

NEW YORK CLIMATE WEEK

Nesting for Scale:

Structuring JREDD+ to Attract Investment and Deliver Benefits

Thursday, September 24, 2026 • 3:30 – 5:30 pm

Jay Suites – Bryant Park, Meeting Room I

1441 Broadway, New York, NY 10018



About This Workshop



Governments are making decisions on Jurisdictional REDD+ and nesting that will have impacts on jurisdictional programs and REDD+ projects, as well as available finance opportunities and realized climate benefits.

This workshop is designed to clarify and strengthen understanding of nesting for Jurisdictional REDD+ programs and projects. It will cover the different types of nesting, the approaches provided under different market standards, and the impact these have on securing climate finance and delivering climate benefits.

We will discuss key considerations in developing a nested JREDD+ program and explore ways to navigate these considerations to maximize the delivery of high-quality JREDD+ credits at scale, strengthening the program's ability to attract investment and meet buyer demand.

Who This Session Is For



This workshop is designed for:

Governments

Climate finance investors

**REDD+ project and
program developers**

Buyers

...to gain a deepened understanding of approaches to nesting and the impact this has on scaling supply and finance for JREDD+ activities.

Agenda

Welcome and Introduction

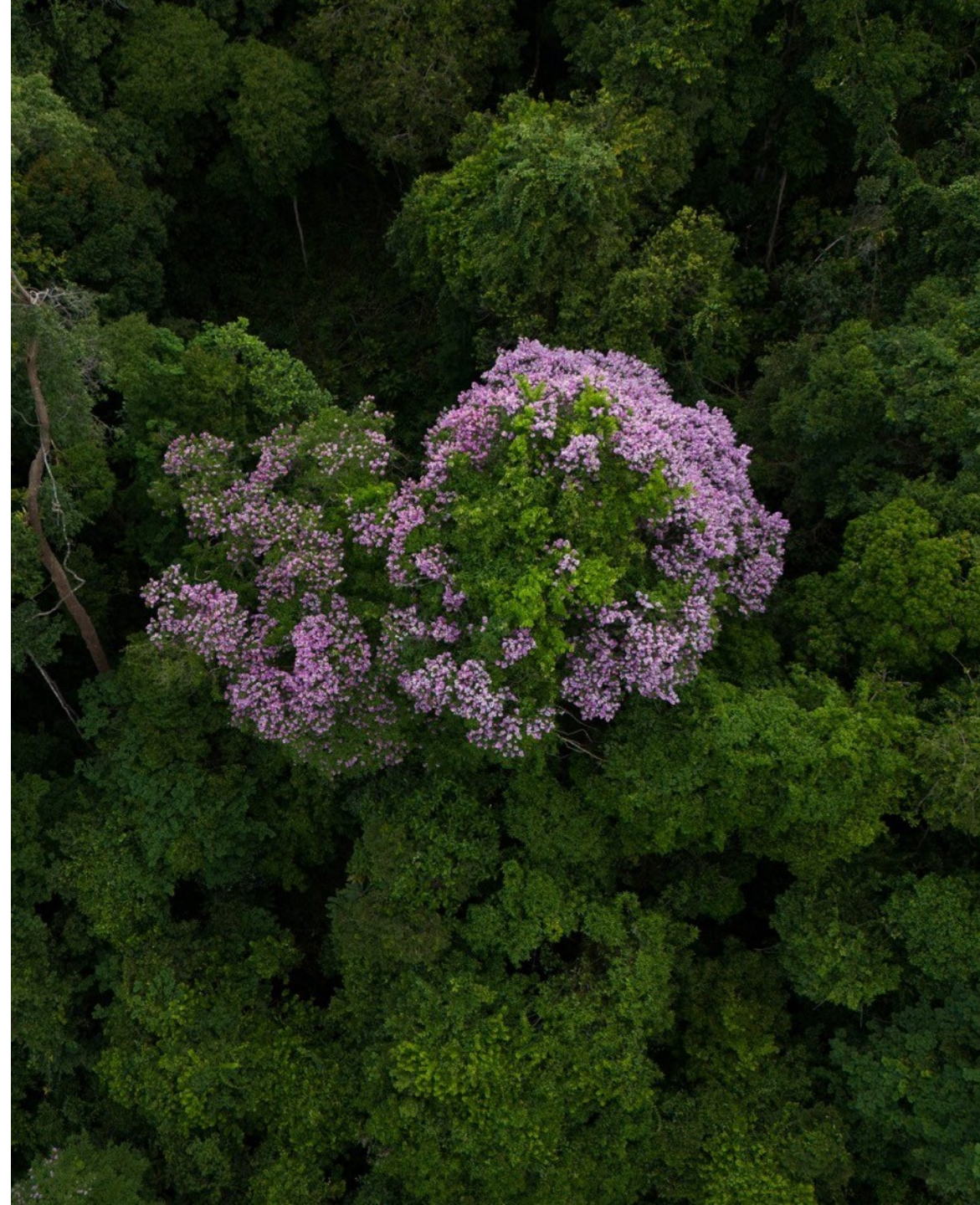
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- 01** **REDD+ Market Standards High-Level Overview**
 - 02** **What Is Nesting: Accounting, Crediting, and Approaches to Nesting**
 - 03** **Case Studies on Three Technical Nesting Approaches to Issuance**
 - 04** **Nesting and Impact on Financing JREDD+: Investor and Buyer Perspectives**
-

Closing Remarks

Nesting for Scale: Structuring JREDD+ to Attract Investment and Deliver Benefits

REDD+ market standards overview

Sarah M. Walker | Director of Natural Climate Solutions | Wildlife Conservation Society



Diversity has arrived in carbon standards!

Site-based 'Project' Standards



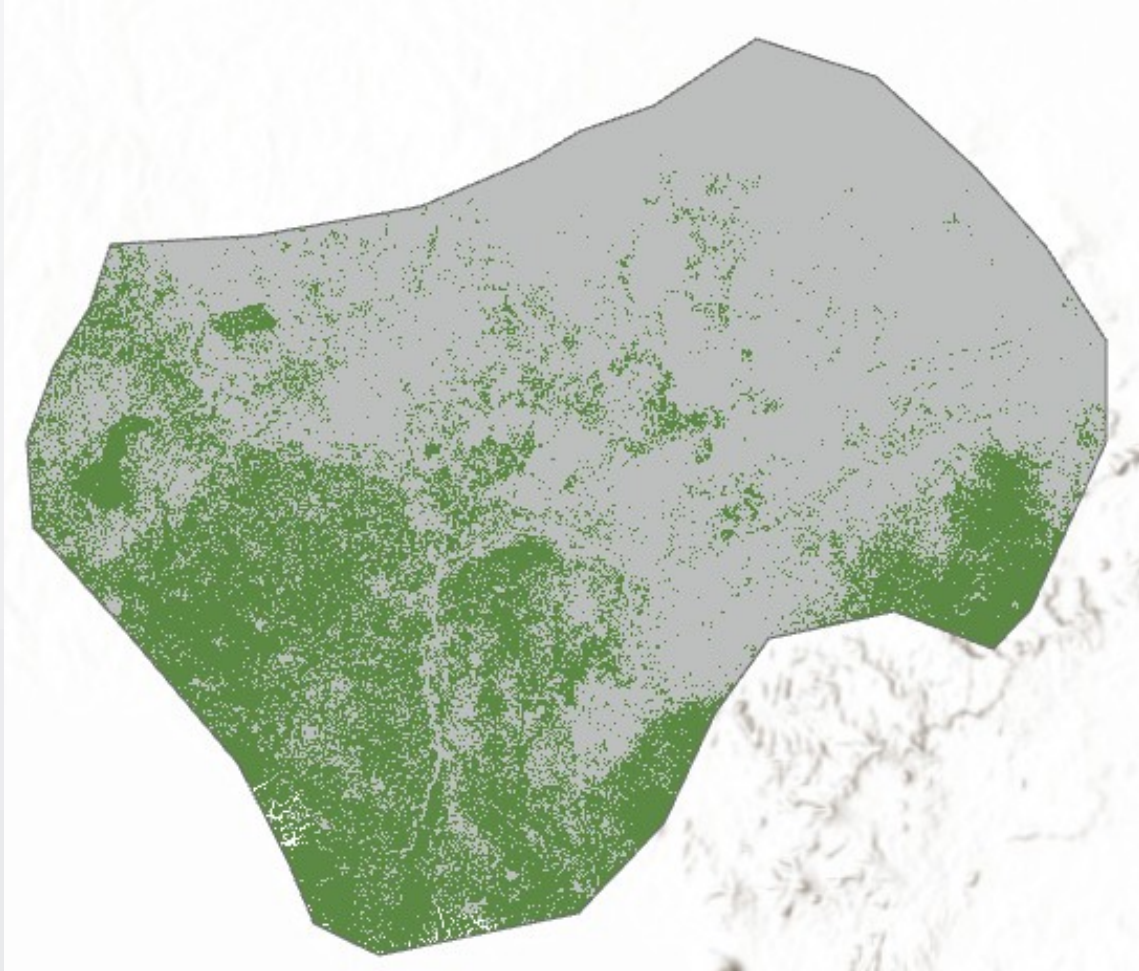
Jurisdictional Standards



More Standards to come?

Country-Country 6.2 deals w no standard???

What is JREDD+



Government-led

Implemented by the national or subnational government. Requires formal legal and regulatory frameworks. Gov't must structure program and governance

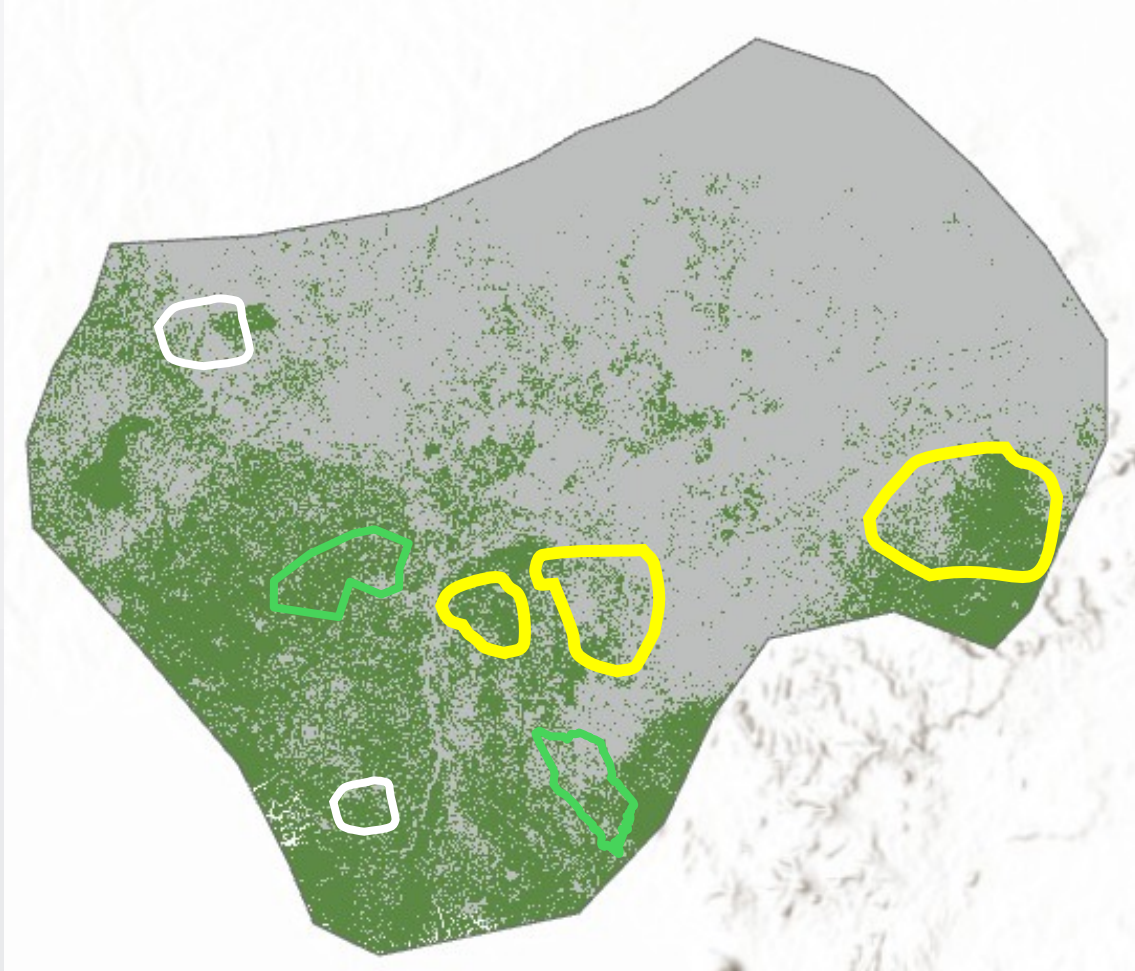


Jurisdictional accounting and quality controls

Covers ALL forested areas within administrative boundaries—with no gaps or overlaps between projects.

Standards provide quality controls, metrics, and evaluation criteria

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Standards provide quality controls, metrics, and evaluation criteria



Nesting of projects, systems to ensure 'no double counting'

Jurisdiction can decide how/if individual REDD+ projects can operate WITHIN the jurisdiction, receiving allocations from the jurisdictional baseline and/or credit independently



Higher carbon value

JREDD+ and Nested project credits expected to command premium prices compared to standalone project credits due to their eligibility under CORSIA and ICVCM.

Comparison of JREDD Standards

Status of Programs

≡ Verra JNR

- One scenario 2 program registered (Misiones)
- Several programs under development

≡ TREES

- 2 programs verified with issued credits (Guyana and Costa Rica)
- 8 programs under active valid/verif (Ghana, Vietnam, Tocantins, Acre, Para, Guyana – 2024 credits, Ecuador, Bhutan)
- 17 programs listed / concept approved

ICVCM CCP Approval Status

✓ Verra JNR v4.1

- Approved

✓ TREES v2.0

- Approved (HFLD under remedial action)

Corsia Approval Status

✈ Verra JNR v4.1

- Approved (Scenario 2b and 3 only)

✈ TREES v2.0

- Approved

Article 6.2 MOUs etc?

🤝 Verra JNR v4.1

- 6 MOUs with gov'ts
- Active capacity building occurring w/ host countries

🤝 TREES v2.0

- MOU with Singapore (HFLD pending)

Comparison of JREDD Standards

Carbon Rights and Safeguards

Verra JNR v4.1

- Must demonstrate rights to GHG ERs
- Must show how non-state actors are respected / incorporated / benefit sharing

TREES v3.0

- Must demonstrate rights to GHG ERs
- Must show how non-state actors are respected / incorporated / benefit sharing

Nesting Approach

Verra JNR v4.1

- Centralized or Decentralized
- Risk Mapping and allocation tool VT0007 can be utilized for internal risk allocation

TREES v3.0

- Centralized or Decentralized
- Jurisdiction can determine allocation

Additionality Requirements

Verra JNR v4.1

- Demonstrate policies and actions compared to baseline

TREES v3.0

- Must reduce crediting level by 1% in each crediting period. OR quantitatively demonstrate baseline conservative
- Must have a REDD+ Implementation Plan and carry out REDD+ activities

Comparison of JREDD Standards

Reference Level

Verra JNR v4.1

- Jurisdiction entity generated
- Consistent w UNFCCC reporting
- Based on average of historical period
- AD = Historical time series, sample based approach
- EF = derived from ground data

TREES v3.0

- Jurisdiction entity generated
- Consistent w UNFCCC reporting
- Based on average of historical period
- AD = Historical time series; flexibility on approaches (sample, wall to wall, records)
- EF = derived from ground data

Project REDD+ Methodologies?

- Jurisdictional level baseline data produced *could* be utilized by jurisdiction as starting point for jurisdictional reference level

Eligible Activities

Verra JNR v4.1

Avoided Deforestation

Avoided Degradation

TREES v3.0

Avoided Deforestation

Avoided Degradation

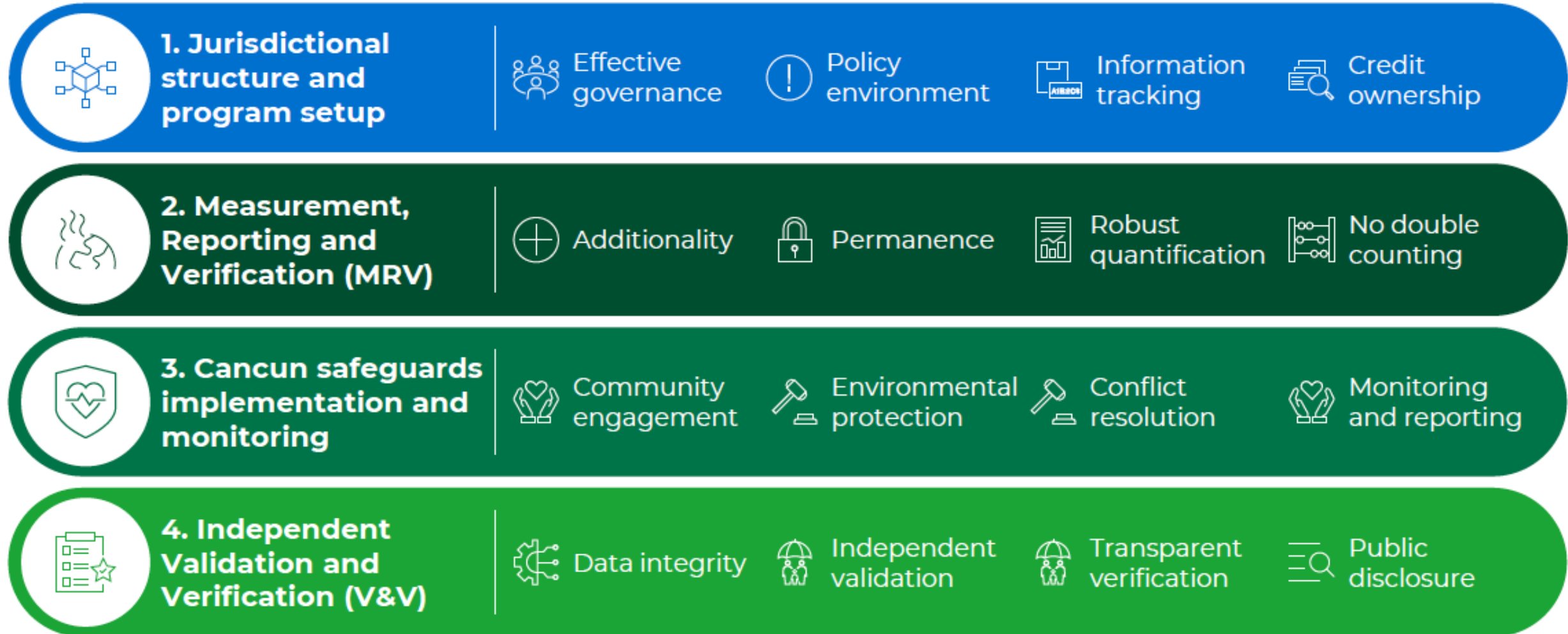
Nonforest → Forest

HFLD

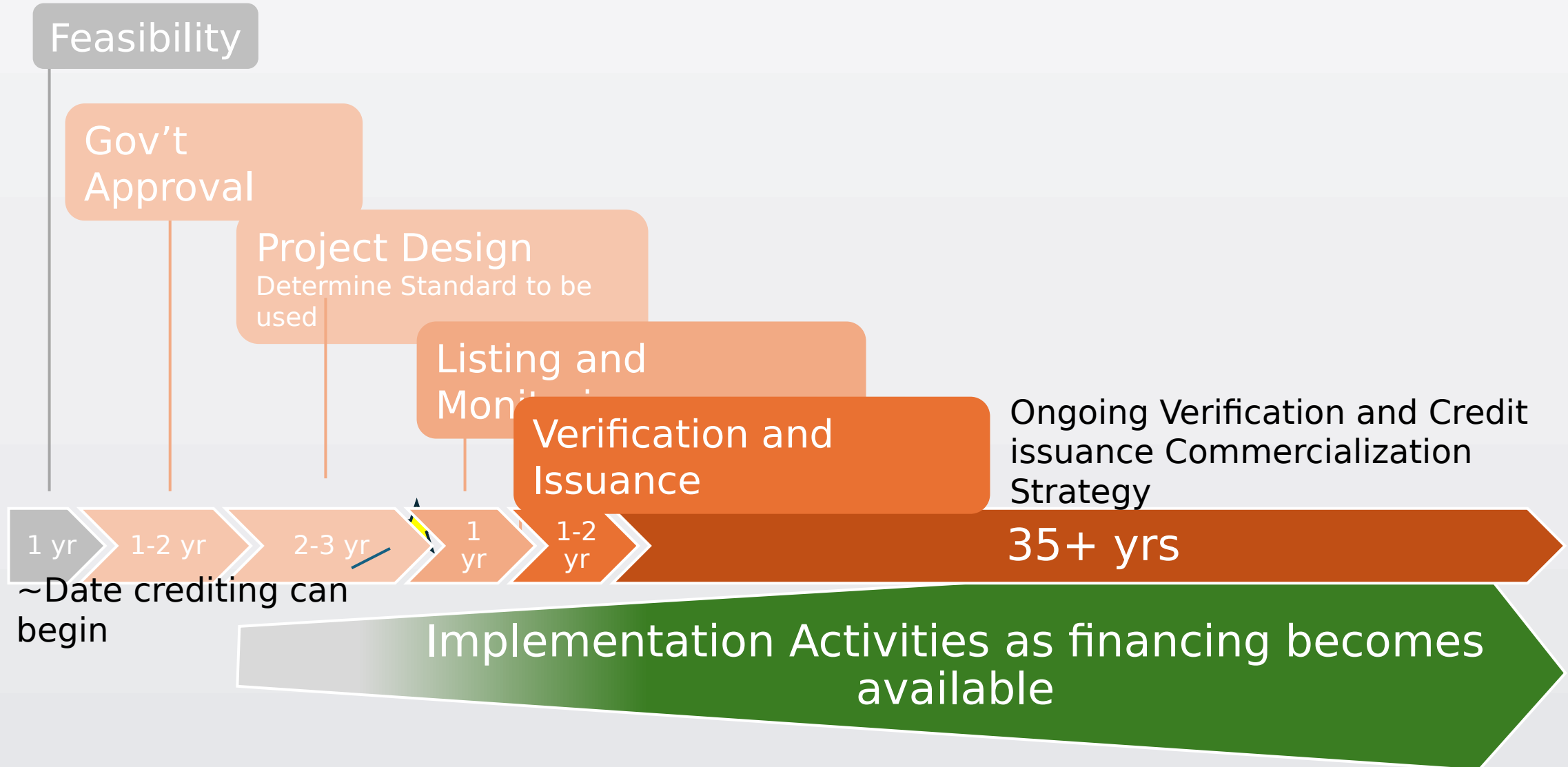
Project REDD+ Methodologies?

Different Methodologies use different approaches to develop baseline

All JREDD+ Standards will need same structures:

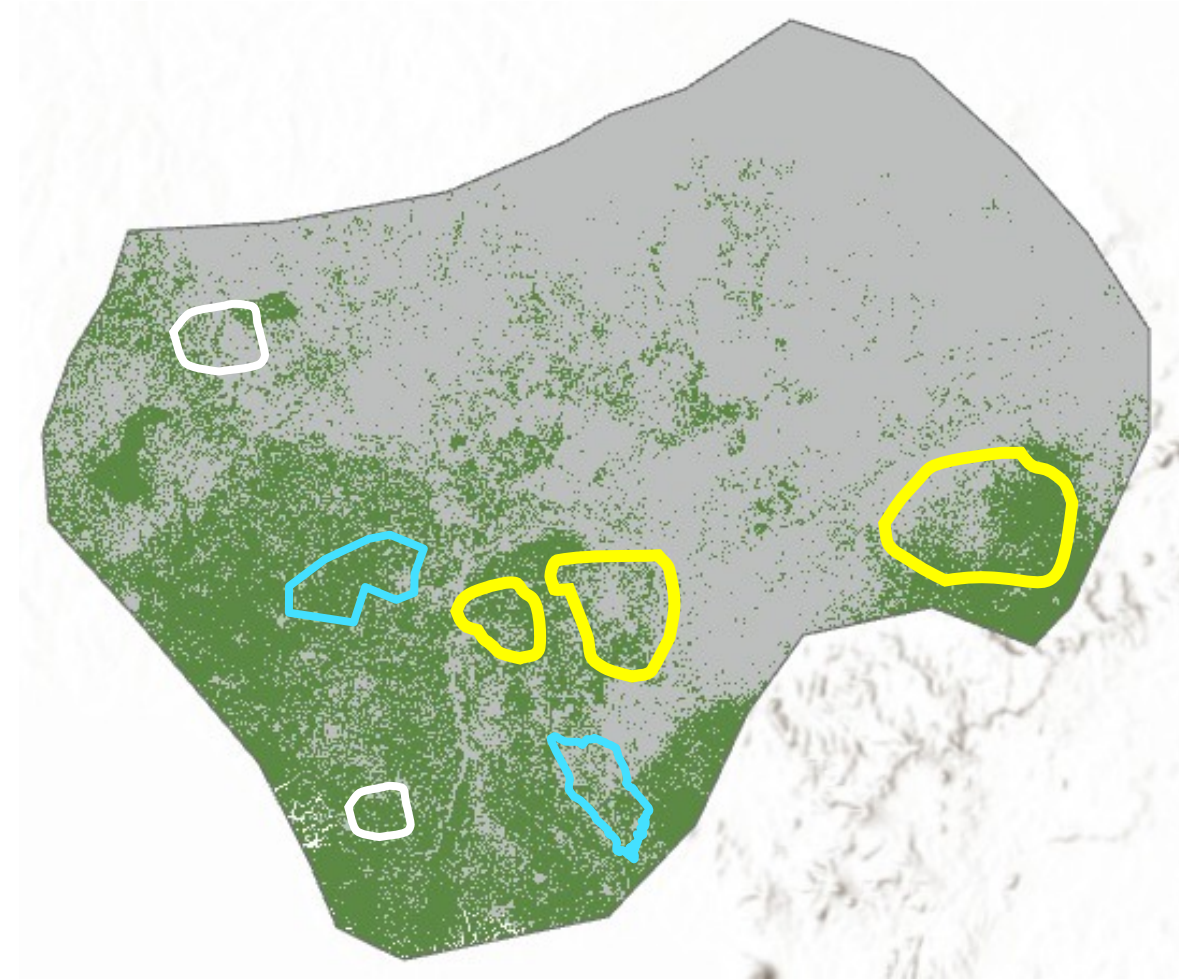


All JREDD+ programs go through similar development cycle



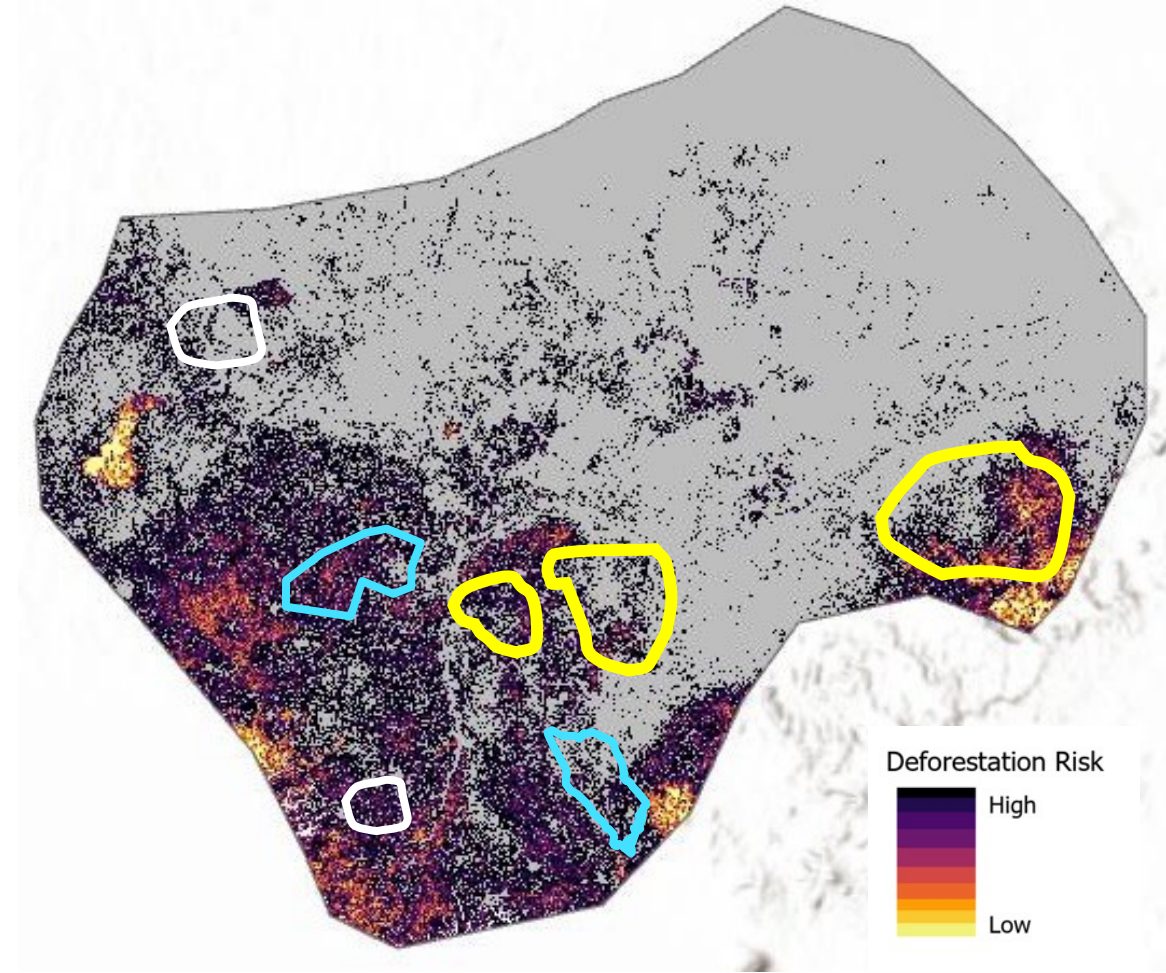
All JREDD+ Standards will include some type of 'reference level':

- Based on historical time series of satellite imagery, ground data, tabular data, and models
- Allocation approaches within jurisdiction currently vary between standards
 - ART: Jurisdiction decision
 - JNR: Jurisdiction decision, Risk Mapping and allocation tool VT0007 can be utilized for internal risk allocation
 - VCS VM0048 or EqE M002 REDD (and more in future!) baseline models *could* be utilized for designing internal risk allocation



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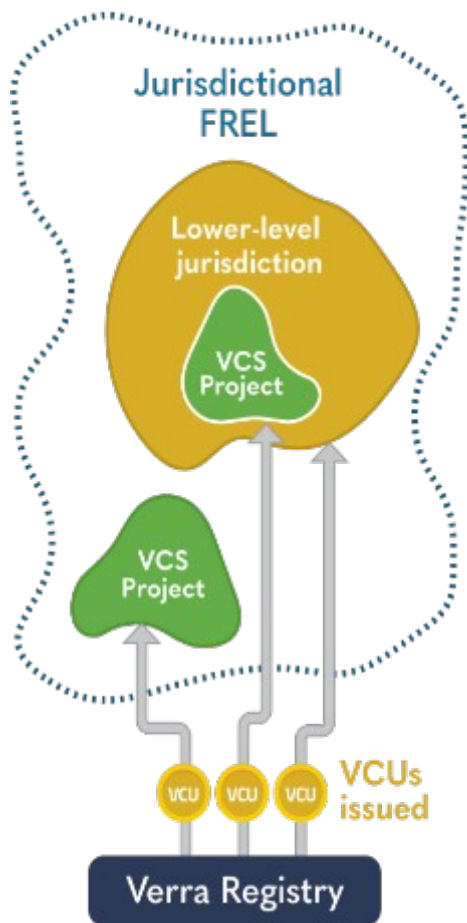
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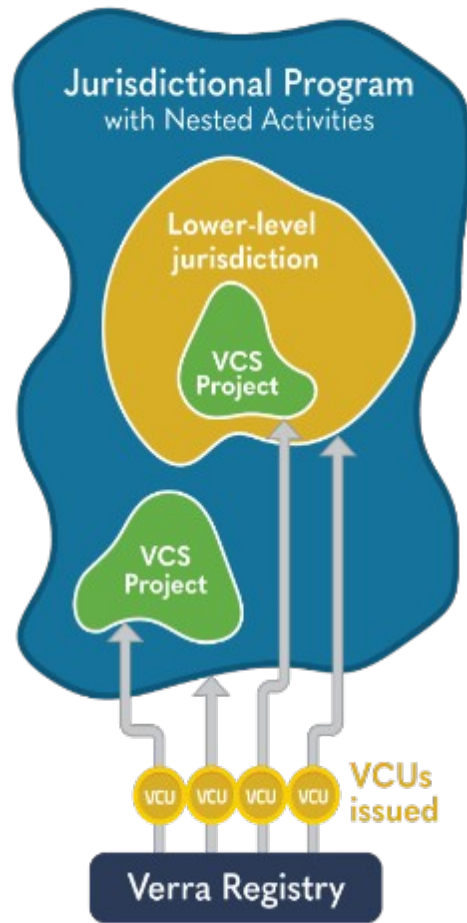


Current Nesting Approaches

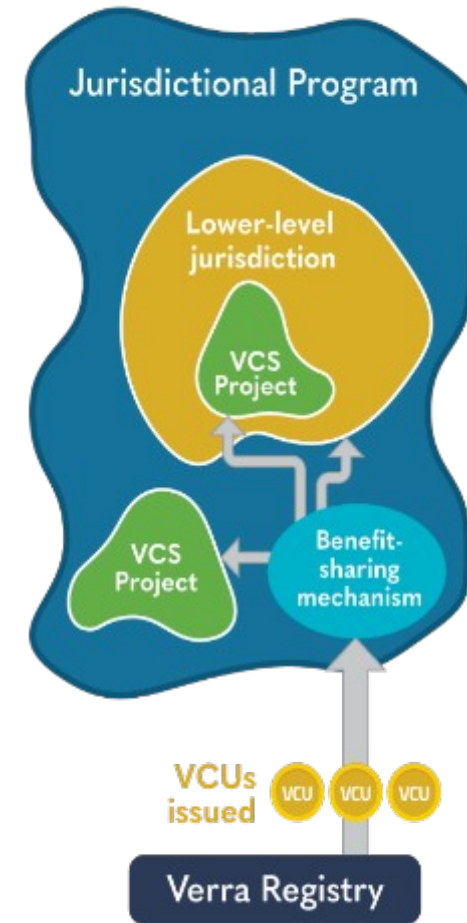
SCENARIO 1



SCENARIO 2



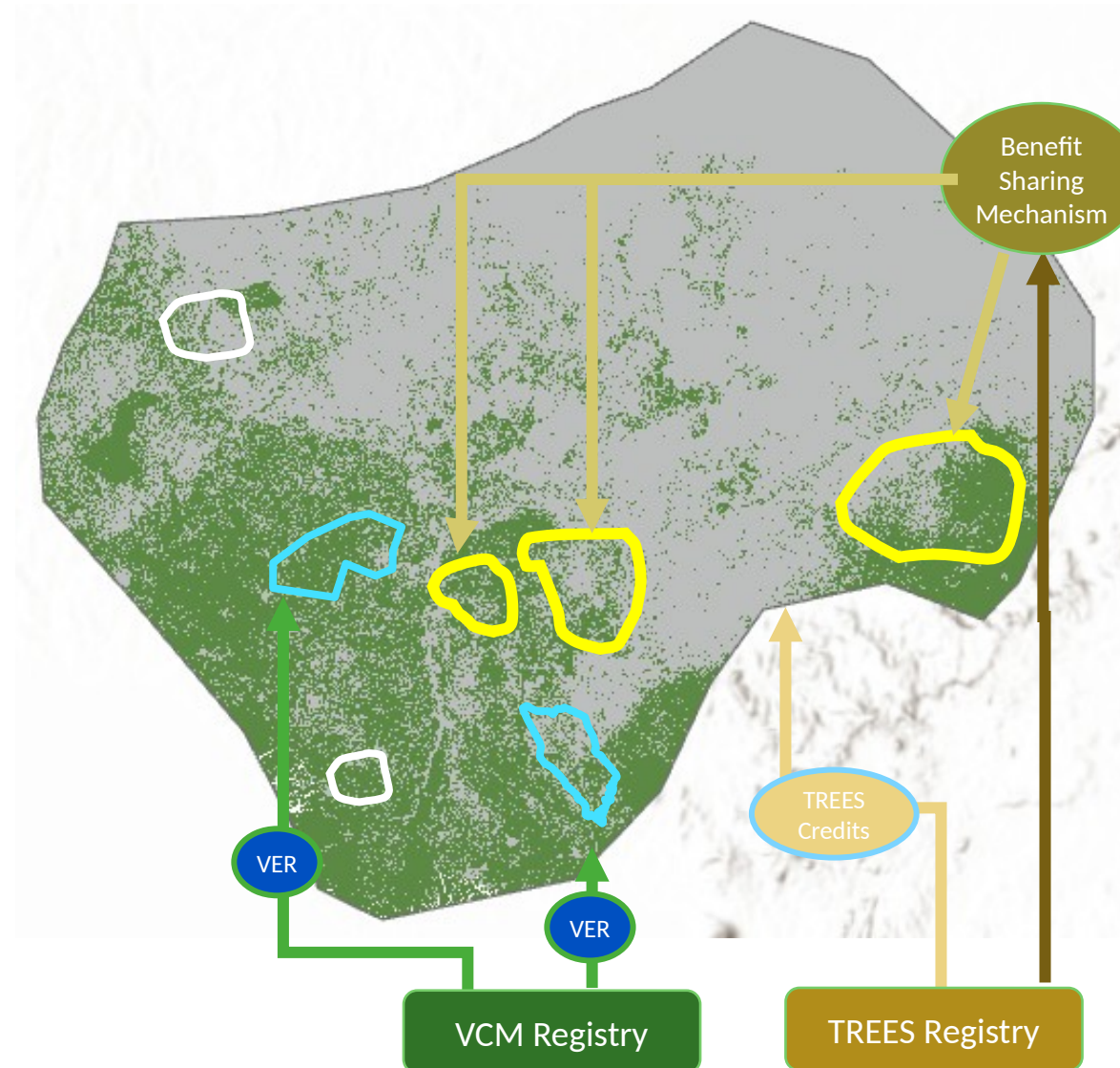
SCENARIO 3



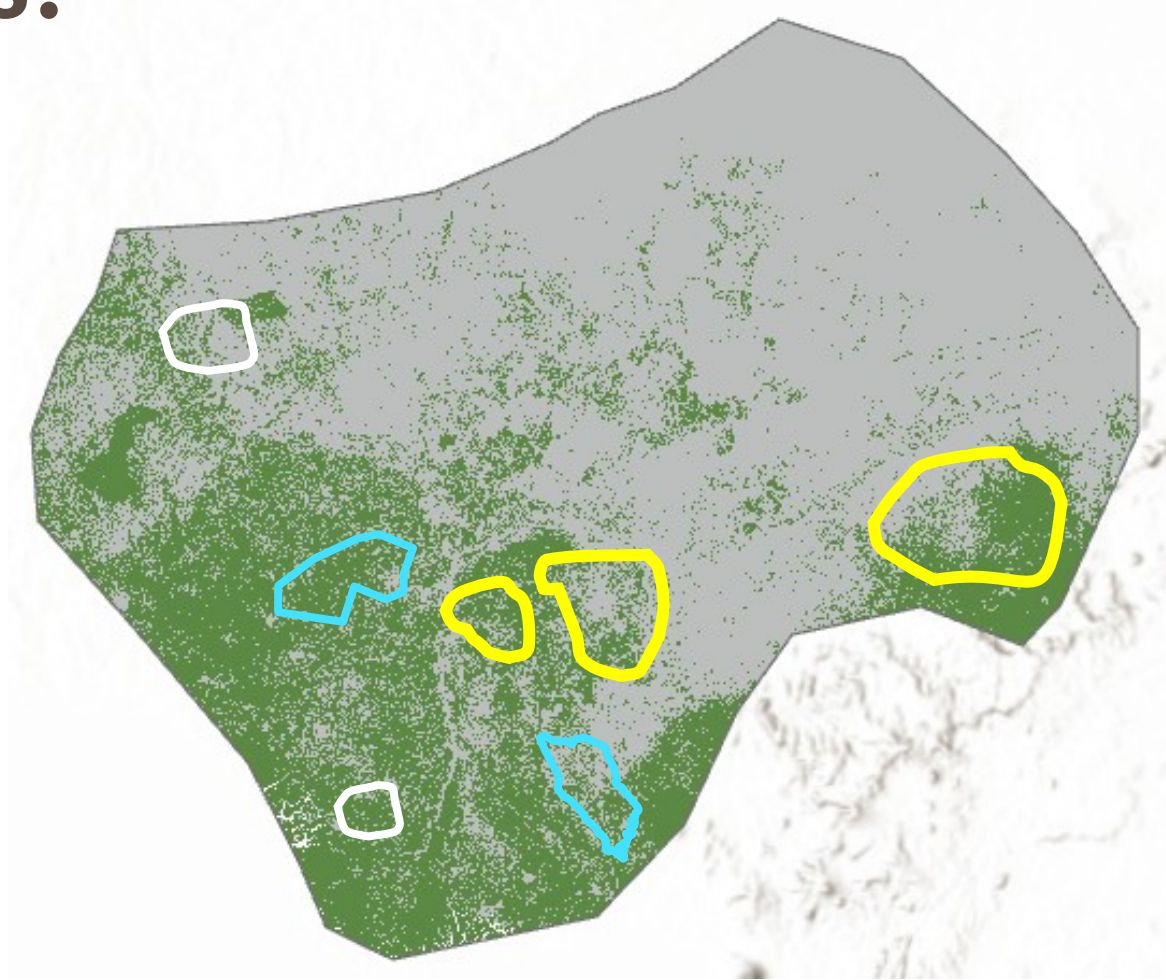


ART
Architecture for
REDD+ Transactions

Ensuring no double counting and Nesting Approaches



Diversity will also arrive in JREDD+ Nesting Strategies!





Thank you



WCS Markets
Natural Climate Solutions

What is Nesting: Accounting, Crediting, and Approaches

Katie Goslee, Verra

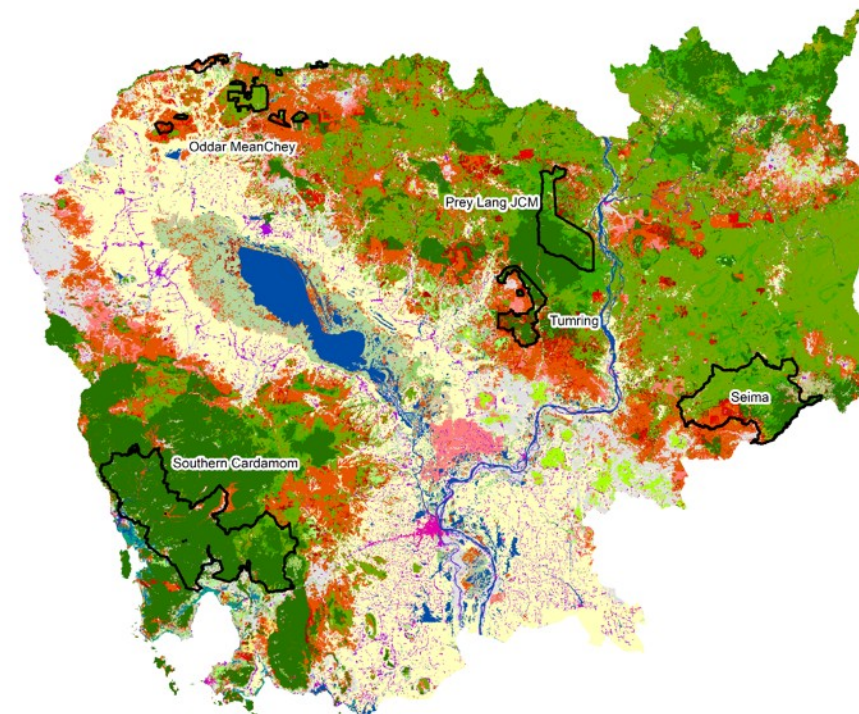
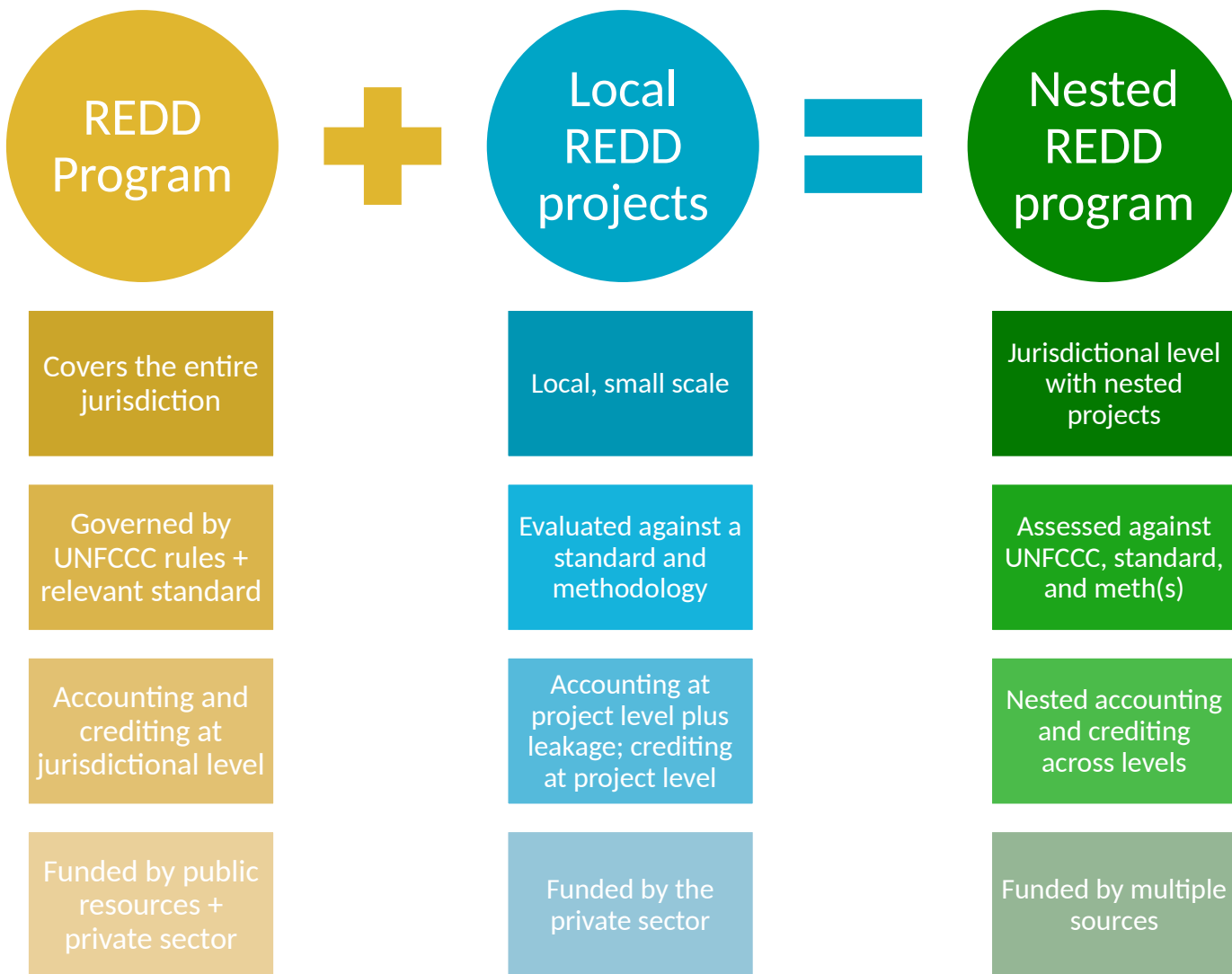
Mikaela Weisse, ART



Defining nesting

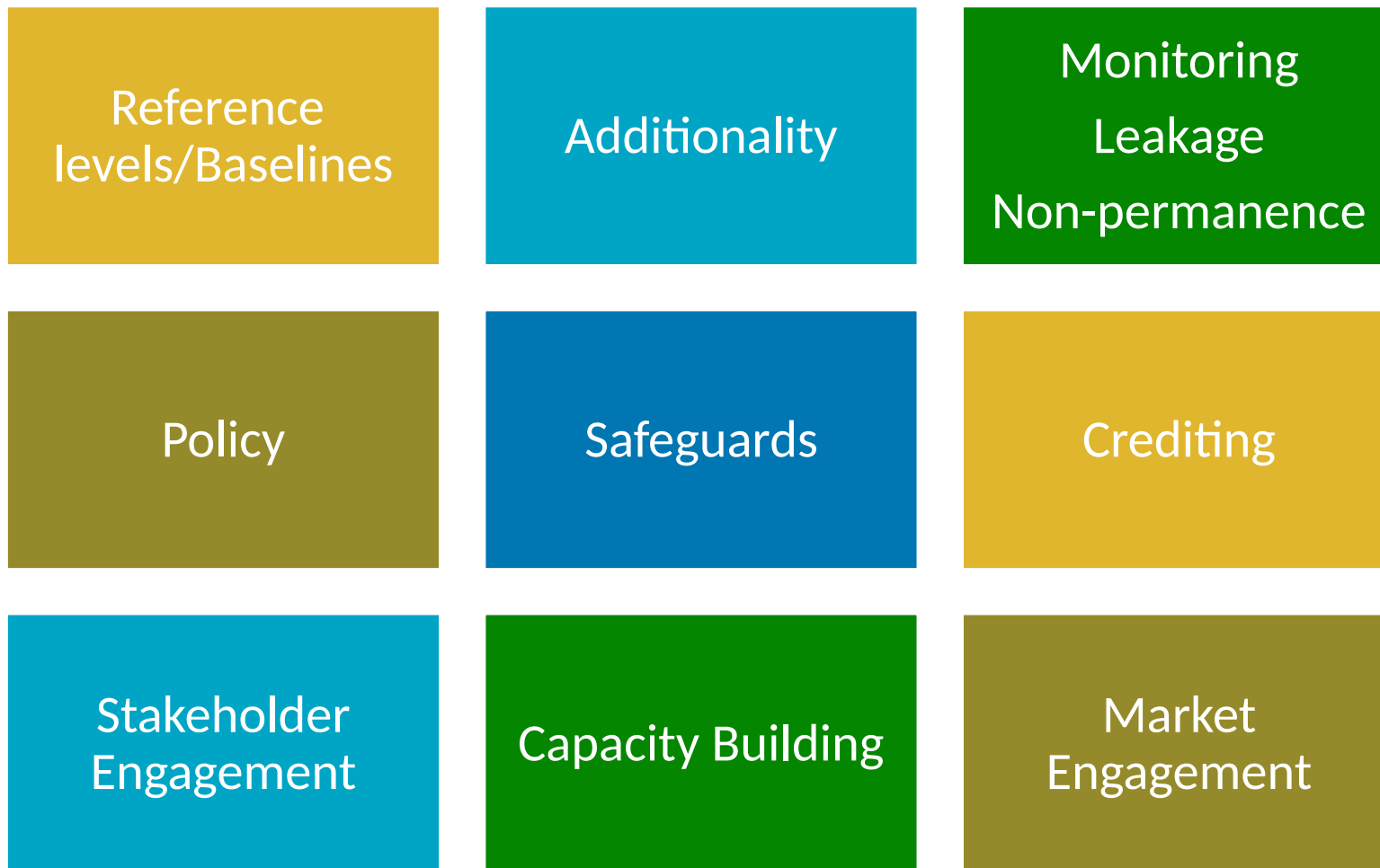
- Coordination across scales of activities and incentives
- Alignment and harmonization between the jurisdiction and the project
 - Governance
 - Stakeholder engagement and coordination
 - Policies
 - Accounting approaches
 - Benefit distribution

Nested REDD

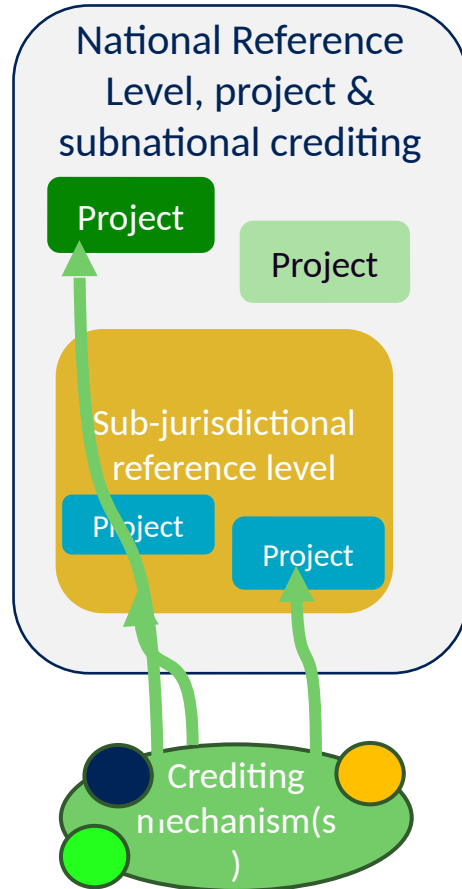


Map of Cambodia with REDD projects (VCS and other programs)

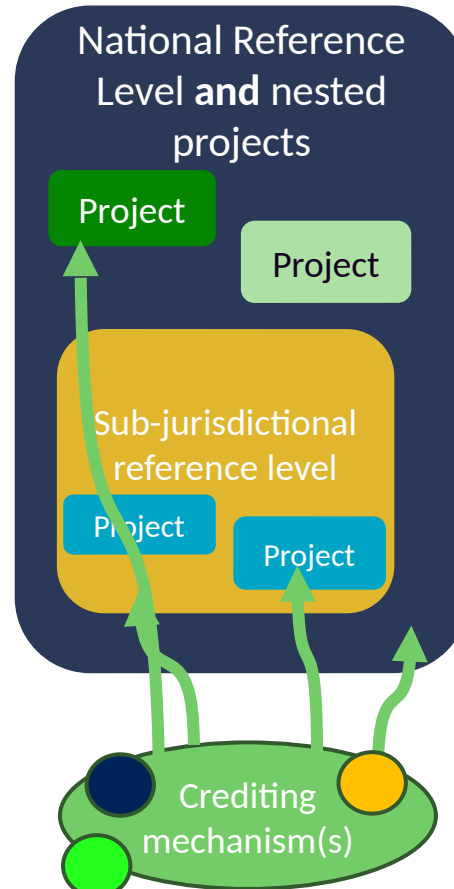
Elements of Jurisdictional Programs & Nesting



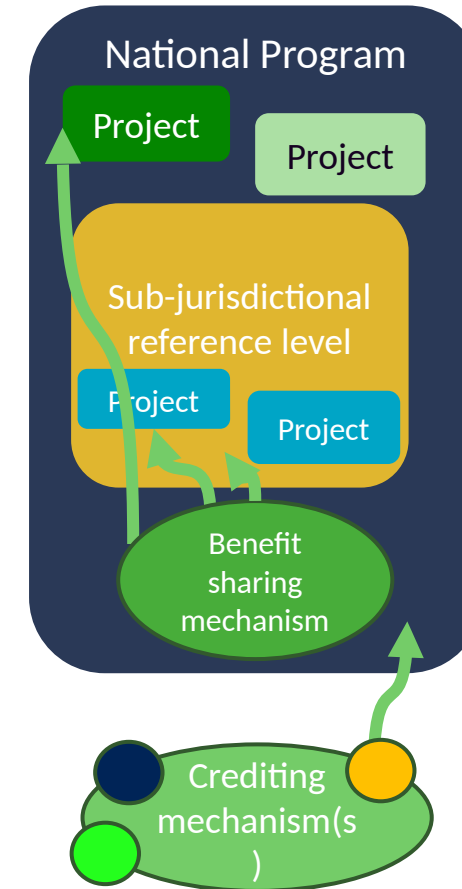
Basic Nesting Scenarios



+ Jurisdictional baseline
+ accreditation to sub-jurisdictional projects and programs



+ Jurisdictional REDD Program
+ Accreditation to jurisdiction
+ Accreditation of sub-jurisdictional projects and programs



+ Jurisdictional REDD Program
+ Accreditation to the jurisdictional program

Jurisdictional Allocation and Nesting Options

- Baselines of nested projects and lower-level programs are a fraction of jurisdictional reference level
- Jurisdictional reference level is allocated to nested projects and lower-level programs based on agreed criteria and proportions
 - Simple deduction of project credits from jurisdictional results
 - Allocation of national reference level, based on established criteria, e.g. risk, forest loss, area, other agreed factor(s)
 - Government-established approach, including caps on projects
 - Harmonization of jurisdictional and project level data and accounting approaches



Benefits of nesting

- Incentivize **and** demonstrate impact across scales
- Promotes integrity of accounting across levels, avoids double counting or over-issuance
- Enables broad engagement and equitable benefit distribution
- Access to multiple sources of investment and market demand
- Jurisdictions are able to better plan for what must be subtracted

Challenges of nesting

- Requires significant negotiation and collaboration between governments and project developers
- Individual project developers impacted if the entire jurisdiction underperforms
- Necessitates alignment across standards and methodologies
- May result in fewer credits for projects and/or for jurisdiction

Questions and Discussion





03

Case Study: Choco Department, Colombia Nested JNR FREL and the First Nested Project

CHOCÓ, COLOMBIA: LESLIE DURSCHINGER, TERRA GLOBAL CAPITAL

About Choco Department JNR Area

Chocó Department (JNR Jurisdiction) located in northwestern Colombia

Forests governed by Corporación Autónoma Regional para el Desarrollo Sostenible del Chocó (CODECHOCO)

4.82 million forest hectares, including 74,898 ha of mangroves

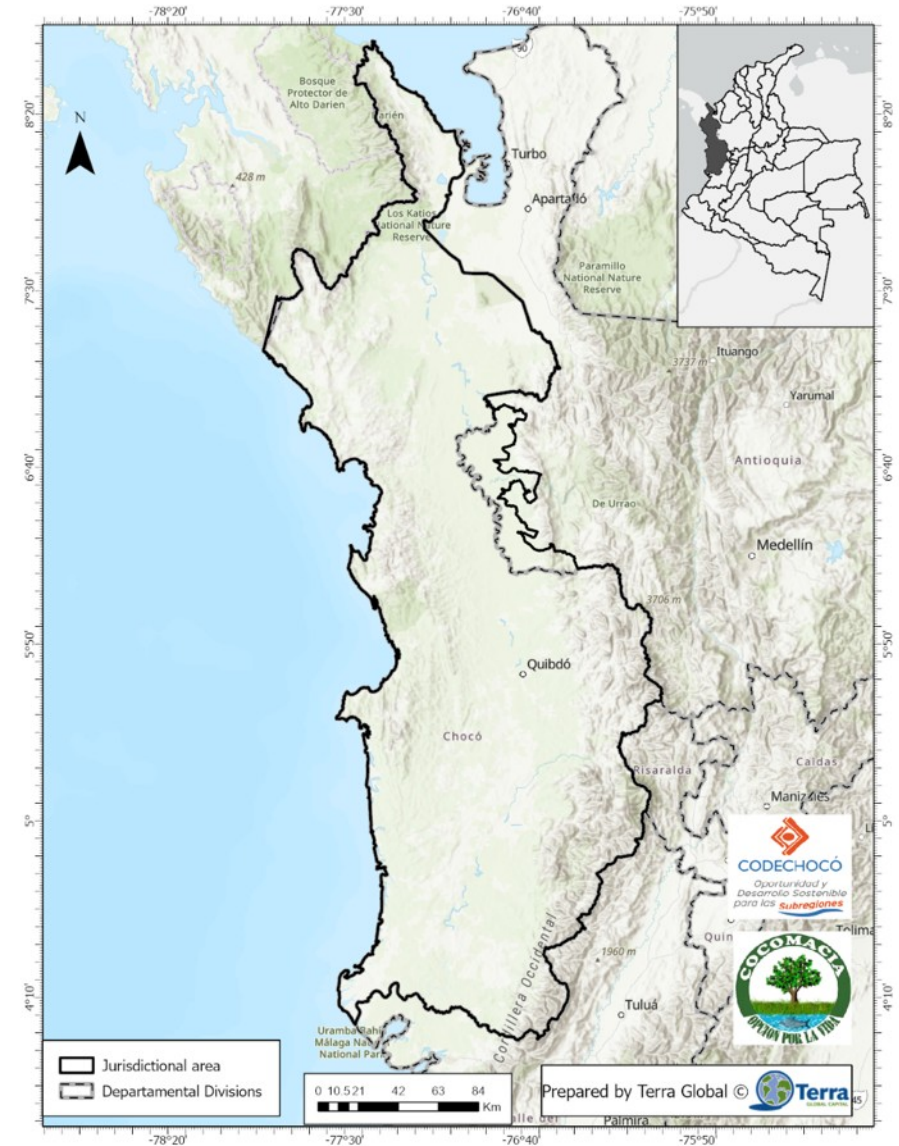
Chocó is one of Colombia's wettest regions, supporting exceptionally diverse tropical forests

80% of the Jurisdiction's area is Protected public lands, Indigenous territories, and Afro-Colombian

The FREL estimates baseline emissions

- o 71.6 million tCO₂e for 2021–2026
- o 44.4 million tCO₂e from unplanned deforestation
- o 27.2 million tCO₂e from forest degradation

Chocó JNR Jurisdiction hosts 11 AUDD REDD+ Verra projects



About the COCOMACIA Community REDD+ Program (first nested project)



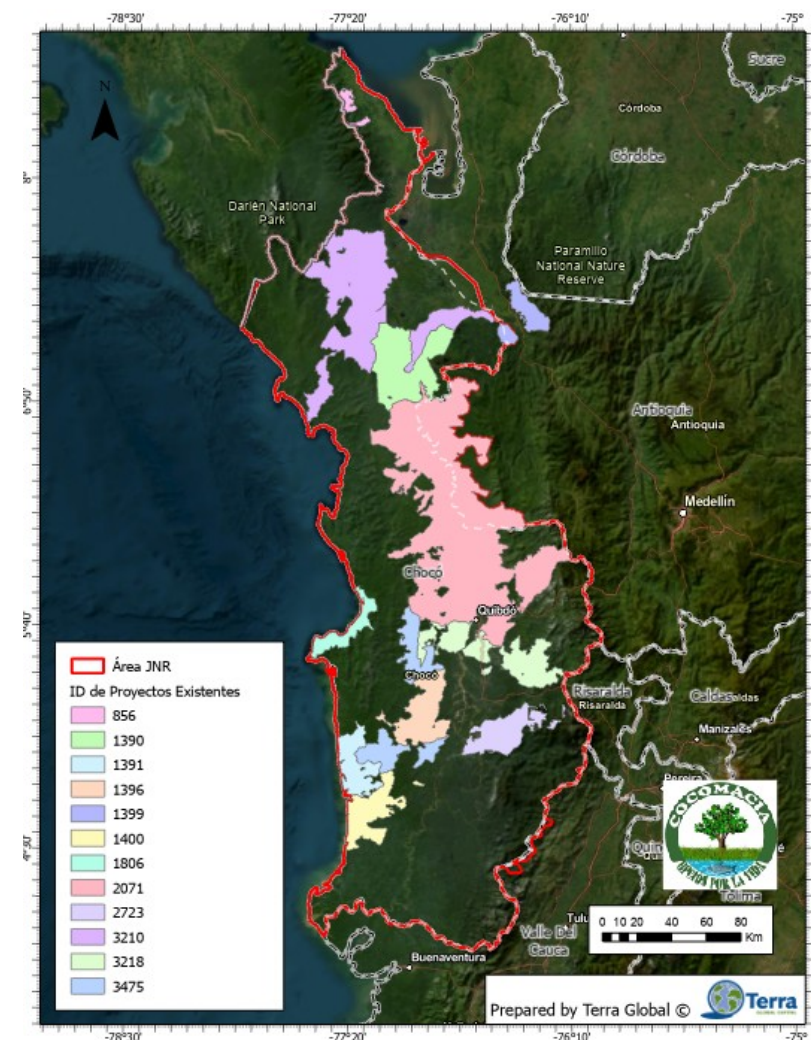
- **Community-led Program** implemented Afro-Colombian territory, organized into **124 community councils in 9 zones** and representing approximately **45,000 people**.
- The collective territory covers about **700,000 ha** (630,000 ha of eligible forest)
- Illegal logging, gold mining, shifting agriculture, unplanned fires/grazing, and illicit crop expansion are the main drivers of deforestation and forest degradation.
- Approximately **59.3 million tCO₂e** emission reductions over 40 years:
 - 33.2 million tCO₂e from avoided deforestation (~56%)
 - 26.1 million tCO₂e from avoided degradation (~44%).
- **Key activities:** i) Community forest patrolling, ii) strengthened territorial governance and zoning, iii) sustainable agriculture and agroforestry, iv) responsible mining practices, v) alternative livelihoods and NTFP value chains, and vi) continuous forest and biodiversity monitoring.



Verra Projects in Choco Department

~ 30% of the Department

VCS ID	Name	Status	UDef	UDeg	PA (Hectares)
856	The Chocó-Darién Conservation Corridor REDD Project	Late to Verify	Yes	No	13,465
1390	Carmen del Darién (CDD) REDD+ Project	Registered	Yes	Yes	118,318
1391	SIVIRÚ-USARAGÁ-PIZARRO-PILIZÁ (SUPP) REDD+ Project	Registered	Yes	Yes	47,667
1395	Bajo Calima y Bahía Málaga (BCBM) REDD+ Project	Registered	Yes	Yes	83,269
1396	Rio Pepe y ACABA REDD+ Project	Registered	Yes	Yes	48,177
1399	Mutatá REDD+ Project	Registered	Yes	Yes	42,373
1400	Concosta REDD+ Project	Registered	Yes	Yes	52,212
1806	Riscales REDD+ Project	Registered	Yes	Yes	25,545
2723	CONDOTO REDD+	Verification approval requested	Yes	Yes	65,853
3210	Bajo Atrato REDD+ Project	Registration and verification approval requested	Yes	Yes	313,082
3218	Origen Atrato-Baudó REDD+ Project	Registration and verification approval requested	Yes	No	121,489
2071	COCOMACIA Community REDD+ Program	Under validation (Public comment period closed)	Yes	Yes	695,000
Total	32				1,626,450



Overview of Methodological Approach to Nested Issuance

Verra JNR Scenario 1 establishes a single jurisdictional FREL for Chocó while keeping crediting and VCU issuance at the nested-project level, The FREL from a **6-year Historical Reference Period (HRP: 2015–2021)** and establishes the first **Baseline Validity Period (BVP: 2021–2026)**

Nested Accounting

Project baselines are spatially allocated from the jurisdictional FREL based on deforestation and degradation risk applying VT0007 directly for DF and fully aligned for DG.

DF Issuance

Follows **VM0048 v1.0**, together with **VMD0055** and **VT0007**, which are used to allocate the jurisdictional deforestation baseline to nested Projects

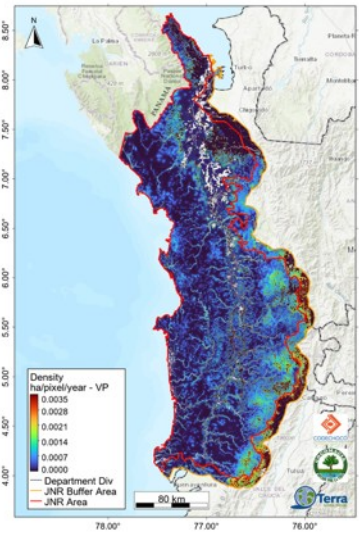
DG Issuance

Follows much of VM0048, VMD0055 but issued under **VM0006 v2.2** with the JNR FREL as the “reference region”. Degradation risk is assessed applied an adopted VT0007, within areas of stable forest not allocated to UDef, and to distribute degradation to nested projects.

Nesting Applying Spatially Explicit Risk-Based Accounting (1) – How It Works

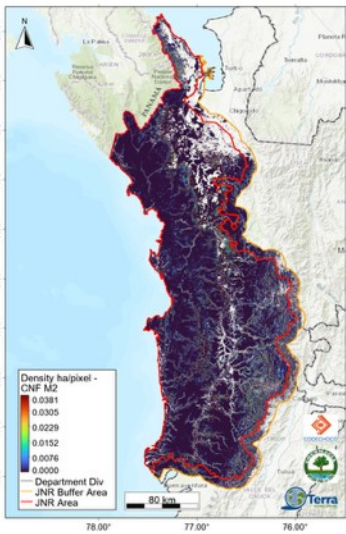
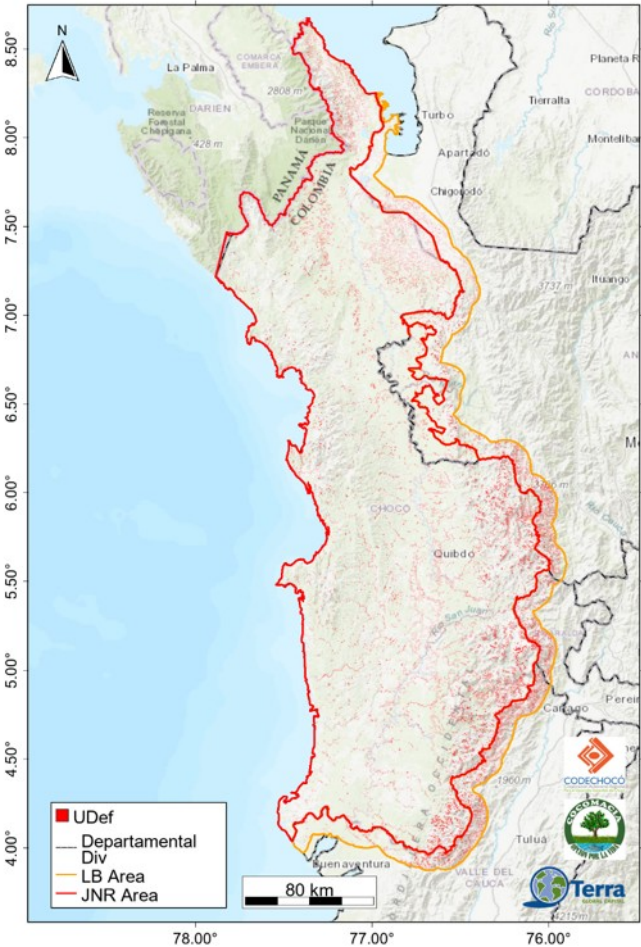
- 1 Fit the risk models:** Historical forest change is combined with spatial risk factors (Accessibility, forest type, slope, land tenure, among others) to estimate the relative probability of future forest loss or forest degradation for each location across the JNR Area.
- 2 Deforestation is allocated to JNR Area first** VT0007 determines how much UDef is expected, while TerraChange© Empirical Transition Potential (ETP) estimates the relative probability of land-use transitions. The highest-risk forest pixels are then selected until the allocated deforestation target is reached.
- 3 Degradation is allocated only to the remaining forest.** TerraChange© applies methods leveraging VT0007 the jurisdictional degradation risk map to forest areas not already allocated to UDef.
- 4 Spread the jurisdictional baseline spatially:** The total jurisdictional activity data (UDef and UDeg) are distributed across eligible forest according to the modeled risk (higher-risk locations receive a greater share of the expected baseline activity).
- 5 Allocate to nested projects:** The project receives the portion of the jurisdictional baseline associated with the risk located inside its boundaries. Publicly available project transition requirements follow the Verra rules and project requests are managed by JNR Proponents

Nesting Applying Spatially Explicit Risk-Based Accounting (2) – The Results



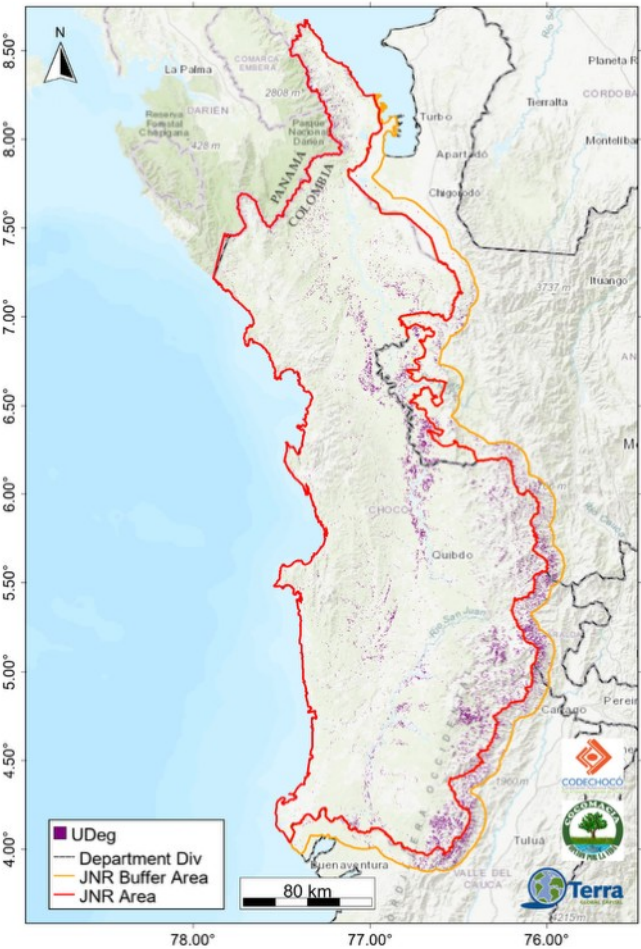
Density of Deforestation
(ha/pixel/year) for BVP

Allocation of JNR UDef for BVP->



Density of Degradation
(ha/pixel/year) for BVP

Allocation of JNR UDeg for BVP



Administering a Nested JNR Baseline: Public Website for Rules and Requests

Home

Chocó Department, Colombia

REDD+ Project Nesting Requirements and Train

Request Project Baseline Allocation

Fees

Contact

Feedback Grievance Redress Mechanism (FGRM)

Chocó Department, Colombia

Expand all sections



CODECHOCO
Corporación Autónoma Regional
Para el Desarrollo Sostenible del Chocó

Overview

Description of Jurisdiction

The Chocó Department is an administrative region that is the first administrative level in Colombia. Chocó is mainly located in the Pacific Coast biome of Colombia, land in the Urabá Gulf on the Atlantic Coast. Chocó Department is grouped in the foothills of the Western Cordillera of Colombia to the west of the Chocó Department, plains of the Atrato River in the central zone of the department. It is a rain forest.

Home

Chocó Department, Colombia

REDD+ Project Nesting Requirements and Train

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REDD+ Project Nesting Requirements

Expand all sections

Overview

The Chocó JNR FREL has been established by Corporación Autónoma Regional para el Desarrollo Sostenible del Chocó (CODECHOCO) to provide REDD+ projects seeking to generate carbon credits within the department a jurisdictional baseline that will be applied to nested REDD+ projects for the issuance of carbon credits under the Verra Standard.

The application of the Choco JNR FREL provides a risk-based allocated baseline to projects for use for in issuing of carbon credits under VM0048/VM0055 for reducing deforestation and under VM0006 (or VM0007, VM0015) for reducing degradation. The use of two different methodologies was required due to the current limitations of VMD0055 and VT0007 which only handle deforestation, not degradation. The Choco JNR FREL Proponents continue to seek to support Verra's expansion of VMD0055/VT0007 to include both deforestation and degradation but this will take time, so the current approach applies two methodologies which serve to:

1. Provide projects a path to be able to issue credits from both DF and DG without while new methodologies, modules and tools to be written and approved
2. Leverage Verra's existing methodologies, modules and tools that have been ICVCM CCP approved for issuance of the credits from reducing deforestation to have a CCP label
3. Ensure for projects in Choco department where degradation is significant portion they can issue credits from reducing degradation
4. Offer the opportunity for all Choco projects to apply a government-supported robust department level

Table of contents

- Overview
 - Transition Pathways - for REDD+ Projects in the Chocó Department
 - Registered Projects
 - Listed - Under Validation
 - Listed - Under Development
 - New Projects
 - Projects Partially in Chocó JNR Area



Choco JNR Nested FREL: End Result of This Nesting Approach

- ✓ Choco Department JNR FREL provides a unified baseline for all REDD+ Projects administered by the government
- ✓ Given the significant amount of forest land under AfroColombian and Resguardo tenure, provides direct control of issued carbon credits
- ✓ Risk-based allocation of DF and DG creates a direct link between performance and rewards
- ✓ Deforestation credits expected to be CCP, first nested credits under government JNR baseline
- ✓ Facilitates climate finance to projects channeling money directly to AfroColombian and Resguardo
- ✓ Pathway developed to transition existing REDD+ projects into a JREDD baseline

Thank You



Ghana's experience with nesting under TREES

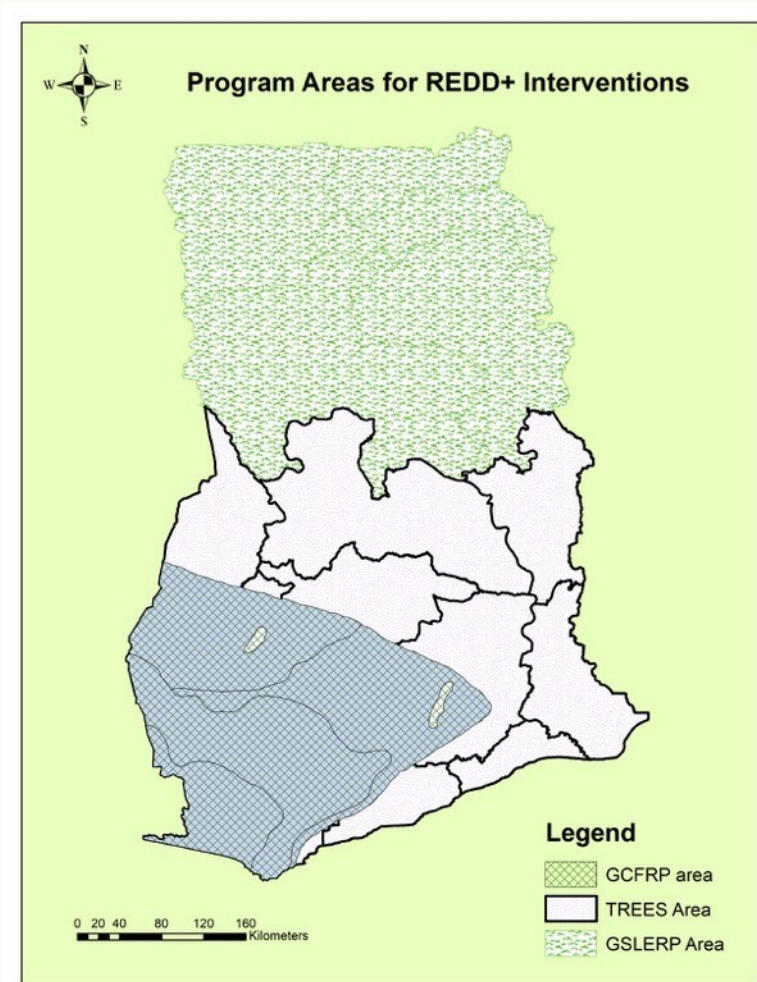
Practical accounting experience and the proposed national framework

Thomas Yaw Gyambrah
Manager, Programmes & MRV
Climate Change Unit, Forestry Commission of Ghana

Ghana's Nesting Framework (NF) is still evolving

- **Experience to date-** Jurisdictional REDD+ implementation, FCPF overlap deductions and community rights arrangements
- **Current stage-** A zero draft national nesting framework, ready for stakeholder consultation.
- **Next stage-** Consultation, technical and legal refinement, validation and approval.

Integrating national and landscape action



National direction-

REDD+ strategy, forest monitoring and national climate reporting.

Jurisdictional accounting

FCPF programme within the wider TREES area creates an accounting overlap.

Local implementation

HIAs, communities and projects deliver activities on the ground.

FCPF overlap: the one-to-one deduction

FCPF vintage	Gross ER volume (tCO ₂ e)
2019	1,205,968
2020	2,544,579
2021	1,159,947
Total deduction	4,910,494

1 tCO₂e

accounted under FCPF

1 tCO₂e

deducted in TREES
reconciliation

Gross ER volumes, rather than payment volumes.

Removals require separate reconciliation

- **Rainforest Builder** - Ghana used the ART approach to guide the treatment of removals overlap.
- **2017-2021 monitoring**- Ghana's monitoring report does not claim jurisdictional removals
- **Future removals claims**- Reconcile overlapping project removals by area and period against TREES removals.

The zero draft (NF) proposes a common system

- **Accounting alignment** - Jurisdictional reference levels, consistent MRV and like-for-like reconciliation.
- **Project participation** - Common entry requirements, safeguards and transitional arrangements for existing projects.
- **Information and oversight** - REDD+ Datahub and registry linkages, with clearly assigned institutional responsibilities.

ERR rights and benefit sharing in practice

32

HIA framework
agreements
reported with the FC

133

Sub-HIA committee
consent letters reported

BSP

Benefit Sharing Plan
annexed to
agreements

The zero draft extends this approach/PRINCIPLE to project participation

Documented rights agreements, participatory benefit sharing, safeguards and accessible grievance procedures.

TREES deductions and Article 6 adjustments

	TREES deduction	Article 6 corresponding adjustment
Purpose	Prevent double issuance	Prevent double claiming in NDC accounting
Accounting level	Jurisdiction and overlapping programme/project	National Article 6 accounting
Relevant event	Overlapping verified or issued results	Applicable first transfer of authorized outcomes

The FCPF deduction does not establish that an Article 6 corresponding adjustment has occurred.

Consultation will settle the operating rules

- **Communities and rights holders** - Rights, representation, benefit allocation and grievance arrangements.
- **Developers and programme partners** - Baseline alignment, transition rules, deductions and investment certainty.
- **Public institutions** - Technical review, authorization roles, data exchange and transparent cost recovery, IF ANY.

THANK YOU

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Nesting in practice

Lessons from the Misiones Jurisdictional
REDD+ Program (VCS-JNR 4648)

Fabián Gaioli • Coralia Environmental

A forest you can see from space



THE PROGRAM

The first subnational JNR with issued VCUs

1st

Subnational JNR
program in the world
with VCUs issued by
Verra

10.1 M

VCUs issued for the
2017–2022 period

A-AA

Silvera pre-issuance
rating, with MRV
highlighted

5

Independent reviews:
DNB, AENOR, CI,
Silvera and Verra

ECO2 Program • ~1.5 M ha of Paraná (Atlantic) Forest • Developed under Scenario 2a of Verra's JNR framework

Scenario 2a: a program with nested projects

Scenario 1

Projects only, nested within a jurisdictional baseline

Scenario 2 · Misiones: variant 2a

Jurisdictional program + nested projects: both can receive VCUs

Scenario 3

Only the jurisdictional program receives VCUs

Why 2a?

- A single reference level (FREL) for the whole province: accounting integrity and no double counting
- Small and medium landowners participate through the program, with no development costs
- Those seeking higher returns can develop their own nested project
- All within a Provincial REDD+ Strategy with the government's own measures

Designed to fit national accounting



Consistency with the Nation

Same stratification, carbon pools and emission factors as the national inventory.



Degradation

De minimis. Excluded by agreement with the Nation, but still quantified.



Leakage

Estimated with a proxy consistent with the remote sensing analysis.



Robust MRV

Annual maps, alerts and independent verification. Highlighted by Sylvera in its A-AA assessment.

Who owns the credits? The initial pushback



What we heard at first

- "The carbon in my forest is mine"
- Fear that the province would take over a private asset
- Landowners did not see what they gained from the program
- Open debate on the ownership of credits

The principle that framed the debate

"Credit belongs to whoever takes the action, not to whoever owns the land."

Credits recognize emission reductions achieved through actions, not the carbon stock itself.

THE ANSWER

A place for every actor in the same territory



Public lands and government

VCUs to the program:
revenue for the
province



Participation in the program

Benefits via the BSM:
payments, training,
incentives and funds for
new projects



Full nesting

Own VCS project with
an allocated FREL, at its
own risk



Exclusion (no nesting)

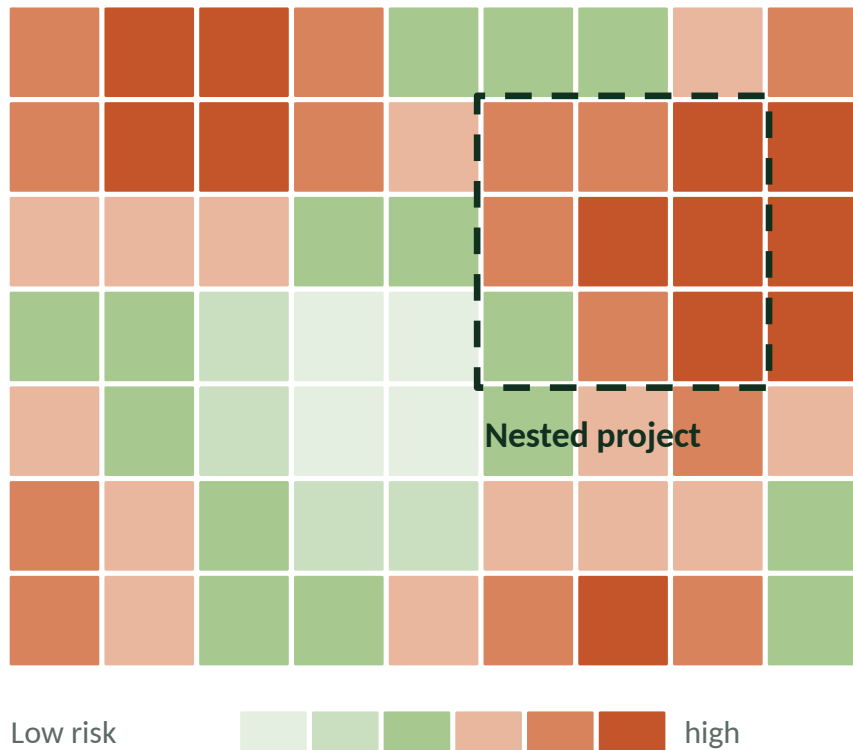
The area earns no
credits but stays in the
accounting

Projects under other standards: neutral, with an adjustment to avoid double counting. Landowners who do not opt in or out stay included and receive indirect benefits.

HOW NESTING IS ALLOCATED

The FREL is allocated with a risk map

Illustrative diagram

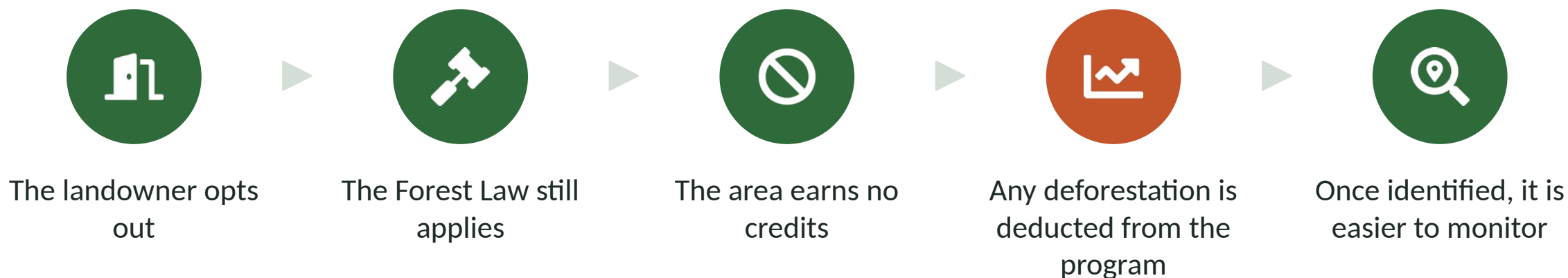


- Each nested project's baseline comes from the provincial FREL, in proportion to the risk of its area
- Golden rule: the parts must add up to the total. Nothing is credited twice
- The project owns its performance: if deforestation exceeds its allocation, it earns no credits



Applied to the whole jurisdiction, the same risk map would be a sound basis for benefit sharing.

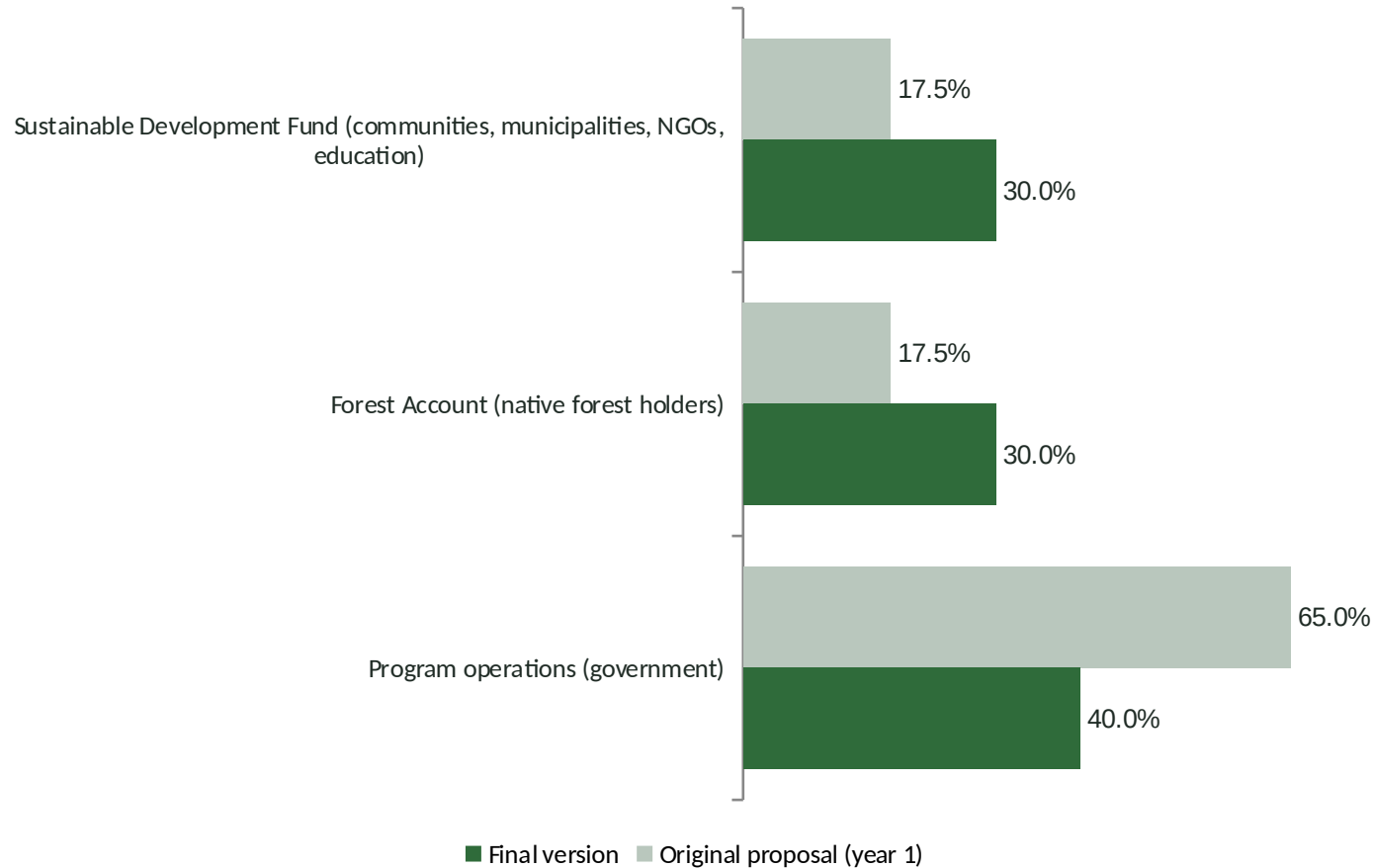
Exclusion: opting out of credits, not out of the law



Few landowners chose to opt out: the option builds trust but is hardly used.

Context: most deforestation in Misiones is illegal. Opting out does not allow clearing.

Shares adjusted until they worked for everyone



- Forest Account: results-based payment to every holder who keeps their native forest
- Extra base payment for smallholders without scale
- 10% reserve funds in each account against market volatility
- Trust fund auditable by the Finance Ministry, Comptroller and a multi-stakeholder committee

Source: ECO2 Program BSM – changes after consultation

The problems with nesting



No nested REDD+ projects yet

The framework is ready, but nesting has not yet been tested with a real case.



Ongoing harmonization

Program and nested projects must stay aligned even as methodology versions change.



Benefit sharing: a delicate political negotiation

Every change in shares reopens the debate between government, landowners and communities.



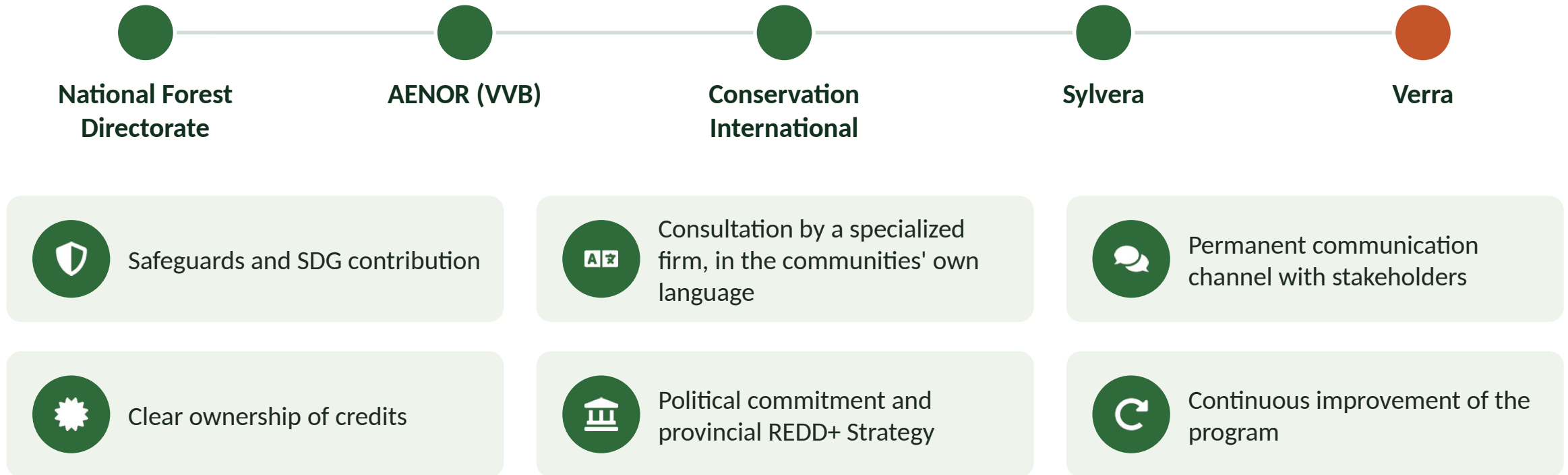
Communicating the benefit

Explaining to each landowner what they gain and risk under each option takes time.

WHAT BUILT TRUST

Integrity built, review after review

5 independent reviews



KEY MESSAGE

Nesting expands benefits, not limits

1

Set the principle before the percentages

Credit goes to whoever takes the action.

2

Offer options, including a way out

Exclusion builds trust and is rarely used.

3

Allocate with technical rules

The risk map ensures the parts add up to the total.

NEXT STEPS



Provincial carbon law about to be enacted



CORSIA eligibility: requires national authorization (Art. 6)

Coralia: 100+ projects in 22 countries



A-AA

Sylvera: Misiones and ReMonte

+3.2 M

tCO₂e reduced or removed

+10 M

VCUs from JNR Misiones

Already trusted by

Companies, governments, standards and funds across oil & gas, mining, food, energy and finance.





Thank you

fabian.gaioli@coraliae.com • www.coraliae.com



04

Nesting and Impact on Financing JREDD+: Investor and Buyer Perspectives

How nesting design shapes the investability of JREDD+: What investors need to underwrite risk and what buyers need on credit quality, eligibility and delivery certainty.

5:05 – 5:20 PM • 15 MINUTES LESLIE DURSCHINGER, TERRA GLOBAL CAPITAL

Jurisdictional REDD+ Programs and Required Climate Finance

Selected JREDD+ Programs at a Glance from Terra's Portfolio



Zambia JREDD+ · Northwestern Province

USD \$3.5M	Upfront investment
USD \$15.0M	Scale potential total
59M tCO2e	VERRs
8,000,000	Hectares (total province)
1,200,000	Hectares (priority areas)
25,000	Direct beneficiaries
USD \$580M	Estimated climate finance through monetizing carbon

Timor-Leste

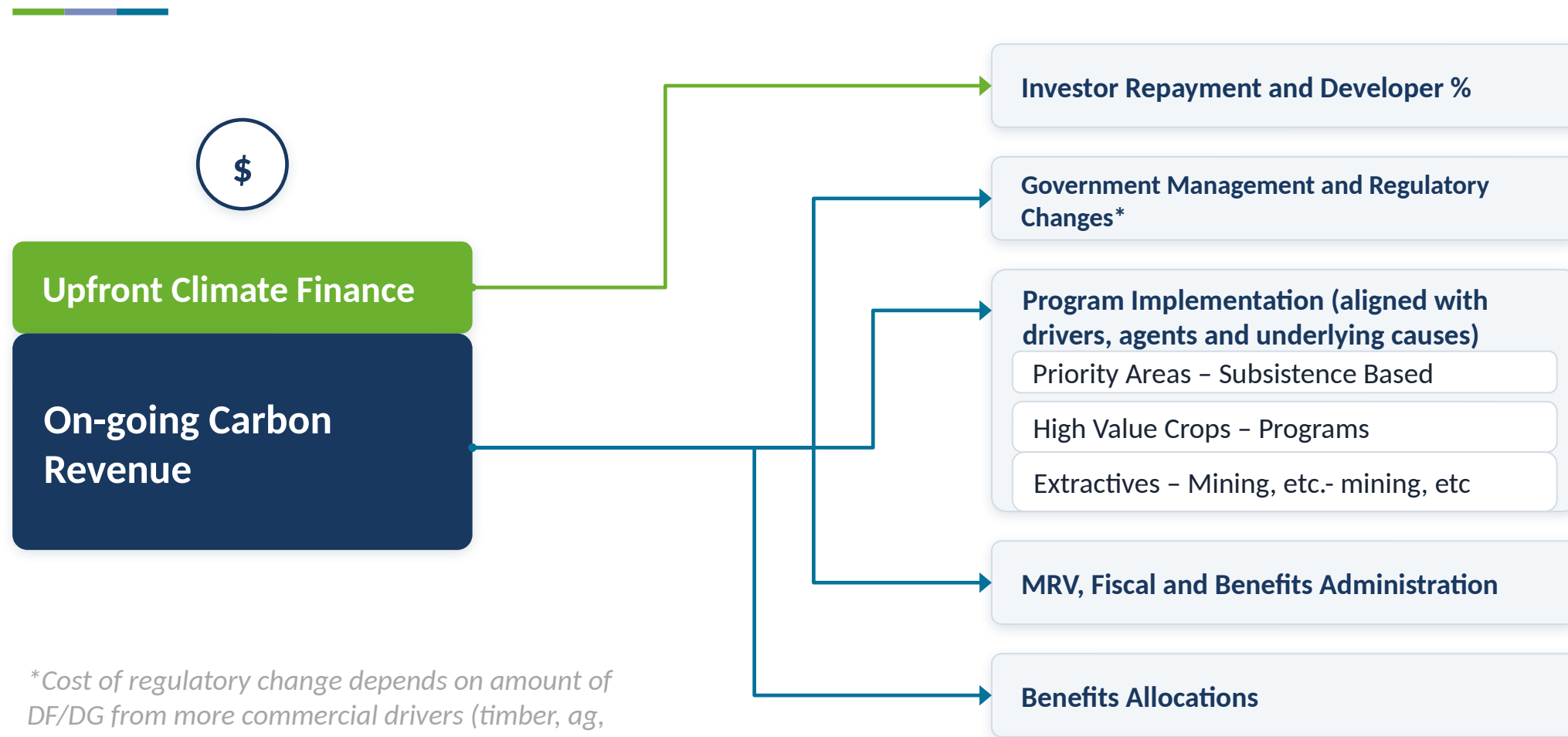
USD \$5.0M	Upfront investment
USD \$15.0M	Scale potential total
23M tCO2e	VERRs
1,500,000	Hectares (total)
700,000	Hectares (priority areas)
10,000	Hectares (coffee)
590,000	Direct beneficiaries (with smallholder coffee)
USD \$334M	Estimated climate finance through monetizing carbon

DRC JREDD+ · Équateur Province

USD \$10.0M	Upfront investment
USD \$20.0M	Scale potential total
89M tCO2e	VERRs
9,000,000	Hectares (total province)
1,400,000	Hectares (priority areas)
208,000	Direct beneficiaries
USD \$1B	Estimated climate finance through monetizing carbon

Where Does the Money Go?

Climate Finance and On-Going Revenue Use of Proceeds



**Cost of regulatory change depends on amount of DF/DG from more commercial drivers (timber, ag, development)*

What Do Investors Need to Consider Related to JREDD+

Multiple Considerations for Standard Selection and Nesting Approach

Standards and Issuance	Financial Risk	Local / Implementation Issues
• Options for nested accounting • Options for issuance • HFLD option • DF and DG • Peat/wetlands inclusion • Time to issuance • CCP approved	• Year to breakeven and target IRR • Sub-national rules • Ex-post monitoring scope • Intra-jurisdictional risk • Entity that is issued tons • Accessing demand pools (CCP, CORISA, A6.2)	• Time to secure government agreements • Scaling-up approach • Implementation capacity • Pathway to LOA • Desire for credits issued to non-project areas

What Risks Keep Investors' Money for JREDD+ on the Sidelines

JREDD+ Program Related

- “Top-down” JREDD+ programs without a direct link between investment funding, activities on the ground and issuance of carbon credits (accounting nested) are risky
- Benefits allocation needs to align with land tenure and participation in JREDD+ activities to lower risk
- Countries need to show some progress on carbon regulations — the more the better, unless they create barriers to bankability
- Countries with higher political risk are less attractive to investors and harder to get funding
- Fiscal management and governance needs to follow a “public-private partnership” model

Market / Commercial Related

- Price risk – investors do not have confidence they can monetize carbon credits at a price high enough to generate returns (or, at minimum, repay principal)
- To accept JREDD+ risks, returns need to be in the 25–35% range for investors (achievable by most programs)
- Countries need to pursue multiple pools of demand (A6 country agreements, CORSIA, domestic), including a reasonable path to future corresponding adjustments
- Issuance to governments only presents risk
- Timeframes for government engagement and decision-making are too long for the private sector
- Limited derisking instruments available

What Are We Hearing from JREDD+ Buyers

Supply Limited Under New JREDD Methods

Few jurisdictions have actually issued credits, so buyers are competing for a small pool. That supports pricing and forward contracts.

Quality Labels

CCP approval, CORSIA eligibility, and whether a corresponding adjustment or letter of authorization is available. Treat these as hard gates for some buyers.

Ratings

Buyers are setting minimum ratings for JREDD+ credits, A or BBB often seen as minimum.

Delivery Certainty

Committed volumes, dates, and who absorbs a shortfall. Some buyers want to impose financial penalty for non-delivery

Social Credibility

A benefit-sharing plan that's actually being used, safeguards, and FPIC. These are reputational risks buyers see themselves taking on.

Long Due Diligence Timeframe

Buyers are conducting deep and timely DD for any large purchase. Many buyers using intermediaries for sourcing and evaluating credits.

Thank You



Q& A and Discussion

