
Call for public 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 REDD+ stakeholders on those identified elements through a structured template which is included below. A parallel process focused on GCF procedures and mandates requiring Board decisions and the technical modalities is being conducted for board members.

Input from the REDD+ stakeholders will be shared publically and analysed by the Secretariat for the preparation of the first draft of the RfP.

Input requested

The GCF Secretariat is pleased to invite organizations and all entities involved and interested in REDD+ results-based payments, to provide inputs for the development of the GCF Request for Proposals for REDD+ RBP. The template enclosed below includes guiding questions provided as reference only and can be complemented with additional questions identified by the REDD+ stakeholders.

Submission

Official submission of inputs on behalf of an organization or group of organizations preferably in MS Word format should be sent via e-mail as one document with subject line:

“REDD+ RBP – call for public inputs” to fundingproposal@gcfund.org by **20th March 2017 at 23:59 Korean Standard Time**

The official submission should clearly indicate: Full Name; Title/Position; Organization/Affiliation
Contact details including telephone and e-mail address

Template for receiving inputs

I. Elements related to technical modalities

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?

It should only apply a results based payment system for the national level and remain firmly consistent with UNFCCC. Anything less i.e. subnational, creates additional reporting issues such as nesting, the risk of dual carbon accounting systems, measuring leakage (cross border vs. internal). There is a risk that if the GCF rewards subnational efforts, that countries can focus on areas where they can see results, and not address the difficult challenges associated with internal displacement of emissions. Furthermore, in my experience, provinces differ in capacity and performance for REDD+. Some provinces are highly committed, while other are less. The phenomena is part of an historical trend to decentralize forest management to provinces around the world. We can see from the examples from Indonesia that it is important to place countries under 1 national MRV system (e.g. One Map Policy, One Data Policy etc) and institutionalize it, during REDD+ readiness, accordingly. This reduces the risk of "crowding out", internal politics, internal competition, internal displacement of emissions. Under that national MRV system, there can be provincial level activities, but at least the actors and beneficiaries are acting and receiving benefits under the same rules and system.

The scale of implementation should be national, as it will be the national forest monitoring system that provides the data inputs to trigger results based payments. We have learnt from early examples:

- Guyana -Norway REDD+ Partnership provided successful results based payments based on bilateral developed and agreed criteria for safeguards (in lieu of a SIS), and performance against a national baseline based on Guyana's national forest monitoring system.
- Guyana went to approach the Carbon Fund for results based payments, in which it used its FREL submitted and approved through a technical review assessment, but the Carbon Fund declined (based on a number of issues). One of the issues was that Guyana's FREL that it submitted to the UNFCCC, would not meet the Carbon Fund's criteria under its Methodological Framework, and would require the development of a second national FREL.
- During the second evaluation of the FCPF, a Guyana and Mexico expressed concern of the risk of dual FRELS. The Methodological Framework has gone through multiple reviews and all note that it requires additional criteria and specifications to what is agreed under the UNFCCC.

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

Detailed Guidance should not be issued. What countries report in their GHG Inventories (national) should be replicated for REDD+ RBPs. We already have IPCC Guidance for National GHG Inventories.

1.3: Other questions?



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?

Remain firmly to what was agreed under Warsaw REDD+ framework and COP Decisions. IARs by technical experts, which occur on FRELs/FRLs should be enough.

2.2: Is there a need for additional GCF-specific criteria for FREL/FRL and MRV? If so, what type criteria should that be?

No guidance or additional GCF criteria should be developed. The guidance, procedures and modalities that form part of the Warsaw REDD+ framework define the necessary requirements and refer to important criteria in the IPCC Guidance. It would be difficult to develop additional detailed criteria and take into account country circumstances, across all REDD+ countries. Also, it should be noted that the Carbon Fund's Methodological Framework took many years to develop specific criteria, and now has created the risk of REDD countries having two reference levels, one for the Carbon Fund and one for UNFCCC.

2.3: How should the GCF take into account the results of the analysis of the REDD+ technical annex¹? What process and review criteria, if any, in order to make funding decisions?

Payments should be tied to performance only. I refer to Norway Guyana REDD+ Partnership as a successful systematic example of REDD+ payment for results.

2.4: Should a description of how alignment of subnational FREL/REL to national-scale FREL/REL be required?

I think a worked example would benefit countries. My understanding is that the sum of all provincial FRELs/FRLs should equal the National FREL/FRL. Vietnam has a good example of this.

2.5: Other questions?

Technical element 3: Operationalization of the 'Cancun safeguards'

¹ Decision 14/CP.19



Issue: The Warsaw Framework for REDD+ and earlier COP decisions contain seven safeguards² 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)?

Interim measures create uncertainty, especially when dealing with finance and payment for results. Many countries are building their SIS to comply with the Cancun Safeguards – not the IFC's Performance Standard. I think that countries should be required to show that they meet the Cancun Safeguards with their SIS, and that should be enough. It is concerning that now REDD+ countries have to meet the IFC's performance standard – these are designed for the private sector – not for REDD+ Payment for results. Can the GCF make an exception on this matter?

3.2: Should the GCF develop additional guidance for the reporting on how the Cancun Safeguards are being respected?

Yes. Already there are so many safeguard systems with different reporting requirements. Guidance would be appreciated.

3.3: Other questions?

Any additional issues/comments

² Appendix I to UNFCCC decision 1/CP.16.