

Goal 9: Reward countries and jurisdictions that, by taking action, reduce forest emissions—particularly through public policies to scale-up payments for verified emission reductions and private-sector sourcing of commodities

Indicator 1.1
Indicator 1.2
Indicator 2.1

## Key Messages

- Results-based REDD+<sup>[1]</sup> payments are only beginning to reward countries and jurisdictions that reduce forest emissions, as called for by Goal 9. Roughly USD 4.1 billion has been committed<sup>[2]</sup> in the form of results-based REDD+ payments to rewarding countries and jurisdictions that reduce forest emissions. Roughly one-third of this amount has been disbursed, mostly to Brazil.
- Support for supply chain efforts to incentivize reduced forest emissions is gaining traction. A number of multi-stakeholder initiatives have emerged in recent years to facilitate and enhance the development of jurisdictional approaches.
- Though these approaches are still nascent, jurisdictional approaches hold promise for accelerating the uptake and implementation of deforestation-free commitments and policies across sectors, actors, and boundaries.

## Overview of Goal and Indicators

Goal 9 considers rewards for countries and jurisdictions that are reducing forest emissions. In 2017 the New York Declaration on Forests (NYDF) Assessment Partners published an in-depth review of progress towards [Goal 8](#) and [9 NYDF](#).

We use two criteria to assess progress on achieving Goal 9 (Table 1).

Table 1: Indicators to track Goal 9

CRITERIA	INDICATOR
1. Public payments for verified emission reductions	1.1 International payments 1.2 Domestic payments
2. Support for supply chain efforts to incentivize reduced forest emissions	2.1 Public and private sector support for jurisdictional-sourcing initiatives in the context of zero-deforestation commitments

## Findings

### Criterion 1: Public payments for verified emission reductions

#### *Indicator 1.1: International payments*

To date, many forest countries are still in the process of setting up the relevant systems and policies to access results-based finance and only a few – mainly Brazil – have received payments. Results-based payments were made in the context of bilateral agreements with the Norwegian International Climate and Forest Initiative and the German REDD Early Movers (REM) program. In the Forest Carbon Partnership Facility (FCPF) pipeline, six REDD+ programs have reached the final stages for approval and are currently preparing to negotiate agreements for results-based finance with the participants of the Carbon Fund.<sup>[3]</sup>

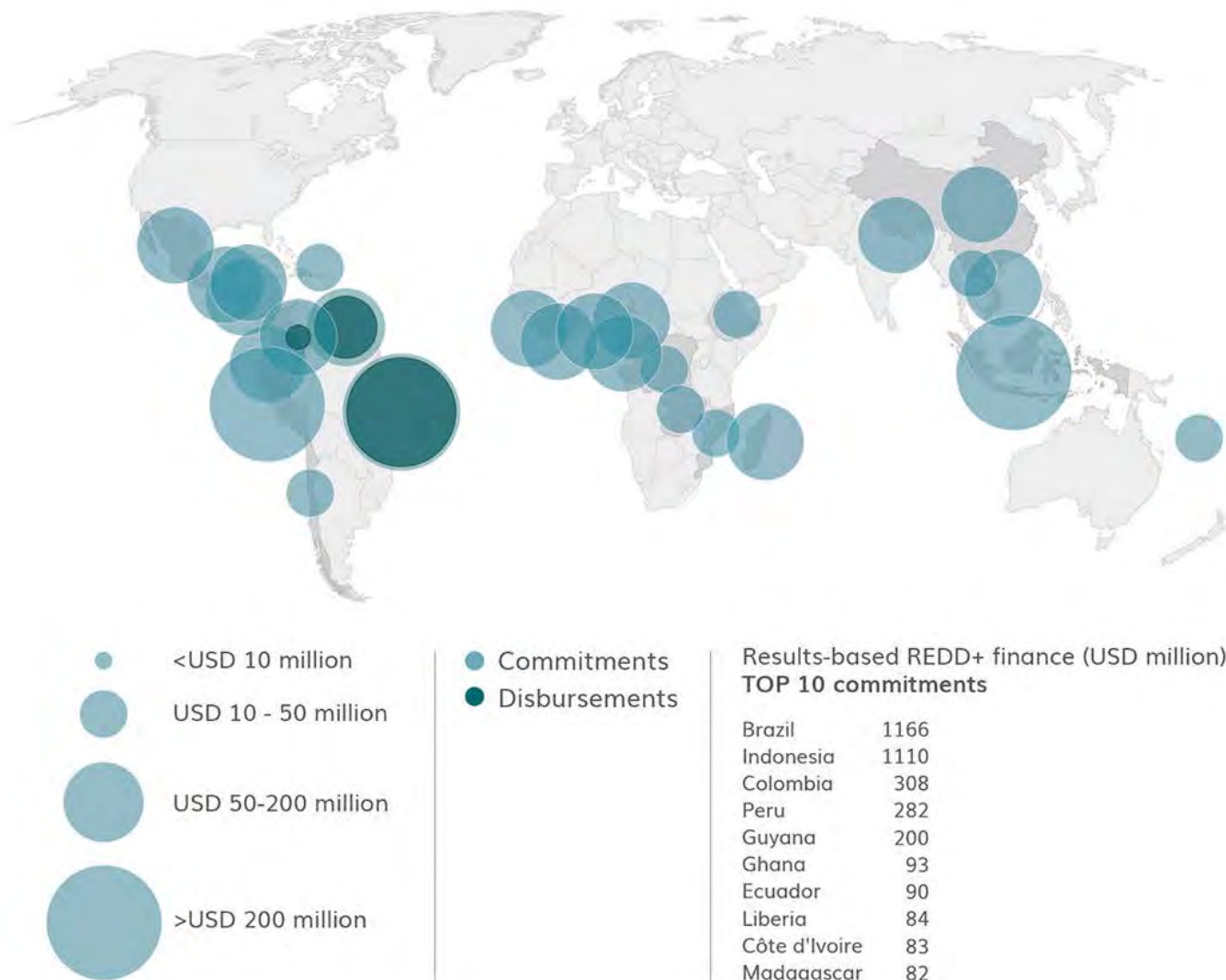
Commitments by multilateral and bilateral institutions for results-based REDD+ finance amount to more than USD 4.1 billion and almost one third of this has been disbursed (Figure 2). Norway committed more than half of this amount, while most of the remainder was committed by more than a dozen different donors through the FCPF's Carbon Fund, a recent commitment by the Green Climate Fund (GCF), and the BioCarbon Fund's Initiative for Sustainable Forest Landscape (ISFL) . Germany, Norway and the UK also committed REDD+ finance through the REM

program.

Norway committed and disbursed the largest amount of results-based REDD+ finance – more than USD 1.1 billion – in a bilateral agreement with Brazil (paid between 2008 and 2016), and made additional commitments of more than USD 1.4 billion to Indonesia, Liberia, Colombia and Peru. So far only a small share of its commitments were disbursed to Guyana. Another bilateral initiative, the German REM program, funded by Germany, Norway, and the UK, has mobilized results-based commitments of USD 306 million, and made payments to the Brazilian state of Acre and to Colombia. Further agreements exist with Ecuador, the Brazilian state of Mato Grosso, and Mexico.

The FCPF Carbon Fund has mobilized close to USD 686<sup>[4]</sup> million in results-based finance from eleven donors, with the largest amounts allocated by Norway, the UK, Germany. No finance has been disbursed, but the first countries are negotiating agreements with the FCPF Carbon Fund. The BioCarbon Fund's ISFL has a capitalization of USD 340 million and its donors earmarked USD 130 million for results-based REDD finance for three countries: Colombia, Ethiopia, and Zambia.

**Figure 1: Commitments and disbursements of results-based REDD+ finance**



Sources: Climate Focus analysis based on data shared by NICFI and REM (since 2010), and BioCarbon Fund ISFL and FCPF Carbon Fund commitments retrieved from funds' official websites.

Notes: FCPF Carbon Fund commitments are based on Letters of Intent signed with governments. At this stage commitments area still allocated in a competitive process, so the amount of disbursements will likely not exceed USD 868 billion.

## ***Indicator 1.2: Domestic payments***

In addition to international rewards for emission reductions, we also look at domestic mechanisms that distribute payments to states or regions for emission reduction results.

Considered an unprecedented domestic effort in result-based finance for forest conservation,<sup>[5]</sup> India has reformed its tax proceed devolution systems to incentivize coordinated efforts in forest cover protection and restoration.

Brazil distributes international REDD+ finance based on a mix of results and existing forest stocks to states in the Amazon biome. Led by the National REDD+ Commission, the federal government has taken significant steps to forge a consensus-based, decentralized arrangement for accessing and allocating results-based finance, while the national and subnational governments have reached consensus on the eligibility criteria for entities wishing to access such funds.<sup>[6]</sup>

## Criterion 2: Support for supply chain efforts to incentivize reduced forest emissions

### *Indicator 2.1: Public and private sector support for jurisdictional-sourcing initiatives in the context of zero-deforestation commitments*

Jurisdictional-sourcing initiatives, in combination with preferential-sourcing initiatives, provide an opportunity to bring actors from different sectors together to realize zero-deforestation commitments, avoid potential leakage, and efficiently scale implementation.<sup>[7]</sup> Of the 34 jurisdictions with active jurisdictional programs, the geographical locations are spread quite evenly between Asia, Latin America, and Africa. Regions with relevant jurisdictional programs are responsible for 41 percent and 34 percent of global soy and palm oil production, respectively.<sup>[8]</sup> Production shares of other commodities are lower, but still substantial. Nearly half of the jurisdictional programs have begun implementation.

Jurisdictional approaches promote action on a greater scale and allow for buy-in from a diverse set of actors. Although the actual flow of private resources remains small, platforms to support on-the-ground sustainable supply chain efforts are gaining traction. A growing number of multi-stakeholder initiatives are being designed to enable greater participation of businesses to support production-side measures and ensure zero-deforestation supply chains. Similarly, there is an increasing number of specific partnerships and financing vehicles dedicated to leveraging private finance for sustainable land-use practices at jurisdictional and landscape levels. A scoping study carried out by EcoAgriculture Partners in 2014 identified 235 initiatives and mechanisms devoted to enabling finance or undertaking investments associated with landscape-management approaches.<sup>[9]</sup>

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- [1] Reducing emissions from deforestation and forest degradation, as well as conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+).
- [2] We define a commitment as an announcement or agreement from a donor country to provide financial support to a recipient country or fund.
- [3] Their program documents (Emissions Reduction Program Documents, ER-PDs) were approved or provisionally approved.
- [4] This is the amount available for the purchase of emission reductions. Forest Carbon Partnership Facility. (2016). Portfolio management and decisions on ER-PDs [PDF]. Retrieved from [www.forestcarbonpartnership.org/sites/fcp/files/2017/June/5a.%20Portfolio%20management%20CF16%20v1\\_0.pdf](http://www.forestcarbonpartnership.org/sites/fcp/files/2017/June/5a.%20Portfolio%20management%20CF16%20v1_0.pdf)
- [5] Busch, J. (2015, July 27). India's big climate move [Blog post]. Retrieved from [www.cgdev.org/blog/indias-big-climate-move](http://www.cgdev.org/blog/indias-big-climate-move)
- [6] Resolution 7/2017. National REDD+ Commission. Retrieved from <http://redd.mma.gov.br/pt/resolucoes-da-conaredd>
- [7] Such initiatives take an integrated approach to landscape planning and usually consider social, economic and environmental objectives. Jurisdictional approaches differ from similar multi-stakeholder efforts in that they are aligned with sub-national or national political jurisdictions and often address a single sector or objective.
- [8] AlphaBeta, (2017). Supporting jurisdictional leadership in net zero deforestation through sustainable value chains: Opportunities for TFA 2020. Retrieved from [www.tfa2020.org/wp-content/uploads/2017/04/TFA2020-Supporting-jurisdictional-leadership-in-net-zero-deforestation-Report.pdf](http://www.tfa2020.org/wp-content/uploads/2017/04/TFA2020-Supporting-jurisdictional-leadership-in-net-zero-deforestation-Report.pdf)
- [9] Clarvis, Margot Hill. (2014). Review of Financing Institutions and Mechanisms, in Financing Strategies for Integrated Landscape Investment. Seth Shames, ed. Washington, DC: EcoAgriculture Partners, on behalf of the Landscapes for People, Food and Nature Initiative.
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