

GCF TASK #2 (Finance) Draft Report

Find the \$

Get the \$

Use the \$

Don't Fight about the \$

GCF Meeting
Santarem, Brazil
September 210

Disclaimers

1. This proposal was developed with limited consultation of GCF Task #2 members.
2. The draft prospectus circulated is for discussion only.
 - It is not a formal concept supported by GCF members.
 - The structure, governance and key funding requests will change

Task # 2 - Objectives

1. Improve database of REDD+ donors
2. Develop a Governors' Climate and Forest Fund
 - Identify donors and begin to recruit funds
 - It should be clear to everyone in this room...
 - Members have full-time jobs
 - There are key shared needs of GCF members
 - 2011 is uncertain
 - GCF has talked about many things
 - GCF has not helped S/Ps get things done

It should also be clear...

- Task #1: important, evolving & complicated
 - Guidelines for sectoral crediting
- Task #3: Luis! and everyone involved
 - Powerful, impressive, useful
 - Clear shared & specific needs
 - Ability for members to boot-strap better results
- Task #4: Robust stakeholder & outreach

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[REDD+ Financing and Activities Survey](#)

The REDD+ financing and activities survey is an important initial step towards building a comprehensive picture of existing and planned REDD+ efforts. The survey was sent to developing countries, developed countries, multilateral institutions, and large international organisations that provide on the ground support for REDD+ activities. Thirty-three responses survey responses were submitted, including fifteen from developing countries, ten from developed countries and eight from organisations and multilateral institutions.


Following the establishment of the interim REDD+ partnership at Oslo, countries intend to establish and maintain a voluntary, publicly available database of REDD+ financing, actions and results. The information presented collected through the survey process will provide an initial basis for this database, to be updated and expanded over time.

A survey synthesis report, a compilation of survey responses, as well as individual country and organisation information sheets, can be accessed below.

[REDD+ Synthesis report_revised 100610](#) 

[Compilation of Responses_Part 2 REDD+ Survey_100528.pdf](#) 

Individual Country and Organisation information sheets:

[Brazil](#) 
[DCA](#) 

IRP Documents: 40 Countries, 3UN agencies, US\$4b

GCF Documents: (Resources Under US\$1m)

GCF DOCUMENTS

Santarém Meeting Documents (for discussion September 13-16, 2010)




Agendas

- [GCF Santarém Meeting Agenda \(English\)](#) 
- [GCF Santarém Meeting Agenda \(Portuguese\)](#) 
- [GCF Santarém Meeting Agenda \(Indonesian\)](#) 






Task 1 (Subnational REDD Frameworks)

- [Draft Task 1 Subnational REDD Frameworks Report \(English\)](#) 
- [Draft Task 1 Subnational REDD Frameworks Report \(Indonesian\)](#) 
- [Draft Task 1 Subnational REDD Frameworks Report \(Portuguese\)](#) 
- [Appendix 1 to Task 1 Report \(DRAFT Terra Global Capital Reconciliation Architecture for I-REDD\)](#) 
- [Appendix 2 to Task 1 Draft Report \(Toby Garrit Commercial Safeguards\)](#) 
- [Appendix 3 to Task 1 Draft Report \(Ernesto Roessing Multi-stakeholder Governance in Brazil\)](#) 
- [Appendix 4 to Task 1 Draft Report \(Jane Dunlop Multistakeholder Process in Aceh\)](#) 

Task 2 (Financing Opportunities)

- [GCF Task 2 Fund Proposal \(English\)](#) 
- [GCF Task 2 Fund Proposal \(Indonesian\)](#) 
- [GCF Task 2 Fund Proposal \(Portuguese\)](#) 

Task 3 (GCF Database)

- [GCF Brazil Database Analysis, Version 1.2 \(English\)](#) 
- [GCF Brazil Database Analysis, Version 1.2 \(Portuguese\)](#) 
- [GCF Indonesian Member Profiles](#) 
- [GCF Acre Database](#) 
- [GCF Amapá Database](#) 

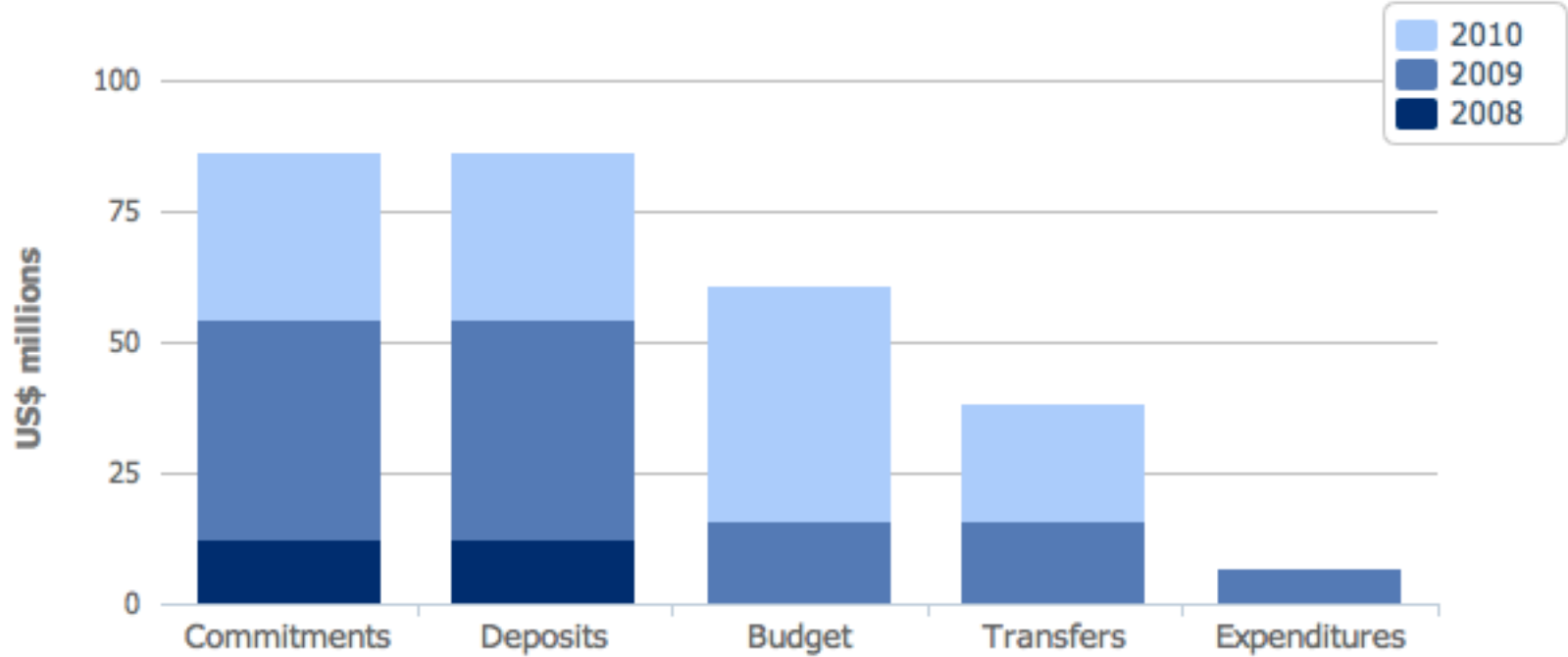
Donor Database

- Interim REDD+ Partnership has harmed our ability to gather data
 - Donors have basically stopped talking
 - Wait for “our database”
 - Stakeholder environment is toxic
- TFG/GCF developing a coalition to track finance
 - Larger network on complex topic
 - Specific information about sub-national donors
 - Collaborate with WRI, Forest Trends, ODI, ADP, others
 - Track money (outlays)
 - MRV \$ & MRV results

Status of REDD+ Funds

- Types of funds:
 - IRP
 - Bi-lateral (Norway & Indonesia LOI) (USAID)
 - Multi-lateral (FCPF, UN-REDD, CBFF, Amazon Fund)
- Amazon Fund (slow, mostly NGO committed, some large grants will go to states)
- World Bank FCPF (very slow, gaining momentum)
- UN-REDD (very good)
- GCF needs more immediate & specific knowledge

Key Figures



Funding Status

i Participating Organizations' 2010 expenditure reports are not yet posted. Expected 30 April of 2011, subject to timely reporting.

Total as of Values in US\$



Funds with Administrative Agent

Deposits	86,324,257	
Interest (from Fund)	+ 778,494	
Interest (from Participating Organizations)	+ 0	
Total source of funds		87,102,752
Transferred to Participating Organizations	38,206,372	
Refunds from Participating Organizations	- 0	
Administrative Agent Fee	+ 863,243	
Direct Cost	+ 0	
Bank Charges	+ 0	
Total use of funds		- 39,069,615
Balance with Administrative Agent		48,033,137
As a percentage of deposits		55.6%

Funds with Participating Organizations

Transferred to Participating Organizations	38,206,372	
Total resources		38,206,372
Participating Organizations' Expenditure	6,935,181	
Refunds from Participating Organizations	+ 0	
Total expenses		- 6,935,181
Balance with Participating Organizations		31,271,191
As a percentage of transfers		81.8%

Total Balance of Funds		79,304,327
As a percentage of deposits		91.9%

Donor dbase Next Steps

- Dig into bi-lateral funding processes (US developing as we speak)
- Build database for public review
- Layer in information on appetite for funding sub-national (state/province) programs
- Question of how to use GCF member knowledge and channels
- Release beta version of dbase in Cancun

GCF-Fund

- US\$5 million fund for 2 years
- Two discrete parts:
 - Shared collective needs
 - competitive proof of concepts
- GCF-F based on evolving knowledge database
- Timing window is very tight

Rationale

- Strong public commitments to REDD+ and funds pledged
- Few funds are creating transparent + change
- **Nimble & transparent GCF-F is needed to:**
 - Immediately resolve critical gaps identified by S/P
 - Fund rapid, proof-of-concept S/P proposals
 - S/P link projects → national climate change programs
- Rapid deployment of targeted REDD+ funds to S/P will help answer questions larger funds will need to tackle.
- GCF-F can make the larger (slower) funds be more effective.
- Following money at S/P level easier than federal/national
 - Ability to engage stakeholders easier

Principles for a GCF-F

Transparent

- Commitment to democratic & transparent grant-making process.

Rapid

- Commitment to making funds operational as fast as practical & funding immediate technical and policy gaps through streamlined process.

Strategic

- Commitment to funding gaps and priorities identified through the collaborative development of the GCF Knowledge Database.

Measurable

- Commitment to funding efforts that have clearly measurable results.

Scalable

- A commitment to shared learning throughout the GCF and broader international community through outreach.



GCF-F Governance #1

- Ultimately linked to this weeks discussion
- EVERYTHING here is tentative
- Legal form of GCF-F open for discussion
 - Need: **Options Assessment of structures**
- **Option 1:** Implementation Board
 - 1 rep per state, GCF Secretariat as administrator
- **Option 2:** Small independent board (independent from, responsive to GCF)
- **Option 3:** ICLEI model
- **Option 4:** Country-based existing groups

GCF-F Governance #2

- Rules (distributions), stakeholders, timeline
- Fundamental commitment to MRV
- Operations (Secretariat or other executive)
 - Solicit and organize calls for proposals
 - Arrange & recommend terms of reference for shared-needs consultants, etc
 - Administer grants directly to S/P and others

GCF-F Funding Priorities

- Shared collective needs (\$2,425,000)
- Proof of concept at S/P scales (\$2,500,000
 - competitive performance-based grants
- Administrative costs < than 10% of total
- Total \$5,500,000 for 2011 and 2012
- These ideas were preliminary – to start a conversation

Shared Collective Needs

Shared Need	MRV	Costs
IPCC Tier 2 Carbon Stocks	IPCC Tier 2 for all GCF states Digital maps and files Specific suggestions to move toward Tier 3	\$500,000
Task #1 (rule-book)	Rule-book completed Training program Use of rule-book in all S/P	\$550,000 (\$50,000/ S/P)
Projected Baselines	Common Methodology Application in all GCF S/Ps	\$150,000 common meth \$40 - \$50,000/ state

Competitive Performance-Based Grants

- Approximately 5 grants of \$500,000
- Open for discussion
- Different than shared needs
- Push S/Ps to do more, stretch
- Proof of concept for performance-based payments

Key Needs to Continue

- Task/committee with authority to:
 - Develop structure and content options
 - Make decisions w/ strong member consultations
 - Relationship to evolving tasks #1, #3, #4
- Timing of grant proposal & entity development
 - China (October 2)
 - Pre-Cancun
 - Cancun announce
- Recommendation: Empower a standing committee to develop options, consult with GCF members & get a \$ commitment