

COMPARATIVE ANALYSIS  
OF THE UNFCCC REDD+  
RELATED DECISIONS AND  
OTHER MULTILATERAL AND  
BILATERAL REQUIREMENTS  
TO ACCESS RESULTS-BASED  
PAYMENTS / RESULTS-  
BASED FINANCE FOR REDD+  
RESULTS-BASED ACTIONS



# UN-REDD PROGRAMME



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**The UN-REDD Programme** is the United Nations Collaborative Initiative on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries. The Programme was launched in 2008 and builds on the convening role and technical expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP). The UN-REDD Programme supports nationally led REDD+ processes and promotes the informed and meaningful involvement of all stakeholders, including indigenous peoples and other forest-dependent communities, in national and international REDD+ implementation.

# EXECUTIVE SUMMARY

Both the role of forests to mitigate climate change as well as the importance of Results-Based Payments (RBPs) / Results-Based Finance (RBF) for REDD+ are strongly recognized under the United Nations Framework Convention on Climate Change (UNFCCC), most recently in the Paris Outcome emerging from COP21. With REDD+ having been enshrined as a core element of the global climate regime going forward, there is renewed momentum for REDD+.

As an increasing number of countries have already been moving from initial REDD+ readiness to demonstration and implementation, greater emphasis has been placed on accessing finance for verified Emissions Reductions (ERs). International REDD+ support processes have responded accordingly with the Green Climate Fund (GCF), under the auspices of the UNFCCC, having been identified as having a key role in providing RBPs / RBF for REDD+, the creation of the Forest Carbon Partnership Facility Carbon Fund (FCPF CF) under the auspices of the World Bank and other initiatives such as bilateral agreements under Germany's REDD Early Movers (REM) Programme.

Given this context, it is useful to consider how consistency with the relevant UNFCCC REDD+ decisions is or may be maintained, in light of the specific operational modalities of each financing entity for REDD+ RBPs / RBF.

The primary objective of this document is to provide a neutral comparison of the similarities and differences between the UNFCCC REDD+ decisions (in particular the Warsaw Framework for REDD+) and the Forest Carbon Partnership Carbon Fund's Methodological Framework (FCPF CF MF), as well as Germany's REM Programme. There were two main objectives in conducting this type of comparative analysis. The first is to support countries to address their needs to consider these similarities and differences, as well as potential implications of these, in order to design effective and coordinated REDD+ Emission Reduction Programmes in their countries. A second objective of the document is to serve as a useful input to support the GCF work on REDD+ RBPs / RBF.

The main sections of the comparative analysis look at the UNFCCC decisions on REDD+ and the FCPF CF MF and are organized according to two categories of issues.

Part I focuses on operational aspects related to REDD+ RBPs / RBF, including conditions for access, legal nature, value and restrictions on use.

Part II looks at technical and methodological matters related to REDD+ RBPs, including the four main REDD+ elements or pillars, called for in Cancun: The National Forest Monitoring System (NFMS), the National Strategy or Action Plan (NS / AP), the Forest Reference Emission Level / Forest Reference Level (FREL / FRL), and the Safeguard Information System (SIS). Additionally, this part of the analysis compares the frameworks on a number of other key issues, including scope and scale of REDD+; addressing both the drivers of deforestation and forest degradation as well as the barriers to the + activities; addressing and respecting safeguards; estimating and accounting; reporting, technical assessments/analysis and publically available information; and non-carbon benefits.

Part III then compares UNFCCC and REM on each of these same issues.

The detailed comparative analysis between the existing UNFCCC REDD+ guidance and the multilateral and bilateral agreements for REDD+ RBPs / RBF demonstrates two key points.

First, it is clear that, while the UNFCCC decisions lay out the requirements for accessing RBF / RBPs for REDD+, the GCF needs to further explore and possibly provide guidance, in order to operationalize RBPs / RBF for REDD+ through the GCF.

Second, certain elements of the guidance / requirements to operationalize RBPs / RBF under multilateral and bilateral agreements for REDD+ RBPs / RBF outside the UNFCCC context are characterized by a degree of prescriptiveness not seen in the REDD+ decisions agreed under the UNFCCC. Looking at the results of the analysis, a number of these elements can indeed be considered as necessary to operationalize RBPs / RBF, in line with the operational modalities of the various financing entities and taking into account specific features of these schemes, such as legal nature of ERs.

There are the elements, however, that appear to potentially place additional burdens and / or limitations on countries without being necessary to effect the operationalization of the RBPs / RBF. It is useful for countries to further consider these, as they aim to design effective REDD+ programmes at the subnational and national levels. It is also anticipated that this issue will be given thoughtful consideration in the context of the GCF.

## ACKNOWLEDGEMENTS

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# LIST OF ACRONYMS AND DEFINITIONS

<b>BSP</b>	Benefit Sharing Plan	<b>MRV</b>	Measurement, Reporting and Verification
<b>BURs</b>	Biennial Update Reports	<b>NCBs</b>	Non-Carbon Benefits
<b>C&amp;I</b>	Criteria and Indicators	<b>NCs</b>	National Communications
<b>CF</b>	Carbon Fund	<b>NFMS</b>	National Forest Monitoring System
<b>CFPs</b>	Carbon Fund Participants	<b>NS / AP</b>	National Strategy / Action Plan
<b>COP</b>	Conference of the Parties	<b>ODA</b>	Overseas Development Aid
<b>CT</b>	Commercial Terms (related to ERPA)	<b>RBAAs</b>	Results-Based Actions
<b>DDFD</b>	Drivers of Deforestation and Forest Degradation	<b>RBF</b>	Results-Based Finance
<b>ER Program</b>	Emission Reductions Program	<b>RBPs</b>	Results-Based Payments
<b>ERPA</b>	Emission Reductions Payment Agreement	<b>REM</b>	Rewarding Early Movers Programme
<b>ER-PIN</b>	Emission Reductions Program Idea Note	<b>SBSTA</b>	Subsidiary Body for Scientific and Technological Advice
<b>ERs</b>	Emission Reductions	<b>SCF</b>	Standing Committee on Finance
<b>FCPF</b>	Forest Carbon Partnership Facility	<b>SIDS</b>	Small Island Developing States
<b>FMT</b>	Facility Management Team	<b>SESA</b>	Strategic Environmental and Social Assessment
<b>FREL / FRL</b>	Forest Reference Emission Level / Forest Reference Level	<b>SIS</b>	Safeguards Information System
<b>GC</b>	General Conditions	<b>TAP</b>	Technical Advisory Panel
<b>GCF</b>	Green Climate Fund	<b>TTE</b>	Technical Team of Experts
<b>GHGs</b>	Greenhouse Gases	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>IBRD</b>	International Bank for Reconstruction and Development	<b>VCS</b>	Verified Carbon Standard
<b>ICA</b>	International Consultation and Analysis	<b>WB</b>	World Bank
<b>IPCC</b>	Intergovernmental Panel on Climate Change		
<b>ITMOs</b>	Internationally Transferred Mitigation Outcomes		
<b>KFW</b>	KFW Development Bank		
<b>LDCs</b>	Least Developed Countries		
<b>LULUCF</b>	Land Use, Land Use Change and Forestry		
<b>MF</b>	Methodological Framework		

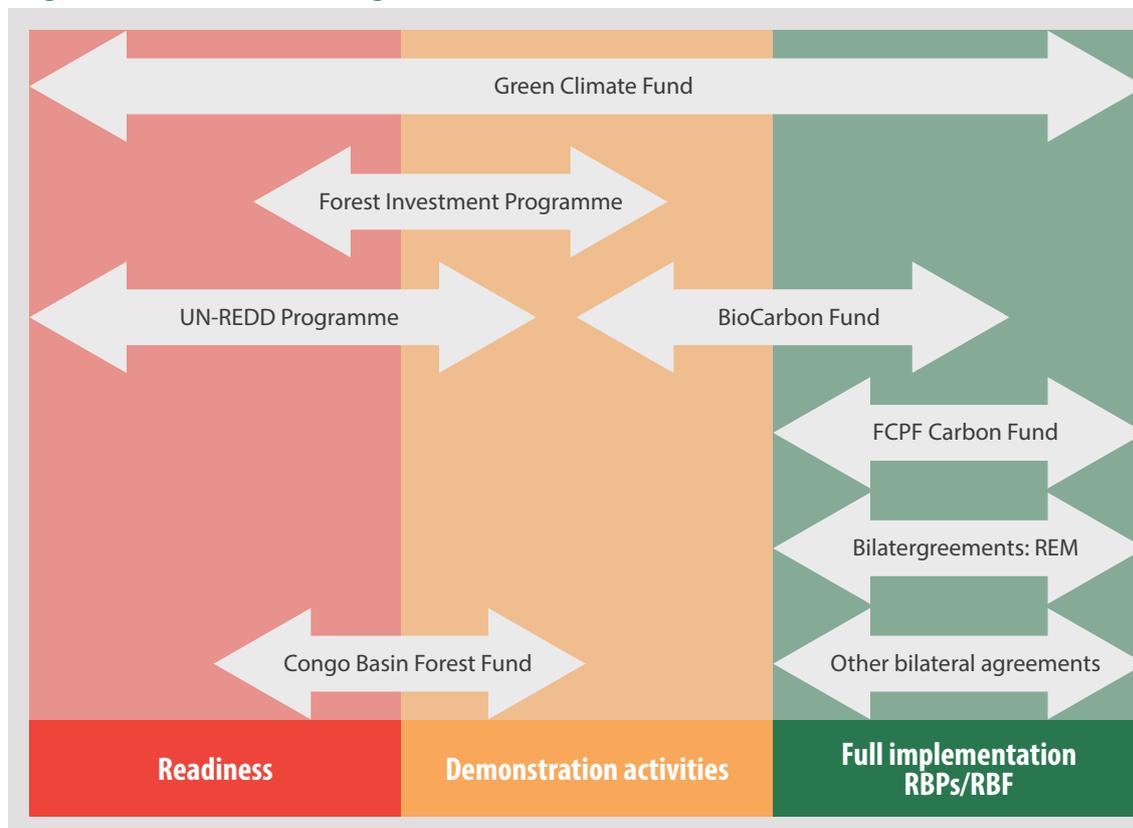
# INTRODUCTION

## 1.1 THE INTERNATIONAL CONTEXT OF RESULTS-BASED PAYMENTS / RESULTS-BASED FINANCE FOR REDD+

Both the role of forests to mitigate climate change as well as the importance of Results-Based Payments (RBPs) / Results-Based Finance (RBF) for REDD+ are strongly recognized in the Paris Outcome emerging from COP21. With REDD+ having been enshrined as a core element of the global climate regime going forward, there is renewed momentum for REDD+.

As an increasing number of countries have already been moving from initial REDD+ readiness to demonstration and implementation, greater emphasis has been placed on accessing finance for verified Emissions Reductions (ERs). International REDD+ support processes have responded accordingly with the Green Climate Fund (GCF), under the auspices of the UNFCCC, having been identified as having a key role in providing RBPs / RBF for REDD+, the creation of the Forest Carbon Partnership Facility Carbon Fund (FCPF CF) under the auspices of the World Bank and other initiatives such as bilateral agreements under Germany's REDD Early Movers (REM) Programme (Figure 1).

**Figure 1: Different multilateral and bilateral agreements that fund the REDD+ process in countries and provide RBPs / RBF for RBAs. Note that although the Congo Basin Forest Fund was not designed to directly support REDD+, it provided a significant amount of funding for REDD+ readiness and demonstration activities.**



## 1.2 FILLING THE GAPS TO OPERATIONALIZE RBPs / RBF

Under the UNFCCC process, the GCF is mandated to provide RBPs / RBF for REDD+, and in doing so, is requested to apply the methodological guidance agreed through the various UNFCCC REDD+ decisions agreed by Parties (decision 9/CP.19, paragraph 7):

*“Requests the Green Climate Fund, when providing results-based finance, to apply the methodological guidance consistent with decisions 4/CP.15, 1/CP.16, 2/CP.17, 12/CP.17 and 11/CP.19 to 15/CP.19, as well as this decision, in order to improve the effectiveness and coordination of results-based finance”.*

At the same time, decision 9/CP.19 encourages that other financing entities for REDD+ (other than the GCF) apply the methodological guidance agreed through the various UNFCCC REDD+ decisions agreed by Parties (decision 9/CP.19, paragraph 6):

*“Also encourages the entities referred to in paragraph 5 above, when providing results-based finance, to apply the methodological guidance consistent with decisions 4/CP.15, 1/CP.16, 2/CP.17, 12/CP.17 and 11/CP.19 to 15/CP.19, as well as this decision, in order to improve the effectiveness and coordination of results-based finance”.*

COP decisions also recognized that financing entities for REDD+ will have their own operational modalities (decision 10/CP.19, paragraph 2): *“Notes that the national entities or focal points of developing country Parties may, in accordance with national circumstances and the principles of sovereignty, nominate their entities to obtain and receive results-based payments, consistent **with any specific operational modalities of the financing entities providing them with support** for the full implementation of the activities referred to in decision 1/CP.16, paragraph 70;”.*

Given this UNFCCC context, it is useful to consider how consistency with the relevant UNFCCC REDD+ decisions is or may be maintained, in light of the specific operational modalities of each financing entity for REDD+ RBPs / RBF.

### 1.2.1 THE GREEN CLIMATE FUND

The GCF was established at COP16 (decision 1/CP.16) as an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) under Article 11. The *“Green Climate Fund will work through a wide range of [accredited] entities to channel its resources to projects and programmes. Such entities may be international, regional, national, or subnational, public or private institutions that meet the standards of the Fund. Countries may access the Fund through multiple entities simultaneously<sup>1</sup>.”*

In decision 9/CP.19, paragraph 7 of the Warsaw Framework for REDD-plus (WFR), the GCF is identified as having a key role in providing Results Based Payments / Results-Based Finance (RBPs / RBF) for REDD+. This decision encouraged the GCF to play a key role in collectively channelling adequate and predictable RBF in a fair and balanced manner, taking into account different policy approaches, while working with a view to increasing the number of countries that are in a position to obtain and receive payments for RBAs.

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1 Available at <http://www.greenclimate.fund/ventures/funding#how-it-works>

In decision 7/CP.21, the COP “[u]rges the Board of the Green Climate Fund to operationalize results-based payments for activities referred to in decision 1/CP.16, paragraph 70, consistent with decision 9/CP.19, and in accordance with Green Climate Fund Board decision B.08/08.”

The GCF Board, while operationalizing REDD+ RBPs / RBF will need to provide guidance to the national, accredited entities seeking REDD+ RBPs/RBF. Through GCF/B.08/08/Rev. 01<sup>2</sup>, the GCF has already adopted a logic model and Performance Measurement Framework (PMF) for ex-post REDD-plus RBPs / RBF, which was developed based on the methodological guidance in the Warsaw Framework for REDD+ and in decisions 1/CP.16 and 12/CP.17. As recognized in GCF/B.08/08/Rev. 01, this initial logic model and PMF for REDD+ RBPs / RBF is integral to the Fund’s broader mitigation logic model (GCF/B.07/04)<sup>3</sup> and PMF<sup>4</sup> with REDD+ RBPs / RBF contributing to the achievement of result 4.0, which is focused on REDD+. The next step towards the completion of the framework within which REDD-plus RBPs can be supported by the GCF is to develop methodologies and operational guidance for the indicators in that PMF for REDD+ results-based payments. According to GCF Board decision B/08/08<sup>5</sup>, it is noted that methodologies for the indicators will be aligned with the methodological guidance provided by the COP.

The GCF Board decision B.12/07, paragraph (d), requested the GCF Secretariat to provide a document for consideration by the Board at its fourteenth meeting, allowing for the operationalization of RBP for REDD+ activities, consistent with UNFCCC decision 9/CP.19, and in accordance with decision B.08/08. The document titled Support for REDD-Plus (GCF/B.14/03)<sup>6</sup> was prepared in response to this request. It provides background information on REDD+ finance, notes key elements for designing a REDD+ RBF scheme, and proposes options to initiate the operationalization of GCF RBF for REDD+.

Based on consideration of this document, The GCF Board adopted Decision B/14.03<sup>7</sup> at its 14th Board meeting in October 2016 whereby it:

- a. *Recognizes the need to complement other sources and types of finance and that the Green Climate Fund can support the development of national REDD+ strategies or action plans and investment plans including through the Readiness and Preparatory Support Programme, and that the Fund can support the implementation of national REDD+ strategies or action plans*

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2 Available at [http://www.greenclimate.fund/documents/20182/24946/GCF\\_B.08\\_08\\_Rev.01\\_-\\_Initial\\_Logic\\_Model\\_and\\_Performance\\_Measurement\\_Framework\\_for\\_REDD\\_Results-based\\_Payments.pdf/af196e83-86cd-45b3-b220-463e12827920](http://www.greenclimate.fund/documents/20182/24946/GCF_B.08_08_Rev.01_-_Initial_Logic_Model_and_Performance_Measurement_Framework_for_REDD_Results-based_Payments.pdf/af196e83-86cd-45b3-b220-463e12827920)

3 Available at [https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_04\\_-\\_Initial\\_Results\\_Management\\_Framework.pdf/d8d7ecdc-d85e-46bc-b19a-bf34bb8fb1d1](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_04_-_Initial_Results_Management_Framework.pdf/d8d7ecdc-d85e-46bc-b19a-bf34bb8fb1d1)

4 The latest version of the mitigation PMF – though not yet adopted – may be found in the GCF document titled Further development of indicators in the performance measurement frameworks, available here: [https://www.greenclimate.fund/documents/20182/184476/GCF\\_B.12\\_13\\_-\\_Further\\_development\\_of\\_indicators\\_in\\_the\\_performance\\_measurement\\_frameworks.pdf/30f1f9a5-98a5-483b-8553-e306b3c394e2](https://www.greenclimate.fund/documents/20182/184476/GCF_B.12_13_-_Further_development_of_indicators_in_the_performance_measurement_frameworks.pdf/30f1f9a5-98a5-483b-8553-e306b3c394e2)

5 Available at [https://www.greenclimate.fund/documents/20182/24946/GCF\\_B.08\\_45\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Eighth\\_Meeting\\_of\\_the\\_Board\\_\\_14-17\\_October\\_2014.pdf/1dd5389c-5955-4243-90c9-7c63e810c86d](https://www.greenclimate.fund/documents/20182/24946/GCF_B.08_45_-_Decisions_of_the_Board_-_Eighth_Meeting_of_the_Board__14-17_October_2014.pdf/1dd5389c-5955-4243-90c9-7c63e810c86d)

6 Available at: [http://www.greenclimate.fund/documents/20182/409835/GCF\\_B.14\\_03\\_-\\_Support\\_for\\_REDD-plus.pdf/665055cb-78bd-45f3-a666-f3d06fb04a15](http://www.greenclimate.fund/documents/20182/409835/GCF_B.14_03_-_Support_for_REDD-plus.pdf/665055cb-78bd-45f3-a666-f3d06fb04a15)

7 Available at: [http://www.greenclimate.fund/documents/20182/409835/GCF\\_B.14\\_17\\_-\\_Decisions\\_of\\_the\\_Board\\_\\_fourteenth\\_meeting\\_of\\_the\\_Board\\_\\_12-14\\_October\\_2016.pdf/da61a7d6-f3dc-4342-a744-a03257a33ed7](http://www.greenclimate.fund/documents/20182/409835/GCF_B.14_17_-_Decisions_of_the_Board__fourteenth_meeting_of_the_Board__12-14_October_2016.pdf/da61a7d6-f3dc-4342-a744-a03257a33ed7)

- b.** Requests the Secretariat to develop for consideration by the Board at its sixteenth meeting:
  - i.** A Request for Proposals for REDD+ results-based payments, including guidance consistent with the Warsaw Framework for REDD+ and other REDD+ decisions under the United Nations Framework Convention on Climate Change (UNFCCC) taking into account topics included in sections 4.1 and 4.2 of document GCF/B.14/03 and decision B.08/08; and
  - ii.** Further guidance to support efforts by national designated authorities and focal points to engage with the green climate fund in early phases of REDD+ using existing Green Climate Fund modalities, tools and programs further requests the Secretariat to implement with the advice of the co-chairs a process for stakeholder an expert input to support its work under this decision and provide a progress report to the board at its fifteenth meeting.
- c.** Also requests the Secretariat to implement, with the advice of the Co-Chairs, a process for stakeholder and expert input to support its work under this decision and provide a progress report to the Board at its fifteenth meeting.

Also at its fourteenth meeting, the Board of the GCF approved the first ever GCF project to co-finance the implementation of policies and measures to reduce emissions from deforestation (REDD+: reducing emissions from deforestation, forest degradation and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries). The GCF decision B.14/07 approves a grant of US\$ 41.2 million to co-finance the implementation of Ecuador's national REDD + Action Plan.<sup>8</sup>

## 1.2.2 THE FOREST CARBON PARTNERSHIP FACILITY CARBON FUND

Less than a month after the UNFCCC reached agreement on the Warsaw Framework for REDD+, the World Bank's FCPF signed off on its Methodological Framework (MF) for its Carbon Fund (CF) in December 2014.

The FCPF CF is designed to pilot a market mechanism for the distribution of RBPs / RBF for ERs achieved through REDD+ implementation. The MF is a programmatic framework that provides detailed guidance, laying out the criteria that countries must meet in order to participate. Developing countries seeking REDD+ finance through the FCPF CF must develop an Emissions Reduction Programme Idea Note (ER-PIN). Once the ER-PIN is accepted by the FCPF, the country can apply for funding from the CF and proceed to sign an Emissions Reductions Payment Agreement (ERPA) with the CF.

The CF represents a major step forward for trialling how REDD+ RBPs can work in practice. Although originally the FCPF CF was conceived as a pilot, its mandate has been extended to 2025, meaning that it will overlap with the new UNFCCC climate change framework agreed upon at COP21.

## 1.2.3 OTHER INITIATIVES

Alongside the UNFCCC process and the FCPF CF, a number of REDD+ RBP initiatives are being

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<sup>8</sup> See footnote 7

implemented globally. Namely the KfW's 'Rewarding Early Movers Programme' (REM), the Amazon Fund, other bilateral agreements (such those reached between developed countries like Norway, Germany and developing countries like Brazil, Peru, Guyana, Indonesia) as well as voluntary carbon markets. This paper will only provide a brief comparative analysis on the REM.

## 1.3 OBJECTIVES

According to the World Bank, as reported by the UNFCCC Standing Committee on Finance (SCF): *"the lack of clear procedures for payments for results-based actions leads to heterogeneity in methods and procedures adopted for performance-based payments of REDD-plus programs and increases the burden for developing countries when combining different funding sources for REDD-plus"*<sup>9</sup>.

With the above context in mind, this document serves as a response from the UN-REDD Programme to country requests that have emerged from several UN-REDD Partner countries implementing REDD+ (phases 2 and 3). These countries are seeking UN-REDD Programme advice as they consider the potential implications of simultaneously implementing REDD+ under the UNFCCC and with other financing entities for REDD+ RBPs / RBF such as the FCPF CF and REM.

The primary objective of this document, therefore, is to provide a neutral comparison of the similarities and differences between the UNFCCC REDD+ decisions (in particular the Warsaw Framework for REDD+) and the FCPF CF's MF, aiming to address country needs to consider these similarities and differences as well as potential implications of these, in order to design REDD+ ER Programmes in their countries.

The main focus of this comparative analysis is on the FCPF CF as it relates to the UNFCCC, as opposed to a broader look across multilateral and bilateral REDD+ RBP schemes and agreements, as the FCPF CF is the first multilateral initiative to have developed an accessible and transparent structured framework that is generally applicable across countries as well as the modalities enabling it to operationalize RBPs / RBF. While the present analysis also briefly touches upon REM, other RBPs / RBF initiatives could be analysed in subsequent papers or in the context of a given country based on its specific needs<sup>10</sup>.

By comparing the consistency of the FCPF CF MF and REM with the UNFCCC REDD+ decisions, particularly the Warsaw Framework for REDD+, the document is intended to be a useful input for UN-REDD countries as they consider the effectiveness and coordination of RBPs / RBF schemes. In addition, this document could also be particularly useful to support the GCF's work on RBPs / RBF.

At the time of writing, discussions on how to operationalize RBPs / RBF for REDD+

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9 Available at [http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/working\\_paper\\_coherence\\_and\\_coordination\\_financing\\_for\\_forest\\_27may\\_placeholders\\_scf10.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/working_paper_coherence_and_coordination_financing_for_forest_27may_placeholders_scf10.pdf)

10 At time of writing a specific country needs assessment is being carried out in Peru to analyse the implications of simultaneously participating in several REDD+ RBP processes: the UNFCCC, the FCPF Carbon Fund, the voluntary carbon markets and the Joint Declaration of Intent between Peru, Norway and Germany on "Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation (REDD+) and promote sustainable development in Peru".

through the GCF are at an early stage. It is thus an opportune moment to respond to countries' requests to provide useful information that may feed into the decisions on the operationalization of REDD+ RBPs under the GCF and ensure that there is effective and efficient design of this GCF window.

The paper is divided in three main parts. Part I deals with operational issues related to RBPs / RBF:

- Conditions for accessing RBPs / RBF for Results-Based Actions;
- The legal nature of RBPs / RBF;
- The value of RBPs / RBF; and
- Restrictions on the use of RBPs / RBF.

Part II deals with the technical, methodological and process elements related to REDD+ RBPs:

- Addressing the drivers of deforestation and forest degradation (DDFD) and the barriers to '+' activities;
- Scope (REDD+ activities, pools and gases);
- Scale;
- National REDD+ Strategies and Action Plans;
- Safeguards;
- National Forest Monitoring Systems;
- Forest Reference Emission Levels / Forest Reference Levels;
- Estimation and accounting;
- Non-Carbon Benefits; and
- The reporting of results, technical assessments and publicly available information.

These first two parts provide a comparison between the UNFCCC and the FCPF CF on the aforementioned elements and can be considered as the core part of the document.

Part III provides a brief comparison between the UNFCCC REDD+ decisions and other REDD+ RBP / RBF initiatives than the FCPF CF, focussing on REDD+ Early Movers (REM). REM has less detailed operational modalities than the FCPF CF, however it provides a different and useful insight for countries on REDD+ RBPs / RBF other than the FCPF CF.

Part IV provides a discussion and conclusion highlighting key elements, particularly giving consideration to the upcoming work of the GCF, at the time of writing, to prepare its operational modalities for REDD+ RBPs / RBF.

# PART I: REDD+ RBPs – WHAT ARE THEY, WHAT ARE THEY WORTH, HOW CAN THEY BE ACCESSED AND USED?

# 2

## 2.1 CONDITIONS FOR ACCESSING RBPs / RBF FOR RBAs

### 2.1.1 CONDITIONS FOR ACCESSING RBPs / RBF FOR RBAs UNDER THE UNFCCC

The Warsaw Framework sets out how countries can access RBPs / RBF for REDD+ RBAs. The decision text uses the terms RBPs and RBF interchangeably without any distinction being made between the two. Paragraph 3 of decision 9/CP.19<sup>11</sup> recalls that for developing country Parties undertaking the RBAs referred to in decision 1/CP.16, paragraph 73<sup>12</sup>, to obtain and receive RBPs / RBF, those actions should be fully measured, reported and verified:

- With all of the elements referred to in decision 1/CP.16, paragraph 71<sup>13</sup> (the REDD+ design elements), in place, in accordance with decisions 12/CP.17<sup>14</sup>, 9/CP.19<sup>15</sup> and 11/CP.19<sup>16</sup>:
  - A National Strategy or Action Plan (NS / AP) (link made available to UNFCCC Secretariat);
  - A national Forest Reference Emission Level and / or Forest Reference Level (through a stand-alone submission to the UNFCCC Secretariat and subsequent technical assessment);
  - A National Forest Monitoring System (NFMS) (REDD+ mitigation results and a description of the NFMS to be communicated through a technical annex to the BUR);
  - A system for providing information on how the Cancun safeguards are being addressed and respected throughout the implementation of REDD+ activities (information to be reported to the UNFCCC Secretariat through NCs).
- In accordance with decisions 13/CP.19<sup>17</sup> on guidelines and procedures for the technical assessment of submissions from Parties on proposed FREL / FRL;
- In line with decision 14/CP.19<sup>18</sup> on MRV of anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes resulting from the implementation of REDD+ activities;
- Providing the most recent summary of how the Cancun safeguards have been addressed and respected (i.e. the output of the Safeguards Information System (SIS)).

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11 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf>

12 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf>

13 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf>

14 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf>

15 See footnote <sup>12</sup>

16 See footnote <sup>11</sup>

17 See footnote <sup>11</sup>

18 See footnote <sup>11</sup>

When these elements are in place, a country should follow two distinct but related procedures to access RBPs / RBF under the UNFCCC:

- Submission of a proposed FREL / FRL for technical assessment, as well as revision of, as necessary, their proposed FREL / FRL;
- The MRV of anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes resulting from the implementation of REDD+ activities should be provided via a technical annex of the Biennial Update Reports (BURs).

According to decision 10/CP.19 (paragraphs 1 and 2), Parties are invited to nominate a REDD+ Focal Point or National entity which in turn may nominate entities to obtain and receive RBPs, consistent **with any specific operational modalities of the financing entities providing RBPs**. This means that countries may need to fulfil additional requirements related to the **specific operational modalities of the financing entities providing RBPs**. For example, in order to access funding from the GCF, countries will need to nominate entities which will in turn need to be accredited by the GCF, as well as going through the accreditation process.

Finally, decision 9/CP.19 in paragraph 20 *“Also requests the Standing Committee on Finance, noting the urgencies of these issues, and the request to the Standing Committee on Finance to consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches, to focus its soonest possible forum on issues related to finance for forests, including the implementation of the activities referred to in decision 1/CP.16, paragraph 70, inter alia:*

- a. Ways and means to transfer payments for results-based actions as referred to in decision 1/CP.18, paragraph 29;*
- b. The provision of financial resources for alternative approaches;”*

As mandated, the SCF initiated in 2014 its consideration on the issue of coherence and coordination for financing for forests and the topic of its third forum was on forest finance in 2015. In its consideration on the issue the SCF developed a working paper and invited submission from parties and observers. Noteworthy are the submission by Parties to the SCF<sup>19</sup>. Some developed country parties have reiterated: “Confidence in the fiduciary capacity of the recipient organization is required. This may mean meeting guidelines established by the payer”<sup>20</sup>. Some developing country Parties have asked the SCF to address “the practical aspects related to access and transfer of funds, related to the requirements and procedures of different funds and initiatives that could facilitate action on the ground”<sup>21</sup>, or to answer questions such as:

- *“Given that the Warsaw Framework for REDD+ has determined the requirements to access*

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19 Submissions were made by Brazil, Colombia, Peru, Japan, Mexico and the United States as well as many observers available at: [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/items/7561.php#CCFF](http://unfccc.int/cooperation_and_support/financial_mechanism/standing_committee/items/7561.php#CCFF)

20 Government of the United States. SCF Work program on Financing for Forests. Submission on experiences with the use of resources/ transfer of payments for results-based approaches, and the provision of resources for alternate approaches November 10, 2014 available at: [http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/scf\\_financing\\_for\\_forests\\_submission.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/scf_financing_for_forests_submission.pdf)

21 Ministry of Environment of Peru. Comments from Peru on the proposed SCF forum on finance for forests, Ministry of Environment, Peru 23 June 2015

*results based payments under the UNFCCC, what additional guidance do financing entities need in their financing modalities in order to disburse results-based payments to countries? Conversely, what requirements applied to traditional upfront international development assistance are not necessary for results – based payments?*

- *How can results-based payments be coordinated with financing for phase 2 of REDD+? If the same financing entity (i.e. a donor country) provides both kinds of financing for the same country, how should the financing entity aggregate the impact of both, and avoid double counting?*
- *What COP guidance would be useful to improve ways and means to transfer payments for results based actions?*<sup>22</sup>

In Paris, the COP adopted the work plan contained in the Report of the Standing Committee on Finance to the Conference of the Parties<sup>23</sup>.

The SCF, in its report from the Forest Forum, hosted in Durban in September 2015, provided recommendations and follow-up activities for the Standing Committee in 2016:

## **II. Recommendations of the Standing Committee on Finance**

54. *Based on the conclusions of the third SCF forum, the SCF highlights the following for consideration by the COP:*

*(a) Invite Parties to ensure policy coherence, coherence of financing instruments and financial incentives and multi-sectoral coordination to address the drivers of deforestation and forest degradation, and promote sustainable management of forests;*

*(b) Welcome the investments by the GEF in sustainable forest management and REDD-plus, harnessing multiple benefits from forests and tackling the drivers of deforestation and forest degradation;*

*(c) Encourage entities financing REDD-plus activities, including the GCF, to enhance coordination and exchange of information on the provision of support, including results-based payments guided by the Warsaw Framework for REDD-plus;*

*(d) Encourage the GCF to expedite work on results-based finance in 2016, applying the methodological guidance consistent with the Warsaw Framework for REDD- plus, in order to improve the effectiveness and coordination of results-based finance, as referred to in decision 9/ CP.19, paragraph 7, and to report its progress to COP 22;*

*(e) Welcome the GCF provisions to provide forest finance in the context of ecosystems-based adaptation;*

*(f) Request the GCF to consider, in its work under the Private Sector Facility, the mobilization of finance for sustainable land-use practices and sustainable management of forests.*

## **III. Follow-up activities of the Standing Committee on Finance in 2016**

55. *To build upon the rich discussions that took place at the 2015 SCF forum and the momentum generated, the SCF decided to undertake the following activities to improve coherence and coordination of forest finance:*

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22 Ministry of Foreign Affairs of Colombia. Contribution from Colombia on the draft concept note on the 2015 Standing Committee on Finance Forum 23 June 2015.

23 Available at: <http://unfccc.int/resource/docs/2015/cop21/eng/08.pdf>

(a) An overview of forest finance flows in the 2016 biennial assessment and overview of climate finance flows;

(b) Consideration of reaching out to entities financing the activities referred to in decision 1/CP.16, paragraph 70, and other relevant stakeholders working on forest finance to strengthen the coherence and coordination between the forestry sector and sectors that drive deforestation and forest degradation, and in the access to and delivery of support;

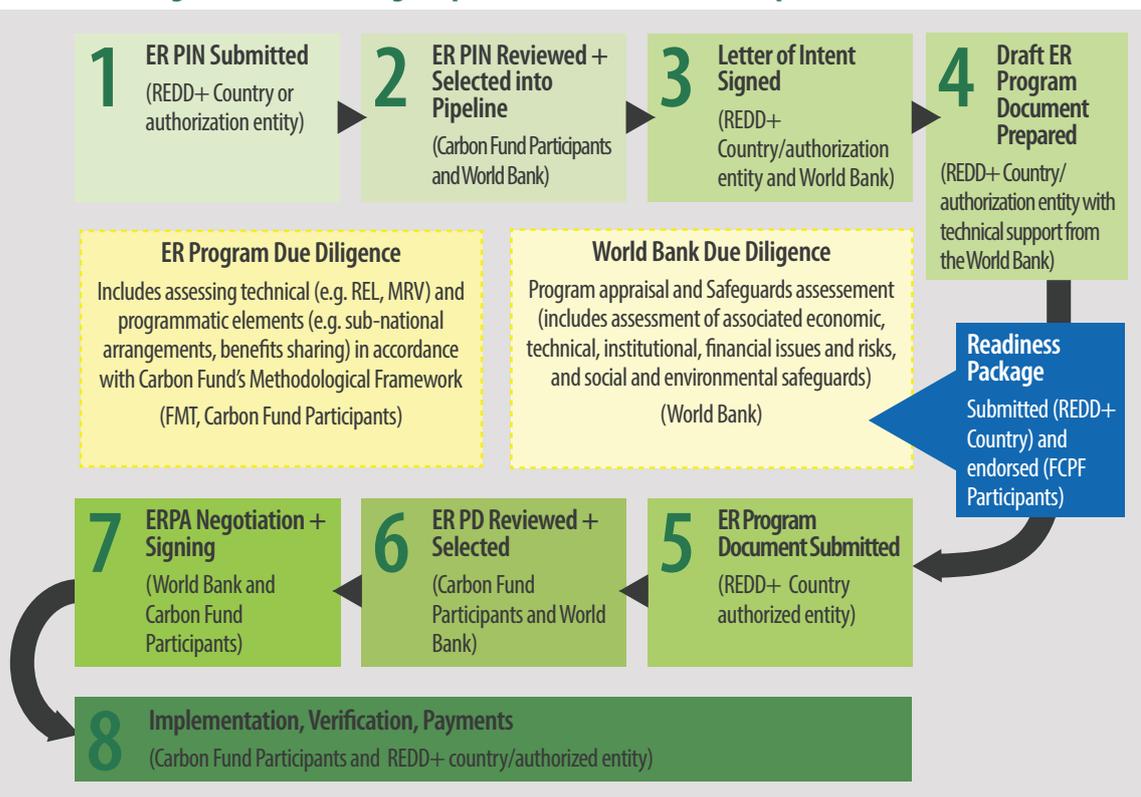
(c) Organization of an SCF side event in conjunction with a UNFCCC conference session in 2016, to facilitate the interactions among the financing entities providing forest finance;

(d) Consideration of the outcomes of the above-mentioned activities at SCF meetings, with a view to preparing SCF recommendations for COP 22 on, inter alia, draft guidance to the operating entities of the Financial Mechanism.

## 2.1.2 CONDITIONS FOR ACCESSING RBPs / RBF FOR RBAs UNDER THE FCPF CF MF

The FCPF CF MF sets out a detailed process to access RBPs<sup>24</sup>, which is described in **Figure 2** below.

**Figure 2: Processing Steps: From ER-PIN to ERPA implementation<sup>25</sup>**



**1. ER-PIN submission:** "Countries that have prepared a Readiness Preparation Proposal (R-PP) and made progress towards REDD+ readiness may apply, or authorize an entity within

24 Source: World Bank (2013) The Carbon Fund: Piloting Programs at Scale [http://www.forestcarbonpartnership.org/sites/fcp/files/2013/june2013/CF%20Origination-web\\_0.pdf](http://www.forestcarbonpartnership.org/sites/fcp/files/2013/june2013/CF%20Origination-web_0.pdf)

25 Source: FCPF Carbon Fund – available at <https://www.forestcarbonpartnership.org/carbon-fund-0>

their country to apply, to the Carbon Fund by submitting an Emission Reductions Program Idea Note (ER PIN), using the template provided by the FCPF."

- 2. ER-PIN review and selection into the pipeline:** "Carbon Fund Participants (CFPs) and the World Bank review a country's ER PIN, taking into account any inputs from a Technical Advisory Panel. Based on this review, Carbon Fund Participants may select the ER PIN into the Carbon Fund pipeline, and allocate funding (up to US\$650,000) to further develop the idea into an ER Program."
- 3. Letter of Intent:** The World Bank, as Trustee of the Carbon Fund, and the REDD+ country (or authorized entity) sign a Letter of Intent.
- 4. Draft ER ER-Program Document submission:** "With technical assistance from the World Bank, the country (or authorized entity) develops the program idea into a full-fledged program design that is documented in a draft ER Program Document (ERPD). Based on the draft ERPD, the due diligence process is performed by the World Bank and the Fund Management Team, taking into account inputs from a Technical Advisory Panel, if any. The due diligence process includes overall program appraisal, and assessment of social and environmental safeguards, reference level, monitoring system, and institutional arrangements: based on the feedback received during the due diligence process, the REDD+ country (or authorized entity) improves the program design and finalizes the ERPD."
- 5. ER Program Submission:** "Meanwhile, the country has made significant progress towards REDD+ readiness. The country prepares and submits a Readiness Package (see Box 1 below) to the FCPF Participants Committee (a governing body of the FCPF). On the basis of an assessment of the country's progress towards REDD+ readiness, the FCPF Participants Committee (PC) endorses the country's R-Package."
- 6. ER Program Document review and selection:** "Once the R-Package has been endorsed by the PC, the country (or authorized entity) can submit the final ERPD for review and potential selection by the Carbon Fund Participants into the Carbon Fund portfolio."
- 7. ERPA negotiations and signing:** "Once the ER Program is accepted by the Carbon Fund Participants into the Carbon Fund portfolio, the World Bank drafts an Emission Reductions Payment Agreement (ERPA) based on terms agreed by the REDD+ country and Carbon Fund Participants. The ERPA is signed by the REDD+ country entity and the World Bank as Trustee of the Carbon Fund."
- 8. Implementation:** "The ER Program is then implemented, progress with implementation is reported, and once verifiable emission reductions are generated and independently verified, payments are made to the REDD+ country, and emission reductions are transferred to the Carbon Fund Participants."

## Box 1: The Readiness Package<sup>26</sup>

As part of the FCPF process, countries have to complete the **FCPF's Readiness Assessment** which provides a common framework to measure a country's progress on core readiness activities. At the heart of the Readiness Assessment is a thorough self-examination by REDD+ country stakeholders to take stock of the activities implemented during the REDD+ readiness preparation phase and assess progress on REDD+ readiness. The results of the Readiness Assessment are compiled in an **R-Package**.

The R-Package includes: (1) A summary of the readiness preparation process; (2) A report of the multi-stakeholder self-assessment process; (3) The assessment results of the national multi-stakeholder assessment; (4) References to key outputs of the readiness preparation process (i.e., the REDD+ Strategy, Reference Emission Levels / Reference Levels, etc.).

**The scope** of the R-Package and its assessment is national and encompasses all core readiness activities (regardless if financed by the FCPF or other development partners)-including REDD+ organization, consultation and strategy preparation, design of reference levels and monitoring systems, as well as cross-cutting issues such as governance, and environmental and social safeguards.

The outputs of the assessment are:

- A visual synthesis of overall achievement by subcomponent using progress indicators:
  - Green 'significant progress';
  - Yellow 'progressing well, further development required';
  - Orange 'Further development required'; and
  - Red 'not yet demonstrating progress'.
- Description of significant achievements and areas requiring further development related to the corresponding 34 assessment criteria.
- Actions that address identified areas for further work.

Although the CF is a pilot RBP mechanism, it allows for advance payments:

- 1. Upfront advance payments** - after the signature of the ERPA but before the project start date upon fulfilment of a certain number of conditions (such as a letter or credit or other guarantee, milestones defined in the Commercial Terms (CT) of the ERPA, conditions of effectiveness of the ERPA contained in a schedule of the CT such as the benefit sharing plan) and limited in US\$ amount and percentage of the value of the agreement in the commercial terms of the ERPA.
- 2. Interim advance payments** - after the interim progress report but before the full ER monitoring report without verification report upon fulfilment of the same conditions as the upfront advance payment (as well as cumulative cap on upfront and interim advance payments need to specified in the CT, and including progress in the fulfilment ER Programme implementation milestones and the submission of an interim progress report showing satisfactory implementation according to the safeguards plan, the

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<sup>26</sup> Source: World Bank (2013) A Guide to the FCPF Readiness Assessment Framework. Available at: <https://www.forestcarbonpartnership.org/sites/fcp/files/2013/July2013/FCPC%20framework%20text%207-25-13%20ENG%20web.pdf>

benefit sharing plan and report on the non-carbon benefits).

- 3. ER advance payment** - after the full ER monitoring report but before the verification report upon fulfilment of conditions of effectiveness and capped in US\$ amount and percentage of the ER generated in the relevant reporting period to be determined in the CT.

By definition, advance payments get deducted from final payments and in case the value of the transferred ERs is less or there is failure to transfer, advance payments must be paid back.

Payment failure by the Trustee constitutes an act of 'default' and entitles the Program entity to either claim the amounts due and / or terminate the ERPA<sup>27</sup>. However, Program Entities are exposed to the **risk of payment failure by the CFPs**. This means that they agree and understand that the payment obligations of the Trustee under the ERPA are limited to assets of the CF, which consist primarily of the funding to be provided to the Trustee by the CF Participants. Under the Charter, CFPs are required to make payment to the Trustee up to their respective contribution to the CF upon periodic demands for payment issued by the Trustee. In the event one or more CFPs fails to make payment to the Trustee for whatever reason ('CFP Payment Failure'), the Trustee may not have sufficient funds available to meet its payment obligations when due under the ERPA, in which case the Trustee shall not have any liability in connection with such lack of available funding. Furthermore, the payment obligations of each CFP towards the Trustee under the Charter are separate and no CFP is obliged to make additional payments to the Trustee in excess of its respective contribution to the CF to compensate for any shortfall<sup>28</sup>.

In short, despite an executed ERPA and transfer of ERs the Program Entity may find itself not being able to claim the payments due since neither the Trustee nor the other participants are obliged to make up for the shortfall, should one participant not honour its payment obligations. In this case the only remedy the Program Entity has is to terminate the ERPA.

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27 GC Sections 16.01 (b) and 16.04 – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

28 GC Section 18.08 – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

## 2.1.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCFP CF MF REQUIREMENTS ON CONDITIONS FOR ACCESSING RBPs / RBF FOR RBAs

UNFCCC	FCPF CF MF and / or ER-PD template
<b>Guidance to receive RBPs / RBF for RBAs</b>	
<p><a href="#">Warsaw Framework for REDD+</a>, decision 9/CP.19</p> <ul style="list-style-type: none"> <li>• 4 pillars: NS / AP, FRL / FREL, NFMS, SIS;</li> <li>• Summary of how safeguards have been addressed and respected;</li> <li>• Completed report of the FREL/FRL technical assessment team;</li> <li>• Reporting Results in Technical Annex to the BUR;</li> <li>• Finalized technical report of the LULUCF experts on the Technical Team of Experts conducting the technical analysis of the BUR.</li> </ul>	<ul style="list-style-type: none"> <li>• Completed R-package (which makes the linkages with the 4 REDD+ pillars);</li> <li>• ER-PIN submitted;</li> <li>• ER-PIN reviewed and selected into the pipeline;</li> <li>• Letter of intent signed;</li> <li>• Draft ER-Program document submitted;</li> <li>• Readiness Package endorsed;</li> <li>• ER-Program document submitted;</li> <li>• ER-Program reviewed and selected;</li> <li>• ERPA negotiation and signing;</li> <li>• Implementation.</li> </ul>
<b>Who can receive RBPs</b>	
<p><a href="#">Decision 10/CP.19</a></p> <p>National REDD+ focal point may nominate entities to obtain and receive RBPs. To access funding from GCF, those entities will also need to be accredited by the GCF.</p>	<p>World Bank Due Diligence of ER-Program entity.</p> <p>Program entity who signs the ERPA will receive the payments.</p>
<b>Accessing RBPs</b>	
<p>On-going discussion on the 'ways and means' to transfer RBPs, awaiting recommendations on guidance from SCF to the operating entities of the Financial Mechanism at COP22.</p>	<p>Detailed description of payment modalities including:</p> <ul style="list-style-type: none"> <li>• Payment failure by Trustee;</li> <li>• Payment failure by CF participants;</li> <li>• Periodic payments;</li> <li>• Advance payments.</li> </ul>

## 2.1.4 DISCUSSION ON CONDITIONS FOR ACCESSING RBPs / RBF FOR RBAs

At the time of writing, the UNFCCC decisions offer no current guidance on ways and means to transfer RBPs / RBF. Based on the SCF work plan adopted at COP21, it is expected that the SCF will prepare recommendations for draft guidance for COP22 to the operating entities of the Financial Mechanism. For the GCF, this is expected to be decided by adoption of GCF

operational guidance to be developed for the REDD+ RBP / RBF window.

Though there are similarities in terms of content to be submitted, the specific documents to be submitted and the process by which to do so differ when comparing the UNFCCC and FCPF CF. The FCPF CF provides a detailed process for accessing RBPs including the ways and means to transfer payments for RBAs. The process involves a series of steps and requirements which are specific to the FCPF CF process, and, therefore, different than those established by the UNFCCC (see comparative table in section **2.2.3** on the first and second rows).

Noteworthy is the fact that so far, all RBP / RBF agreements reached require that the recipient organization meet fiduciary standards established by the payer. This includes GCF resources that will only be channeled to accredited entities<sup>29</sup>.

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29 The accredited entities can be subnational, national, regional and international, both public and private. For details on accreditation see <http://www.greenclimate.fund/partners/accredited-entities/ae-composition>

## 2.2 THE LEGAL NATURE OF RBPs / RBF

### 2.2.1 THE LEGAL NATURE OF RBPs / RBF UNDER THE UNFCCC

Currently COP decisions on REDD+ do not deal with the legal nature of ERs. There is no existing UNFCCC decision text requiring the creation, transfer or acquisition of title over ERs. Decision 9/CP.19 paragraph 16 *Notes that the insertion of results on the information hub does not create any rights or obligations for any Party or other entity; and paragraph 18. Further notes that nothing under this decision and its implementation prejudices any future decision with regard to the eligibility or non-eligibility of [REDD+] activities, to the [New Market mechanism]<sup>30</sup>, or to the outcome of the work programme referred to in decision 1/CP.18, paragraph 44.* According to this UNFCCC context, it may be assumed that, once the conditions listed in paragraph 3 of the 9/CP.19 are fulfilled (see section 2.1), payments can be made without any underlying asset changing title or ownership.

The Paris Outcome did not make any reference to the legal nature of REDD+ RBPs / RBF. The Paris Agreement did include what are referred to as “Internationally Transferred Mitigation Outcomes” (ITMOs) in Article 6 of the Agreement, which is effectively understood to refer to market mechanisms for transfer of ERs and therefore would require further definition of the legal nature of those ERs. However, until the eligible scope for these ITMOs has been determined, it is premature at this time to evaluate if there would be any potential implications for REDD+ emission reductions.

### 2.2.2 THE LEGAL NATURE OF RBPs / RBF UNDER THE FCPF CF MF

The FCPF CF MF does not define RBPs / RBF. As stated in its charter (art.2; section 2.1; par b) the FCPF is “to pilot a performance-based payment system for Emission Reductions generated from REDD activities, with a view to ensuring equitable benefit sharing and promoting future large scale positive incentives for REDD”. The FCPF CF MF defines **Emission Reductions and Removals** as the “difference between the ER Program Reference Level and the ER Program emissions and / or removals which have been measured, reported and verified consistently”, while the General Conditions (GC) state that an ‘Emission Reduction’ or ‘ER’ means one metric tonne of Carbon Dioxide Equivalent (tCO<sub>2</sub>e) reduced, avoided, removed or sequestered within the ER Program Accounting Area under the ER Program below the Reference Level, as measured, reported and verified in accordance with the ER Monitoring Plan, the MF and the GC.

The FCPF-CF introduces the concept of **title to the ERs** which refers to “the full legal and beneficial title and exclusive right to any Contract ERs and/or Additional ERs generated under the ER Program within the ER Program Accounting Area and contracted for under the ERPA<sup>31</sup>. While the transfer of title includes the transfer of all the rights, titles and interest attached to a tonne of ER<sup>32</sup> it shall not affect any beneficial, legal or customary interests or rights in the Land<sup>33</sup>”.

The Trustee of the CF, the International Bank for Reconstruction and Development (IBRD), will

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30 Defined in decision 2/CP.17, paragraph 83 – available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>

31 GC Section 2.01 Definitions – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

32 GC Section 5.02 (f) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

33 GC Section 3.01 (b) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

sign an **ERPA** with a Program Entity that is authorized by the REDD+ country participant to enter into the ERPA and implement the ER Program. The ERPA governs the acquisition of ERs by the Trustee and the transfer of title to the ERs from the Program Entity to the Trustee. The context and rationale the Criteria and Indicators (C&I) in section 6.1 of the FCPF CF MF (ERPA Signing Authority and Transfer of Title to ERs), mentions that prior to ERPA negotiations, the ER Program Entity must be able to demonstrate that it has the **authority to enter into an ERPA**. At the time of ERPA signature or, at the latest, at the time of ER transfer, the ER Program Entity needs to demonstrate that it has the **ability to transfer Title to ERs to the CF**.

The GC differentiates between the transfer of ERs and the transfer of the legal title. The **transfer of the ER** is completed by the receipt of the verification report and the crediting of the ER to a registry account specified by the Trustee (if a registry system is already in place at the time of transfer, or an ER transfer form if it is not).

In order to encourage the participation of private entities in the CF, it has been decided to structure the CF into two Tranches, with segmentation of the Participants, namely between those who wish their use of ERs to be unfettered (unrestricted) and those who have restrictions on the use of their ERs. Private sector as well as some Government participants belong to the unrestricted Tranche while only Government actors belong to the restricted Tranche. The unrestricted Tranche is named 'Tranche A', and the restricted Tranche is named 'Tranche B'<sup>34</sup>.

In the case of Tranche A participants, there is no limitation on the use of their pro-rata ER. In the case of Tranche B participants, they represent and warrant 1) that the CFP's pro rata share of ERs will not be used for sale or for compliance purposes and 2) that the CFP will cancel the ERs it acquires through the CF and instruct the Trustee of the CF to cancel them in the reporting system maintained by the Trustee or any other emission reduction registry<sup>35</sup>. In either case the responsibilities of the Seller (i.e. Programme Entity) regarding the ER and their transfer can be summarized as:

Refrain from the use (for sale or public relations) of the ERs and the underlying tCO<sub>2</sub>e that would imply the continued ownership or right to claim to the ERs<sup>36</sup>.

Assist the Trustee and the Buyer in converting the ER into other credits created under any voluntary or regulatory scheme or compliance market if the Trustee elects to effect such conversion<sup>37</sup>.

Bear the costs of the registry system<sup>38</sup>.

Ensure throughout the Term and in accordance with the MF that the Program Entity has the ability to transfer Title to ERs to the Trustee, free of any interest, encumbrance or claim of a Third Party other than in accordance with the ERPA<sup>39</sup> (as well as resolve any inability or title contest).

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34 Forest Carbon Partnership Facility (FCPF) Carbon Fund. Note on Decision-Making Modalities in the Carbon Fund. April 19, 2011 <https://forestcarbonpartnership.org/sites/fcp/files/2014/June/FMT%20Note%20CF%202011-3%20Carbon%20Fund%20Decision-Making%2004-19-11%20rev.pdf>

35 FCPF Charter Section 1.1.

36 GC Section 5.02 (g) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

37 GC Section 5.02 (h) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

38 GC Section 5.04 – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

39 GC Section 15.01 (a) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

ER transfer failure and transfer contest are considered to be events of 'default'<sup>40</sup> which can result in different remedies depending on the gravity and the intention of the Program Entity, the most serious being the termination of the ERPA and the recovery of payments made by the Trustee<sup>41</sup>.

However, the use of or claims over the ER is permitted for domestic commitments if requested by the Program Entity and upon express prior written consent by the Trustee following consultations with the CF participants<sup>42</sup>. The GC currently does not have provisions on when this can be requested.

Following the transfer of title the Trustee will make periodic payments at the time of which legal title will transfer to the Trustee<sup>43</sup>.

A specific category of ERs are 'Buffer ERs'. These are ERs that have been generated and Verified under the ER Program within the ER Program Accounting Area<sup>44</sup> and are to be transferred to the ER Program Buffer<sup>45</sup>. Prior to each transfer of ERs under the ERPA, and in addition to the amount of contracted ERs to be transferred to the Buyer, a certain amount of Buffer ERs generated and verified under the ER Program during the preceding Reporting Period will be transferred and deposited for each covered risk category (reversal and uncertainty) into the ER Program Buffer<sup>46</sup>. In the event that any covered risk materializes during the Term of the ERPA<sup>47,48</sup>, an amount of such deposited Buffer ERs, equivalent to the amount of contracted ERs affected by such risk event, will be cancelled in order to ensure that the contracted, and already transferred ERs, remain unaffected by such risk event. The details of how the ER Program Buffer will operate will be specified in the 'ER Program Buffer Guidelines' that are to be adopted by the FCPF CF. Upon being transferred and deposited into the ER Program Buffer, ERs shall be non-tradable unless they have been released from the ER Program Buffer in accordance with the ER Program Buffer Guidelines<sup>49</sup>. End of term provisions differ depending on the type of risk covered. For uncertainty, buffer ERs will be dealt with according to the ER Program Buffer Guidelines. For reversals, the Program Entity must put in place a Post-ERPA Reversal Mechanism. If the latter operates a buffer, then the Buffer ERs can be transferred by the Trustee to the Mechanism's buffer account at the request of the Program Entity. If the mechanism is not in place one year prior to the end of the term of the ERPA, the Buffer ERs get cancelled<sup>50</sup>

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40 GC Section 16.01 (a) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

41 GC Section 16.03 (a) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions> GC

Section 5.02 (g) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

42 GC Section 5.02 (g) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

43 GC Section 5.03 (c) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

44 'ER Programme Accounting Area' means the geographic area for which the Reference Level is established and over which emissions and removals from forests or ER Programme Measure(s) are being measured, reported and Verified – available at [http://www.forestcarbonpartnership.org/sites/fcp/files/2014/october/FCPF%20ERPA\\_General%20Conditions\\_November%201%202014.pdf](http://www.forestcarbonpartnership.org/sites/fcp/files/2014/october/FCPF%20ERPA_General%20Conditions_November%201%202014.pdf)

45 GC Section 2.01 – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

46 GC Section 11.02 (b) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

47 The Term of the ERPA is the period in which the ERPA is in force.

48 'Term' means the term of the ERPA, as specified in the ERPA – see [http://www.forestcarbonpartnership.org/sites/fcp/files/2014/october/FCPF%20ERPA\\_General%20Conditions\\_November%201%202014.pdf](http://www.forestcarbonpartnership.org/sites/fcp/files/2014/october/FCPF%20ERPA_General%20Conditions_November%201%202014.pdf)

49 GC Section 11.02 (d) – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

50 GC Section 11.03 – available at <https://www.forestcarbonpartnership.org/erpa-general-conditions>

## 2.2.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF MF REQUIREMENTS ON THE LEGAL NATURE OF RBPs / RBF

UNFCCC	FCPF CF MF and / or ERPA
<b>Guiding frameworks</b>	
International framework Convention and COP decisions.	FCPF Charter, ERPA (both General Conditions and Commercial Terms), FCPF CF MF, World Bank Operational Policies.
<b>ERs and ER title</b>	
Emission Reductions not defined.	<p><b>FCPF CF MF Definition</b></p> <p>Emission Reductions and Removals (ERs) are defined as the difference between the ER Program Reference Level and the ER Program emissions and/or removals which have been measured, reported and verified consistently.</p> <p><b>ERPA Definition</b></p> <p>ERs title is: all rights titles and interest associated with tCO<sub>2</sub>e.</p>
<b>Accessing RBPs</b>	
<p>RBPs / RBF do not imply change of title of the underlying asset (unit or CO<sub>2</sub>e):</p> <p><a href="#">Decision 9/CP.19, paragraph 8</a></p> <p><i>“Further notes that nothing under this decision and its implementation prejudices any future decision with regard to the eligibility or non-eligibility of [REDD+] activities, to the [New Market mechanism], or to the outcome of the work programme referred to in decision 1/CP.18, paragraph 44;”</i></p>	<p><b>ERPA GC Section 5.02</b></p> <p>Transfer of ER and legal title required and procedure to establish ability to transfer described in full detail - possibility to request use of transferred ER for domestic commitments.</p>
<b>Rights or obligations</b>	
<p><a href="#">Decision 9/CP.19, paragraph 6</a></p> <p>Uploading results on the Information Hub does not create rights or obligations for the parties.</p>	<p><b>ERPA GC Section 5.02</b></p> <p>Crediting of ERs to the registry account marks the completion of the transfer of ER (together with the verification report).</p>

## 2.2.4 DISCUSSION ON THE LEGAL NATURE OF RBPs / RBF

The key difference in the nature of RBPs / RBF as they are currently defined in the UNFCCC texts and the FCPF CF is that the latter is a payment in exchange for a transfer of an ER with title to that ER, while the former is not. ERs are also defined under the FCPF CF, while they are not under UNFCCC. Transfer of title implies that the entity (Programme entity) transferring the title has some right over the title AND the capacity to transfer it to a third party (the Trustee of the CF). The Trustee (and the investors buying the ERs) is interested to make sure that it obtains an uncontested title so it needs to make sure before and during the duration of the contract that the title is free of any claims. There are several requirements in the MF and the ERPA that protect the trustee in this context. The Program Entity:

1. Must establish that it has ability to enter into an agreement (i.e. the ERPA);
2. That it is transferring an uncontested title; and
3. Assumes various sanctions and consequences.

The first requires the Program Entity to demonstrate its authority to enter into and ERPA prior to the start of the ERPA negotiation either through:

- Reference to an existing legal or regulatory framework stipulating such authority and / or;
- A letter from the relevant overarching government authority (e.g. the Presidency, the chancellery etc.) or from the relevant governmental body authorized to confirm such authority.

The second requires the demonstration of capacity to transfer before signature and reporting in the monitoring reporting report. According to the MF, the ability to transfer can be done in different ways. This is because land law is overwhelmingly local in character, and there is a huge variety of tenure and land use arrangements between and even within countries. Concepts of ownership, use rights, and leasing do not have uniform meanings from one place to another. So it would be very difficult to provide an exhaustive list of what could be considered demonstration of ability to transfer. The MF states that the ability to transfer title to ERs may be demonstrated through various means (waterfall approach) including reference to:

- Existing legal and regulatory frameworks;
- Sub-arrangements with potential land resource tenure rights-holders; or
- Benefit-sharing arrangements.

These requirements are formulated in a more general manner than what is required by for example by the Verified Carbon Standard (VCS)<sup>51</sup>.

An additional area that has relevance for the capacity to transfer are the land and resource tenure assessments. According to the MF, countries should also show any implication of land and resource tenure arrangements having an impact on the Program Entity's capacity to transfer (see sections 3.4, 3.5 and 3.9 for more information on land and resource tenure arrangements).

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51 VCS mentions right of use granted or arising.

The GC also mentions that it is up to the Trustee to decide whether in its 'reasonable opinion' the Program Entity has failed to demonstrate this capacity (prior to transfer). It is also the Trustee that decides on a *prima facie*<sup>52</sup> basis whether the title contest has merit and whether any and how many of the ERs already transferred are affected. Terms such as reasonable opinion and *prima facie* leave much to the interpretation of the Trustee.

The consequences of title contest differ based on when it happens. In the event that such ability cannot or only partially be demonstrated prior to ERPA signature, an action plan which identifies further steps and timelines required for the Program Entity to demonstrate its ability to transfer Title to ERs action plan may be another Condition of Effectiveness of the sale and purchase. Alternatively, the initially anticipated Contract ER volume may be reduced accordingly (with such ERs for which the ability to transfer title could not be demonstrated at ERPA signature potentially being included in a Call Option). However, if at the time of ERPA signature the amount of ERs for which the Program Entity cannot demonstrate its ability to transfer title is significant, ERPA signature may be postponed until the Program Entity can demonstrate its ability to transfer title to ERs to an increased amount of ERs. If the title contest happens after the signature of the ERPA but before transfer, the transfer will not be possible in regard of the affected ERs and the Trustee will not be obligated to accept them or to pay for them. ER transfer failure is the first default listed in the GC section 16.01 (title contest and the Program Entities failure to ensure that transferred ERs are affected). In these cases, the Trustee has several remedies including allowing the Program Entity to transfer other ERs or terminating the ERPA and recovering payments thus far made. The consequences depend on the behaviour of the defaulting party and are listed under GC section 16.03.

Developing the capacity to transfer title is important since problems in this area might affect the value of the contract and have serious consequences for the Program Entity (by not being able to sell its ERs). Since the FCPF CF was set up to test market mechanisms, it could be a good opportunity for countries to reflect on these issues in general and give themselves sufficient time to develop the required capacity. As mentioned above demonstration must happen before the signature of the ERPA or before transfer of ERs at the latest. This means that countries should have sufficient time to reflect and develop capacity in order to ensure that they can transfer the ERs (the first verification reports before transfer are expected to be finalised two years after the signature of the ERPA).

Obviously all these issues are not relevant in the case of UNFCCC REDD+ RBPs / RBF, based on the current status under UNFCCC:

- There is no transfer of title – so there is no need to demonstrate capacity to transfer;
- ERs are attributed to sovereign states acting under the rules of a multilateral agreement and reporting on activities taking place on their national territory.

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52 Latin for "at first sight." *Prima facie* may be used as an adjective meaning "sufficient to establish a fact or raise a presumption unless disproved or rebutted;" e.g., *prima facie* evidence. It may also be used as an adverb meaning "on first appearance but subject to further evidence or information;" e.g., the agreement is *prima facie* valid. A *prima facie* case is the establishment of a legally required rebuttable presumption. A *prima facie* case is a cause of action or defence that is sufficiently established by a party's evidence to justify a verdict in his or her favour, provided such evidence is not rebutted by the other party. In our case it is the Trustee that establishes the merit of the contest.

## 2.3 THE VALUE OF RBPs / RBF

### 2.3.1 THE VALUE OF RBPs / RBF UNDER THE UNFCCC

The UNFCCC currently does not give any indication of the value on 'results' (ER and / or removals) from REDD+ activities.

Nonetheless, the UNFCCC recognizes the importance of providing adequate and predictable finance for REDD+. Indeed decision 9/CP.19, par 5. *"Encourages entities financing the activities referred to in decision 1/CP.16, paragraph 70, through the wide variety of sources referred to in decision 2/CP.17, paragraph 65, including the Green Climate Fund in a key role, to collectively channel **adequate and predictable** results-based finance in a **fair and balanced manner**, taking into account different policy approaches, while working with a view to **increasing the number of countries that are in a position to obtain and receive payments for results-based actions; ..."***

### 2.3.2 THE VALUE OF RBPs / RBF UNDER THE FCPF CF

The working group on the methodological and pricing approach for the CF of the FCPF provided recommendations for policy guidance on pricing methodologies for ERPAs. The Working Group agreed that the policy guidance should:

- Encourage both buyers and sellers to transact ERs from REDD+ and protect their respective interests and rights in a reasonable manner;
- Propose transparent mechanisms that reflect the risk allocation between parties to the transaction, and allow risk sharing and benefit sharing by sellers and buyers. In this context risks and benefits mainly refer to the uncertainty of performance-based mechanisms, and the effect this may have on the possible future valuation of Emission Reductions;
- Consider the quality of ER Programs, including non-carbon benefits as appropriate; and
- Leave room for adjustments later, to align with emerging guidelines under the UNFCCC and other regimes, as applicable, and as demand and supply for ERs from REDD+ activities evolve.

Based on this, the Working Group recommended the following guidance:

- Pricing should be fair and flexible, be kept as simple as possible and protect both parties from extreme price fluctuations.
- The ERPA price should be a combination of fixed and floating portions, where feasible.
- The ERPA price should be determined by negotiations between the CF Participants, as buyer, and the ER Program entity, as seller, based on their respective willingness to pay or to receive payment. This negotiation process should be informed by relevant information such as market surveys or transaction benchmarks.
- The ERPA price negotiation process offers an opportunity for non-carbon benefits to be taken into consideration, although there would be no systematic quantification of non-carbon benefits for pricing under the CF.

Discussions on the pricing approach of the FCPF CF have evolved from the recommendations of the working group.

At the eight meeting of the CFP (CF 8) it was decided to consider Non-Carbon Benefits (NCBs, see section 3.9 in this document) as part of ER program selection rather than as a price component. The FCPF MF encourages ER programs to enhance these benefits for broader sustainable development.

CFPs have expressed preference for maximizing simplicity and minimizing risk by using fixed price to be used across the portfolio<sup>53</sup>. However many REDD+ countries have challenged this position<sup>54</sup>. In order to help REDD Countries design their ER-Programs and seek other sources of financing, the Carbon Fund Participants note their current willingness to pay up to US\$5 / t CO<sub>2</sub>e while recognizing that the ultimate price is subject to negotiation at the time of ERPA negotiations<sup>55</sup>.

In the discussion, CFPs clarified the sources considered to inform their expressed collective view, including: the policy guidance on the pricing methodologies approved by the PC, prior discussions in CF meetings, statements from REDD Countries prior to and at the 10th meeting of the CF (CF10), proposals and information from ER-PINs, external market information, and other REDD+ initiatives that CFPs are bilaterally involved in<sup>56</sup>.

CSOs have raised concern that this decision is not fully consistent with the Pricing Elements in the Guiding Principles for the Pricing Approach adopted by the twelfth FCPF Participant's Committee and suggested that this issue should be raised in a broader forum<sup>57</sup>.

Private sector observers advised that a clear price signal should be sent quickly and that a simple approach (as for example provided through a fixed price) may be the best way to accelerate the discussion on pricing. It was also mentioned that from the perspective of private sector companies existing prices for forest carbon from voluntary project-based markets are not necessarily relevant to the new asset class of program-scale REDD+ carbon assets<sup>58</sup>.

At time of writing, it appears that discussions on this topic are still on-going and are the subject of much debate.

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53 Available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2014/April/CF9%20Chair's%20Summary.pdf>

54 See Statement from DRC, Ghana, Mexico, and Nepal on Pricing and Letter from Costa Rica on Pricing – available at <https://www.forestcarbonpartnership.org/CF10>

55 Available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2014/July/CF10%20Chair's%20Summary%2006302014%20final.pdf>

56 Available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2014/July/CF10%20Chair's%20Summary%2006302014%20final.pdf>

57 Available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2014/July/CF10%20Chair's%20Summary%2006302014%20final.pdf>

58 Available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2014/April/CF9%20Chair's%20Summary.pdf>

### 2.3.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCFP CF PRICING APPROACH ON THE VALUE OF RBPs / RBF

UNFCCC	FCPF CF
<b>Principles</b>	
<p>Decision 9/CP.19, par 5. <i>Encourages entities financing the activities referred to in decision 1/CP.16, paragraph 70, through the wide variety of sources referred to in decision 2/CP.17, paragraph 65, including the Green Climate Fund in a key role, to collectively channel <b>adequate and predictable results-based finance in a fair and balanced manner, taking into account different policy approaches, while working with a view to <b>increasing the number of countries that are in a position to obtain and receive payments for results-based actions; ...</b></b></i></p>	<p><b>FMT Note 2012-8</b> <b>Recommendations of the Working Group on the MF and Pricing Approach</b></p> <ul style="list-style-type: none"> <li>• Pricing should be fair and flexible, be kept as simple as possible and protect both parties from extreme price fluctuations.</li> <li>• The ERPA price should be a combination of fixed and floating portions, where feasible</li> <li>• The ERPA price should be determined by negotiations between the CF Participants, as buyer, and the ER Program entity, as seller, based on their respective willingness to pay or to receive payment. This negotiation process should be informed by relevant information such as market surveys or transaction benchmarks</li> <li>• The ERPA price negotiation process offers an opportunity for non-carbon benefits to be taken into consideration, although there would be no systematic quantification of non-carbon benefits for pricing under the Carbon Fund.</li> </ul>
<b>Willingness to pay</b>	
<p>Not expressed.</p>	<p><b>FCPF CF Tenth Meeting</b> <i>In order to provide guidance to REDD Country Participants for their ER Program development, including the preparation of their ER-PD, and acknowledging the policy guidance on pricing methodologies in FMT Note 2012-8 (Recommendations of the Working Group on the Methodological Framework and Pricing Approach for the Carbon Fund of the FCPF) adopted by the PC at PC12 as well as the views expressed by observers at CF10 meeting, the Carbon Fund Participants note their <b>current willingness to pay up to US\$5/tCO<sub>2</sub>e.</b></i><sup>59</sup></p>

59 Available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2014/July/CF10%20Chair's%20Summary%2006302014%20final.pdf>

### 2.3.4 DISCUSSIONS ON THE VALUE OF RBPs / RBF

As summarized above, there is no UNFCCC text on pricing or willingness to pay for REDD+ results, while for the FCPF CF, there are principles for the pricing approach that have been developed and C Fund participants have indicated willingness to pay up to \$5/ t CO<sub>2</sub>e.

The value of the t CO<sub>2</sub>e emission reductions and / or removals from REDD+ activities (i.e. REDD+ results) is critical to allow for adequate and predictable results-based finance to be channelled in a fair and balanced manner. In the absence of a market signal the value of RBPs / RBF appears to be determined by the willingness to pay of the entities providing results-based finance.

Discussions under the FCPF CF have shown that this issue is complex. Beyond the issues mentioned above a few topics could warrant further attention from developing countries as they engage on negotiations / discussions on the value of RBPs:

- The relationship between value of the tCO<sub>2</sub>e emission reduction and the accounting rules; whether results calculated using different accounting rules (bilateral deals, voluntary markets, FCPF-CF) have the same value or whether results calculated using stricter accounting rules should fetch a higher price.
- The relationship between the value of the tCO<sub>2</sub>e emission reduction and the scale at which it is generated; given the risks of displacement countries could consider whether results achieved at a national scale are worth more than results achieved on a sub-national scale. This is especially relevant for countries that have shown ambition in developing national approaches to REDD+.

## 2.4 RESTRICTIONS ON THE USE OF RBPs / RBF

### 2.4.1 RESTRICTIONS ON THE USE OF RBPs / RBF UNDER THE UNFCCC

The UNFCCC currently does not put any conditions on the use of resources coming from RBPs. However, as mentioned above (see section 2.1.1) countries may need to fulfil additional requirements to be consistent with any specific operational modalities of the financing entities providing RBPs decision 10/CP.19<sup>60</sup>. However it is unclear what these specific modalities may / should include restrictions on the use of RBPs / RBF. On this issue, noteworthy are submissions from developed country Parties on the “ways and means to transfer payments for results-based actions” to the SCF. For example some Parties have mentioned that:

- “The mechanism for managing any payments received, and further disbursing funding, should be appropriate to the context of the recipient country.
- Types of funding that have specific restrictions on use (for example those set through a company or organization’s ethics policy, or by governments) may require clarity on the planned use of funds after transfer, though the information required is usually far less than for other types of finance (e.g. loans or grants)”<sup>61</sup>

At the time of writing, the UNFCCC decisions offer no current guidance on ways and means to transfer RBPs, including any restrictions that might be placed on use of RBPs/RBF. Based on the SCF work plan adopted at COP21, it is expected that the SCF will prepare recommendations for draft guidance for COP22 to the operating entities of the Financial Mechanism. For the GCF, it is expected that this will be decided by adoption of GCF operational guidance to be developed for the REDD+ RBP / RBF window.

### 2.4.2 RESTRICTIONS ON THE USE OF RBPs / RBF UNDER THE FCPF CF MF

The CF MF calls for a clear, effective and transparent benefit-sharing mechanism with broad community support and participation of relevant stakeholders as noted in Criteria 29-31. A Benefits Sharing Plan (BSP) must be developed by the ER Program Entity in accordance with the ER Program Document and MF and submitted to the Trustee. The plan outlines how the ER Program Entity will share the Monetary and Non-Monetary Benefits with Beneficiaries<sup>62</sup>. Its submission is a condition of effectiveness of the ERPA.

The FCPF CF MF requires that resources from RBPs / RBF be used according to this BSP.

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60 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=28>

61 Government of the United States, SCF Work program on Financing for Forests. Submission on experiences with the use of resources/ transfer of payments for results-based approaches, and the provision of resources for alternate approaches November 10, 2014 available at:[http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/scf\\_financing\\_for\\_forests\\_submission.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/scf_financing_for_forests_submission.pdf)

62 Beneficiaries are defined as the recipients of Monetary and Non-Monetary Benefits identified in the Benefit Sharing Plan. Beneficiaries may include sub-Entities and other relevant stakeholders (including, e.g., forest-dependent Indigenous Peoples and other forest dwellers, affected communities or groups, local civil society organizations, etc.) and may have to be updated from time to time.

## 2.4.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON THE RESTRICTIONS ON THE USE OF RBPs / RBF

UNFCCC	FCPF CF MF and / or ER-PD template
No restrictions	<p data-bbox="339 398 464 421"><b>FCPF CF MF</b></p> <p data-bbox="339 443 1177 524"><b>Criterion 29: The ER Program provides a description of the benefit-sharing arrangements for the ER Program, including information specified in Indicator 30.1, to the extent known at the time.</b></p> <p data-bbox="339 546 1139 658"><b>Criterion 30: The Benefit Sharing Plan will elaborate on the benefit-sharing arrangements for Monetary and Non-Monetary Benefits, building on the description in the ER Program Document, and taking into account the importance of managing expectations among potential Beneficiaries.</b></p> <p data-bbox="339 680 1147 792"><b>Indicator 30.1:</b> The Benefit-Sharing Plan is made publicly available prior to ERPA signature, at least as an advanced draft, and is disclosed in a form, manner and language understandable to the affected stakeholders for the ER Program. The Benefit-Sharing Plan contains the following information:</p> <ul data-bbox="373 815 1185 1308" style="list-style-type: none"> <li data-bbox="373 815 1185 1128">i The categories of potential Beneficiaries, describing their eligibility to receive potential Monetary and Non-Monetary Benefits under the ER Program and the types and scale of such potential Monetary and Non-Monetary Benefits that may be received. Such Monetary and Non-Monetary Benefits should be culturally appropriate and gender and inter-generationally inclusive. The identification of such potential Beneficiaries takes into account emission reduction strategies to effectively address drivers of net emissions, anticipated implementers and geographical distribution of those strategies, land and resource tenure rights (including legal and customary rights of use, access, management, ownership, etc. identified in the assessments carried out under Criterion 28), and Title to ERs, among other considerations.</li> <li data-bbox="373 1151 1147 1196">ii Criteria, processes, and timelines for the distribution of Monetary and Non-Monetary Benefits.</li> <li data-bbox="373 1218 1150 1308">iii Monitoring provisions for the implementation of the Benefit-Sharing Plan, including, as appropriate, an opportunity for participation in the monitoring and/or validation process by the Beneficiaries themselves.</li> </ul> <p data-bbox="339 1330 1177 1464"><b>Criterion 31: The benefit-sharing arrangements are designed in a consultative, transparent, and participatory manner appropriate to the country context. This process is informed by and builds upon the national readiness process, including the SESA, and taking into account existing benefit-sharing arrangements, where appropriate.</b></p> <p data-bbox="339 1487 1171 1688"><b>Indicator 31.1:</b> The Benefit-Sharing Plan is prepared as part of the consultative, transparent and participatory process for the ER Program, and reflects inputs by relevant stakeholders, including broad community support by affected Indigenous Peoples. The Benefit-Sharing Plan is designed to facilitate the delivery and sharing of Monetary and Non-Monetary Benefits that promote successful ER Program implementation. The Benefit-Sharing Plan is disclosed in a form, manner and language understandable to the affected stakeholders of the ER Program.</p> <p data-bbox="339 1711 1091 1733"><b>Criterion 32:</b> The implementation of the Benefit-Sharing Plan is transparent.</p> <p data-bbox="339 1756 1166 1845"><b>Indicator 32.1:</b> Information on the implementation of the Benefit-Sharing Plan is annexed to each ER Program monitoring report and interim progress report and is made publicly available.</p> <p data-bbox="339 1868 1177 1890"><b>Criterion 33:</b> The benefit-sharing arrangement for the ER Program reflects the legal context.</p>

**Indicator 33.1:** The design and implementation of the Benefit-Sharing Plan comply with relevant applicable laws, including national laws and any legally binding national obligations under relevant international laws.

#### **ER-PD template**

Section 15. Benefit-Sharing arrangements

##### **15.1 Description of benefit-sharing arrangements**

*Please provide a description of the benefit-sharing arrangements for Monetary and Non-Monetary Benefits of the ER Program to the extent known, including:*

- i the categories of potential Beneficiaries, eligibility and the types and scale of potential Monetary and Non-Monetary Benefits;*
- ii Criteria, process and timelines for the distribution of Monetary and Non-Monetary Benefits;*
- iii Monitoring provisions.*

*Where available, provide a link to the publicly available Benefit Sharing Plan or inform when the Benefit Sharing Plan is expected to be concluded and available.*

*Refer to **critterion 29 and 30** of the Methodological Framework*

##### **15.2 Summary of the process of designing the benefit-sharing arrangements**

*Please provide a summary of the overall process of designing the benefit-sharing arrangements, including who has been participating in this process and how the process was informed by and builds upon the national Readiness process, including the SESA. Please describe how the benefit sharing arrangements have been prepared as part of the consultative, transparent and participatory consultation process for the ER Program. Please attach evidence of the process and how it reflects inputs by relevant stakeholders, including broad community support by affected Indigenous Peoples as an annex to this document.*

*Refer to **critterion 31** of the Methodological Framework*

##### **15.3 Description of the legal context of the benefit-sharing arrangements**

*Please describe how the design and implementation of the Benefit-Sharing Plan complies with relevant applicable laws, including relevant international conventions and agreements and customary rights if any.*

*Refer to **critterion 33** of the Methodological Framework*

## **2.4.4 DISCUSSION ON THE RESTRICTIONS ON THE USE OF RBPs / RBF**

While current UNFCCC guidance places no restrictions on use of RBPs / RBF by a REDD+ country, the FCPF CF requires that resources from RBPs / RBF be used according to the required benefit-sharing plan. The requirement of the FCPF CF to adopt and implement a benefit-sharing plan places a restriction on the use of RBPs / RBF, which could pose a challenge for REDD+ countries. While it is a well-established practice to have a clear definition of the use of the funds channelled through traditional ex ante Overseas Development Aid (ODA) funding, establishing a similar level of clarity on the use of RBPs / RBF may be challenging given the experimental nature of REDD+, which makes the scale of RBPs / RBF that can be expected

difficult to assess for REDD+ countries. Indeed (as noted by Angelsen<sup>63</sup>) result-based systems that are based on outcome and impact indicators (such as ERs) shift the risk to the REDD+ countries, because the results are influenced by factors that are not fully understood or beyond the control of the countries. For example, the FREL / FRL has several inherent uncertainties: the future values of drivers of deforestation and degradation are not known in many cases, the government may not either know the costs and effectiveness of the REDD+ policies and measures to be implemented, especially if these are new and / or additional.

In discussing the sharing of monetary benefits, there is a critical distinction between cost recovery or compensation on the one hand, and the distribution of any surplus once all relevant costs have been recovered, i.e., net gains or 'REDD+ rent', on the other hand. This distinction between cost compensation and net gains (REDD+ rent) is rarely made explicit in the national debates around REDD+ (as noted by Karsenty et al. 2012<sup>64</sup>). Given uncertainty related to the scale of RBPs / RBF and the costs of policies and measures, it is difficult to assess if there is indeed a 'REDD+ rent' that could be shared with Beneficiaries. Furthermore relying on revenue from results-based payment to honour 'hard commitments' towards beneficiaries may pose significant risk for the State (or another ER-Program Entity).

Beyond the monetary benefits, there are a wide variety of non-monetary benefits that can be achieved by REDD+ implementation (there may also be non-monetary costs). The degree to which they can be readily identified and quantified, varies greatly, both conceptually and practically making discussions surrounding their distribution or 'sharing' challenging.

The FCPF CF MF recognizes both monetary and non-monetary benefits, and leaves flexibility for REDD+ countries to develop their own definition of those benefits. The FCPF CF MF also stresses the importance of managing expectations among potential Beneficiaries in developing benefit-sharing plans. However at the same time it requires that the benefit-sharing plans contain many details: *"the categories of potential Beneficiaries, describing their eligibility to receive potential Monetary and Non-Monetary Benefits under the ER Program and the types and scale of such potential Monetary and Non-Monetary Benefits that may be received"*.

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63 Available at <http://blog.cifor.org/21740/polex-ten-challenges-and-lessons-for-donors-funding-redd-as-performance-based-aid#.VfshGJcerB4>

64 Karsenty, A., A. Vogel, and F. Castell. 2012a. "Carbon rights", REDD+ and payments for environmental services. *Environmental Science and Policy* – available at <http://dx.doi.org/10.1016/j.envsci.2012.08.013>



Photo: Dorotea Maniratis

# PART II: TECHNICAL AND METHODOLOGICAL MATTERS RELATED TO REDD+ RESULTS-BASED PAYMENTS

# 3

## 3.1 ADDRESSING THE DRIVERS OF DEFORESTATION AND FOREST DEGRADATION (DDFD) AND THE BARRIERS TO '+ ' ACTIVITIES

### 3.1.1 ADDRESSING DDFD AND BARRIERS TO + ACTIVITIES UNDER THE UNFCCC

Several references are made to DDFD in COP decisions<sup>65</sup> and the Warsaw Framework for REDD+ includes a specific decision on DDFD<sup>66</sup>.

Decision 4/CP.15 requests countries to identify DDFD resulting in emissions and also the means to address these and to identify activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks (i.e. the '+ ' activities).

Decision 1/CP.16 encourages Parties, organisations and the private sector to take action to address drivers and to share information; and encourages developing country Parties to take note of the information shared by other Parties<sup>67</sup>.

Decision 15/CP.19 (part of the Warsaw Framework) reaffirms previous decisions, and the importance of addressing drivers of deforestation and forest degradation in the context of the development and implementation of national strategies and action plans and according to unique to countries' national circumstances, capacities and capabilities.

### 3.1.2 ADDRESSING DDFD AND BARRIERS TO + ACTIVITIES UNDER THE FCPF CF MF

The FCPF CF MF context and rationale for the criteria and indicators for section 5.1 on Drivers reads as follows:

*"Sound program design is at the heart of successful ER Programs that manage to sustainably reduce emissions from deforestation and forest degradation. Related drivers need to be clearly identified and addressed by ER Program Measures. To ensure longer-term Emission Reductions, Displacement and the risks of Reversals need to be considered at the onset of ER Program design, thereby anticipating these possibilities and mitigating these risks through appropriate ER Program Measures.*

The FCPF CF MF stresses that addressing drivers is central to minimizing the risks of displacements and reversals.

65 Decision 4/CP.15, paragraph1, decision 1/CP.16 and decision 15/CP.19 – respectively available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11> and <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=13> and <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=43>

66 Decision 15/CP.19 available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=43>

67 Indigenous peoples (IPs), Philippines and Bolivia raised concerns with the decision text and requested clarification that traditional livelihoods should not be negatively affected when addressing DDFD, thus ensuring that traditional livelihoods will not be required to change in light of addressing DDFD.

### 3.1.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON ADDRESSING DDFD AND BARRIERS TO + ACTIVITIES

UNFCCC	FCPF CF
<b>Addressing drivers of deforestation and forest degradation</b>	
<p><b>Decision 2/CP.13<sup>68</sup>, paragraph 3:</b></p> <p>3. Further encourages Parties to explore a range of actions, identify options and undertake efforts, including demonstration activities, to address the drivers of deforestation relevant to their national circumstances, with a view to reducing emissions from deforestation and forest degradation and thus enhancing forest carbon stocks due to sustainable management of forests;</p> <p><b>Decision 4/CP.15<sup>69</sup>, paragraph 1:</b></p> <p>1. Requests developing country Parties, on the basis of work conducted on the methodological issues set out in decision 2/CP.13, paragraphs 7 and 11, to take the following guidance into account for activities relating to decision 2/CP.13, and without prejudging any further relevant decisions of the Conference of the Parties, in particular those relating to measurement and reporting:</p> <p>(a) To identify drivers of deforestation and forest degradation resulting in emissions and also the means to address these;</p> <p>(b) To identify activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks;</p>	<p><b>FCPF CF MF</b></p> <p><b>Criterion 27: The ER Program describes how the ER Program addresses key drivers of deforestation and degradation.</b></p> <p><b>Indicator 27.1:</b> The ER Program identifies the key drivers of deforestation and degradation, and potentially opportunities for forest enhancement.</p> <p><b>Indicator 27.2:</b> The ER Program identifies currently planned ER Program Measures and how they address the key drivers identified in Indicator 27.1, and the entities that would undertake them.</p> <p><b>ER-PD template</b></p> <p><b>Section 4: Description of actions and interventions to be implemented under the proposed ER program</b></p> <p><b>4.1 Analysis of drivers and underlying causes of deforestation and forest degradation, and existing activities that can lead to conservation or enhancement of forest carbon stocks</b></p> <p>Please present an analysis of the drivers, underlying causes and agents of deforestation and forest degradation. Also describe any policies and other activities that are already in place and could contribute to conservation and enhancement of Carbon Stocks. Please provide clearly referenced sources for the analysis. Please distinguish between both the drivers and policies within the Accounting Area of the proposed ER Program, and any drivers or policies that occur outside the Accounting Area but are affecting land use, land cover and Carbon Stocks within the proposed ER Program Accounting Area. Draw on the analysis produced for the ER-PIN and the country's Readiness Package (R-Package), and identify any remaining gaps in information/data.</p>

68 Available at <http://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf#page=8>

69 Available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11>

**Decision 1/CP.16<sup>70</sup>, paragraph 68 and 72:**

68. Encourages all Parties to find effective ways to reduce the human pressure on forests that results in greenhouse gas emissions, including actions to address drivers of deforestation;

72. Also requests developing country Parties, when developing and implementing their national strategies or action plans, to address, inter alia, the drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of appendix I to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities;

**Decision 15/CP.19<sup>71</sup>**

1. Reaffirms the importance of addressing drivers of deforestation and forest degradation in the context of the development and implementation of national strategies and action plans by developing country Parties, as referred to in decision 1/CP.16, paragraphs 72 and 76;

2. Recognizes that drivers of deforestation and forest degradation have many causes, and that actions to address these drivers are unique to countries' national circumstances, capacities and capabilities;

3. Encourages Parties, organizations and the private sector to take action to reduce the drivers of deforestation and forest degradation;

4. Also encourages all Parties, relevant organizations, and the private sector and other stakeholders, to continue their work to address drivers of deforestation and forest degradation and to share the results of their work on this matter, including via the web platform on the UNFCCC website;

5. Further encourages developing country Parties to take note of the information from ongoing and existing work on addressing the drivers of deforestation and forest degradation by developing country Parties and relevant organizations and stakeholders.

Refer to **criterion 27, indicator 27.1** of the Methodological Framework

**4.2 Assessment of the major barriers to REDD+**

Please describe the major barriers that are preventing the drivers from being addressed, and/or preventing conservation and Carbon Stock enhancement from occurring. Draw on the analysis produced for the ER-PIN and the country's Readiness Package (R-Package).

**4.3 Description and justification of the planned actions and interventions under the ER program that will lead to emission reductions and / or removals**

Please describe the proposed ER Program Measures (new or enhanced actions, measures, policy interventions or projects), including those related to governance, and justify how these ER program Measures will address the drivers and underlying causes of deforestation and forest degradation and/or support Carbon Stock enhancement, to help overcome the barriers identified above (i.e., how will the ER Program contribute to reversing current unsustainable resource use and/or policy patterns?). Please explain the prioritization and timelines of the planned ER Program Measures based on the implementation risks of the activities and their potential benefits.

Refer to **criterion 27, indicator 27.2** of the Methodological Framework

70 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

71 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=43>

### 3.1.4 DISCUSSION ON ADDRESSING DDFD AND POTENTIAL BARRIERS TO '+' ACTIVITIES

Both UNFCCC decision text and the FCPF CF MF make multiple references to DDFD and the importance of addressing these.

For the FCPF CF, there are specific requirements related to submission of information on drivers and barriers, while in UNFCCC text, this is not specifically required. UNFCCC decisions request Parties to provide some of this information, but it is not required and it is not prescribed where and how to provide such information.

Unlike the UNFCCC, the FCPF CF MF does not make an explicit reference to the 'many causes' of drivers, in other words to the 'indirect drivers', yet the ER-PD template makes this distinction by also mentioning the 'underlying causes of deforestation and forest degradation'. This does not appear to be a material difference but rather a difference in terminology and formulation.

In UNFCCC decisions, the reference to barriers to + activities is not explicit, but implied.

The FCPF CF MF does not explicitly look at assessing potential barriers to the implementation of '+' activities. It refers to "[potential] *opportunities* for forest enhancement", but not to potential challenges (i.e. barriers). However, the ER-PD Template makes a direct reference to "*major barriers to REDD+*" (see section 4.2 of ER-PD Template) which can be understood to encompass barriers to '+' activities specifically. This does not appear to be a material difference but rather a difference in terminology and formulation.

## 3.2 SCOPE (REDD+ ACTIVITIES, POOLS & GASES)

### 3.2.1 SCOPE UNDER THE UNFCCC

The Cancun Agreements set out five eligible REDD+ activities (paragraph 70<sup>72</sup>), which can be considered as the 'scope' of REDD+:

- Reduction of emissions from deforestation;
- Reduction of emissions from forest degradation;
- Conservation of forest carbon stocks;
- Sustainable management of forests;
- Enhancement of forest carbon stocks.

In the context of seeking results-based payments / finance under the UNFCCC process, countries may choose to implement one or more of the above activities to reduce forest-related emissions and/or enhance forest-related removals, which should include all significant activities, forest carbon pools and greenhouse gases (GHGs). If a country has identified a significant pool / gas or activity that it opts to exclude, likely based on data availability and/or monitoring capacity, then it will need to present an explanation for this (through its FREL / FRL submission, see section 3.7) and present steps to improve the monitoring capacity and data quality over time.

### 3.2.2 SCOPE UNDER THE FCPF CF MF

The FCPF CF MF context and rationale for the criteria and indicators for section 3.1 on Scope and Methods reads as follows:

*"ER programs should be allowed flexibility in the choice of sources and sinks they will account for. However, ER Programs must account for emissions from deforestation; and emissions from forest degradation must be accounted for where emissions are estimated to be significant.*

*Excluding certain pools (for example, soil carbon) is usually conservative for activities related to avoided deforestation and degradation<sup>73</sup>. However in some cases, such as reforestation activities involving heavy ground disturbance from land clearing and planting, or forest management on drained peatland, soil carbon emissions may be significant and should be accounted for to maintain environmental integrity."*

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72 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

73 It is important to note that the exclusion of a pool is allowed under the FCPF CF MF if it is 'conservative'.

### 3.2.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON SCOPE

UNFCCC	FCPF CF MF and / or ER-PD template
<b>REDD+ activities</b>	
<p><b>Decision 1/CP.16<sup>74</sup>, paragraph 1</b>  <i>Encourages developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities, as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances:</i></p> <ul style="list-style-type: none"> <li>a. Reducing emissions from deforestation;</li> <li>b. Reducing emissions from forest degradation;</li> <li>c. Conservation of forest carbon stocks;</li> <li>d. Sustainable management of forests;</li> <li>e. Enhancement of forest carbon stocks;</li> </ul>	<p><b>FCPF CF MF</b></p> <p><b>Criterion 3: The ER Program can choose which sources and sinks associated with any of the REDD+ Activities will be accounted for, measured, and reported, and included in the ER Program Reference Level. At a minimum, ER Programs must account for emissions from deforestation. Emissions from forest degradation also should be accounted for where such emissions are significant.</b></p> <p><b>Indicator 3.1:</b> The ER Program identifies which anthropogenic sources and sinks associated with any of the REDD+ activities will be accounted for in the ER Program.</p> <p><b>Indicator 3.2:</b> ER Programs MUST account for emissions from deforestation.</p> <p><b>Indicator 3.3:</b> Emissions from forest degradation are accounted for where such emissions are more than 10 % of total forest-related emissions in the Accounting Area, during the Reference Period and during the Term of the ERPA.</p> <p><b>ER-PD Template</b></p> <p><b>Section 7. Carbon pools, sources and sinks</b></p> <p><b>7.1 Description of Sources and Sinks selected</b></p> <p>Use the table below to state all sources and sinks, associated with any of the REDD+ Activities in the ER Program, which will be accounted as part of the ER Program (add rows as necessary). The same sources and sinks will be accounted for, measured, and reported, and included in the ER Program Reference Level.</p>

74 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

UNFCCC	FCPF CF MF and / or ER-PD template
	<p><i>Also state sources or sinks, associated with any of the REDD+ Activities in the ER Program, that have been excluded, and justify their exclusion by making conservative assumptions for example on the magnitude of the sources and sinks omitted. At a minimum, ER Programs must account for emissions from deforestation. Emissions from forest degradation also should be accounted for where such emissions are significant (more than 10% of total forest-related emissions in the Accounting Area, during the Reference Period and during the Term of the ERPA). Emissions from forest degradation are estimated using the best available data (including proxy activities or data).</i></p> <p><i>Refer to <b>critterion 3</b> of the Methodological Framework</i></p>

### Pools and gases and Significance

There are five IPCC forest carbon pools: aboveground biomass, belowground biomass, deadwood, litter and soil.

According to the UNFCCC Durban decision on FREL / FRL, significant pools and gases should not be excluded from the construction of a FRL and Parties should give reasons for omitting any pool or gas. In terms of GHGs, CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O are the gases to be considered (see decision 12/CP.17 below).

**Decision 12/CP.17<sup>75</sup>, II Annex**  
*[...] The information provided should be guided by the most recent Intergovernmental Panel on Climate Change guidance and guidelines, as adopted or encouraged by the COP, as appropriate, and include:*

*[...]*

#### **FCPF CF MF**

**Criterion 4: The ER Program should account for, measure, and report, and include in the ER Program Reference Level, significant Carbon Pools and greenhouse gases, except where their exclusion would underestimate total emission reductions.**

**Indicator 4.1:** *The ER Program accounts for all carbon pools that are significant within the Accounting Area*

**Indicator 4.2:** *Carbon pools and GHG may be excluded if:*

- (i) Emissions associated with excluded C pools and GHG are collectively estimated to amount to < 10 % of total forest-related emissions in the Accounting Area during the Reference Period;
- (ii) The ER Program can demonstrate that excluding such C pools and GHG would underestimate total emissions reductions

75 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

*(c) Pools and gases, and activities listed in decision 1/CP.16, paragraph 70, which have been included in forest reference emission levels and/or forest reference levels and the reasons for omitting a pool and/or activity from the construction of forest reference emission levels and/or forest reference levels, noting that significant pools and/or activities should not be excluded;*

**ER-PD template**

**7.2 Description of Carbon Pools and greenhouse gases selected**

*Please use the tables below to state all Carbon Pools and greenhouse gases that will be accounted as part of the ER Program (add rows as necessary). The ER Program should account for significant Carbon Pools and greenhouse gases except where their exclusion would underestimate total emission reductions. For the purpose of the FCPF Carbon Fund, significant Carbon Pools and greenhouse gases are those that contribute to more than 10% of total forest-related emissions in the Accounting Area during the Reference Period).*

*Explain whether any Carbon Pools and greenhouse gases have been excluded, and if so, justify their exclusion by making conservative assumptions for example on the magnitude of the Carbon Pools and greenhouse gases omitted.*

*Refer to **critterion 4** of the Methodological Framework*

## 3.2.4 DISCUSSION ON SCOPE

### General

Though variations in the specific text and differences in flexibility around inclusion, both UNFCCC and the FCPF CF emphasize the importance of including all significant sources and sinks for REDD+. Under the UNFCCC countries should adopt a step-wise approach, through which they can improve their methods and expand their scope over time. This flexibility cannot be built into the FCPF CF where the relationship between REDD+ countries and the Trustee is based on an ERPA, which in turn is based on an approved ERPD that includes a set FRL / FREL with a clearly defined scope and scale for the Term of the ERPA. Introducing too much flexibility in the ERPA may reduce predictability and pose disadvantages for both parties to the ERPA.

### Terminology

The FCPF CF MF refers to *sources and sinks associated with any of the REDD+ Activities* which an ER Program can choose to account. These sources must include *emissions from deforestation and emissions from forest degradation*. The UNFCCC does not use this phrasing and simply refers to 'REDD+ Activities' which include **reducing emissions from deforestation**. The reason for this difference in terminology appears to be grammatical and makes no material difference.

### Significance

According to the UNFCCC, significant pools should not be excluded from FREL / FRLs. The UNFCCC does not provide a definition of significant. In the IPCC context, however, the 2003 Good Practice Guidance notes that, in the context of estimating emissions and removals, a sub-category (which corresponds roughly to carbon pools and sources of non-CO<sub>2</sub> gases) is deemed 'significant' if it accounts for at least 25 – 30 % of emissions / removals for the overall category.

In the FCPF CF MF, 'significant' means 10 % of the total forest emissions in the Accounting Area.

The difference between the UNFCCC and the FCPF CF in whether 'significance' is defined as well as the difference between the indicative percentage range in IPCC 2003 versus the specific significance threshold required under the FCPF CF could increase the likelihood that countries might capture a different set of REDD+ activities, pools and/or gases, depending on whether they are engaging in the UNFCCC and / or the FCPF CF.

### Choice of REDD+ activities

In the UNFCCC context, all significant activities should be included in the scope of REDD+ (especially in the context of a FREL / FRL). Although 'significant' is not defined in the context of activities or REDD+ specifically, an explanation for an omission needs to be provided in the submission if it is a 'significant' activity.

The requirement of the FCPF CF that ER-Programmes include emissions from deforestation and emissions from degradation if they are above 10 %, could potentially increase costs and add technical complexities for a country to engage in the FCPF CF. The FCPF CF MF does recognize the challenges of including degradation and applies a conservativeness factor to account for uncertainty that is higher than that for deforestation.

### **Choice of Pools and gases**

There are five IPCC forest carbon pools: aboveground biomass, belowground biomass, deadwood, litter and soil. According to the UNFCCC Durban decision on FREL / FRL, significant pools and gases should not be excluded from the construction of a FRL and Parties should give reasons for omitting any pool or gas. In terms of GHGs, CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O are those gases to be considered. The FCPF CF also calls for justification for excluded sources, sinks and pools.

By adopting a stricter approach to the significance level of total forest-related emissions in the FCPF CF (i.e. 10 % compared to 25-30 %), the total 'significant' emissions from the forest land category increases for a country compared to what would be expected if the IPCC guidance were to be applied to REDD+, assuming this is REDD+ at a comparable scale (either subnational or national) in both cases. In terms of implications for countries, a very basic issue is the development of datasets that enable a stricter assessment of significance (i.e. 10 % compared to 25-30 %).

## 3.3 SCALE

### 3.3.1 SCALE UNDER THE UNFCCC

REDD+ is intended for national scale implementation, though subnational activities can be implemented as an interim measure.

As part of a step-wise approach to REDD+ implementation, it may be more appropriate for a country to start REDD+ implementation in one (or several) subnational area(s) on an interim basis, with the longer-term objective of scaling these up to the entire national territory. This could be, for example, related to the sheer size of the country, lack of control over its entire territory, its capacity to address drivers of deforestation and forest degradation or approach to REDD+, its development priorities or the existence of hotspots of deforestation. It could also be related to the capacity of some subnational entities or preferences of funding and implementation partners.

### 3.3.2 SCALE UNDER THE FCPF CF MF

The FCPF CF MF context and rationale for the criteria and indicators for section 2.1 on Scale and Ambition reads as follows:

*"To date most REDD+ transactions have relied on a project-based approach. The ambition of the Carbon Fund is to test large-scale approaches that require a mix of policies and investments, integration with national development strategies, use of innovative financial structures, and involvement of multi-stakeholder approaches. Large-scale accounting is more likely to capture the wide range of REDD+ drivers, provide ER Programs with incentives to establish comprehensive REDD+ strategies, and generally enhance the environmental integrity of the system."*

### 3.3.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON SCALE

UNFCCC	FCPF CF MF and / or ER-PD template
<p><b>NATIONAL</b> The ultimate goal is to have national scale REDD+ implementation.</p> <p><b>SUBNATIONAL</b> The issue of scale in relation to ‘subnational’ systems, monitoring, reporting and FREL / FRL is mentioned in several UNFCCC REDD+ decisions:</p> <p><b>National monitoring systems</b></p> <ul style="list-style-type: none"> <li>Decision 4/CP.15<sup>76</sup> (paragraph 1 d) requests developing countries to “establish, according to national circumstances and capabilities, robust and transparent national forest monitoring systems and, if appropriate, <b>subnational systems</b> as part of national monitoring systems that [...]”.</li> <li>Decision 1/CP.16<sup>77</sup> (paragraph 71 c): A robust and transparent national forest monitoring system for the monitoring and reporting of the activities referred to in paragraph 70 above, with, if appropriate, <b>subnational monitoring and reporting as an interim measure</b><sup>78</sup>, in accordance with national circumstances, [...]”.</li> </ul> <p><b>FREL / FRL</b></p> <ul style="list-style-type: none"> <li>Decision 1/CP.16<sup>79</sup>(paragraph 71 b and c) request developing countries to develop the following elements:“(b) A national forest reference emission level and/or forest reference level<sup>80</sup> or, if appropriate, as an interim measure, <b>subnational forest reference emission levels and/or forest reference levels</b>, in accordance with national circumstances, [...]”;</li> <li>Decision 12/CP.1<sup>81</sup> (paragraph 11):“Acknowledges that <b>subnational forest reference emission levels and/or forest reference levels may be elaborated as an interim measure</b>, while transitioning to a national forest reference emission level and/or forest reference level, and that <b>interim forest reference emission levels and/or forest reference levels of a Party may cover less than its entire national territory of forest area</b>”.</li> </ul>	<p><b>FCPF CF MF</b> <b>Criterion 2: The Accounting Area matches a government-designated area that is of significant scale.</b></p> <p><b>Indicator 2.1: The Accounting Area is of significant scale and aligns with one or more jurisdictions; or a national-government-designated area (e.g., ecoregion) or areas.</b></p> <p><b>ER-PD Template</b> <b>Section 3. ER Program Location</b></p> <p><b>3.1 Accounting area of the ER Program</b></p> <p>Please present a description (including location and size, in hectares) of the proposed Accounting Area of the ER Program, including the administrative jurisdictions or national-government-designated area(s) covered by the ER Program and its location in the country. Also provide a map of the Accounting Area, preferably as a GIS shape file (using WGS 84)</p> <p>Refer to <b>critterion 2</b> of the Methodological Framework</p>

76 Available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11>

77 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>

78 “Including monitoring and reporting of emissions displacement at the national level, if appropriate, and reporting on how displacement of emissions is being addressed, and on the means to integrate subnational monitoring systems into a national monitoring system”.

79 See footnote 79

80 “In accordance with national circumstances, national forest reference emission levels and / or forest reference levels could be a combination of subnational forest reference emissions levels and / or forest reference levels”.

81 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

### 3.3.4 DISCUSSION ON SCALE

Both the UNFCCC and FCPF CF MF allow for subnational and national level implementation. However, there is no implied expectation under the FCPF CF MF that countries that are implementing subnational actions will have to / or should move to national scale implementation.

The FCPF CF MF allows provides the flexibility for countries to engage at the national level or with large subnational programs at a jurisdictional or programmatic scale.

An example of national scale programmes is Costa Rica's emission reductions program which supports national efforts to achieving and sustaining carbon neutrality—led by the National Forestry Financing Fund (FONAFIFO) which is also in charge of developing the National REDD+ strategy.

Examples of jurisdictional / programmatic scale are:

- The Mai-Ndombe Emission Reductions Program which covers the 12.3 million hectare land surface of the future Mai Ndombe Province (as stipulated in the DRC constitution).
- Ghana's Cocoa Forest REDD+ Program which focuses on an ecological landscape that is defined by the production of a globally important agricultural commodity – cocoa – which is responsible for significant emissions in the landscape.
- Peru's emission reductions program includes proposed interventions in the administrative regions of San Martin and Ucayali spanning 15.6 million hectares of the Peruvian Amazon, 13.1 million of which is forested.

The terms 'significant scale' and 'government designated area' are used in the FCPF CF MF but not in the UNFCCC context. The implication here is that subnational scale of REDD+ in the UNFCCC context is open to broader interpretation; this greater flexibility implies more variation in terms of what subnational REDD+ actually looks like on the ground.

## 3.4 NATIONAL REDD+ STRATEGIES AND ACTION PLANS

### 3.4.1 NATIONAL REDD+ STRATEGIES AND ACTION PLANS UNDER THE UNFCCC

Countries aiming to undertake REDD+ activities under the UNFCCC are requested to develop a national REDD+ strategy (NS) or action plan (AP) (decision 1/CP.16, paragraph 71<sup>82</sup>(a)), to describe how emissions will be reduced and / or how forest carbon stocks will be enhanced, conserved and / or sustainably managed. UNFCCC COP decisions highlight the critical role that national governments (parties to the UNFCCC) have in designing and implementing REDD NS or AP.

There is no strict prescription in the decision texts regarding the actual content of a NS / AP. Nonetheless, paragraph 72 of decision 1/CP.16<sup>83</sup> indicates that the COP “Also requests developing country Parties, when developing and implementing their national strategies or action plans, to address, inter alia, drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of annex I to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia, indigenous peoples and local communities;”

Paragraph one of Appendix I<sup>84</sup> of decision 1/CP.16 sets out general guidance that should be followed when implementing REDD+ activities, and should therefore be kept in mind while developing a NS / AP:

- a. *Contribute to the achievement of the objective set out in Article 2 of the Convention (to stabilise GHG concentrations to avoid dangerous interference with the climate system<sup>85</sup>[1]);*
- b. *Contribute to the fulfilment of the commitments set out in Article 4, paragraph 3, of the Convention (common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances on new and additional resources<sup>86</sup>[2]);*
- c. *Be country-driven and be considered options available to Parties;*
- d. *Be consistent with the objective of environmental integrity and take into account the multiple functions of forests and other ecosystems;*
- e. *Be undertaken in accordance with national development priorities, objectives and circumstances and capabilities and should respect sovereignty;*
- f. *Be consistent with Parties’ national sustainable development needs and goals;*
- g. *Be implemented in the context of sustainable development and reducing poverty, while responding to climate change;*
- h. *Be consistent with the adaptation needs of the country;*
- i. *Be supported by adequate and predictable financial and technology support, including support for capacity-building;*
- j. *Be results-based;*
- k. *Promote sustainable management of forests.*

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82 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

83 See footnote <sup>84</sup>

84 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=26>

85 Available at [http://unfccc.int/files/essential\\_background/background\\_publications\\_htmlpdf/application/pdf/conveng.pdf](http://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf)

86 Available at [http://unfccc.int/files/essential\\_background/background\\_publications\\_htmlpdf/application/pdf/conveng.pdf](http://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf)

NS / APs are not subjected to a formal revision process under the UNFCCC, although it should be submitted to the UNFCCC Secretariat which in turn posts a link to the NS / AP on the Information Hub of the UNFCCC REDD+ Web Platform.

### 3.4.2 NATIONAL REDD+ STRATEGIES AND ACTION PLANS UNDER THE FCPF CF MF

Countries have to report on progress in the development of their National REDD+ Strategies and conduct a self-assessment of this progress as part of the R-Package. Countries provide a description of significant achievements and areas requiring further development corresponding to specific criteria related to National Strategies<sup>87</sup>. This information is reviewed and the R-Package must be endorsed by the FCPF Participants Committee.

There is no specific section on National REDD+ Strategies or Action Plans in the FCPF CF MF however some Indicators and Criteria of the MF do refer to National REDD+ Strategies. In particular, the FCPF CF MF discusses the links between the ER-Programme and the National REDD+ Strategy in the section on "Scale and Ambition". This relates to the will for the FCPF CF to scale-up REDD+ implementation that, in most countries, has mostly relied so far on smaller project-scale voluntary carbon market interventions. Such larger-scale interventions are seen as an opportunity to achieve more meaningful ERs (at scale and reducing transaction costs); but also as a step up in experimentation and capacity building towards the full and nation-wide implementation of the National REDD+ Strategies. Indeed, the range of drivers to address and diversity of situations is likely to be much larger, thus requiring more comprehensive programme strategies. The objective is also to test approaches using a mix of policies and investments, when only the latter are usually available to project-scale approaches, thus reducing greatly their efficacy and their capacity to address risks of displacement and reversal.

It is also worth noting that the ER-PD template makes a direct link with the REDD+ NS / AP in section 2 (Strategic Context and Rationale for the ER Program), that reads as follows: *"Describe how the ER Program is consistent with national policies and development priorities and will contribute to the development and/or implementation of components of REDD+, specifically the current national REDD+ strategy through the implementation of a variety of interventions"*.

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87 For further detail see: World Bank (2013) A Guide to the FCPF Readiness Assessment Framework. Available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2013/July2013/FCPC%20framework%20text%207-25-13%20ENG%20web.pdf>

### 3.4.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON REDD+ NS / APS

UNFCCC	FCPF CF MF
<p><b>Decision 1/CP.16<sup>88</sup>, paragraph 72:</b></p> <p><i>Also requests developing country Parties, when developing and implementing their national strategies or action plans, to address, inter alia, the drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of appendix I to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities;</i></p>	<p><b>FCPF CF MF</b></p> <p><b>Criterion 1: The proposed ER Program is ambitious, demonstrating the potential of the full implementation of the variety of interventions of the national REDD+ strategy, and is implemented at a jurisdictional scale or programmatic scale.</b></p> <p><i>Indicator 1.1: The ER Program Measures aim to address a significant portion of forest-related emissions and removals.</i></p> <p><i>Indicator 1.2: The ER Program is ambitious, uses new or enhanced ER Program Measures to reduce emissions or enhance removals, is undertaken at a jurisdictional scale and/or takes a programmatic approach (i.e., involves multiple land areas, landowners or managers within one or several jurisdictions), and reflects a variety of interventions from the national REDD+ strategy in a coordinated manner.</i></p> <p><b>ER-PD template</b></p> <p><b>Section 2. Strategic context and rationale for the ER program</b></p> <p><b>2.2 Ambition and strategic rationale for the ER Program</b></p> <p><i>Please describe the ambition and strategic rationale for the proposed ER Program. Describe the ambition and significance of the ER Program in relation to the total forest-related emissions and removals in the country (please note that a detailed description of the estimation of the ERs expected from the ER Program is included in section 13, here describe the relative importance of the ER Program compared to the overall emissions and removals in the country).</i></p> <p><i>Describe how the ER Program is consistent with national policies and development priorities and will contribute to the development and/or implementation of components of REDD+, specifically the current national REDD+ strategy through the implementation of a variety of interventions.</i></p> <p><i>Refer to <b>critterion 1</b> of the Methodological Framework</i></p>

88 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

**2.3 Political commitment**

*Please describe the highest level of political commitment to the ER Program, including the levels of support within the different levels of government and whether a cross-sectoral commitment exists to the ER Program and to REDD+ in general.*

**3.4.4 DISCUSSION ON NS / AP**

A REDD+ NS / AP needs to be developed or in place, according to both the UNFCCC decisions as well as for the FCPF CF.

For the UNFCCC, a link to the NS / AP needs to be made available for eligibility for RBPs / RBF. In the case of the FCPF CF, a draft NS / AP needs to be submitted as part of the R-package assessment. The R-Package submission and endorsement process provides for a form of review of progress in the development of a National REDD+ Strategy which is not foreseen in UNFCCC decisions. Concretely, the R-Package provides a description of significant achievements and areas requiring further development related to assessment criteria that pertain to the REDD+ Strategy as well as actions that address identified areas for further work.

A country needs to have at least a draft NS / AP in place before it can begin the development of its ER-Program. This is important to ensure that if an ER-Programme is subnational, that it reflects the priorities set out on the national level. Having this requirement under the FCPF CF helps to increase the consistency between the UNFCCC and FCPF CF MF.

It is interesting to note that the ER-PD template has a specific section (section 2.3) on the highest level of political commitment as well as whether a cross-sectoral commitment exists to the ER-Programme and to REDD+ in general. This type of 'request' for high-level commitment is absent in the UNFCCC REDD+ decision texts. This does not necessarily mean that the CF is more 'prescriptive' but as payments are involved that it needs more reassurance that there is high-level political commitment and cross-sectoral commitment to ensure the success of the REDD+ implementation.

## 3.5 SAFEGUARDS

### 3.5.1 SAFEGUARDS UNDER THE UNFCCC

COP16 (Cancun) in 2010 agreed that a set of seven safeguards, commonly referred to as the 'Cancun Safeguards', should be promoted and supported when undertaking REDD+ activities. The safeguards in Appendix I<sup>89</sup> of decision 1/CP.16 indicate that when undertaking activities referred to in paragraph 70<sup>90</sup> of decision 1/CP.16, the following safeguards should be promoted and supported:

- a. *That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;*
- b. *Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;*
- c. *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;*
- d. *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;*
- e. *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 protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;*
- f. *Actions to address the risks of reversals;*
- g. *Actions to reduce displacement of emissions.*

The [Cancun Agreements](#) (COP 16, 2010) and subsequent decisions adopted in [Durban](#) (COP 17, 2011) also request Parties implementing REDD+ to develop a system for providing information on how the Cancun safeguards are being addressed and respected throughout the implementation of the REDD+ activities, in other words a Safeguard Information System (SIS).

Decision 12/CP.17<sup>91</sup> (Durban) on providing information on how safeguards are addressed and respected states that Parties undertaking REDD+ activities "...should provide a summary of information on how the safeguards in 1/CP.16 appendix I, are being addressed and respected throughout the implementation of the activities." The decision states that this summary of information should be provided periodically and be included in national communications to the UNFCCC. In the decision, it is also agreed that systems for providing information on how the safeguards are addressed and respected (SIS):

*"...should take into account national circumstances, recognize national legislation and relevant international obligations and agreements, respect gender considerations, and:*

- a. *Be consistent with the guidance identified in decision 1/CP.16, appendix I*

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89 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=26>

90 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

91 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

- b. Provide transparent and consistent information that is accessible by all relevant stakeholders and updated on a regular basis;*
- c. Be transparent and flexible to allow for improvements over time;*
- d. Provide information on how all of the safeguards are being addressed and respected;*
- e. Be country-driven and implemented at the national level;*
- f. Build upon existing systems, as appropriate."*

The decision on safeguards adopted at COP 19 in Warsaw (12/CP.19<sup>92</sup>) pertains to the timing and the frequency of presentations of the summary of information on how all the safeguards referred to in decision 1/CP.16, Appendix I<sup>93</sup>, are being addressed and respected. The key elements of the decision are that:

- In addition to National Communications, it refers to an additional channel to provide the summary of information on how all of the safeguards are being addressed and respected, which is through the submission of the summary of information directly to the UNFCCC REDD+ Web Platform;
- In terms of timing, the information on safeguards (whether through the national communication or the UNFCCC REDD Web Platform) should be provided after the start of implementation of activities 1/CP.16, paragraph 70<sup>94</sup> (i.e. the five REDD+ activities) and before the country aims to access RBPs / RBF;
- In terms of frequency, the information provided should be in line with national communications (which are to be submitted to the UNFCCC by Parties every four years) and voluntarily via the UNFCCC REDD+ Web Platform, to which submissions of information can happen at any time.

In addition, it was agreed in decision 9/CP.19, that developing countries seeking to obtain and receive RBPs / RBF should provide the most recent summary of information on how all of the Cancun safeguards have been addressed and respected before they can receive RBPs / RBF.

At the Paris COP in December 2015, the COP adopted decision 17/CP.21<sup>95</sup> that provides further guidance on ensuring transparency, consistency, comprehensiveness and effectiveness when informing on how all the Cancun safeguards are being addressed and respected, through the summary of information on safeguards. According to this decision, developing country Parties:

- **Should** provide information on which REDD+ activities are included in the summary of information (i.e., the scope);
- **Are strongly encouraged** to provide the following in the summary:
  - a.** Information on national circumstances relevant to addressing and respecting the safeguards
  - b.** A description of each safeguard in accordance with national circumstances
  - c.** A description of existing systems and processes relevant to addressing and respecting the safeguards, including information systems

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92 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=33>

93 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=26>

94 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

95 Available at <http://unfccc.int/resource/docs/2015/cop21/eng/10a03.pdf>

d. Information on how each safeguard has been addressed and respected, according to national circumstances

- **Are encouraged** to provide any other relevant information on the safeguards in the summary and to improve the information provided over time, taking into account the stepwise approach.

With this decision, it was also agreed that there is no need for further guidance to ensure the transparency, consistency, comprehensiveness and effectiveness when informing on how all of the safeguards are addressed and respected.

### 3.5.2 SAFEGUARDS UNDER THE FCPF CF MF

The context and rationale of section 4.1 of the FCPF CF MF (Actions to Meet World Bank Safeguards and Promote and Support Cancun Safeguards) mentions the following:

*With the World Bank acting as both the Trustee and the Delivery Partner of the Carbon Fund, all ER Programs will need to meet applicable World Bank policies and procedures. ER Programs also should promote and support the safeguards included in the UNFCCC guidance on REDD+. The World Bank's view is that the World Bank safeguards policies, procedures and practices are consistent with the Cancun safeguards for REDD+.*

*Meeting the World Bank safeguards at ER Program implementation involves a) taking account of the safeguard policies triggered during readiness preparation and of relevant social and environmental sustainability issues identified during the Strategic Environmental and Social Assessment (SESA) process, and b) implementing the Safeguards Plans prepared in accordance with the Environmental and Social Management Framework (ESMF) that has resulted from the SESA.*

*The Carbon Fund should require a Feedback and Grievance Redress Mechanism (FGRM) for the ER Program, but it could vary from country to country or from one ERPA to another, depending on local context. It will build on the existing FGRM in the country established during Readiness, as applicable. Guidance on key items of the FGRM may be included in any eventual MF good practices developed. The ER Program should build on the activities carried out during the readiness phase, based on the Guidelines on Stakeholder Engagement in REDD+ Readiness and the Guidance Note on Establishing and Strengthening Grievance Redress Mechanisms.*

*The ER Program should be based on a full and effective consultative, transparent and participatory process, ensuring that its design and implementation reflect inputs by relevant affected stakeholders, including broad community support by affected Indigenous Peoples. Special attention needs to be paid to legal and customary rights of Indigenous Peoples and local communities, and the ER Program should take into account applicable laws, including national laws and any legally binding national obligations under relevant international laws.*

### 3.5.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON SAFEGUARDS

UNFCCC	FCPF CF MF <sup>96</sup> and / or ER-PD template
<b>Safeguard Content: Overall</b>	
<p><b>Decision 1/CP.16<sup>97</sup>, Appendix I, paragraph 2:</b></p> <p><i>When undertaking the activities referred to in paragraph 70 of this decision, the following safeguards should be promoted and supported:</i></p>	<p><b>FCPF CF MF</b></p> <p><b>Context and rationale for the C&amp;I Section 4.1:</b> [... ] All ER Programs will need to meet applicable World Bank policies and procedures. ER Programs also should promote and support the safeguards included in the UNFCCC guidance on REDD+. The World Bank's view is that the World Bank safeguards policies, procedures and practices are consistent with the Cancun safeguards for REDD+.</p> <p><b>Indicator 24.1:</b> The ER Program demonstrates through its design and implementation how it meets relevant World Bank social and environmental safeguards, and promotes and supports the safeguards included in UNFCCC guidance related to REDD+, by paying particular attention to Decision 1/CP.16 and its Appendix I as adopted by the UNFCCC.</p>
<b>Safeguard Content – specific (a)</b>	
<p><b>Decision 1/CP.16<sup>98</sup>, Appendix I, paragraph 2:</b></p> <p><b>Safeguard (a)</b> should be promoted and supported: <i>That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements.</i></p>	<p><b>WB OP</b></p> <p><b>OP 4.01 on Environmental Assessment</b>, in particular para. 3</p> <p><b>OP 4.36 on Forests</b>, in particular paras. 14 and 6</p> <p><b>FCPF CF MF</b></p> <p><b>Context and Rationale for the C&amp;I Section 4.1:</b> [... ] The ER Program should take into account applicable laws, including national laws and any legally binding national obligations under relevant international laws.</p>

96 Note that this section cites the WB's Operational Policies in addition to the FCPF CF MF.

97 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

98 See footnote <sup>97</sup>

## Safeguard Content – specific (b)

**Decision 1/CP.16<sup>99</sup>, Appendix I, paragraph 2:**

**Safeguard (b)** should be promoted and supported:  
*"Transparent and effective national forest governance structures, taking into account national legislation and sovereignty"*

**WB OP**

**Access to Information** policy, in particular para. 1  
**OP 4.01 on Environmental Assessment**, in particular paras. 3 and 13  
**OP 4.36 on Forests**, in particular para. 14  
**BP 4.04 on Natural Habitats**, in particular para. 5  
**BP 4.10 on Indigenous Peoples**, in particular para. 10  
**BP 4.12 on Involuntary Resettlement**, in particular para. 2

**FCPF CF MF**

**Criterion 26: An appropriate Feedback and Grievance Redress Mechanism developed during the Readiness phase or otherwise exist(s), building on existing institutions, regulatory frameworks, mechanisms and capacity.**

**Criterion 28: The ER Program has undertaken and made publicly available an assessment of the land and resource tenure regimes present in the Accounting Area.**

**ER-PD template****Section 14. Safeguards**

**14.3 description of the Feedback and Grievance Redress Mechanism (FGRM) in place and possible actions to improve it**

*Please summarize the assessment of existing FGRM(s), including any applicable customary FGRMs, in place and describe the FGRM procedures for the ER Program. Where applicable refer to descriptions available in other documents such as Benefit Sharing Plan and/or relevant Safeguards Plans. If applicable, provide a description of planned actions to improve the FGRM(s)*

*Refer to **critterion 26** of the Methodological Framework*

**Section 4. Description of actions and interventions to be implemented under the proposed ER Program**

**4.4 assessment of land and resource tenure in the Accounting Area**

<sup>99</sup> See footnote <sup>97</sup>

*Please describe the land and resource tenure regimes in the Accounting Area based on the assessment carried out during the Readiness phase and, if applicable, an additional assessment of any issues related to land and resource tenure regimes in the Accounting Area that were considered critical for the successful implementation of the ER Program.*

*If any additional assessment of land and resource tenure regimes in the Accounting Area was necessary, provide the outcome of this assessment including:*

- I.** *The range of land and resource tenure rights (including legal and customary rights of use, access, management, ownership, exclusion, etc.) and categories of rights-holders present in the Accounting Area (including Indigenous Peoples and other relevant communities);*
- II.** *The legal status of such rights, and any significant ambiguities or gaps in the applicable legal framework, including as pertains to the rights under customary law;*
- III.** *Areas within the Accounting Area that are subject to significant conflicts or disputes related to contested or competing claims or rights, and if critical to the successful implementation of the ER Program, how such conflicts or disputes have been or are proposed to be addressed; and*
- IV.** *Any potential impacts of the ER Program on existing land and resource tenure in the Accounting Area*

*Please elaborate how the additional assessment has been conducted in a consultative, transparent and participatory manner, reflecting inputs from relevant stakeholders.*

*Please describe any relevant issues gaps, conflicts, contested claims and potential impacts related to land and resource tenure regimes in the Accounting Area that have been identified and that are considered critical for the successful implementation of the ER Program and explain how these have been or will be taken into consideration in the design and implementation of the ER Program.*

*Refer to **critterion 28, indicators 28.1 and 28.2** of the Methodological Framework*

**Safeguard Content – specific (c)****Decision 1/CP.16, Appendix I, paragraph 2:**

**Safeguard (c)** should be promoted and supported: *“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”*

**WB OP**

**OP 4.10 on Indigenous Peoples**, in particular para. 1; para. 16 and footnote 17; paras. 19 to 21  
**OP 4.36 on Forests**, in particular paras. 10 and 14  
**BP 4.36 on Forests**, in particular para. 4

**FCPF CF MF****Context and Rationale for the C&I Section 4.1:**

*Special attention needs to be paid to legal and customary rights of Indigenous Peoples and local communities, and the ER Program should take into account applicable laws, including [...] any legally binding national obligations under relevant international laws.*

**Safeguard Content – specific (d)****Decision 1/CP.16, Appendix I, paragraph 2:**

**Safeguard (d)** should be promoted and supported: *“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”*

**WB OP**

**OP 4.01 on Environmental Assessment**, in particular paras. 14 and 15  
**OP 4.10 on Indigenous Peoples**, in particular para. 1 and footnote 4  
**OP 4.04 on Natural Habitats**, in particular para. 10  
**OP 4.12 on Involuntary Resettlement**, in particular para. 7  
**OP 4.36 on Forests**, in particular paras. 11 and 12

**FCPF CF MF****Context and Rationale for the C&I Section 4.1:**

*The ER Program should be based on a full and effective consultative, transparent and participatory process, ensuring that its design and implementation reflect inputs by relevant affected stakeholders, including broad community support by affected Indigenous Peoples.*

**Safeguard Content – specific (e)****Decision 1/CP.16, Appendix I, paragraph 2:**

**Safeguard (e)** should be promoted and supported: *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 protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits*

**WB OP**

**OP 4.04 on Natural Habitats**, in particular para. 1 and Annex A, para. 1(a); para. 4 and Annex A, para. 1(c)  
**OP 4.36 on Forests**, in particular paras. 1, 2, 5, and 7

**FCPF CF MF**

See also CF MF relevant Criteria and discussion from Sections 5.2 and 5.3 on NCBs for consideration and comparisons.

## Safeguard Content – specific (f)

**Decision 1/CP.16, Appendix I, paragraph 2:**

Safeguard (f) should be promoted and supported:  
*Actions to address the risks of reversals*

**WB OP**

**OP 4.01 on Environmental Assessment**, in particular paras. 1 and 2 OP 4.36 on Forests, in particular para. 14

**FCPF CF MF**

**Criterion 18: The ER Program is designed and implemented to prevent and minimize the risk of Reversals and address the long-term sustainability of ERs**

**Indicator 18.1:** *The ER Program has undertaken an assessment of the anthropogenic and natural risk of Reversals that might affect ERs during the Term of the ERPA and has assessed, as feasible, the potential risk of Reversals after the end of the Term of the ERPA.*

**Indicator 18.2:** *The ER Program demonstrates how effective ER Program design and implementation will mitigate significant risks of Reversals identified in the assessment to the extent possible, and will address the sustainability of ERs, both during the Term of the ERPA, and beyond the Term of the ERPA.*

**Criterion 19: The ER Program accounts for Reversals from ERs that have been transferred to the Carbon Fund during the Term of the ERPA**

**Indicator 19.1:** *During the Term of the ERPA, the ER Program accounts for Reversals from ERs using one of 2 options:*

*Option 1: The ER Program has in place a Reversal management mechanism (e.g., buffer reserve or insurance) that is substantially equivalent to the Reversal risk mitigation assurance provided by the 'approach referred to in option 2 below*

*Option 2: ERs from the ER Program are deposited in an ER Programme-specific buffer, managed by the Carbon Fund (ER Program CF Buffer), based on a Reversal risk assessment.*

**Criterion 20: The ER Program, building on its arrangements put in place during the readiness phase and during the Term of the ERPA, will have in place a robust Reversal management mechanism to address the risk of Reversals after the Term of the ERPA.**

**Indicator 20.1:** *At the latest 1 year before the end of the Term of the ERPA, the ER Program will have in place a robust Reversal management mechanism or another specified approach that addresses the risk of Reversals beyond the Term of the ERPA.*

**Indicator 20.2:** *If the ER Program has selected option 2 under Indicator 19.1, all or a portion of the Buffer ERs of the ER Program, subject to a Carbon Fund review of the Methodological Framework and a decision of the parties to the ERPA in one year prior to the end of the Term of the ERPA, will be transferred to the mechanism identified in Indicator 20.1 at the end of the Term of the ERPA. If the ER Program fails to meet the requirements of Indicator 20.1, all remaining Buffer ERs in the ER Program CF Buffer will be cancelled.*

**Criterion 21: The ER Program monitors and reports major emissions that could lead to Reversals of ERs transferred to the Carbon Fund during the Term of the ERPA.**

**Indicator 21.1:** *The ER Program Monitoring Plan and Monitoring system are technically capable of identifying reversals.*

**Indicator 21.2:** *The ER Program reports to the Carbon Fund within 90 calendar days after becoming aware of any emissions in the Accounting Area or changes in ER Program circumstances that, in the reasonable opinion of the ER Program, could lead to Reversals of previously transferred ERs by the next Monitoring event. The ER Program explains how the potential Reversals would be addressed by additional ER Program Measures or by the Reversal management mechanism described in Indicator 19.1.*

### **ER-PD template**

#### **Section 11. Reversals**

##### **11.1 Identification of risk of Reversals**

*Please provide an assessment of the anthropogenic and natural risks of Reversal that might affect ERs during the Term of the ERPA and as feasible, the potential risk of Reversals after the end of the Term of the ERPA.*

*Refer to **critterion 18, indicator 18.1** of the Methodological Framework*

### **11.2 ER Program design features to prevent and mitigate Reversals**

Please identify possible risk mitigation strategies associated with each of the risks identified in section 11.1 above. Describe how the ER Program design and implementation will contribute to the mitigation of significant risks of Reversal, and will address the long term sustainability of its Emission Reductions, both during the Term of the ERPA and beyond the Term of the ERPA.

Refer to **critterion 18, indicator 18.2** of the Methodological Framework

### **11.3 Reversal management mechanism**

Please select one of the options identified in the Methodological Framework to account for Reversals from ERs that have been transferred to the Carbon Fund during the Term of the ERPA.

Refer to **critterion 19** of the Methodological Framework

If option 1 has been selected above, please describe the Reversal management mechanism that has been put in place and explain how the Reversal management mechanism:

- Is substantially equivalent to the Reversal risk mitigation assurance provided by the ER Program CF Buffer approach; and
- Is appropriate for the ER Program's assessed level of risk; and
- Will, in the event of a Reversal during the Term of the ERPA, be used to fully cover such Reversals

Refer to **critterion 19** of the Methodological Framework

If option 2 has been selected above, please provide a summary of the Reversal risk assessment and the resulting number of ERs from the ER Program that will be deposited in the ER Program CF Buffer (full risk assessment should be annexed to the ER-PD).

Refer to **critterion 19** of the Methodological Framework

### **11.4 Monitoring and reporting of major emissions that could lead to Reversals of ERs**

Please describe the monitoring mechanism that will be put in place to monitor and report major emissions in the Accounting Area or changes in ER Program circumstances that could lead to Reversals of ERs transferred to the Carbon Fund during the Term of the ERPA.

Refer to **critterion 21** of the Methodological Framework

## Safeguard Content – specific (g)

**Decision 1/CP.16, Appendix I, paragraph 2:**

Safeguard (g) should be promoted and supported:  
*Actions to reduce displacement of emissions*

**WB OP**

**OP 4.01 on Environmental Assessment**, in particular para. 2 and footnote 3; para. 3 and footnote 5

**OP 4.04 on Natural Habitats**, in particular para. 4 and Annex A, para. 1(c)

**FCPF CF MF**

**Criterion 17: The ER Program is designed and implemented to prevent and minimize potential Displacement.**

**Indicator 17.1:** *Deforestation and degradation drivers that may be impacted by the proposed ER Program Measures are identified, and their associated risk for Displacement is assessed, as well as possible risk mitigation strategies. This assessment categorizes Displacement risks as high, medium or low.*

**Indicator 17.2:** *The ER Program has in place an effective strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing key sources of Displacement risk.*

**Indicator 17.3:** *By the time of verification, the ER Program has implemented its strategy to mitigate and/or minimize potential Displacement.*

**Indicator 17.4:** *ER Programs are also invited to report on changes in major drivers in the ER Accounting Area, any Displacement risks associated with those drivers, and any lessons from the ER Programs' efforts to mitigate potential Displacement.*

**ER-PD template****Section 10. Displacement****10.1 Identification of risk of Displacement**

*Using the table below and building on the analysis in sections 4.1, 4.2, 4.3 and 4.4, please assess the risk for Displacement of emissions from the ER Program Accounting Area to areas outside the Accounting Area as a result of the proposed ER Program Measures.*

*Refer to **critterion 17, indicator 17.1** of the Methodological Framework*

**10.2 ER Program design features to prevent and minimize potential Displacement**

Please identify possible risk mitigation strategies associated with each of the risks identified in section 10.1 above. Describe the strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing the key sources of Displacement risk and justifying how this strategy can impact the Displacement risk ratings.

Refer to **critterion 17, indicator 17.2** of the Methodological Framework

**Process to Apply the Safeguards**

No process specified.

**FCPF CF MF****Context and Rationale for the C&I Section 4.1:**

Meeting the World Bank safeguards at ER Program implementation involves a) taking account of the safeguard policies triggered during readiness preparation and of relevant social and environmental sustainability issues identified during the Strategic Environmental and Social Assessment (SESA) process, and b) implementing the Safeguards Plans prepared in accordance with the Environmental and Social Management Framework (ESMF) that has resulted from the SESA.

**System for the Provision of Information on Application of Safeguards**

Systems for providing information on how the safeguards are addressed and respected (SIS) (decision 12/CP.17, paragraph 2):

*"...should take into account national circumstances, recognize national legislation and relevant international obligations and agreements, respect gender considerations, and:*

- a. *Be consistent with the guidance identified in decision 1/CP.16, appendix I*
- b. *Provide transparent and consistent information that is accessible by all relevant stakeholders and updated on a regular basis;*
- c. *Be transparent and flexible to allow for improvements over time;*
- d. *Provide information on how all of the safeguards are being addressed and respected;*
- e. *Be country-driven and implemented at the national level;*
- f. *Build upon existing systems, as appropriate."*

**CPF CF MF**

**Criterion 25: Information is provided on how the ER Program meets the World Bank social and environmental safeguards and addresses and respects the safeguards included in UNFCCC guidance related to REDD+, during ER Program implementation.**

**Indicator 25.1:** Appropriate monitoring arrangements for safeguards referred to in Criterion 24 are included in the Safeguard Plans

**ER-PD template****Section 14. Safeguards****14.2 Description of arrangements to provide information on safeguards during ER Program implementation**

Please describe the arrangements for providing information on how the ER Program meets the World Bank social and environmental safeguards and addresses and respects the safeguards included in UNFCCC guidance related to REDD+ during ER Program implementation. Where relevant, provide reference to the descriptions in the Safeguards Plan(s).

Refer to **critterion 25** of the Methodological Framework

**Output – Information on how the Safeguards are being applied / met**

Parties undertaking REDD+ activities “... should provide a summary of information on how the safeguards in 1/CP.16 appendix I, are being addressed and respected throughout the implementation of the activities.”

The decision on safeguards adopted at COP 19 in Warsaw (12/CP.19) pertains to the timing and the frequency of presentations of the summary of information on how all the safeguards referred to in decision 1/CP.16, appendix I, are being addressed and respected.

- **Paragraph 1:** Reiterates that according to decision 12/CP.17, paragraph 3, developing country Parties undertaking the activities referred to in decision 1/CP.16, paragraph 70, should provide a summary of information on how all of the safeguards referred to in decision 1/CP.16, appendix I, are being addressed and respected throughout the implementation of the activities;
- **Paragraph 2:** Also reiterates that according to decision 12/CP.17, paragraph 4, the summary of information referred to in paragraph 1 above should be provided periodically and be included in national communications, or communication channels agreed by the Conference of the Parties;
- **Paragraph 3:** Agrees that the summary of information referred to in paragraph 1 above could also be provided, on a voluntary basis, via the web platform on the UNFCCC website;
- **Paragraph 4:** Decides that developing country Parties should start providing the summary of information referred to in paragraph 1 above in their national communication or communication channel, including via the web platform of the UNFCCC, taking into account paragraph 3 above, after the start of the implementation of activities referred to in decision 1/CP.16, paragraph 70;
- **Paragraph 5:** Also decides that the frequency of subsequent presentations of the summary of information as referred to in paragraph 2 above should be consistent with the provisions for submissions of national communications from Parties not included in Annex I to the Convention and, on a voluntary basis, via the web platform on the UNFCCC website.

**FCPF CF MF**

**Indicator 25.2:** During ER Program implementation, information on the implementation of Safeguards Plans is included in an annex to each ER monitoring report and interim progress report.

*This information is publicly disclosed and the ER Program is encouraged to make this information available to relevant stakeholders*

*This information is also made available as an input to the national systems for providing information on how safeguards are addressed and respected required by the UNFCCC guidance.*

Decision 17/CP.21 provides further guidance on ensuring transparency, consistency, comprehensiveness and effectiveness when informing on how all the Cancun safeguards are being addressed and respected, through the summary of information on safeguards. According to this decision:

- **Paragraph 1:** Reiterates that, in accordance with decision 12/CP.17, paragraphs 1 and 3, developing country Parties undertaking the activities referred to in decision 1/CP.16, paragraph 70, should provide a summary of information on how all the safeguards referred to in decision 1/CP.16, appendix I, are being addressed and respected throughout the implementation of those activities;
- **Paragraph 2:** Also reiterates that the summary of information referred to in paragraph 1 above should be provided periodically, in accordance with decisions 12/CP.17 and 12/CP.19
- **Paragraph 3:** Notes that information on how all the safeguards are being addressed and respected should be provided in a way that ensures transparency, consistency, comprehensiveness and effectiveness
- **Paragraph 4:** Developing country Parties should provide information on which REDD+ activities are included in the summary of information (i.e., the scope);
- **Paragraph 5:** Developing country Parties are strongly encouraged to provide the following in the summary:
  - a. Information on national circumstances relevant to addressing and respecting the safeguards
  - b. A description of each safeguard in accordance with national circumstances
  - c. A description of existing systems and processes relevant to addressing and respecting the safeguards, including information systems
  - d. Information on how each safeguard has been addressed and respected, according to national circumstances

- **Paragraph 6:** developing country Parties are encouraged to provide any other relevant information on the safeguards in the summary
- **Paragraph 7:** Developing country Parties are encouraged to improve the information provided over time, taking into account the stepwise approach.
- **Paragraph 8:** The COP decides there is no need for further guidance to ensure the transparency, consistency, comprehensiveness and effectiveness when informing on how all of the safeguards are addressed and respected.

### Relationship between safeguards and payments

Decision 9/CP.19<sup>100</sup>, part of the Warsaw Framework for REDD+, includes prerequisites for REDD+ RBF under the UNFCCC:

- **Paragraph 3:** *Recalls that for developing country Parties undertaking the results-based actions referred to in decision 1/CP.16, paragraph 73, to obtain and receive results-based finance, those actions should be fully measured, reported and verified, in accordance with decisions 13/CP.19 and 14/CP.19, and developing country Parties should have all of the elements referred to in decision 1/CP.16, paragraph 71\*, in place, in accordance with decisions 12/CP.17 and 11/CP.19; \*of which a SIS is one element*
- **Paragraph 4:** *Agrees that developing countries seeking to obtain and receive results-based payments in accordance with decision 2/CP.17, paragraph 64, should provide the most recent summary of information on how all of the safeguards referred to in decision 1/CP.16, appendix I, paragraph 2, have been addressed and respected before they can receive results-based payments;*

### ERPA Term Sheet

Safeguard plans must be in place as a pre-condition for the sale and purchase obligations under the ERPA to become effective.

100 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=24>

## 3.5.4 DISCUSSION ON SAFEGUARDS

### **Safeguard Content: Overall**

The CF MF requires application of relevant WB Safeguard Policies while the Cancun safeguards are also to be promoted and supported.

A side-by-side comparison of the Cancun safeguard text and the relevant World Bank Operational Policies show a greater level of detail and specificity contained within the WB OPs as compared to the Cancun safeguards<sup>101</sup>.

Further implications of the comparison of safeguards content across all safeguards depend, however, on how each country clarifies or interprets the Cancun Safeguards into key elements or issues, based on national context<sup>102</sup>.

### **Safeguard Content – specific Safeguard (a)**

General consistency.

### **Safeguard Content – specific Safeguard (b)**

Neither grievance nor tenure are explicitly mentioned in safeguard (b).

While not explicitly stated in the UNFCCC text, the indicators included under Criteria 26 (Feedback and Grievance Redress Mechanism) and 28 (assessment of land and resource tenure regimes) of the FCPF CF MF are generally consistent with an approach a country would take to address and respect the respective key components of Cancun Safeguard (b).

A major difference between the UNFCCC and CF MF related to text on tenure is the relationship with Title to ERs, which UNFCCC does not discuss. In the case of the FCPF CF, on the other hand, there is a greater emphasis on tenure given that this relates to transfer of title to ERs under the FCPF CF.

### **Safeguard Content – specific Safeguard (c)**

General consistency, when considered together with CF MF provisions related to safeguard (a).

### **Safeguard Content – specific Safeguard (d)**

General consistency.

### **Safeguard Content – specific Safeguard (e)**

General consistency.

### **Safeguard Content – specific Safeguard (f)**

The Cancun safeguard refers to actions to address the 'risk' of reversals but does not require a mechanism to be in place for management of reversals that take place, as required for the FCPF CF.

Therefore, there is inconsistency between the UNFCCC and the FCPF CF when it comes to criteria 19 and 20 of the MF as well as 11.3 in the ER-PD template, which refer to such a *reversal management mechanism* because the CF MF text here is specific to managing reversals in

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101 See table comparison between Cancun Safeguards and WB OPs, prepared by the FCPF FMT: [https://www.forestcarbonpartnership.org/sites/fcp/files/2013/june2013/FMT%20Note%20CF-2013-3\\_FCPF%20WB%20Safeguard%20Policies%20and%20UNFCCC%20REDD%2B%20Safeguards\\_FINAL.pdf](https://www.forestcarbonpartnership.org/sites/fcp/files/2013/june2013/FMT%20Note%20CF-2013-3_FCPF%20WB%20Safeguard%20Policies%20and%20UNFCCC%20REDD%2B%20Safeguards_FINAL.pdf)

102 See Framework for clarifying the Cancun safeguards in a country context. Please contact the UN-REDD Safeguards Coordination Group (SCG) at [safeguards@un-redd.org](mailto:safeguards@un-redd.org) if you would like a copy of this document.

the context of an ER programme under the CF specifically. This is to be expected, as there is transfer of title to the ERs under the FCPF CF, while no such transfer of title is expected within the UNFCCC context when it comes to REDD+ RBPs / RBF.

### **Safeguard Content – specific Safeguard (g)**

General consistency.

### **Process to Apply the Safeguards**

While the UNFCCC does not outline a specific process, there is some convergence around the approach and generic steps a country could take to respond to safeguard-related UNFCCC requirements, in a way that is consistent with national objectives, policies, laws and regulations.<sup>103</sup> This approach – referred to as a “country approach to safeguards” - is generally consistent with that outlined by the FCPF SESA / ESMF.

### **System for the Provision of Information on Application of Safeguards**

UNFCCC guidance contained in 12/CP.17 offers more detail on systems for providing information on how safeguards are being applied.

However, no specific monitoring arrangements are called for in the UNFCCC agreed guidance, as is the case for the monitoring associated with the safeguard plans under the FCPF. Rather, this is to be determined through country-specific decisions regarding frequency, approaches to collect information, etc., as long as consistent with general guidance in 12/CP.17.

The contents of a safeguard plan for an ER programme may become part of a country's SIS.

### **Output – Information on how the Safeguards are being applied/ met**

Progress on implementation of the ER Programme safeguard plan is to be submitted as an annex to Monitoring reports, and interim progress reports are to be submitted on a more frequent basis than the summaries in National Communications (every 4 years).

However, if a country is opting to submit summaries directly to the UNFCCC REDD+ web platform, these can be submitted at any time, so in that case, the frequency could be more similar or the same as submission of progress reports to the World Bank.

The extent of the consistency between a summary of information to the UNFCCC and the annex reporting on implementation of an ER programme safeguard plan will depend on the scale / scope for REDD+ in the country. If the ER programme is representative of the totality of REDD+ RBAs or a substantial proportion of the all REDD+ activities taking place in the country, these reporting streams may look very similar. If the ER Programme differs in terms of scale and/or scope from a FREL / FRL and results submitted to the UNFCCC, then these will more likely be independent, disconnected streams of work, therefore increasing the workload for the a given country participating in both. This will likely not only be the case for safeguards but also for the other relevant submissions and reporting channels (see Section 3.10).

### **Relationship between safeguards and payments**

To access REDD+ RBPs / RBF under the UNFCCC, there will need to be sufficient demonstration that an SIS is in place and that a summary of information on safeguards has been submitted.

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<sup>103</sup> See Country Approach to Safeguards [http://www.unredd.net/index.php?option=com\\_docman&Itemid=134&view=document&alias=12993-un-redd-safeguards-flyer-july-2014-12993&category\\_slug=safeguards-multiple-benefits-297](http://www.unredd.net/index.php?option=com_docman&Itemid=134&view=document&alias=12993-un-redd-safeguards-flyer-july-2014-12993&category_slug=safeguards-multiple-benefits-297).

However, there is no UNFCCC process in place to assess the quality, completeness, etc. of that summary of information, particularly its consistency with the guidance given in decision 17/CP.21 (See Section **3.10** for more details).

Under the FCPF CF, it is the ER-programme's specific safeguard plan that must be in place, and there is a Safeguards Assessment that is part of the World Bank due diligence process

### **Compliance with safeguards**

Under the UNFCCC there are no specific provisions for non-compliance of safeguard's provisions.

The World Bank's Inspection Panel has the mandate to investigate claims of non-compliance with the World Bank's operational policies.



Photo: Danae Maniatis

## 3.6 NATIONAL FOREST MONITORING SYSTEMS (NFMS)

### 3.6.1 NFMS UNDER THE UNFCCC

The primary function of the NFMS is the measurement, reporting and verification (MRV) of GHG emissions and removals resulting from the implementation of REDD+ activities (decision 11/CP.19<sup>104</sup>). In the context of REDD+, MRV is the process that countries will need to follow in order to estimate the performance of REDD+ activities in mitigating climate change – i.e. the emissions reductions and forest carbon stock enhancements – reported in tCO<sub>2</sub>e / yr. Because of this critical role in ensuring the environmental integrity of REDD+, MRV of REDD+ results is a pre-condition to countries receiving RBPs / RBF for RBAs.

The 'monitoring' function of the NFMS can be primarily considered a domestic tool to allow countries to assess a broad range of forest information, including in the context of REDD+ activities.

Decision 4/CP.15<sup>105</sup> provides methodological guidance for REDD+ activities, specifically on NFMS. The decision requests developing country Parties undertaking REDD+ activities to establish, according to national circumstances and capabilities, robust and transparent national forest monitoring systems and, if appropriate, sub-national systems as part of national monitoring systems that:

- I. *Use a combination of remote sensing and ground-based forest carbon inventory approaches for estimating, as appropriate, anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes;*
- II. *Provide estimates that are transparent, consistent, as far as possible accurate, and that reduce uncertainties, taking into account national capabilities and capacities;*
- III. *Are transparent and their results are available and suitable for review as agreed by the Conference of the Parties.*

The NFMS decision of the Warsaw Framework for REDD+ (decision 11/CP.19) states that a NFMS should:

- Provide data and information that are transparent, consistent over time, and suitable to be MRV'ed;
- Build upon existing systems while being flexible and allowing for improvement, reflecting the phased approach to REDD+ implementation;
- Provide, as appropriate, relevant information for national systems for the provision of information on how the REDD+ safeguards are addressed and respected.

To ensure that countries report their national GHG inventories in a transparent, accurate, complete, comparable and consistent manner, the UNFCCC decision 11/CP.19 "*decides that Parties' national forest monitoring systems .....should ...be guided by the most recent Intergovernmental Panel on Climate Change guidance and guidelines, as adopted or encouraged by the Conference of the Parties, as appropriate, as a basis for estimating anthropogenic forest-related greenhouse gas emissions by sources, and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes.* These IPCC guidance and guidelines relate mainly to the Measurement and Reporting aspects of the MRV component of a NFMS. The UNFCCC

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104 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=31>

105 Available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11>

has created a page on its REDD Web Platform<sup>106</sup> with links to the relevant IPCC guidelines and good practice guidance that should form the basis for how developing countries estimate and report on emission reductions from deforestation and forest degradation and changes in forest carbon stocks, as decided in decision 11/CP.19.

### 3.6.2 NFMS UNDER THE FCPF CF MF

The FCPF CF MF context and rationale for the criteria and indicators for section 3.4 on Measurement, Monitoring and Reporting on Emission Reductions reads as follows:

*“Monitoring (repeated Measurements of emissions and removals) is needed to estimate ERs generated by the ER Program. The Carbon Fund should follow emerging UNFCCC guidance on REDD+ as much as possible. Monitoring systems need to be designed to allow for operational Measurement, Monitoring and reporting of activity data and emission factors. AD and EF require different frequency and quality of measurements and are considered separately.”*

*Furthermore, section 3.2 of the FCPF CF MF deals with Uncertainties specifically related to Measurement, Monitoring and reporting:*

*“Context and Rationale for the C & I: Uncertainties arise in Reference Level setting and Measurement, Monitoring and reporting. Uncertainty (the lack of knowledge of the true value) is due to both random and systematic errors. Uncertainties can be addressed in a number of ways. Systematic errors (bias) should be avoided by good Measurement practices. Random errors tend to cancel each other out and can be managed by sampling. Using standard approaches to assessing uncertainty allows for comparability between ER programs. ER Programs are required to follow a 3-step process to ensure consistency:*

- 1. 1. Identify and assess sources of uncertainty*
- 2. 2. Minimize uncertainty where feasible and cost effective*
- 3. 3. Quantify remaining uncertainty.”*

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106 Available at [https://unfccc.int/methods/redd/redd\\_web\\_platform/items/6734.php](https://unfccc.int/methods/redd/redd_web_platform/items/6734.php)

### 3.6.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON NFMS

UNFCCC	FCPF CF MF and / or ER-PD template
<b>General</b>	
<p><b>Decision 1/CP.16<sup>107</sup>, paragraph 71 (c)</b>  <i>Requests developing country Parties aiming to undertake the activities referred to in paragraph 70 above, in the context of the provision of adequate and predictable support, including financial resources and technical and technological support to developing country Parties, in accordance with national circumstances and respective capabilities, to develop the following elements:</i></p> <p>[...]</p> <p><i>(c) A robust and transparent NFMS for the monitoring and reporting of the REDD+ activities, with, if appropriate, subnational monitoring and reporting as an interim measure</i></p> <p><b>Decision 11/CP.19<sup>108</sup>, paragraph 4</b>  <i>Further decides that national forest monitoring systems, with, if appropriate, subnational monitoring and reporting as an interim measure as referred to in decision 1/CP.16, paragraph 71(c), and in decision 4/CP.15, paragraph 1(d) should:</i></p> <p><i>(a) Build upon existing systems, as appropriate;</i></p> <p><i>(b) Enable the assessment of different types of forest in the country, including natural forest, as defined by the Party;</i></p> <p><i>(c) Be flexible and allow for improvement;</i></p> <p><i>(d) Reflect, as appropriate, the phased approach as referred to in decision 1/CP.16, paragraphs 73 and 74;</i></p>	<p><b>FCPF CF MF</b>  <b>Criterion 15: ER Programs apply technical specifications of the National Forest Monitoring System where possible.</b></p> <p><b>Indicator 15.1:</b> ER Programs articulate how the Forest Monitoring System fits into the existing or emerging National Forest Monitoring System, and provides a rationale for alternative technical design where applicable.</p> <p><b>ER-PD template</b>  <b>Section 9. Approach for measurement, monitoring and reporting</b></p> <p><b>9.3 Relation and consistency with the National Forest Monitoring System</b></p> <p><i>Please discuss if the approach for measurement, monitoring and reporting is consistent with standard technical procedures in the country and how the approach fits into the existing or emerging National Forest Monitoring System. If applicable, provide a rationale for alternative technical design.</i></p> <p>Refer to <b>critterion 15</b> of the Methodological Framework</p>

107 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

108 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=31>

## Data estimation

**Decision 4/CP.15<sup>109</sup>, paragraph 1 (d)**

To establish, according to national circumstances and capabilities, robust and transparent national forest monitoring systems\* and, if appropriate, sub-national systems as part of national monitoring systems that:

(i) Use a combination of remote sensing and ground-based forest carbon inventory approaches for estimating, as appropriate, anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes;

\* Taking note of, if appropriate, the guidance on consistent representation of land in the Intergovernmental Panel on Climate Change Good Practice Guidance for Land Use, Land-Use Change and Forestry.

**Decision 11/CP.19<sup>110</sup>, paragraph 2**

Decides that the development of Parties' national forest monitoring systems for the monitoring and reporting of the activities, 1 as referred to in decision 1/CP.16, paragraph 70, with, if appropriate, subnational monitoring and reporting as an interim measure, should take into account the guidance provided in decision 4/CP.15 and be guided by the most recent Intergovernmental Panel on Climate Change guidance and guidelines, as adopted or encouraged by the Conference of the Parties, as appropriate, as a basis for estimating anthropogenic forest-related greenhouse gas emissions by sources, and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes;

**Decision 11/CP.19, paragraph 3**

Also decides that robust national forest monitoring systems should provide data and information that are transparent, consistent over time, and are suitable for measuring, reporting and verifying anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes resulting from the implementation of the activities referred to in decision 1/CP.16, paragraph 70, taking into account paragraph 71(b) and (c) consistent with guidance on measuring, reporting and verifying nationally appropriate mitigation actions by developing country Parties agreed by the Conference of the Parties, taking into account methodological guidance in accordance with decision 4/CP.15;

**FCPF CF MF**

**Criterion 14: Robust Forest Monitoring Systems provide data and information that are transparent, consistent over time, and are suitable for measuring, reporting and verifying emissions by sources and removals by sinks, as determined by following Criterion 3 within the proposed Accounting Area.**

**Indicator 14.1:** The ER Program monitors emissions by sources and removals by sinks included in the ER Program's scope (Indicator 3.1) using the same methods or demonstrably equivalent methods to those used to set the Reference Level.

**Indicator 14.2:** Activity data are determined periodically, at least twice during the Term of the ERPA, and allow for ERs to be estimated from the beginning of the Term of the ERPA. Deforestation is determined using IPCC Approach 3. Other sinks and sources such as degradation may be determined using indirect methods such as survey data, proxies derived from landscape ecology, or statistical data on timber harvesting and regrowth if no direct methods are available.

**Indicator 14.3:** Emission factors or the methods to determine them are the same for Reference Level setting and for Monitoring, or are demonstrably equivalent. IPCC Tier 2 or higher methods are used to establish emission factors, and the uncertainty for each emission factor is documented. IPCC Tier 1 methods may be considered in exceptional cases.

**ER-PD template****Section 9. Approach for measurement, monitoring and reporting****9.1 Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area**

Please provide a systematic and step-by-step description of the measurement and monitoring approach for estimating the emissions occurring under the proposed ER Program. Be specific and complete, so that future measurement and monitoring can be carried out in a transparent way, using the same standards for measurement, and subjected to verification.

109 Available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11>

110 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=31>

UNFCCC	FCPF CF MF and / or ER-PD template
	<p><i>As part of the description, provide an explanation how the proposed measurement, monitoring and reporting approach is consistent with the most recent Intergovernmental Panel on Climate Change guidance and guidelines. Where appropriate, describe in the “Source of data or measurement/ calculation methods” the role of communities in monitoring and reporting of the parameter.</i></p> <p><i>Describe how the proposed measurement, monitoring and reporting approach is consistent with the method for establishing the Reference Level as described in section 8.</i></p> <p><i>Using the table provided, clearly describe all the data and parameters to be monitored (copy table for each parameter).</i></p> <p><i>Refer to <b>critterion 5, 6, 7, 8, 9, 14 and 16</b> of the Methodological Framework</i></p>

### Transparency of estimates and results

#### **Decision 4/CP.15, paragraph 1 (d)**

*(ii) Provide estimates that are transparent, consistent, as far as possible accurate, and that reduce uncertainties, taking into account national capabilities and capacities;*

*(iii) Are transparent and their results are available and suitable for review as agreed by the COP;*

#### **FCPF CF MF**

**Criterion 7: Sources of uncertainty are systematically identified and assessed in Reference Level setting and Measurement, Monitoring and reporting.**

**Indicator 7.1:** All assumptions and sources of uncertainty associated with activity data, emission factors and calculation methods that contribute to the uncertainty of the estimates of emissions and removals are identified.

**Indicator 7.2:** The sources of uncertainty identified in Indicator 7.1: are assessed for their relative contribution to the overall uncertainty of the emissions and removals.

**Criterion 8: The ER Program, to the extent feasible, follows a process of managing and reducing uncertainty of activity data and emission factors used in Reference Level setting and Measurement, Monitoring and reporting.**

**Indicator 8.1:** Systematic errors are minimized through the implementation of a consistent and comprehensive set of standard operating procedures, including a set of quality assessment and quality control processes that work within the local circumstances of the ER Program.

**Indicator 8.2:** *Random errors and other uncertainties are minimized to the extent practical based on the assessment of their relative contribution to the overall uncertainty of the emissions and removals.*

**Criterion 9: Uncertainty of activity data and emission factors used in Reference Level setting and Measurement, Monitoring and reporting is quantified in a consistent way, so that the estimation of emissions, removals and Emission Reductions is comparable among ER Programs\*.**

**(\*This uncertainty is subsequently applied in the calculation of Emission Reductions, refer to Criterion 22).**

**Indicator 9.1:** *Uncertainty associated with activity data and emission factors is quantified using accepted international standards, for example by providing accuracy, confidence interval, distribution of error, and propagation of error. Where errors in data and methods are considered large as defined in IPCC Guidelines, Monte Carlo methods (numerical simulations) should be used to estimate uncertainty\*.*

*(\*2006 IPCC Guidelines for National Greenhouse Gas Inventories (Volume 1, Chapter 3, Section 3.2). )*

**Indicator 9.2** *Uncertainty of the estimate of Emission Reductions is quantified using Monte Carlo methods. Underlying sources of error in data and methods for integrated measurements of deforestation, forest degradation and enhancements (e.g., as in a national forest inventory) are combined into a single combined uncertainty estimate and are reported at the two-tailed 90 % confidence level.*

**Indicator 9.3:** *Uncertainty of Emissions Reductions associated with deforestation, forest degradation and enhancements are reported separately if measured through separate (i.e., non-integrated) approaches and when degradation is estimated using proxy data.*

### Local community involvement in Monitoring and reporting

#### Chapeau decision 4/CP.15

*Recognizing the need for full and effective engagement of indigenous peoples and local communities in, and the potential contribution of their knowledge to, monitoring and reporting of activities relating to decision 1/CP.13, paragraph 1 (b) (iii)*

#### Decision 4/CP.15, paragraph 3

*Encourages, as appropriate, the development of guidance for effective engagement of indigenous peoples and local communities in monitoring and reporting*

#### FCPF CF MF

**Criterion 16: Community participation in Monitoring and reporting is encouraged and used where appropriate.**

**Indicator 16.1:** *The ER Program demonstrates that it has explored opportunities for community participation in Monitoring and reporting, e.g., of ER Program Measures, activity data, emission factors, safeguards and Non-Carbon Benefits, and encourages such community participation where appropriate.*

### Link between NFMS and Safeguards

**Decision 11/CP.19<sup>111</sup>, paragraph 2** *Acknowledges that Parties' national forest monitoring systems may provide, as appropriate, relevant information for national systems for the provision of information on how safeguards in decision 1/CP.16, appendix I, are addressed and respected.*

#### FCPF CF MF

111 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=31>

## 3.6.4 DISCUSSION ON NFMS

### General

There is general consistency between the UNFCCC REDD+ decisions and the FCPF CF MF when it comes to NFMS. Though there may be several instances where the FCPF CF MF is more prescriptive, there are no major implications expected for REDD+ countries.

The FCPF CF MF Forest Monitoring System makes direct links to the NFMS, which should facilitate consistency within the country. However, it is observed in some countries that the CF Forest Monitoring System uses more sophisticated / data intensive tools that cannot necessarily be transposed to the national level.

### Data estimation

The same methods or demonstrably the same methods need to be used to monitor emissions by sources and removals by sinks included in the ER Program and in the Reference Level (Indicator 14.1). It is unclear why this flexibility is given with 'demonstrably the same methods'. This creates the possibility for parallel methods and datasets being created, decreasing efficiency and transparency. Under the UNFCCC, the same methods need to be used for the NFMS and the FREL / FRL. An implication for countries would be to try, as much as possible, to use the same methods/ data for NFMS and FREL / FRL under for the UNFCCC as well as the FCPF CF.

The FCPF CF MF requests countries to use Approach 3 (geographically explicit data, either wall-to-wall or sampling, or combination) for Activity Data, which can be very data intensive to implement (Indicator 14.2). However, most countries are already using, or aiming to use, Approach 3. Based on current country experiences, this should not put an additional burden on them.

The FCPF CF MF is more restrictive in terms of requesting countries to use IPCC Tier 2 methods for reporting of emission factors (for significant carbon pools and gases, Criterion 4), allowing Tier 1 only in exceptional cases (Indicator 14.3). Applying the IPCC guidance, in line with the UNFCCC decisions on REDD+ NFMS, it is expected that countries will use higher tiers where possible, especially for key categories, but this is not explicitly required for REDD+.

### Transparency of estimates and results

Indicator 9.2 specifies the statistical method to be used when quantifying uncertainty for Emissions Reductions (the Monte Carlo methods). The IPCC Good Practice Guidelines for LULUCF provides two methodological options to estimate uncertainty. The first is through an error propagation of samples (called a Tier 1 uncertainty analysis) and the second is a Monte Carlo analysis (called a Tier 2 uncertainty analysis). Monte Carlo analysis is especially useful where extensive country-specific land use data exist and is suitable for a detailed category-by-category assessment of uncertainty.

The requirement of using the Monte Carlo methods means that countries need to have collected extensive high-quality data in order to participate in the CF. While this is compatible with the UNFCCC and the application of IPCC guidance, it can make a step-wise approach to improving data and methods over time more challenging as a very high quality of data and analysis is requested at early stages of REDD+ implementation.

### Local community involvement in Monitoring and reporting

Although the UNFCCC decision 4/CP.15 encourages guidance to be developed for local communities and indigenous peoples to participate in REDD+ monitoring and reporting, few examples of such guidance have been developed to date. The FCPF CF MF also encourages countries to demonstrate that they have explored opportunities for community participation in monitoring and reporting.

## 3.7 FOREST REFERENCE EMISSION LEVELS / FOREST REFERENCE LEVELS (FREL / FRL)

### 3.7.1 FREL / FRL UNDER THE UNFCCC

A forest reference emission level / forest reference level (FREL / FRL) for REDD+ is a benchmark for assessing a country's performance in implementing REDD+ activities, as the UNFCCC has defined it in decision 12/CP.17<sup>112</sup>. It is to be expressed in tCO<sub>2</sub>e/yr. The UNFCCC does not provide distinct definitions for a FREL versus a FRL. A common interpretation of the terms is that FREL refers only to emissions from deforestation and forest degradation; whereas FRL is the term that can be applied when the FRL reflects enhancement of forest carbon stocks. Given the lack of an explicit differentiation under the UNFCCC, the abbreviation FREL / FRL is used throughout this document.

FRELS / FRLs can be established at a subnational scale as an interim measure – representing less than the country's entire national territory of forest area – while transitioning to the national level. They may reflect one or more of the five REDD+ activities, and significant pools and / or activities should not be excluded. If a significant pool or activity is excluded, reasons for omission need to be provided in the submission.

The Annex to the decision on guidelines for submissions of information on FREL / FRL, states that the 'information provided should be guided by the most recent IPCC guidance and guidelines.' It should include:

1. The definition of 'forest' used in the development of the forest FRELS / FRLs;
2. Information that the country used to develop its forest FRELS / FRLs, including historical data, presented in a comprehensive and transparent way;
3. Transparent, complete, consistent and accurate information, including methodological information, used at the time of developing the forest FRELS / FRLs, including a description of the data sets, approaches, methods, models and assumptions used (as applicable);
4. Pools and gases, and the REDD+ activities, which are included in a forest FREL / FRL, along with reasons for omitting a pool and/or activity, noting that significant pools and/or activities should not be excluded.

As called for in the FREL / FRL modalities listed in decision 12/CP.17, countries are expected to establish FRELS / FRLS, maintaining consistency with the forest-related GHG emissions by sources and removals by sinks as contained in the country's GHG inventory as reported in the BUR and the NC. Furthermore, the modalities for MRV adopted through decision 14/CP.19<sup>113</sup>, explicitly mention the need for consistency between the FREL / FRL and MRV approach.

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112 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

113 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=39>

### 3.7.2 FREL / FRL UNDER THE FCFP CF MF

The FCPF CF MF context and rationale for the criteria and indicators for section 3.3 on Reference Levels reads as follows:

*"Reference Levels for ER Programs may be developed prior to a national or subnational Forest Reference Emission Level or Forest Reference Level that the country may submit to UNFCCC, or may be at a smaller scale or differ in other respects. As a result, ER Programs in the Carbon Fund may pilot approaches to establish a Reference Level that inform or are informed by the country's work and methods developing its Forest Reference Emission Level or Forest Reference Level to meet UNFCCC guidance.*

*When developing Reference Levels, ER Programs should ensure that consistent methods and Accounting Area are to be maintained between estimation of emissions in the Reference Period and during the Term of the ERPA.*

*The MF approach allows a limited set of ER Programs to adjust Reference Levels above average historical rates, states what adjustments may be made, and defines quantitative limits on adjustments. Historical reference levels allow most ER Programs to contribute to mitigation and access finance through avoided deforestation and degradation or carbon stock enhancement. However, adjusted Reference Levels would allow ER Programs within countries with a long-term history of minimal deforestation to contribute to mitigation and access finance as well.*

*Additionality primarily is addressed through conservative approaches to setting Reference Levels (e.g., including existing and clearly funded programs or activities within the Reference Level), rather than through additionality tests often utilized by project-level initiatives, which have proven difficult to operationalize."*

### 3.7.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON FREL / FRL

UNFCCC	FCPF CF MF and / or ER-PD template
<b>Purpose and Unit of measurement</b>	
<p><b>Decision 12/CP.17<sup>114</sup>, paragraph 7</b>  <i>Agrees that, in accordance with decision 1/CP.16, paragraph 71(b), forest reference emission levels and/or forest reference levels expressed in tonnes of carbon dioxide equivalent per year are benchmarks for assessing each country's performance in implementing the activities referred to in decision 1/CP.16, paragraph 70;</i></p>	<p><b>FCPF CF MF</b>  <b>Indicator 10.1:</b> <i>The Reference Level is expressed in tonnes of carbon dioxide equivalent per year.</i></p> <p><b>ER-PD template</b>  <b>Section 8. Reference Level</b>  <b>8.5 Estimate Reference Level</b>  <i>Please use the table below to state the estimated Reference Level for the ER Program.</i></p> <p><i>Refer to <b>critterion 10, indicator 10.1</b> of the Methodological Framework</i></p>
<b>Link to the UNFCCC</b>	
<p>Not applicable as the UNFCCC FREL / FRL is inherently linked to the UNFCCC.</p>	<p><b>FCPF CF MF</b>  <b>Criterion 10: Explicit link made to the development of a FREL / FRL for the UNFCCC</b></p> <p><b>Indicator 10.2:</b> <i>The ER Program explains how the development of the Reference Level can inform or is informed by the development of a national Forest Reference Emission Level or Forest Reference Level, and explains the relationship between the Reference Level and any intended submission of a Forest Reference Emission Level or Forest Reference Level to the UNFCCC.</i></p> <p><b>ER-PD template</b>  <b>Section 8. Reference Level</b>  <b>8.6 Relation between the Reference Level, the development of a FREL/FRL for the UNFCCC and the country's existing or emerging greenhouse gas inventory</b>  <i>Please explain how the development of the Reference Level can inform or is informed by the development of a national FREL/FRL, and explains the relationship between the Reference Level and any intended submission of a FREL/FRL to the UNFCCC. In addition, please explain what steps are intended for the Reference Level to achieve consistency with the country's existing or emerging greenhouse gas inventory.</i></p> <p><i>Refer to <b>critterion 10, indicators 10.2 and 10.3</b> of the Methodological Framework</i></p>

114 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

### Consistency with greenhouse gas inventory

#### Decision 12/CP.17 paragraph 8

*Decides that forest reference emission levels and/or forest reference levels, in accordance with decision 1/CP.16, paragraph 71 (b), shall be established taking into account decision 4/CP.15, paragraph 7, and maintaining consistency with anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks as contained in each country's greenhouse gas inventories*

#### FCPF CF MF

**Indicator 10.3:** *The ER Program explains what steps are intended in order for the Reference Level to achieve consistency with the country's existing or emerging greenhouse gas inventory.*

### Use of IPCC guidance and guidelines

#### Decision 4/CP.15<sup>115</sup>, paragraph 1 (c)

*Requests developing country Parties, on the basis of work conducted on the methodological issues set out in decision 2/CP.13, paragraphs 7 and 11, to take the following guidance into account for activities relating to decision 2/CP.13, and without prejudging any further relevant decisions of the Conference of the Parties, in particular those relating to measurement and reporting:*

[...]

*(c) To use the most recent Intergovernmental Panel on Climate Change guidance and guidelines, as adopted or encouraged by the Conference of the Parties, as appropriate, as a basis for estimating anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes;*

#### Decision 11/CP.19<sup>116</sup>, paragraph 2

*Decides that the development of Parties' national forest monitoring systems for the monitoring and reporting of the activities, as referred to in decision 1/CP.16, paragraph 70, with, if appropriate, subnational monitoring and reporting as an interim measure, should take into account the guidance provided in decision 4/CP.15 and be guided by the most recent Intergovernmental Panel on Climate Change guidance and guidelines, as adopted or encouraged by the Conference of the Parties, as appropriate, as a basis for estimating anthropogenic forest-related greenhouse gas emissions by sources, and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes;*

#### FCPF CF MF

**Criterion 5:** *The ER Program uses the most recent Intergovernmental Panel on Climate Change (IPCC) guidance and guidelines, as adopted or encouraged by the Conference of the Parties as a basis for estimating forest related greenhouse gas emissions by sources and removals by sinks\*.* (\*e.g., UNFCCC 4/CP.15)

**Indicator 5.1:** *The ER Program identifies the IPCC methods used to estimate emissions and removals for Reference Level setting and Measurement, Monitoring and reporting (MMR).*

#### ER-PD template

##### Section 8. Reference Level

##### 8.3 Average annual historical emissions over the Reference Period

*Description of method used for calculating the average annual historical emissions over the Reference Period*

*Please provide a transparent, complete, consistent and accurate description of the approaches, methods, and assumptions used for calculating the average annual historical emissions over the Reference Period, including, an explanation how the most recent Intergovernmental Panel on Climate Change guidance and guidelines, have been applied as a basis for estimating forest-related greenhouse gas emissions by sources and removals by sinks.*

*Refer to **criteria 5, 6 and 13** of the Methodological Framework*

115 Available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11>

116 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=31>

Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period

*Activity data*

*Please provide an overview of the activity data that are available and of those that were used in calculating the average annual historical emissions over the Reference Period in a way that is sufficiently detailed to enable the reconstruction of the average annual historical emissions over the Reference Period. Use the table provided (copy table for each parameter). Attach any spreadsheets, spatial information, maps and/or synthesized data.*

*If different data sources exist for the same parameter, please list these under the 'Sources of data'. In this case, discuss the differences and provide justification why one specific dataset has been selected over the others.*

*Refer to **criteria 6, 7, 8 and 9** of the Methodological Framework*

*Emission factors*

*Please provide an overview of the emission factors that are available and of those that were used in calculating the average annual historical emissions over the Reference Period in a way that is sufficiently detailed to enable the reconstruction of the average annual historical emissions over the Reference Period. Use the table provided (copy table for each parameter). Attach any spreadsheets, spatial information, maps and/or synthesized data used in the development of the parameter and if applicable, a summary of assumptions, methods and results of any underlying studies.*

*If different data sources exist for the same parameter, please list these under the 'Sources of data'. In this case, discuss the differences and provide justification why one specific dataset has been selected over the others.*

*Refer to **criteria 6, 7, 8 and 9** of the Methodological Framework*

Calculation of the average annual historical emissions over the Reference Period

*Based on the method, activity data and emission factors described above; please provide a step-by-step calculation of the average annual historical emissions over the Reference Period. Attach any spreadsheets used in the calculation.*

## Reference period

No reference period is set under the UNFCCC.

**FCPF CF MF****Criterion 11: A Reference Period is defined.**

**Indicator 11.1:** *The end-date for the Reference Period is the most recent date prior to two years before the TAP starts the independent assessment of the draft ER Program Document and for which forest-cover data is available to enable IPCC Approach 3. An alternative end-date could be allowed only with convincing justification, e.g., to maintain consistency of dates with a Forest Reference Emission Level or Forest Reference Level, other relevant REDD+ programs, national communications, national ER program or climate change strategy.*

**Indicator 11.2:** *The start-date for the Reference Period is about 10 years before the end-date. An alternative start-date could be allowed only with convincing justification as in Indicator 11.1, and is not more than 15 years before the end-date.*

**ER-PD template****Section 8. Reference Level****8.1 Reference period**

*Please provide the Reference Period used in the construction of the Reference Level by indicating the start-date and the end-date for the Reference Period. If these dates are different from the guidance provided in the FCPF Carbon Fund Methodological Framework, please provide justification for the alternatives date(s).*

*Refer to **critterion 11** of the Methodological Framework*

## Adjustment of historical activity data

**Decision 12/CP.17 paragraph 9**

*Invites Parties to submit information and rationale on the development of their forest reference emission levels and/or forest reference levels, including details of national circumstances and if adjusted include details on how the national circumstances were considered, in accordance with the guidelines contained in the annex to this decision and any future decision by the Conference of the Parties;*

**FCPF CF MF**

**Criterion 13: The Reference Level does not exceed the average annual historical emissions over the Reference Period. For a limited set of ER Programs, the Reference Level may be adjusted upward by a limited amount above average annual historical emissions<sup>6</sup>. For any ER Program, the Reference Level may be adjusted downward.**

**Indicator 13.1:** *The Reference Level does not exceed the average annual historic emissions over the reference period, unless the ER Program meets the eligibility requirements in Indicator 13.2.*

**Indicator 13.2:** *For countries with high forest cover and historically low deforestation rates, an adjustment above average annual emissions during the reference period can be made if certain conditions are met.*

**Indicator 13.3:** *For countries meeting the eligibility requirements in Indicator 13.2, a Reference Level could be adjusted above the average historical emission rate over the Reference Period. Such an adjustment is credibly justified on the basis of expected emissions that would result from documented changes in ER Program circumstances, evident before the end-date of the Reference Period, but the effects of which were not fully reflected in the average annual historical emissions during the Reference Period. Proposed adjustments may be rejected for reasons including, but not limited to:*

- i. The basis for adjustments is not documented; or*
- ii. Adjustments are not quantifiable.*

**Indicator 13.4:** *An adjustment of the FREL / FRL above the average annual historic emissions during the Reference Period may not exceed 0.1 % / year of Carbon Stocks.*

**ER-PD template****Section 8. Reference Level****8.4 Upward or downward adjustments to the average annual historical emissions over the Reference Period (if applicable)**Explanation and justification of proposed upward or downward adjustment to the average annual historical emissions over the Reference Period

If applicable, please provide a transparent and complete explanation and justification of any proposed upward or downward adjustment to the average annual historical emissions over the Reference Period. This should include an executive summary of assumptions, methods and results of any underlying studies that have been used to determine the adjustment.

If an upward adjustment above the average annual historical emissions is proposed, please describe:

- a. How the ER Program meets the eligibility requirements for these type of adjustments as described in the FCPF Carbon Fund Methodological Framework;
- b. Provide a credible justification for the upward adjustment on the basis of expected emissions that would result from documented changes in ER Program circumstances, evident before the end-date of the Reference Period, but the effects of which were not fully reflected in the average annual historical emissions during the Reference Period. Please attach or provide reference to the documentation that supports the justification.

If the available data from the National Forest Monitoring System used in the construction of the Reference Level shows a clear downward trend, this should be taken into account in the construction of the Reference Level.

Refer to **critterion 13** of the Methodological Framework

Quantification of the proposed upward or downward adjustment to the average annual historical emissions over the Reference Period

If applicable, please provide a transparent and complete calculation for the quantification of the proposed upward or downward adjustment to the average annual historical emissions over the Reference Period. Provide a step-by-step estimation of the expected emissions that would result from documented changes in ER Program circumstances. Attach any documents or spreadsheets used in the calculation.

Refer to **critterion 13** of the Methodological Framework

## Forest definition

### Decision 12/CP.17, II annex

[...]

*(d) The definition of forest used in the construction of forest reference emission levels and/or forest reference levels and, if appropriate, in case there is a difference with the definition of forest used in the national greenhouse gas inventory or in reporting to other international organizations, an explanation of why and how the definition used in the construction of forest reference emission levels and/or forest reference levels was chosen.*

Note: If there is any difference between that definition and the one applied by the country in its national greenhouse gas inventory reported through a national communication or biennial update report, or in reporting to other international organizations (e.g. FAO Forest Resources Assessment), then an explanation of why and how the definitions used are different will need to be provided. The forest definition used for the FREL / FRL should also be consistent with that applied for the NFMS.

### FCPF CF MF

**Criterion 12: The forest definition used for the ER Program follows available guidance from UNFCCC decision 12/CP.17.**

**Indicator 12.1:** *The definition of forest used in the construction of the Reference Level is specified. If there is a difference between the definition of forest used in the national greenhouse gas inventory or in reporting to other international organizations (including an FREL or FRL to the UNFCCC) and the definition used in the construction of the Reference Level, then the ER Program explains how and why the forest definition used in the Reference Level was chosen (decision 12/CP.17 Annex, paragraph 4).*

### ER-PD template

#### **Section 8. Reference Level**

#### **8.2 Forest definition used in the construction of the Reference Level**

*Please describe the forest definition used in the construction of the Reference Level and how this definition follows the guidance from UNFCCC decision 12/CP.17<sup>117</sup>. If there is a difference between the definition of forest used in the national greenhouse gas inventory or in reporting to other international organizations (including an FREL/ FRL to the UNFCCC) and the definition used in the construction of the Reference Level, then explain how and why the forest definition used in the Reference Level was chosen. If applicable, describe the operational definition of any sub-classes of forests, (e.g., degraded forest; natural forest; plantation) used.*

Refer to **critterion 6, indicator 6.1 and criterion 12** of the Methodological Framework

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117 See Annex decision 12/CP.17 Annex (d) – available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=19>

### 3.7.4 DISCUSSION ON FREL / FRL

#### Unit of measurement

No implications.

#### Link to the UNFCCC

There could be simultaneous submission of the same Reference Level to the FCPF CF and as a FREL / FRL to the UNFCCC, of the same scope and scale. While this is not an inconsistency, it does create two parallel reporting and review processes for REDD+ countries.

#### Consistency with the GHG-I

Although there is a challenge of alignment between the FREL / FRL submitted to the UNFCCC and the GHG-I, it is observed through early experiences that this is further complicated by a difficulty to align the FCPF CF Reference Level with the UNFCCC GHG-I as there is not enough country capacity to do so and support to this capacity gap is not yet provided by the FCPF CF or the UN-REDD Programme.

It is useful to point out that, though both the UNFCCC and the FCPF CF MF call for this alignment or consistency, there is a recognition that the most recent reported GHG inventory by a number of countries are out-dated when compared to the analyses that have been conducted more recently for REDD+, therefore there is some flexibility regarding this consistency (i.e. it is not expected that a REDD+ country revise a FREL to be consistent with methods and estimates that have since been improved upon). In practice, this consistency is really critical when it comes to GHG inventory reports that have recently been submitted or are in development for inclusion in the country's BUR or NC.

#### Use of IPCC guidance and guidelines

Although the use of the IPCC guidance and guidelines is required by both frameworks, the FCPF CF MF at several points can be considered more prescriptive.

The potential implication for countries is that the FCPF CF could likely require a higher level of technical capacity.

#### Reference period

There are no examples yet to date of what is considered as a 'strong justification' under the FCPF CF to change the reference period from approximately 2002-2012 and how this would be assessed by the FCPF CF.

By requiring that the reference period be approximately 2002-2012, the FCPF CF is more restrictive than the UNFCCC in terms of historical data / reference period.

#### Adjustment of historical activity data

As per Indicator 13.2, only countries with high forest and low deforestation rates, can make an adjustment to their Reference Level under the FCPF CF, if certain conditions are met (stipulated in Indicator 13.3).

It is important to note that that the adjustment allowed by the FCPF CF is **on the carbon stock and not on the carbon stock changes** (as the case of the Colombia UNFCCC submitted FREL). Also note that the UNFCCC does not specify on what the adjustment should be made (carbon stocks or carbon stock changes).

Consequently, for countries with low historical deforestation, it would seem that the FCPF CF cap is more generous than any adjustment calculated directly on stock changes.

However, the FCPF CF MF criteria and indicator still require that the adjustment be justified, the 0.1% is an absolute cap on the adjustment. Countries will not be systematically granted this adjustment and will have to credibly justify it as specified in Indicator 13.3.

Furthermore, it is unclear if adjustments can be made under the FCPF CF for any of the ‘+’ activities (conservation, enhancement of forest carbon stocks and sustainable management of forests).

In the UNFCCC context, there are no limitations on which countries may adjust their FRELs / FRLs and no cap to limit such adjustments. There are also no definitions or limits are placed upon interpretation of national circumstances. A country could, for example, elect to look to the guidance on national circumstances in the context of National Communications, to consider potentially relevant national circumstances in the context of the REDD+ FREL / FRL. Based on existing guidance for National Communications, the assessment of national circumstances could consider the following information (UNFCCC 2003):

- Geographical characteristics (climate, forest area, land use, other environmental characteristics);
- Population (growth rates, distribution, density, etc.);
- Economy (energy, transport, industry, mining, tourism, agriculture, fisheries, waste, health, services);
- Education (including scientific and technical research institutions);
- Any other information considered relevant by the party (e.g. information relating to Articles 4.8, 4.9 and 4.10 of the UNFCCC).

**Forest definition**

No implications.

## 3.8 ESTIMATION AND ACCOUNTING

### 3.8.1 ESTIMATION AND ACCOUNTING UNDER THE UNFCCC

The UNFCCC does not currently provide 'accounting rules' or any guidance on how to calculate ERs eligible for RBPs / RBF beyond the guidance established for setting a FREL / FRL and reporting results in the technical annex to the BUR.

Decision 9/CP.19, paragraph 17: "Also notes that the information on results included on the information hub should be linked to the same results reflected on any other relevant future system that may be developed under the Convention".

### 3.8.2 ACCOUNTING RULES UNDER THE FCPF CF MF

The FCPF CF MF provides detailed guidance on how to calculate ERs eligible for RBPs / RBF. Noteworthy is the fact that the FCPF CF MF does not provide Context and Rationale for criteria and indicators on the calculation of ERs. The calculation is made up of a three-step process.

First, the reported and verified emissions and removals are to be subtracted from the Reference Level. Second, a number of ERs from the previous step are to be set-aside in a buffer reserve. The number of the ERs to be set aside is link with the level of uncertainty associated with the estimation of the ERs during the Term of the ERPA. Therefore, the amount set aside in the buffer reserve is determined using the conservativeness factors for deforestation described in **Table 1**. The third step consists of setting aside a number of ERs in the ER Program CF Buffer or other Reversal management mechanisms created or used by an ER Program to address reversals.

Additionally, the FCPF CF MF also has a rule to prevent double-counting, in the sense that ERs generated under the ER Program shall not be counted or compensated for more than once.

**Table 1: Conservativeness factor applied to aggregate uncertainty of ERs**

Aggregate Uncertainty of Emissions Reductions	Conservativeness Factor
≤ 15 %	0 %
> 15 % and ≤ 30 %	4 %
> 30 and ≤ 60 %	8 %
> 60 and ≤ 100 %	12 %
> 100 %	15 %

### 3.8.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON ESTIMATION AND ACCOUNTING

UNFCCC	FCPF CF MF
<b>Calculation of ERs</b>	
<p>REDD+ results will be calculated by subtracting the emissions and removals reported in the technical annex to the BUR from the FREL / FRL</p>	<p><b>FCPF CF MF</b>  <b>Criterion 22: Net ERs are calculated by the following steps:</b></p> <ol style="list-style-type: none"> <li><b>1. Subtract the reported and verified emissions and removals from the Reference Level.</b></li> <li><b>2. Set aside a number of ERs from the result of step 1, above, in a buffer reserve. This amount reflects the level of uncertainty associated with the estimation of ERs during the Term of the ERPA. The amount set aside in the buffer reserve is determined using conservativeness factors for deforestation (see table above)</b></li> <li><b>3. Set aside a number of ERs in the ER Program CF Buffer or other Reversal management mechanism created or used by an ER Program to address Reversals.</b></li> </ol>
<b>Double counting</b>	
<p><b>Decision 9/CP.19<sup>118</sup>, paragraph 17:</b>  <i>"Also notes that the information on results included on the information hub should be linked to the same results reflected on any other relevant future system that may be developed under the Convention".</i></p>	<p><b>FCPF CF MF</b>  <b>Criterion 23: To prevent double-counting, ERs generated under the ER Program shall not be counted or compensated for more than once. Any reported and verified ERs generated under the ER Program and sold and/or transferred to the Carbon Fund shall not be sold, offered or otherwise used or reported a second time by the ER Program Entity. Any reported and verified ERs generated under the ER Program that have been sold and/or transferred, offered or otherwise used or reported once by the ER Program Entity shall not be sold and transferred to the Carbon Fund</b></p>

### 3.8.4 DISCUSSION ON ESTIMATION AND ACCOUNTING

From the current UNFCCC text it can be inferred that REDD+ results will be calculated by subtracting the emissions and removals reported in the technical annex to the BUR from the FREL / FRL. On the other hand, the FCPF CF created additional requirements to account for uncertainty and the risk of reversals.

If REDD+ results are calculated using different accounting rules, then a comparability issue will arise between the results reported by different countries. This has implications for the value of the REDD+ results for which developing countries will be seeking RBPs / RBF.

<sup>118</sup> Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=24>

## 3.9 NON-CARBON BENEFITS

### 3.9.1 NCBs UNDER THE UNFCCC

'Non-Carbon Benefits' (NCBs) under the UNFCCC (sometimes referred to as 'co-benefits' or 'multiple benefits') is not defined per se. NCBs can be seen as the full range of potential positive outcomes resulting from REDD+ activities, beyond those associated with reduced or avoided carbon dioxide emissions and/or enhanced carbon sequestration. They contribute to the sustainability of REDD+ actions, results and finance.

Three areas or points of relevance for NCBs can be gleaned from the UNCCC decisions. These are contained in the general text on NCBs under methodological guidance, within the context of the national strategies and actions plans and in the text on the operationalization of the safeguards.

#### 1. General provisions and draft text on NCBs

In Decision 4/CP.15, methodological guidance relating to the REDD+ activities '...recognizes the importance of promoting sustainable management of forests and co-benefits, including biodiversity, that may complement the aims and objectives of national forest programmes and relevant international conventions and agreements'.

More broadly in decision 9/CP.19<sup>119</sup> par. 22, which '...recognizes the importance of incentivizing non-carbon benefits for the long-term sustainability of the implementation of the activities referred to in decision 1/CP.16<sup>120</sup>, paragraph 70, and noting the work on methodological issues referred to in decision 1/CP.18<sup>121</sup>, paragraph 40.

Article 5 of the Paris Agreement<sup>122</sup> reaffirms the importance of incentivizing, as appropriate, non-carbon benefits associated with REDD+ as well as Joint Mitigation and adaptation approaches.

A dedicated decision on NCBs was adopted in Paris (Decision 18/CP.21<sup>123</sup>) which addresses methodological issues related to NCBs resulting from the implementation of REDD+ activities. The decision recognizes that Parties seeking support for the integration of non-carbon benefits into REDD+ activities may provide information addressing, inter alia, the nature, scale and importance of the non-carbon benefits and are encourages REDD+ countries to share this information via the UNFCCC REDD+ web platform for consideration by interested Parties and relevant financing entities, as appropriate. The decision also asserts that NCBs do not constitute a requirement for developing country Parties seeking to receive support for the implementation of the actions and activities referred to in decision 1/CP.16<sup>124</sup> or RBPs / RBF pursuant to decision 9/CP.19<sup>125</sup>.

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119 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf>

120 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>

121 Available at <http://unfccc.int/resource/docs/2012/cop18/eng/08a01.pdf#page=3>

122 Available at <http://unfccc.int/resource/docs/2015/cop21/eng/109r01.pdf>

123 Available at <http://unfccc.int/resource/docs/2015/cop21/eng/10a03.pdf>

124 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>

125 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf>

## 2. National Strategies and NCBs (see section 3.4)

As noted in Section 5, Paragraph 72<sup>126</sup> of decision 1/CP.16 indicates that the COP “Also requests developing country Parties, when developing and implementing their national strategies or action plans, to address, inter alia, drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of annex I to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia, indigenous peoples and local communities;”

Guidance provided by the same decision when implementing REDD+ activities, notes that these are to be consistent with the objective of environmental integrity, take into account the multiple functions of forests and other ecosystems, be consistent with Parties’ sustainable development needs and goals as well as promote sustainable management of forests.

Decision 2/CP.17 contains further implications for NCBs within the development and implementation of national strategies and actions plans when it states that “[...] policy approaches and positive incentives for mitigation actions in the forest sector, as referred to in decision 1/CP.16, paragraph 70, can promote poverty alleviation and biodiversity benefits, ecosystem resilience and the linkages between adaptation and mitigation, and should promote and support the safeguards referred to in decision 1/CP.16, appendix 1, paragraph 2(c–e),...!”

## 3. Safeguards and NCBs (see section 3.5)

The realization of non-carbon benefits are also linked with the Decision on promoting and supporting the Cancun safeguards as noted in Decision 12/CP.19<sup>127</sup>; “...Also recognizing that policy approaches and positive incentives for mitigation actions in the forest sector, as referred to in decision 1/CP.16, paragraph 70, can promote poverty alleviation and biodiversity benefits, ecosystem resilience and the linkages between adaptation and mitigation, and should promote and support the safeguards referred to in decision 1/CP.16, appendix 1, paragraph 2(c–e),...!”

The Cancun safeguards which need to be promoted and supported when undertaking REDD+ activities provide a structured framework for the consideration of NCBs within the implementation of policies and measures. The operationalization of these safeguards include the policy, legal and regulatory framework that enable or enhance the realisation of NCBs.

Through the process of providing information on how the safeguards will be addressed and respected in a country’s safeguard information system, NCBs can be described for each of the safeguards. The Cancun safeguards (a) to (e) include a focus on enhancing social benefits such as improved forest governance, recognition of the rights of indigenous peoples and local communities, improved transparency and accountability and information availability. In particular, Safeguard (e) which calls for “actions that are consistent with the conservation of natural forests and biological diversity, ensuring that REDD+ activities are not used for the conversion of natural forests, **but are used to incentivise the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits** (emphasis ours)”, specifically focuses on the ‘benefits’ aspects of the activities.

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126 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=13>

127 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=33>

### 3.9.2 NCBs UNDER THE FCPF CF MF

NCBs are any benefits that are '*produced by or in relation to the implementation and operation of the ER Programme*', as per the definition in the glossary in the MF.

The FCPF CF MF notes that the ER Programme contributes to 'broader sustainable development' that is an 'integral part of any ER Program'.

Section 5.3 on NCBs on page 24 of the FCPF CF MF notes "*The ER Program contributes to broader sustainable development. This could include, but is not limited to, improving local livelihoods, building transparent and effective forest governance structures, making progress on securing land tenure and enhancing or maintaining biodiversity and/or other ecosystem services. The ER Program should monitor and report on these non-carbon benefits as feasible, taking note of existing and emerging guidance on monitoring of non-carbon benefits by the UNFCCC, CBD, and other relevant platforms.*

- *ER Programs inherently provide social and environmental Benefits beyond carbon and the mitigation of social and environmental risks.*
- *ER Programs are encouraged to further enhance non-carbon benefits, to contribute to broader sustainable development; and to measure non-carbon benefits in simple and cost-effective ways where feasible.*

#### **Context and Rationale for the Criteria and Indicators**

*The non-carbon aspects are an integral part of any ER Program. ER Programs should review potential Non-Carbon Benefits, identify a set of priority Non-Carbon Benefits and report information on the generation or enhancement of such priority Non-Carbon Benefits. Priority NCBs shall only be described in the ER Program Document and, as relevant, any Safeguard Plans."*

It is expected that ER Programmes review potential NCBs, prioritise these and report information on their generation or enhancement in the ER Program document and within the SESA and ESMF.

Community participation is encouraged in the collection of data for monitoring and reporting of NCBs (Criterion 16). The ER Program will monitor these NCBs, as feasible, and take note of guidance on monitoring by UNFCCC, the Convention on Biological Diversity (CBD) and other platforms.

The term 'Non-Carbon Benefits' in the CF MF and in the GC are not synonymous with that of 'monetary and non-monetary benefits' (see Section 2.4.4 above) NCBs are benefits produced by or in relation to the operation of the ER Programme, and information on the generation or enhancement of the priority NCBs under the ER Programme are included in the ER monitoring and interim progress reports rather than in the benefit sharing plan. Monetary and non-monetary benefits, may also be specified in the ER programme document or in a safeguards plan, and are required in the BSP. These are the benefits related to the payments, or funded with such received payments, provide an incentive for the beneficiaries to help implement the ER programme and can be monitored in an objective manner.

### 3.9.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF REQUIREMENTS ON NCBs

UNFCCC	FCPF CF MF and / or ER-PD template
<b>General NCBs</b>	
<p><b>Decision 4/CP.15</b><sup>128</sup>  <b>Copenhagen Accord – Preamble</b>  <i>Recognizing the importance of promoting sustainable management of forests and co-benefits, including biodiversity, that may complement the aims and objectives of national forest programmes and relevant international conventions and agreements.</i></p> <p><b>Decision 9/CP.19</b><sup>129</sup>, paragraph 22  <i>Recognizes the importance of incentivizing non-carbon benefits for the long-term sustainability of the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and noting the work on methodological issues referred to in decision 1/CP.18, paragraph 40;</i></p> <p><b>Paris Agreement, Article 5, paragraph 2</b>  <i>Parties are encouraged to take action to implement and support, including through results-based payments, the existing framework as set out in related guidance and decisions already agreed under the Convention for: policy approaches and positive incentives for activities relating to reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries; and alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, while <b>reaffirming the importance of incentivizing, as appropriate, non-carbon benefits associated with such approaches.</b></i></p>	<p><b>FCPF CF MF</b>  <b>Criterion 34: Non-Carbon benefits are integral to the ER Program.</b></p> <p><b>Indicator 34.1:</b> <i>The ER Program outlines potential Non-Carbon Benefits, identifies priority Non-Carbon Benefits, and describes how the ER Program will generate and/or enhance such priority Non-Carbon Benefits. Such priority Non-Carbon Benefits should be culturally appropriate, and gender and inter-generationally inclusive, as relevant.</i></p> <p><b>Indicator 34.2:</b> <i>Stakeholder engagement processes carried out for the ER Program design and for the readiness phase inform the identification of such priority Non-Carbon Benefits.</i></p> <p><b>ER-PD template</b>  <b>Section 16. Non-carbon benefits</b></p> <p><b>16.1 Outline of potential Non-Carbon Benefits and Identification of Priority Non-Carbon Benefits</b>  <i>Please outline the potential Non-Carbon Benefits for the ER Program. Identify priority Non-Carbon Benefits, and describes how the ER Program will generate and/or enhance such priority Non-Carbon Benefits. The priority Non-Carbon Benefits should be culturally appropriate, and gender and inter-generationally inclusive, as relevant</i></p> <p><i>Refer to <b>critterion 34</b> of the Methodological Framework</i></p>

<sup>128</sup> Available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11>

<sup>129</sup> Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf>

**Decision 18/CP.21**

*The Conference of the Parties . . . .*

- 1. Recognizes that non-carbon benefits associated with the activities referred to in decision 1/CP.16, paragraph 70, are unique to countries' national circumstances, in accordance with national sovereignty, legislation, policies and priorities;*
- 2. Also recognizes that, in line with their national circumstances and capabilities, developing country Parties seeking support for the integration of non-carbon benefits into activities referred to in decision 1/CP.16, paragraph 70, with a view to contributing to the long-term sustainability of those activities, may provide information addressing, inter alia, the nature, scale and importance of the non-carbon benefits;*
- 3. Encourages developing country Parties to share the information referred to in paragraph 2 above via the web platform on the UNFCCC website;*
- 4. Invites interested developing country Parties to communicate the information referred to in paragraph 2 above for consideration by interested Parties and relevant financing entities, as appropriate;*
- 5. Decides that methodological issues related to non-carbon benefits resulting from the implementation of the activities referred to in decision 1/CP.16, paragraph 70, do not constitute a requirement for developing country Parties seeking to receive support for the implementation of the actions and activities referred to in decision 1/CP.16 or results-based payments pursuant to decision 9/CP.19;*
- 6. Agrees to conclude at this session the work on methodological issues related to non-carbon benefits from the implementation of the activities referred to in decision 1/CP.16, paragraph 70.*

**NCBs relevant to all decisions on Safeguard Content: See Section 3.5.**

**Decision 1/CP.16**<sup>130</sup>

*Also requests developing country Parties, when developing and implementing their national strategies or action plans, to address, inter alia, the drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of appendix I to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities;*

**Decision 1/CP.16, Appendix I, paragraph 2:**

*When undertaking the activities referred to in paragraph 70 of this decision, the following safeguards should be promoted and supported:*

**FCPF CF MF**

**Context and rationale for the C&I Section 5.3 Non-Carbon Benefits**

*[...] All ER Programs will need to meet applicable World Bank policies and procedures. ER Programs also should promote and support the safeguards included in the UNFCCC guidance on REDD+. The World Bank's view is that the World Bank safeguards policies, procedures and practices are consistent with the Cancun safeguards for REDD+.*

**Indicator 24.1:** *The ER Program demonstrates through its design and implementation how it meets relevant World Bank social and environmental safeguards, and promotes and supports the safeguards included in UNFCCC guidance related to REDD+, by paying particular attention to Decision 1/CP.16 and its Appendix I as adopted by the UNFCCC.*

**ER-PD template**

**Section 5. Stakeholder Consultation, and Participation**

**5.1 Description of stakeholder consultation process**

*Please describe the stakeholder information sharing and consultation mechanisms or structures that have been used in the design of the ER Program, including the identification of the priority Non-Carbon Benefits, the implementation of necessary safeguards and so forth. As part of this description, explain how the information sharing and consultation mechanisms or structures were in a form, manner and language understandable to the affected stakeholders for the ER Program.*

*Separately, for the implementation phase of the ER Program, provide an overview of the plans for consultations and meetings, a description of publications and other information used and the mechanisms for receiving and responding to feedback, in order to show how the consultation process will be structured and maintained during this phase.*

<sup>130</sup> Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>

*Describe how the sum of these actions will result in the full, effective and on-going participation of relevant stakeholders. Provide information on how the process builds on the stakeholder outreach and consultation process implemented as part of national REDD Readiness activities.*

*Refer to **critterion 24, critterion 28, critterion 31 and indicator 34.2** of the Methodological Framework*

### Monitoring and Reporting NCBs

No specific reference to monitoring and reporting NCBs, though in decision 18/CP. 21, REDD+ countries are encouraged to share information on NCBs via the UNFCCC REDD+ web platform if countries wish to do so.

#### FCPF CF MF

**Criterion 16: Community participation in Monitoring and reporting is encouraged and used where appropriate.**

***Indicator 16.1:** The ER program demonstrates that it has explored opportunities for community participation in Monitoring and reporting e.g., of ER Programme Measures, activity data, emission factors, safeguards and Non-Carbon Benefits, and encourages such community participation where appropriate*

**Criterion 35: The ER Program indicates how information on the generation and/or enhancement of priority Non-Carbon Benefits will be provided during ER Program implementation, as feasible.**

***Indicator 35.1:** The ER Program proposes an approach utilizing methods available at the time to collect and provide information on priority Non-Carbon Benefits 13, including, e.g., possibly using proxy indicators. If relevant, this approach also may use information drawn from or contributed as an input to the SIS.*

#### ER-PD template

##### Section 16. Non-Carbon Benefits

##### **16.2 approach of providing information on Priority Non-Carbon Benefits**

*Please indicate how information on the generation and/or enhancement of priority Non-Carbon Benefits will be provided during ER Program implementation, as feasible, by providing a description of the preferred methods for collecting and providing information on priority Non-Carbon Benefits taking note of existing and emerging guidance on monitoring of non-carbon benefits by the UNFCCC, CBD, and other relevant platforms.*

*Refer to **critterion 35, indicator 35.1** of the Methodological Framework*

### 3.9.4 DISCUSSION ON NCBs

Both the FCPF CF and the UNFCCC call to the attention the need to consider NCBs as they contribute to the larger vision for REDD+ and to its long-term sustainability.

Under the FCPF there is a clear requirement to describe the NCBs in the ER Programmes that are selected for ERPAs. Criterion 34 of the MF, notes that the ER programme should contain a description of potential NCBs, the priority NCBs and how the programme will generate and enhance these prioritised NCBs. A process to identify, prioritise, analyse NCBs is contained within the FCPF's SESA and the Environmental and Social Management Framework (ESMF), whereas under the UNFCCC there is no provision for process. The FCPF CF MF specifically requires information on how NCBs will be generated and enhanced during the ER Programme implementation in Criterion 35 and the indicator is a method to collect and provide information on priority NCBs.

The UNFCCC has recognised the need to enhance the social and environmental benefits of REDD+ but has not agreed on a definition for them nor prescribed a framework or structure in which they should be considered, reported and monitored other than recognising their importance in national strategies, through the operationalization of the safeguards and within the SIS, as well as encouraging the sharing of information on the NCBs integrated into REDD+ activities for consideration by interested Parties and financing entities, as appropriate. The summary of information on how all the Cancun safeguards are being addressed and respected, is a pre-requirement to receive REDD+ RBPs / RBF (decision 9/CP.19<sup>131</sup>), and is reported in national communications or voluntarily on the UNFCCC information hub and can contain information on NCBs via a description of how the safeguards are being addressed and respected. However, decision 18/CP.21 clarifies that NCBs do not represent a requirement for REDD+ RBPs / RBF.

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131 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf>

## 3.10 THE REPORTING OF RESULTS, TECHNICAL ASSESSMENTS AND PUBLICLY AVAILABLE INFORMATION

### 3.10.1 REPORTING, ASSESSMENT AND PUBLICLY AVAILABLE INFORMATION UNDER THE UNFCCC

#### 3.10.1.1 Reporting and Technical Assessments / Analyses of FREL / FRL and BURs

##### **Reporting / submissions: FREL / FRL**

For the UNFCCC context, a proposed FREL / FRL may be submitted at any time, on a voluntary basis, when the Party deems it appropriate, and following the guidelines in decision 12/CP.17<sup>132</sup>. The FREL / FRL will be assessed during the next scheduled assessment session, following the date the submission is made, as long as it has been received no later than ten weeks before that scheduled assessment session. Each submission will be technically assessed by an assessment team (AT) in accordance with the procedures and timeframes established in the guidelines agreed in Warsaw.

##### **Technical Assessment: FREL / FRL**

Decision 13/CP.19<sup>133</sup> provides guidelines and procedures for the technical assessment of submissions of proposed FRELs / FRLs from Parties. The UNFCCC Secretariat coordinates the technical assessment process. The AT will be composed of land use, land use change and forestry (LULUCF) experts selected from the UNFCCC roster of experts. Participating experts serve in their personal capacity and are to be neither nationals of the Party undergoing the technical assessment nor funded by that Party. The assessment sessions are scheduled once a year, in a single location.

##### **Reporting: Biennial Update Reports (BURs):**

Countries will report results of REDD+ implementation through BURs, in the context of seeking RBPs / RBF. To complement the NCs, in 2011, COP17 adopted guidelines for the preparation of BURs from non-Annex I Parties. BURs are to be submitted every two years. A description of the NFMS and results in tCO<sub>2</sub>e / yr will have to be reported through a technical annex of the BUR, if the REDD+ country is seeking RBPs. The submission of a FREL / FRL is done through an independent submission to the UNFCCC. The results submitted for RBPs / RBF should be expressed in tCO<sub>2</sub>e / yr.

The information elements to be contained in a BUR REDD+ technical annex are as follows, as contained in the Annex to decision 14/CP.19:

- Summary information from the final report of the FREL assessment containing each corresponding assessed FREL / FRL, which includes:
  - a. The assessed forest reference emission level and /or forest reference level, expressed in tCO<sub>2</sub>e;

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132 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

133 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=34>

- b. The REDD+ activity or activities included in the FREL / FRL;
  - c. The territorial forest area covered;
  - d. The date of the FREL / FRL submission and the date of the final technical assessment report;
  - e. The period (in years) of the assessed FREL / FRL
- Results in tonnes of CO<sub>2</sub>e per year, consistent with the assessed FREL / FRL;
  - Demonstration that the methodologies used to produce the REDD+ results reported in the annex are consistent with those used to establish the assessed FREL / FRL;
  - A description of national forest monitoring systems and the institutional roles and responsibilities for measuring, reporting and verifying the results;
  - Necessary information that allows for the reconstruction of the results;
  - A description of how the elements contained in decision 4/CP.15, paragraph 1(c) and (d), which refer to use of the most recent IPCC guidance and the establishment of robust and transparent national forest monitoring systems, have been taken into account.

### **Technical Analysis: BUR REDD+ Annex**

After reporting the results of REDD+ implementation in the BUR, the REDD+ technical analysis process, as part of the International Consultation and Analysis (ICA) process under the UNFCCC, takes place.

The technical analysis of REDD+ results is an important iterative process between countries and LULUCF experts which is required before a country can receive RBPs / RBF. The modalities and rules for the technical analysis of REDD+ results were adopted in decision 14/CP.19<sup>134</sup>. The technical analysis by the technical team of experts will specifically analyse the extent to which:

- There is consistency in methodologies, definitions, comprehensiveness and the information provided between the assessed reference level and the results of the implementation of the activities referred to in decision 1/CP.16, paragraph 70<sup>135</sup>;
- The data and information provided in the technical annex is transparent, consistent, complete and accurate;
- The data and information provided in the technical annex follows the guidelines for elements to be included in the technical annex and is consistent with earlier methodological decisions 4/CP.15<sup>136</sup> and 12/CP.17<sup>137</sup>;
- The results are accurate, to the extent possible.

The technical analysis of the BUR REDD+ Annex results in a technical report prepared by the LULUCF experts, which includes their analysis of the annex and areas identified for improvement. It is important to point out that this technical report is separate from the summary report prepared by the full TTE analysing the complete BUR, and unlike that summary report, the REDD+ technical report is not subject to the facilitative sharing of views as part of the broader ICA process.

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134 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=39>

135 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

136 Available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11>

137 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

### **Submission: Safeguards**

- Summary of information on safeguards submitted as part of National Communication or directly submitted via the web platform (voluntarily);
- Secretariat inserts the summary of safeguards information on the information hub when all relevant information is available.

### **Assessment: Safeguards**

- No specific assessment / review process for the summary of information on safeguards submitted to the UNFCCC.
- Non-Annex I Communications are compiled and synthesized by the UNFCCC Secretariat but are not subject to in-depth review.

### **3.10.1.2 Publicly available information**

Though there are no explicit references to publically available information in the UNFCCC decisions relevant to REDD+, there are numerous references throughout this suite of decisions, to transparency and accessibility as well as establishment of platforms and channels to make information related to REDD+ available to the public. Most significantly, decision 9/CP.19<sup>138</sup>, paragraphs (9-12), creates and indicates the types of information to be made available on a new information hub (Lima Information Hub for REDD-plus) that will be hosted on the already existing UNFCCC REDD+ Web Platform<sup>139</sup>. The UNFCCC Secretariat will manage the information posted to this hub, publishing information related to the results of REDD+ implementation and corresponding RBPs / RBF on the site. Given this site is hosted on the UNFCCC public website, all posted content to the Information Hub will be publically available. Decision 9/CP.19 also explicitly requests the UNFCCC Secretariat to make the information available in a simple, transparent and easily accessible manner; The objective of the hub is to increase transparency of information on RBA, on the corresponding payments, as well as on countries' four design elements (decision 1/CP.16, paragraph 71<sup>140</sup>), without creating additional requirements for developing countries.

The Warsaw Framework for REDD+ sets out six required 'information types' to be published on the information hub if a country is seeking RBPs / RBF:

1. REDD+ NS / AP: A link to the NS / APs as referred to in decision 1/CP.16, paragraph 71(a)<sup>141</sup>, as appropriate;
2. The assessed FREL(s) / FRL(s) expressed in tCO<sub>2</sub>e/year and a link to the final report of the technical assessment team (decision 13/CP.19, paragraph 18<sup>142</sup>);
3. NFMS: Information on the NFMS, as provided in the BUR technical annex;
4. Safeguards: a summary of information on how all of the REDD+ safeguards are being addressed and respected, provided as part of the National Communication or submitted directly to the UNFCCC REDD+ platform, before receiving RBPs / RBF;

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138 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=24>

139 Available at [http://unfccc.int/methods/redd/redd\\_web\\_platform/items/4531.php](http://unfccc.int/methods/redd/redd_web_platform/items/4531.php)

140 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

141 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

142 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=38>

5. Reported results: The results for each relevant period expressed in tCO<sub>2</sub>e/year and a link to the technical report prepared by the LULUCF experts on the TTE, which would be published on the web platform;
6. Additional information on RBPs / RBF: Information on quantity of results for which payments were received, expressed in tonnes of carbon dioxide equivalent per year, and the entity paying for results.

In addition to the creation of the Lima Information Hub for REDD+, administered by the UNFCCC Secretariat, there are several relevant references to transparency in different UNFCCC REDD+ decisions. Transparency is referenced in regard to:

- Estimates of emission reduction or increases in carbons stocks (annex to decision 2/CP.13<sup>143</sup> and 4/CP.15<sup>144</sup>)
- National forest monitoring systems (4/CP.15<sup>145</sup>, 1/CP.16<sup>146</sup>, 11/CP.19<sup>147</sup>)
- Modalities for MRV and data and information provided in the technical annex (14/CP.19<sup>148</sup>)
- Establishment, submission and assessment of FRELs / FRLs (4/CP.15<sup>149</sup>; 12/CP.17<sup>150</sup>; 13/CP.19<sup>151</sup>)
- Cancun safeguard (b) on national forest governance structures
- Safeguard information systems (12/CP.17<sup>152</sup>)

In addition, accessibility is referenced in decision 12/CP.17, where it's agreed that systems for providing information on how the safeguards are addressed and respected should: [...]

*(b) Provide transparent and consistent information that is accessible by all relevant stakeholders and updated on a regular basis.*

The submission and assessment processes for FRELs, the reporting and analysis processes for BURs, including REDD+ results, as well as publicly available information posted on the UNFCCC Lima Information Hub for REDD+ are summarised in **Figure 3**.

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143 Available at <http://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf#page=8>

144 Available at <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=11>

145 See footnote <sup>144</sup>

146 Available at <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>

147 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=31>

148 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=39>

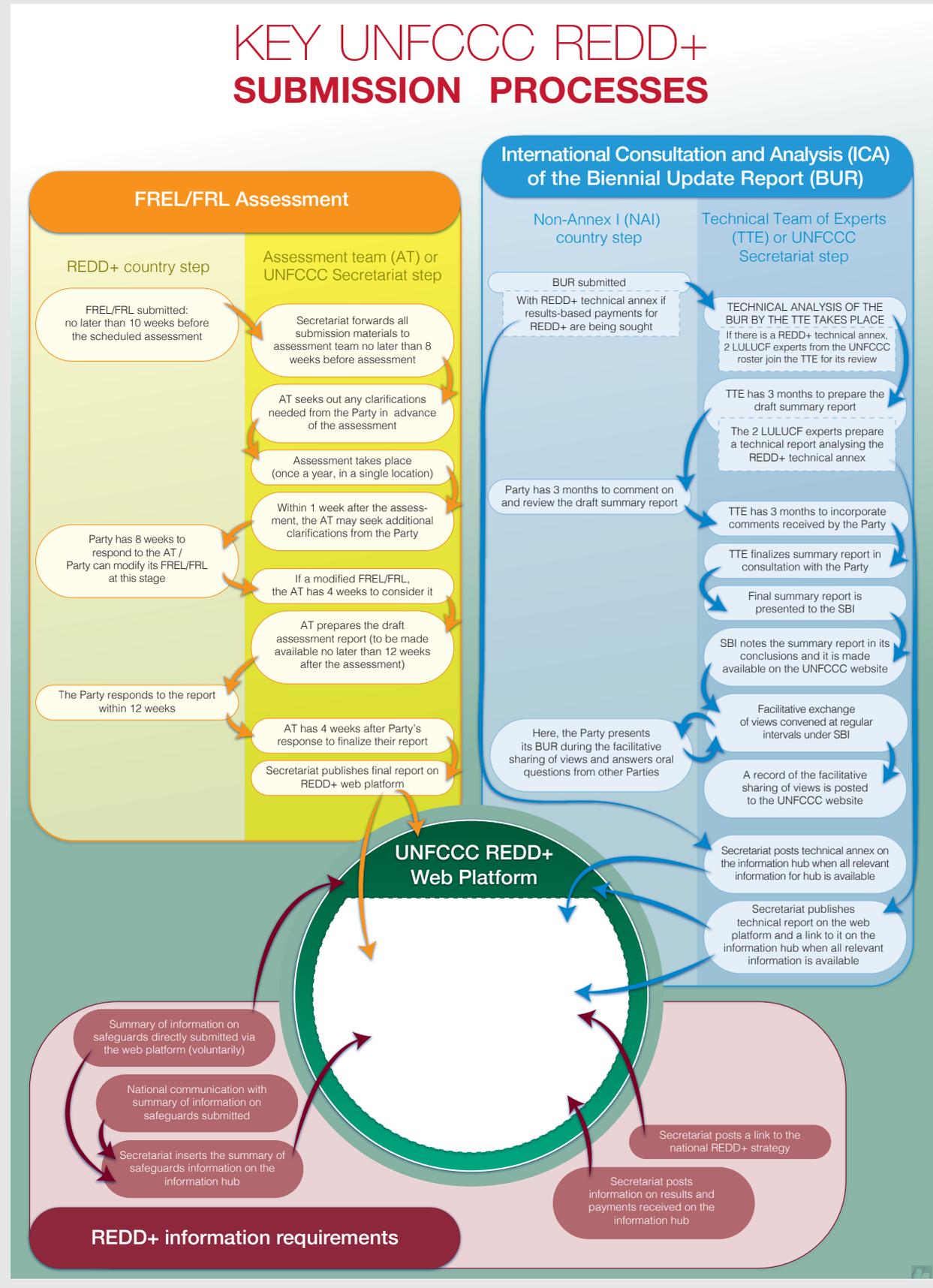
149 See footnote <sup>144</sup>

150 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

151 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=34>

152 See footnote <sup>150</sup>

**Figure 3: Summary of key UNFCCC submission processes. This figure has been reviewed and cleared by the UNFCCC Secretariat.**



## 3.10.2 REPORTING, ASSESSMENT AND PUBLICLY AVAILABLE INFORMATION UNDER THE FCPF CF

### 3.10.2.1 Reporting / submissions

ER-PIN, R-Packages and ERPD are all submitted to the FCPF Facility Management Team. The items to be disclosed, the party responsible for disclosure, the disclosure medium as well as the time of disclosure under the FCPF CF are described in **Table 2**<sup>153</sup>.

**Table 2: Guidance on disclosure of information. This guidance only applies to the below-listed documents for the FCPF Carbon Fund, in line with the World Bank's Access to Information Policy (AIP)<sup>154</sup>. It does not apply to any other documents of the World Bank, including documents of other carbon funds managed by the World Bank.**

Item to be disclosed	Party Responsible for Disclosure	Disclosure Medium	Time of Disclosure
Emission Reductions Program Idea Notes (ER-PINs)	Facility Management Team (FMT)	FCPF website	21 days prior to relevant Carbon Fund (CF) meeting
	Government/ Authorized Entity	Disclosed to the public in paper or electronic form	Within 30 days after selection by the CF Participants
Carbon Fund (CF) Resolutions on ER-PINs	FMT	FCPF website	Within 14 days after resolution by the CF Participants
Letter of Intent (LOI) with potential Emission Reductions Payment Agreement (ERPA) counterparties under the Carbon Fund of the Forest Carbon Partnership Facility (FCPF)* (*The LOI will indicate that the Buyer and Seller authorize disclosure. If either Party requests confidentiality, a confidentiality provision will be included in the LOI and the LOI will not be disclosed.)	FMT	FCPF website	Within 30 days of countersignature* (*unless request for confidentiality)

153 The table is copied from the FCPF website and is available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2015/March/FCPF%20Carbon%20Fund%20Disclosure%20Guidance.pdf>

154 Available at <http://www.worldbank.org/en/access-to-information>

Item to be disclosed	Party Responsible for Disclosure	Disclosure Medium	Time of Disclosure
Emission Reductions Program Documents (ER-PDs)	FMT	FCPF website	21 days prior to relevant CF meeting
	Government/ Authorized Entity	Disclosed to the public in paper or electronic form	Within 30 days after selection by the CF Participants
ER Program reviews (including those by a TAP and CF Participants)	FMT	FCPF website	14 days prior to relevant CF meeting
CF resolutions on ER Programs	FMT	FCPF website	Within 14 days after resolution by the CF Participants
Project Information Document (PID) – Concept stage	World Bank (WB): Task Team Leader (TTL)	WB website	Upon internal approval
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
Integrated Safeguards Information Sheet (ISDS) – Concept stage	WB: TTL	WB website	Upon internal approval
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
PID – Appraisal stage	WB: TTL	WB website	Prior to appraisal. If applicable, updated upon completion of appraisal
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
ISDS – Appraisal stage	WB: TTL	WB website	Prior to appraisal. If applicable, updated upon completion of appraisal
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website

Item to be disclosed	Party Responsible for Disclosure	Disclosure Medium	Time of Disclosure
Safeguard Documents prepared by the country (or designated entity)	WB: TTL	WB website	<p>Draft reports, specifically Environmental Assessment (EA) reports, Social Assessments, Indigenous Peoples Plans/Indigenous Peoples' Planning Frameworks, and Resettlement Plans/Resettlement Policy Frameworks/Resettlement Process Frameworks, are disclosed before appraisal begins.</p> <p>Final reports are disclosed when the country (or designated entity) officially transmits the final report to the World Bank. No later than 60 days, in the case of Category A projects, and 30 days, in the case of Category B projects, prior to signature of Emission Reductions Payment Agreement (ERPA).* (*unless condition of effectiveness of ERPA)</p>
	Government/ Authorized Entity	Disclosure in a form, manner and language understandable to project-affected people in one or more convenient public locations.	<p>Draft reports are disclosed before appraisal begins.</p> <p>Final reports are disclosed no later than 60 days, in the case of Category A projects, and 30 days, in the case of Category B projects, prior to signature of Emission Reductions Payment Agreement (ERPA)* (*unless condition of effectiveness of ERPA)</p>

Item to be disclosed	Party Responsible for Disclosure	Disclosure Medium	Time of Disclosure
Safeguard Documents prepared by the country (or designated entity)	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
Benefit Sharing Plan(s)	WB: TTL	WB website	<p><u>Draft</u> plan is disclosed before appraisal begins</p> <p><u>Final</u> plan is disclosed prior to signature of Emission Reductions Payment Agreement (ERPA)*. (*unless final plan is not available at the time of ERPA signature. In such case, the <u>advanced draft</u> is disclosed prior to ERPA signature and the <u>final</u> plan is disclosed before the sale and purchase obligations under the ERPA become effective.)</p>
	Government / Authorized Entity	Disclosure in a form, manner and language understandable to the ER program-affected stakeholders in one or more convenient public locations	<p><u>Draft</u> plan is disclosed before appraisal begins</p> <p><u>Final</u> plan is disclosed prior to signature of Emission Reductions Payment Agreement (ERPA)*. (*unless final plan is not available at the time of ERPA signature. In such case, the <u>advanced draft</u> is disclosed prior to ERPA signature and the <u>final</u> plan is disclosed before the sale and purchase obligations under the ERPA become effective.)</p>
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website

Item to be disclosed	Party Responsible for Disclosure	Disclosure Medium	Time of Disclosure
Carbon Finance Assessment Memorandum (CFAM)	WB: TTL	WB website	Prior to ERPA signature
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
Emission Reductions Payment Agreement (ERPA) under the Carbon Fund of the Forest Carbon Partnership Facility (FCPF)* (*The ERPA will indicate that the Buyer and Seller authorize disclosure. If either Party requests confidentiality, a confidentiality provision will be included in the ERPA and the ERPA will not be disclosed. In such case, the requesting Party shall disclose its rationale for such a request.)	FMT	FCPF website	Within 30 days of countersignature* (*unless request for confidentiality)
Letter of Approval	FMT	FCPF website	Within 30 days after receipt by the FMT
	Government / Authorized Entity	Disclosed to the public in paper or electronic form	Within 30 days after letter becomes available
ER Program Monitoring Plan	FMT	FCPF website	Within 30 days after receipt by the FMT
	Government / Authorized Entity	Disclosed to the public in paper or electronic form	Within 30 days after plan becomes available
ER Monitoring Reports	FMT	FCPF website	Within 30 days after receipt by the FMT
	FMT	Disclosed to the public in paper or electronic form	Within 30 days after letter becomes available
Verification Reports	FMT	FCPF website	Within 30 days after receipt by the FMT
	Government / Authorized Entity	Disclosed to the public in paper or electronic form	Within 30 days after report becomes available

Item to be disclosed	Party Responsible for Disclosure	Disclosure Medium	Time of Disclosure
Interim Progress Reports	FMT	FCPF website	Within 30 days after receipt by the FMT
Aide Memoires from supervision missions	WB: TTL	WB website	Disclosure (as attachment to the ISR) is subject to agreement by the national government / authorized entity and the World Bank.
Implementation Supervision Reports* (*disclosable portion)	WB: TTL	WB website	Upon internal approval
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
Implementation Completion Report (ICR)	WB: TTL	WB website	Upon internal approval
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website

### 3.10.2.2 Assessments

A completeness check of the ER-PIN is done by the WB and posted on the FCPF website 14 days prior to relevant CF meeting.

The World Bank, TAP and CF Participants carry out a review of the ER Programme. The ER Programme reviews are posted on the FCPF website 14 days prior to relevant CF meeting.

Furthermore the World Bank carries out its standard due diligence procedures, which include the ER-Programme appraisal. These standard operating procedures are not described in detail here.

Verification of results reported in ER Monitoring Reports and Interim Progress Reports submitted to the FCPF Secretariat is carried out by an independent third party, resulting in Verification Reports posted to the FCPF website.

### 3.10.2.3 Publicly available information

The FCPF has a dedicated page per participating country where all the information related to that country in the FCPF process is made publicly available. This includes both documents in the context of readiness, such as the R-PP of each country, as well as specific information related to the CF, as applicable. According to the CF's disclosure guidelines<sup>155</sup>, this includes the ER-PINs, ER-PDs amongst other documents.

155 Available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2015/March/FCPF%20Carbon%20Fund%20Disclosure%20Guidance.pdf>

### 3.10.3 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND FCPF CF MF REQUIREMENTS ON REPORTING, ASSESSMENT AND PUBLICLY AVAILABLE INFORMATION

UNFCCC	FCPF CF MF and / or ER-PD template
<b>NS / AP</b>	
<p><b>Reporting / submission</b> The UNFCCC Secretariat posts a link to the national REDD+ strategy or action plan</p>	<p><b>Reporting / submission</b></p> <ul style="list-style-type: none"> <li>• <i>Draft of the national REDD+ strategy to be presented along with 'R-Package' to the FCPF Secretariat for consideration by the FCPF Participants Committee</i></li> <li>• <i>A variety of interventions of the NS / AP are included in the ER-PINs and ERPD and are submitted to the FCPF Secretariat for consideration by the FCPF CF participants</i></li> </ul>
<p><b>Assessment</b> No assessment or review is made for the NS / AP</p>	<p><b>Assessment</b> No separate assessment or review is made for the NS / AP, however:</p> <ul style="list-style-type: none"> <li>• ER-PIN completeness check is done by the WB (posted on FCPF website 14 days prior to relevant CF meeting)</li> <li>• Review of the ER Programme Document by the World Bank, TAP and CF Participants (ER Program reviews posted on FCPF website 14 days prior to relevant CF meeting)</li> </ul>
<p><b>Publicly available information</b> Decision 9/CP.19<sup>156</sup>, paragraph 11 (d): <i>A link to the national strategy or action plan as referred to in decision 1/CP.16, paragraph 71(a), as appropriate, is posted to the Information Hub.</i></p>	<p><b>Publicly available information</b></p> <ul style="list-style-type: none"> <li>• Draft REDD+ NS / AP submitted in the context of the 'R-Package'</li> <li>• R-package is published on the FCPF website country page</li> </ul>

156 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=24>

## FREL / FRL

**Reporting / submission**

- FREL / FRL submitted: no later than 10 weeks before the scheduled assessment
- Secretariat forwards all submission materials to assessment team (AT) no later than 8 weeks before assessment
- AT seeks out any clarifications needed from the Party in advance of the assessment

**Reporting / submission**

- Draft FRL / FREL presented in ER-PIN posted on FCPF website 21 days prior to relevant CF meeting
- Government / Authorized Entity needs to make paper or electronic distribution to relevant stakeholders Within 30 days after selection by the CF Participants
- CF Resolutions on ER-PINs are posted on FCPF website Within 14 days after resolution by the CF Participants
- FRL / FREL presented in ER Program Document
- ER Program document including FRL / FREL is approved through this resolution. CF resolutions on ER-Programs is drafted by WB and posted on FCPF website within 14 days after resolution by the CF Participants.

**Assessment**

- Takes place once a year in a single, centralized location (Bonn)
- Within 1 week after the assessment, the AT may seek additional clarifications from the Party
- REDD+ country has 8 weeks to respond to the AT/Party can modify its FREL / FRL at this stage
- If a modified FREL / FRL, the AT has 4 weeks to consider it
- AT prepares the draft assessment report (to be made available no later than 12 weeks after the assessment)
- REDD+ country responds to the report within 12 weeks
- AT has 4 weeks after Party's response to finalize their report
- Secretariat publishes final report on web platform and a link to it on the information hub when all relevant information is available

**Assessment**

- ER-PIN completeness check is done by the WB (posted on FCPF website 14 days prior to relevant CF meeting)
- Review of the ER Programme by the World Bank, TAP and CF Participants (ER Program reviews posted on FCPF website 14 days prior to relevant CF meeting)

### Publicly available information

**Decision 12/CP.17**<sup>157</sup> provides the guidelines for submission of information on FREL / FRLs to the UNFCCC:

Specifically, this information is to include:

- Information that was used by Parties in constructing a forest reference emission level and/or forest reference level, including historical data, in a comprehensive and transparent way
- Transparent, complete, consistent and accurate information, including methodological information, used at the time of construction of forest reference emission levels and/or forest reference levels, including, *inter alia*, as appropriate, a description of data sets, approaches, methods, models, if applicable and assumptions used, descriptions of relevant policies and plans, and descriptions of changes from previously submitted information
- Pools and gases, and activities listed in decision 1/CP.16, paragraph 70, which have been included in forest reference emission levels and/or forest reference levels and the reasons for omitting a pool and/or activity from the construction of forest reference emission levels and/or forest reference levels, noting that significant pools and/or activities should not be excluded
- The definition of forest used in the construction of forest reference emission levels and/or forest reference levels and, if appropriate, in case there is a difference with the definition of forest used in the national greenhouse gas inventory or in reporting to other international organizations, an explanation of why and how the definition used in the construction of forest reference emission levels and/or forest reference levels was chosen.

**Decision 9/CP.19**<sup>158</sup>, **paragraph 11 (b)**: The assessed forest reference emission level(s) and/or forest reference level(s) expressed in tonnes of carbon dioxide equivalent per year and a link to the final report of the technical assessment team referred to in decision 13/CP.19, **paragraph 18** are both posted on the Information Hub.

### Publicly available information

#### FCPF CF MF

**Criterion 6: Key data and methods that are sufficiently detailed to enable the reconstruction of the Reference Level, and the reported emissions and removals (e.g., data, methods and assumptions), are documented and made publicly available online. In cases where the country's or ER Program's policies exempt sources of information from being publicly disclosed or shared, the information should be made available to independent reviewers and a rationale is provided for not making these data publicly available. In these cases, reasonable efforts should be made to make summary data publicly available to enable reconstruction.**

**Indicator 6.1:** The following methodological steps are made publicly available:

- Forest definition;
- Definition of classes of forests, (e.g., degraded forest; natural forest; plantation), if applicable;
- Choice of activity data, and pre-processing and processing methods;
- Choice of emission factors and description of their development;
- Estimation of emissions and removals, including accounting approach;
- Disaggregation of emissions by sources and removal by sinks;
- Estimation of accuracy, precision, and/or confidence level, as applicable;
- Discussion of key uncertainties;
- Rationale for adjusting emissions, if applicable;
- Methods and assumptions associated with adjusting emissions, if applicable.

**Indicator 6.2:** For the following spatial information, maps and/or synthesized data are displayed publicly, and reasonable efforts are made to explain how these were derived from the underlying spatial and other data, and to make key data sets or analyses publicly available:

- Accounting Area
- Activity data (e.g., forest-cover change or transitions between forest categories)
- Emission factors
- Average annual emissions over the Reference Period
- Adjusted emissions
- Any spatial data used to adjust emissions, if applicable.

157 Available at <http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

158 Available at <http://unfccc.int/resource/docs/2013/cop19/eng/10a01.pdf#page=24>

## Safeguards

## Reporting / submission

- Summary of information on safeguards submitted as part of National Communication or directly submitted via the web platform (voluntarily)
- Secretariat inserts the summary of safeguards information on the information hub when all relevant information is available

## Reporting / submission

- Draft applicable WB safeguard documents: Environmental Assessment report, Social Assessment, Indigenous Peoples Plan / Indigenous Peoples' Planning Framework, Resettlement Plan / Resettlement Policy Framework/Resettlement Process Framework Posted on WB Website: Infoshop Prior to appraisal.
- Disclosure as per requirements of social and environmental safeguard policies, as contained in the relevant World Bank Operational Policies
- Government / Authorized Entity needs to do Disclosure in a manner and language understandable to project-affected people in one or more convenient public locations.
- Final applicable WB safeguard documents (in line with the ESMF; including but not limited to any additional Environmental Assessment report (including Environmental Management Plan), Indigenous Peoples Plan, Resettlement Plan, or other action or management plans or material produced pursuant to the safeguard policies.) Posted on WB Website: Infoshop No later than 60 days, in the case of Category A projects, and 30 days, in the case of Category B projects, prior to signature of Emission Reductions Payment Agreement (ERPA)\* (\*unless condition of effectiveness of ERPA), Disclosure as per requirements of social and environmental safeguard policies, as contained in the relevant World Bank Operational Policies.
- Government / Authorized Entity. Disclosure in a manner and language understandable to project-affected people in one or more convenient public locations. No later than 60 days, in the case of Category A projects, and 30 days, in the case of Category B projects, prior to signature of Emission Reductions Payment Agreement (ERPA)\* (\*unless condition of effectiveness of ERPA)
- FMT Link to WB website from FCPF website within 14 days after availability on WB website

UNFCCC	FCPF CF MF and / or ER-PD template
<p><b>Assessment</b></p> <ul style="list-style-type: none"> <li>No specific assessment/review process for the summary of information on safeguards submitted to the UNFCCC.</li> <li>Non-Annex I Communications are compiled and synthesized by the UNFCCC Secretariat but are not subject to in-depth review.</li> </ul>	<p><b>Assessment</b></p> <p>World Bank due diligence includes the ER-Program Appraisal and Safeguards Assessment</p> <ul style="list-style-type: none"> <li>Conducted by WB regional staff</li> <li>Includes assessment of associated economic, technical, institutional, financial issues and risks, and social and environmental safeguards</li> <li>Once a proposed ER Program is included in the pipeline, project “Concept Review” takes place, including a safeguards review in accordance with relevant regional and Bank wide procedures</li> <li>The R-Package is assessed and endorsed by the WB by the time the ER-Program Document is submitted for consideration</li> <li>R-Package elements, including the outcomes of the SESA process, will provide the context for the region’s assessment of the ER PD at appraisal.</li> </ul>
<p><b>Publicly available information</b></p> <p><b>Decision 9/CP.19, paragraph 11 (c):</b> <i>The summary of information on how all of the safeguards referred to in decision 1/CP.16, appendix I, are being addressed and respected*, as referred to in decisions 12/CP.19 and 12/CP.17, chapter I;</i></p> <p>* as part of the National Communication or submitted directly to the UNFCCC REDD+ platform.</p>	<p><b>Publicly available information</b></p> <p>Draft applicable WB safeguard documents: Environmental Assessment report, Social Assessment, Indigenous Peoples Plan / Indigenous Peoples’ Planning Framework, Resettlement Plan / Resettlement Policy Framework / Resettlement Process Framework Posted on the WB Website.</p>
<p><b>BUR Technical Annex / NFMS</b></p>	
<p><b>Reporting / submission</b></p> <ul style="list-style-type: none"> <li>BUR is submitted with REDD+ technical annex if RBPs / RBF for REDD+ are being sought.</li> </ul>	<p><b>Reporting / submission</b></p> <ul style="list-style-type: none"> <li>ER Monitoring Reports and Interim Progress Reports are submitted to the FCPF Secretariat (Facility Management Team).</li> </ul>

**Assessment**

- A Technical Team of Experts (TTE) undertakes technical analysis of the BUR. If there is a REDD+ technical annex, 2 LULUCF experts from the UNFCCC roster join the TTE for its review;
- TTE has 3 months to prepare the draft summary report;
- Party has 3 months to comment on and review the draft summary report. The 2 LULUCF experts prepare a supplementary technical report assessing the REDD+ technical annex;
- TTE has 3 months to incorporate comments received by the Party;
- TTE finalizes summary report in consultation with the Party;
- Final summary report is presented to the SBI;
- SBI notes the summary report in its conclusions and it is made available on the UNFCCC website;
- The facilitative exchange of views is convened at regular intervals under SBI (At this exchange, the Party presents its BUR and responds to oral questions, however the REDD+ annex is not part of the scope of this facilitative exchange);
- A record of the facilitative sharing of views is posted to the UNFCCC website;
- Secretariat publishes technical report on the REDD+ annex on the web platform and a link to it on the info hub when all relevant information is available;
- Secretariat posts REDD+ technical annex on the info hub when all relevant information is available.

**Assessment**

- Verification is carried out by an independent third party;
- Verification Reports posted on FCPF website within 30 days after receipt by the World Bank. The Verification Reports are a public document as per the applicable Access to Information guidelines for Carbon Finance.

**Publicly available information**

Information Hub

**Decision 9/CP.19, paragraph 11 (e):**

*Information on the national forest monitoring system, as provided in the technical annex referred\* to in decision 14/CP.19*

\* of BUR

**Publicly available information**

- ER Monitoring Reports posted on FCPF website within 30 days after receipt by the World Bank
- The ER Monitoring Reports are a public document as per the applicable Access to Information guidelines for Carbon Finance.
- Government / Authorized Entity needs to do Paper or electronic distribution to relevant stakeholders Within 30 days after report becomes available
- Interim Progress Reports posted on FCPF website Within 30 days after receipt by the World Bank

## Reported results

## Reporting / submission

Not applicable

## Reporting / submission

Not applicable

## Publicly available information

## Information Hub:

**Decision 9/CP.19, paragraph 11 (a):** *The results for each relevant period expressed in tonnes of carbon dioxide equivalent per year and a link to the technical report\* referred to in decision 14/CP.19, paragraph 14; \* technical report prepared by the LULUCF experts on the TTE*

- Secretariat publishes the supplementary technical report analyzing the REDD+ technical annex on the web platform and a link to it on the info hub when all relevant information is available
- Secretariat posts REDD+ technical annex on the info hub when all relevant information is available
- A record of the facilitative sharing of views is posted to the UNFCCC website

Elements to be included in the BUR technical annex (annex to decision 14/CP.19):

1. Summary information from the final report containing each corresponding assessed forest reference emission level and/or forest reference level, which includes:
  - a) The assessed forest reference emission level and/or forest reference level expressed in tonnes of carbon dioxide equivalent per year (CO<sub>2</sub> eq);
  - b) The activity or activities referred to in decision 1/CP.16, paragraph 70, included in the forest reference emission level and/or forest reference level;
  - c) The territorial forest area covered;
  - d) The date of the forest reference emission level and/or forest reference level submission and the date of the final technical assessment report;
  - e) The period (in years) of the assessed forest reference emission level and/or forest reference level.
2. Results in tonnes of CO<sub>2</sub> eq per year, consistent with the assessed forest reference emission level and/or forest reference level.
3. Demonstration that the methodologies used to produce the results referred to in paragraph 2 above are consistent with those used to establish the assessed forest reference emission level and/or forest reference level.
4. A description of national forest monitoring systems and the institutional roles and responsibilities for measuring, reporting and verifying the results.
5. Necessary information that allows for the reconstruction of the results.
6. A description of how the elements contained in decision 4/CP.15, paragraph 1(c) and (d), have been taken into account.

## Publicly available information

- ER Monitoring Reports posted on FCPF website within 30 days after receipt by the World Bank
- The ER Monitoring Reports are public documents as per the applicable Access to Information guidelines for Carbon Finance.
- Government / Authorized Entity needs to do Paper or electronic distribution to relevant stakeholders within 30 days after report becomes available
- Verification Reports posted on FCPF website within 30 days after receipt by the World Bank. The Verification Reports are a public document as per the applicable Access to Information guidelines for Carbon Finance
- Interim Progress Reports posted on FCPF website Within 30 days after receipt by the World Bank

**RBPs / RBF****Reporting / submission**

Information on quantity of results for which payments were received as well as the entities paying for those results to be provided on the information hub by the Secretariat, in consultation with the REDD+ country.

**Reporting / submission**

- Emission Reductions Payment Agreement (ERPA) under the FCPF CF\* (\*The ERPA will indicate that the Buyer and Seller authorize disclosure. If either Party requests confidentiality, a confidentiality provision will be included in the ERPA and the ERPA will not be disclosed.
- In such case, the requesting Party shall disclose its rationale for such a request.
- Posted on FCPF website within 30 days of counter signature\* (\*unless request for confidentiality).

**Assessment**

Not applicable.

**Assessment**

Not applicable.

**Publicly available information**

**Decision 9/CP.19, paragraph 12:** *Also decides that the information hub will also contain information on each of the results referred to in paragraph 11 above, including the quantity of results for which payments were received, expressed in tonnes of carbon dioxide equivalent per year, and the entity paying for results;*

**Publicly available information****Context and Rationale for the C&I:**

*A comprehensive national or centralized REDD+ Programs and Projects Data Management System is necessary to ensure appropriate ER Program documentation and transparency. An ER transaction registry is required to offer assurance 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. An ER transaction registry should ensure that each ER is appropriately issued, serialized, transferred, retired, and/or cancelled; provide clear linkages to other information included in an ER Programs and Projects Data Management System; and ensure that ERs are not issued, counted, or claimed by more than one entity.*

**Criterion 37:** *Based on national needs and circumstances, the ER Program works with the host country to select an appropriate arrangement to avoid having multiple claims to an ER Title.*

**Indicator 37.2:** *A national REDD+ Programs and Projects Data Management System or a third party centralized REDD+ Programs and Projects Data Management System needs to provide the attributes of ER Programs, including:*

- i. The entity that has Title to ERs produced;*
- ii. Geographical boundaries of the ER Program or project;*
- iii. Scope of REDD+ activities and Carbon Pools; and*
- iv. The Reference Level used.*

*An ER Program for the Carbon Fund should report its activities and estimated ERs in a manner that conforms to the relevant FCPF Methodological Framework C&Is.*

**Indicator 37.3:** *The information contained in a national or centralized REDD+ Programs and Projects Data Management System is available to the public via the internet in the national official language of the host country (other means may be considered as required).*

**Indicator 38.3:** *An independent audit report certifying that the national or centralized ER transaction registry performs required functions is made public.*

**Land & resource Tenure rights****Reporting / submission**

Not applicable – there are no specific UNFCCC requirements to report information on land and resource tenure rights.

**Reporting / submission**

- An assessment of the national land and resource tenure regimes carried during the SESA accompanies submission of the R-Package to the FCPF Secretariat for consideration by the FCPF Participants Committee;
- An assessment of the national land and resource tenure regimes in the Accounting Area is included in the ERPD are submitted to the FCPF Secretariat for consideration by the FCPF CF participants.

**Assessment**

Not applicable – given that there are no specific UNFCCC requirements to report information on land and resource tenure rights, there is no relevant assessment.

**Assessment**

- No separate review is made for the assessment of the national land and resource tenure regimes in the Accounting Area;
- ER-PIN completeness check is done by the WB (posted on FCPF website 14 days prior to relevant CF meeting);
- Review of the ER Programme Document by the World Bank, TAP and CF Participants (ER Program reviews posted on FCPF website 14 days prior to relevant CF meeting).

**Publicly available information**

No explicit mention of sharing information publicly on “land tenure issues” in the UNFCCC.

**Publicly available information**

**Criterion 28: The ER Program has undertaken and made publicly available an assessment of the land and resource tenure regimes present in the Accounting Area.**

**Indicator 28.1:** The ER Program reviews the assessment of land and resource tenure regimes carried out during the readiness phase at the national level (i.e., SESA) and, if necessary, supplements this assessment by undertaking an additional assessment of any issues related to land and resource tenure regimes in the Accounting Area that are critical to the successful implementation of the ER Program, including:

- i. The range of land and resource tenure rights (including legal and customary rights of use, access, management, ownership, exclusion, etc.) and categories of rights-holders present in the Accounting Area (including Indigenous Peoples and other relevant communities);
- ii. The legal status of such rights, and any significant ambiguities or gaps in the applicable legal framework, including as pertains to the rights under customary law;
- iii. Areas within the Accounting Area that are subject to significant conflicts or disputes related to contested or competing claims or rights, and if critical to the successful implementation of the ER Program, how such conflicts or disputes have been or are proposed to be addressed; and
- iv. Any potential impacts of the ER Program on existing land and resource tenure in the Accounting Area.

The ER Program demonstrates that the additional assessment has been conducted in a consultative, transparent and participatory manner, reflecting inputs from relevant stakeholders.

**Indicator 28.2:** The ER Program explains how the relevant issues identified in the above assessment have been or will be taken into consideration in the design and implementation of the ER Program, and in the relevant Safeguards Plan(s). If the ER Program involves activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, the relevant Safeguards Plan sets forth an action plan for the legal recognition of such ownership, occupation, or usage. Beyond what is required for the successful implementation of the ER Program, the ER Program is encouraged to show how it can contribute to progress towards clarifying land and resource tenure in the Accounting Area, where relevant.

**Indicator 28.3:** *The ER Program provides a description of the implications of the land and resource regime assessment for the ER Program Entity's ability to transfer Title to ERs to the Carbon Fund.*

### Benefit Sharing Plan

#### Reporting / submission

Not applicable – no specific call for a benefit sharing plan to be submitted to the UNFCCC.

#### Reporting / submission

- Draft benefit sharing plan is disclosed before appraisal begins.
- Final plan is disclosed prior to signature of Emission Reductions Payment Agreement (ERPA)\*.

\*Final plan is not available at the time of ERPA signature. In such case, the advanced draft is disclosed prior to ERPA signature and the final plan is disclosed before the sale and purchase obligations under the ERPA become effective.

#### Assessment

Not applicable – given no specific call for the submission of a benefit-sharing plan, there is no relevant assessment process.

#### Assessment

No specific assessment or review is made for the Benefits Sharing Plan

- ER-PIN completeness check is done by the WB (posted on FCPF website 14 days prior to relevant CF meeting);
- Review of the ER Programme Document by the World Bank, TAP and CF Participants (ER Program reviews posted on FCPF website 14 days prior to relevant CF meeting).

**Publicly available information**

No explicit mention of “benefit sharing plans” in the UNFCCC.

**Publicly available information****FCPF CF MF**

**Indicator 30.1:** *The Benefit-Sharing Plan is made publicly available prior to ERPA signature, at least as an advanced draft, and is disclosed in a form, manner and language understandable to the affected stakeholders for the ER Program. The Benefit-Sharing Plan contains the following information:*

- i. *The categories of potential Beneficiaries, describing their eligibility to receive potential Monetary and Nonmonetary Benefits under the ER Program and the types and scale of such potential Monetary and Non-Monetary Benefits that may be received. Such Monetary and Non-Monetary Benefits should be culturally appropriate and gender and inter-generationally inclusive. The identification of such potential Beneficiaries takes into account emission reduction strategies to effectively address drivers of net emissions, anticipated implementers and geographical distribution of those strategies, land and resource tenure rights (including legal and customary rights of use, access, management, ownership, etc. identified in the assessments carried out under Criterion 28), and Title to ERs, among other considerations.*
- ii. *Criteria, processes, and timelines for the distribution of Monetary and Non-Monetary Benefits.*
- iii. *Monitoring provisions for the implementation of the Benefit-Sharing Plan, including, as appropriate, an opportunity for participation in the monitoring and/or validation process by the Beneficiaries themselves.*

*Note that if a final Benefit-Sharing Plan is not provided at the time of ERPA signature, it becomes a condition precedent which must be fulfilled in order for the sale and purchase obligations under the ERPA to become effective.*

**Indicator 32.1:** *Information on the implementation of the Benefit-Sharing Plan is annexed to each ER Program monitoring report and interim progress report and is made publicly available.*

**Indicator 35.2:** *Information on generation and/or enhancement of priority Non-Carbon Benefits will be provided in a separate annex to each ER Program monitoring report and interim progress report, and will be made publicly available.*

**ER-PD template****Section 15. Benefit-sharing arrangements****15.1 Description of benefit-sharing arrangements**

*Please provide a description of the benefit-sharing arrangements for Monetary and Non-Monetary Benefits of the ER Program to the extent known, including:*

- i. the categories of potential Beneficiaries, eligibility and the types and scale of potential Monetary and Non-Monetary Benefits;*
- ii. Criteria, process and timelines for the distribution of Monetary and Non-Monetary Benefits;*
- iii. Monitoring provisions.*

*Where available, provide a link to the publicly available Benefit Sharing Plan or inform when the Benefit Sharing Plan is expected to be concluded and available.*

*Refer to **critterion 29 and 30** of the Methodological Framework*

### 3.10.4 DISCUSSION ON UNFCCC GUIDANCE ON REPORTING, ASSESSMENT AND PUBLICLY AVAILABLE INFORMATION AGAINST FCPF CF MF REQUIREMENTS

#### 3.10.4.1 General points

While the UNFCCC decisions have continually reinforced the principles of transparency and accessibility, the FCPF CF, in general, provides specific requirements regarding information to be made publically available, which the UNFCCC does not. Under the FCPF, for example, rationale needs to be offered by a country if any of the information that is required to be made publically available is not disclosed.

In general, in the UNFCCC context, the Lima Information Hub for REDD+, within the UNFCCC REDD+ Web platform, is the centralized location for making REDD+ country information publically available, including those documents related to reporting / submissions as well as assessment and analysis. The FCPF primarily makes the relevant information available on the dedicated country pages of the FCPF website.

While it is similarly clearly defined by the UNFCCC what goes on the info hub and by the FCPF what goes on the FCPF website, it is evident in the comparison above that this is not the same information. While there is some similarity in information elements, there are more specific documents that are required to be submitted to the FCPF CF and made publically available.

In addition, it is important to point out that the extent of the consistency between information submitted to the UNFCCC and the reporting to FCPF that is required for implementation of

an ER programme is also going to depend on the scale / scope for REDD+ in the country. If the ER programme is representative of the totality of REDD+ RBAs or at least a substantial proportion of the all REDD+ activities taking place in the country, these reporting streams may look very similar. If the ER Programme differs in terms of scale and/or scope, then these will more likely be independent, disconnected streams of work, therefore likely increasing the workload for countries participating in both.

### **3.10.4.2 Reporting / submission**

Generally, the types of information elements to be submitted are compatible across the UNFCCC and the FCPF CF, though there is, for the most part, a greater degree of specificity around the types of information in the FCPF CF MF. For example, in the case of the FREL / FRLs, while both call for inclusion for the definition of forest, only the FCPF CF MF additionally calls for inclusion of the definition of forest classes. Another example is related to accuracy and uncertainty. While the UNFCCC text refers to 'accurate information' and the IPCC guidance and guidelines presents uncertainty analysis as good practice, the FCPF CF MF explicitly requires estimation of accuracy and discussion of key uncertainties. Other examples of additional information requirements, as evident in the comparison table above, are the need to submit a benefit-sharing plan as well as information on land and resource tenure rights, to the FCPF. This is not, however, the case for all information elements. For the FCPF CF, for example, there is actually no specific information required on the NFMS, as is the case for the BUR technical annex, unless the technical specifications are different than those of the NFMS. If that is the case, then this difference needs to be described in the ERPD along with a justification.

Once information is submitted, there are key differences to point out, in terms of assessment and / or analysis of that information. For example, in the case of the FREL / FRL, the main objective of the assessment process differs between the UNFCCC and the FCPF CF, in that the purpose of the review under the FCPF CF is a decision regarding approval of that FREL. There is, however, no approval / rejection of a FREL submitted for a technical assessment under the UNFCCC. Rather, the purpose is to identify areas of improvements, with the assessment serving as a learning process.

There is also a major difference to point out between the UNFCCC and the FCPF CF in regard to assessment of safeguard information. As mentioned above, there is no UNFCCC assessment process for the summary of information on safeguards submitted as part of a National Communication or directly to the REDD+ web platform, while the World Bank has formalized, detailed appraisal and due diligence processes to assess all safeguards-related information for ER Programmes.

### **3.10.4.3 Publicly shared information**

Countries that are participating under both frameworks will be sharing information through the REDD+ Web platform on the UNFCCC Information Hub and will have to share information requested by the FCPF CF to be made publically available. Consistency of the content of the publicly shared data will be crucial. Countries may need additional support / capacity to undertake this task. Notwithstanding the above, some countries such as Costa Rica have decided to use the UNFCCC Information Hub to comply with the FCPF CF's request to share information publicly.

The level of detail of the information to be made publically available differs between the UNFCCC and the FCPF CF. In the case of safeguards information, for example, under the

UNFCCC, it is the summary of information on how the safeguards are addressed and respected that is made publically available at the international level, either directly to the Web Platform or as contained in the NC. While the country may elect to make more detailed information and /or supporting documentation available through other information platforms, for domestic stakeholders, for example, this is not required. Under the FCPF CF MF, on the other hand, a series of documents related to the safeguards must be made publically available by having these posted to the World Bank website: Environmental Assessment report, Social Assessment, Indigenous Peoples Plan / Indigenous Peoples' Planning Framework, Resettlement Plan / Resettlement Policy Framework / Resettlement Process Framework. For certain information elements that are required by the FCPF CF MF to be made publically available, it can be expected that the country will likely include this in the REDD+ NS/AP, BUR technical annex, or the summary of information on safeguards. However, there will be likely be a timing mismatch if the FCPF CF Programme is proceeding in advance of seeking RBPs / RBF under the UNFCCC. It will be necessary to support countries to minimize potential duplication of efforts in terms of sharing data publicly through the NS / AP, NFMS, SIS and / or some sort of national data portal.

For example, in the case of land and resource tenure rights, the UNFCCC REDD+ decisions do request countries to address tenure issues as part of a REDD+ NS / AP. However, countries are not specifically requested to make such information publicly available, which is requested by the FCPF CF MF. It is to be expected that there is this greater emphasis on land and resource tenure rights in the FCPF CF MF as there will be ER transactions with transfer of title. It may, however, be difficult for countries to provide such detailed publicly available information on land and resource tenure rights.

The REDD+ NS / AP or the summary of information on safeguards would be the relevant documents in which to provide any information on land and resource tenure rights, depending on the national circumstances and how, specifically, REDD+ is being defined and implemented in a given country.



## PART III: OTHER RBP / RBF SCHEMES

As stated in the introduction, beyond the UNFCCC process and the FCPF CF, a number of REDD+ RBP / RBF initiatives are being implemented globally. Of these other initiatives, the KFW's 'Rewarding Early Movers Programme' (REM) also provides a somewhat specific framework for operationalizing RBPs / RBF, although it is not nearly as detailed as the FCPF CF. It is important to state two issues relating to REM agreements. First, no official document presents generally applicable operational modalities of the REM, only general summary flyers exist. Second, the REM agreements with their partner countries are **not** accessible to the public or relevant stakeholders and cannot be accessed as several aspects appear to be negotiated on a country-by-country basis. In some cases, like the REM Colombia one, a summary note of the agreement is available. Therefore, the comparison provided in this section between the UNFCCC and REM may be considered as less detailed as the comparison developed between the UNFCCC and the FCPF CF as the information is simply not readily available.

This section will provide a brief comparison on the UNFCCC and the REM (section 4.1).

# 4

## 4.1 GERMANY'S EARLY MOVERS PROGRAMME (REM)<sup>159</sup>

REM supports REDD pioneers, also called 'Early Movers', who are already taking the initiative themselves in forest conservation for climate change mitigation. The programme rewards the climate change mitigation performance of Early Movers and promotes sustainable development for the benefit of small-scale farmers as well as forest-dependent and indigenous communities through fair benefit sharing.

The REM Programme is commissioned by the German Federal Ministry of Economic Cooperation and Development and implemented by the KfW Development Bank and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

REM works with two financing modalities depending on how far advanced the early movers are:

- Incentive payments (REM-IP): ex-ante payments to promote forest conservation e.g. for protected areas of forest on a hectare basis. Incentive payments are usually accompanied by measures to set up a system for monitoring forest cover and carbon.
- Performance-based payments (REM-PP) for emission reductions (ex-post): payments are based on proven ERs in tCO<sub>2</sub>e, which are usually verified by an independent party.

Cooperation is based on a bilateral agreement between the REM Programme and the respective country. Contractual agreements (which are not publicly accessible) stipulate the requirements for payments. The exact determination of the process is part of the bilateral negotiations. So far agreements have been signed with the government of Colombia and the State of Acre in Brazil. At the time of writing (March 2016) negotiations are on-going with the government of Ecuador.

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<sup>159</sup> This section is based on available information from the following sources:

- A document on REM called REDD Early Movers (REM) – Rewarding pioneers in forest conservation (2012), published by BMZ's division for public relations, information and education, last accessed in March 2016 and available at: [https://www.bundesregierung.de/Content/Infomaterial/BMZ/FlyerREDD\\_lang\\_19099790.html](https://www.bundesregierung.de/Content/Infomaterial/BMZ/FlyerREDD_lang_19099790.html)
- A document on the REM and Colombia agreement called Rewarding REDD+ Action and Supporting Low-Deforestation Development on the Colombian Amazon, last accessed in March 2016 and available at: <https://www.kfw-entwicklungsbank.de/PDF/Entwicklungsfinanzierung/Themen-NEU/20151128-REM-Colombia-agreement-summaryFINAL.pdf>
- A presentation provided by REM to the UNFCCC, last accessed in March 2016 and available at: [https://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/rem\\_wfc\\_09\\_15\\_final.pdf](https://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/rem_wfc_09_15_final.pdf)

## 4.1.1 COMPARATIVE SUMMARY OF UNFCCC GUIDANCE AND REM DESIGN FEATURES

In order to avoid repetition, summary information is provided in the UNFCCC column, the detailed information for the UNFCCC has been presented in Parts II and III. The elements that are compared here follow the same structure as the elements that are compared between the UNFCCC and the FCPF CF.

Elements	UNFCCC	REM
<b>Conditions for accessing RBPs / RBF</b>	<b>Guidance to receive RBPs / RBF for RBAs</b>	
	<ul style="list-style-type: none"> <li>• 4 REDD+ pillars;</li> <li>• Summary of how safeguards have been addressed and respected;</li> <li>• Completed assessment report of the FREL / FRL;</li> <li>• Results for each relevant period (tonnes CO<sub>2</sub>e / yr) as reported in the REDD+ Technical Annex to the BUR</li> <li>• Finalized technical report of the LULUCF experts on the Technical Team of Experts conducting the technical analysis of the BUR.</li> </ul>	<p>As a basis for payments REM only considers emission reductions below the historical average (of gross deforestation).</p> <p><b>Criteria for incentive payments under REM</b></p> <ol style="list-style-type: none"> <li>a. Establishment of a national emission reference level or forest reference level;</li> <li>b. Drivers of deforestation/degradation have been identified and measures to counter them developed;</li> <li>c. Availability of elementary data on forest ownership;</li> <li>d. A monitoring system (MRV) and REDD register are being developed;</li> <li>e. Quantifiable benefit sharing: at least 50 % of the funds go directly to the forest owners and/or users, e.g. Indigenous Peoples and small-scale farmers;</li> <li>f. Participation of women in benefit sharing;</li> <li>g. Transparency of the REDD system (regulatory and institutional conditions);</li> <li>h. Safeguards and consultation and participation processes based on FPIC (free, prior and informed consent) or comparable national procedures if they have higher standards; consistency with the guiding principles underpinning German development cooperation;</li> </ol>

Elements	UNFCCC	REM
		<p><b>Additional criteria for payments for ERs under REM</b></p> <p>i. i) Established emission reference level or forest reference level. System established at sub-national level that is consistent with the national framework;</p> <p>j. Established national targets for combating deforestation and reducing emissions. Guaranteed consistency of targets at subnational level;</p> <p>k. Existing monitoring system (MRV) and REDD register;</p> <p>l. Systems are in place to address permanence risks;</p> <p>m. Significant own contribution in emission reduction under REDD (different degrees depending on the country category).</p> <p>In the case of Colombia, in order to qualify for payments, ERs need to be:</p> <ul style="list-style-type: none"> <li>• <b>Measured</b> based on forest area and area change (“activity data”) against the reference level in the reference region (the amazon Biome), determined by satellite imagery and data on carbon stocks (“emissions factors)</li> <li>• <b>Reported</b>, i.e. the information is compiled in a complete and transparent manner</li> <li>• <b>Verified</b> by an independent third party, following a mutually agree protocol.</li> <li>• <b>Retired</b>, meaning that emissions reductions cannot be used as carbon offsets for trading or compliance. Colombia may report them to the UNFCCC as a voluntary or national effort for climate change mitigation.</li> </ul>

Elements	UNFCCC	REM
	<b>Who can receive RBPs / RBF</b>	
	Entities accredited to the GCF nominated by national REDD+ focal point.	Appears to be the government or state with which the agreement is signed.
	<b>Accessing RBPs / RBF</b>	
	On-going discussions on the ways and means to transfer RBPs / RBF, awaiting guidance from SCF.	No detailed descriptions of payment modalities are publicly available. Contractual agreements stipulate the requirements for payments.

Elements	UNFCCC	REM
<b>The legal nature of RBPs / RBF</b>	<b>Guiding frameworks</b>	
	International framework Convention and COP decisions.	There appears to exist no detailed, generally applicable framework to refer to.
	<b>ERs and ER title</b>	
	ERs are not defined.	Although there appears to be no overarching definition, in the publicly available document on the REM agreement with Colombia, the ERs are calculated from changes in forest cover in the reference region. These forest cover changes are measured against a reference level, estimated based on historical average deforestation rates.
	<b>RBPs / RBF and transfer of title</b>	
	RBPs / RBF do not imply change of title of the underlying asset (unit or CO <sub>2</sub> e)	It appears that RBPs / RBF do not imply a change of title of the ERs in tonnes of CO <sub>2</sub> e. ERs need to be retired and can be reported by the REDD+ country to the UNFCCC as a climate change mitigation effort.
<b>Rights or obligations</b>		
Uploading results on the Information Hub does not create rights or obligations for the Parties.	No rights or obligations appear to be created.	

Elements	UNFCCC	REM
<b>The value of RBPs / RBF</b>	<b>Principles</b>	
	Financing entities and particularly the GCF are encouraged to collectively channel adequate and predictable RBF in a fair and balanced manner, taking into account different policy approaches, while working with a view to increasing the number of countries that are in a position to obtain and receive payments for RBAs.	No information specified / available.
	<b>Willingness to pay</b>	
	Not expressed.	US \$ 5 per tonne of CO <sub>2</sub> e.

Elements	UNFCCC	REM
<p><b>Restrictions on the use of RBPs / RBF</b></p>	<p>No restrictions.</p>	<p>RBPs / RBF are invested according to a “benefit-sharing and investment distribution scheme” that is jointly agreed by partners.</p> <p>Criteria for incentive payments under REM: Quantifiable benefit sharing: at least 50 % of the funds go directly to the forest owners and/or users, e.g. Indigenous Peoples and small-scale farmers.</p> <p>As the criteria for incentive payments are the basis (with additional requirements) for RBPs / RBF under REM, it is interpreted that this is a requirement for receiving RBPs / RBF under REM.</p> <p>REM also stands for <b>Clear benefit sharing</b>: harnessing REDD’s reduction potential depends greatly on incentives for stakeholders who are directly affected. Early movers receiving support from REM therefore create mechanisms to equalise disparities between the national and local level, as well as between indigenous groups, farmers and other economic stakeholders, who are thus supported in acting sustainably.</p> <p>[...]</p> <p>Across the Programme, funds are distributed based on the following principles:</p> <ul style="list-style-type: none"> <li>• <b>At least 60% of funds will benefit local actors.</b> This share will go primarily towards benefiting smallholder farmers, forest-dependent communities and indigenous communities in the Agri-environmental development, Forest Governance and Indigenous Peoples pillars. [...]</li> <li>• <b>A “stock-and-flow” approach</b> that channels incentives to activities contributing to conservation (maintaining or enhancing carbon “stock”) on the one hand, and to activities that directly address deforestation (i.e. the “flow” of emissions) on the other. [...]</li> <li>• <b>Investments further contribute to the reduction of deforestation and forest conservation.</b></li> </ul>

Elements	UNFCCC	REM
		<ul style="list-style-type: none"> <li>• <i>Investments promote positive social and environmental impacts, including from a gender perspective, and follow the “do no harm” principle. [...]</i></li> <li>• <b>Investments are compatible with ODA procedures</b> and will not replace national budgets or committed ODA funds.</li> <li>• <b>Investment efficiency</b> considering resource use and advancement in operational implementation.</li> </ul> <p>In the case of Colombia ERs cannot be used as carbon offsets for trading or compliance, but they may be reported by Colombia to the UNFCCC as a voluntary of national effort for climate change mitigation.</p>
<p><b>Addressing the DDFD and the barriers to ‘+’ activities</b></p>	<p>Countries are requested to identify drivers of deforestation and forest degradation resulting in emissions and identify means to address these, as well as identifying activities within the country that result in reduced emissions and increased removals, and the stabilization of forest carbon stocks.</p>	<p>In the criteria for incentive payments under REM, drivers for deforestation and forest degradation need to have been identified and measures to counter them developed. As the criteria for incentive payments are the basis (with additional requirements) for RBPs / RBF under REM, it is interpreted that this is a requirement for receiving RBPs / RBF under REM.</p>
<p><b>Scope</b></p>	<p><b>Activities</b></p>	
	<p>The five REDD+ activities (Reducing emissions from deforestation, reducing emissions from forest degradation, conservation of forest carbon stocks, sustainable management of forests, enhancement of forest carbon stocks).</p>	<p>Deforestation only. Over the Programme's duration, the scope may be widened to encompass forest degradation.</p>
	<p><b>Pools and gases</b></p>	
	<p>Significant pools and gases should not be excluded.</p>	<p>No specific mention of pools and gases has been found.</p>
	<p><b>Significance</b></p>	
	<p>Significant pools and gases should not be excluded.</p>	<p>No specific mention of significance has been found.</p>

Elements	UNFCCC	REM
<b>Scale</b>	National level implementation, although subnational is recognized as an interim measure (in accordance with national circumstances) towards national implementation.	Large-scale conservation programmes in place at subnational or national level, which have the potential to be rapidly developed into performance-based REDD+ programmes. National, sub-national or biome level, following a jurisdictional approach. Project-level initiatives are not supported.
<b>National REDD+ Strategies and Action Plans</b>	<p>A link to the NS / AP is required to be made available for the REDD+ Info Hub, in order to be eligible for REDD+ RBPs / RBF.</p> <p>Developing country Parties are requested when developing REDD+ NS / APs to address, inter alia, the DDFD, land tenure issues, forest governance issues, gender considerations and safeguards, ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities.</p>	<p>No guidance is provided at the overarching level. Countries are required though to have established national targets for combating deforestation and reducing emissions and guarantee a consistency of targets at subnational level.</p> <p>Based on the agreement with Colombia, it can be inferred that the REDD+ NS will be required to create a permanent Grievance Redress Mechanism (see Safeguard b below).</p>

Elements	UNFCCC	REM
<b>Safeguards</b>	<b>Safeguard content overall</b>	
	<p>Countries should promote and support the seven Cancun Safeguards when undertaking the five REDD+ activities.</p>	<p>Safeguards and consultation and participation processes based on FPIC (free, prior and informed consent) or comparable national procedures if they have higher standards; consistency with the guiding principles underpinning German development cooperation.</p> <p><i>In implementing REDD, REM follows the guiding principles underpinning German development cooperation and the procedures and standards that have evolved as part of the international climate negotiations and through the FCPF.</i></p> <p><i>REDD's minimum standards and safeguards, which ensure that the rights of Indigenous Peoples and forest-dependent communities (including free, prior and informed consent – FPIC) are taken into account as set out in ILO Convention 169 on Indigenous and Tribal Peoples, are the basis of any action.</i></p>
	<b>Safeguard content specific</b>	
	<p><i>The following safeguards should be promoted and supported:</i></p>	
	<ul style="list-style-type: none"> <li><i>Safeguard a: That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements.</i></li> </ul>	<p>Safeguard a: no further overarching or country specific information available.</p>
	<ul style="list-style-type: none"> <li><i>Safeguard b: Transparent and effective national forest governance structures, taking into account national legislation and sovereignty.</i></li> </ul>	<p>Safeguard b: no further overarching information available. In the case of Colombia, regarding the <b>Grievance Redress Mechanism</b>, until a permanent mechanism is fully operational under the REDD+ national Strategy, temporarily, the Programme will rely on the mechanism of the Heart of the Amazon Project that also contributes to the Amazon vision.</p>

Elements	UNFCCC	REM
	<ul style="list-style-type: none"> <li>• <i>Safeguard c: 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.</i></li> <li>• <i>Safeguard d: The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities [...].</i></li> </ul>	<p>Safeguard c: No specific overarching information or specific information.</p> <ul style="list-style-type: none"> <li>• Safeguard d: Overarching information: <ul style="list-style-type: none"> <li>◦ <i>Effective consultation and safeguards: REM pays particular attention to ensuring the participation of Indigenous Peoples, small-scale farmers and forest-dependent communities, and to preventing REDD from having any negative impacts by developing, harmonising and complying with stringent social standards.</i></li> </ul> </li> </ul> <p>In the case of Colombia, the following is also applied:</p> <ul style="list-style-type: none"> <li>◦ Consultation and participation. The programmes and investments supported by REM will be subject to discussions and participation by civil society. Processes will be implemented in accordance with principles of good governance such as transparency, effective participation and prior consultation, as applicable. They will also follow the Roadmap for Consultation and Participation. The principle of “Free, Prior and Informed Consultation” is applied in accordance with national law.</li> <li>◦ Participative construction of Pillar 4 “Environmental self-governance in indigenous territories. This process is co-led by the Colombian Government and Amazon Indigenous Peoples representatives and based on the following principles: participatory, intercultural, recognizing cultural difference, clear definition of decision-making processes, gender approach, and special precautions towards vulnerabilities.</li> </ul>

Elements	UNFCCC	REM
	<ul style="list-style-type: none"> <li>• <i>Safeguard e: 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 protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.</i></li> </ul>	Safeguard e: no further overarching or country specific information available.
	<ul style="list-style-type: none"> <li>• <i>Safeguard f: Actions to address the risks of reversals.</i></li> <li>• <i>Safeguard g: actions to reduce displacement of emissions.</i></li> </ul>	Safeguard f and g: no further overarching information available. In the case of Colombia, the partners agreed on a mechanism to manage risks and uncertainties: For each ton of rewarded emission reduction, an additional ton is retired. This seeks to address risks of shifting deforestation to areas outside of the accounting area ('leak- age'); the reversal of emission reductions ('permanence'); and uncertainties associated to the estimation of emission reductions, e.g. with respect to activity data, emissions factors and reference levels. Partners agreed on the step-wise and continuous improvement of monitoring systems to mitigate these risks and to review the mechanism. Annual reports by the Government will provide information on risks, including on their management and monitoring.
	<b>Process to apply safeguards</b>	
	No process specified.	No further overarching or country specific information available.

Elements	UNFCCC	REM
<b>System for the Provision of Information on Application of Safeguards</b>		
	<p>Systems for providing information on how the safeguards are addressed and respected (SIS) (decision 12/CP.17, paragraph 2):</p> <p><i>"...should take into account national circumstances, recognize national legislation and relevant international obligations and agreements, respect gender considerations, and:</i></p> <p><i>g) Be consistent with the guidance identified in decision 1/CP.16, appendix I</i></p> <p><i>h) Provide transparent and consistent information that is accessible by all relevant stakeholders and updated on a regular basis;</i></p> <p><i>i) Be transparent and flexible to allow for improvements over time;</i></p> <p><i>j) Provide information on how all of the safeguards are being addressed and respected;</i></p> <p><i>k) Be country-driven and implemented at the national level; Build upon existing systems, as appropriate."</i></p>	<p>No further overarching or country specific information available.</p>
<b>Output – Information on how the Safeguards are being applied / met</b>		
	<p>Parties undertaking REDD+ activities should provide a summary of information on how the safeguards in 1/CP.16 appendix I, are being addressed and respected throughout the implementation of the activities.</p> <p>Regarding the timing and frequency of presentations on the summary of information on how all the safeguards are being addressed and respected:</p> <ul style="list-style-type: none"> <li>• The summary of information should be provided periodically and be included in national communications, or communication channels agreed by the COP;</li> <li>• The summary of information could also be provided on a voluntary basis via the web platform on the UNFCCC website;</li> </ul>	<p>No overarching information available.</p> <p>In the case of the agreement between REM and Colombia, <i>the Government of Colombia <b>submits annual summary reports</b> on how safeguards are respected and addressed before receiving RBPs. These reports will be publicly available and aligned with UNFCCC requirements.</i></p>

Elements	UNFCCC	REM
	<ul style="list-style-type: none"> <li>• Developing country Parties should start providing the summary of information in their national communication or communication channel, including via the web platform of the UNFCCC, after the start of the implementation of REDD+ activities;</li> <li>• The frequency of subsequent presentations of the summary of information should be consistent with the provisions for the national communications from Parties not included in Annex I to the Convention and, on a voluntary basis, via the web platform on the UNFCCC website.</li> </ul> <p>The information on how safeguards are being addressed and respected should be provided in a way that ensures transparency, consistency, comprehensives and effectiveness.</p> <p>Developing Country Parties should provide information on which of the REDD+ activities are included in the summary of information.</p> <p>Developing country Parties are strongly encouraged to provide the following in the summary:</p> <ol style="list-style-type: none"> <li>a. Information on national circumstances relevant to addressing and respecting the safeguards;</li> <li>b. A description of each safeguard in accordance with national circumstances;</li> <li>c. A description of existing systems and processes relevant to addressing and respecting the safeguards, including information systems;</li> <li>d. Information on how each safeguard has been addressed and respected, according to national circumstances.</li> </ol> <p>The COP decides there is no need for further guidance to ensure the transparency, consistency, comprehensiveness and effectiveness when informing on how all of the safeguards are addressed and respected.</p>	

Elements	UNFCCC	REM
	<b>Relationship between safeguards and payments</b>	
	The most recent summary of information of how safeguards have been addressed and respected should be provided before countries can receive RBPs / RBF for RBAs.	No overarching information available.  In the case of the agreement between REM and Colombia, <i>the Government of Colombia <b>submits annual summary reports</b> on how safeguards are respected and addressed before receiving RBPs. These reports will be publicly available and aligned with UNFCCC requirements.</i>
<b>NFMS</b>	<b>General</b>	
	Countries are requested to develop a robust and transparent NFMS for the monitoring and reporting of the REDD+ activities, with, if appropriate, subnational monitoring and reporting as an interim measure.	In the guiding principles of REM, the following information is provided on NFMS and MRV: <i>High MRV standards: REM has high measurement, reporting and verification standards for CO<sub>2</sub> emissions. Early movers who receive REM funding either have effective systems to monitor forest cover and CO<sub>2</sub> in place or are developing them in parallel to the programme.</i>
	<b>Data estimation</b>	
	To establish robust and transparent NFMS, and if appropriate subnational systems as part of national monitoring systems that use a combination of remote sensing and ground-based forest carbon inventory approaches for estimating anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes.	No further overarching or country specific information available.
	<b>Transparency of estimates and results</b>	
	The NFMS should provide estimate that are: <ul style="list-style-type: none"> <li>• Transparent, consistent, as far as possible accurate, and that reduce uncertainties, taking into account national capabilities and capacities;</li> <li>• Transparent and their results are available and suitable for review as agreed by the COP.</li> </ul>	No overarching information available.  In the case of Colombia, <i>ERs need to Reported, i.e. the information is compiled in a complete and <b>transparent manner</b>.</i>

Elements	UNFCCC	REM
	<b>Local community involvement in Monitoring and Reporting</b>	
	<p>Encourages, as appropriate, the development of guidance for effective engagement of indigenous peoples and local communities in monitoring and reporting.</p> <p>Recognizes the need for full and effective engagement of indigenous peoples and local communities in, and the potential contribution of their knowledge to the monitoring and reporting activities.</p>	No further overarching or country specific information available.
<b>FREL / FRL</b>	<b>Purpose and Unit of measurement</b>	
	FREs / FRLs are expressed in tonnes of carbon dioxide equivalent per year and defined as “benchmarks for assessing each country’s performance” in implementing REDD+ activities.	FREs are expressed in tonnes of carbon dioxide equivalent per year and defined as benchmarks.
	<b>Link to the UNFCCC</b>	
	Not applicable as the UNFCCC FREL / FRL is inherently linked to the UNFCCC.	<p>No specific mention of need for consistency with UNFCCC FREL in overarching information.</p> <p>In the case of Colombia, to ensure consistency REM operates within the FREL / FRL submitted to the UNFCCC, though as a basis for payments, only considers ERs below the historical average.</p>
	<b>Consistency with greenhouse gas inventory</b>	
FREs / FRLs shall maintain consistency with anthropogenic forest-related greenhouse gas emission by sources and removals by sinks as contained in each country’s greenhouse gas inventories.	No specific mention of need for consistency with countries’ greenhouse gas inventories in overarching information or country specific information.	

Elements	UNFCCC	REM
	<b>Use of IPCC guidance and guidelines</b>	
	<p>Developing country Parties are requested to use the most recent IPCC guidance and guidelines, as adopted or encouraged by the COP, as a basis for estimating anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes.</p>	<p>To minimise transaction costs, REM uses proxy indicators – primarily the IPCC’s* conservative estimates of the carbon content of forest ecosystems or country-specific targets** [...].</p> <p>* In line with the IPCC’s tier 1 methodology: tiered approach to calculating emission factors set out in the <b>IPCC Guidelines for National Greenhouse Gas Inventories (2006)</b> and IPCC Good Practice Guidance for Land Use, Land-Use Change and Forestry (2003).</p> <p>** E.g. Brazil’s Amazon Fund calculates that 1 hectare of tropical forest = 100 t C.</p>
	<b>Reference period</b>	
	<p>No reference period is set under the UNFCCC.</p>	<p>8-12 years.</p>
	<b>Adjustment of historical activity data</b>	
<p>When submitting their FREL / FRL, developing country Parties are invited to include details on how the national circumstances were considered.</p>	<p>REM prefers not to apply adjustments or projections to ensure transparency and credibility.</p> <p>In the case of Colombia, the FREL / FRL submitted to the UNFCCC included an upward adjustment of historical emissions. The FREL to be used for REM is based solely on the historical gross deforestation.</p>	

Elements	UNFCCC	REM
	<b>Forest definition</b>	
	<p>The definition of forest used in the construction of the FREL / FRL needs to be specified.</p> <p>If there is a difference between that definition and the one applied in the country's greenhouse gas inventory reported through a national communication or a biennial update report, or in reporting to other international organizations, then an explanation of why and how the definitions used are different will need to be provided.</p> <p>Forest definition should be consistent across FREL / FRL and NFMS.</p>	<p>No specific mention of need for consistency with countries' national forest definition in overarching information or country specific information.</p>
<b>Estimation and accounting</b>	<b>Calculation of ERs</b>	
	<p>REDD+ results will be calculated as the difference between the emissions and removals reported in the technical annex to the BUR and the FREL / FRL.</p>	<p>As a benchmark, forest cover changes are measured against a reference level, estimated based on historical average deforestation rates. To ensure consistency REM operates within the reference level submitted to the UNFCCC. As a basis for payments REM only considers emission reductions below the historical average.</p>
	<b>Double counting</b>	
	<p>The information on results included on the information hub should be linked to the same results reflected on any other relevant future system that may be developed under the Convention.</p>	<p>No overarching information available.</p> <p>In the case of Colombia, <i>ERs need to be <b>registered</b> in a registry system for tracking and avoiding double counting.</i></p>

Elements	UNFCCC	REM
<b>NCBs</b>	<b>General</b>	
	The importance of promoting and incentivizing, implementing and supporting NCBs is recognised.	No specific mention of NCBs in overarching information or country specific information.
	<b>NCBs relevant to all decisions on Safeguard Content</b>	
	Enhancement of social and environmental benefits is recognised in Cancun Safeguard (e).	No specific mention of NCBs in overarching information or country specific information.
<b>The reporting of results, technical assessments and publicly available information</b>	<b>Monitoring and Reporting NCBs</b>	
	No specific reference is made to the monitoring and reporting of NCBs. Countries are encouraged to share information on NCBs via the UNFCCC REDD+ web platform if countries wish to do so.	No specific mention of NCBs in overarching information or country specific information.
	<b>NS / AP</b>	
UNFCCC Secretariat posts a link to the NS / AP on the Information Hub. No assessment / review of the NS / AP is called for.	No specific mention on reporting, assessment or publicly available information related to the REDD+ NS / AP in overarching information or country specific information.	
<b>FREL / FRL</b>		
FREL / FRL submission made on a voluntary basis. Subject to centralized technical assessment process by an assessment team comprised of LULUCF experts from the UNFCCC roster.	No specific mention on reporting, assessment or publicly available information related to the FREL / FRL in overarching information or country specific information.	

Elements	UNFCCC	REM
	<b>Safeguards</b>	
	<p>Summary of information submitted as part of the National Communication, or directly via the REDD+ web platform on voluntary basis.</p> <p>The UNFCCC Secretariat posts the summary of information on the Information Hub when all relevant information is available.</p> <p>There is no assessment/review process established for the summary of information on safeguards.</p>	<p>No specific mention on reporting, assessment or publicly available information related to the Safeguards in overarching information or country specific information.</p>
	<b>BUR Technical Annex / NFMS</b>	
	<p>The BUR is submitted with the REDD+ technical annex if RBPs / RBF for REDD+ are sought.</p> <p>Technical Team of Experts undertakes the technical analysis of the BUR; the team will include 2 LULUCF experts from the UNFCCC roster if there is a REDD+ technical annex, and they prepare a technical report based on their assessment of the annex.</p>	<p>Not applicable.</p>
	<b>RBPs / RBF</b>	
	<p>Information on quantity of results for which payments received as well as entities paying for those results to be provided on the Information Hub by the Secretariat, in consultation with each REDD+ country.</p>	<p>No specific mention on reporting, assessment or publicly available information related to RBPs / RBF overarching information or country specific information.</p>
	<b>Land &amp; resource Tenure rights</b>	
	<p>Not applicable – no specific UNFCCC requirements to report information on land and resource tenure rights related to REDD+.</p>	<p>No specific mention on reporting, assessment or publicly available information related to the Land &amp; resource Tenure rights in overarching information or country specific information.</p>
	<b>Benefit Sharing Plan</b>	
	<p>Not applicable – no specific call for a benefit-sharing plan.</p>	



Photo: Dante Maritits

## PART IV: IMPLICATIONS AND CONCLUSIONS

# 5

In order to consider overall implications brought to light by this comparative analysis, we reiterate the main objectives of this exercise. First, the primary objective of this document was to provide a neutral comparison of the similarities and differences between the UNFCCC REDD+ decisions (in particular the Warsaw Framework for REDD+) and the FCPF CF's MF, as well as the REM, with the aim to address country needs to consider these similarities and differences as well as potential implications of these, in order to design effective and coordinated REDD+ ER Programmes in their countries.

An additional objective of the document is to serve as a useful input to support the GCF's work on RBPs / RBF.

At the time of writing, discussions on how to operationalize RBPs / RBF for REDD+ through the GCF are at an early stage. The Request for Proposals (RFP) for REDD+ RBPs, agreed by the Board at its fourteenth meeting, is yet to be developed by the GCF Secretariat. This RFP will include guidance consistent with the Warsaw Framework for REDD+ and other relevant UNFCCC REDD+ decisions and will take into account those key elements identified in document GCF/B.14/03, such as operationalization of the safeguards, FREL / FRLs, and valuation of results. Given this will soon be prepared, it is an opportune moment to provide useful information and analysis that may feed into this work on the operationalization of REDD+ RBPs under the GCF and ensure that there is effective and efficient design of this GCF window.

The detailed comparative analysis between the existing UNFCCC REDD+ guidance and multilateral and bilateral agreements for REDD+ RBPs / RBF has clearly demonstrated two key points, which could be further considered in the development of the RFP described above.

First, it is clear that, while the UNFCCC decisions lay out the requirements for accessing RBF / RBPs for REDD+, the GCF may need to further explore and possibly provide guidance, in order to operationalize RBPs / RBF for REDD+ through the GCF. The GCF document GCF/B.14/03 identifies a list of specific elements which may require Board consideration and guidance, such as scale of intervention, financial valuation of results, operationalization of the Cancun safeguards and FREL / FRLs.

Second, certain elements of the guidance / requirements to operationalize RBPs / RBF under multilateral and bilateral agreements for REDD+ RBPs / RBF outside the UNFCCC context are characterized by a degree of prescriptiveness not seen in the REDD+ decisions agreed under the UNFCCC. The results of this analysis seem to demonstrate that a number of these elements can indeed be considered as necessary to operationalize RBPs / RBF, in line with the operational modalities of the various financing entities and taking into account specific features of these schemes, such as legal nature of ERs. Some key differences, in particular, are due to decisions on ways and means to transfer RBPs / RBF not having been taken yet within the UNFCCC context, but such decisions needed to be made for these other operational RBPs / RBF schemes.

There are the elements, however, that appear to potentially place additional burdens and / or limitations on countries without being necessary to effect the operationalization of the RBPs / RBF. It is useful for countries to further consider these, as they aim to design effective REDD+ programmes at the subnational and national levels. In the case of examples provided in this analysis, there are a number of specific requirements and modalities in the FCPF CF MF or the REM. Such prescriptiveness, such as specific time period for reference level, a cap on

eligible adjustments, requirement of a specific significance threshold, reducing the volume of ERs actually being paid for compared to the 'reported' volume, etc. to name but a few examples, could be further considered in light of maintaining coherence with the UNFCCC REDD+ decisions. It is anticipated that this will be given thoughtful consideration in the context of the GCF.





Photo: Denise Maniatis



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