Discussion on REDD+ financing
EVOLUTION OF THE WORLD BANK’S WORK IN NATURAL CLIMATE SOLUTIONS

Increased...
• Scale
• Private carbon finance
• Co-benefit monetization
The Scaling Climate Action by Lowering Emissions (SCALE) is a new Umbrella Trust Fund that will consolidate all the Bank’s Results-Based Climate Finance (RBCF) work.

SCALE provides climate finance at scale – $40 - $60 million per project – paid out during project operation to reward generation of verified emissions reductions.

SCALE can support WBG projects in three sector pillars: (i) natural climate solutions, (ii) sustainable infrastructure, and (iii) green fiscal and financial sector actions.

SCALE operations will incorporate the outcomes of the Paris Agreement and the Glasgow Climate Pact.

SCALE can provide a price floor for WB client countries, allowing them to sell at a higher price if there is an opportunity.

SCALE-supported projects create Emission Reduction Credits (ERCs) to help meet increased ambition in NDCs and participate in voluntary and compliance offset markets.
HOW SCALE CAN SUPPORT COUNTRIES IN USING CLIMATE AND/OR CARBON FINANCE

**Project Preparation**

- Pipeline development based on **upstream Technical Assistance**
- **SCALE**
  - Technical Assistance
  - Broad capacity built upstream in client countries helps to create inclusive institutional frameworks

**Project Implementation**

- Conventional Climate Finance with GHG attribution
- **Results-based climate finance with Access to Carbon Markets**

**Climate co-financing** from GCF, CIF and others

- IDA/IBRD
  - Private Finance Others

**Project Financing at Board Approval**

- **SCALE**
  - Provider of RBCF pays for verified outcome or Emission Reduction Credits

**WORLD BANK GROUP**

Climate Change
A DEMAND-DRIVEN APPROACH GIVES CLIENT COUNTRIES FLEXIBILITY

<table>
<thead>
<tr>
<th>Investment finance</th>
<th>Standard setting</th>
<th>Technical assistance</th>
<th>Result-based climate finance</th>
<th>Markets available for excess credits</th>
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SCALE METHODOLOGICAL PRINCIPLES UNDERPIN VERSITALITY FOR CLIENT

Overarching SCALE Methodological Framework (MF)

Pillar 1
- Standards that meet the SCALE MF
  - FCPF Standard 2.0
  - ART / TREES
  - BioCF ISFL Standard 2.0

- VCS

- REDD+ programs
  - CSA
  - Blue carbon programs
  - Agri., Forest & land use programs

Pillar 2
- Standards that meet the CERF MF
  - ...
  - ...
  - ...

- VCS

- ...
REDD+ FINANCE

OPEN

$10/ton
Market / Non-market

The LEAF Coalition

CORSIA

CO₂
Voluntary markets

Voluntary Carbon Markets

REDD+ STANDARDS

$11/ton
Market

ART

Verra

$4/ton - $13/ton
Market (mostly)

ART

Verra

TBD
Market / Non-market

JCM

SCALE
Scaling Climate Action by Lowering Emissions

$X/ton?

Non-market

Non-market

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Climate Change