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Pilot programme for REDD+ results-based payments

REDD+ / FLR Expert Exchange for Asian-Pacific countries
Bangkok 12 October 2017 |

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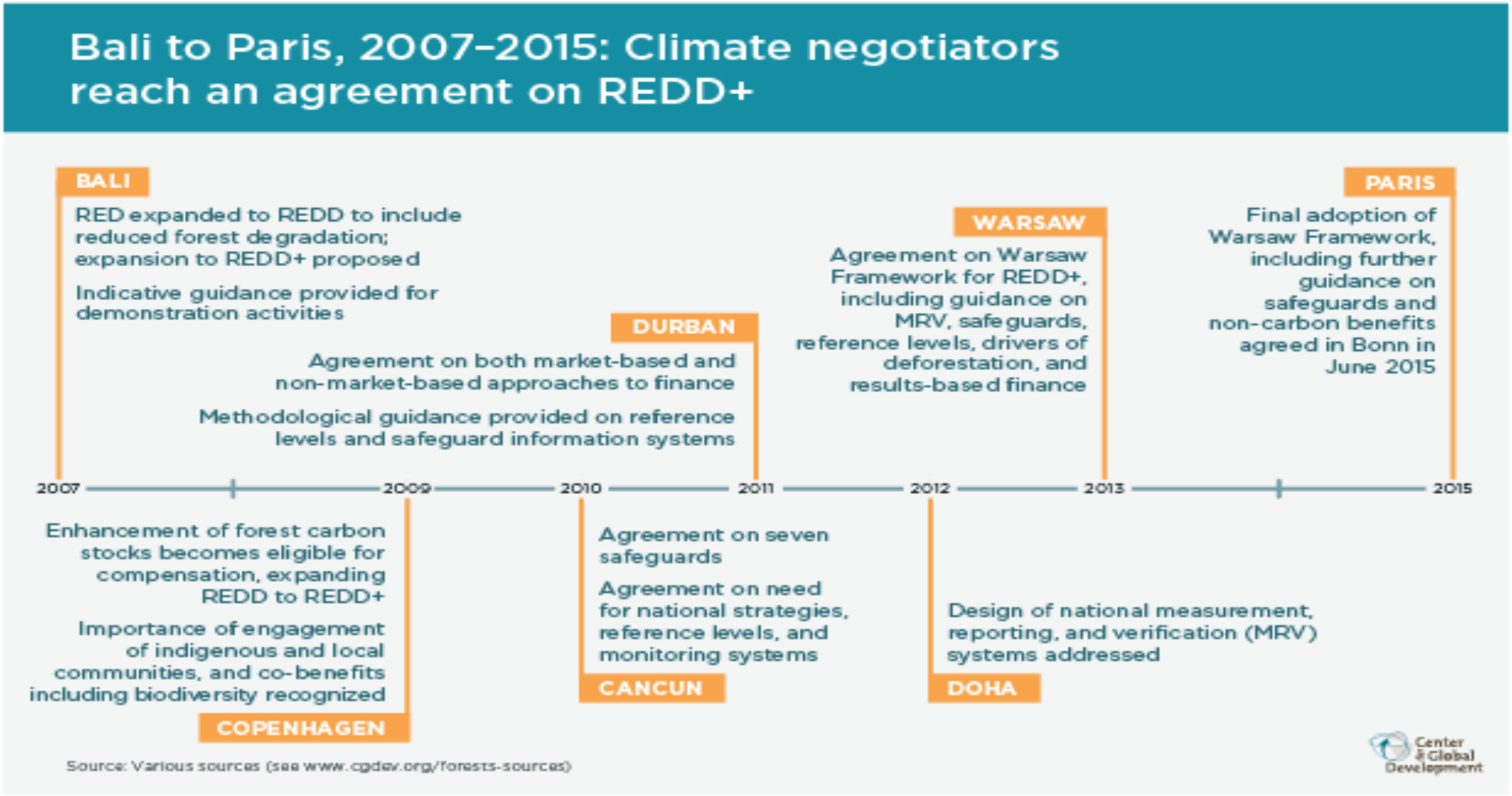
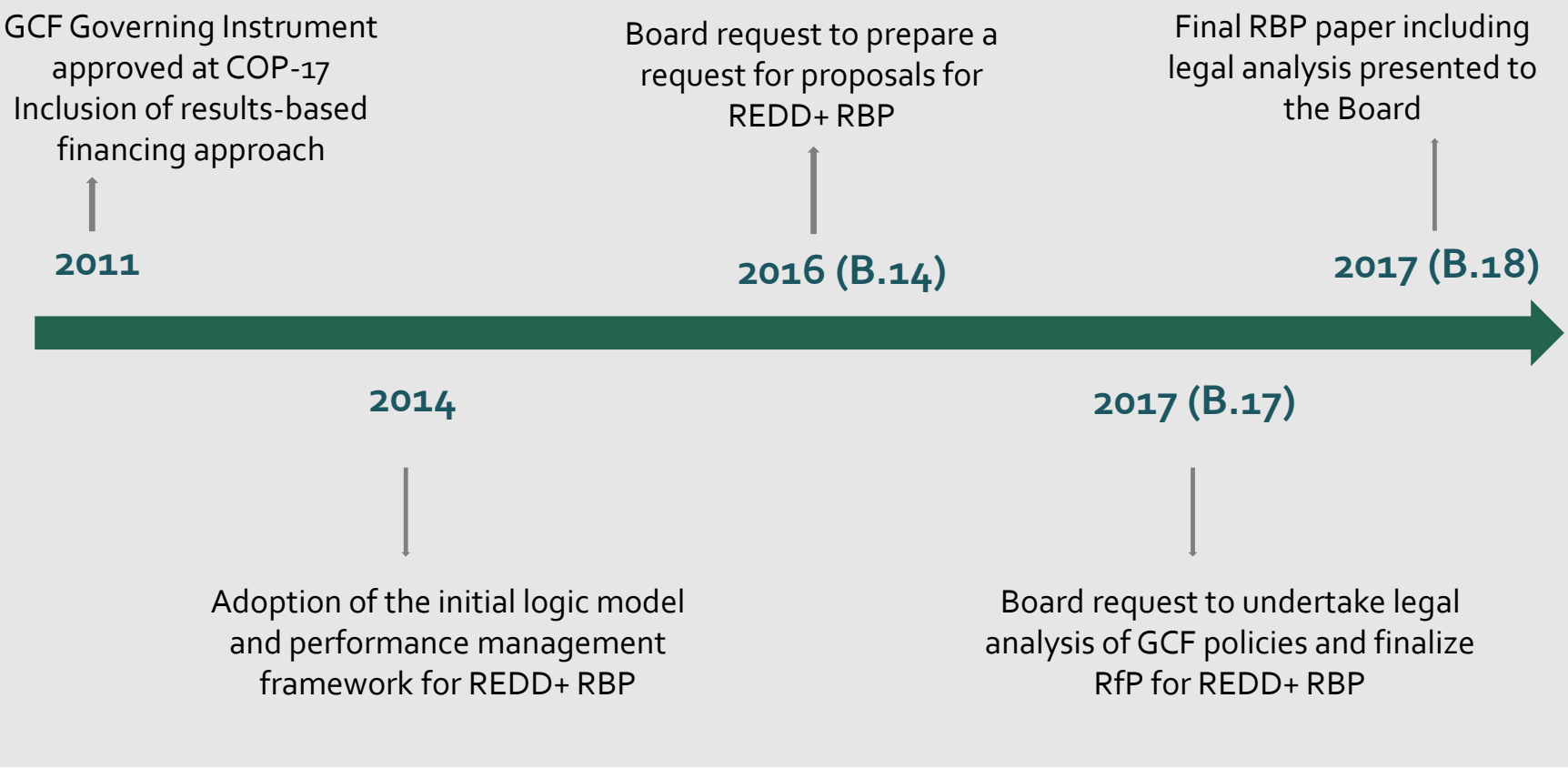
REDD+ has been under discussions for over a decade under the UNFCCC …



… and around 6 years in the GCF agenda until the last meeting of the Board in October 2017



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Decision B.18/07

- Set the valuation of results at **USD 5 per tCO_2 eq**;
- Allocate up to **USD 500 million**.
- **Adopt the request for proposals** for the pilot programme for REDD-plus results-based payments **as set out in annex II and the corresponding scorecard provided in annex III**;
- To develop all corresponding **templates and guidance no later than two months** after its adoption by the Board.
- **To conduct an analysis** of the experience with, and the progress made towards achieving the objectives of the pilot programme for REDD-plus results-based payments for its consideration no later than at its last meeting **in 2019**.

Request for proposals for REDD+ Results-based payments

The objective of the RFP pilot programme for REDD-plus RBPs is to operationalize REDD-plus results-based payments and gather experience to further improve the procedural and technical elements of RBPs using the GCF resources in the learning stage

Main features:

- It will run **from October 2017 until** the last meeting of the Board in **2022**
- A **minimum of 3 Concept Notes from 3 different countries** need to be submitted to initiate the RFP evaluation process
- The RFP will encompass **two stages**: in the first stage, Concept Notes are received on a rolling basis, based on the score countries are invited to submit a Funding Proposal
- A **country could submit more than one proposal** provided that the total amount of GCF payable volume of ERs will not exceed more than 30% of the size of the total envelope

Modality and Scope

- Access modality : through Accredited Entities
- Financial valuation of results: USD 5 / tCO2eq
- Eligibility period for results: 31 December 2013 (time of adoption of the Warsaw Framework for REDD+) until 31 December 2018

$$\text{Volume of ERs offered (X)} \ \frac{\text{Total score achieved}}{\text{Maximum score}} = \text{GCF volume of ERs}$$

Total score achieved = score achieved by the full proposal in section 2 of the scorecard in annex III

Maximum score = 48 in accordance with the section 2 of the scorecard in annex III

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Modality and Scope

- Use of proceeds: reinvest the proceeds in activities in line with their current or next NDCs, their REDD-plus strategies, or low-carbon development plans.

- Ownership and legal title: Ownership of the emissions reductions paid for by the GCF **will not be** transferred to the GCF

- Scale of the proposal: national or, on an interim basis subnational

- Forest reference emission levels / forest reference levels (FREL/FRL) and results : will be considered using the relevant criteria defined in the scorecard

Modality and Scope

Application of GCF policies and procedures to activities undertaken in the past:

- Interim Environmental and Social Safeguards
- Gender policy
- Interim policy on prohibited practices

Application of GCF policies and procedures to the use of RBPs

- Interim Environmental and Social Safeguards
- Gender policy
- Interim policy on prohibited practices
- Indigenous Peoples' Policy
- Monitoring and Accountability Framework

Other relevant policies

- Interim Policy on Fees for Accredited Entities
- Accreditation

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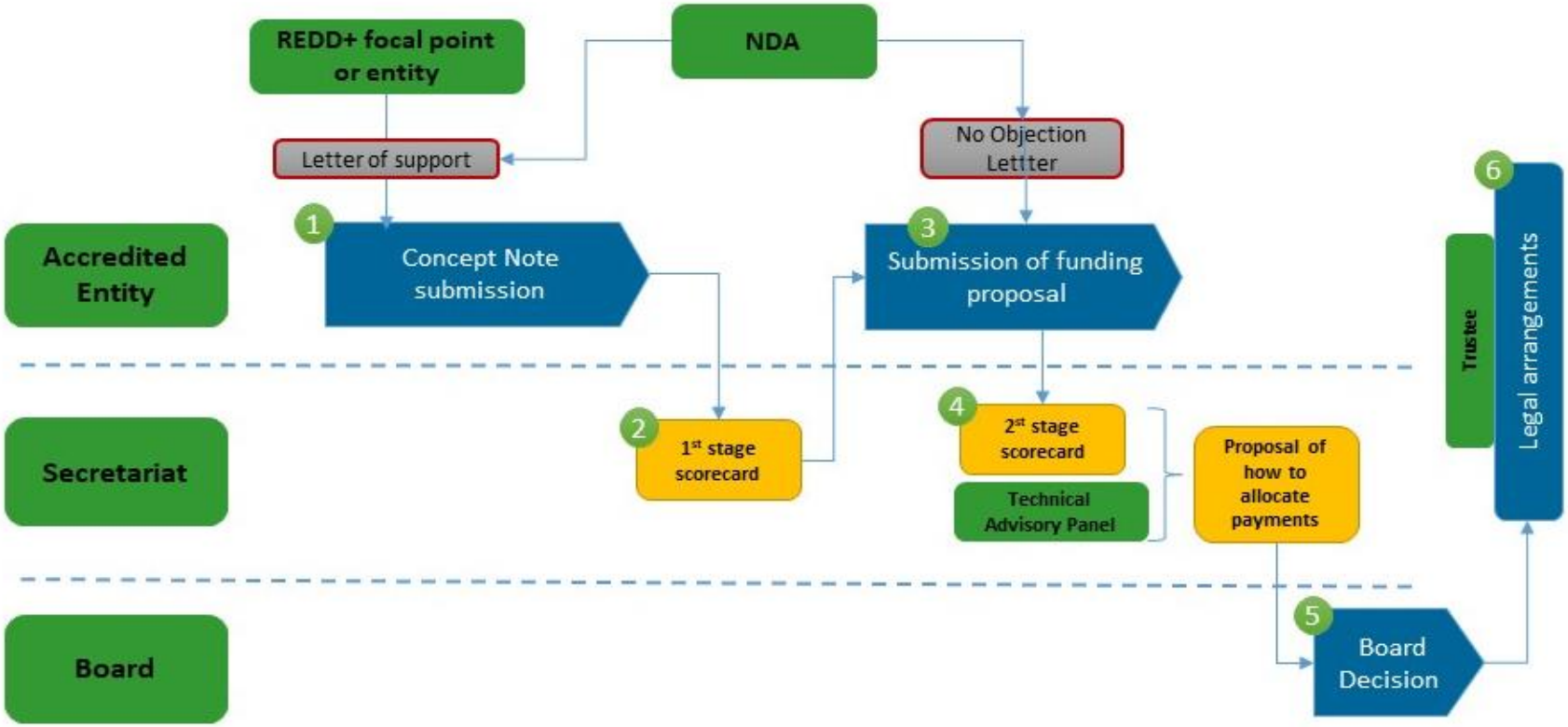
REDD+ RBP Approval Process

Overview



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Scorecard structure

Document	Scorecard sections	Type of assessment	Compliance with
Concept Note (Stage 1)	**Section 1: Eligibility criteria** It is required that all mandatory criteria qualify as "pass" for a proposal to be eligible for the pilot programme.	Pass/fail	UNFCCC & GCF
Funding Proposal (Stage 2)	**Section 2: Carbon elements** a. Forest Reference Emission Level or Forest Reference Level (FREL/FRL) b. REDD-plus results reporting (BUR Annex)	Quantitative	UNFCCC & GCF
	Section 3: Non-carbon elements a. Cancun Safeguards b. Use of proceeds and non-carbon benefits	Qualitative	UNFCCC & GCF
	Section 4: GCF Investment Framework The criteria of the Investment Framework will be applied to inform on past actions towards achieving results.	Qualitative	GCF
	Section 5: GCF Policies Policies related o ESS, Risks, Gender and Monitoring and Evaluation would be considered for past and future actions where applicable.	Qualitative	GCF

Scorecard – Stage I

First stage scorecard (based on the Concept Note)

Section 1: Eligibility criteria	Evaluation	Indicative guidance
In relation to UNFCCC decisions		
(i) Has a link to the National REDD-plus strategy or Action Plan been provided to the UNFCCC REDD-plus platform or is otherwise publicly available?	Pass/Fail	If yes, provide link
(ii) Has information on the NFMS[1] been provided [to the UNFCCC Web platform in case BUR annex is not yet submitted or] within the Technical Annex to the BUR?	Pass/Fail	If yes, provide link Noting Decision 1/CP.16, paragraph 71(c), footnote 7.
(iii) Has the FREL/FRL applicable to the results periods under consideration been submitted and its Technical Assessment (TA) finalized?	Pass/Fail	If yes, provide links to the FREL/FRL and the TA report.
(iv) Is a system in place for providing information on how all of the safeguards referred to in Appendix I of 1/CP.16 are addressed and respected?	Pass/Fail	If yes, provide evidence of the system
(v) Has a summary of information been provided to the UNFCCC Information Hub or in the National Communication on how all of the safeguards were addressed and respected during the results period under consideration?	Pass/Fail	If yes, provide link
(vi) Have REDD-plus results, within the eligible period for the RfP, been reported in a Technical Annex to the BUR?	Pass/Fail	If yes, provide link to the BUR (should appear on UNFCCC website)
(vii) Has the Technical Analysis been completed or an expected date of completion been provided?	Pass/Fail	If yes, provide link of the report or provide evidence of when the Technical Analysis will be concluded
Eligible scale		
(viii) Is the scale of results at a national or, on an interim basis, subnational level?	Pass/Fail	If yes, see section 3.7 for definition of subnational level
Other		
(ix) Does the Concept Note include a No Objection Letter from the NDA and written consent from the National REDD-plus Focal Point or Entity?	Pass/Fail	If yes, provide supporting evidence (e.g. letter from REDD-plus focal point or entity)
Total Concept Note Assessment	***Pass/Fail***	*Pass requires "pass" on all elements above*

Scorecard – Stage II

Second stage scorecard (based on the Funding Proposal)

Section 2: Carbon Elements*	Evaluation	Indicative guidance
Section 2a. Forest Reference Emission Level / Forest Reference Level (FREL/FRL)		
The following items are scored on the basis of the UNFCCC Technical Assessment Report]		
(i) Is the FREL/FRL consistent with the GHG inventory, including the definition of forest used?	0 to 2	0 = no 1 = evidence inconsistencies will be resolved in the next GHG inventory or FREL/FRL, or justified 2 = yes
(ii) Is the FREL/FRL based on historical data and is it equal to or below the average annual historical emissions during the reference period, unless a country is an HFLD country? For countries that have consistently maintained high forest cover and low deforestation rates an adjustment that: - does not exceed 0.1% of the carbon stock over the eligibility period in the relevant national or subnational area, and - does not exceed 10% of the FREL/FRL may be applied to the average annual historical emissions to reflect quantified, documented changes in circumstances during the reference period that likely underestimate future rates of deforestation or forest degradation during the eligibility period.	Pass/Fail	Fail = The FREL is not based on average annual historical emissions and the country is not an HFLD; if the country is an HFLD the proposed adjustment exceed 0.1% of the carbon stock over the eligibility period in the relevant national or subnational area, and/or exceed 10% of the FREL/FRL, Pass (2 points) = The FREL/FRL is equal to average annual historical emissions OR for HFLD countries, the FREL/FRL is adjusted not exceeding 0.1% of the carbon stock over the eligibility period in the relevant national or subnational area and does not exceed 10% of the FREL/FRL to reflect quantified documented changes in circumstances during the reference period that likely underestimate future rates of deforestation or forest degradation during the eligibility period.
(iii) Is the FREL/FRL in accordance with the guidelines in Decision 12/CP.17?	Fail or score	Fail= no 1 – Yes, and the overall issue(s) raised are material to the quantified estimate of the FREL/FRL 2 = yes, although the overall issue(s) raised are not material to the quantified estimate of the FREL/FRL
(iv) Is the data and information provided in for the FREL/FRL transparent? (has information been provided to allow an understanding of how UNFCCC guidance on results reporting has been addressed?)	Fail or score	Fail = significant issues that are material to the transparency of the FREL/FRL were raised and not resolved 1 – significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the

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Scorecard – Stage II

		transparency of the FREL/FRL, and the country has provided a plan on how it will seek to overcome them 2 – no significant issues were raised
(v) Is the FREL/FRL complete? (has information been provided that allows for the reconstruction of the FREL/FRL?)	Fail or score	Fail – significant issues that are material to the understanding of FREL/FRL were raised and not resolved 1 – significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the completeness of the FREL/FRL, and the country has provided a plan on how it will seek to overcome them 2 – no significant issues were raised
(vi) Is the FREL/FRL consistent? (were data and methodologies applied consistently over the time series used for the construction of the FREL/FRL?)	Fail or score	Fail = significant issues that are material to the consistency of the FREL/FRL were raised and not resolved 1 – significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the consistency of the FREL/FRL, and the country has provided a plan on how it will seek to overcome them 2 – no significant issues were raised
(vii) Is the FREL/FRL accurate? (The data and methodologies used neither over- nor under-estimate emissions and/or removals during the reference period, so far as can be judged)	Fail or score	Fail = significant issues that are material to the accuracy of the FREL/FRL were raised and not resolved 1 – significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the accuracy of the FREL/FRL, and the country has provided a plan on how it will seek to overcome them 2 – no significant issues were raised
(viii) Have all REDD+ activities that are a significant source of emissions been included?	Fail or score	Fail = no, with insufficient justification provided 1 = no, but justified due to lack of data and/or the omission does not overestimate emissions or underestimate removals, noting that countries should indicate a plan to include data in the future 2 = yes

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Scorecard – Stage II

(ix) Have all of the most significant pools been included?	0 to 2	0= no 1 = no, but justified due to lack of data and/or the omission does not overestimate emissions or underestimate removals, noting that countries should indicate a plan to include data in the future 2= yes
(x) Have all gases that are a significant source of emissions been included?	0 to 2	0= no 1 = no, but justified due to lack of data and/or the omission does not overestimate emissions, noting that countries should indicate a plan to include data in the future 2= yes
(xi) Is the information provided in the construction of the FREL/FRL (data, methodologies and estimates) guided by the most recent applicable IPCC guidance and guidelines as adopted by the COP[2]?	Fail or score	Fail – not guided by IPCC guidance 1 – guided by 2003 GPGs 2 – guided by 2006 GLs
(xii) Have any significant issues related to the application of IPCC GLs/GPGs been raised in the TA report?	Fail or score	Fail = significant issues that are material to the alignment with the methodologies of the IPCC GLs/GPGs were raised and not resolved 1 – significant issues were raised and could not be resolved due to the limitation of time and data, and the country has provided a plan on how it will seek to overcome them 2 – no significant issues were raised
The following criteria are additional to the UNFCCC Technical Assessment and Analysis process		
(xiii) What is the ref period for the FREL/FRL?	Fail or score	Fail: < 5 years or > 20[3] 1: 5-9 or 16-20 2: 10-15 years

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Scorecard – Stage II

(xiv) How does the reference level for the results included in the proposal compare to the previous ref level that applies to the same area?	Fail or score	Fail – the later reference level reflects higher emissions level or lower removals 1 – no adjustment made or no previous FREL/FRL submission 2 – later reference level reflects lower emissions level or higher removals
(xv) Has the country provided information on aggregate uncertainties, taking into account national capabilities and circumstances?	Fail or score	0: No information on uncertainties provided or > 50% Note: 0 = FAIL for FRELs submitted for assessment from 2019 if no information on uncertainties has been provided. 1: < 50%, and assumptions and sources of uncertainties are identified and assessed for their relative contribution 2: < 30%, and most sources of error are included and process has been implemented to minimize systematic and random errors
Section 2b. REDD-plus Results reporting		
The following items are scored on the basis of the UNFCCC Technical Analysis report of the reporting of REDD-plus results (in the technical annex to the BUR, results considered as assessed in the TA report)		
(i) Are the reported results in the technical annex to the BUR consistent with the FREL/FRL? (including the inclusion of same pools, activities and gases)	Pass/Fail	Pass = yes (2 points) Fail = no
(ii) Is the data and information provided in the technical annex transparent? (has information been provided to allow an understanding of how UNFCCC guidance on results reporting has been addressed?)	Fail or score	Fail = significant issues that are material to the transparency of the FREL/FRL were raised and not resolved 1 – significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the transparency of the results, and the country has provided a plan on how it will seek to overcome them 2 – no significant issues were raised
(iii) Is the data and information provided in the technical annex complete? (has information been provided that allows for the reconstruction of the results?)	Fail or score	Fail – significant issues that are material to the understanding of FREL/FRL were raised and not resolved 1 – significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the completeness of the results, and the country has provided a plan on how it will seek to overcome them

Scorecard – Stage II

		2 – no significant issues were raised
(iv) Is the data and information provided in the technical annex consistent? (were data and methodologies applied consistently over the results time series?)	Fail or score	Fail = significant issues that are material to the consistency of the FREL/FRL were raised and not resolved 1 – significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the consistency of the results, and the country has provided a plan on how it will seek to overcome them 2 – no significant issues were raised
(v) Is the data and information provided in the technical annex accurate? (does it neither over- nor under-estimate emissions and/or removals?)	Fail or score	Fail = significant issues that are material to the accuracy of the FREL/FRL were raised and not resolved 1 – significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the accuracy of the results, and the country has provided a plan on how it will seek to overcome them 2 – no significant issues were raised
(vi) What is the number of years between the last year of the FREL period, and the year corresponding to the results being proposed for payments?	Scoring	0 – 10 or more years 1 – 6 to 9 years 2 – 5 or less
The following items are based on additional information required by the GCF		
(vii) Has the country provided information on aggregate uncertainties, taking into account national capabilities and circumstances?	Fail or score	0: No information on uncertainties provided or > 50% Note: 0 = FAIL for FRELs submitted for assessment from 2019 if no information on uncertainties has been provided. 1: < 50%, and assumptions and sources of uncertainties are identified and assessed for their relative contribution 2: < 30%, and most sources of error are included and process has been implemented to minimize systematic and random errors

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(viii) Has information been provided on payments that have been (or are expected to be) received from other sources for results recognized by the country[4] from the same national or subnational area during the period for which a country is proposing to receive payments from the GCF? And has the country provided sufficient assurance that results that have been paid for by other sources have been excluded from the total volume offered to the GCF?	Pass/Fail	Fail = no Pass = yes (2 points)
(ix) Are the results proposed to the GCF for payment included in a registry or similar system, that tracks emission reductions and corresponding payments[5] to ensure there is no past or future double payment [or use] of such ERs?	Pass/Fail	Fail = no Pass = yes (2 points)
TOTAL		**Maximum total = 48**

***Fail on one criteria implies failing the program.**

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Scorecard – Stage II

Section 3: Non-carbon elements*	Evaluation	Indicative guidance
Section 3a: Safeguards in 1/CP.16, Appendix I (i.e. the "Cancun Safeguards")		
The following is based on the "Summary of information on how the safeguards in 1/CP.16 are being addressed and respected throughout the implementation of activities" (Decision 12/CP.17).		
Does the "summary of information on safeguards" provide information on how each of the safeguards below were addressed and respected in a way that ensures transparency, consistency, comprehensiveness and effectiveness:		
(i) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;	Pass/Fail	Fail = the summary is missing information to understand how the safeguard has been addressed and respected. Pass = the summary provides information on how the safeguard was addressed and respected taking into account decision 17/CP.21
(ii) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;	Pass/Fail	
(iii) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;	Pass/Fail	
(iv) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of this decision;	Pass/Fail	
(v) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the 12 protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits	Pass/Fail	
(vi) Actions to address the risks of reversals	Pass/Fail	
(vii) Actions to reduce displacement of emissions	Pass/Fail	
Section 3b: Use of proceeds and non-carbon benefits		
Has information been provided on how proceeds will be used consistent with GCF policies? Has information been provided on how the proceeds will be used in a manner consistent with the country's NDC, national REDD+ strategy and/or low carbon development plans and policies? Has information been provided on how the proceeds used in a manner that contributes to the long-term sustainability of REDD-plus activities, including non-carbon benefits?	Fail or score	FAIL = information not consistent with GCF policies, or not in line with a country's NDC, national REDD+ strategy and/or low carbon development plans and policies? 1 = Information is consistent with GCF policies, and is in line with the country's NDC, national REDD+ strategy and/or low carbon development plans and policies.

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Scorecard – Stage II

Section 4: Investment Framework	Evaluation (If applicable)[6]	Definition
Impact Potential	high/medium/ low	Potential of the programme to contribute to the achievement of the Fund's objectives and result areas
Paradigm Shift Potential	high/medium/ low	Degree to which the REDD+ activity can catalyze impact beyond a one-off programme investment
Sustainable development potential	high/medium/ low	Wider benefits and priorities, including environmental, social and economic
Needs of the recipient	high/medium/ low	Vulnerability and financing needs of the beneficiary country and population
Country Ownership	high/medium/ low	Beneficiary country ownership of, and capacity to implement a funded project or programme (policies, climate strategies and institutions)
Efficiency and effectiveness	high/medium/ low	Economic and, if appropriate, financial soundness of the programme

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Scorecard – Stage II

Section 5: GCF Policies	Evaluation	Score	Indicative guidance for the period of the results considered in the RFP	Indicative Guidance for the use of proceeds
Environmental and Social Safeguards (ESS)	Pass/fail		Adequate and sufficient information provided in an environmental and social assessment (ESA) report describing the extent to which the measures undertaken to identify, assess, and manage environmental and social risks and impacts, in the context of the REDD+ proposal, were consistent with the requirements of the applicable GCF ESS standards.[7] This supplements information containing the country's own assessment as to how the Cancun safeguards were addressed and respected in the REDD+ activities.	Adequate and sufficient information provided in an environmental and social management framework (ESMF) that will describe how environmental and social risks and impacts will be identified, assessed and managed in a manner consistent with the GCF's ESS standards[8], including the determination of the relevant environmental and social risk category of the proposed activities.
Risk Assessment	Pass/fail		Adequate and sufficient information provided that allows for an assessment of the historical performance of the activities undertaken (track record) against the risk tolerance levels specified in the Risk Appetite Statement and the criteria (where applicable) outlined in the Risk Guidelines for Funding Proposals.	Adequate and sufficient information provided that details how the plan for the use of proceeds does not violate the risk tolerance levels specified in the Risk Appetite Statement and allows for performance monitoring and evaluation against the criteria (where applicable) outlined in the Risk Guidelines for Funding Proposals.
Gender	Pass/fail		Adequate and sufficient information provided in the assessment describing the extent to which the measures undertaken complied with the GCF gender policy.	Adequate and sufficient information provided on how the AE will undertake activity-level gender assessment and action plan once the details of the activities become known.
Monitoring and Evaluation	Pass/fail		N/A	Adequate and sufficient information provided on how the activities to be undertaken with the GCF proceeds comply with the GCF Monitoring and Accountability Framework.
Interim policy on prohibited practices	Pass/fail		1. Appropriate and sufficient information provided in a due diligence report to demonstrate that no prohibited practices occurred during the implementation of the activities that lead to the REDD+ results, such as: undisclosed prohibited practices, including money laundering and the financing of terrorism, occurred during the implementation of results-based actions; and double payment or financing for the same results achieved.	2. Appropriate and sufficient information provided that assures that the activities with use of proceeds will follow the interim policy on prohibited practices, such as: undisclosed prohibited practices, including money laundering and the financing of terrorism; improper subsequent use of GCF proceeds in the prohibited practices; and double payment or financing for the same results achieved, etc.
Indigenous Peoples' Policy	Pass/fail		3. N/A 4. The application of the prospective Indigenous Peoples Policy for activities undertaken in the past will be considered through the Cancun Safeguards and the GCF ESS	5. Adequate and sufficient information provided on how the activities will meet the requirements of the policy and guided by the prevailing relevant national laws and/or obligations of the countries directly applicable to the activities under relevant international treaties and agreements.

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