
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?

Vietnam is committed to a national approach to REDD+ as reflected by its FREL/FRL submission to UNFCCC, but also recognizes the provision of UNFCCC for subnational approaches on an interim basis. Vietnam is also in the process of submitting an ER-Programme to the FCPF Carbon Fund for a region covering 6 provinces.

Reflecting UNFCCC provisions, Vietnam recommends that:

- Scale could be both national and subnational
- Respective scale should be consistent with FREL/FRL submitted by each country to UNFCCC. As such:
 - A country with national FREL/FRL under UNFCCC should apply to GCF for RBP against national results
 - A country with subnational FREL/FRL under UNFCCC would need to provide:
 - Clear justification for subnational approach
 - Robust provisions to account for possible leakages within national boundaries
 - A credible plan to move towards national scale in line with the step-wise principle
- GCF should not provide detailed guidance beyond UNFCCC guidance for defining the scale of eligible proposals

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 annex¹? 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?

Vietnam has relevant experience of submitting FREL/FRL to UNFCCC, engaging in active and valuable dialogue with UNFCCC technical assessment team, as well as developing its subnational FREL/FRL for FCPF CF subnational programme while ensuring consistency with national FREL/FRL under UNFCCC.

Reflecting UNFCCC provisions and its own experience, Vietnam recommends that FREL/FRL that have been submitted and assessed under the UNFCCC serve as the baseline to account for the volume of emissions reduction (tons of CO₂ equivalent) eligible for RBP under GCF. All FREL/FRL submitted to UNFCCC with satisfactory conclusions from technical assessment should be mechanically accepted as baseline for GCF RBP.

Vietnam believes that FREL/FRL developed outside the UNFCCC should not be considered by the GCF.

In the situation where the UNFCCC technical assessment concludes that some aspects of the FREL/FRL are not adequately justified, GCF could set up a specific technical process to seek further justifications from countries, and to possibly suggest for technical negotiation of an adjusted baseline, for the sole purpose of accounting for eligible emission reductions under GCF.

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:

- 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?

¹ Decision 14/CP.19

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



Vietnam has been intensively engaged in translating the Cancun safeguards into national context and its REDD+ policies and measures. Construction of the Safeguard Information System and formulation of the Summary of Information are well under way. Vietnam also applied the World Bank safeguards when developing the ER-Programme to the FCPF, and is promoting a harmonized multi-safeguards approach (combining FCPF and GCF safeguards with Cancun safeguards) to develop and review its national REDD+ detailed action and investment plan.

Vietnam takes note that the call for inputs on procedure elements related to use of proceeds was limited to GCF Board members. However, the process of ensuring safeguards are adequately addressed and respected can be very different depending on possible restrictions and conditions on the use of proceeds.

- Vietnam considers that the implementation of GCF EES should only apply to activities that GCF is financing, not activities that were financed and implemented so to produce the results for which payment is claimed. In the UNFCCC spirit, results-based payments should be considered strictly as payments for emissions reductions and shouldn't be tied up to conditions on future use.
- As a conclusion, considering the outstanding nature of REDD+ RBP in the spirit of the UNFCCC international negotiations and agreements, GCF EES should not be applied to the GCF REDD+ RBP mechanism, since the mechanism is not expected to finance future activities, but to pay for past demonstrated results.

GCF should only require that UNFCCC provisions are duly implemented, which doesn't require implementation of additional safeguards (beyond the Cancun safeguards and respective safeguards of owner, funding and implementing institutions), and doesn't require assessment of the summary of information.

Any additional issues/comments