

Specific rules that apply

- 1. GCF REDD+ RBP pilot - ToRs**
- 2. AE Accreditation Master Agreement (AMA)**
- 3. Project´ Funded Activity Agreement**



1. GCF REDD+ RBP pilot - ToRs

- **Eligibility period of Results: 2014-2018**
- **Scale is national (with sub-national as interim)**
- **Size of funding and allocation**
 - ▶ Max 30MtCO₂ offered per country (= max 150M USD)
 - ▶ Volume of ERs offered converted to GCF ERs following an ITAP scorecard assessment (Pass/Fail or Discount - Total points in the scorecard = 48)
 - ▶ Payment = 5\$ per GCF ER + 2.5% bonus for non carbon benefits
- **Use of proceeds for National REDD+ Strategy, LEDS or NDC implementation**
- **Legal title to ERs – avoid double payment and covenant that no other party has a claim on the ERs**



1. GCF REDD+ RBP pilot - ToRs

Definitions:

- **Proceeds:** *“amount of money received from a particular event or activity or when something is sold”*
- **Use of proceeds:** way the funds from the GCF REDD+ RBPs pilot programme will be used (i.e. project activities)



• **Related GCF REDD+ RBPs pilot programme requirements:**

Countries must provide a **description of the anticipated use of proceeds**, incl.

- (i) Main activities to be conducted (in line with NDC, REDD+ or LEDS),
- (ii) Agencies or relevant stakeholders involved,
- (iii) Timeframe for implementation, and
- (iv) the assessment process for GCF safeguards, consistent with GCF policies
- AEs to provide **simplified annual reporting** on the use of proceeds
→ Simplified APR strongly focused on safeguards & gender

“Results” period vs “Project implementation” period

Period of REDD+ Results (past)

2014 **2015**

Carbon Elements
(REDD+ results, FREL)
Results = Emission Reductions

Safeguards
(Environmental & Social Assessment - ESA)

2020 **Period for project implementation (future)** **2025...**

Safeguards:

1. Social & Environmental Screening Process (SESP)
2. Environmental & Social Management Framework (ESMF)
3. Environmental & Social Impact Assessment (ESIA)
- 4) Environmental and Social Management Plan (ESMP)
- 5) Specific plans (SE, gender, IPs, biodiversity)

Use of Proceeds:

Project activities implemented with GCF budget
Results = Outputs/Outcomes from project activities (as ‘normal’ projects)

2. AE AMA

- UNDP and GCF partnership is governed by specific instruments

Accreditation Master Agreement (AMA)

Defines general legal terms and conditions for all GCF projects
(Signed August 2016)



Funded Activity Agreement (FAA)

- Defines project-specific terms and responsibilities
- Updated Term Sheet
- Signed version is annex to the Project Document
- The 'Implementing Partner' is referred to as 'Executing Entity'



Project Document
called "Subsidiary
Agreement"



2. Project' Funded Activity Agreement

Clause 1. Definitions; AMA

The AE shall provide to the Fund the following reports prepared in a form and manner compliant with the practices and procedures of the Fund for individual Funded Activities:

- a) **APRs on the status of each Funded Activity** throughout the relevant Reporting Period, **including a narrative report on implementation progress** based on the simplified reporting for GCF REDD+ RBP modality approved by Decision B.18/07, and a report on ESS as well as gender. [...]
- b) such **other reports** as the AE may prepare or require in accordance with its own rules, policies or practices in relation to a Funded Activity, and any other reports as may reasonably be requested by the Fund in order to enable it **to assess the results and impacts of the Funded Activity &/or compliance with this Agreement.**"

Clause 8 (AMA)

"The Accredited Entity shall be responsible for the overall management, implementation and supervision of each Funded Activity in line with its own internal rules, policies and procedures, including administering and managing the use of GCF Proceeds, as well as the monitoring, evaluation and reporting responsibilities as set forth in the relevant Funding Proposal and FAA."

2. Project' Funded Activity Agreement

Clause 2 (FAA)

“Subject to the terms and conditions of this Agreement, the Fund agrees to make available to the Accredited Entity by or before the Closing Date, as set forth in the Disbursement Plan, an amount equal to USD96,452,228 ... of GCF Proceeds in the form of REDD+ RBP for the benefit of the Recipient, which to be used for funding the activities described in the Funding Proposal.”

Clause 6. Reporting, Monitoring and Evaluation Schedule; Reviews; Ad Hoc Checks

6.04 The Accredited Entity shall report on the Funded Activity in accordance with a simplified APR template established by the Fund.

2. Project' Funded Activity Agreement

Clause 4. Recipient [Country]; Use of GCF Proceeds

4.02 The AE shall enter into a RBP Transfer Agreement with the Recipient that shall include the following terms & conditions:

- a) **Detailed terms for, as applicable, transfer, use &/or administration of the GCF Proceeds in accordance with the Funding Proposal**, the requirements of the RfP, and this Agreement, in recognition of the achievement of the GCF Volume of ERs;
- b) **Requirements for the use the GCF Proceeds for Eligible Expenditures in accordance with the Funding Proposal**, the requirements of the RfP set out in paragraphs 14, 19 and 37 of the RfP, and this Agreement
- e) **Authorization for the AE and the Fund to monitor the Recipient's use of GCF Proceeds**, and the Recipient to cooperate with the AE and the Fund in carrying out of such monitoring);

4.06 The AE shall ensure that:

- (a) **The GCF Proceeds will be used exclusively to finance the Eligible Expenditures, in accordance with this Agreement and the Funding Proposal, and as further specified in the Budget;**

4.12 The AE shall, promptly, inform the Fund of any credible risks of money laundering &/or financing of terrorism in relation to a Funded Activity [...]. In those cases, the Fund may:

- (b) **Instruct the AE to suspend the disbursement of GCF Proceeds to the Recipient or third parties** until further instructions are given by the Fund to continue the disbursement, & the AE must comply with such instructions

2. Project' Funded Activity Agreement

6.02 **the Fund shall have the right to conduct ad hoc checks, evaluations &/or investigations in respect to the past activities that were performed by the Recipient** and that have led to/generated the GCF Volume of ERs for which the REDD+ RBP was granted. **The AE shall include in the RBP Transfer Agreement:**

- (a) **The right of the Fund to conduct such ad hoc checks**, evaluations &/or investigations in respect of the activities that led to the GCF Volume of ERs; and
- (b) That the **Recipient shall cooperate with the Fund**, should it exercise its rights to conduct ad hoc checks, evaluations and/or investigations in the Host Country.

6.03 In respect of the past activities that led to the GCF Volume of ERs, any **such ad hoc checks and evaluations may be initiated by the Fund during the Reporting Period** (as defined in Schedule 3).

2. Project' Funded Activity Agreement

Clause 8. Additional Representations, Warranties & Covenants of the Accredited Entity

8.02 [...] the AE covenants that as from the Effective Date it shall:

(d) **Ensure that the GCF Proceeds will not support or finance, directly or indirectly, any activities with potential environmental and social risks that are equivalent to category A pursuant to the Environmental and Social Risks Categories to be conducted as part of the Funded Activity;**

(e) **Obtain, as and when needed, all land and rights in respect of land that are required to carry out the Funded Activity, and shall promptly furnish to the GCF, upon its request, evidence that such land and rights in respect of the land are available for the purposes of the Funded Activity;**

(f) **Prior to commencing any activities that have potential application of the AE's safeguards standards on indigenous peoples and/or cultural heritage, the AE shall submit to the Fund the relevant indigenous peoples plan, cultural heritage plan, or other appropriate mitigation measure, including related to benefit sharing and/or a grievance mechanism where relevant, and shall also furnish to the Fund evidence, satisfactory to the GCF Secretariat, that free, prior and informed consent from the indigenous communities has been obtained for the purposes of the relevant activities;**

2. Project' Funded Activity Agreement

Clause 8. Additional Representations, Warranties & Covenants of the Accredited Entity

8.02 [...] the AE covenants that as from the Effective Date it shall:

(k) Ensure and confirm in each Annual Performance Reports (APR) that the GCF Proceeds are used and the Funded Activity is implemented in a manner consistent with the Funding Proposal, this Agreement, the RFP, and the underlying national policy framework within which the activities set out in the Funding Proposal are to be implemented;

(l) Include, in an annex to the first APR to be provided to the GCF, a copy of the operations manual for the Floresta+ pilot programme and the related monitoring and evaluation plan, which shall include the criteria and process for determining the eligibility of the beneficiaries, the prioritization of areas where the Floresta+ pilot programme will be implemented, the estimated distribution of the GCF Proceeds amongst the different beneficiary stakeholder groups, and the expected outcomes at the end of year six (6) of the Floresta+ pilot programme of the four modalities;



*Empoderando vidas.
Fortalecendo nações.*

.... thank you for your attention

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