



Forest & Climate Leaders' Statement on Forest Carbon Results-Based Payments and Credits

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The evidence is clear that there is no pathway to achieve the Paris Agreement's global temperature and adaptation goals without halting and reversing forest loss. Ending forest loss would prevent approximately 7 gigatons (Gt) of annual emissions from deforestation and help safeguard the ongoing greenhouse gas removals (about 7.5 Gt per annum) that standing forests provide. This would be a significant contribution to the long-term goals of the Paris Agreement. For this reason, the REDD+¹ framework is a central part of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

Scaling and accelerating the delivery of finance for forests is critical for halting and reversing forest loss. Parties to the Paris Agreement emphasized the importance of enhanced efforts towards halting and reversing deforestation and forest degradation by 2030 as part of the outcome of the first global stocktake under the Agreement, adopted at the 28th UN Climate Change Conference (COP28). Scaling finance is critical for reaching this goal.

Forest carbon financing results-based payments² (RBPs) and market-based carbon credit approaches are amongst the most mature instruments currently available for scaling up funding for forests. Such instruments, based on high integrity standards, are amongst the most cost-effective and accessible mitigation options available today that can be deployed to accelerate progress towards the achievement of the Paris Agreement's goals.

Over the last decade, forest countries have begun to build a robust supply pipeline of high-integrity forest carbon results at the jurisdictional (national or subnational) scale, consistent with the UNFCCC's Warsaw Framework for REDD+, as agreed by all parties.

Building from this, some forest countries have also started the process to issue high-integrity, jurisdictional scale forest carbon credits to access carbon market finance.

¹ REDD+ as defined by the UNFCCC: <https://unfccc.int/topics/land-use/workstreams/redd/what-is-redd>

² NOTE: Results-based payments reward tons of emissions reductions and removals achieved, without requiring the issuance of credits.

The jurisdictional nature of these credits can better mitigate integrity challenges faced by standalone project-scale forest carbon crediting activities, including leakage, additionality, and permanence.

The foundational infrastructure to scale-up delivery of high-integrity credits is now coming into place in a growing number of forest countries. In some cases, this infrastructure has been developed through a conservatively estimated several billion US\$³ in financing from bilateral and multilateral REDD-readiness support. It has been deployed through e.g. the World Bank's [Forest Carbon Partnership Facility](#) (FCPF) and [BioCarbon Fund Initiative for Sustainable Forest Landscapes](#) (ISFL), the [Green Climate Fund's Results Based Payments Program](#), and the [UN-REDD+ Program](#). This financing has helped build forest country REDD+ monitoring and measurement, reporting and verification programs; safeguards information systems; forest-friendly public policies; stakeholder capacity building; and other pillars of national REDD+ programs.

Building on this foundational infrastructure, RBPs have been made from public sources, estimated in excess of US\$2.5bn⁴, to reward the delivery of results, and to facilitate the progression from readiness to at-scale implementation of jurisdictional REDD+ programs.

These initial catalytic investments are now helping scale and accelerate the delivery of public and private sector forest finance.

Momentum is building. In just the last year, examples of recent transactions include:

- Since COP28, FCPF approved US\$111 million in emission reduction payments, enabling enhanced forest conservation in Cote d'Ivoire, Lao PDR, Madagascar and Viet Nam. Another 11 countries also advanced towards upcoming FCPF credit payments⁵.

³ This figure includes US\$470M in FCPF readiness funds; US\$97.5M in expenditures under the BioCarbon Fund; US\$400 in expenditures via UN-REDD+, as well as significant volumes of additional bilateral and multilateral grants and related financial support.

⁴ This figure includes US\$52M in credit sales prior to COP28 in Dubai made through the FCPF, US\$494.9M through the GCF RBP Program, at least US\$2bn from bilateral RBPs

⁵ Chile, Costa Rica, Democratic Republic of Congo, Dominican Republic, Fiji, Ghana, Guatemala, Indonesia, Mozambique, Nepal, Republic of Congo

- The US\$30 million purchase deal was agreed between Zambia and the World Bank's ISFL program, with progress towards purchase agreements for 4 other ISFL countries (Colombia, Ethiopia, Indonesia, and Mexico).
- The [LEAF Coalition](#) signed new purchase deals representing US\$135 million for the state of Pará (Brazil), Costa Rica, and Ghana.
- Ghana brokered two additional private sector emission reduction purchase agreements at a value of US\$93 million and US\$40 million, respectively, for two different entities.
- Guyana received a further US\$87.5 million from its landmark carbon credits sale, which will grow to US\$750 million over the coming five years.

The pipeline of jurisdictional REDD+ results and credits continues to grow. The challenge now is to match this by growing private sector demand for high quality results and credits at the pace required to meet the goals of the Glasgow Leaders Declaration and the Global Stocktake. This recent wave of deals signals an important shift towards increasing private sector purchases. Complementing this demand-side progress, potentially several hundred million high-integrity credits under leading jurisdictional REDD+ standards may be coming online in the next several years, if the right enabling conditions are in place.

As governments, we intend to harness the momentum that exists and further scale both supply and demand for high-integrity results and credits. We recognize that despite this progress, deforestation is persisting in large part because economic incentives continue to reward the conversion of forested land to other uses, rather than to keep them standing. Carbon finance can support the achievement of the 2030 goal of halting and reversing forest loss by incentivizing the conservation of remaining forests, and by increasing forest restoration that generates real, measurable emissions reductions and removals.

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As governments, we support high integrity voluntary and compliance markets because they have a significant and catalytic role to play in mobilizing public and private finance towards tropical forests. We also support results-based payments as an important source

of finance for forest nations, while recognizing that the necessary impact will only come when the private sector is also incentivized to invest at scale.

Therefore, as governments, given the urgency of halting and reversing forest loss, **we are committed to working together on coordinating, strengthening and scaling investment in high-integrity tropical forest carbon results and credits** to support the delivery of the goal to halt and reverse forest loss by 2030 and to support forest positive economic development. Together, building on the roadmap outlined at COP28⁶, we intend to:

1. *Support continued investment in, and delivery of, results-based payments to countries that are delivering on their REDD+ objectives as set out in their national REDD+ strategies or action plans, nationally determined contributions (NDC) or equivalent.* We intend to work together, as well as with other countries, relevant international and multilateral organisations, to support the development of updated and enhanced national REDD+ strategies, delivery of and payment for REDD+ results.
2. *Actively work to build at-scale investment in, and purchases of, high-integrity forest carbon credits.* Forest countries have already undertaken significant work to increase the supply of high-integrity credits. We believe that there is scope to unlock considerable private finance through high-integrity transactions in voluntary and compliance markets, which are compatible with jurisdictional REDD+. This will involve a particular focus on boosting demand for jurisdictional approaches to crediting (including projects that are nested within jurisdictional approaches). We intend to do this by continuing enabling investments and supporting the de-risking of private sector participation. We also intend to enhance communication of the progress and impacts of high-integrity forest nation REDD+ programs.
3. *Actively support the supply of high-integrity forest carbon results and credits.* We intend to do this by creating and reinforcing the national regulatory and legal frameworks needed to govern transactions for forest carbon results and credits; investing in forest country capacity to develop and implement high-integrity programs and address evolving credit sales requirements; and supporting the development and roll-out of robust, accessible

⁶ FCLP COP28 Roadmap: https://forestclimateleaders.org/wp-content/uploads/2024/07/ScalingInvestmentForestCarbonCredits_Roadmap.pdf

market standards and methodologies to support forest countries as they move along the path to high-integrity jurisdictional REDD+.

4. *Promote effective inclusion of all stakeholders who live in, or depend on, forests including, Indigenous Peoples and local communities (IPs and LCs), as partners in national REDD+ processes and market-based approaches.* We intend to advance this objective by supporting the effective participation and consultation of IPs and LCs in domestic and international policy development, supporting these stakeholders to be treated as partners, and not just beneficiaries, in REDD+. We intend to support efforts to secure land tenure and forest management rights as an integral component of effective REDD+. We also intend to support IP and LCs with the capacities and technical expertise they need to make informed, independent decisions regarding whether and how to participate in market-based transactions based on their free, prior and informed consent. We also support measures that enable and encourage buyers to identify credits with positive social, as well as environmental, impacts.
5. *Promote pricing for forest carbon results and credits that values the critical social and environmental benefits of forest protection and restoration, the costs of high integrity program development, and best practices for price discovery.* We intend to support technical analyses, knowledge sharing, and dialogue between buyers and suppliers to promote such pricing. We intend to support effective revenue sharing with Indigenous Peoples and local communities, recognizing that appropriate pricing can enable more robust and effective revenue sharing arrangements.

While we recognize the growing momentum in this space, it remains insufficient to deliver the goal of halting and reversing forest loss by 2030. Over the coming year, we aim to accelerate action and invite market stakeholders to join us in aligning resources, plans and priorities to halt and reverse forest loss and degradation by 2030.

Supporting Countries:

Republic of Costa Rica

Federal Democratic Republic of Ethiopia

Republic of Fiji

The French Republic

Republic of Ghana

Republic of Guyana

Republic of Kenya

Republic of Nigeria

Kingdom of Norway

Republic of Pakistan

Republic of Peru

Socialist Republic of Vietnam

United Kingdom of Great Britain and Northern Ireland

The United States of America