Forest Carbon Partnership Facility

3. Selecting ER-PINs into the Pipeline: Draft Selection Criteria

Fourth Meeting of the Carbon Fund (CF4)

Santa Marta, Colombia

June 24-25, 2012

FOREST CARBON PARTNERSHIP FACILITY

Background

- Resolution CFM/3/2012/1 requested “the FMT to develop draft criteria to be used to guide the Carbon Fund Participants’ decision to include ER-PINs in the Carbon Fund pipeline for consideration and adoption by the Carbon Fund Participants at the Fourth Carbon Fund meeting, or subsequently on a no objection basis, following the provision by the PC of the guiding principles on the key methodological framework”.

Possible sources of Criteria

- Carbon Fund Issues Note (February 2011)
- Emerging methodological framework as reflected in the recommendations of the Working Group (see FMT Note 2012-8 of June 2012)
- Decisions or options adopted at prior Carbon Fund meetings
- Lessons learned in the World Bank's carbon finance experience (e.g., BioCarbon Fund)

Sources of Criteria not Considered

- Pricing elements in emerging methodological and pricing framework
  - Not expected to influence the decision whether to include an ER Program into the pipeline
  - Current ER-PIN template does not reflect pricing expectations on the part of the seller or buyer
- Readiness Package:
  - Not concerned with ER Programs
  - Elements included in the ER-PIN template

Longer List (1)

1. Link to Readiness
2. Institutional context and capacity
3. Financing
4. Ambition and scale
5. Consistency with UNFCCC
6. Safeguards
7. Reference levels
8. Monitoring

Longer List (2)

9. Monitoring
10. Data and methods
11. Social inclusion
12. Benefit sharing
13. Contribution to sustainable development:
14. Reversals
15. Displacement
16. Learning value

Shorter List (1)

1. Adequacy and Capacity
2. Link to Readiness
3. Ambition and scale
4. Diversity and learning value
5. Consistency with UNFCCC

Shorter List (2)

1. Adequacy and Capacity
   - Information provided in the ER-PIN template provides comfort that the issues are adequately addressed and that the entity(ies) has (have) the commitment and capacity to carry out the proposed ER Program
   - This capacity question would need to be reflected in the ER-PIN template

Shorter List (3)

2. Link to Readiness
   - The ER-PIN must be submitted by an FCPF REDD Country Participant that has signed a Readiness Preparation grant agreement (or the equivalent) with a Delivery Partner under the Readiness Fund, and intends to submit a Readiness Package to the Participants Committee

Shorter List (4)

3. Ambition and scale
   - The underlying ER Program must be ambitious, i.e., demonstrate at a large scale the potential of the full implementation of the variety of interventions of the national REDD+ strategy, covering a significant portion of the national territory

Shorter List (5)

4. Diversity and learning value
   - Eventual inclusion of the ER Program should add diversity and generate learning value to the Carbon Fund's portfolio by testing and demonstrating approaches that will be of interest for REDD+ design and implementation

Shorter List (6)

5. Consistency with UNFCCC
   - The ER-PIN ought to create comfort that the ER Program has the potential of being consistent with evolving UNFCCC decisions on REDD+ at the time of ERPA signature, as relevant and feasible, including transparency, consistency, completeness, and accuracy, and decisions on safeguards and reference levels