REDD+ Buyer Perspectives

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Please note:

All the views expressed in this presentation are my own, and not those of my current or previous employers.
What are we covering today?

REDD+ buyer perspectives:
• Donor governments
• Corporations

Key questions:
• *Why are they interested in REDD+ credits?*
• *How does this shape their engagement?*
• *How can they work together?*
Donor government motivations?
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☑ Making good on the REDD+ agreement.
☑ Innovation – bold, landscape-scale approach.
☑ Efficiency & Effectiveness – focus on outcomes, and only pay when they are achieved.
☑ Adaptability – forest countries define the approaches that work for their evolving local context.
☑ Cost – pre-defined and predictable.
☑ Political – supporting high-ambition allies.
☑ Leverage additional private finance.
☒ Not seeking to use credits for own purposes.
How has this shaped donors’ engagement in practice?

- **Testing portfolios** of different partners and finance approaches.
- **Forward contracts** at fixed prices.
- Willing to (within reason) **wait out delays** and bumps in the road.
- **Striking the right balance** on *ex-ante* (traditional grants) and *ex-post* (results-based finance) ‘aidification’ of REDD+?
Corporate motivations?

- Climate strategy
- Nature strategy

BEST PRACTICE
Corporate motivations?

REDD+ credits have the potential to support a **full range of climate and nature claims**.
Corporate motivations?

Corporates are seeking:

- To use credits as part of their climate and nature strategies.
- Availability of supply and on-time delivery.
- High-integrity.
- Cost minimization.
- Communicability.
How is this shaping corporates’ engagement in practice?

- Jurisdictional-scale crediting.
- Independent standards.
- Forward contracts and potential to utilize spot markets.
- Transaction costs corporates seek to minimize.
- Not the usual provider of readiness-building support?
- Likely to prioritize countries with high delivery confidence?
Cataclytic partnerships?

Strong ‘complimentary’ potential for public-private partnerships:
• **Donors** can ‘seed the pipeline’ and support readiness-building in a diverse range of countries.
• **Corporates** ready to reward countries’ results at scale.
• **Donors** can play a further **de-risking** role to help ensure credit delivery to corporates as part of ‘blended’ transaction structures.

Need to carefully manage ‘overlapping’ donor and corporate interests:
• **Donors** will seek to **avoid ‘displacing’** corporate investment.
• Maintaining **consistent goalposts** for forest countries to succeed.
• Striving to remain **outcome-focused** & efficient in **information asks**.
Game changers?

- Increase recognition of voluntary **Beyond Value Chain Mitigation** (e.g. through SBTi and VCMI)?
- **Advanced payments** to enable forest countries to make fast starts?
- Attracting additional investments of **upfront private finance** (e.g. REDD+ investment companies, REDD+ bonds)?
- Potential growth of **Internationally Traded Mitigation Outcomes**?
- As well as growth of **corporate nature-related reporting and action**?
- **Regulation, others**...