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## SIMPLIFIED APPROVAL PROCESS (SAP) TECHNICAL GUIDELINES

# REDD+



## BACKGROUND AND APPROACH

This guidance has been developed to support GCF accredited entities (AEs) and national designated authorities (NDAs) in their preparation of concept notes and funding proposals under the simplified approval process for REDD+ (REDD+ SAP).<sup>1</sup>

Accredited entities should develop SAP proposals in close consultation with the relevant NDA and REDD+ entity/focal point.

GCF supports countries' REDD+ efforts across the three phases of REDD+ activities.<sup>2</sup> These phases begin with the development of national strategies or action plans, policies and measures, and capacity-building measures, and are followed by the implementation of such national policies and measures, and strategies or action plans. This implementation could involve further capacity-building, technology transfer and results-based demonstration activities, and could evolve into results-based actions that if arising should be fully measured, reported and verified. All these interventions can be supported through GCF's various funding modalities and the REDD+ results-based payments (RBPs) pilot programme.

SAP can be an instrumental tool and enabler to advance countries' national processes towards the fulfillment of REDD+ implementation and accessing REDD+ RBPs.<sup>3</sup> In effect, this means supporting countries to reach compliance with the requirements of the United Nations Framework Convention on Climate Change (UNFCCC),<sup>4</sup> including the Warsaw Framework<sup>5</sup> for REDD+, and to implement concrete actions on the ground so as to be eligible to receive payments when REDD+ results are achieved. Through the REDD+ SAP funding modality, GCF expects that countries will make progress in complying with UNFCCC requirements and implementing demonstration activities, and will be able to access REDD+ RBPs from GCF or other sources of funding.

SAP provides opportunities for countries to scale up their REDD+ efforts at minimal or non-existent environmental and social risks. Countries are encouraged to take a wider

1. See: <[www.greenclimate.fund/how-we-work/sap/news](http://www.greenclimate.fund/how-we-work/sap/news)>.

2. For details regarding GCF support for early phases of REDD+, see: <[www.greenclimate.fund/documents/20182/751020/GCF\\_B.17\\_16\\_-\\_Green\\_Climate\\_Fund\\_support\\_for\\_the\\_early\\_phases\\_of\\_REDD\\_plus.pdf/574e7c22-df75-42f9-811d-98432a2f3bco](http://www.greenclimate.fund/documents/20182/751020/GCF_B.17_16_-_Green_Climate_Fund_support_for_the_early_phases_of_REDD_plus.pdf/574e7c22-df75-42f9-811d-98432a2f3bco)>.

3. Available at <[www.greenclimate.fund/how-we-work/redd](http://www.greenclimate.fund/how-we-work/redd)>.

4. Available at <<https://redd.unfccc.int/fact-sheets/redd-mrv-and-results-based-payments.html>>.

5. Available at <<https://redd.unfccc.int/fact-sheets/warsaw-framework-for-redd.html>>.

landscape approach undertaking multiple uses of land in order to meet development needs and achieve climate-change goals.

In the context of REDD+, GCF finance aims to address the drivers of deforestation and forest degradation to deliver REDD+ results, widening the scope of intervention beyond the forest sector. Rather than a discrete intervention with distinct boundaries, REDD+ finance requires a change in the approach related to the role forests play in the development setting. REDD+ interventions should encourage a shift to low-emission, sustainable development pathways, with the loss of forest cover and forest carbon being slowed, halted or reversed. This requires coordination between different sectors as well as between the national and subnational scales. This redefinition of the relationship between economic growth and social and environmental health is related to the GCF objective of producing a paradigm shift. In this context, REDD+ has the potential to induce transformational change overcoming business-as-usual practices.

## DESIGN OF REDD+ SAP

REDD+ SAP offers countries the opportunity to:

- a. **Complete and/or update the UNFCCC requirements for REDD+ RBPs:** REDD+ SAP targets countries that are in the early phases of REDD+ (readiness and implementation) and which seek support to finalize the RBP eligibility requirements of the UNFCCC. It also targets those countries that have already reached those requirements but which require support to update or upscale any of them. This support should build on and complement past and current support received by various initiatives and funders. Completing previous and ongoing efforts, SAP will be able to fill the gaps and contribute to paradigm shift in the context of REDD+.
- b. **Implement REDD+ demonstration activities** that would enable the country to initiate on-the ground activities that could generate scalable REDD+ results, while complying with UNFCCC requirements until the country is eligible for RBPs from GCF and other financial sources, assuring complementary and coherence among them. SAP offers support for the implementation of demonstration activities to address the drivers of deforestation and forest degradation which also have scaling-up potential. These demonstration activities need to be innovative and to contribute to national REDD+ strategies/action plans, as well as to development priorities that are aligned with the nationally determined contributions and the national adaptation plans involving forest-related interventions.

GCF expects that as a result of the SAP project with the two types of interventions mentioned above, countries would be in a better position to seek REDD+ RBPs at national or subnational levels.

## STRUCTURE OF A REDD+ SAP PROJECT

In order to speed up a REDD+ SAP proposal, it should be structured under two fixed components:

1. **Component 1:** Compliance with UNFCCC requirements for REDD+ RBPs; and
2. **Component 2:** Innovative REDD+ demonstration activities.

Under **Component 1 (Compliance with UNFCCC requirements for REDD+ RBPs)**, countries can seek support to fulfill UNFCCC requirements and the reporting of the REDD+ results in a technical annex submitted with their biennial update report (BUR). The following elements are required to comply with UNFCCC requirements to access REDD+ result-based payments:

1. A REDD+ national strategy or action plan;
2. An assessed forest reference emission level and/or forest reference level;
3. A national forest monitoring system;

4. A system for providing information on how the safeguards are being addressed and respected; and
5. The results-based actions should be fully measured, reported and verified (MRV).

Countries need to identify their specific needs based on a sound capacity gap analysis. This can be done vis-à-vis the suggested actions included in the road-map template developed by GCF to assist countries interested in seeking GCF REDD+ results-based payments.<sup>6</sup> Examples on specific capacity-building needs for countries completing phase 1 of REDD+ are presented in Box 1.

**Box 1: Non-exhaustive list of examples of possible activities that could be considered for component 1.**

- Developing or updating the forest reference emission level/forest reference level (FREL/FRL) and the technical annex to the biennial update report;
- Establishment or enhancing robustness of the national forest monitoring system (NFMS);
- Increasing the accuracy and precision of estimates related to reduced emissions, monitoring activity data for land use and land-use change and the inclusion of soil carbon content in national accountability;
- Enhancing the interface of the Safeguards Information System platform considering a wide range of users;
- Assessing the extent to which the projects would comply with the Cancun safeguards and the GCF and accredited entities' standards;
- Operationalization of the NFMS allowing for local data collection;
- Setting up a national registry of REDD+ interventions, while increasing the articulation of REDD+ with other climate-related commitments; and
- Improving technical and institutional capacities for:
  - Monitoring and assessing forest degradation and its associated emissions;
  - Quantifying the emissions and removals associated with each of the identified drivers of deforestation and forest degradation;
  - Institutionalization of NFMS protocols; and
  - Regularly updating the SIS in full compliance with the requirements of the United Nations Framework Convention on Climate Change.

The implementation of the activities should deliver concrete outcomes, such as an approved REDD+ strategy, a Safeguards Information System in place, an operating monitoring, reporting and verification system, etc. Countries will also need to consider mechanisms by which to ensure the financial and operational sustainability of those elements included in this component after completion of the REDD+ SAP proposal.

Under component 2 (innovative REDD+ demonstration activities), the REDD+ SAP offers countries the opportunity to implement demonstration activities across the scope of the five REDD+ activities:

- |  |   |   |
|--|---|---|
| a. Reducing emissions from deforestation;      | c. Conservation of forest carbon stocks;  | e. Enhancement of forest carbon stocks. |
| b. Reducing emissions from forest degradation; | d. Sustainable management of forests; and |   |

There is full flexibility for the country to identify which type of activities should be implemented and how, depending upon its circumstances. The overall objective of this component is to accelerate innovative activities contributing to REDD+ with scaling-up and replicability potential. These demonstration activities can address different types of innovation, including financial innovation. REDD+ demonstrative, on-the-ground activities may include the following elements:

- a. Innovative ways to attract and engage private-sector investment, including development blended finance instruments and impact investing;
- b. A financial architecture to ensure sustainability for the REDD+ activities from both private and public sectors;

<sup>6</sup> Available at <[www.greenclimate.fund/documents/redd-roadmap](http://www.greenclimate.fund/documents/redd-roadmap)>.

- c. The modalities of implementation, including bundling practices under the umbrella of incubators and accelerators of small- (i.e. start-ups), medium- and large-sized ventures
- d. The practices to demonstrate and scale-up the value of forests, including techniques and methods to integrate the full range of ecosystems services and its trade-offs;
- e. Modalities to pilot benefit-sharing mechanisms for REDD+;
- f. The inclusion of technology-based solutions embedding local knowledge of REDD+;
- g. Mechanisms to decouple commodity value chains from deforestation and forest degradation; and
- h. Others identified by the country.

## Box 2: Examples of elements that could be contained in REDD+ demonstrative activities

Country "X" decides to implement a REDD+ demonstration activity at the subnational level under a jurisdictional approach. It pursues REDD+ results-based payments, while ensuring the upscaling of the demonstration activities, which could include the following elements (provided as an example only):

- A sustainable forest management intervention focusing on non-timber forest products (NTFPs) where small- and medium-sized local producers can have access to a credit package for market-oriented NTFPs and whose financial flows are aligned with the production flows and harvesting model. A private corporation related to the NTFP supply chain could ensure market participation, while local private banking agencies could also be involved in the crediting system;
- A forest restoration intervention, including agroforestry systems integrated into zero-deforestation supply chains. According to the financial structure of the intervention, returns are expected from agroforestry commodities tied to markets, while the mitigation impact through the enhancement of carbon stocks can be estimated. Due to the nature of the intervention, impacts on increasing the climate resilient of local populations and of the forest ecosystems are also expected; and
- The establishment of a platform to attract private-sector funding for the conservation of natural forests with high-carbon content and biodiversity. The platform could be designed to allow the identification of specific areas that are being protected by private-sector contributors, whom in exchange could receive a conservation certificate.

Under SAP, countries and AEs should consider that **demonstrative activities shall contain little or no environmental risks**, falling under category C or intermediation 3 of the GCF environmental and social policy and GCF environmental and social safeguards SAP guideline. The level and determination of environmental and social risks, and potential impacts may vary project by project, and AEs will be guided by the GCF Secretariat during the second-level due-diligence process. An important process for determining the level of environmental and social risks is the screening process that will accompany the proposals. In addition, even with a low level of risk, projects will need to develop and implement stakeholder engagement and establish a project-level grievance redress mechanism, consistent with the GCF environmental and social policy.

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