

**Forest Carbon Partnership Facility (FCPF)
Twelfth Meeting of the Carbon Fund (CF12)**

AGENDA

April 28-30, 2015

**World Bank Office
66, Avenue d'Iéna 75116
Paris, France
Tel : +33 1 40 69 30 00**

Tuesday, April 28, 2015

1. Opening	
08:30	1a. Welcome, objectives and review of agenda (Nicolas Duval-Mace, Canada, as Chair; Ellysar Baroudy, FCPF Program Coordinator)
08:45	1b. Update on progress made since CF11
2. Fund and Program Management	
09:30	2a. Consideration of Extending the Term of the FCPF Carbon Fund beyond 2020 (Simon Whitehouse) – <i>Resolution sought</i>
11:00	<i>Coffee break</i>
11:30	2b. FY16 budget proposal (Simon Whitehouse) – <i>Resolution sought</i>
12:30	<i>Lunch break</i>
13:45	2c. ER-PD business process and TAP Terms of Reference (Marco van der Linden)
15:15	<i>Coffee break</i>
3. Sharing Early Ideas on ER-PINs	
15:45	3a. Setting the stage for early ideas (Stephanie Tam)
16:00	3b. Argentina (Leandro Fernández)
17:00	3c. Cameroon (Joseph Armathe Amougou, Charles Assamba Ongodo)
18:00	<i>End of day</i>

Wednesday, April 29, 2015

3. Sharing Early Ideas on ER-PINs (continued)	
08:30	3d. Cote d'Ivoire (Marcel Yao)
09:30	3e. Dominican Republic (Pedro Garcia Brito)
10:30	<i>Coffee break</i>
11:00	3f. Fiji (Eliki Senivasa Siga)
4. Moving towards ER-PDs and ERPAs	
12:00	4a. Cost recovery options (Simon Whitehouse)
13:00	<i>Lunch break</i>
14:15	4b. Legal implications on the Carbon Fund of allowing use of tCO ₂ e for domestic compliance (Markus Pohlmann)
15:00	4c. Options for upfront financing of ER Programs (Simon Whitehouse, Alex Lotsch)
16:15	<i>Coffee break</i>
16:45	4d. Emerging questions on ER-PD development (Marco van der Linden)
18:15	<i>End of day</i>

Thursday, April 30, 2015

3. Sharing Early Ideas on ER-PINs (continued)	
08:30	3g. Guyana (James Singh)
09:30	3h. Laos (Inthavy Akkharath)
10:30	<i>Coffee break</i>
11:00	3i. Mozambique (Momade Nemane)
12:00	3j. Nicaragua (Javier Gutiérrez)
13:00	<i>Lunch</i>
5. Technical issues	
14:30	5a. Update on developing guidelines on modalities and procedures for ER Program buffers (Marco van der Linden, Alex Lotsch)
15:00	5b. Update on developing specifications for registries (Alex Lotsch, Pierre Guigon)
15:30	<i>Coffee break</i>
6. Closing	

16:00	6a. Next meetings (Stephanie Tam)
16:15	6b. Adoption of Resolutions (Nicolas Duval-Mace as Chair, Sachiko Morita)
17:00	6c. Closing Remarks (Nicolas Duval-Mace as Chair)
17:15	<i>End of meeting</i>

ANNOTATIONS

All background documents are available on the CF12 page of the FCPF website at <https://www.forestcarbonpartnership.org/CF12> unless otherwise indicated.

Session 1b. Update on progress made since CF11

Background: The FMT will present progress made since CF11 in October 2014.

Background documentation: Presentation.

Expected action: None.

Session 2a. Consideration of Extending the Term of the FCPF Carbon Fund beyond 2020

Background: At CF11, CFPs discussed the long-term future of the FCPF Carbon Fund and its role as a pilot mechanism for results-based payments for REDD+. In this context, this session will consider whether to extend the Carbon Fund's current termination date of December 31, 2020.

Background documentation: FMT Note CFM-2015-1.

Expected Action: CFPs will discuss whether and how long the termination date of the FCPF Carbon Fund should be extended beyond December 31, 2020. A resolution is sought to extend the termination date.

Session 2b. FY16 budget proposal

Background: The FMT will present its Fiscal Year 2016 (FY16) budget proposal for the Carbon Fund for approval. FY16 begins on July 1, 2015. A review of estimated expenditures for FY15 will also be provided, with the final FY15 accounts to be provided as part of the FY15 Annual Report before PA8/PC20.

Background documentation: Presentation and FMT Note CFM-2015-2 on the proposed budget.

Expected action: A resolution is sought to approve the FY16 Carbon Fund budget.

Session 2c. ER-PD business process and TAP Terms of Reference

Background: The ER-Program Document (ER-PD) is required for selection of an ER-Program into the portfolio of the Carbon Fund. At CF11 and via teleconference, CFPs discussed the process for reviewing ER-PDs and the role that a Technical Advisory Panel (TAP) would play in reviewing ER-PDs. During this session, the FMT will present the process guidelines that reflect the process that was agreed through the teleconference. Based on the agreed process, the FMT has drafted the Terms of Reference for the TAP which will be finalized during this meeting.

Background documentation: FMT Note CF-2014-3-rev, which outlines the agreed process guidelines and the draft Terms of Reference for the TAP.

Expected Action: CFPs are expected to give feedback on the Terms of Reference for TAPs to review future ER-PDs with the aim to finalize the Terms of Reference at this meeting.

Sessions 3a-j. Sharing Early Ideas on ER-PINs

Background: The FMT will present an overview of the Carbon Fund pipeline. Argentina, Cameroon, Côte d'Ivoire, Dominican Republic, Guyana, Lao, Mozambique and Nicaragua will then present their early ideas on potential ER Programs.

Background documentation: Country presentations.

Expected Action: Given that these will be informal presentations, no formal decision is expected. However, the CFPs are requested to provide meaningful feedback to the country on 1) the level of CFP interest in the potential programs, and 2) how to improve their ER-PINs with a view to a formal presentation in the future.

Session 4a. Cost recovery options

Background: A presentation on cost allocation options was made at CF11 in October 2014 in the context of the General Conditions. Since then the Participants Committee has approved the General Conditions. Looking ahead, in order to enable long-term financial planning for the Carbon Fund and the setting up of any necessary cost recovery systems, it is important to agree, if possible, no-cost recovery 'in principle' and an agreed method for any extraordinary cost recovery outside of the established principle.

Background documentation: Presentation on cost recovery options and the FMT proposal.

Expected Action: CFPs are expected to provide support or otherwise for the FMT 'in principle' proposal of no-cost recovery and the proposed method for any extraordinary cost recovery outside of the established principle.

Session 4b. Legal implications on the Carbon Fund of allowing use of tCO₂e for domestic compliance

Background: In order to protect the environmental integrity of results-based payments by the Carbon Fund, the ERPA General Conditions (Sec. 5.2(g)) stipulate that contracted ERs can only be used or claimed once (no double-counting). Under this provision, the Program Entity may only use or claim the reduced tCO₂e underlying transferred ERs for compliance with domestic commitments if and insofar as the Trustee, following consultations with CFPs, has provided its express prior written consent. The FMT intends to further explain the process and flag certain related legal implications.

Background documentation: Presentation.

Expected Action: No action required.

Session 4c. Options for upfront financing of ER Programs

Background: Investment needed to implement ER programs is critical to achieving results for which carbon fund payments are proposed. REDD+ implementation requires significant upfront investment, and gaps in financing of ER programs significantly impact the results expected from ER programs. Financing instruments relevant to ER programs, priorities for addressing financing gaps, and options for upfront financing of ER programs will be discussed.

Background documentation: Presentation outlining the various options for upfront financing of ER Programs.

Expected Action: Views and guidance of the CFPs are sought on these options for upfront financing of ER programs, including the possible use of Carbon Fund capital in helping address the financing gaps of ER programs.

Session 4d. Emerging questions on ER-PD development

Background: In its support to ER Programs in the Carbon Fund pipeline, the FMT is receiving questions related to the Methodological Framework (MF). These questions concern issues where the MF purposefully created room for interpretation/negotiation and issues where the MF is unclear or silent. During a February 2015 teleconference, CFPs agreed to provide feedback on these types of issues both through the Carbon Fund meetings and through the planned TAP calibration workshop(s). During this session the FMT will present questions received from ER Programs in the pipeline of the Carbon Fund.

Background documentation: Background notes on each of the issues to be discussed were prepared by the relevant REDD Countries.

Expected Action: CFPs are expected to provide feedback and guidance on the issues discussed.

Session 5a. Update on developing guidelines on modalities and procedures for ER Program buffers

Background: The Methodological Framework of the Carbon Fund foresees the potential use of buffers for dealing with risks related to uncertainty, reversals and potentially Transfer of Title. At PC18, the PC adopted the FCPF General Conditions Applicable to Emission Reductions Payment Agreements (Resolution PC/18/2014/2). These General Conditions refer to Buffer Guidelines that will layout the guidelines and risk assessment tools for the buffers identified in the Methodological Framework. As part of the resolution, the PC further requested the Carbon Fund to establish a review group to review and provide feedback to the FMT on the Buffer Guidelines during the preparation of these Guidelines. During this session, the FMT will provide an update on the development of the Buffer Guidelines.

Background documentation: Presentation.

Expected Action: No action is expected during this meeting.

Session 5b. Update on developing specifications for registries

Background: As part of the FMT's broader effort to provide technical assistance on the Carbon Fund Methodological Framework, guidance is being produced on the development and management of transaction registries. This work was recently initiated and is performed in joint collaboration with the Partnership for Market Readiness, which has been commissioned related work. The session will provide an update and next steps of this work.

Background documentation: This work builds on earlier [work](#) with REDD+ countries on data management systems and registries.

Expected Action: This session is for information. CFPs are invited to provide feedback and guidance.