

## CLIMATE FINANCE THEMATIC BRIEFING: REDD+ FINANCE

## CLIMATE FINANCE **5** FUNDAMENTALS

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Since 2008, USD 6.3 billion has been pledged to multilateral climate funds that support efforts to reduce emissions from deforestation and degradation plus conservation (REDD+). There is and remains a longstanding interest in the potential to harness market-based mechanisms to support REDD+ programmes. Cumulatively, USD 5.1 billion has been approved for dedicated REDD+ activities since 2008. In 2025, the Amazon Fund – whose operations resumed in 2023 after being frozen since 2019 under Brazil's previous government – emerged as the dedicated REDD+ fund with the largest volume of approved financing, totalling USD 1.2 billion across 141 projects. This exceeds the approved funding reported by the Forest Carbon Partnership Facility (FCPF), the Central African Forest Initiative (CAFI), and the Forest Investment Program (FIP) under the Climate Investment Funds (CIFs). These funds have differing operating modalities however, from supporting readiness to deliver emission reductions to paying directly for emission reductions that complicate fund comparisons.

The year 2025 has seen high approvals for REDD+ with USD 626 million as compared to an average approval of USD 337 million during the past five years. This is reflective of the activities from the Amazon Fund which approved a record amount of USD 378 million in 2025. By December 2025, the Green Climate Fund (GCF) had approved at least 25 cross-cutting projects involving forests, that are considering both adaptation and mitigation elements. In addition, the GCF approved three REDD+ projects worth USD 156 million in 2025, adding to the already eight dedicated REDD+ projects with results-based payments for a total of USD 497 million under its concluded multi-year REDD+ pilot programme. The GCF decided in 2024 to mainstream REDD+ results-based payment approaches under its normal funding cycle going forward, with a funding cap still to be set for its GCF-2 programming period until the end of 2027. These projects reflect efforts to support developing countries' move beyond readiness and capacity building to demonstration programmes and emission reductions with payments based on verified results. Confirmed by the high level in REDD+ approvals from the multilateral climate change funds in 2025, forest protection and conservation efforts continue to ramp up. This builds from the 2021 Glasgow Leaders' Declaration on Forests and Land Use at COP26, to Brazil's launch of a multilateral investment fund for global tropical forest conservation called the Tropical Forest Forever Facility on the sidelines of COP30.

### Introduction

REDD+ came into prominence following the recognition that land-use change, principally deforestation, is responsible for 12%–20% of global greenhouse gas (GHG) emissions. Furthermore, tropical forests provide multiple ecosystem services and support the livelihoods of an estimated 1.6 billion of the world's poorest people who are dependent on forest resources. REDD+ has the potential to help promote environmental and socially sustainable use and conservation of forest resources as part of development strategies, provided safeguards, inclusive gender-responsive beneficiary schemes, and traditional and

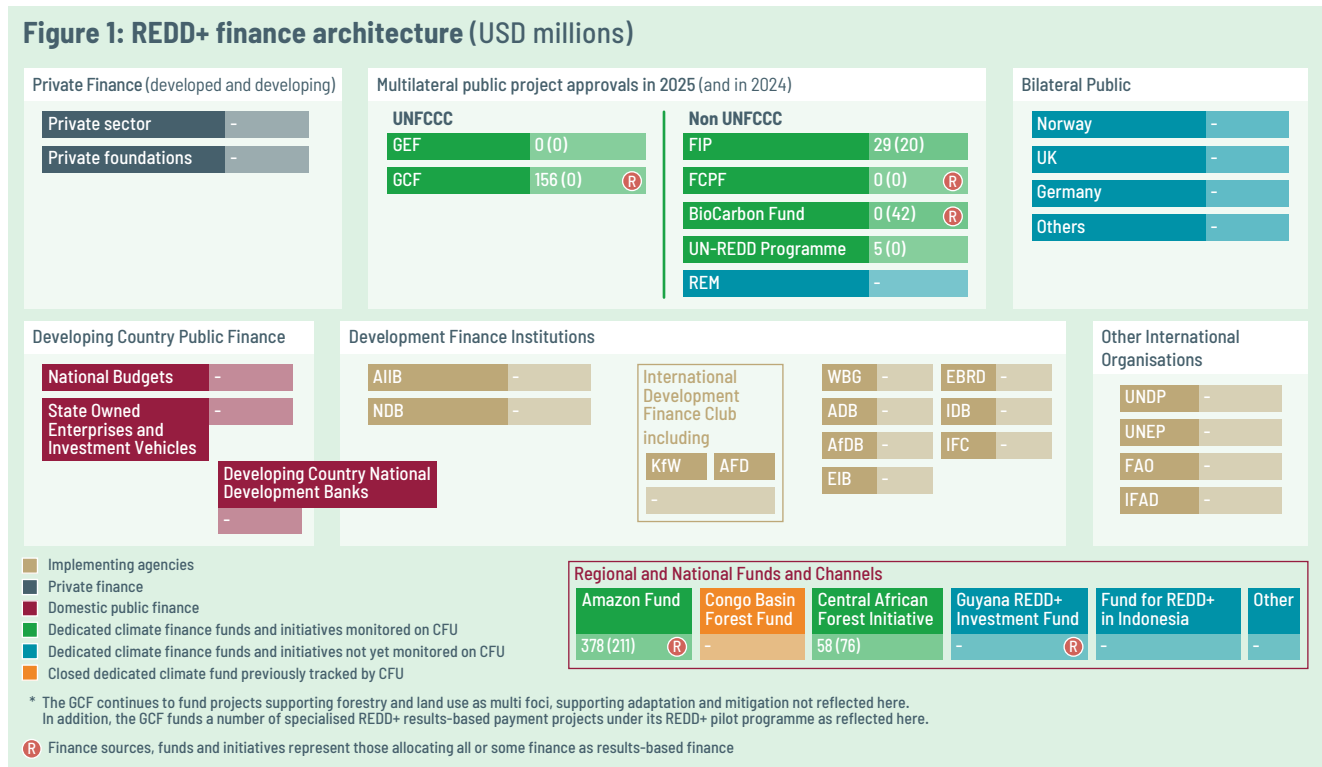
Indigenous consent and usage rights are acknowledged and protected. The Warsaw Framework on REDD+ negotiated at COP19 highlighted the importance of safeguards implementation in addition to a focus on financing for verified emissions reductions results (UNFCCC, 2014). The idea of harnessing carbon market-based mechanisms to support REDD+ has attracted substantial interest and work continues to ensure high social and environmental integrity for carbon credits. At COP29, Parties finalised key rules and guidelines for international carbon trading under Article 6 of the Paris Agreement, although work remains

for international cooperation. Over the years, a large share of REDD+ finance has been spent on 'readiness' activities to prepare countries for funding based on demonstrated reductions of deforestation and associated emissions. In recent years, the concept of REDD+ has been included in more holistic approaches focused on the promotion and protection of natural ecosystems as ways to combat climate change. The Glasgow Leaders' Declaration on Forests and Land Use at COP26, which now brings together over 140 countries whose territory covers 90% of the world's forests, promised to strengthen collaboration to address forest loss by providing finance, knowledge and tools (UK COP26, 2021a). This and several other initiatives continue to pursue the forest protection agenda. At COP30, the Tropical Forest Forever Facility (TFFF) was launched, with initial capital pledges of USD 6.7 billion by Norway, Germany, Brazil, Indonesia, France, Netherlands and Portugal (on varying terms), and with support expressed by other countries and institutions. The TFFF is a proposed investment vehicle to reward forest protection and restoration through annual payments to countries that keep deforestation below 0.5% of total forested area (Brazil COP30, 2025; TFFF Watch, 2026). The initial indicative fundraising target was USD 25 billion in sponsor capital, that could seek to raise a further

USD 100 billion from capital markets (Mongabay, 2025). Capital market investment returns are then envisaged to provide results-based payments for forest conservation and restoration across up to 70 tropical countries, with indicative annual payments of USD 4 per hectare and the stated aim to provide at least 20% of the payments to Indigenous Peoples and local communities (TFFF n.d.), though there remains work to do to establish payment mechanisms and monitoring and evaluation procedures. In late 2025, the World Bank was acknowledged as trustee and interim host of the TFFF, and continued efforts to raise sponsor capital will be made in 2026. With ambitions for the TFFF to receive contributions from sovereign wealth funds, philanthropic foundations, and investors as lenders in addition to capital inputs by countries, it remains also to be determined how it will interact with the existing multilateral REDD+ funds (Mongabay, 2024; Global Foundation, 2024) and in particular what it means for their financial future at a time of tightening public support.

### Which climate funds support REDD+?

REDD+ finance is provided by several different institutions (Figure 1). The multilateral REDD+ funds include multiple modalities for impact. Many of these multilateral funds



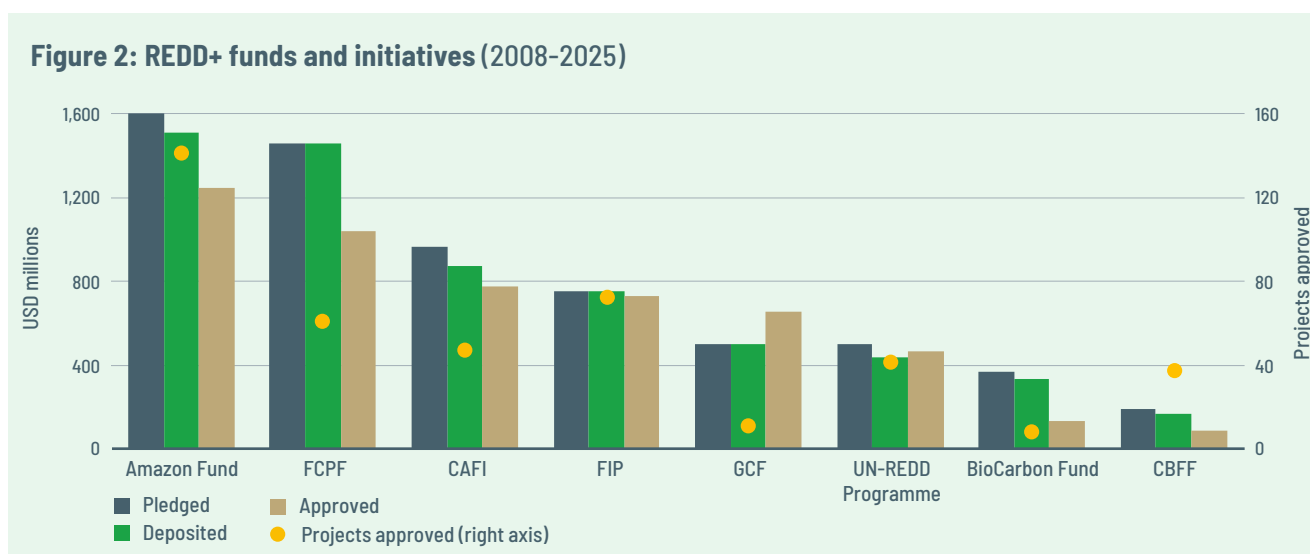
Multilateral Funds and Initiatives		Development Finance Institutions	
BioCarbon Fund	BioCarbon Fund (World Bank)	ADB	Asian Development Bank
CAFI	Central African Forest Initiative	AFD	Agence Française de Développement (French development agency)
FCPF	Forest Carbon Partnership Facility	AfDB	African Development Bank
FIP	Forest Investment Program (implemented through WB, ADB, AfDB, EBRD and IDB)	AIIB	Asian Infrastructure Investment Bank
GCF	Green Climate Fund	EBRD	European Bank for Reconstruction and Development
GEF	Global Environment Facility	EIB	European Investment Bank
REM	REDD+ Early Movers Programme	IDB	Inter-American Development Bank
UN-REDD Programme	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation	IFC	International Finance Corporation (World Bank)
<b>Other International Organisations</b>		KfW	Kreditanstalt für Wiederaufbau (German development bank)
FAO	Food and Agriculture Organization of the United Nations	NDB	New Development Bank
IFAD	International Fund for Agricultural Development	WBG	World Bank Group
UNDP	United Nations Development Programme		
UNEP	United Nations Environment Programme		

supporting REDD+, particularly those developed early on, have focused on building capacity, strategies, data and accountability systems, recognising the complex drivers of forest use and land use change. This includes the UN-REDD Programme, the Forest Investment Program (FIP) of the Climate Investment Funds (CIFs), and the World Bank's Forest Carbon Partnership Facility Readiness Fund (FCPF-RF), all of which support partner countries through projects providing technical and financial assistance to set up an enabling environment for REDD+.

REDD+ finance is ultimately, however, intended to support developing countries to move beyond capacity building and readiness towards demonstration programmes and emission reductions with finance offered on a payment-for-performance basis. The Central African Forest Initiative (CAFI) and the Amazon Fund are both regional actors that seek to deliver REDD+ and raise pledges to the fund based on emission reductions at landscape or national level. In contrast, the BioCarbon Fund, the World Bank's Forest Carbon Partnership Facility Carbon Fund (FCPF-CF), and the GCF REDD+ results-based payment pilot directly deliver and pay for emission reductions at the project level. This can be ex-ante as in the case of the BioCarbon Fund and FCPF-CF, where emission reduction purchase agreements are signed and payments are only released on delivery, or ex-post, as in the GCF REDD+ results-based payment pilot, where payments were provided after verified emission reductions had already been delivered.

Emission reduction purchase agreements (ERPAs) account for 48% of the USD 2.8 billion approved for REDD+ activities in the past eight years. The FCPF Carbon Fund approved 15 ERPAs between 2018-2021 and the BioCarbon Fund approved two ERPAs in Ethiopia in 2023 and Zambia in 2024, unlocking up to USD 15 million and USD 30 million in results-based payment, respectively. To date, ten partner countries of the FCPF Carbon Fund have received results-based payments, totaling USD 235 million. In contrast, eight results-based REDD+ projects were delivered under the GCF between 2019-2020 with partner countries receiving USD 497 million. In 2024, the GCF decided after a thorough review of its REDD+ pilot programme under a new policy for REDD+ results-based payments (RBP), to mainstream the approach into the regular project and programme activity cycle (instead of starting a second programming phase, with modalities, templates and an updated score-card building on the pilot phase and review findings). The funding allocated to REDD+ RBP is to be determined under each programming period of the GCF (and not yet set for the ongoing GCF-2 programming period until end of 2027). Three countries that had submitted and were deemed eligible under the initial pilot programme – namely Lao PDR, Papua New Guinea and Uganda – received approval for their REDD+ RBF funding proposals worth USD 156 million in 2025 (GCF, 2025; GCF, 2024).

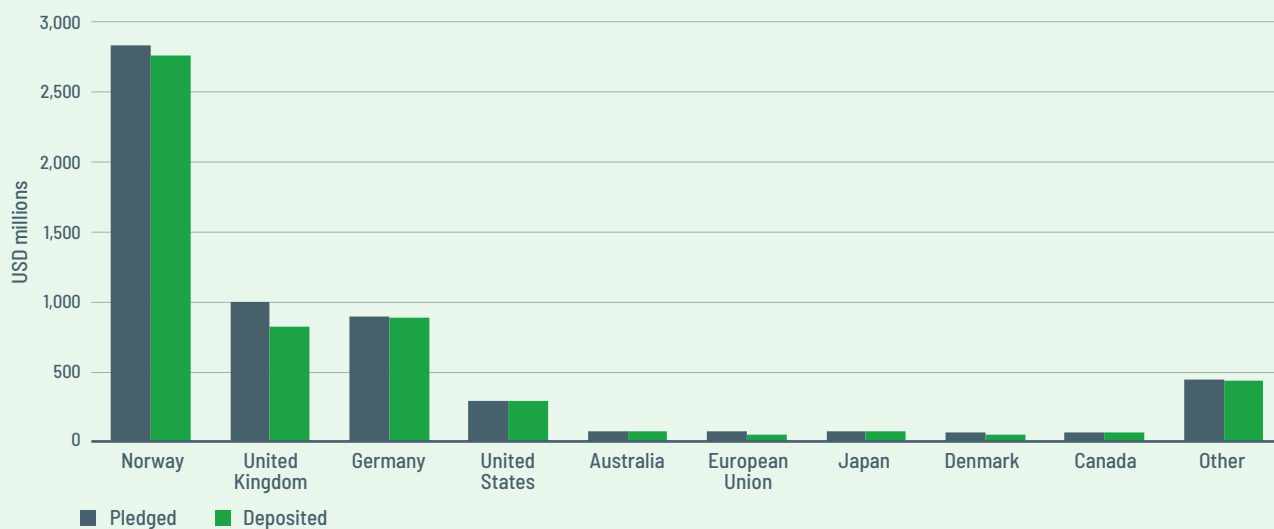
Together, while recognising the difference in modalities between ERPAs and other programmes, the multilateral REDD+ funds have approved USD 5.1 billion for project activities (Figure 2, Table 1).



**Table 1: Climate funds supporting REDD+ (2008-2025, USD millions)**

Fund	Pledged	Deposited	Approved	Projects approved
Amazon Fund	1,598.0	1,508.0	1,244.0	141
Forest Carbon Partnership Facility (FCPF) <sup>1</sup>	1,455.4	1,455.4	1,035.6	61
Central African Forest Initiative (CAFI)	965.6	869.0	776.3	47
Forest Investment Program (FIP)	751.2	751.2	725.7	72
Green Climate Fund (GCF) <sup>2</sup>	-	-	652.6	11
UN-REDD Programme	501.2	434.3	461.5	41
BioCarbon Fund	365.4	335.1	128.7	8
Congo Basin Forest Fund (CBFF) <sup>3</sup>	186.0	164.7	83.1	37

**Figure 3: Pledges and deposits to REDD+ funds in Table 1 (2008-2025)<sup>4</sup>**



### Who pledges and deposits REDD+ finance?

Norway has contributed the largest amount of finance to multilateral funds for REDD+ activities, including the bulk of funding for the Amazon Fund (Figure 3). Norway's contribution represents 49% of the total pledged amount. The United Kingdom, Germany and the United States are also major contributors of REDD+ finance, providing resources to multilateral funds as well as implementing bilaterally.

### Who receives the money and what kind of projects are funded?

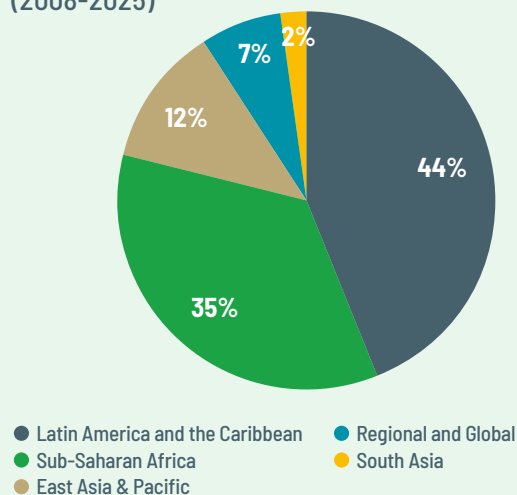
Figure 4 shows 44% of approved multilateral REDD+ funding or USD 2.3 billion targets Latin America. The Amazon Fund provides support to 141 projects in Brazil and the Amazon biome and accounts for 55% or USD 1.2 billion of this amount. Following a suspension of activities in 2019 under Brazil's previous administration, the fund resumed operations in early 2023 and approved five new projects that year, followed by 11 in 2024 and 23 in 2025 (Wilson Center, 2023). The next largest recipient region is sub-Saharan Africa, with 35% of multilateral REDD+ funding or USD 1.8 billion approved for 158 projects. The biggest recipient of overall dedicated REDD+ finance in the region is the Democratic Republic of Congo (DRC), for which project approvals stand at USD 568 million. In Asia, Indonesia is the largest country recipient of REDD+ finance, with USD 289 million in REDD+ approvals.

Climate Funds Update (CFU) data records 64 countries as recipients of multilateral REDD+ finance, although more than a quarter of the total approved REDD+ finance is concentrated in Brazil (28%). The DRC, Indonesia, Lao PDR, Ghana and the Congo Republic all follow as top recipients of REDD+ finance, with over USD 132 million each of multilateral funding for REDD+ approved. Although not a dedicated REDD+ fund, by December 2020 the GCF approved eight projects under its REDD+ pilot programme, amounting to USD 497 million for results-based REDD+, thus exhausting the funding envelope for the programme; going forward, the GCF is ending the pilot approach by mainstreaming GCF REDD+ funding into its normal project programming cycle, with a funding amount set per four-year programming period. This will likely increase overall funding being made available, as demand remains strong. In 2025, three countries deemed eligible under the initial pilot programme - namely Lao PDR, Papua New Guinea

and Uganda - received a total of USD 156 million in results-based payments for REDD+ emission reductions. Among dedicated multilateral REDD+ funds, the FIP and UN-REDD Programme approved two and one new projects, respectively, in 2025, while the BioCarbon Fund approved none. Finally, CAFI approved ten new projects, totalling USD 58 million. Out of these thirteen projects, eleven are located in sub-Saharan Africa, one in Tunisia and one in Indonesia.

More funds that target both adaptation and mitigation are supporting forestry relevant projects, however. GEF-8 approved one global project to strengthen technical capacities and knowledge on forest-related data collection (USD 2 million) in 2024, for example, while the GCF has approved 25 more projects and programmes with a focus on forestry and land use since 2020. In 2025, it approved four new projects, including two to strengthen forest infrastructure and support rural communities in Serbia (USD 25 million) and Armenia (USD 9.5 million), one to promote agroforestry production systems in the Amazon and Atlantic Forest biomes in Brazil (USD 23 million), as well as the Amazonia Viva programme to support climate-resilient forest conservation and sustainable land use across the Amazon basin (USD 200 million).

**Figure 4: Regional distribution of approved multilateral REDD+ finance from major funds (2008-2025)**



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## Endnotes

1. While signed during the 2018-2021 period, the FCPF's 15 Carbon Fund emission reductions purchase agreements were only included in the 2023 update of the CFU as 'approvals' by the funds due to method shifts. Their inclusion in 2023 data added USD 721.3 million to REDD+ approvals, accounting for differences between CFU materials published in 2023 with respect to REDD+, including for example FCPF rising to be the REDD+ fund with the largest amount of financing approved from fifth place.
2. The GCF is a multi-foci fund, not a dedicated REDD+ fund. The GCF initially set aside USD 500 million for REDD+ results-based payments under a pilot programme, which has since ended. The GCF decided to mainstream REDD+ results-based payment activities into GCF programming starting in 2024, but without a specified allocation or funding cap.
3. The Congo Basin Forest Fund (CBFF) operated for a ten year period from 2008-2018 and was formally closed in 2018; it has been succeeded in the region by the Central African Forest Initiative (CAFI).
4. It is not possible to determine the share of pledges arising from particular countries for the REDD+ spending to the GCF, which are excluded here.

The Climate Finance Fundamentals are based on Climate Funds Update data and up to 2021 also available in French and Spanish at [www.climatefundsupdate.org](http://www.climatefundsupdate.org)

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