

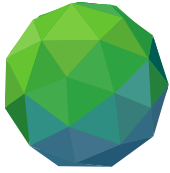
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# State of play: REDD+ results-based payments in Green Climate Fund

**Juan Chang**

Senior Forest and Land Use Specialist

Washington D.C. | March 2017



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# Key milestones

Oct.  
2016

- Board decision on RBP (B.14/03)

Dec.  
2016

- Two REDD+ Champions selected to support consultations: Canada & DRC

Feb-  
March  
2017

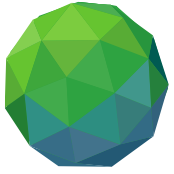
- Consultation: Call for inputs issued for the Board and stakeholders

April  
2017

- Consultation: Technical expert workshop in Indonesia

July  
2017

- RFP for RBP presented to the Board at B.17



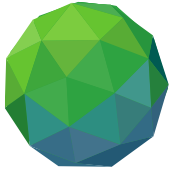
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# Board Mandate

*"Requests the Secretariat to develop **a request for proposals** for REDD+ results-based payments, including guidance consistent with the Warsaw Framework for REDD+ decisions under the UNFCCC..."*

Decision B.14/03

**A request for proposals for REDD+ results-based payments by B.17 (July 2017)**



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# Elements for RFP RBP

UNFCCC requirements

National strategy

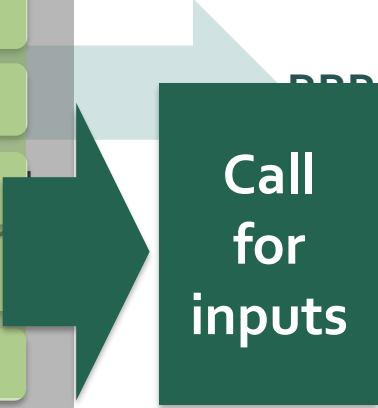
FREL/FRL

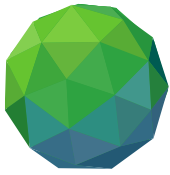
NFMS

SIS

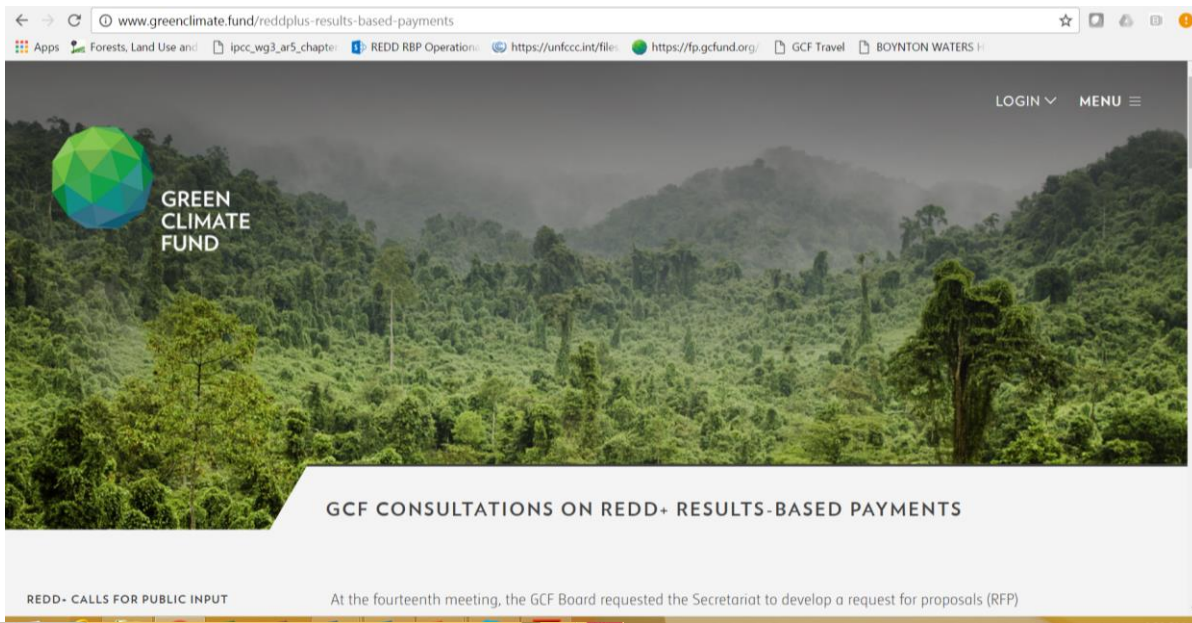
## Elements for consideration

- Access modality **Procedural elements**
- Financial valuation of results **elements**
- Size of the RFP
- Risk of double financing
- Use of proceeds
- Ownership, legal title & implications for NDCs
- Eligibility date for payments and length of the RFP
- Scale of implementation **Technical elements**
- FREL/FRL and MRV **elements**
- Operationalization of the Cancun REDD+ safeguards





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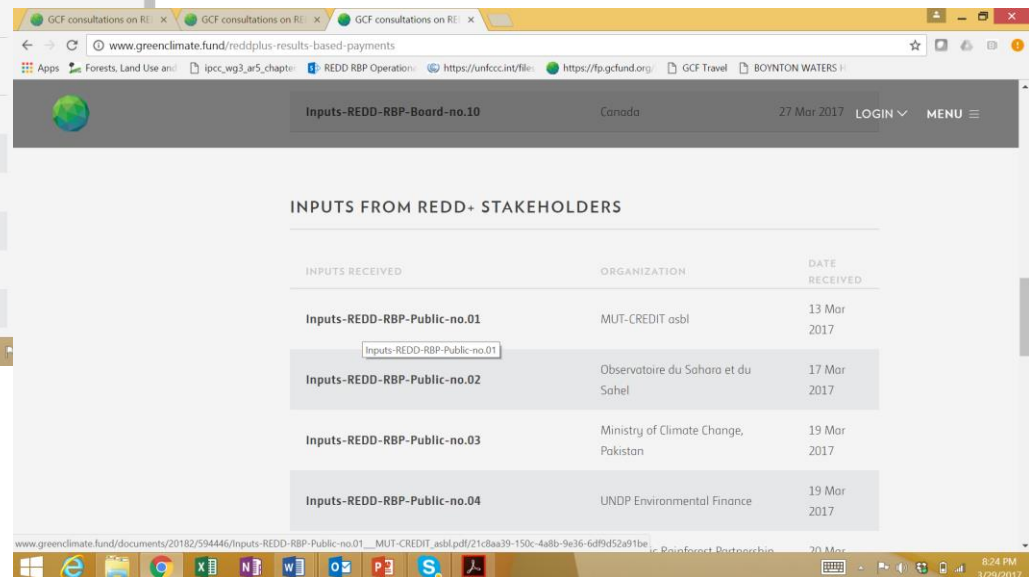
REDD+ CALLS FOR PUBLIC INPUT

At the fourteenth meeting, the GCF Board requested the Secretariat to develop a request for proposals (RFP)

10 submission from the Board

INPUTS FROM THE BOARD

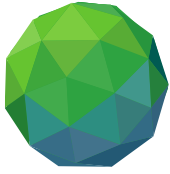
INPUTS RECEIVED	COUNTRY/CONSTITUENCY	DATE RECEIVED
Inputs-REDD-RBP-Board-no.01	Spain	13 Mar 2017
Inputs-REDD-RBP-Board-no.02	Belgium	20 Mar 2017
Inputs-REDD-RBP-Board-no.03	New Zealand	22 Mar 2017
Inputs-REDD-RBP-Board-no.04	Australia	20 Mar 2017
Inputs-REDD-RBP-Board-no.05	Chile	21 Mar 2017
Inputs-REDD-RBP-Board-no.06	Denmark	21 Mar 2017



INPUTS FROM REDD+ STAKEHOLDERS

INPUTS RECEIVED	ORGANIZATION	DATE RECEIVED
Inputs-REDD-RBP-Public-no.01	MUT-CREDIT osbi	13 Mar 2017
Inputs-REDD-RBP-Public-no.02	Observatoire du Sahara et du Sahel	17 Mar 2017
Inputs-REDD-RBP-Public-no.03	Ministry of Climate Change, Pakistan	19 Mar 2017
Inputs-REDD-RBP-Public-no.04	UNDP Environmental Finance	19 Mar 2017

16 submission from Public



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# Procedural element 1: Access modality

## Issue:

- Guidance needed as to how RBP will be channelled
- The role of GCF accredited entities, NDAs, REDD+ focal points and other entities need to be defined

## Summary of inputs received:

- Follow existing GCF policies and modalities
- Open for other options (e.g. national focal points, potential AEs) in consideration of transaction costs
- Role of NDAs as it is



# Procedural element 2: Financial valuation of results

## Issue:

- Guidance needed to determine payment per tCO<sub>2</sub>eq

## Summary of inputs received:

- Diverging views, evenly supporting both fixed and variable payments
- Minimum price should be guaranteed
- Uncertainty should be taken into account



## Procedural element 3: Size of the RFP

### Issue:

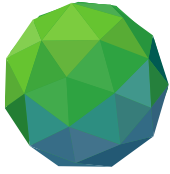
- Total size of the RFP needs to be determined by the Board

### Summary of inputs received:

The size can be set considering:

- Mitigation potential of the sector
- Total volume of funding available for mitigation
- REDD+ funds already provided for REDD+ phases 2 and 3
- Demand
- Others





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## Procedural element 4: Double financing

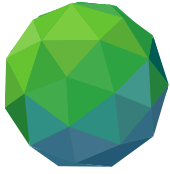
### **Issue:**

How to address risk of double financing

- with other funding sources
- with GCF ex-ante financing

### **Summary of inputs received:**

- Difference between phases 1&2 and phase 3
- Need to clearly identify sources of financing
- It depends on the type of financial instrument
- Diverging view on establishing GCF's own registry vs. using existing national registries or information hub



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## Procedural element 5: Use of proceeds

### **Issue:**

- Guidance needed as to setting any conditions on the use of GCF RBPs

### **Summary of inputs received:**

- No conditions: Respecting national sovereignty
- RBP should be reinvested in REDD+
- Follow safeguards
- Benefit-sharing plan needed



## Procedural element 6: Ownership, legal title & implications for NDCs

### Issue:

- Clarity needed on status of emission reduction paid with GCF funds

### Summary of inputs received:

- No transfer and should be considered as countries' national results for NDCs
- Preserve option until there is future carbon market
- Transfer and retire



# Procedural element 7: Eligibility date and length

## Issue:

- Guidance needed in setting the eligibility date for results
- Overall length of the RFP to be defined

## Summary of inputs received:

- After national REDD+ strategy is adopted
- After proposal is approved by GCF Board (i.e. additionality)
- Case-by-case (i.e. no common starting period)
- Others



# Technical element 1: Scale of implementation

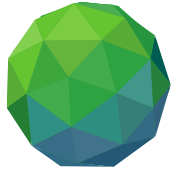
## Issue:

- Guidance needed in determining scale (national, sub-national)
- How to consider REDD+ initiatives at different scales

## Summary of inputs received:

Balanced view:

- Solely national or
- Sub-national and project level with clear progression schedule towards national



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## Technical element 2: FREL/FRL

### **Issue:**

- Various baselines, reference and accounting periods
- How to take countries' national circumstances

### **Summary of inputs received:**

- No new requirement; respect results of technical assessment
- Strict validation & verification, incl. third party independent assessment
- Develop GCF's own criteria for assessment



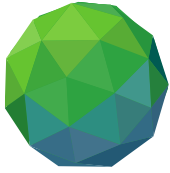
# Technical element 3: Operationalization of Cancun Safeguards

## **Issue:**

- How to reconcile Cancun safeguards and GCF interim ESS safeguards
- Whether additional guidance is needed

## **Summary of inputs received:**

- Develop indicators for review
- Additional guidance for indicators needed
- Standardize requirements (considering both Cancun and IFC)



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## Side Event on Financing REDD+

March 30<sup>th</sup> 2017

The Kimpton-Donovan Hotel

1155 14<sup>th</sup> Street, NW Washington, DC

**Session 1: 9:30 – 12:00pm**

***Financing REDD+ in the Green Climate Fund: Focus on REDD+ Results-based Payments (RBP)***

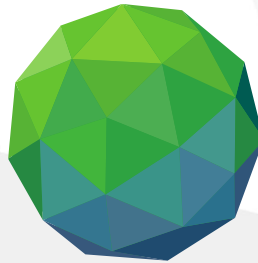
**Session 2: 1:30- 2:30pm**

***Strategic approaches in financing REDD+***

**Session 3: 2:30 – 3:00pm**

***Improving coordination in financing REDD+***





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