



Fast Start Finance for forests

The challenge of maintaining momentum

Charlene Watson, William McFarland, Smita Nakhoda, and Alice Caravani



Abstract

Since 2007, developed countries have provided substantial international public finance for programs that will reduce emissions from deforestation and degradation (REDD+). This paper seeks to understand the role of REDD+ during the Fast Start Finance (FSF) period, by reviewing the 5 largest FSF contributions. We find that:

- The majority of REDD+ FSF was programmed bilaterally, primarily as grants
- The delivery of REDD+ finance reflects multiple contributor country objectives, including poverty reduction, and biodiversity protection
- Major contributions have targeted heavily forested countries. Overall, however, emissions from deforestation and the allocation of finance are not closely linked.

Table of contents

1 Reducing Emissions from Deforestation and Degradation: A question of finance	1
Methodology	2
2 Approaches to REDD+ Finance	3
2.1 The donors and recipients	3
2.2 The objectives of bilateral REDD+ contributions	7
2.3 The modalities of bilateral REDD+ finance	9
3 Key developments on REDD+ during FSF	12
References	14
Annex I: Correlations between REDD+ finance and emissions from land use change	16

Acknowledgements

We are most grateful to Edward Davey (Princes Charities International Sustainability Unit), Shuen Chan and Matt Ridiford (Permian Global), Pipa Elias, and Marigold Norman (ODI) for their thoughtful comments and peer review of this paper. Their inputs have enhanced our analysis substantially.

This working paper builds on ODI's longstanding program of work to monitor climate finance, and joint research with the World Resources Institute, the Institute for Global Environmental Strategies, and the Open Climate Network to scrutinise the Fast Start Finance Contributions of developing countries. The authors of course remain responsible for all conclusions reached and any errors of interpretation.

The Climate and Land Use Alliance provided financial support to enable this study, for which we are most appreciative.

1 Reducing Emissions from Deforestation and Degradation: A question of finance

Will the opportunity to reduce emissions from deforestation and degradation add new momentum to existing efforts to protect the world's remaining forests and, adopt more environmentally sustainable approaches to forest and land use management?

Since 2007, developed countries have provided substantial international public finance for programs that will reduce emissions from deforestation and degradation (REDD+). REDD+ finance initiatives were launched in anticipation of global agreement on a performance based REDD+ finance mechanism under the UN Framework Convention on Climate Change (UNFCCC). This finance has been channelled through both multilateral and bilateral funds and initiatives. Multilateral programs such as the Forest Carbon Partnership Facility, the Forest Investment Program, and the UN REDD Programme have sought to support countries to prepare for participation in future REDD+ mechanisms. Yet multilateral agreement on a REDD+ finance mechanism remains elusive.

In parallel, countries committed to deliver Fast Start Finance (FSF) at the Copenhagen Summit in 2009. This would be \$30 billion in 'new and additional' climate finance to developing countries between 2010 and 2012, to achieve a 'balanced allocation between adaptation and mitigation'. While FSF was not the only climate finance delivered during this period, it is significant because of its links to confidence in the UNFCCC process, and the intention that FSF informs future efforts to scale up delivery of long-term climate finance.

This paper seeks to understand the motivations and objectives of the five largest FSF contributors, Germany, Japan, Norway, the UK and the US, in their support to REDD+ through their FSF spending. Together, these five countries delivered 84% of FSF and 83% of total REDD+ finance between 2010 and 2012. We then reflect on the implications of the different approaches being taken to deliver finance. This report builds on studies that ODI has completed in partnership with WRI and other organisations on their FSF contributions (Fransen et al 2012; Takeshi et al 2013; Harmeling et al 2013; Moe et al 2013).¹

¹ These papers are available online at <http://www.climatefundsupdate.org/global-trends/fast-start-finance>

Methodology

This study draws on research into the five largest contributors of Fast Start Finance, Germany, Japan, Norway, the US, and the UK, prepared by ODI in collaboration with WRI, the Open Climate Network, Japan's Institute for Global Environmental Studies, Germanwatch, and CICERO. As part of those studies, we compiled detailed data on over 4,000 individual projects supported during the FSF period. We have focused on REDD+ contributions that are delivered through bilateral channels, as the delivery of multilateral REDD+ finance is relatively better understood. We recognise that not all bilateral REDD+ finance in the FSF period is captured in this assessment: Australia, France and the EU, for example, have also made substantial contributions. The data refers to finance reported as 'committed' in national FSF reports. There was insufficient data on disbursement to allow robust analysis of at this level.

In compiling the data we have sought to maximise comparability between the reported information for each donor. However, limitations in the detail of reporting by the donor countries have resulted in a large volume of projects where the recipient is unknown, with differing categorisations of recipient institutions.² It has generally been more difficult to access complete information on finance for REDD+ than for other types of climate finance. A better understanding of the current bilateral REDD+ spend is important to build transparency, understand how this finance is being used, and the impact it has.

² We have assumed that where the channelling institution is 'unknown', projects are bilateral because our experience is that the reporting of finance to multilateral institutions is typically relatively robust and complete.

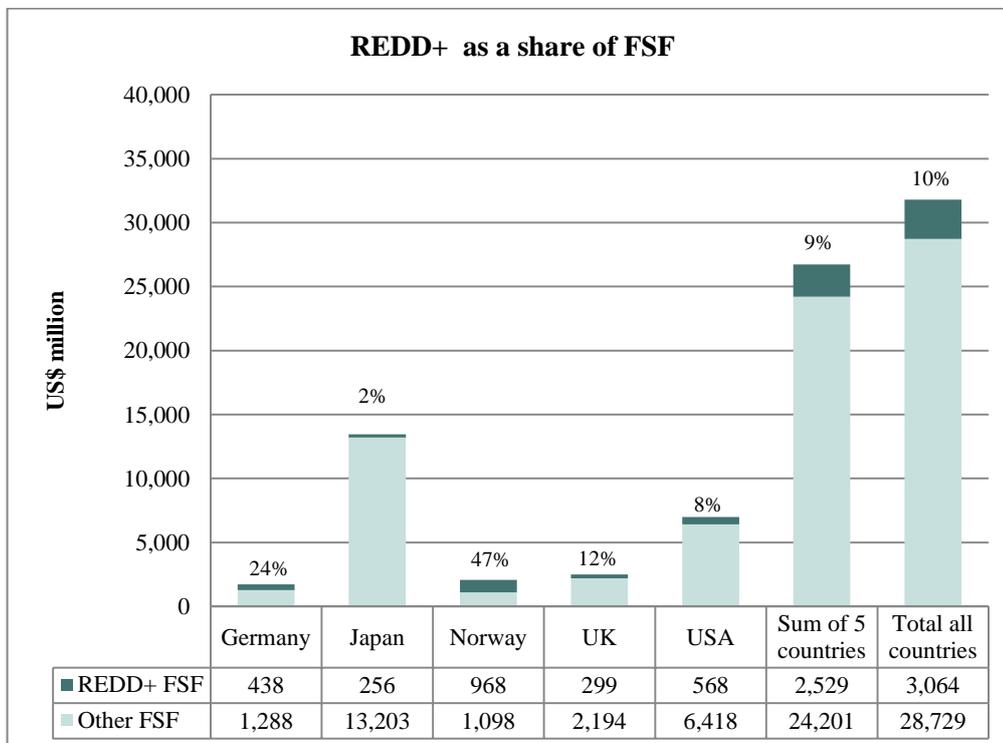
2 Approaches to REDD+ finance

2.1 The donors and recipients

Our analysis suggests that together, Germany, Japan, Norway, UK and the US delivered an estimated \$2.53 billion in REDD+ finance during the FSF period from 2010-2012. This accounts for 9% of the \$26.73 billion delivered by the five countries during the FSF period. Across all donors, 10% of FSF as a whole was directed to REDD+ activities.

Norway is the largest contributor of REDD+ finance with a total of \$968 million, the US is second with US\$ 568 million and Germany has contributed \$437 million (Figure 1). Nearly three-quarters of all REDD+ spending during the FSF period by the five countries studied in detail (64%) was spent through bilateral programs and initiatives.

Figure 1: REDD+ finance during the Fast Start Finance Period



The majority of REDD+ finance has been programmed in a bilateral context, through programmes of work agreed with individual developing country recipients, rather than channelling REDD+ support through multilateral funds.³ Table 2 presents examples of REDD+ programming by each of the donor countries.

Countries have continued to make new commitments of funding to REDD+, despite slow progress towards operationalising an international mechanism under the UNFCCC for emissions reductions, and the ensuing delays establishing a REDD+ mechanism. Contributor country interest in REDD+ activities vary widely. Norway contributes nearly 50% of all its FSF to REDD+, of which, 62% has been channelled bilaterally. Norway's FSF reports also highlight how their REDD+ finance has been scaled up in recent years to make a clear signal of commitment to tropical forested nations (Harboe, 2012). Germany contributes a smaller overall proportion of its FSF to REDD+ finance (24%), but also spends a high proportion of this finance through bilateral channels. The USA has committed a larger amount (\$568 million) than Japan, Germany and the UK, but this accounted for just 8% of their overall FSF contributions (Figure 2). While the US also channels the majority of this finance through bilateral channels, the UK, in contrast has spent 67% of its REDD+ FSF through multilateral institutions.

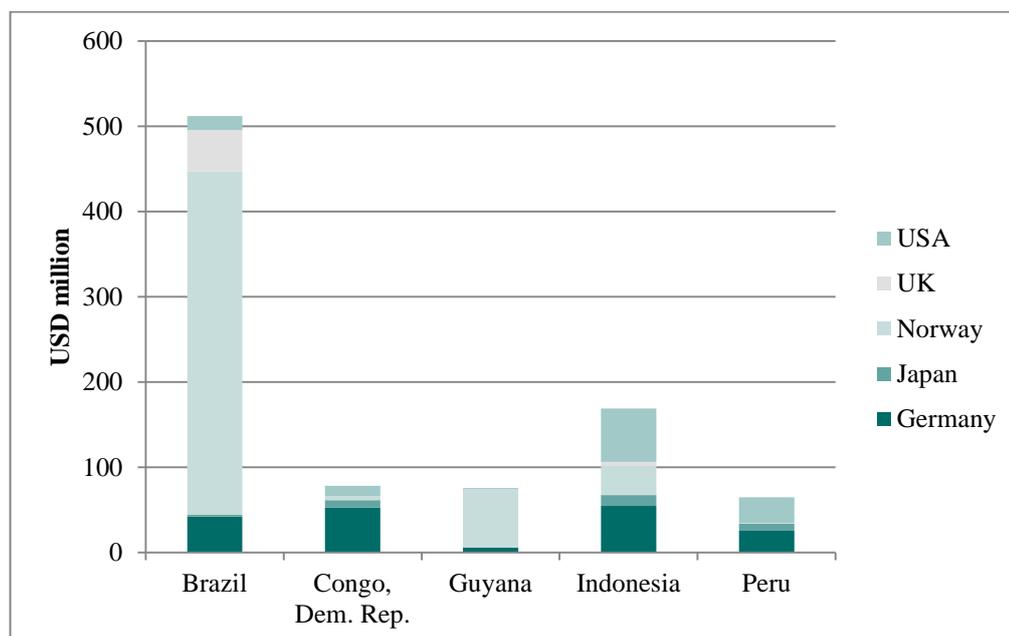
The two largest REDD+ programs during the FSF period were Norway's contributions to the Amazon Fund, which totalled US\$ 402.6 million, and to the Guyana REDD+ Investment Fund (GRIF) which totalled US\$67 million. Although the Amazon Fund is a national multi-donor fund, Norway has been the largest contributor by far, and played a central role in the establishment of the fund. To date the majority of funding has been approved for projects within Brazil, although other countries within the Amazon Biome are eligible (Forstater et al 2013). Similarly, Norway is currently the only contributor to the GRIF, although additional donors are anticipated (Grüning and Shuford 2012). The fund is managed by a multilateral institution, the World Bank.⁴

Contributors have targeted countries that have substantial tropical forest resources that are subject to significant deforestation pressures for bilateral REDD+ support. The top two recipients of bilateral REDD+ finance, Brazil and Indonesia (US\$ 512 million and \$168 million respectively) are the two countries with greatest total forest loss and associated GHG emissions (FAO, 2011). In addition, they are home to some of the largest tracts of biodiverse tropical rain forest. Timber harvesting and agricultural expansion have been substantial drivers of deforestation in both contexts. Additional political considerations have been implicit in the selection of countries to support, such as the potential for lessons from such programs to help inform the positions that countries may take in international negotiations on climate change. The third largest recipient of REDD+ finance, the DRC, is the fifth largest source of emissions from forests and land-use change (CAIT 2010). However other recipients of bilateral REDD+ finance are less obviously linked to deforestation or emissions from forest and land use change.

³ Multilateral institutions are sometimes engaged as intermediaries in this context, taking on the burdens of managing the committed finance.

⁴ Since Norway is by far the largest contributor to these funds, and they have a single country of focus, we have characterised them as bilateral contributions in this paper. However, both could also be classified as multilateral programs, as there is scope for multiple donors to contribute to these programs, and in the case of the GRIF the World Bank serves as the trustee and administrator of the fund.

Figure 2: Top five recipients of bilateral REDD+ finance from the US, UK, Norway, Japan and Germany



	Germany	Japan	Norway	UK	USA	Total
Brazil	42.10	2.14	402.85	48.30	16.61	512.00
Congo, Dem. Rep.	52.52	8.70	4.80	0	12.27	78.29
Guyana	6.00	0	68.30	0	1.13	75.42
Indonesia	54.37	13.05	34.10	4.59	62.60	168.71
Peru	25.20	8.22	1.20	0	29.87	64.49
Total of top 5 bilateral recipients	180.18	32.11	511.26	52.89	122.47	898.91
Total all REDD+	438	256	968	299	568	2529

All figures are in US\$ million

We compared emissions from land use change and the distribution of REDD+ finance (see Annex I). This analysis suggests that beyond the large volumes of funding directed to Brazil, the DRC, and Indonesia, emissions reduction opportunities are not the primary driver of bilateral REDD+ programming. This finding needs to be caveated on the ground that existing data on emissions from land use change compiled from developing country national communications is of very low quality for many key countries.

Of course, funding has often been directed to countries where emissions from land use change are currently low, but may rise if business as usual development trajectories are pursued. The finance provided to Guyana, for example, represents a pilot effort to test the potential of REDD+ finance to prevent deforestation, and support policy makers who develop ambitious proposals to avoid deforestation as part of development strategies.⁵ In addition, perceptions of need may also inform support: for example Guyana invested in detailed analyses to estimate the likely pressures on forest resources, and subsequent needs for finance in order to make the case for large scale support. But the distribution of REDD+ finance is, unsurprisingly, also often based (either explicitly or implicitly) on historical aid and political relationships.

Table 1: Examples of REDD+ programs during FSF

Germany	
Forestry programme in Indonesia US\$ 32 million	Supporting the development and implementation of strategies for biodiversity and watershed management strategies in the context of the national REDD+-strategy.
Combating deforestation in Pará US\$ 17 million	The program aims to protect biodiversity and forests in the state of Pará and contribute to the Brazilian goal of reducing the deforestation rate by 80% by 2020.
Forest protection in Ecuador US\$ 13.9 million	Broadening and consolidating forest protection measures in Ecuador as a part of the national REDD-strategy.
Integrated Conservation of Biodiversity in National Protected Areas and Corridors, Laos US\$ 12.2 million	The government of Laos will be supported in the field of sustainable management of natural resources, with a focus on biodiversity, protected areas and corridors.
Japan	
Grant aid for forest preservation programmes US\$ 159 million	Provides goods, small works and consultancy services, procured by Japanese Crown Agents including Forestry Preservation Programmes to assist recipient countries to preserve and better manage their forestry resources. Programming in 21 countries.
Norway	
Amazon Fund contributions US\$ 402.6 million	Norway has pledged US\$ 1billion to the Amazon Fund. Aims to raise donations to enable investments to prevent, monitor and combat deforestation, as well as to promote the conservation and sustainable use of forests in the Amazon Biome.
The Guyana REDD+ Investment Fund managed by the World Bank US\$ 67 million (no 2012 data)	Trust fund to finance the Government of Guyana's Low Carbon Development Strategy. Pending the creation of an international REDD+ mechanism, the GRIF represents an effort to create an innovative climate finance mechanism which balances national sovereignty over investment priorities while ensuring that REDD+ funds adhere to the highest internationally recognised standards for financial, environmental and social safeguards.
Grant scheme for civil society US\$ 65 million	Supports civil society organizations as important actors in furthering and applying REDD+ and as agents of change.

⁵ The charismatic leadership of then-President Bharat Jagdeo on the case for REDD+ reinforced perceptions of the potential for a demonstration effect.

Support for REDD in Tanzania US\$ 29.64 million	Support for REDD projects through small agreements with a number of REDD pilot projects, support for community participation in REDD, and technical assistance with monitoring, reporting and verification.
Support to the Indonesia REDD+ Task Force US\$ 30m	Norway signed a letter of intent with Indonesia in 2010 to provide up to US\$ 1billion to support REDD. With three identified phases, the agreement includes support to institutional reform and readiness activities, as well as performance-based payments.
UK	
Forests governance, markets and climate US\$ 25 million	DFID delivered a programme to reduce the illegal use of forest resources and benefit poor people, combining support to forest nations for better governance and market reforms in developing countries, with progress in consumer countries to curb demand for illegally-sourced products.
Forest governance and trade (FLEGT) US\$ 5.49 million	Providing support to tackle illegal logging and related trade in support of the EU Forest Law Enforcement Governance and Trade (FLEGT) Action Plan.
US	
Implementation of the Tropical Forest Conservation Act (TFCA) US\$ 32 million	Under TFCA, some official debt owed to the United States Government is reduced and 'redirected' to support tropical forest conservation activities. At least US\$ 20million in debt was specifically swapped to support forest conservation programmes in Indonesia. Additional debt forgiveness linked to REDD+ is also reported in the US FSF reports though project level details were not specified.
Central Africa Regional Programme for the Environment (CARPE) US\$ 13.9 million	The strategic objective of CARPE is to reduce the rate of forest degradation and loss of biodiversity in the Congo Basin by increasing local, national, and regional natural resource management capacity. It is in the third phase of a long-term commitment, and will last until 2016.

2.2 The objectives of bilateral REDD+ contributions

Countries have taken different approaches to finance for reducing emissions from deforestation, forest degradation, forest conservation, sustainable management of forest and the enhancement of forest carbon stocks, driven by differing interests and objectives. For most countries, the appeal of REDD+ has been the opportunity to achieve multiple objectives. Since most climate finance comes from official development assistance (ODA) budgets, the potential positive impacts of REDD+ investments on poverty reduction have been of particular significance to contributors. Below, we review some of the motivations for REDD+ finance for these five countries.

Germany: The biodiversity benefits of investments in REDD+ have been an important consideration for Germany in delivering continued finance. Alongside its commitments to mobilise finance for climate change activities under the UNFCCC, Germany has also made complementary commitments under the Convention on Biodiversity (CBD) to scale up finance for forests and biodiversity protection (Harmeling et al 2013). As a result, spending on REDD+ is aligned with German commitments under both the UNFCCC and the CBD. Further monitoring will be necessary to understand whether REDD+ programs have also been counted in reporting against CBD commitments, and the implications of any such practices. Given its strong capacity to deliver technical assistance, one approach that Germany has taken has been to complement the activities of other contributors by working to strengthen technical skills and capacities of 'in country' partners. For example in Brazil, the German government through GIZ is supporting BNDES (Brazilian National Development Bank which manages the Amazon Fund) and the Ministry of Environment to strengthen their frameworks for monitoring and evaluating the impact of the Amazon Fund.

Norway: High profile and large scale commitments of REDD+ funding were made in the context of seeking to galvanize support for ambitious pledges to reduce emissions within the UNFCCC process. It has also sought to attract private investment in REDD+, including supporting efforts to pilot and operationalise an international REDD+ mechanism with potential ties to the carbon markets. Its support for key forest rich countries that have expressed a commitment to ambitious action has served to raise the domestic political profile of REDD+ as a policy issue within countries such as Brazil, Guyana and Indonesia. Norwegian finance for REDD+ is often relatively small in the context of the economies that it targets, but large enough to get key actors within government to take it seriously, creating financial incentives for high level policy makers to continue to take actions that will help protect forests and promote national sustainable development objectives.

The UK: Development and biodiversity objectives are expressed as equal priorities in pursuing REDD+. Indeed the UK government-supported Stern Review raised the profile of opportunities to address climate change by reducing deforestation, highlighting the opportunities for ‘win-win’ interventions (Stern et al 2007). Support for REDD+ has been a central pillar of UK climate finance. The largest portion of its REDD+ finance has been channelled through multilateral funds such as the Forest Investment Program and the Congo Basin Forest Fund. Bilateral programs have had a strong focus on continued support for strengthened forest laws and governance. This approach has been informed by (and sought to build on) past efforts to support sustainable forest management and combat deforestation, including through support and engagement with the Forest Law Enforcement Governance and Trade (FLEGT) legislation. More recently, UK bilateral support has targeted the drivers of deforestation in key countries, for example through new programs that seek to support more sustainable silvopastoral systems in Colombia.

The US: The US has a long tradition of financing environmental conservation, including internationally. US support for market based approaches to REDD+ finance are linked to past US domestic climate policy initiatives. The Waxman Markey cap and trade legislation developed with the support of the Obama administration in 2009 included a significant role for international offsets from REDD+ activities in meeting emission reduction commitments. Politically active NGOs such as the Nature Conservancy and WWF played a significant role in securing support for such measures. As such, the US has played a relatively proactive role in the design of new mechanisms to finance REDD+, even though the Waxman Markey legislation was not ultimately enacted. Several more recent REDD+ related initiatives supported by the US are linked to green growth and sustainable development objectives in developing countries.

Japan: Bilateral REDD+ support from Japan has been more narrowly focussed on building capacity in monitoring, reporting and verification (MRV) methods and technology exchange. Japan has also participated in some of the multilateral REDD+ funds, including the Forest Carbon Partnership Facility of the World Bank. In general, Japan’s approach to FSF has relied on its development finance agencies, and prioritised support for Japanese companies (Kuramochi et al 2012).

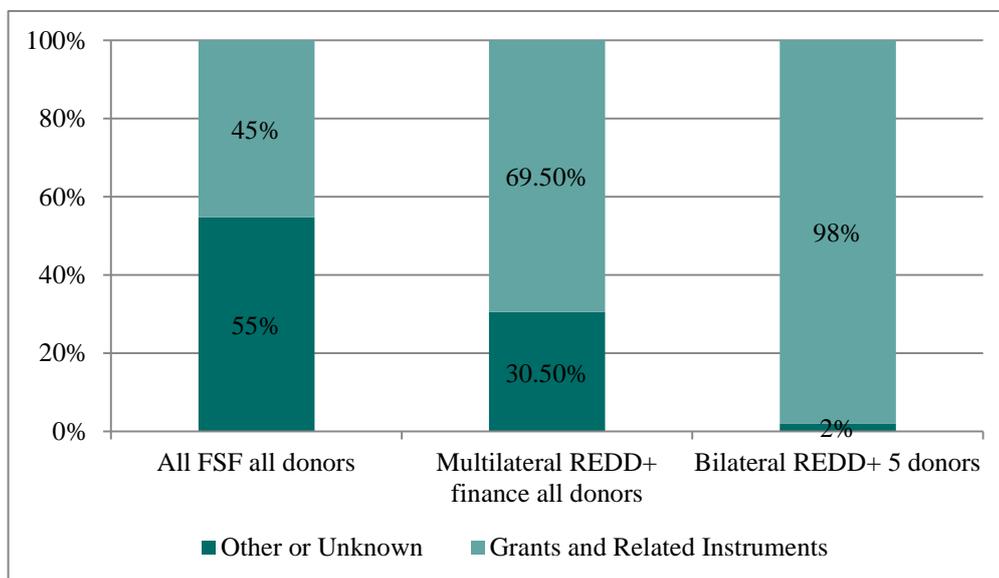
Other countries that have been particularly proactive in financing REDD+ related activities, but, whose contributions are not analysed in depth within this paper, include Australia and France. \$145 million of Australia’s \$594 million FSF contribution supported REDD+ activities. Money was spent with a particular focus on the Asia Pacific Region, particularly Indonesia with whom it has generally pursued closer economic and political linkages. Australia originally financed a number of relatively high profile pilot REDD+ programs in Sumatra and

Kalimantan, although support for these initiatives was subsequently withdrawn as a result of complexities in implementing pilot phases. New political developments have substantially undermined support for climate action and international finance. France has similarly focused on supporting Francophone countries of West and Central Africa to participate in REDD+ mechanisms.

2.3 The modalities of bilateral REDD+ finance

Almost 100% of bilateral REDD+ finance was offered as grants (Figure 3) whereas there was a substantial reliance on loans, of varying degrees of concessionality, and other official flows for FSF as a whole (Nakhooda et al 2013). This reflects the need to build REDD+ ‘readiness’ in forested nations; largely understood in terms of the institutions, governance and technical capacity to deliver emission reductions at scale. There are some exceptions: the US included a US\$32 million debt-for-nature swap with Indonesia under the Tropical Forest Conservation Act where ‘certain official debt owed to the United States Government [was] reduced and “redirected” to support REDD+ related programmes’. The US also included project insurance provided by its Development Finance Institution OPIC for a US\$ 1 million community-based avoided deforestation project in Cambodia, to reduce project and country risk in order to attract private investment.

Figure 3: Comparison of financial instruments used across all FSF, multilateral REDD+ finance and the bilateral finance from the five donors studied in this report.



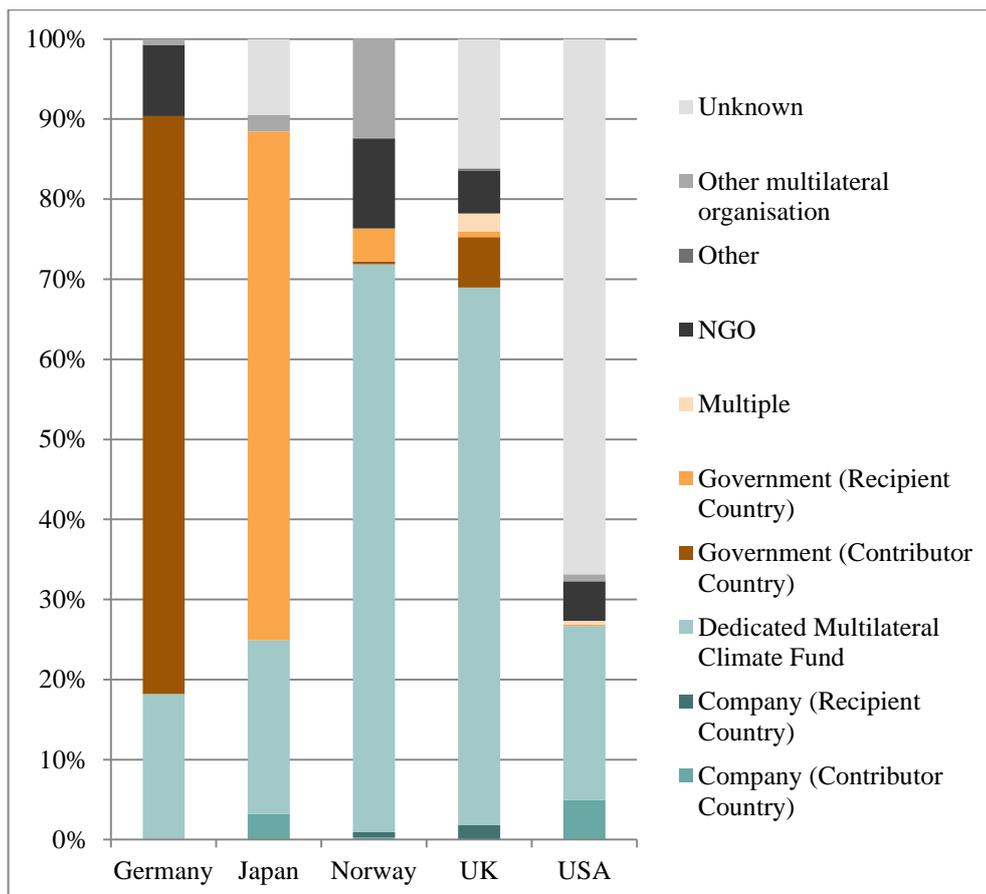
The recipient institutions of bilateral REDD+ finance illustrate the different ways in which donor countries programme their finance (Figure 5). The top five contributor countries channelled 13% of their REDD+ FSF through their own government agencies or embassies. Germany in particular has favoured this approach with 72% of its REDD+ FSF directed through their international technical assistance agency, GIZ and, development bank KfW. These agencies then work closely with recipient country partners, particularly national governments, to deliver technical assistance and projects. In this way Germany’s development cooperation approach has been

relatively ‘hands-on’. Norway on the other hand has experimented with diverse modalities for delivery; channelling finance through a mixture of national and international institutions. For example, in the case of the Norwegian contribution to the Amazon Fund in Brazil, the funding flows through BNDES. In Guyana, the World Bank administers the GRIF. In Indonesia, finance has been directed through a Presidential Task Force on REDD+, which has now been institutionalised as a new governmental agency. This modality reflects the political function of the Norwegian commitment of finance to Indonesia, which has served to raise the political profile of the REDD+ agenda within the country.

National governments of tropical forest countries have only received a small proportion (8%) of REDD+ FSF from the top five contributors. The exception is Japan which has channelled around 64% of its REDD+ FSF to recipient country national governments through the Forest Preservation Programme.

Another 8% of REDD+ FSF was directed to NGOs, with Norway providing more than half of this finance through a dedicated program to support civil society engagement in REDD+ effort, and to provide accountability for the wider programs it funds.

Figure 4: Percentage of donor finance to recipient institution types

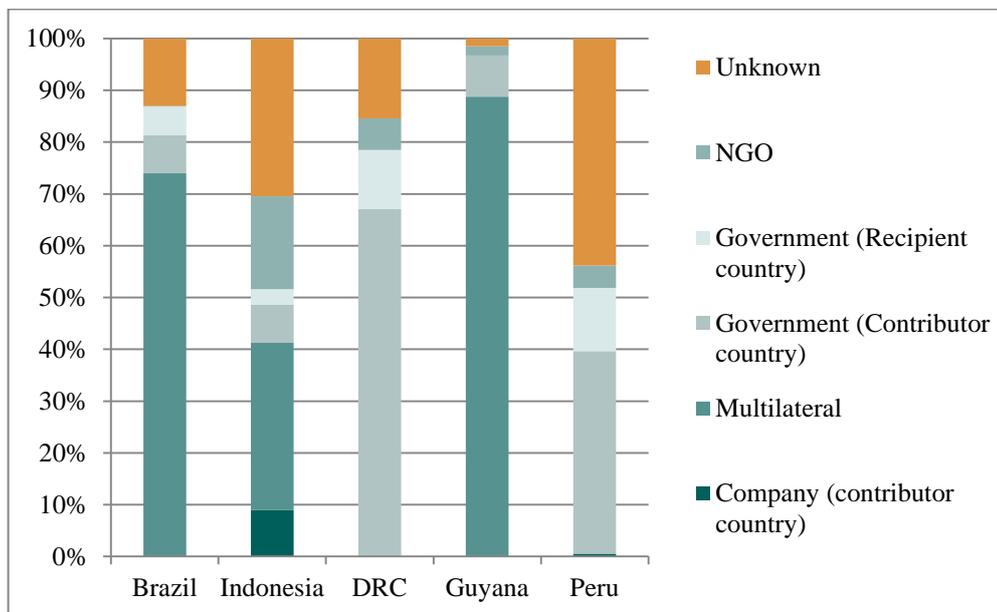


In part, the choice of recipient institution is likely to reflect perceptions of the respective strengths of institutions in recipient countries. The offer of results-based payments at a sufficient scale can provide a strong incentive to change practices

and access the finance held by a third intermediary. Recipient countries therefore have very different experiences in the way that they receive REDD+ finance. The breakdown of recipients for the largest five REDD+ recipient countries (figure 5) highlights that Brazil and Guyana receive more than 70% of REDD+ finance through multilateral funds. In contrast, in the Democratic Republic of Congo, the majority of FSF for REDD+ has been directed to government agencies or embassies to implement REDD+ activities in-country⁶. More than 45% of recipients of REDD+ finance directed to Peru were unknown.

This highlights that information on recipient institutions can be difficult to access. For example, the US has counted a large number of USAID managed development assistance programs focused on biodiversity and land use with possible REDD+ linkages as FSF. Official US FSF reports, however, did not provide significant detail on the recipients of these programs. In addition, information on any additional in-country recipients sub-contracted to implement REDD+ programs has been challenging to access and track.

Figure 5: Percentage of finance to top five recipient countries by recipient institution types



⁶ Funding committed by the UK, Norway and Canada through the Congo Basin Forest Fund was outside the FSF period and is therefore not captured as part of this study.

3 Key developments on REDD+ during FSF

The Copenhagen Summit, where the FSF commitments were made, introduced a strong likelihood of more decentralised and ‘bottom up’ approaches to international climate policy. The Copenhagen Accord language on FSF recognises the importance of funding for activities that will reduce emissions from deforestation and degradation, but did not specify how much funding should be directed to such programming. These shifts, alongside the collapse of carbon prices in major existing carbon markets such as the EU, has reduced conviction that market based mechanisms will generate substantial funding from the private sector for REDD+ activity. While UNFCCC Parties have since adopted a REDD+ mechanism at COP 19 in 2013 that could be funded by a variety of sources, the question of how REDD+ will actually be financed remains unanswered.

REDD+ finance accounted for only 10% of FSF as a whole. This is a relatively small share of overall climate finance. But some countries made major commitments: for example, Norway dedicated nearly 50% of its FSF to REDD+ activities. The small share (2%) of REDD+ finance in Japan’s contribution has substantially lowered the average given it was the single largest contributor of FSF.

Our analysis suggests that a significant volume of the bilateral finance that has been counted as support for REDD+, includes longstanding programs to support forest conservation and biodiversity, and sustainable land management. A climate change dimension has usefully been incorporated into some of these programs as result of global attention to REDD+. Arguably some of these programs have taken on new life and relevance by grappling with climate issues. However, this does raise questions about whether some of this finance is new and additional. These are issues of practical relevance given that REDD+ was conceived as a way to create new financial and economic signals of the value of forest, and pilot new approaches to delivery. Yet at the same time, the FSF period also resulted in major new commitments to important new programs, such as in Indonesia which has unlocked political support for new programs on REDD+.

In addition, countries have made efforts to signal their continued support for REDD+ programs. Supportive forums, including the meetings of the REDD+ Partnership, and strategic convening by the Prince’s Rainforest Program in the UK; have helped maintain political attention to continued support. For example, in 2012 and 2013, Germany, the UK, the US and Norway issued joint statements affirming their continued commitment to supporting REDD+ activities. They have continued to invest in preparatory and technical work. Norway and the UK together commissioned a joint report on options to tackle the drivers of deforestation and degradation (Kissinger et al 2012). In 2013, Norway, the UK and the US also made contributions to a new Biocarbon Fund Initiative for Sustainable Landscapes

managed by the World Bank and seeking to take integrated approaches to target drivers of deforestation in forest frontiers (with a focus on agriculture)⁷.

These developments reflect the recognition that a narrow focus on climate without taking wider development and growth considerations into account could have perverse and damaging outcomes. Efforts are being made to expressly link REDD+ to sustainable development and green growth opportunities.

Ultimately, however, while the new commitments and progress made during the FSF period are important and significant, financial support for new REDD+ programs appears to have been relatively modest. While Norway has entered into multi-year agreements to provide larger scale support to key countries on the basis of demonstrated results, few other countries made such commitments. In 2012, Germany launched its ‘REDD+ early movers programme’ to support countries that have already taken independent action towards reducing deforestation by closing the interim REDD+ finance gap, although the overall value is only \$61 million.

The outlook for REDD+ finance, as for climate finance as a whole, is uncertain. 2014 will be a critical year to strengthen contributor country commitment to continued delivery of climate finance, and REDD+ as a crucial element of global efforts to reduce emissions and achieve climate compatible development.

⁷ For more detail, see <https://www.gov.uk/government/news/norway-uk-and-usa-come-together-to-pledge-approximately-280-million-to-sustain-the-worlds-forests>

References

- Guimaraes, L., Lehmann, A., O'Sullivan, R. (2011). *Towards Building a Governance Framework for REDD+ Financing: Sources, Flows and Management/Governance of REDD+ financing*. A consultation workshop report by Climate Change Commission, supported by the Swiss Confederation. Available at: <http://www.cmia.net/Portals/0/Repository/litrev20111002.904be597-0fa4-4d45-b9fa-448f98f1e149.pdf>
- FAO. (2011). *State of the world's forests 2011*. FAO, Rome.
- Forum for the Future. (2009). *Forest Investment Review*.
- Fransen, T., Nakhouda, S. and Stasio, K., (2012). *The U.S. Fast-Start Finance Contribution. Working Paper*. World Resources Institute, Washington DC, and Overseas Development Institute, London. Available at: <http://www.wri.org/publication/ocn-us-fast-start-finance>
- Grüning, C and Shuford, L., (2012). *National Climate Finance Institutions Support Programme Case Study: Guyana REDD-PLUS Investment Fund (GRIF)*. Frankfurt School UNEP Collaborating Centre for Climate and Sustainable Energy Finance.
- Harboe, H., (2012). *Norway's fast start finance 2011*. Norwegian Ministry of the Environment. Available at: http://unfccc.int/files/adaptation/application/pdf/norway_fast_start_finance_2011_en_delig.pdf
- Kissinger, G., Herold, M. and De Sy, V., (2012). *Drivers of Deforestation and Forest Degradation: A Synthesis Report for REDD+ Policymakers*. Lexeme Consulting, Vancouver Canada
- Kuramochi, T., Shimizu, N., Nakhouda, S. and Fransen, T. (2012). *The Japanese Fast- Start Finance Contribution. Working Paper*. World Resources Institute, Washington DC, and Overseas Development Institute, London. [online] Available at: <http://www.wri.org/publication/ocn-jp-fast-start-finance> [Accessed...]
- PwC (2011). *Funding for Forests: UK Government support for REDD+*. Price Waterhouse Cooper, Climate Focus, Winrock and IUCN. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48074/1832-funding-for-forests-uk-government-support-for-red.pdf
- Streck, C., Porrua, M. E., Bracer, C., and Coren, M. (2010). *Options for Managing Financial Flows from REDD+*. Climate Focus, Washington DC, 2010. Available at: http://www.climatefocus.com/documents/files/options_for_managing_financial_flow_s_from_redd.pdf
- Streck, C., and Costenbader, J. (2012). *Standards for Results-Based REDD+ Finance: Overview and Design Parameters*. Climate Focus. Available at: http://www.climatefocus.com/documents/files/standards_for_resultsbased_redd_finance.pdf
- Watson, C. and Nakhouda, S. (2012). *Financing Readiness: Insights from the Amazon Fund and Congo Basin Forest Fund's efforts to reduce emissions from deforestation and degradation*. ODI, London, UK. [link?]
- Watson, C., Nakhouda, S. and Caravani, A. (2012). *The practical challenges of monitoring climate finance: insights from Climate Funds Update*. ODI, London, UK. Available

at: <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7665.pdf>

WRI, CAIT 2.0. 2014. Climate Analysis Indicators Tool: WRI's Climate Data Explorer. Washington, DC: World Resources Institute. [online] Available at: <http://cait2.wri.org>. [Accessed 31st March 2013]

Annex I: Correlations between REDD+ finance and emissions from land use change

Figure A1: Correlation between REDD+ finance and national land use change emissions

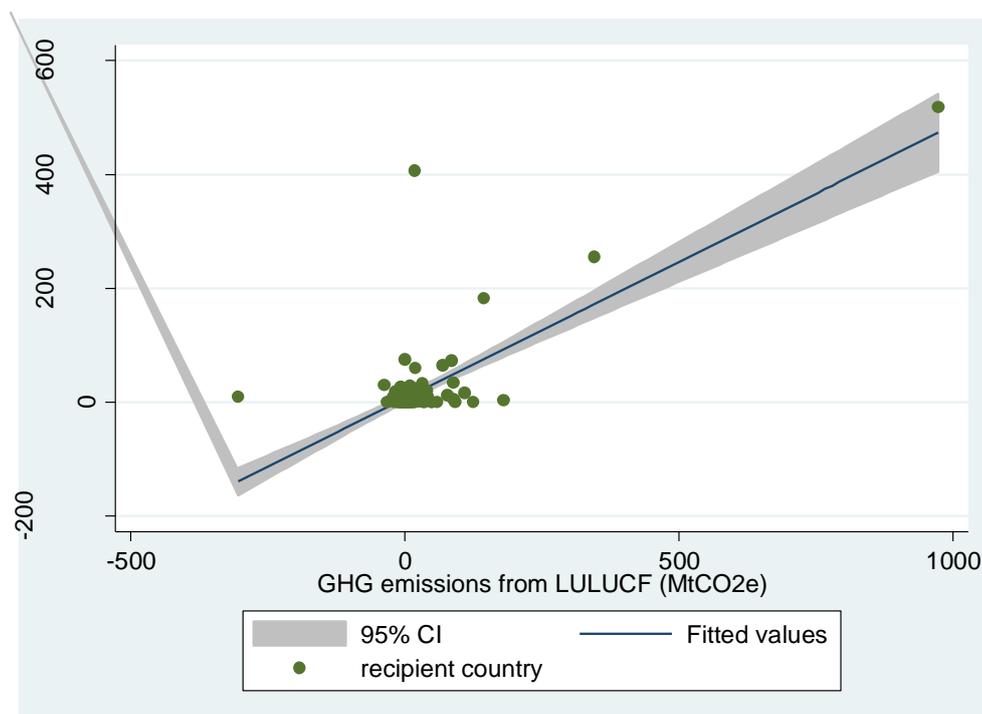


Figure A1 depicts the correlation between REDD+ finance received by individual countries, and the amount of emissions generated through land use, land use change and forests (LULUCF). The Y-axis is US\$ million received by each country, and the X-axis the emissions as stated by (WRI, CAIT 2.0 2014).

The figure shows that there is no linear correlation between finance received by developing countries and GHG emissions. It is primarily interesting to highlight the cases of countries that are not producing emissions and still receiving finance and those that receive no finance despite high levels of emissions.

The full data set is shown below in Table A1

Table A1: List of FSF REDD+ finance received and emissions from Land Use Change by country

Country	FSF REDD+ finance US\$ million	Emissions from LULUCF mtCO ₂
Albania	5	0.33
Angola	0.45	34.32
Argentina	0.01	91.44
Armenia	0.07	0.74
Azerbaijan	20.19	0
Bangladesh	0.27	0.52
Brazil	518.05	973.58
Bolivia	5.66	87.97
Burkina Faso	26.34	11.44
Cambodia	23.42	21.49
Cameroon	16.48	108.9
Central African Republic	23.12	13.97
China	9.5	-304.01
Colombia	21.02	41.48
Congo, Dem. Rep.	182.76	145.01
Congo, Rep.	12.43	6.73
Costa Rica	27.07	-7.61
Cote d'Ivoire	19.47	0.26
Ecuador	73.65	85.64
El Salvador	0.69	1.46
Equatorial Guinea	1.22	5.41
Ethiopia	28.67	9.29
Gabon	20.68	0
Georgia	1.47	0.8
Ghana	33.41	32.58
Guatemala	7.95	15.87
Guyana	75.42	0
Haiti	1.89	0.16
Honduras	2	28.16
India	8.28	-21.8
Indonesia	255.2	346.61
Iran	1.96	0
Kenya	14.31	5.53
Kosovo	1.13	
Lao PDR	59.32	19.5
Lebanon	0.32	-0.01
Liberia	20.86	14.85

Madagascar	1.34	27.17
Malawi	21.49	5.32
Malaysia	0.24	49.97
Mexico	407	18.21
Micronesia, Fed. Sts.	4.71	
Mozambique	11.56	33.33
Myanmar	0.04	59.03
Nepal	22.39	0
Nicaragua	1.21	28.75
Nigeria	3.03	180.22
Panama	9.14	4.89
Papua New Guinea	10.45	41.71
Paraguay	12.19	77.41
Peru	64.49	69.3
Philippines	18.8	-17.48
Rwanda	14.33	-3.34
Samoa	2.61	0
Senegal	1.5	5.87
Solomon Islands	0.36	1.68
Sri Lanka	2.63	1.77
Sudan/South Sudan	2.49	3.97
Tajikistan	0.19	0
Tanzania	33.95	88.75
Thailand	10.93	-2.5
Timor-Leste	1.74	
Togo	0.11	8.49
Tunisia	1.2	-2.16
Turkmenistan	1.17	0
Uganda	6.49	11.64
Unknown	10.42	
Vanuatu	0.69	0
Vietnam	29.68	-38.02
Zambia	14.96	29.93



ODI is the UK's leading independent think tank on international development and humanitarian issues.

Our mission is to inspire and inform policy and practice which lead to the reduction of poverty, the alleviation of suffering and the achievement of sustainable livelihoods.

We do this by locking together high-quality applied research, practical policy advice and policy-focused dissemination and debate.

We work with partners in the public and private sectors, in both developing and developed countries.

Readers are encouraged to reproduce material from ODI Working Papers for their own publications, as long as they are not being sold commercially. As copyright holder, ODI requests due acknowledgement and a copy of the publication. For online use, we ask readers to link to the original resource on the ODI website. The views presented in this paper are those of the author(s) and do not necessarily represent the views of ODI.

© Overseas Development Institute 2014. This work is licensed under a Creative Commons Attribution-Non Commercial Licence (CC BY-NC 3.0).

ISSN (online): 1759-2917

ISSN (print): 1759-2909

Overseas Development Institute
203 Blackfriars Road
London SE1 8NJ
Tel +44 (0)20 7922 0300
Fax +44 (0)20 7922 0399