



**WORLD BANK GROUP**  
Climate Change

# Developments Anticipated in relation to REDD+ Finance under the Paris Agreement

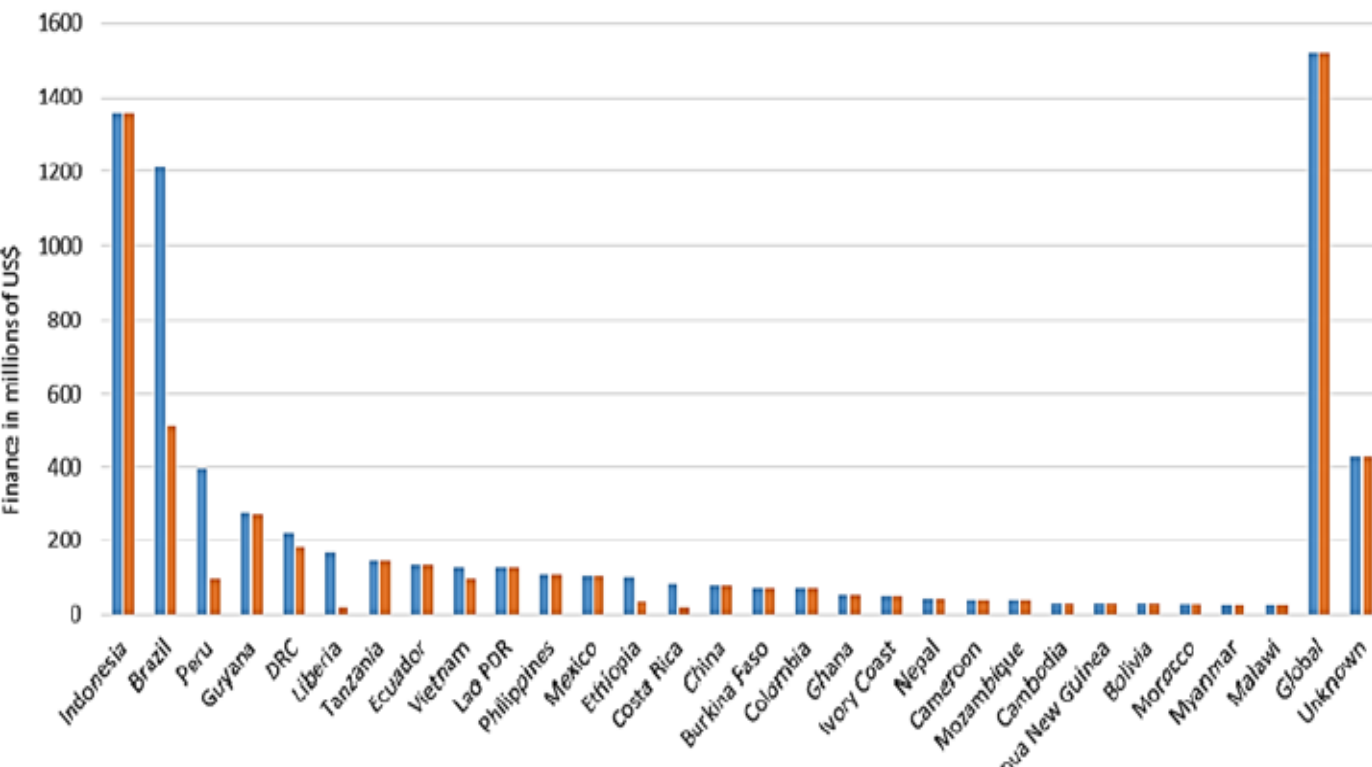
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The World Bank,  
Washington DC

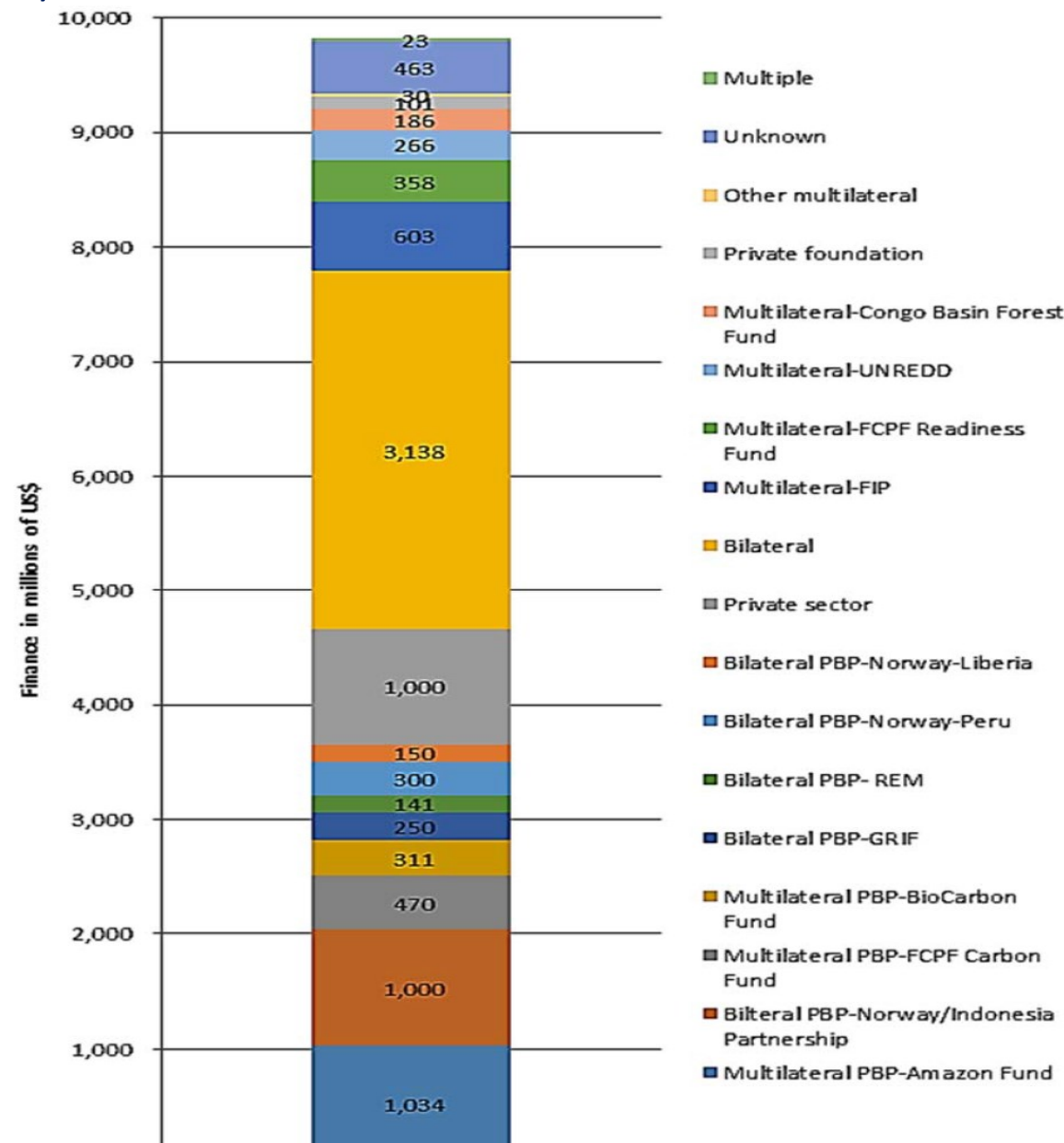
Presentation at the Regional Knowledge Exchange on REDD+ Financing,  
May 25-27, 2016, Bangkok, Thailand

# Progress of REDD+ Finance until 2015

- Total of 9.8 billion pledged from 2006 to 2014 at an average of ~\$1 Billion/year
- Time lag between commitments and disbursements
- Majority of REDD+ Finance has been focused on Readiness Activities
- Phase II has been underfunded in comparison to Phases I and III
- Share of private sector has been about 10% of all REDD+ finance mostly through voluntary carbon markets
- Brazil & Indonesia are the major REDD+ finance recipient countries



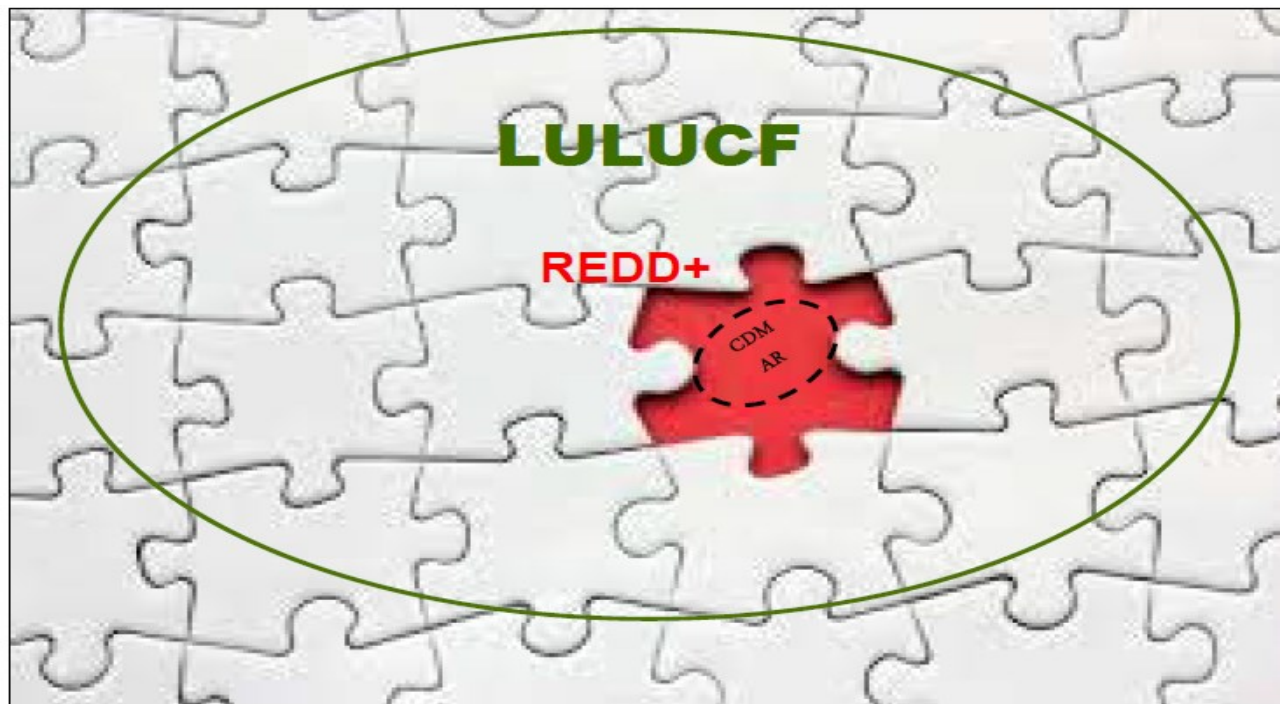
Total pledges to REDD+ from 2006-2014 - \$ 9.8 Billion



# Paris Agreement and Sustainable Development Goals: REDD+ in relation to Climate Action SDG Goal

- REDD+ design and implementation needs to be part of sustainable land use at sub-national and national levels in order to effectively contribute to the **climate action (SDG 13)**, **sustainable use of terrestrial ecosystems (SDG 15)** and other sustainable development goals.
- **Target 15.2** of the Sustainable Development Goals seeks “to promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and sustainably increase afforestation and reforestation globally.” by 2020,
- Countries need to adopt national strategies, policies and actions prior to 2020 to demonstrate actions on REDD+ under the Paris Agreement.
- Pilot demonstration and results based programs help countries to prepare for REDD+ implementation at scale during post-2020 period.

## REDD+ in Integrated Land Use



## Climate Action in Sustainable Development Goals

September 2015

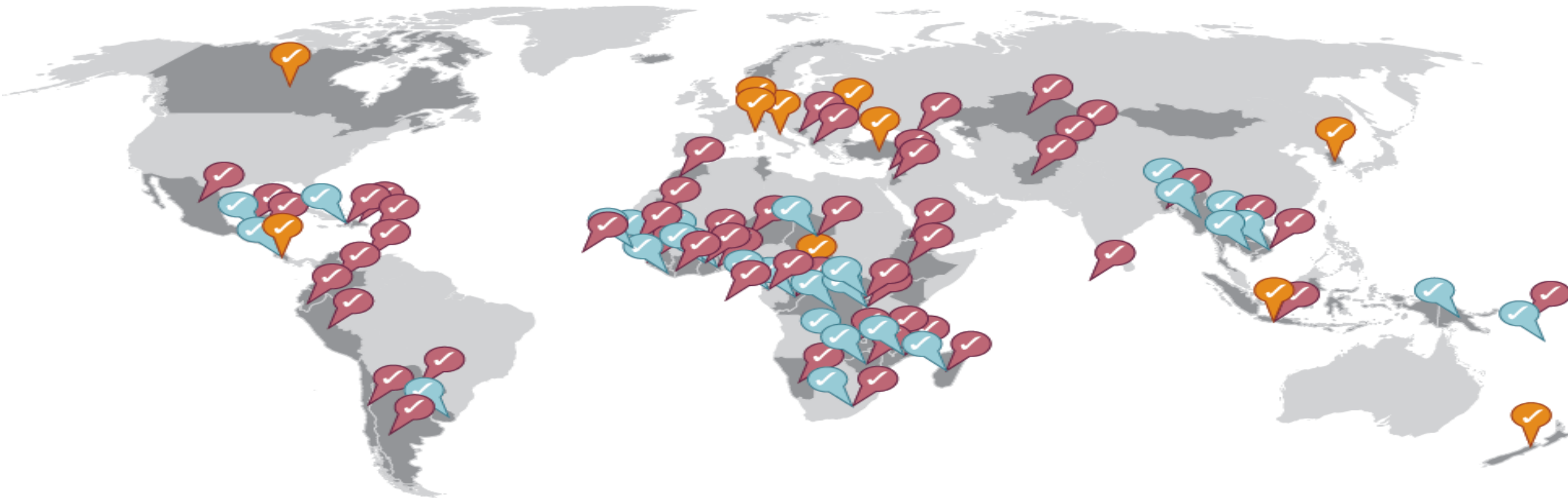
1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 Climate Action	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE AND JUSTICE STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	THE GLOBAL GOALS For Sustainable Development




**Context**

The Global Goals provide the broad context for Climate Action. Multilateral Climate Change Agreements provide objectives, means and guidance to achieve the ultimate goal of the UNFCCC. **REDD+ represents one piece...**

# REDD+ in the INDCs

- About 110 countries have included land use, land use change and forestry (LULUCF) in their INDCs.
- More than 40 countries refer to implementation of national strategy REDD+ and use market mechanisms in their INDCs.
- Most countries in Africa and Latin America refer to the achievement of INDC targets conditional on international finance



 <b>Target (or a portion of the target) conditional on international finance</b>	 <b>Country might use market-based mechanisms / international offsets to meet its target</b>	 <b>INDC mentions REDD+ strategy or intention to sell REDD+ offsets</b>
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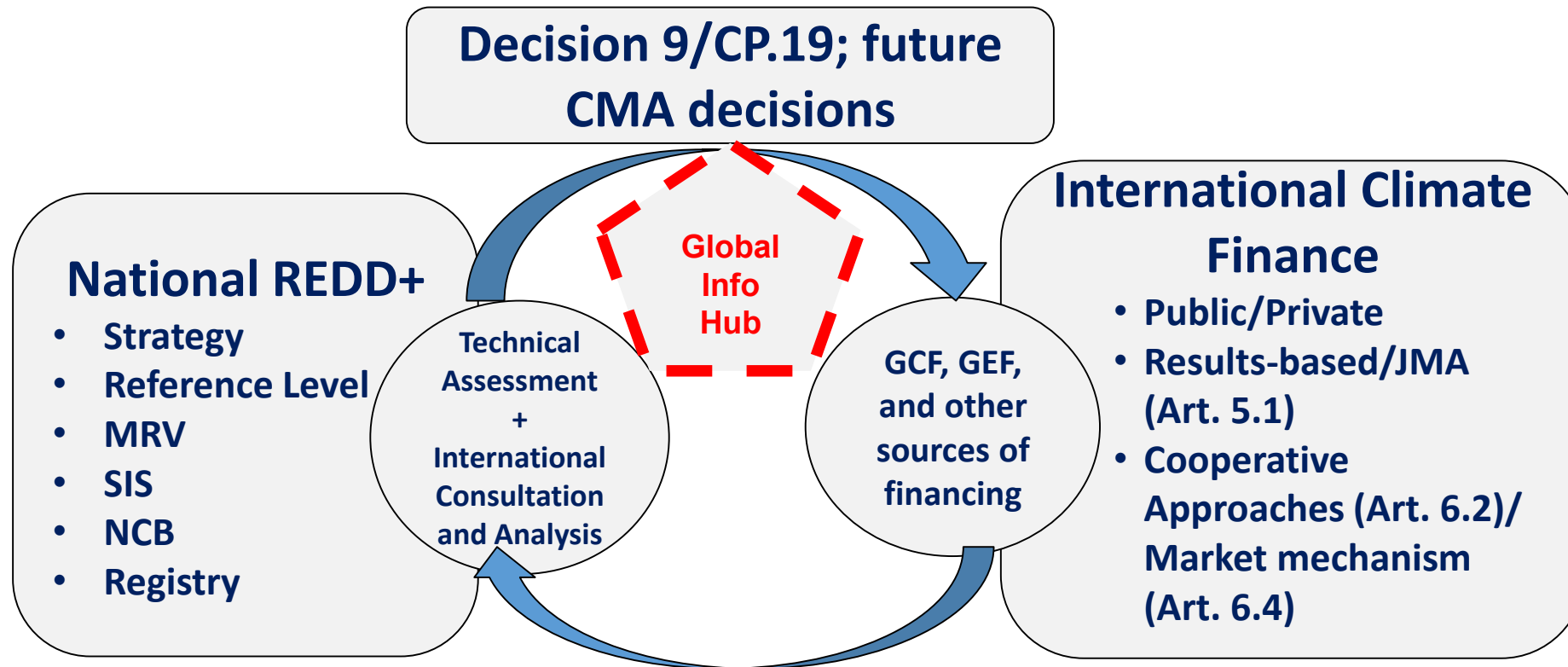


# REDD+ in relation to the Paris Agreement



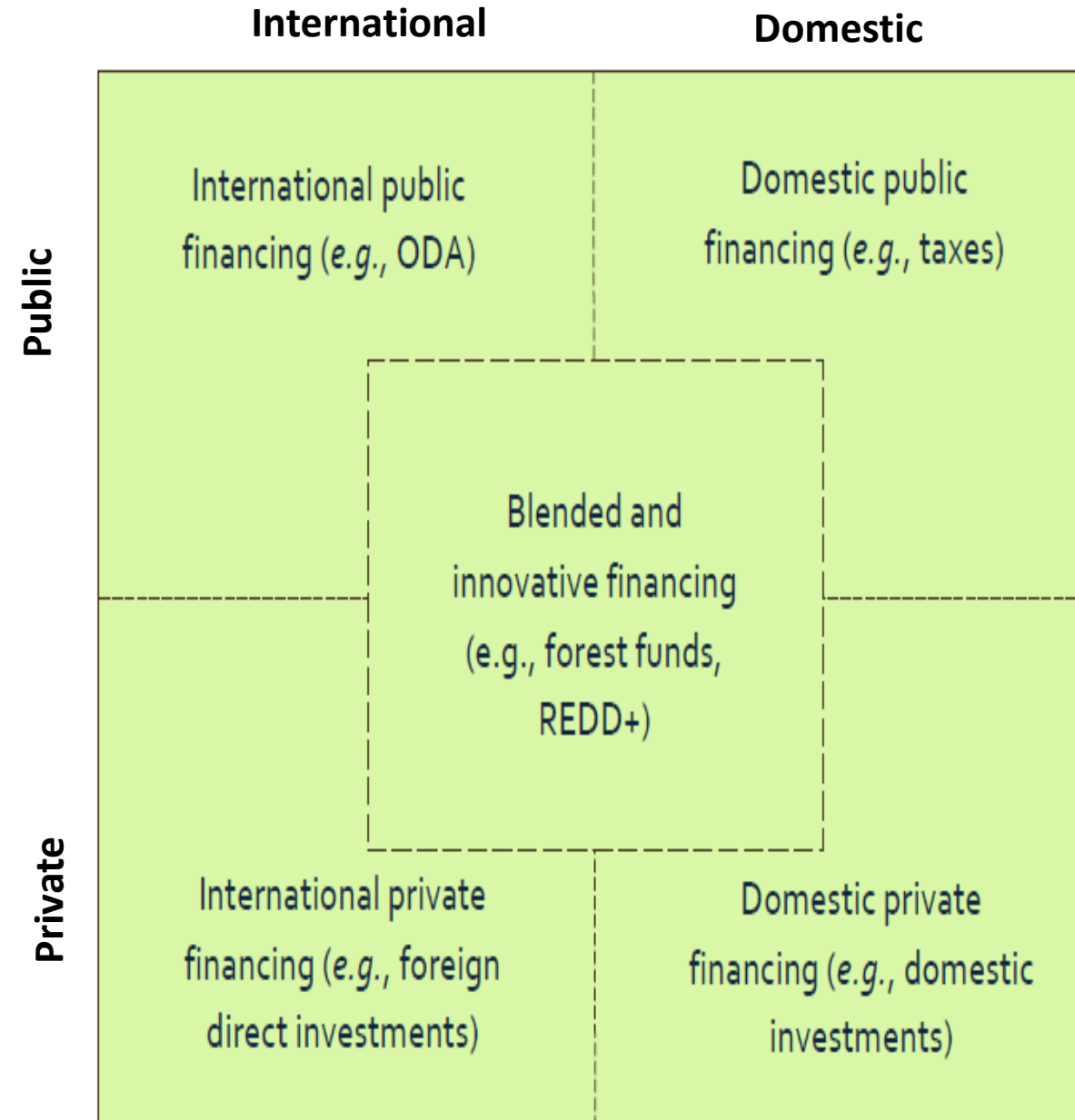
- **Conserve and enhance sinks, including forests** (Article 5): support to **results-based payments** and existing REDD+ framework; positive incentives for REDD+ activities; and alternative policy approaches such as **joint mitigation and adaptation**.
- **Mitigation** (Article 4): Article 4.7 - mitigation co-benefits from adaptation actions and/or economic diversification plans contribute to mitigation outcomes.
- **Voluntary** (Article 6) - **cooperative approaches** (Article 6.2) that involve internationally transferable mitigation outcomes (ITMOs) to achieve NDC and **sustainable development mechanism** (Article 6.4)
- **Adaptation** (Article 7): is a key component and makes a contribution to the long-term global response to climate change to protect people, **livelihoods and ecosystems**.
- **Finance** (Article 9): **scaled-up financial resources** to achieve a balance between **adaptation and mitigation**.
- **Transparency** (Article 13): transparency of action and support reflected in national communications, biennial reports and biennial update reports, **international assessment and review and international consultation and analysis**.

# REDD+ Finance during Post-2020 Period



# Potential Evolution of REDD+ Finance beyond 2020

- Results based finance can partially substitute ODA and domestic finance.
- Blended finance (public and private finance from international and national sources) can cover significant part of REDD+ finance.
- Financing instruments such as concessional funds, bonds, guarantees, and equity play a role in promoting blended finance.
- Contribution of private sector to REDD+ finance can grow with market based mechanism.

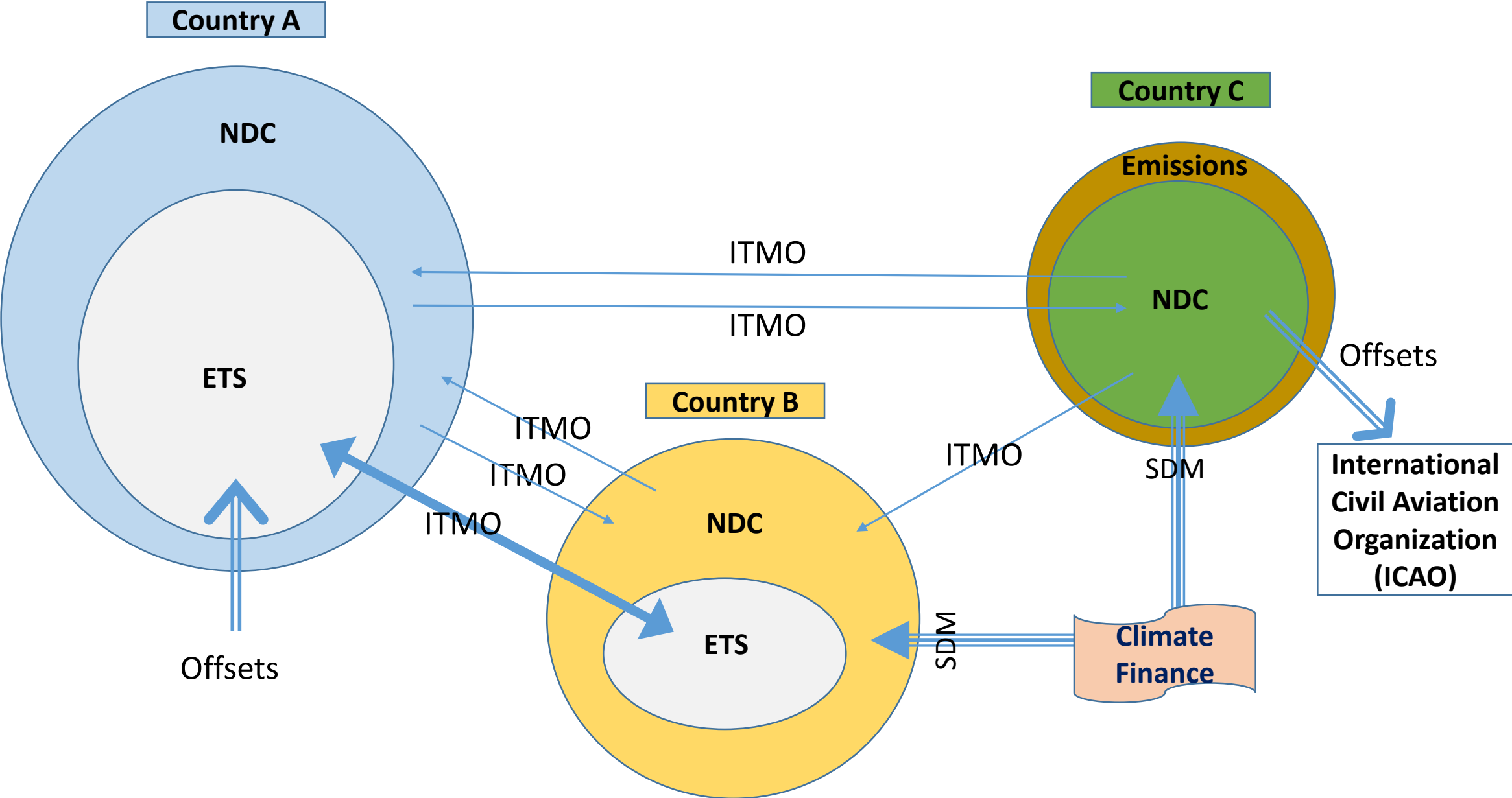


# Potential for Engagement on REDD+ under the Paris Agreement

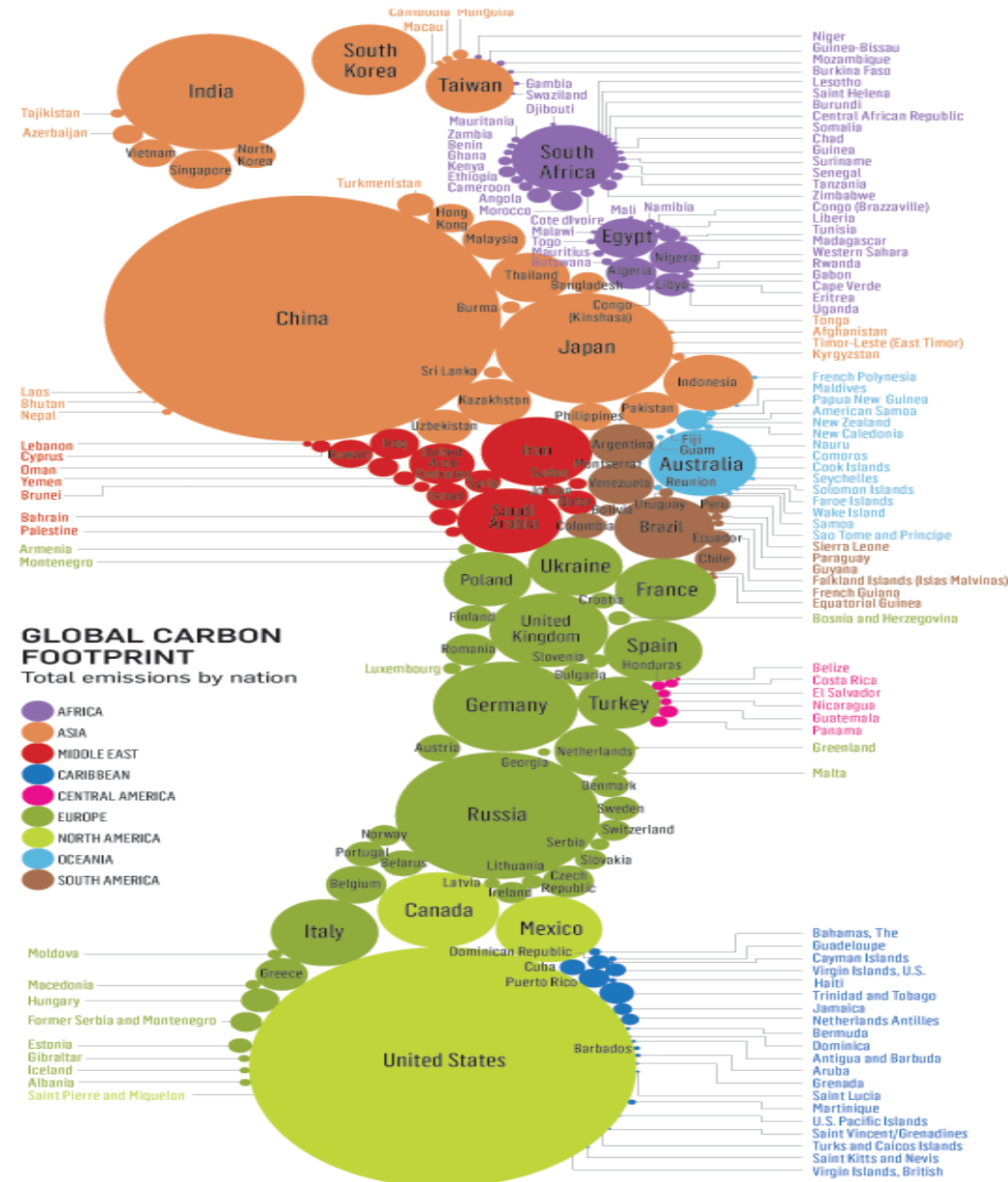
- **Results based finance** and **joint mitigation and adaptation approaches** to be the major drivers of REDD+ finance under the Paris Agreement.
- **Cooperative approaches** that involve use of internationally transferable mitigation outcomes (ITMOs) towards nationally determined contributions
- **Sustainable Development Mechanism** to incentivize GHG mitigation by public and private sector entities.
- Potential for **International REDD+ Offsets** that can potentially lead to additional demand for REDD+ credits and contribute to REDD+ finance include:
  - Feasibility of **international REDD+ offsets** from sub-national jurisdictions of developing countries to the California Cap-and-Trade Program
  - Feasibility of REDD+ as part of the **market based measures** pursued by the International Civil Aviation Organization (ICAO) for the international civil aviation.



# Acting Jointly under the Paris Agreement



# Acting Jointly under the Paris Agreement Potentially Leads towards SDG Climate Action Goal



# Direction of the Paris Agreement to be figured out by 2020



**Modalities & Procedures  
of the Paris Agreement**

**Modalities & Procedures on  
Finance**



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THANK YOU

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