



SCALE - SCALING CLIMATE ACTION BY LOWER EMISSIONS

Discussion on REDD+ financing

EVOLUTION OF THE WORLD BANK'S WORK IN NATURAL CLIMATE SOLUTIONS



WHAT IS SCALE?

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

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

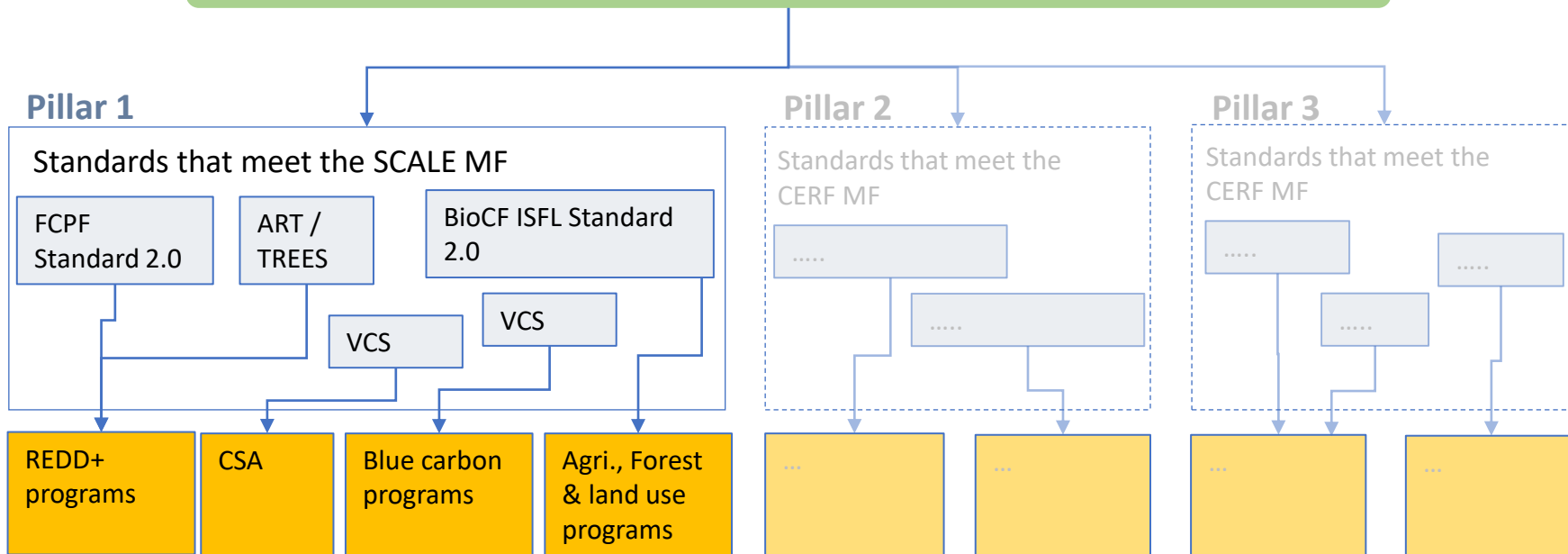
Project Financing at Board Approval

A DEMAND-DRIVEN APPROACH GIVES CLIENT COUNTRIES FLEXIBILITY

		Investment finance	Standard setting	Technical assistance	Result-based climate finance	Markets available for excess credits
		✓	✓	✓	✓	✓
			✓			✓
				✓		
					✓	✓
			✓			✓

SCALE METHODOLOGICAL PRINCIPLES UNDERPIN VERSITILITY FOR CLIENT

Overarching SCALE Methodological Framework (MF)





REDD+ FINANCE

OPEN

REDD+ STANDARDS

The LEAF Coalition
Lowering Emissions by Accelerating Forest Finance

\$10/ton
Market / Non-market



CORSIA

~\$11/ton
Market



Voluntary
markets

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



JCM

TBD

Market / Non-market



JCM

The Nature Conservancy



\$X/ton?

Non-market



CORSIA
The LEAF Coalition
Lowering Emissions by Accelerating Forest Finance



Voluntary
Carbon Markets

Market/non-market

