNREDD country or location. How to constructively engage with FIP.
* Mechanism for determining amount of support costs that would be transferred from FCPF to UNREDD (or vice versa). FCPF is currently seeking clarity on this issue.
* In case of FCPF transfer of funds to UNREDD, seek clarity on where funds will be transferred to: Tier 1 or Tier 2 (passed to UNREDD as joint programme or individual UNREDD agencies).

**Minimum Standards** (See slides)

Next Steps:

* Social and Environmental Standards
	+ UN-REDD to share its proposed social and environmental due diligence approach with intent to determine consistency with proposed SESA approach and WB safeguards.
* Meet May 4 in DC to discuss possible changes to R-PP guidelines.
* Working Group: Tim, Neeta, Charles Di Leva
* Stakeholder Engagement: Resume work on:
* Harmonization of guidance note on stakeholder engagement
* Application of FPIC: Determine whether there is a difference between FPIC “consent” and “consultation”; “leading” versus “ascertain” broad community support.
* Working Group: Charles, Jen, Elspeth, Nina, Haddy, Neeta, Benoit, Charles Di Leva
* Common Grievance Mechanism:
	+ Strive to set common criteria and standards for one national grievance and redress mechanism to be designated or established as part of country REDD+ readiness, and be used by both UN-REDD and FCPF.
	+ Revise R-PP guidelines to reflect this effort.
	+ Consider developing a terms of reference of best practices for addressing grievances in national REDD programs.
	+ Working Group: Tim, Charles, Neeta, Benoit
* Shared Readiness Template
	+ Jointly revise R-PP template to reflect, e.g. SESA guidelines, social and environmental due diligence tool, governance and country lessons.
* Strive to present revised R-PP as a common REDD+ readiness approach before Oslo (or at least communicate to Partnership the intention to agree upon a shared readiness template).
	+ Working Group: Tim, Clea, Neeta, Ken, Benoit
* Review of Country Submissions: Work to be started on:
	+ Review process: TAP review; PC/PB review; WB/UN review.
	+ Review criteria and standards.
	+ Templates: R-PP; R-Package (What is needed? Format or questions?).
	+ Working Group: Clea, Alberto (on MRV elements), Ken, Neeta
* Disclosure: Work to be started – building on proposed FCPF disclosure guidance and UNDP disclosure policy
	+ Working Group:Cheryl, Yemi, Stephanie, Neeta
* Procurement & Financial Management
	+ Refer to precedents
	+ Check that the standards are equivalent and interchangeable
	+ Working Group: Tim, Alberto, Mario, Werner, Benoit

**Database Registry** (See slides)

Next steps:

* Signal to Partnership that, in principle, FCPF and UNREDD are ready to collaborate on REDD+ Coordination Database, but first seek clarity from Partnership countries (in particular Australia, France and PNG) on initial thinking on REDD+ Coordination Database.

Working Group on Database: Tiina, Charles, Alberto, Ken, Stephanie

**Joint Secretariat** (See slides)

* Analysis of options previously proposed by Partnership:
	+ Overwhelming support for option 2, with secretariat services provided by multilaterals with REDD experience.
	+ Some country interest in moving from option 2 to 3 over time, but no clear roadmap on how to get there.
	+ Bank trustee set-up is desired for some major donors.
	+ Supplementary role of MDTF is important to a few donors and several developing countries.
	+ The need for “all hands on deck” for delivery is recognized; with option for countries to choose own delivery partner/mechanism.
	+ Need for shared secretariat – due respect for FMT and UNREDD Secretariat.
	+ UNREDD governance model is not seen as viable because it includes representation beyond countries (e.g. agencies and civil society), FCPF governance model is preferred.
* Discussion on where Partnership is headed: If secretariat is effective, the Partnership has the potential to evolve rapidly into something much more robust. To date, no governance structure, so cannot yet be designated by UNFCCC as primary institution taking REDD+ forward.
* Elements of a joint response to the Partnership proposal:
	+ Proposed length: 2 pages
	+ Recognition of country led process and the leadership of the co-chairs.
	+ Communicate willingness of FCPF/UNREDD and FIP to support the Partnership as needed.
	+ Clarify the types of collaborative arrangements that might be required for our initiatives to support the Partnership.
	+ Provide a general idea of how our initiatives could leverage respective capabilities for the Partnership and how our initiatives could be realistically positioned within the Partnership.
	+ Bear in mind a longer term vision, with the possibility that the Partnership could become a more permanent body under UNFCCC process.
	+ Note: Should consider iterating draft response with key countries participating in the Partnership.

Working Group: Benoit, Yemi

**Joint Meetings of Respective Governing Bodies**

* Propose to have FCPF PC Meeting in Guyana include an opportunity to report back and receive feedback on progress made and plans for enhanced collaboration between FCPF, UNREDD and FIP. Could also invite representatives of the Partnership to participate.
* Propose to organize joint PC/PB meetings during the 1st week of November.

**Cooperation with GEF**

* GEF is increasing its allocations and commitment to working on REDD+.
* Possible roles for the GEF: inventory (e.g. in Brazil), MRV activities, demonstration activities and pilots.
* GEF role to be further discussed next week.

**Key Meeting Deliverables: Next Steps**

1. Joint Options Paper
* Revise outline for joint options paper by 1 May (Benoit/Yemi)
* Responsible working groups elaborate on respective components of outline by 10 May (send to Stephanie)
* Editorial work by 17 May to submit to Partnership (Yemi/Benoit)
* Final review process – send out for final comment by 10 June.
1. Response to Partnership
	* Briefing note for WB and UN agency senior management (next week, 3-7 May).
	* Call between WB and UN agency senior management to align on approach to response by 10 May.
	* FCPF to investigate level at which to respond.
	* UNREDD to engage strategic coordination group.
	* Joint letter from WB/UN informing Partnership of forthcoming submission (possibly signed by SG and Zoellick.
	* Finalize 2-pager (using material from joint options paper) by 17 May.
	* Note: Consider how to include FIP in response and formal submission.

**Annex I: Next Steps in DRC**

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|  | **FCPF (Ideally 2 months)** | **UN-REDD (for MDTF “pass through”) (3-6 months)** |
|  | Procurement plan – organize all expenditures | UNDP doesn’t require procurement plan for entire allocation. Requires Annual Work Plan (AWP) for first 12 months; and ToRs for programme positions |
|  | Financial management and procurement assessment: Review capacity of project entity to absorb and spend  | Harmonized Approach to Cash Transfers (HACT) * macro assessment at country level (done every 4 years);
* micro assessment of each national partner
* assurance measures

Four ways for cash to be transferred:* Direct cash transfer – to government (default standard)
* Direct payments – national counterpart goes through procurement, tender, preferred service provider, UN executes transaction ($ directly to service provider, not government)
* Reimbursement – Government procures (using their own standards) and UN reimburses them (note: WB could not agree to this)
* UN execution – UN undertakes procurement process (e.g. in post crisis situation)

Note: Project can be signed before HACT process is finalized. Funds can be released (at high risk) through direct payments until assessments show that direct cash transfers can be made.  |
|  | Draft grant agreement - reflecting procurement plan signed between bank and recipient | National Project Document (has already been approved) |
| 1. \*
 | Disclose SESA ToRs and consultation plan (nationally in native language and WB webpage for one month) – to receive comments from stakeholders | Social and Environment Safeguards – checking to see if the UN-REDD Programme can develop minimum standards, including a risk assessment and risk log (risks and mitigation measures). Currently risks not being assessed with common methodology.  |
| 1. \*
 | Assessment note meeting – analyzes/summarizes R-PP, FM and procurement assessment, SESA process – requesting endorsement by management and signature on grant agreement (sector manager only wants to sign off on $3.4 million from FCPF, not total $20 million DRC is asking for. She wants to know exactly what FCPF money will be used for and on those only she can ensure standards are being met.)Risk: sector manager does not endorse grant. | Each agency goes through the process of signing off. In case of UNDP – assess UNDP role, and delegate authority to Resident Coordinator. In UNEP Internal Cooperation Agreement (ICA) – delegation of authority to regional office. Similar at FAO. |
|  | Disclosure of Integrated Safeguards Data Sheet (ISDS) – 5 page assessment of SESA – which of the 10 safeguard policies is triggered – potential impacts.  |  |
|  | Grant agreement signature – should take place at end of May. |  |

\*Key area of difference