Call for Board inputs – REDD+ Results-Based Payments

Submission from Australia

Australia welcomes the opportunity to submit input to the development of a REDD+ Results-Based Payments (RBP) Request for Proposals (RfP) and thanks the GCF Secretariat and Board for its work to date. In addition to comments made in the template provided, Australia submits the following overarching comments.

Australia is of the strong view that an RfP for REDD+ RBP cannot effectively or efficiently be progressed in advance of, or separate to, discussion of further guidance for earlier phases of REDD+. The majority of countries are at this earlier stage of REDD+ development and the GCF has a role in providing support to these countries so they will be in a position in the future to receive RBP.

Development of both the RBP RfP and further guidance were requested by the Board in its decision B.14/03.While some complex, specific elements may need to be developed for RBP, the need for coherence across the GCF's REDD+ support framework should see the two developed in tandem. Australia does not support a process that leads to the development of one element of a broader REDD+ framework over another that would unfairly disadvantage or prioritise some recipient countries over others.

Australia also notes that the RfP under development will be time-bound and therefore will serve as a trial approach from which the GCF and other REDD+ finance mechanisms can learn and refine future practice. In Australia's view, it is important to establish a comprehensive, best-practice approach; but, we should not allow the perfect to be the enemy of the good. Timely mobilisation of RBP for REDD+ will help to incentivise action, generate lessons and knowledge, and inform the longer-term approach. Conversely, lengthy deliberations and delayed implementation for little or limited return will only serve to postpone wider implementation of results-based REDD+. For this reason, it will be important to draw from existing decisions and guidance on REDD+ from the UNFCCC and other REDD+ funding mechanisms, and to avoid revisiting technical debates on REDD+ wherever possible.

Given the REDD+ RfP will serve as a trial approach for future REDD+ mechanisms, Australia supports using it as an opportunity to test various finance approaches to implementing REDD+ in an innovative way.

Call for Board inputs
REDD+ Results-Based Payments

The GCF aims to support a paradigm shift in the global response to climate change, for which It allocates ex-ante resources to low-emission and climate-resilient projects and programmes in developing countries. RBP for REDD+ implies the allocation of ex-post resources to reward emission reductions and increased removals by forest. In the context of RBP for REDD+, the REDD+ activities will be in line with the paradigm shift that the GCF aims to support.

At the fourteenth meeting, through decision B.14/03, the Board of the Green Climate Fund (GCF) requested the Secretariat to develop "a request for proposals (RFP) for REDD+ results-based payments (RBP), including guidance consistent with the Warsaw Framework for REDD+ and other REDD+ decisions under the United Nations Framework Convention on Climate Change (UNFCCC).

While the UNFCCC guidance including the Warsaw Framework provides guiding pillars for REDD+, operationalization of REDD+ results-based payments at the GCF requires further analysis and discussion of elements related to technical and procedural aspects in the context of the governing instrument of the Fund and current procedures. These elements have been identified in section 4.1 of document GCF/B.14/03 and section 3 of document GCF/B.15/Inf.07. These elements have also been discussed in the GCF dialogue at the 22nd session of the Conference of the Parties (COP) and analyses undertaken to date on the existing UNFCCC guidance and current GCF policies, standards and procedures.

This call seeks inputs from the Board on those identified elements through a structured template which is included below. In the template, a distinction is made between those elements that relate to the GCF procedures and mandates requiring Board decisions for framing of the RFP and those elements that relate to the technical aspects of the modalities. A parallel process focused on the technical modalities only seeks inputs from relevant global stakeholders, including CSOs, Indigenous peoples' representatives, private sector and REDD+ experts.

Input from the Board will be shared publically and analysed by the Secretariat for the preparation of the first draft of the RFP.

Input requested

The Board is requested to provide input on the following key procedures and technical elements to support the development of the RFP for RBP. The template enclosed below includes guiding questions provided as reference only and can be complemented with additional questions identified by the Board.

Please provide your inputs using the template and send to fundingproposal@gcfund.org by **20th March 2017 at 23:59 Korean Standard Time with subject line "Call for Inputs REDD+ Board"**. Include in the text message: Name title and Organization; Country/constituency

Template for receiving inputs

I. Elements related to procedures and mandates of the Fund (for the Board only)

Procedure element 1: Access modality
Issue: While the COP noted that national entities or focal points of developing country Parties may nominate their entities to obtain and receive RBF,[1] consistent with any specific operational modalities of the financing entities providing them with support,

[1] UNFCCC decision 10/CP.19, paragraphs 1 and 2.

GCF resources are currently accessed through accredited entities.[2] Guidance is required regarding the access modality for channelling RBP in accordance to the Governing Instrument while following COP decisions.

UNFCCC mandates and existing practices of key initiative funds:

- UNFCCC: Formally nominated national entities or focal points to receive RBPs, consistent with any specific operational modalities of the financing entities providing them with support
- Forest Carbon Partnership Facility (FCPF) Carbon Fund: Government or a government-approved entity that is authorized to enter into a legal agreement with the fund
- REDD Early Movers (REM): National and state administrations (e.g. Ministry of Environment)
- Norway-Guyana bilateral agreement: Finance channelled through the Guyana REDD+ Investment Fund
- Norway-Brazil bilateral agreement: The Amazon Fund administered by the Brazilian Development Bank
- Norway-Peru agreement: Implemented by the Inter-American Development Bank

Guiding questions:

1.1: What should be the role of the REDD+ national entities or focal points to the UNFCCC in accessing RBP?

1.2: What should be the role of the accredited entity (AE) in the RBP process?
1.3: Should there be another access modality for RBP other than though AE?
1.4: Should the NDA play a formal role in the RFP proposal process besides providing a NOL, and if so, what role should that be?
1.5 Others?

Australia does not consider paragraphs 1 and 2 of UNFCCC decision 10/CP.19 to necessitate any changes to the GCF access modality for the purpose of REDD+ results-based payments. Australia interprets 10/CP.19 as indicating that national entities and focal points of developing country Parties *may, if they wish,* nominate entities to receive results-based finance, so long as in doing so the operational modalities of the financing entity in question (in this case, the GCF), are respected. Paragraph 45 of the Fund's Governing Instrument states that 'access to Fund resources will be through national, regional and international implementing entities accredited by the Board'. As such, access to results-based payments for REDD+ under the GCF should be through accredited entities. Australia does not consider it useful to create new, separate access modalities and that to do so would be contrary to the Fund's Governing Instrument.

Australia recognises the importance of country ownership and direct access under the GCF, and that access to REDD+ RBP through national entities may be the preferred option for developing countries. Further, the GCF's current framework can support this. To date, GCF RfPs have been open to both existing accredited entities and entities with the potential to become accredited.

Procedure element 2: Financial valuation of results

Issue: Guidance is required on how to determine the relationship between the Emissions Reductions results proposed and the amount of finance to be provided. For example, most initiatives set a payment per tonne of carbon dioxide equivalent (tCO2eq).

UNFCCC mandates and existing practices of key initiative funds:

- UNFCCC: No specific guidance on methods of financial valuation.
- FCPF Carbon Fund: Subject to negotiation between the fund and the REDD program but fund participants have currently indicated a willingness to pay up to USD 5 per tCO2eq. No additional payment premium for co-benefits provided.
- REM: USD 5 per tCO2eq
- Norway-Guyana bilateral agreement: USD 5 per tCO2eq
- Norway-Brazil bilateral agreement: USD 5 per tCO2eq

Guiding questions:

2.1: How should the valuation of results (payment/tonne CO2) be estimated?

[2] Except for resources for readiness and preparatory support which can be accessed by national designated authorities.

a) A single, fixed payment; if so, indicate the amount and rationale.
b) A payment (or volume paid) adjusted according to methodologies used (i.e. use of IPCC tier 1-3 Good Practice Guidance, uncertainty level of estimated Emission Reductions, etc.)
c) Open prices submitted to the RfP
d) Other?

Australia's view on the setting of price per tonne of $C0_2$-e is that it should principally be achieved through Board negotiations and that the publication of any indicative price pre-judges the outcome of those negotiations. However, to help inform and expedite proposals under the REDD+ RBP it would be helpful for the RfP to provide some indication of how results have been valued in other REDD+ mechanisms and funds.

As a guide to negotiations, Australia submits the following:

- The GCF is not a discrete REDD+ financing mechanism. As such, it should determine its role and comparative advantage in providing finance for REDD+ in the context of other financing mechanisms.
- The role of the GCF in financing REDD+ should inform the price it pays per tonne of $C0_2$-e. For example, if the role of the GCF in REDD+ results-based financing is – in whole or in part – to catalyse private sector investment, then the price should reflect an adequate point at which private sector funds are mobilised. Price may not be the only determinant in attracting private sector investment—for example, access modality, application and approval process, and financial instruments may all be relevant factors and should be taken into account.
- Alternatively, or additionally, the role of the GCF in financing REDD+ RBP may be to provide certainty to developing countries that their results-based actions will be paid for. This may influence the value the GCF places on price per tonne through the need to provide adequate and predictable resources. Price may also be influenced by the volume of emissions reductions proposed, reflecting marginal costs.

Open prices / price adjusted through negotiation

Australia considers that a competitive process, open to price nomination and negotiation, would ideally provide a value for money approach (similar to a reverse auction). However, for it to be truly competitive and effective, there must be sufficient supply and the overall RfP amount must be carefully set to discourage potential price collusion among the expected limited number of countries submitting proposals. Further, proposals need to be assessed concurrently to select those that represent best value for money and provide a basis for informed negotiations on individual proposals. (Note that negotiation could be based on a combination of relevant factors, including methodologies used, volume of results offered, etc). Current GCF practice for RfPs is to set a time limit for submission of proposals of a few months. Given the complexity of REDD+ RBP, Australia considers six months to be an appropriate limit.

Fixed price

Under the Governing Instrument's provisions on complementarity and coherence, paragraph 34 states that the Fund will promote coherence in programming at the national level through appropriate mechanisms. As RBP for REDD+ is focused on national-level implementation, Australia considers it appropriate for the GCF to consider the current practices and effectiveness of relevant REDD+ finance mechanisms. If the eventual price negotiated is set purely on the basis of price established in other mechanisms, unadjusted in light of experience to date and other relevant factors, then Australia's view is that allowing for blended finance may be particularly important to reflect the true cost of achieving results and incentivising action. If this approach were taken it would need to be clear which/how many tonnes the GCF paid for versus other donors

Australia would welcome additional information from the Secretariat that can better inform the discussion on price based on the distinct role(s) of the GCF.

Given the GCF was established as an initiative that would test different approaches and projects that may have more risks, there might be an opportunity to be innovative in the RfP. For example, it could allow an approach to valuing REDD+ abatement that entails starting with a variable price that increases as more tonnes are delivered.

This would incentivise a country to do better over time if greater abatement from the project became possible in the future.

Procedure element 3: Size of the RFP

Issue: The Board would need to determine the overall size of the RFP in terms of funding. This decision could take into account the existing funding available, the estimated potential demand for RBP during the period of the RFP, the potential to meet the objectives of the GCF via a RBP program, and other considerations such as the length of the RFP (discussed below under Procedure element 7).

UNFCCC mandates and existing practices of key initiative funds:

- UNFCCC: No guidance on funding size, but encourages GCF to collectively channel adequate and predictable results-based finance in a fair and balanced manner, taking into account different policy approaches (Decision 9/CP.19 paragraph 5).
- FCPF Carbon Fund: Around US$ 735 million in committed funding for emission reduction payments through 2025
- REM: US$ 56.5 million
- Norwegian International Climate and Forest Initiative (NICFI): US$ 365 million/year

Guiding questions:

3.1: What should be the total amount of funds to be set aside for the RFP at this time?

3.2: On what basis should the GCF estimate the total amount of funds to be set aside for the RFP?

3.3: How should the funds be channeled in a fair and balanced manner?

a) An initial RFP for a limited number of countries with an equal cap per country.
b) An initial RFP for a limited number of countries without a cap
c) An initial equal cap per country allowing transferability of funds among countries
d) A regional allocation of the overall funding available
e) Other?

Australia's view on the setting of the overall value of the RfP should be achieved through Board negotiations and that the publication of any number pre-judges the outcome of those negotiations and unhelpfully focuses negotiations on a number, as opposed to context and need. Australia doesn't support a cap based on allocation by sector/impact area under the GCF. Further, we don't support such an allocation being made in the absence of discussions on other sectors/impact areas.

With regard to channeling funds in a fair and balanced manner, Australia notes that GCF practice to date with regard to RfPs has been to set total funding caps but not to set regional or national caps; Australia does not see the need to establish a new precedent in this instance.

Australia would welcome further information from the Secretariat to inform a discussion on RfP size. The size of the RfP (and price of units) are dependent on a range of factors so further information and discussion is required.

Further, the setting of caps risks impeding a competitive process and a value-for-money outcome. Given the relatively few countries currently predicted to be in a position to submit proposals for REDD+ RBP, the establishment of caps could almost act as a guarantee of income to the countries in question and limit the quality and ambition of proposals.

That said, Australia acknowledges there may be possible methods for deriving an approximate quantum of funding for REDD+. For example, funding could be based on maintaining a consistent ratio of the expected abatement from REDD+ as a portion of total abatement from all sectors with the expected total GCF funding envelope that will be available for mitigation.

Procedure element 4: double financing

Issue: The current REDD+ finance landscape provides finance through a range of bilateral and multilateral funding sources. There is also a potential overlap of finance provided for a country to generate emission reductions through ex-ante finance which could later pursue ex-post payments. This could take place from different sources of funding as well as from the current finance provided by the GCF under the regular project cycle and through RBP.

UNFCCC mandates and existing practices of key initiative funds:

- UNFCCC: Risk of double finance is not mentioned in the COP decisions. Nonetheless, paragraph 9 of Decision 9/CP.19 establishes the information hub aiming to increase transparency of information on results-based actions, and the corresponding payments.
- FCPF Carbon Fund: Requirement that emission reductions sold and transferred to the Carbon Fund are not used again by any entity for sale, public relations, compliance or any other purpose. An ER transaction registry is required to offer insurance against double counting and provide transparency to the public that there is no double claiming of the environmental benefit, in respect of the GHG emission reductions or removals.
- REM: REDD+ partner countries should have a mechanism, such as a registry, in place that prevents double counting as well as payments or the use of these ERs as offsets.

Guiding questions:
4.1: In what instances may double financing of results generate a concern? How could this concern best be addressed?
4.2: How should the GCF take into account the ex-ante finance provided either by the GCF regular project cycle or other sources of finance?
4.3: Should GCF create or utilize an existing registry to track GCF-funded Emission Reduction tonnes in some way, in addition to the UNFCCC information hub?
4.4: Other?

In Australia's view, the provision of finance through a range of sources reflects blended financing, and not necessarily double financing. Australia supports blended finance as a means to improve the viability of proposals (reflecting the true cost of activities) and to leverage greater resources. As with all GCF proposals, clear funding arrangements should be articulated in the proposal.

In the case of ex-ante finance which later may later lead to ex-post payments (RBP), Australia considers that ex-ante financing is for enabling activities and therefore reflects a different activity to a results-based activity (consistent with 1CP.16, paragraph 73). As such, Australia does not consider this to represent double financing, which is where a beneficiary is paid twice for the same service. Further, how the GCF takes potential double-financing of ex-ante payments into account is an issue for the work on further guidance, not RBP (though we note that this should not differ from the GCF's standard approach to ensuring financial accountability for all proposals).

Australia considers double financing and double counting (of emissions) to be separate issues, but that measures to mitigate the risk of double counting also mitigate the risk of double financing. The UNFCCC does provide measures to prevent double counting. Further, the requirement for REDD+ results eligible for RBP to be fully measured, reported and verified limits the risk of double counting.

Development of a system, such as a registry, to track GCF-funded emission reductions would be beneficial for broader GCF reporting purposes and to monitor the risks of double counting. There would be value in the countries and the GCF secretariat having an operational registry system to prevent double counting of abatement.

Procedure element 5: Use of proceeds
Issue: The Board may need to consider if any restrictions are needed on how the GCF RBPs are subsequently used, for example for activities implemented that do not contradict the results achieved or more broadly contradict the objectives of the GCF. This is also related to Operationalization of the 'Cancun Safeguards' discussed below.

UNFCCC mandates and existing practices of key initiative funds:

- UNFCCC: Use of proceeds is not mentioned in the UNFCCC decisions
- FCPF Carbon fund: Programs to provide a description of the benefit-sharing arrangements including a benefit sharing plan
- REM: Programmatic benefit-sharing and investment plan are set in bilateral agreement; Requires that at least 50% of RBP reaches local level.
- Norway-Indonesia bilateral agreement: Transparent and equitable benefit-sharing mechanism required.

Guiding questions:
5.1: Should the GCF place any conditions or restrictions on the use of RBPs? If so, what kind of conditions would that be?
5.2: Other?

Australia considers the use of proceeds to be a broader policy question for the GCF as it has potential applicability for other sectors. However, for the purpose of a trial only, Australia proposes that no restrictions be applied to the use of proceeds from REDD+ RBP, respecting national circumstances and sovereignty.

Procedure element 6: Ownership, legal title and implications for NDCs

Issue: The COP decisions do not provide any guidance regarding transfer and legal title of emissions reductions that result from REDD+ activities for the financial mechanisms like the GCF. Board would need to consider providing clarity on the status of Emission Reductions paid with GCF funds (may also apply for ex-ante finance).

UNFCCC mandates and existing practices of key initiative funds:

- UNFCCC: REDD+ in the UNFCCC is referred to as "policy approaches and positive incentives". Also, decision 2/CP.17, paragraphs 66 and 67, refer to both appropriate market-based approaches and non-market-based approaches could be developed to support the results-based actions by developing country Parties. While the COP decisions do not mention title creation and transfer, article 6 of the Paris Agreement envisions the use of internationally transferred mitigation outcomes on a voluntary basis as authorized by participating Parties through a mechanism established under the authority and guidance of the COP (rules, modalities and procedures are yet to be defined).
- FCPF Carbon fund: Requires transfer of ERs, formalized through emission reduction payment agreements (ERPAs)
- REM: No transfer of ERs; ERs are retired and cannot be used for offsets, but recipients may report ERs to UNFCCC
- NICFI: No transfer of ERs.

Guiding questions:
6.1: Should there be any legal title or transfer of ownership associated with the payments? If so, should the GCF-funded Emission Reductions be fungible with other mechanisms?
6.2: Should GCF "pay" for results without claiming any emission reductions? If so, would there be any obligation from the recipient country in relation to the "paid" emission reductions?
6.3: What are the implications for reporting in a country NDC from GCF-funded Emission Reductions?
6.4: Other?

Australia considers this to be a broader policy question for the GCF and the submitted response is only for the purpose of this time-bound RfP as a means to mobilise RBP for REDD+ and to inform future approaches more broadly within the GCF.

Australia's view is that proposals should set out clear ownership rights for the purpose of payment, particularly in a scenario that allows for multiple investors. Emission reductions paid for by the GCF should be transferred to the GCF and retired. Emission reductions paid for by other sources should be for use/retirement at the discretion of the alternative contributor. Emissions reductions retired by the GCF could count toward the host country's NDC.

Procedure element 7: Eligibility date for payments and length of the RFP

Issue: Under the current UNFCCC REDD+ decisions, Parties, when constructing their national (or subnational) forest reference emission level and/or forest reference level, may choose their own baseline. This flexibility results in various reference and accounting periods that vary by country. The Board may need to set a starting date from which it will operationalize financing for results achieved by countries. This will be linked to the overall length of the RFP.

UNFCCC mandates and existing practices of key initiative funds:

- UNFCCC: no reference to eligibility date for payments.
- FCPF Carbon Fund: payments can be made for emission reductions during the term of the Emission Reduction Payment Agreement (ERPA).

- REM: varies by country, in the case of Acre-Brazil emissions reductions are accounted from 2012 to 2015 while in Colombia from 2013-2017.

Guiding questions:
7.1: What should be the starting date for considering eligible results for RBP?
7.2: Should the starting period be the same for all countries or defined on a case by case basis?
7.3: What should the payment period be – over what timeframe? i.e., when should it end?
7.4: Other questions?

Australia takes 'length of the RfP' to mean the period over which results are eligible for payment. It is therefore likely that duration should differ per proposal depending on the activity. Australia's view is that for a trial period it would be preferable to keep the RfP/implementation duration from stretching too far into the future. We note that the FCPF Carbon fund plans to enter into 5 year agreements, but this would likely be too long for a GCF trial RfP. A balance will need to be achieved to allow results to be demonstrated but within a short enough period to assess the approach.

Australia proposes that the eligibility date for payments should be the time at which the proposal is approved by the Board. This ensures that the financial support is an incentive for additional action.

Australia notes that questions of price, overall RfP size and length of the RfP are interdependent and should therefore be considered in relation to one another. On this basis, there is a possibility that price and duration of the REDD+ RBP could be determined on a value for money basis once markers for overall size were set, once the Fund has a clearer view of the supply and quality of abatement.

II. Elements related to technical modalities (for the Board and REDD+ stakeholders)

Technical element 1: Scale of implementation

Issue: UNFCCC provisions request forest reference emission level and/or forest reference level (FREL/FRL) and measurement, reporting and verification (MRV) to be national with some flexibility for subnational scale as an 'interim measure'. Guidance is required for defining the scale of implementation for countries requesting RBPs. The GCF needs to state in the RFP what scale of implementation is acceptable in proposals; while being consistent with UNFCCC guidance on FREL/FRL and MRV. The GCF should also contemplate whether and how the existing REDD+ initiatives at different scales and approaches can be considered in the RFP.

UNFCCC mandates and existing practices of key initiative funds:

- UNFCCC: Requires national FREL/FRL or, if appropriate, as an interim measure, subnational FREL/FRL, in accordance with national circumstances (Decision 1/CP.16 paragraph 71).
- Forest Carbon Partnership Facility (FCPF) Carbon Fund: Allows for national and subnational (jurisdictional) level. Most programs are subnational.
- REDD Early Movers Program (REM): Allows for national and subnational. So far the experience has been subnational.
- Norwegian International Climate and Forest Initiative (NICFI): Mainly national level agreements with national governments, although implementation occurs at subnational scales in some countries.

Guiding questions

1.1: What scale of implementation (national, subnational, nested) should be considered for the RFP?

1.2: Should the GCF provide detailed guidance for defining the scale of eligible proposals?

1.3: Other questions?

Australia's view is that the RfP should be open to national, sub-national and nested activities.

The key requirement is to ensure that activities are consistent with national reference levels, accounting systems, commitments and reporting.

Australia notes that the major REDD+ mechanisms to date specify that payments be made for national, subnational and jurisdictional scale activities only. The REDD+ RBP trial should consider supporting well-defined and integrated project-level activities, provided they were endorsed by the national focal point and align with national accounting systems. This has the advantage of providing a pathway for project based activities to be nested into national systems. This would also send a clear message to organisations managing projects of the expectations of their projects if they are to be considered in the context of RBPs for REDD+.

Technical element 2: Forest reference emissions levels (FREL)/forest reference levels (FRL)

Issue: Warsaw Framework for REDD+ articulates modalities for the development and technical assessment of FRELs/FRLs, and for monitoring, reporting and verification (MRV) of emission reductions achieved through REDD+ activities. Under the current UNFCCC REDD+ decisions, Parties, when constructing their national (or subnational) forest reference emission level and/or forest reference level, may choose their own baseline. This flexibility results in various reference and accounting periods that vary by country. The GCF needs to consider ways to link these procedures with RBF while considering specific countries' circumstances.

Existing practices of other funds:

- FCPF Carbon Fund: Follows UNFCCC requirements of using historical averages and adjustment but it only allows limited adjustment for "high forest low deforestation" (HFLD) countries with justified changes in deforestation trends and puts in place further requirements on the historic averages by requiring that the historic period considered is about 10 years before the end date which should be the most recent date prior to two years before the start of the draft ER Program Document assessment.
- REM: Historical average rates
- Norway-Guyana bilateral agreement: Mean value of historic average rate and developing country average, with downward adjustment option

- Norway-Brazil bilateral agreement: Historical average rates, updated every 5 years

Guiding questions:

2.1: How should the GCF take into account the different approaches used for defining FREL/FRL and translated into verified REDD+ results?
2.2: Is there a need for additional GCF-specific criteria for FREL/FRL and MRV? If so, what type criteria should that be?
2.3: How should the GCF take into account the results of the analysis of the REDD+ technical annex[3]? What process and review criteria, if any, in order to make funding decisions?
2.4: Should a description of how alignment of subnational FREL/REL to national-scale FREL/REL be required?
2.5: Other questions?

Australia does not support the development of new approaches for defining FRELs/FRLs and MRV for the REDD+ RBP process, as this would be difficult to develop and agree in a timely manner. Existing approaches should be adopted where possible.

Technical element 3: Operationalization of the 'Cancun safeguards'

Issue: The Warsaw Framework for REDD+ and earlier COP decisions contain seven safeguards[4] that are required to be addressed and respected in all phases of REDD+. The GCF needs to consider how these relate to the existing GCF policies, procedures and reporting requirements, in particular how they can be reconciled with the interim safeguards of the GCF (IFC Performance Standards). The GCF also needs to decide if additional guidance is required on REDD+ RBP-specific considerations in order to operationalize RBP. Such guidance could be warranted, for example, to address the risks of reversals of Emission Reductions achieved, or information may be required to ensure GCF's ESS, fiduciary standards, and gender policy are upheld in activities that produced ERs being rewarded.

Existing practices of other funds:

- FCPF Carbon Fund: World Bank safeguard policies and processes (Strategic Assessment and Management Framework); Benefit Sharing Plan
- REM: Cancun REDD+ Safeguards; KfW safeguards; BMZ human rights guidelines
- Norway-Guyana bilateral agreement: World Bank, IDB and UNEP safeguards
- Norway-Brazil bilateral agreement: Safeguards of the Brazilian Development Bank

Guiding questions:
3.1: How should the GCF assess the implementation of the Cancun Safeguards in addition to the IFC performance standards (interim GCF ESS)?
3.2: Should the GCF develop additional guidance for the reporting on how the Cancun Safeguards are being respected?
3.3: Other questions?

Australia's view is there would be value in developing additional guidance for the reporting on how the Cancun Safeguards are being respected by the interim safeguards of the GCF (the IFC Performance Standards).

Australia also seeks views from the GCF Secretariat on its capacity to undertake assessment of the approaches to implementing safeguards.

Australia's view is that where possible guidance should be drawn from the World Bank safeguard policies and processes Benefit Sharing Plan.

Any additional issues/comments

[3] Decision 14/CP.19
[4] Appendix I to UNFCCC decision 1/CP.16.