



Forest Carbon Partnership Facility

6a. Strategic Direction of the FCPF: Activities to be supported through the Readiness Fund

Participants Committee Meeting (FCPF PC12)
Santa Marta, Colombia, June 27-June 29, 2012

Outline of Today's Discussion

I. Introduction

- Recap of previous strategic discussions
- Current agreed prioritization for budget allocations

II. Country Needs Assessment

- Methodology
- Findings

III. Proposal

- Factors for Inclusion
- Proposed Additional Activities
- Long Term Sources and Uses of Funds

IV. Expected PC Actions

I. Introduction

Topics

- Recap of previous strategic discussions
- Current agreed prioritization for budget allocations

I. Introduction – recap of previous strategic discussions

- PC10 (Berlin) October 2011 requested FMT to present a detailed proposal and budget estimate for “analytical work, knowledge management and centrally sourced activities” by PC12
- To include South-South exchange and linkages between REDD+ and FLEGT
- Based on a quick assessment of REDD+ countries readiness needs
- Take into account similar existing or planned activities undertaken by other initiatives
- Take into account FMT’s capacity

I. Introduction – current agreed prioritization for budget allocations

- Higher priority
 - \$3.6 million grants up to PC14 (March 2013) (Para 2.i.a)
 - \$5.5 million for Additional IP/CSO Program over 4 years (Para 2.1.b)
 - Up to \$13.4 million for enhanced capacity for dispute resolution (Para 2.i.c)
- Lower priority
 - Additional grants of up to \$5 million for those making significant progress (Para 2.ii.a)
 - Analytical work, knowledge management, South-South exchanges (“Additional activities”) (Para 2.ii.b)
 - Possible reopening to new REDD+ countries (Para 2.ii.c)
- No priority agreed in lower priority items

II. Country Needs Assessment

Topics

- Methodology
- Findings

II. Country Needs Assessment - Methodology

- Initially to be based on quick assessment of REDD+ countries readiness needs
- Later agreed to full Country Needs Assessment jointly with UN-REDD
- Methodology presented at joint UN-REDD/FCPF Meeting in Paraguay in March 2012
 - Desk assessment
 - Six in-depth country assessments (2 from each region), including five FCPF countries
 - Survey of all 52 FCPF and UN-REDD countries
- Draft report presented at pre-PC meeting and is available on FCPF website
 - <http://www.forestcarbonpartnership.org/fcp/node/514>

II. Country Needs Assessment – Findings (1)

- Draft report only distributed very recently so not yet possible to coordinate responses with UN-REDD
- Findings can still be drawn
- FMT aware of urgency of some of the requests
- When final, FCPF and UN-REDD will prepare a coordinated response
- FMT and UN-REDD will hold a joint planning session in preparation for the October 2012 meetings in Brazzaville
- If final report indicates a need to revise the FCPF responses and thus the additional activities, the FMT would prepare an appropriately revised proposal for the PC's consideration, in coordination with UN-REDD's budget proposal (October 2012)

II. Country Needs Assessment – Findings (2)

- Priority needs
 - Reference levels
 - MRV
 - Governance and REDD+ strategy and implementation frameworks, including
 - Benefit sharing
 - Safeguards
 - Procedures for consultation and participation
 - Grievance redress mechanisms
 - Capacity building for CSOs, NGOs and IPs

II. Country Needs Assessment – Findings (3)

- Specific aspects
 - Governance: sub-national structures (provincial/district), national coordination structures (cross-sector agreement) – urgent
 - REDD+ pilot projects
 - Reference levels: build national technical capabilities
 - MRV: capacity on specific aspects (e.g., updating inventories, forest carbon measurements, emission factors)
 - Capacity building for CSOs, NGOs and IPs: training on procedures for consultation and participation, FPIC
 - REDD+ strategy and implementation frameworks: existing laws, prior experiences, land tenure, ‘carbon rights’, South-South platform
 - Policy and legislative review

III. Proposal

Topics

- Factors for Inclusion
- Proposed Additional Activities
- Long Term Sources and Uses of Funds

III. Proposal – Factors for Inclusion (1)

- Factors for inclusion, i.e., what has been taken into account in reaching the proposed additional activities
- Country Needs Assessment, especially priority needs and the survey results
- Discussions on strategic directions of FCPF
- Focuses on technical aspects where support can be enhanced
- Excludes activities not eligible for support through the RF (e.g., REDD+ pilots)
- Excludes activities required to be implemented by countries (e.g., institutional strengthening)

III. Proposal – Factors for Inclusion (2)

- Excludes activities being addressed by others (e.g., land tenure [UN-REDD])
- CSO/IP Program already approved by PC so included in base budget and not reflected as an additional activity
- Other activities mandated by the PC are included in the base budget and are not reflected as an additional activity (e.g., CF WG on Methodological and Pricing Framework, M & E framework)
- FMT capacity is not expected to be an issue

III. Proposal – Proposed Additional Activities (1)

| Proposed Additional Activities (\$000s) | FY13 Proposed Budget |
|--|-------------------------------------|
| MRV/Reference Levels | 309 |
| Capacity Building for Social Inclusion | 501 |
| Linking Local Initiatives to Strategy | 253 |
| Piloting Forest Governance and Grievance Redress Mechanisms | 217 |
| Legal Readiness for REDD+ | 106 |
| Private Sector Engagement in REDD+ | 150 |
| Registries for REDD+ | 88 |
| Total | 1,624 |

Total budget for proposed additional activities

\$1.6 million

III. Proposal – Proposed Additional Activities (2)

| Proposed Additional Activities | Key activities in FY13 | Expected Output |
|---|---|---|
| Reference Levels | 3-4 countries use Winrock-FMT decision support tool | Improved tools being used by countries. Training/tutorial materials available on web. |
| MRV | Technical assistance to small number of countries | |
| Capacity Building for Social Inclusion (incl. safeguards, stakeholder consultations, grievance redress mechanisms) | Training at 3 regional workshops | Training material. Workshop reports. |
| Linking Local REDD+ Initiatives to REDD+ Strategy (incl. benefit sharing) | 2 regional workshops in Africa | Synthesis of lessons. |

III. Proposal – Proposed Additional Activities (3)

| Proposed Additional Activities | Key activities in FY13 | Expected Output |
|--|--|--|
| Piloting Forest Governance and Feedback and Grievance Redress Mechanisms (FGRM) | Piloting of FGRM and PROFOR/FAO governance tool in 2 countries | Country approach paper on FGRM for 2 countries and 'How to' guidelines to set up FGRM. (FY14: Report on governance diagnostic) |
| Assessment of Legal Readiness for REDD+ | Policy and legislative review in 2 countries (by IDLO) | Review report on 2 countries |
| Private Sector Engagement in REDD+ | Country level assessment of role of private sector in 1 or 2 countries | Country report(s) (incl. recommendations for enhancing private sector role) |
| Registries for REDD+ | Develop basic initial framework for national registry systems | Initial framework for national registry systems (for use by all) |

See Annex to FMT Note re Private Sector Engagement

For other activities see addendum to FMT Note distributed to PC and on website

III. Summary Long Term Sources and Uses (1)

**Table 3: Summary of Long-Term Sources and Uses of Readiness Funding
(in \$ million, planned as of June 19, 2012)**

| Uses | June 2012 | |
|--|-------------|--------------|
| Commitments (grants) to REDD+ Countries | | 133.0 |
| Administrative, Operations and Country Support of which: | | 67.8 |
| <i>FY09-11 Administrative & Country Support (actual)</i> | <i>15.3</i> | |
| <i>FY12 Administrative & Country Support (estimated)</i> | <i>5.1</i> | |
| <i>FY13-20 Readiness Fund Administration (projected)</i> | <i>3.8</i> | |
| <i>FY13-20 Operations and Country Support (projected)</i> | <i>43.6</i> | |
| Reserve for Delivery Partner capacity for dispute resolution | | 2.0 |
| Additional IP and CSO Program (possibly part funded by CF) | | 5.5 |
| Total Uses | | 208.3 |
| Sources | | |
| Committed Funding | | 235.4 |
| Committed Funding <u>plus</u> Pledges | | 239.4 |
| Estimated Reserve | | |
| Reserve: Committed Funding less Total Uses | | 27.1 |
| Reserve: Committed Funding plus Pledges less Total Uses | | 31.1 |

III. Summary Long Term Sources and Uses (2)

| | |
|--|--------------|
| Possible Additional Activities | |
| Additional funding to countries that demonstrate progress on readiness (up to \$5 million per country), assuming 20 countries meet criteria in Berlin Strategic Direction Resolution by FY15 | 100.0 |
| Proposed Additional Activities in FY13 budget | 1.6 |
| Total Resources required for Additional Activities | 101.6 |
| Funding Gap (Total Resources required for Additional Activities less Reserve including Pledges) | 70.5 |
| Potential reopening of the FCPF to new countries (\$5.8 million per country), assuming 11 additional countries | 63.8 |
| Funding Gap (Total Resources required for Additional Activities plus potential reopening to 11 new countries, less Reserve including Pledges) | 134.3 |

Assumptions:

- 1) Expected grants to 35 REDD Country Participants. All 37 but excluding Tanzania (bilaterally funded) and Equatorial Guinea (PA not signed by February 1, 2012).
- 2) Steady operational budget through FY15 (including an estimate for continuing additional activities), with 20% annual cuts thereafter.

IV. Expected PC Actions

- Under next agenda item: decision re FY13 budget approval
- Under this agenda item: feedback and guidance on the prioritization of activities in the context of the budget discussion



THANK YOU!

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