

**Forest Carbon Partnership Facility  
Twelfth Meeting of the FCPF Participants Committee (PC12)  
Santa Marta, Colombia, June 27-29, 2012  
Co-Chairs' Summary**

Dear Participants and Observers,

We are pleased to report that the Participants Committee (PC) of the Forest Carbon Partnership Facility (FCPF) held its twelfth meeting (PC12) on June 27-29, in Santa Marta, Colombia.

More than 150 representatives of governments, Indigenous Peoples' and other forest-dependent organizations, and international and non-governmental organizations contributed to rich discussions. We wish to thank the Government of Colombia for hosting us, as well as Ms. Andrea García Guerrero, Director of Climate Change in the Ministry of Environment and Sustainable Development of Colombia, for welcoming participants. We also thank Ms. Adriana Soto, Vice Minister of Environment and Sustainable Development of Colombia, and Mr. Ede Ijjasz-Vasquez, Director of Sustainable Development for Latin America and the Caribbean at the World Bank, for providing keynote speeches at the end of the meeting.

Please be advised that all the background materials, presentations, Resolutions and this summary are available on the FCPF website at <http://www.forestcarbonpartnership.org/fcp/node/514>. Please find below the main conclusions from the meeting, which are also being translated in French and Spanish:

**Update of progress made since PC11 and targets for PC13**

- Participants appreciated the FMT's update with respect to providing implementation, advisory, and methodology support to REDD Countries, the Multiple Delivery Partner arrangement, dialogues with Indigenous Peoples, communications, and resource mobilization.
- Some key achievements included the presentation of the first mid-term progress report, submitted by the Democratic Republic of Congo, the signing of Readiness Preparation grant agreements with Liberia and Costa Rica, increasing exchanges among and reaching out to REDD+ countries via virtual videoconference workshops, and reaching out to Indigenous Peoples through regional dialogues.
- Additional financial commitments and pledges to the FCPF were welcomed, including US\$11.9 million by Australia (Readiness Fund \$6.3 million, Carbon Fund \$5.6 million), US\$5 million by Canada (all Carbon Fund), and US\$8 million by the United States (\$4 million to each fund). Participants recognized that many donors are also providing bilateral support for country work that complements the FCPF's work.
- A key emerging lesson highlighted was the capacity building needs of governments, Indigenous Peoples, local communities, and Delivery Partners, in terms of human resources and finances. As a way to address this going forward, the FMT suggested greater coordination with bilateral donors to provide support for specific needs in countries, using existing or new donor contributions to help address capacity needs, and relying on indigenous and local community leaders to help "push information down" to the grassroots. The FMT will liaise with donors in an effort to match needs with resources.

**Readiness Package**

- Participants appreciated the progress made in discussions on the Readiness Package (R-Package) and the proposals made by the FMT, agreed on the purpose, scope, and assessment and endorsement process, and agreed to move forward with the development of an assessment

framework that maintains flexibility, promotes country ownership, and recognizes the voluntary nature of the R-Package.

- Building on feedback received from REDD+ Countries during videoconferences, an informal workshop session held prior to PC12, and discussions at PC12, the PC adopted Resolution PC/12/2012/1 that captures the PC's views on the R-Package and provides a timeline and actions to develop a Readiness preparation assessment framework on the basis of the agreed process, with a view to adopting the framework at PC14.
- PC12 defined the purpose of the R-Package as an opportunity to self-assess progress, demonstrate commitment to REDD+ and generate guidance to REDD Countries. As for scope, it was agreed that the R-Package mirrors the four components of the R-PP. The assessment process will involve a national multi-stakeholder self-assessment followed by an assessment and endorsement by the PC. The assessment framework will be developed by the FMT in collaboration with REDD Country Participants.

#### **Process for submitting and reviewing mid-term progress reports from REDD Country Participants, and process for requesting additional funding of up to US\$5 million**

- The discussion among Participants clarified that the objective of the mid-term progress report is to report on progress made in activities funded by the FCPF grant, while also providing an overview of progress made in the implementation of the R-PP. Participants also highlighted the importance of trust in the partnership and in the Delivery Partners' work with countries, and of creating processes that provide Participants and Observers with information on progress in the country and an opportunity to provide feedback, while also being useful for the country rather than cumbersome. The PC clarified that the determination as to whether significant progress had been achieved will be based on the Delivery Partner's mid-term grant monitoring report, although the decision of allocation of the US\$5 million additional funds will be taken based on the five criteria outlined in resolution PC/10/2011/1.rev
- As such, the PC adopted the proposed processes (see FMT Note 2012-7 rev and Resolution PC/12/2012/2) that are based on the REDD Country Participant's mid-term progress report and the Delivery Partner's grant monitoring report, subject to agreed revisions to the FMT Note as detailed in the Resolution. The agreed revisions included that a mid-term progress report should be submitted to the FMT eight weeks prior to a PC meeting and posted on the FCPF website six weeks prior, to allow time for Participants, Observers and others to review the report and provide informed feedback for consideration. The PC also encouraged the undertaking of independent assessments of progress in implementation of the R-PP, whether arranged for by the country, donors, or others.

#### **Methodological Framework and Pricing Approach for the Carbon Fund**

- The Working Group on the Methodological Framework and Pricing Approach for the Carbon Fund presented its Recommendations on guiding principles on the key methodological framework and policy guidance on a pricing approach, and feedback from teleconferences held prior to PC12.
- Participants appreciated the Recommendations of the Working Group, and recognized that they represent a balance of different viewpoints within the Working Group as well as the broader PC. The discussion within the Working Group and PC covered a wide range of topics, notably the importance of non-carbon benefits; the methods, feasibility and cost effectiveness of monitoring and reporting of carbon and non-carbon benefits, including consistency with UNFCCC guidance, and safeguards, and World Bank policies; potential linkages to the national Readiness process, REDD+ strategy, including flexibility to reflect country priorities; and reporting and verification modalities.

- Resolution PC/12/2012/3 adopting the Working Group's Recommendations was passed.
- Comments received before PC12 on the Recommendations have been posted on the platform established for these on the FCPF website: <http://www.forestcarbonpartnership.org/fcp/node/598>. Participants and Observers are invited to provide additional comments, preferably using this site.
- The FMT outlined the process of how the Carbon Fund will develop the Methodological Framework and Pricing Approach, building on the guiding principles and policy guidance that were adopted. As part of this process, the FMT and TAP will invite Carbon Fund Working Group members and experts to contribute to the process of developing a Methodological Framework and Pricing Approach.
- FAO offered their expertise in PES/MRV to assist the Working Group on the pricing methodology going forward, if so requested.

### **Readiness Preparation Proposals (R-PPs)**

- The PC allocated US\$3.6 million to Nicaragua to support Readiness preparation, based on its R-PP (See Resolution PC/12/2012/4).
- Recognizing that REDD+ Countries require various sources of funding to support the wide range of Readiness needs, the representative from the Global Environment Facility (GEF) urged REDD+ Countries to consider using their GEF allocations and to access the GEF's Sustainable Forest Management and REDD+ Incentive Mechanism to address financing gaps in their R-PPs.
- El Salvador presented its draft R-PP. The government representatives appreciated the early feedback received that can contribute to strengthening Readiness, and expressed commitment to revising the R-PP taking into consideration the comments received.
- Burkina Faso presented its R-PP. The PC expressed its satisfaction with the R-PP and noted the value of the proposal as it is the first one to have been received by the FCPF from a country from a semi-arid climatic zone. The PC also noted that the R-PP was an example of a landscape approach, namely how to conceive of REDD+ across a range of land uses and land covers. The PC provided recommendations to the country on how to enhance its preparation for REDD+ in the context of its participation in the Forest Investment Program (FIP). Although this PC review formally concludes the process of reviewing Burkina Faso's proposal to become ready for REDD+, in accordance with the PC's invitation and the FIP Sub-Committee's decision from 2010, the PC invited Burkina Faso to periodically inform the PC on progress in the execution of its R-PP and Investment Plan.
- In the context of dwindling participation of PC members in reviewing R-PPs prior to the PC meeting, the PC discussed whether or not to continue the practice. Participants noted the value of learning how other countries are dealing with the issues, and agreed to continue the PC reviews.

### **Democratic Republic of Congo's mid-term progress report**

- Three presentations were delivered on the progress being made by DRC in the national REDD+ process: i) an informal progress report by the Government of DRC (by videoconference from Kinshasa), ii) a mid-term evaluation carried out by an independent consultant hired by the government, and iii) a mid-term progress assessment by the World Bank, as Delivery Partner. The assessments found overall satisfactory progress on the REDD+ Readiness process in DRC, while presenting specific recommendations for strengthening the process in moving forward. PC members expressed satisfaction about the progress, and congratulated DRC for being the first country to report on mid-term progress.
- The evaluations highlighted the strong level of coordination and ownership of the process in DRC. Significant progress has been achieved in creating a consensus around the causes of deforestation, identifying preliminary strategic REDD+ options and associated social and environmental risks, carrying out multi-stakeholder consultations (although not yet in all areas of the country ), adopting

preliminary rules of REDD+ projects and initiatives and the development of a national registry for those, and preparing technical studies to advance the preparation of a national reference level and an MRV system. Concerns were raised about the slow pace of policy reforms in critical areas for REDD+, the underperformance of the National REDD+ Committee as leader of the process, and the slow pace of decentralization of the process.

**FY13 Readiness Fund Budget (see Resolution PC/12/2012/5)**

- The PC approved the base operational budget of US\$12.6 million plus an additional budget of US\$200,000 for the proposed activity 'Capacity Building for Social Inclusion' to enable the regional workshop planned to be held in 2012 on safeguards (with an emphasis on SESA/ESMF), stakeholder consultations and feedback and grievance redress mechanisms to proceed as proposed.
- The PC thanked the FMT for the comprehensive view of additional FY13 activities and proposed budget. While many PC members recognized the importance of the proposed additional activities (with a budget implication of an additional cost of US\$1.6 million in FY13), they raised concerns on the impact of the additional activities on the capacity of the FMT, the lack of a final Country Needs Assessment Report, and lack of prioritization and coordination with other REDD+ initiatives. In view of these concerns, the PC requested that a revised note on the proposed additional activities be submitted for review and discussion at PC13, and should take account of (i) the final report of the Country Needs Assessment Report prepared jointly by the UN-REDD Programme and FCPF, (ii) similar existing or planned activities undertaken by other initiatives, (iii) the FMT's capacity to support the proposed activities, (iv) consultations with bilaterals and other relevant institutions (specifically UN-REDD) on comparative advantage for the delivery of work, and (v) a prioritization of support needed by REDD Countries in the short term.
- The PC agreed that the IP/CSO Program budgeted at US\$5.5 million over 4 years (FY12-FY15) should be excluded from Shared Costs and that the Readiness Fund should therefore bear 100% of these costs.
- The PC requested the FMT to consider reducing PC meetings from 3 to 2 annually. The FMT suggested that any reduction take place as of the start of FY14 (after PC15) so that the budget approval process is not interrupted and key milestones previously set for PC14 can be maintained.
- It was confirmed that the FMT was working on the design of a Monitoring and Evaluation framework and that any approved additional activities would be integrated into that framework.
- The FMT will undertake semi-annual reporting on progress under the Readiness Fund, including financial commitments and disbursements, as part of the FCPF monitoring framework.
- Following PC11 discussions on the possibility of a budget transfer from the Southern CSO Capacity Building Program to the Program for Forest-Dependent Indigenous Peoples and Forest Dwellers, it was agreed that, in light of the inter-linkages between non-Indigenous Forest Dwellers (also referred to as local communities) and Southern CSOs, local communities are eligible to apply for support under the Southern CSO Capacity Building Program rather than the Program for Forest-Dependent Indigenous Peoples and Forest Dwellers. The name of each program and the language on eligibility in the guidelines to be prepared for these programs will be clarified accordingly, without prejudice to the reference to "Forest-Dependent Indigenous Peoples and Forest Dwellers" in the FCPF Charter. It was further agreed that, of the US\$1.79 million allocated for support through contracts/grants to Southern CSOs within the additional budget for the Capacity Building Programs of US\$5.5 million, US\$1,074,000 will be allocated to non-Indigenous Forest Dwellers. The allocation for support to "Forest Dependent Indigenous Peoples and other Forest Dwellers" of US\$2.2 million through contracts/grants will now be made available solely to Forest-Dependent Indigenous Peoples.

### **Three knowledge sharing panels allowed Participants, Observers and others invited to share their experiences and foster dialogue on key issues related to REDD+**

- **Community Forestry and REDD+:** Panelists discussed the role community forestry can play as an effective policy option in a national REDD+ strategy and the main challenges to making community forestry a reality, reflecting on how REDD+ can advance community management of forests. Panelists presented how Indigenous Peoples' traditional forest management has contributed to reduce deforestation in Peru, the evolution of community forestry in Mexico, and how preparation of national REDD+ strategies presents an opportunity for advancing legal frameworks conducive to community forestry, highlighting the case of the Republic of Congo. Panelists emphasized the need to recognize rights of communities to land and forests, develop local-level benefit sharing mechanisms, continuously strengthen capacity, and build social capital.
- **National registries for REDD+:** This panel discussed policy and technical aspects of national registries for REDD+. The panel laid out the rationale for registries as national REDD+ information management systems and essential element of Readiness that help to ensure transparency, accountability and environmental integrity, e.g., by consolidating subnational and national REDD+ reference levels and MRV designs. The panel's presentations covered conflicts on the ground around abusive forest carbon contracts, a practical example of a registry developed in the DRC, and an outlook on potential international standardization needs. Acknowledging the diverse understandings of the role registries could play, the PC discussion emphasized the need to base registry design and operations on clear regulatory frameworks that need to be in place before any electronic registry infrastructure can work effectively, as well as the importance of data security and compatibility aspects, including for the FCPF Carbon Fund. The FMT has proposed further work to be conducted in FY13 in order to support national efforts to set up registries.
- **Contracting for forest carbon:** This panel shared the World Bank BioCarbon Fund's experiences in forest carbon contracts, in particular in the context of the Fund's Colombia Caribbean Savannah Project. The panel highlighted that forest carbon contracts must be carefully drafted, clearly assign responsibilities, rights and obligations of each contract partner (including allocation of project-related cost risk), and ensure that benefit-sharing with local stakeholders and communities occurs in order to ensure the long-term support and success of a project. In this context, it was further stressed that local stakeholders and communities must be fully informed of what they are expected to do in order to participate in any project-related benefit-sharing mechanism and should have access to project-related grievance mechanisms.

### **Update on Multiple Delivery Partner Arrangement**

- The FMT, FAO, IDB and UNDP provided updates on developments in the pilot Multiple Delivery Partner arrangement. FAO held an information exchange with Indigenous Peoples of Africa, which was appreciated by Indigenous Peoples representatives. Transfer Agreement negotiations with the IDB have been completed, and IDB Board approval is expected on August 23, 2012. In the meantime IDB has maintained a dialogue with Guatemala, Guyana and Peru. Transfer Agreement negotiations are being finalized with UNDP. UNDP has undertaken a first scoping mission to Suriname and has maintained a dialogue with Cambodia and Honduras. A written update from UNDP on recent developments relevant to its role as a Delivery Partner has been posted on the FCPF website.

### **Updates on regional Indigenous Peoples' dialogues and FCPF capacity building programs**

- Indigenous Peoples representative updated the PC about the successful Pan Africa Dialogue of Indigenous Peoples that took place in Arusha, Tanzania in April 2012, and the FMT acknowledged the high degree of professionalism shown by Indigenous Peoples organizations in convening the Dialogue.

- Other dialogues are scheduled, and PC Members who are interested in attending a dialogue should inform the FMT. Priority will be given to PC Country representatives from the respective region:
  - Dialogue of Indigenous Peoples from Meso- and South America and the Caribbean: August 22-24, Peru;
  - Asia Indigenous Peoples Regional Dialogue: September 25-29, 2012 in Chiang Mai, Thailand;
  - Indigenous Peoples Global Dialogue: November 22-24, 2012 in Qatar (TBC).
- Representatives of the FMT, Indigenous Peoples and CSOs discussed the capacity building programs for Forest-dependent Indigenous Peoples and Forest Dwellers and for southern CSOs, and how the programs are being reorganized to use the World Bank's small grants procedures. The PC expressed the desire that the FMT explore ways to avoid disruption in the disbursement of funds during any reorganization.
- With regard to Indigenous Peoples and CSO representatives, the transition to the new self-selection process for these Observer representatives has identified difficulties in the use of the word "Observer." Efforts will be made to clarify the definition to facilitate discussions in the future.

### **FCPF communications**

- The FMT reported on recent enhancements in communications, including recruitment of staff focusing on knowledge management and communications, outreach, release of brochures on the FCPF, and a new website. The PC acknowledged the increased efforts and thanked the FMT for taking their previous comments onboard. Do not forget to become a friend of the FCPF on Facebook at [www.facebook.com/forestcarbonpartnershipfacility](http://www.facebook.com/forestcarbonpartnershipfacility), and to follow the FCPF on Twitter @FCPFglobal.

### **Next meetings of the FCPF**

- Carbon Fund: October 16-17, 2012, Paris.
- PC13 and PA5: October 20 (pre-PC workshop), 21-22 (PC13) and 23 (PA5), 2012, Brazzaville, in conjunction with the ninth meeting of the UN-REDD Programme Policy Board.
- PC14: March 2013, Washington, DC. Tentative dates to be set shortly.
- The CIF Admin Unit has requested the meeting of the FIP Sub-Committee be held back-to-back with PC15 (June 2013).

In closing, we would like to express our appreciation for the hard work of all Participants in the run-up to and at PC12. The strong spirit of collaboration amongst Participants and observers was apparent and contributed to a productive meeting and progress on a number of important issues. We look forward to continuing the collaboration and making further progress at PC13, PA5 and beyond, and the FMT will liaise with the PC Bureau in preparing the PC13 and PA5 agendas. Please do not hesitate to contact the FMT at [fcpfsecretariat@worldbank.org](mailto:fcpfsecretariat@worldbank.org) if you have any questions or concerns.

Sincerely,

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