

**Forest Carbon Partnership Facility**  
**Twenty-seventh Meeting of the Carbon Fund (CF27)**  
**Washington DC, USA | January 30-February 1, 2024**  
**Chair's Summary**

Dear Carbon Fund Participants and Observers,

We would like to thank the Carbon Fund Participants and Observers – from REDD Country Participants, Indigenous Peoples' organizations, civil society, UNFCCC, and the private sector – who took part in the 27th FCPF Carbon Fund meeting from January 30<sup>th</sup> to February 1<sup>st</sup>.

Please find below the main conclusions from the meeting. All relevant materials from this meeting (including this summary as well as background resources, presentations, and resolutions) are available on the FCPF website at <https://www.forestcarbonpartnership.org/meetings>.

**UPDATE ON CARBON FUND PROGRESS**

The FMT [presented](#) progress made under the Carbon Fund since CF26, including updates on the social inclusion, gender, MRV, Registry, CATS, communications, and knowledge management. Several clarifying questions were asked regarding benefit sharing implementation and discussions on Carbon Fund countries' path to carbon markets.

**PORTFOLIO MANAGEMENT UPDATE**

The FMT [presented](#) an update on implementation and emission reduction delivery of the programs in the FCPF Carbon Fund portfolio. There was overall acknowledgement on the progress made to date by countries showing proof of concept. It was recognized that benefit sharing implementation has been generally slower than expected as this is the first time these are being implemented with many legal and administrative procedures including capacity building that have to be established as such directly impacting the pace at which the ERPA payments are being rolled out to beneficiaries.

**FCPF STANDARD UPDATE**

The FMT [presented](#) a revised draft of the FCPF Buffer Guidelines Version 2 (approved through Resolution CFM/21/2020/02) that would improve FCPF's Reversal Management Mechanism (RMM). CFPs proposed the following revisions to the revised draft:

- Establishing requirements for the replenishment of Pooled Reversal Buffer ERs after a reversal;
- Revising the operational definition of Reversal and the equation used to estimate the quantity of Reversal Buffer ERs to be cancelled in case of a Reversal.

These latest changes have been approved through Resolution CFM/27/2024/1 and its annex. CFPs requested the FMT to conduct further consultations, especially involving REDD+ Countries, on some of

the other changes that were proposed by the FMT that do not represent technical corrections but improvements to the RMM. Subsequently, FMT will develop another version of the FCPF Buffer Guidelines reflecting these other changes and share for no-objection by the CFPs.

At CF26 the FMT presented three options for the development of a stand-alone FCPF Standard. CFPs generally supported the option to develop a stand-alone standard for use in SCALE. At this meeting, the FMT presented a draft version of this stand-alone standard for use in SCALE. CFPs requested FMT to conduct further consultations on (i) the need for a stand-alone standard and (ii) the technical elements of the proposed draft.

### **EXCESS ERs AND TRANSACTIONS WITH THIRD-PARTY BUYERS**

Regarding transactions with third-party buyers, discussion centered around the urgency of having a solution operational, and the limitations posed by the exclusivity requested by some registry providers to support these operations.

On the support to countries to monetize excess ERs, FMT clarified that its role is to provide guidance to countries on monetization options, but that it will not be involved in any transaction with third-party buyers, including through auctions. FMT further clarified that it is the country's prerogative to decide how to monetize excess ERs, including the means of monetization and the buyer eligibility.

The FMT presented the progress made with the application to different market initiatives that aim at recognizing high integrity ERs. In terms of CORSIA, CFPs highlighted the relevance of being accepted by CORSIA and provided general support to continue with the application. Regarding the International Carbon Reduction and Offset Alliance (ICROA), and Integrity Council for the Voluntary Carbon Market (ICVM), CFPs expressed their interest on understanding the application process and overall agreed with the approach proposed by the FMT to continue exploring the benefits of getting both endorsements.

### **KNOWLEDGE SHARING SESSION: WORKSHOP ON THE FUTURE OF REDD+ ARCHITECTURE**

An all-morning workshop with a plenary panel discussion and working group sessions was held, titled "Looking Beyond the FCPF: the World Bank's Role in the New REDD+ Architecture". There was agreement as a next step to convene a workshop to further discuss standards, including seeking further inputs on the creation of an FCPF 2.0 standalone standard. The FCPF and SCALE FMTs will propose additional next steps, including exploring ways in which the FCPF can support program transition and next steps with respect to coordination among REDD+ Technical Assistance providers and partners.

### **EXTERNAL EVENT – PANEL DISCUSSION: FROM VISION TO ACTION – ADVANCING THE FUTURE OF REDD+**

CFPs were invited to participate in the external event. This panel discussion event explored the future of the REDD+ architecture, including the financial structures and technical requirements. Panelists, representing governments, Indigenous People, Private Sectors and ART, engaged in dialogue among each other and with the audience, including online, about the visions and implications of the future REDD+ for programming and financing in REDD+ countries. The event provided an opportunity for donors and development partners to gain perspectives from stakeholders.

### **EVALUATION UPDATE**

CFPs were given an update on the ongoing FCPF Evaluation by Baastel, the firm contracted to conduct the Evaluation. Participants discussed the initial findings and recommendations of the evaluation, which is expected to be finalized by March 2024, and emphasized proactive and ongoing communication of evaluation findings to inform current strategic discussions.

#### **FCPF CF EXTENSION**

The FMT presented a proposed extension of the FCPF CF until 31 December 2028. As some CFPs required a bit more time for internal approvals, it was agreed that a formal decision will follow later. Any decision made will be posted on the FCPF website.

#### **ADOPTION OF RESOLUTION FOR REVISIONS TO THE FCPF STANDARD**

- **Resolution CFM/27/2024/1 on the FCPF Standard was adopted.**

#### **NEXT MEETING**

The 28th Carbon Fund meeting is scheduled for June 20-21, 2024 in Oslo, Norway.

#### **IN CLOSING**

- CF27 marked an important milestone in the FCPF. With the Fund at its 15<sup>th</sup> anniversary, payments are flowing and the focus of discussions is on registries, transferability, and the options and challenges involved in accessing markets. This is a notably advanced phase for the Fund from when Australia last chaired the CF in 2017, and I could not be more pleased with the progress made.
- As we look ahead, we are excited about the continued completion of verifications and payments for reported emission reductions to countries, the implementation of benefit sharing mechanisms delivering rewards to stakeholders and communities on the ground, and the exploration of avenues to market excess ERs.

If you have any questions or concerns, please feel free to contact the FCPF FMT at [fcpfsecretariat@worldbank.org](mailto:fcpfsecretariat@worldbank.org).

Sincerely,

Peter Corcoran

Australian Government – Department of Climate Change, Energy, the Environment and Water  
CF27 Chair