

REDD+ Buyer Perspectives

Sean Frisby

9 Feb 2023



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:

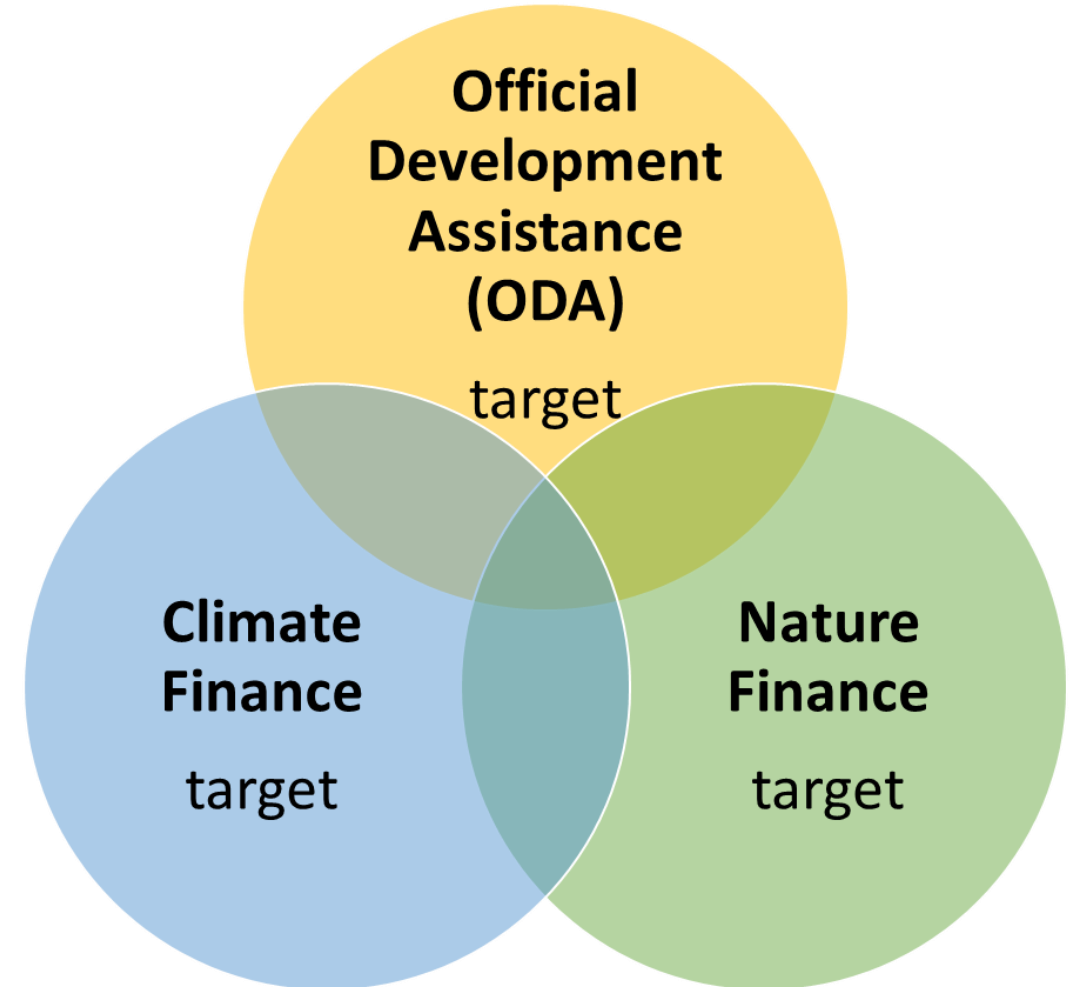
- Donor governments
- Corporations

Key questions:

- *Why are they interested in REDD+ credits?*
- *How does this shape their engagement?*
- *How can they work together?*



Donor government motivations?



Donor government motivations?



- ✓ **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.

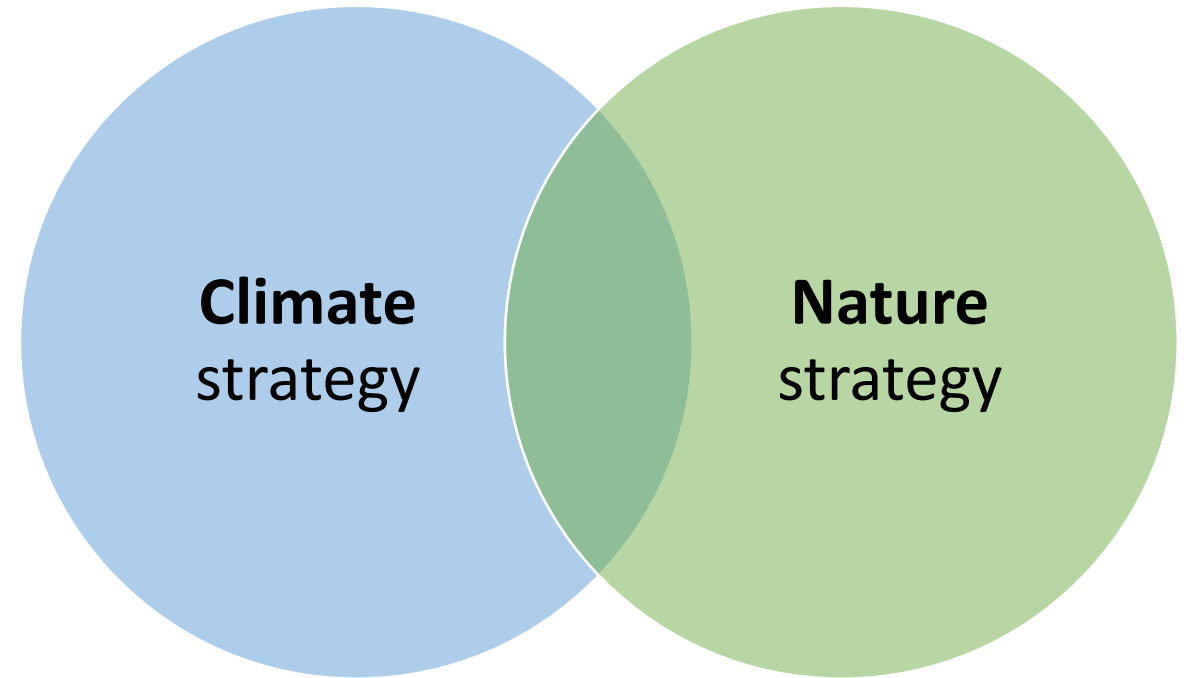
How has this shaped donors' engagement in practice?



- ☑ **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?



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:

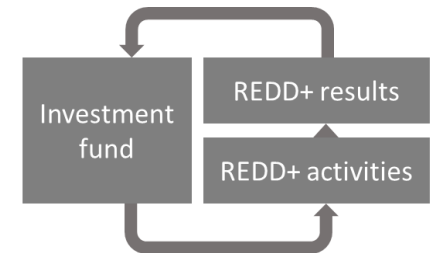
- **Donors** will seek to **avoid ‘displacing’** corporate investment.
- Maintaining **consistent goalposts** for forest countries to succeed.
- Striving to remain **outcome-focused** & efficient in **information asks**.



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?**...





Thank You