GCF REDD+ RESULTS-BASED PAYMENTS

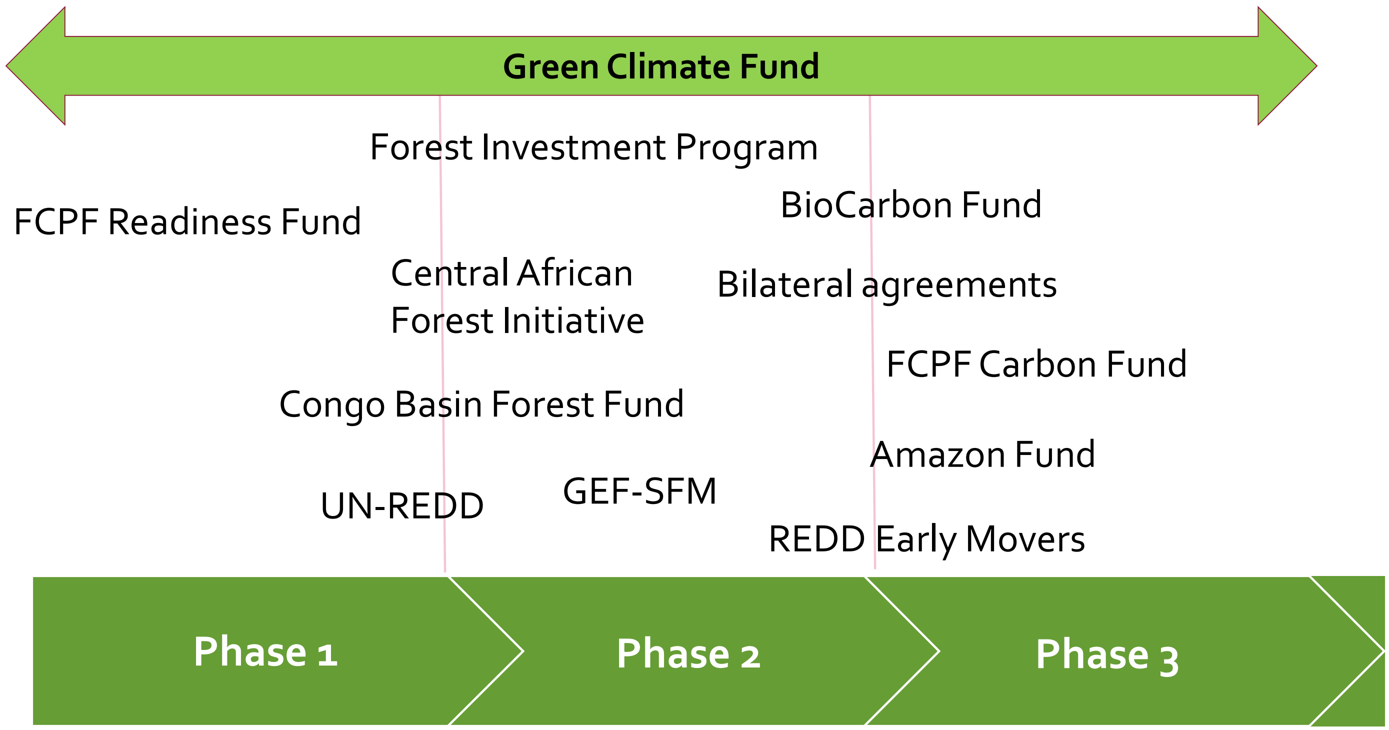
GREEN CLIMATE FUND

Maximizing Financing for Jurisdictional REDD+: Accessing Complementary Sources of Climate Finance

11th November 2020

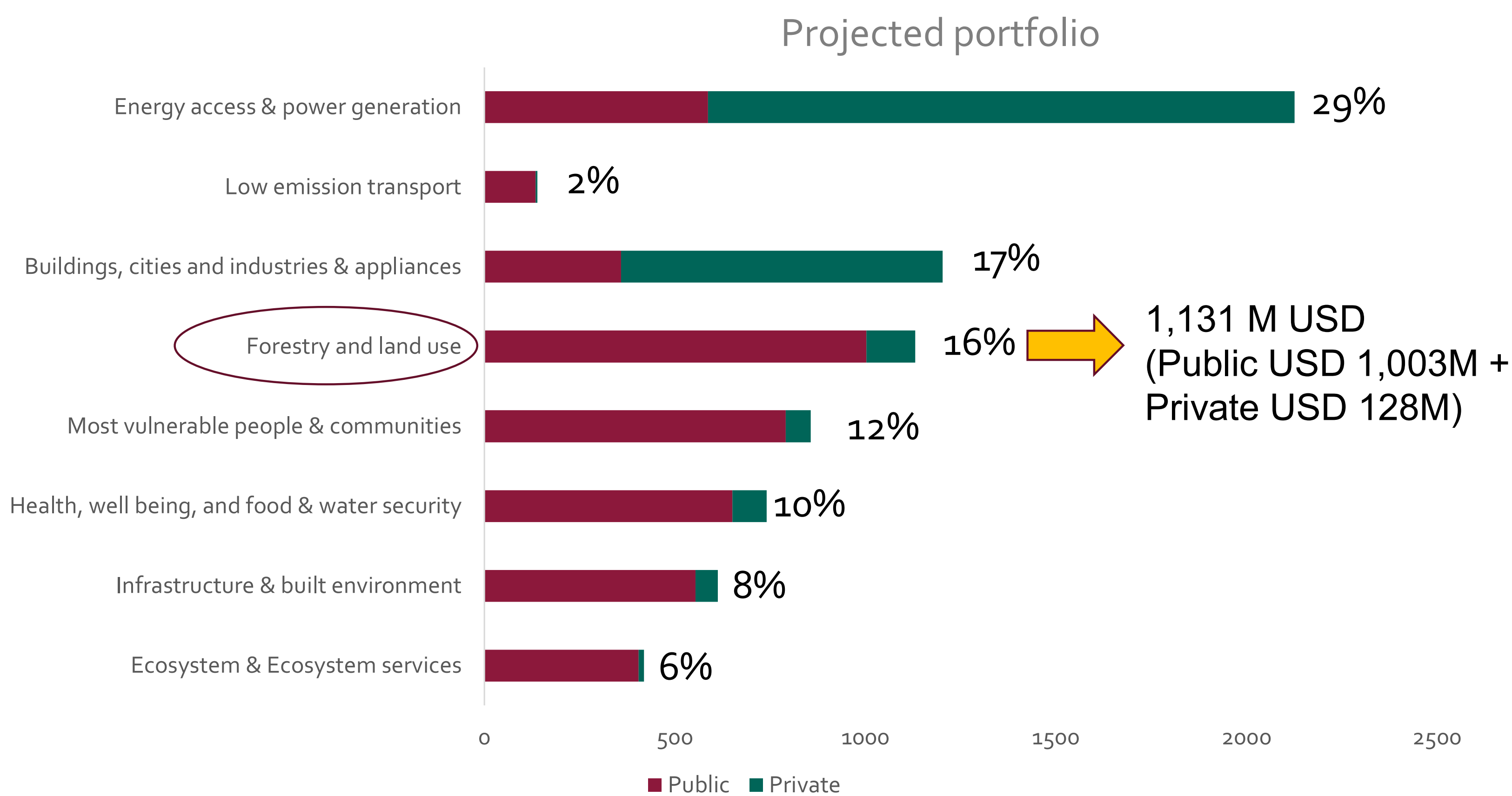
Juan Chang
Principal Forest and Land Use Specialist

GCF IN INTERNATIONAL REDD+ FINANCE



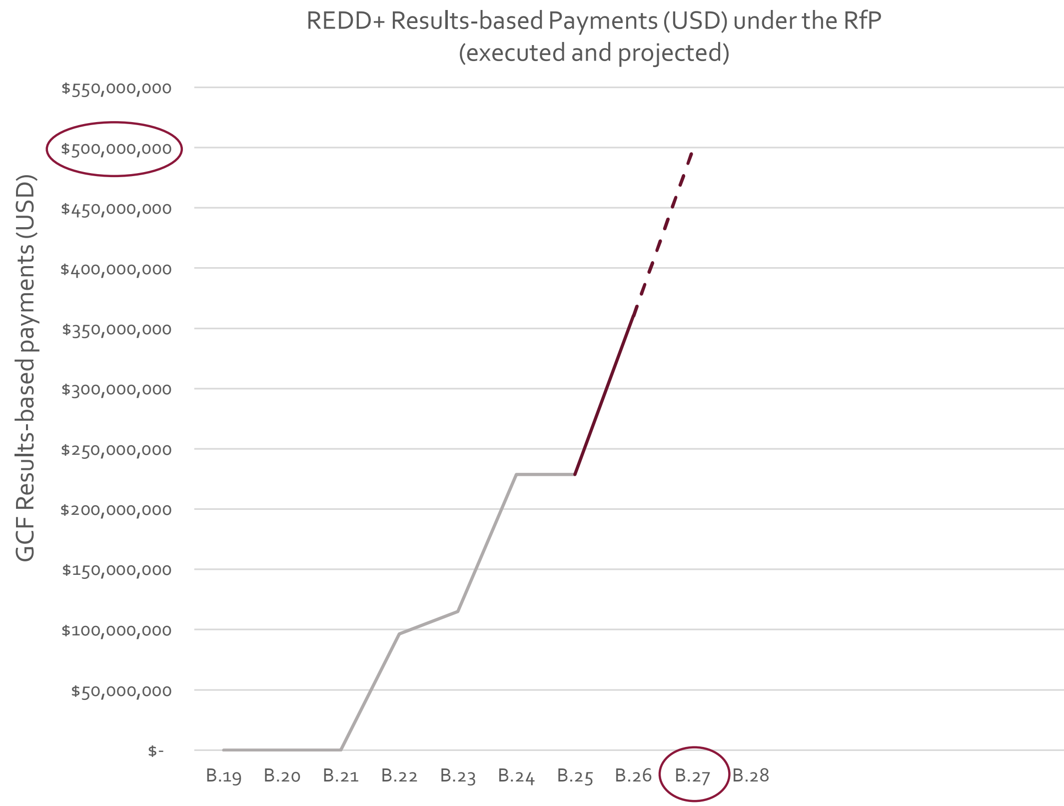
GCF supports all phases of REDD+

INVESTMENTS BY THE FUND'S RESULTS AREAS

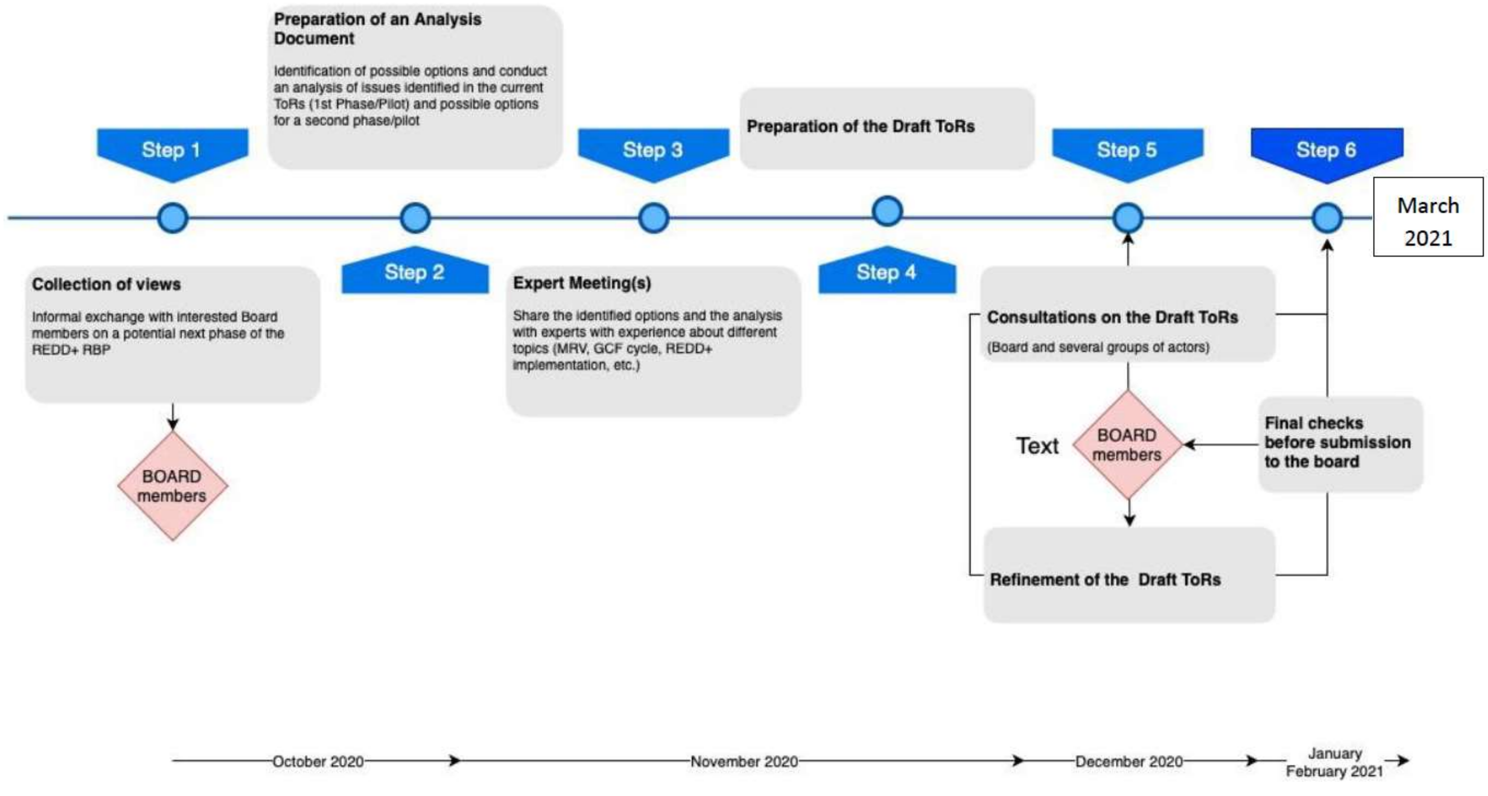


POST-B.27 PORTFOLIO SCENARIO
GCF REDD+ RBP PILOT PROGRAMME

Approved Projects	REDD+ RBPs (USD)
Brazil (FP100)	96.5 M USD (18.8 M tCO_2eq)
Ecuador (FP110)	18.6 M USD (3.6 M tCO_2eq)
Chile (FP120)	63.6 M USD (12.4 M tCO_2eq)
Paraguay (FP121)	50 M USD (9.8 M tCO_2eq)
Colombia (FP134)	28.2 M USD (6.95 M tCO_2eq)
Indonesia (FP130)	103.8 M USD (20.3 M tCO_2eq)
Argentina (FP142)	82 M USD (18.8 M tCO_2eq)
Costa Rica (FP144)	54.1 M USD (10.6 M tCO_2eq)
Total (USD)	**USD 497 M** **101 M tCO_2eq**



GCF REDD+ RBP REVIEW AND ANALYSIS PROCESS (ROADMAP INVITING BOARD MEMBERS)



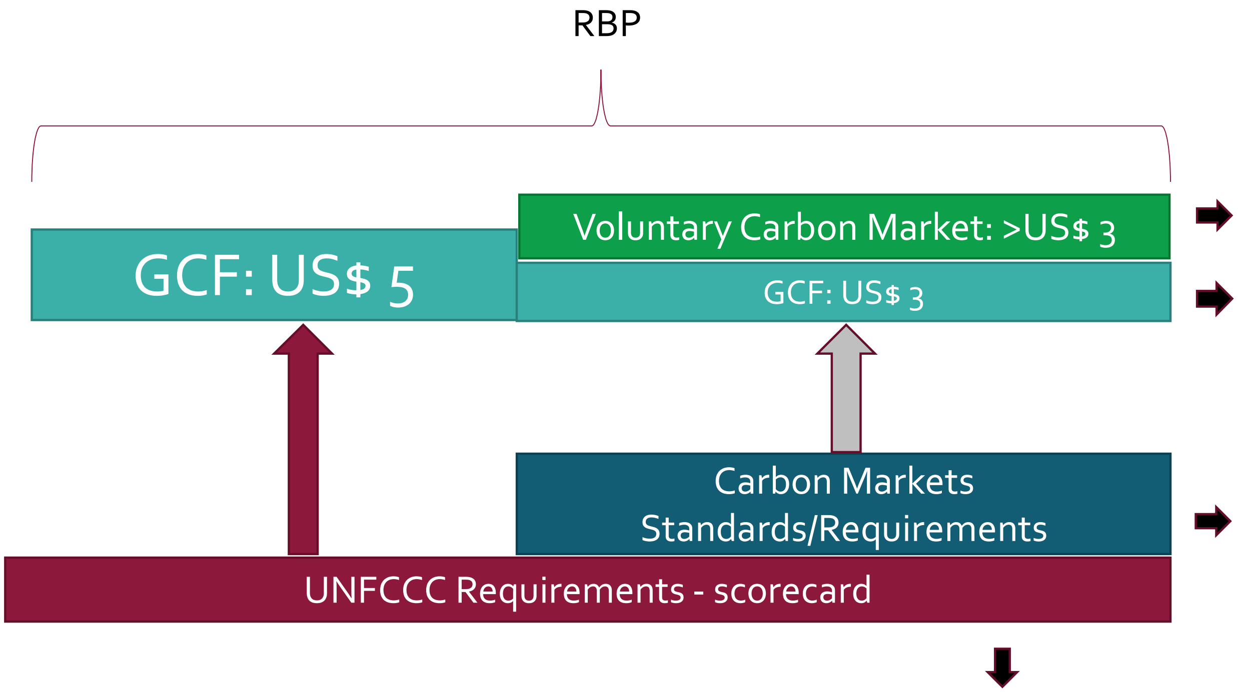
Early draft ideas

GCF REDD+ RBP 2

Current TOR with adjustments Period of results	Improved TOR Period of results Dec 2018 – Dec 2023	New TOR for private sector Period of results Dec 2018 – Dec 2023
- Same rules, procedures and GCF tools or minimum changes - Priority to new countries in other regions (Asia, Africa)	- Some rules and procedures will be modified - Some scorecard elements may be adjusted (e.g. definitions, uncertainties) - All countries eligible - A pipeline of proposals will be generated - Safeguards framework will need to be provided	- A floor/matching price could be offered. Upside to be shared with host country - Private sector could be asked to express demand - Voluntary participation - Accounting at jurisdictional scale at minimum - Analysis of REDD+ standards in relation to UNFCCC requirements - ERs retired in the country of origin

GREEN CLIMATE FUND

How could the private sector "window" look like?



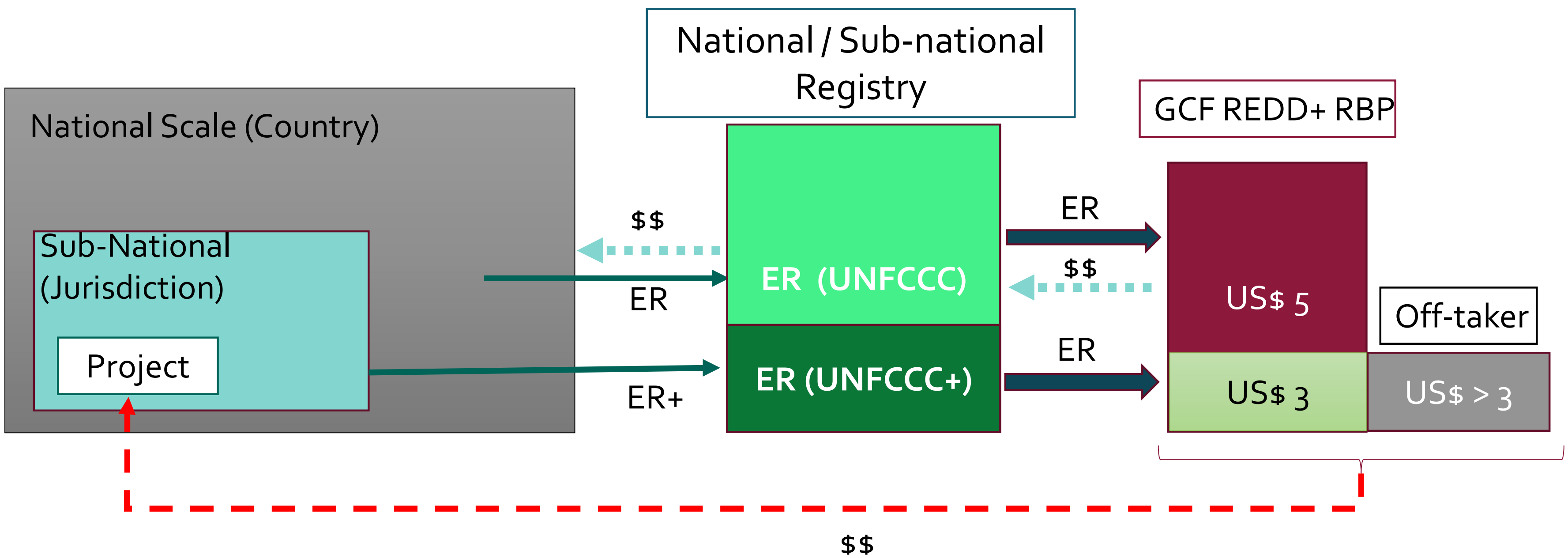
- Should there be eligibility criteria for identifying off-takers?
- How the price bidding should be? How to trigger competition to increase the amount?

- Should/could GCF provide a matching price?
- How much should it be?

- What additional Voluntary Carbon Market Standards' elements should a country develop to be able to access to the private sector window?
- What rules and procedures should be in place?

- How should/could a country integrate carbon market elements into their UNFCCC FREl/FRL and MRV?
- How to integrate lower level carbon accounting into subnational/national?
- What features should the registry system have?

CARBON ACCOUNTING AND TRANSACTIONS COULD OCCUR SEPARATELY



SOME THOUGHTS

- **The main objective is to reduce deforestation, degradation and restore forest**
- All possible sources of finance and solutions are needed to implement REDD+
- Non-market approaches must co-exist with market-based approaches
- Carbon Markets are essential to leverage private finance for REDD+
- Voluntary carbon markets can contribute to Countries' NDCs if these are retired in the country of origin (not exported and avoiding corresponding adjustment)
- Double claiming doesn't have an impact on achieving climate goals as long as there isn't double counting at government level
- Carbon accounting and commercial transactions can/should occur independently (benefit sharing options)
- "Nesting" project level interventions to national/sub national FREL/FRL may require detailed trade-off analysis.