



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?

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

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?

Ensuring the robustness of reference levels is a critical element to determine RBPs since they set the baseline for calculating the level of compensation/carbon equivalents.

FAO highlights that the measurement, reporting and verification (MRV) of REDD+ activities is progressing and, as of early 2017, the following milestones have been achieved:

- As many as 25 countries have submitted a total of 26 FREL/FRLs to the UNFCCC for verification.
- Nine technical assessment reports of FREL/FRLs have been completed; a further 17 technical assessments are ongoing.
- Four countries have reported REDD+ results to the UNFCCC, totaling over three billion tCO₂e in reductions, mostly from Brazil. One technical analysis has been completed; the other three technical analyses are ongoing.

A forthcoming FAO publication: *REDD+ under the UNFCCC – From Reference Levels to Results Reporting*, (to be launched in April 2017) provides an update on FREL/FRL submissions and REDD+ results reporting, a summary of experiences to date with the technical assessment process, and an overview of initial REDD+ results reports and their technical analyses. These experiences with ongoing processes may be closely considered by the GCF and are summarized below:

- 1) Significant progress has been made on the measurement, reporting and verification (MRV) of REDD+ activities as more countries report and undergo technical assessment and technical analysis processes. Some 25 countries had submitted FREL/FRLs to the UNFCCC as of early 2017, including many of the largest tropical forest countries: Brazil, Colombia, Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, Republic of Congo, and Viet Nam. This process has enabled countries to gain experience with technical assessment and technical analysis processes for REDD+ and was designed to enhance countries' technical capabilities, as well as build trust among countries in the emission reduction and reporting efforts. This effort marks the first time that developing countries have undergone such international assessment/analysis processes.
- 2) Unprecedented transparency of countries' forest sector data and information has resulted from data reported in the context of REDD+. The submission of Forest Reference (Emission) Levels (FREL/FRLs) and REDD+ results to the UNFCCC provides detailed statistics on countries' forest sectors. The level of detail has proven to be much greater than that included in past reporting (e.g. National Communications) and provides important information to not only inform country policies, but to also inform the global stock take.
- 3) A country's National Forest Monitoring System (NFMS) should provide data and information for the measurement, reporting and verification of REDD+, the national greenhouse gas (GHG) inventory, and NDC progress reporting, to enhance sustainability and consistency. To ensure effective use of limited resources for the MRV of forest-related emissions and removals, a country's National Forest Monitoring System (NFMS) should provide not only data and information for REDD+ reporting, but also for the national GHG inventory and in reporting progress on a country's NDCs. This will also help improve consistency among such reports. Capacity development will be required to further enhance the NFMS accordingly and flexibly, because new guidance on the MRV of REDD+ results is continually becoming available (e.g., from the Paris Agreement's transparency framework, on the Green Climate Fund's modalities or through other sources of results-based financing). To ensure the sustainability of data collection in this evolving context, it is key to connect the MRV of REDD+ and the NFMS with the national GHG inventory. This is particularly relevant because the components of an NFMS are often spread across several government agencies that engage in periodic data collection.
- 4) FAO will continue capacity development at the country level for FREL/FRLs and REDD+ results reporting, and



development of NFMS that can underpin NDC progress reporting. FAO aims to support countries' national contributions to climate change mitigation through REDD+ when these are measured, reported and verified with the necessary institutional arrangements in place.

Operational MRV systems are required to measure and deliver REDD+ results and ensure that REDD+ countries can participate in REDD+ under the UNFCCC, the Carbon Fund, and bilateral agreements. As indicated above, there is significant progress, however, FAO recognizes a need for additional technical assistance and funding for MRV to ensure that developing country partners can fully operate and institutionalize their MRV systems, update key data sets, REDD+ results, and potentially access REDD+ Results-Based Payments from the GCF.

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

Parties have committed to UNFCCC provisions and guidance on FREL/FRL and MRV. FAO stands ready to support developing country partners on the application of this guidance to accelerate their provision of verified REDD+ results.

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

The GCF may wish to consider using the Warsaw Framework.

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

2.5: Other questions?

Technical element 3: Operationalization of the 'Cancun safeguards'

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:

¹ Decision 14/CP.19

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



3.1: How should the GCF assess the implementation of the Cancun Safeguards in addition to the IFC performance standards (interim GCF ESS)?

Clarity and security of legitimate tenure rights create an important enabling environment for REDD+. FAO has observed that recognition of tenure rights over forests, including customary tenure rights, can provide an incentive for sustainable management and conservation of forests, since those with secure tenure rights have a stronger interest in maintaining the resource. In aligning with the Cancun Agreements, FAO has been supporting countries as they identify and then implement appropriate strategies to address tenure issues within their national REDD+ programs. The internationally-endorsed [Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests](#) (VGGT) have served effectively as the base for informing and guiding work on tenure in the context of REDD+. Case examples are available from 10 countries including Cambodia, Vietnam, Laos, Sri Lanka, Malawi, Kenya, Tunisia, Benin, Madagascar, and Zambia.

In addition, the manual [Free, Prior and Informed Consent: an indigenous peoples' right and good practice for local communities](#) formulated by FAO and partner organizations is an important resource for project practitioners to ensure that FPIC is incorporated into projects' and programmes' design and implementation, and that indigenous peoples' rights are duly respected. It outlines essential ways to ensure that indigenous peoples can give or withhold their consent to interventions proposed in their lands and territories and do so free of coercion, prior to any decisions being made, and with the necessary information presented to them in a culturally appropriate way.

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

3.3: Other questions?

Any additional issues/comments