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|  | **Outcome 2: Unlocking Finance for REDD+ Results** |  |
|  | **UN-REDD Multiyear Programming Document 2026–2030 Illustrative Support Overview** |  |
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|  | **Prepared by UN-REDD Programme**  **June 2025** |  |
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|  | *This brief has been prepared by the UN-REDD Programme team based on preliminary analysis, internal assessments, and strategic insights from prior engagements and consultations. It is intended to provide illustrative information on potential areas of UN-REDD support for the 2026–2030 period. The content, including indicative budgets and activities, is for donor engagement purposes only and has not yet been discussed or consulted with the respective country authorities. As such, it does not represent an official position or commitment from the country concerned or from the UN-REDD Programme.* |  |

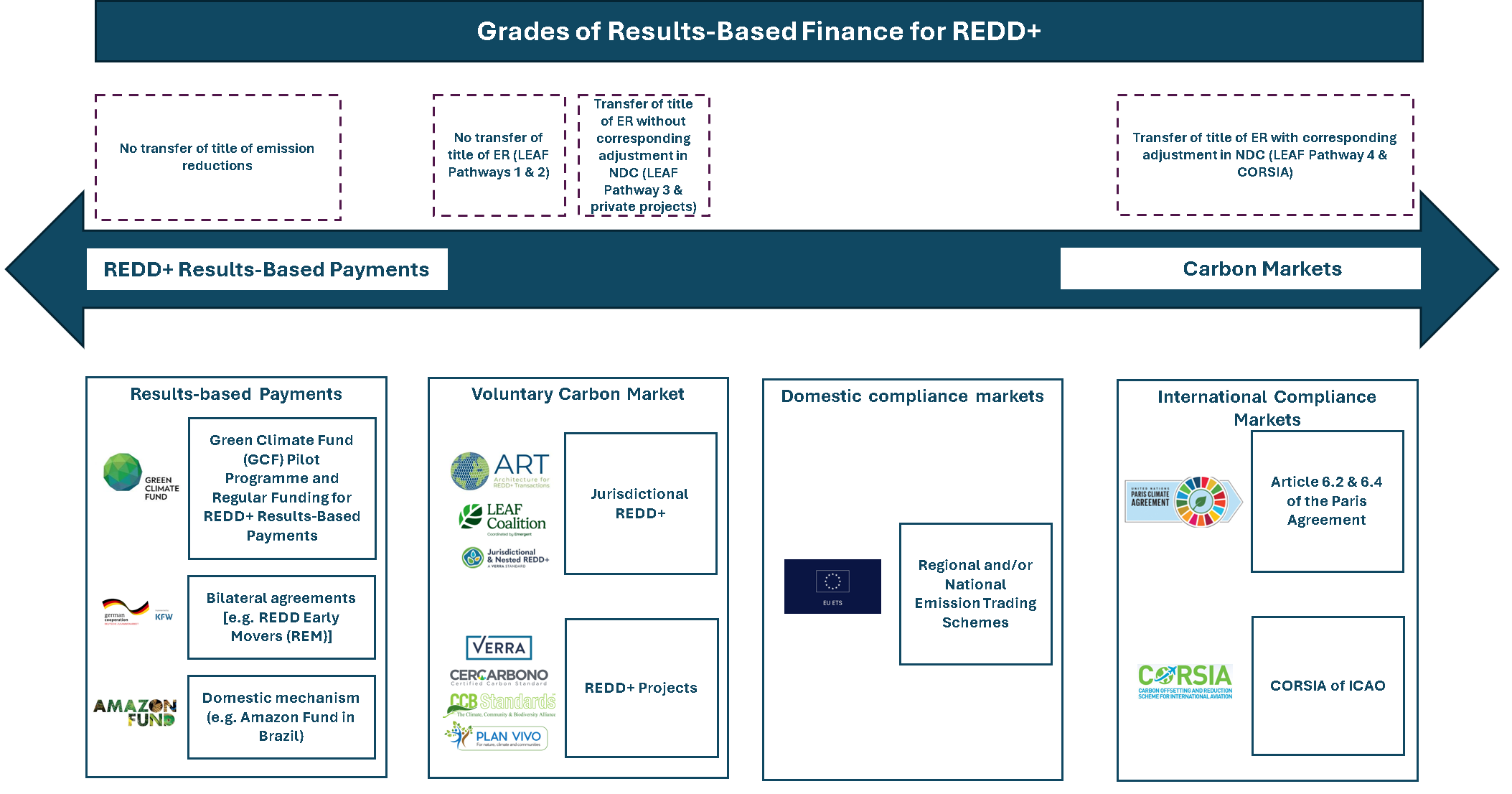
# Outcome 2: Unlocking Finance for REDD+ Results

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| **This brief encompasses Outcome 2: Unlocking Finance for REDD+ Results:** *Supporting national and subnational jurisdictions to access REDD+ results-based finance from different climate finance sources aligned with Article 5.2 of the Paris Agreement, including a) scaled-up, country-led, results-based payments without transfers; b) international carbon markets under the Paris Agreement (Article 6.2 and 6.4); and c) voluntary carbon markets for high-integrity mitigation results.* |

# The challenge

To protect, restore, and enhance forests globally, annual public and private sector investments need to reach over USD 280 billion by 2030 and USD 480 billion by 2050. required in public and private funding (UN-REDD, in press). Direct public finance flows to forests, domestic and international, are estimated at USD 2.3 billion per year (Forest Declaration, 2023) and are now being additionally strained by the changing global geopolitical and economic landscape. Private finance for forests is currently USD 8 billion per year, with over 60% of that funding channelled through sustainable supply chains and impact investing (UN-REDD, in press). While scaling up results-based finance (RBF) for REDD+ - either in the form of results-based payments (RBPs) from bilateral or multilateral programmes or from carbon markets - is required to progress on the full implementation of REDD+, the funding gap remains.

**Results-based payments**



Despite the reported level of commitments from existing bilateral and multilateral sources through relevant initiatives, Results-based Payments (RBP), be they through bi- (e.g. Germany’s REDD Early Movers Programme) or multilateral programmes (e.g. World Bank’s BioCarbon Fund) available for forest countries is insufficient. For instance under the largest international RBP instrument, under the Green Climate Fund (GCF), funding is limited and unpredictable. The recently approved GCF Policy for RBPs (2024) integrates RBPs into the Fund’s regular project and programme activity cycle, but it has not established a concrete envelope of finance, reducing predictability to countries. Another challenge is the price per ton offered for RBP, which is insufficient to cover the actual cost of REDD+ implementation, which has been assessed to be in the range of USD 30-50 per tonne CO2e (UN-REDD, 2023).

RBPs financing comes with technical requirements and demands on institutional capacities. There is, however, a high potential for RBPs from forests if both integrity levels and carbon prices achieve levels commensurate with ambitions. For example, for the current GCF programming cycle (2024-2027), the new RBPs Policy establishes the following key features: i. It will accept REDD+ results achieved in the period 2018-2022; ii. it will pay US$ 8,00 per tonne of CO2eq; iii. it sets a cap of results eligible for payments of 15M tonnes of CO2eq per country, per cycle; and iv. it details a specific method to estimate the total payment following a predefined scoring system and a set of discounts and bonuses aimed at increasing environmental integrity (addressing the risk of reversals and non-permanence and promoting non-carbon benefits).

In line with the regular programming cycle of the GCF, no specific budget was allocated to this window (as opposed to the RBP pilot programme that allocated US$500 million). Instead, the allocation of resources under this window will be determined in alignment with the relevant GCF programming period’s Strategic Plan and the investment strategy and portfolio targets set out in the [GCF Investment Framework](https://www.greenclimate.fund/sites/default/files/document/investment-framework_1.pdf). The Policy further defines that to assess funding proposals, the GCF Secretariat will aim for appropriate geographical balance and equitable access by a range of countries. The eligibility criteria, as established in the new Policy, is consistent with the Warsaw Framework for REDD+ of the United Nations Framework Convention on Climate Change (UNFCCC), which countries appreciate. But it also adds few new elements on top, including alignment with the National Determined Contributions (NDC) for REDD+ results reported from 2020 onwards. Finally, compared to the GCF REDD+ RBP Pilot Programme, the new Policy refines some requirements for countries seeking access to these funds, with a view of enhancing environmental integrity.

**Carbon Markets**

On the continuum of RBF, carbon markets have the potential to unlock significant public and private climate finance flows for forests and to contribute to achieving countries’ NDCs as well as corporate Net-Zero transition targets. However, challenges remain.

On project level, the use of voluntary carbon markets (VCM) on REDD+ continued to evolve fast. In 2022, the value of the VCM in the forestry and land use category registered its highest level, reaching USD 1.1 billion. REDD+ carbon credits, the most popular nature-based project type, reached a total value of USD 584 million in the same year. Transactions in the VCM since then have been challenged on grounds of leakage, non-additionality, lack of robust quantification, non-permanence, and social integrity concerns. This led to a drop in trust into these transactions and, hence, the value of the VCM in 2023 was reduced to USD 351 million, a 69 per cent reduction in transaction volume compared to 2022. REDD+ credits lost 62 per cent of their value (reaching USD 222 million), with transaction volume falling 51 per cent and price falling 23 per cent (Ecosystem Marketplace, 2024).

In terms of jurisdictional level programs issuing jurisdictional REDD+ (JREDD+) carbon credits, The REDD+ Environmental Excellence Standard (TREES) from the Architecture for REDD+ Transactions (ART) has raised the bar for high-integrity, jurisdictional-level, REDD+ carbon credits. In 2022 the market signalled the first ever transaction between a government and a private corporation. The Government of Guyana and Hess Corporation agreed on the purchase of 37.5 million tCO2e TREES credits for a minimum of $750 million between 2022 and 2032 (Government of Guyana, 2022). Parallelly, several carbon finance agreements have also been signed between the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition and the governments of Costa Rica, Ecuador, Ghana and the State of Pará in Brazil. These deals totalled 21.4 million of JREDD+ carbon credits and at a value of USD 274 million (LEAF Coalition, 2025). The LEAF coalition has so far mobilized 1.5 billion USD from public and private sources for compensating countries and jurisdictions for the sale of their REDD+ results certified with high integrity under ART/ TREES.

In general, both at the project and JREDD+ levels, there is an inherent challenge in establishing a fair and transparent price of forest carbon trading in the VCM. While the price of carbon credits is influenced by different factors related to market demand and supply - including domestic and international corporate commitments and preferences, regulatory compliance, credit type, location and vintage, among others, - integrity is proven to have statistically significant influence on carbon credit prices (MSCI, 2024). Hence, higher integrity projects are associated with a price premium. This context has led to a recognition of the need to set environmental and social integrity as a paramount condition for carbon trading in the VCM. Consequently, moving toward high integrity JREDD+ carbon credits could also mean moving towards a fairer and less volatile price of forest-based carbon credits in the VCM.

As a response to the integrity concerns in the VCM, a consensus of convergence to promote high-integrity at supply and demand sides has emerged and is articulated via independent bodies, namely the [Voluntary Carbon Markets Integrity Initiative](https://vcmintegrity.org/) - VCMI, and the [Integrity Council for Voluntary Carbon Markets](https://icvcm.org/) – ICVCM. It is expected that with assured confidence in the markets translated into a higher price, both demand and supply could accelerate, and the volume of carbon traded in the voluntary carbon markets could be valued at USD 1 – 3 billion by 2025, USD 7 – 35 billion by 2030, USD 45 – 250 billion by 2050, expressed in 2024 prices (MSCI, 2024). The underlying theory of change is that if integrity is assured, scale will follow.

Under compliance carbon markets, new rules for international carbon trading set during CoP 29 (2024) under Article 6 of Paris Agreement, including a cooperative approach (Article 6.2) and the Paris Agreement Crediting Mechanism (PACM) (Article 6.4). Under the International Civil Aviation Organization (ICAO), the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is expected to create tangible demand opportunities for forest carbon credits in both the voluntary first implementation phase (2024-2026), with the low-scenario projected demand of 106 MtCO2e at USD 18-51 per tonne (around $2 billion in total), and future compliance phase (2027-2035) with demand signals of 502 MtCO2e at USD 27-90 (around $13 billion in total).

With these developments, cooperation and transactions under compliance markets are expected to scale up in the coming years. But different challenges remain. It is anticipated that access to Article 6 financing will come with additional technical requirements and demands on institutional capacities. Hence, countries require support in strengthening their national frameworks and infrastructures in a manner that is aligned with the guidelines and opportunities of Article 6. 2 (already inclusive of emissions reductions and removals from any sector including REDD+ activities), and of Article 6.4 (for which any forest related activity could potentially be included, provided it fulfils all relevant requirements). Hence, supporting forest countries and jurisdictions in properly addressing the requirements and rules for accessing Article 6 in the context of the forest sector could become a tangible tool to access results-based climate finance.

# The value proposition

In the last 15 years, UN-REDD has worked to unleash public and private, domestic and international financing for large-scale protection and restoration of forests. As a leader in this space, UN-REDD has adopted a stepwise approach to bringing an inclusive pipeline of REDD+ results to meet a range of RBF opportunities. This phased approach has also driven stepwise improvements in emission reductions quality (both environmental integrity and social equity) over time, and led to commensurate improvements in access to higher prices, more predictability, and greater volumes of financing.

UN-REDD’s unique value in unlocking finance for REDD+ results lies in being a technically solid, trusted and impartial partner that helps countries and jurisdictions to navigate the pros, cons, and implications of different RBF sources. By doing so, UN-REDD offers an agnostic position on RBF sources as long as they are aligned with the principles of scalability, speed, and integrity. Complementarily, UN-REDD partners with RBF sources to facilitate exchange of technical and policy knowledge to fulfil technical requirements and help countries access RBF from different sources. As such, UN-REDD serves as an impartial platform of knowledge and, ultimately, trust between all parties engaged in RBF.

Building on the track record of supporting countries receiving RBPs from the GCF Pilot Programme, UN-REDD will continue to be instrumental in facilitating access to RBP from bilateral and multilateral sources, including, but not limited to, the GCF. UN-REDD’s deep knowledge on UNFCCC’s Warsaw Framework for REDD+, and the experience on assisting countries in their REDD+ readiness efforts to access and execute RBPs from the GCF Pilot Programme, position the Programme in a unique advantage to keep building on the institutional capacities at the national level towards more ambitious and high-integrity RBPs, looking into synergies and the ability to create national frameworks that can sustain emission reductions results and integrate different RBF from different sources. s.

UN-REDD will also continue supporting countries and jurisdictions to complying with high-integrity forest carbon standards, with focus on ART-TREES, with focus on the LEAF Coalition, and to implementing jurisdictional REDD+ programmes. Complementarily, UN-REDD will track and engage in developments relating corporate commitments and preferences that could shape forest carbon market demand, including in regards of the Science-based Targets Initiative’s (SBTi) approach to Scope 3 targets. UN-REDD will also support countries and jurisdictions in accessing opportunities under ICAO through ART/ TREES certification of FREDD+ results.

UN-REDD agencies will continue to engage with key initiatives, such as the IC-VCM, VCMI and the UN Internal Taskforce on Voluntary Carbon Markets. The Programme will continue to be an active player and advocate in the promotion of high integrity, for both the demand and supply side of forest carbon markets. UN-REDD’s value lies in the ability to influence global efforts towards promoting forest-based climate solutions of integrity in the VCM, as well as sharing the latest insights on key VCM developments with partner countries.

As Article 6 operationalization takes place, UN-REDD will support countries and jurisdictions in regulatory and institutional infrastructure building and capacity building in the context of the forest sector. UN-REDD will continue following processes led by the UNFCCC and its Secretariat, facilitating access to relevant information, and promoting bilateral transactions among countries and jurisdictions.

Lastly, as we look forward, the Programme will continue to be an active player in promoting capacity building, coordination and partnerships within the evolving RBF landscape of stakeholders ranging from countries and jurisdictions, RBF sources, the UNFCCC Secretariat, corporates, technical assistance providers, crediting programs, integrity initiatives, rating agencies, and data providers, among others. All under the paramount objective of facilitating countries' access to RBF sources.

# Scenarios

| **Outputs** | **Deliverables** | **Types of Activities** |
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| **Output 2.1**: Country-tailored improved knowledge and trust on market and non-market forest carbon finance | **Deliverable 2.1.1**: Country-tailored engagements to evaluate key considerations in all RBF sources | 1. Conduct targeted engagements to support countries in assessing multiple financial and technical considerations / requirements regarding different RBF sources 2. Support national/subnational financial institutions, funds and intermediaries to build institutional and governance capacities to channel and leverage RBF (including possible payments from the TFFF) |
| **Output 2.2**: REDD+ RBPs secured | **Deliverable 2.2.1**: Country-tailored technical, policy, legal support to access RBPs | 1. Undertake legal, policy and regulatory framework alignment and reform for accessing RBPs 2. Develop roadmaps for accessing to RBPs Support countries in meeting the eligibility requirements for accessing RBPs |
| **Output 2.3:** Forest finance options under Article 6 of the Paris Agreement (and other UN-governed markets)[[1]](#footnote-2) secured | **Deliverable 2.3.1**: Country-tailored technical, policy legal support for entry into transactions  under Article 6 of the Paris Agreement (and other UN-governed markets)1 | 1. Support country engagements to establish and implement bi-lateral agreements with other nations in the context of Article 6.2 (with a focus on supply and demand, social and environmental integrity, pricing considerations, registries, etc.) 2. Support countries meet the eligibility requirements and develop the registration documents for accessing carbon markets under Art. 6.2   Support the dialogue and policy process on meeting eligibility requirements of REDD+ under Article 6.4   1. Support countries to understand CORSIA’s role in Article 6, engage stakeholders, and align their jurisdictional REDD+ programmes to CORSIA (1st and 2nd phase) requirements to create CORSIA-compliant credits and increase access to finance |
| **Output 2.4** VCM transactions for high-integrity jurisdictional REDD+ secured | **Deliverable 2.4.1**: Country-tailored technical, policy legal support for entry into transactions  in high integrity VCM | 1. Develop roadmaps for accessing high-integrity VCM 2. Support forests countries meet the eligibility requirements and develop the registration documents for accessing high integrity VCM sources (with a focus on social and environmental integrity) 3. Support national/subnational financial intermediaries and climate funds to build institutional and governance capacities to channel and leverage finance for forests from high integrity VCM 4. Engage with local stakeholders (project developers, MSMEs, financial intermediaries) working at the REDD+ VCM project level to generate emission reductions in nested systems of high integrity Support engagements to promote high-integrity forest carbon transactions in the VCM between corporate buyers and forest countries and jurisdictions |
| **B.** Knowledge generation and management | **B.1** Capacity building programmes, knowledge management products, and trainings on RBF | 1. Continuous learning through updated foundational curriculum and learning platform, delivered in multiple formats: learning journals, policy and technical briefs, learning labs, south-south knowledge exchanges, communities of practice, knowledge networks, centres of excellence, regional case studies, microlearning tools, gamified content, nudge techniques, motivation framing, and foresight and scenario modeling tools. 2. Audience-specific learning track tailored to private sector actors, focused on integrity of RBF. |
| **C**. Convening, Advocacy, and Communication | **C.1** Demand-based dialogues and advocacy campaigns on increased supply and demand ambitions for forest carbon financing | 1. Facilitate and convene dialogues among result-based finance providers, forest jurisdictions, financial intermediaries, MSMEs and other stakeholders involved in forest carbon financing |

1. i.e. International Civil Aviation Organization’s (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) [↑](#footnote-ref-2)