



FCPF Program announcement

Date: March 4th, 2024

Issue: Updates to the FCPF Monitoring Report template, Buffer Guidelines and Process Guidelines.

At the 26th Carbon Fund (CF) meeting, Carbon Fund Participants (CFPs) approved the following updates to FCPF requirements:

1. Include changes to the Monitoring Report (MR) template to allow for the identification and labelling of emission reductions (ERs) that come from 'enhanced removal' activities. This aims at supporting ER Programs accessing markets interested in enhanced removals only.
2. Adjust the Buffer Guidelines to i) provide more guidance to ER Programs and Validation and Verification Bodies (VVBs) in the assessment of the risks of reversals, and ii) require a final cumulative Uncertainty risk estimation at the end of the Crediting Period to allow the Uncertainty discount not to be overestimated.
3. Adjust the Process Guidelines to allow ER Programs increase the % of ability to transfer ER title after the conclusion of the Verification.

Moreover, at the 27th CF meeting, CFPs approved a set of technical corrections to the Buffer Guidelines to address some unforeseen issues identified in the Version 2 of the Buffer Guidelines. Adjustments made pertain to procedures that are only applicable for ER Programs that experience reversals, and are intended to ensure the correct quantification of reversals and adequate replenishment of the Pooled Buffer.

The above changes respond to needs expressed by different countries and to the need to safeguard the environmental integrity of the FCPF. The FMT will conduct a series of webinars to socialize these updates in the upcoming weeks.

Since the new guidance to assess the risk of reversals (2.i above), could have a significant impact on ongoing verifications, the FMT is granting a **6-month grace period starting from the date of the socialization of these updates through a webinar for countries**. The FMT may also give exemptions in the application of the changes to MR template versions in a case-by-case basis as requested by REDD Country participants.

More detail on the changes made may be found in the below Annex.

FMT.



Annex – Summary of revisions made to FCPF requirements

- **Monitoring Report template version 3.0:**
 - Page 1, and sections 4,3 and 8 have been updated to allow countries to voluntarily report separately removals from afforestation and reforestation. The rationale for this update is that some ER Programs are interested in labelling separately removals to access different markets interested in removals only. These updates will become mandatory only after the end of the grace period of six months starting from the publication of this announcement.
 - The FMT identified the need for providing further clarifications and resources to ER Programs to conduct effectively the reversal risk assessment described in the Buffer Guidelines. As such, Annex 5 was incorporated to the MR template to allow ER Programs to report the details of the reversal risk assessment based on the updated reversal risk tool. The FCPF is granting **a grace period of six months** starting from the date of socialization of these updates via webinar. This means that all ER Programs that are currently ongoing validation or verification, or the ER Programs that are planning to submit their MR reports, are not required to fill out Annex 5 until the grace period ends. The FMT will socialize Annex 5 and the reversal risk tool in the coming weeks. After the end of the grace period, all ER Programs shall follow the updated tool and complete Annex 5.
- **Buffer Guidelines version 4.1.** This update is applicable to all ER Programs **from the moment this announcement is published** unless otherwise noted.
 - These guidelines were updated to include annex 1. This annex aims at supporting the use of the reversal risk tool. This update **will become mandatory only after the end of the grace period of six months** starting from the date of socialization of these updates via a webinar.
 - Moreover, section 8 was modified to include minor clarifications regarding the calculation of uncertainty buffer ERs.
 - The equation in Section 10.6 applied to estimate the amount of buffer ERs to be cancelled as a result of a reversal has been modified to reflect that all Total ERs may be subject to reversals and to establish a reversal liability limit.
 - Sections 10.10 and 10.11 were adjusted to require ER Programs having suffered a reversal to replenish any Reversal Buffer and Pooled Reversal Buffer ERs they may have cancelled as a result of that reversal
 - Section 10.10 was adjusted to require that an ER Program affected by a reversal shall not transfer any Excess ERs held in its account before the reversal until it has replenished the Reversal Buffer and the Pooled Reversal Buffer.
 - Finally, section 10.4 was amended to reflect that not only transferred ERs may suffer reversals.
- **Process Guidelines version 6.0:**



- Section 7.5.3 was added to allow ER Programs make changes to their ability to transfer Title to ERs over time. This update is applicable to all ER Programs **from the moment this announcement is published.**

The FMT will conduct a series of webinars to socialize these updates in the upcoming weeks. ER Programs shall seek guidance from the FMT if there are any doubts with regards to these updates.