



**WORLD BANK GROUP**  
Climate Change

# Validation and Verification process for FCPF Programs

Catalina Becerra

June 2023



# AGENDA

1. The FCPF Standard
2. Validation and Verification Process
3. Accreditation process
4. Procurement process
5. Upcoming assessments
6. Questions

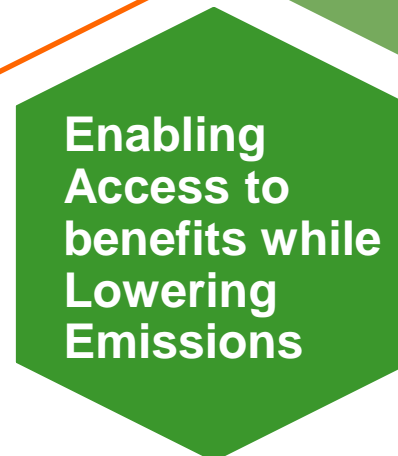
# The FCPF Standard

# WORLD BANK FOREST CLIMATE FUNDS (\$1.75 BILLION)



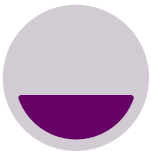
\$399M Readiness  
**\$904M Result-based finance (carbon fund)**

\$131M Readiness/investment  
**\$226M Result-based finance**



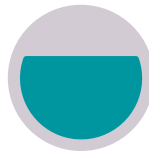
\$28M TA and CB for **socially-inclusive benefit sharing**

# ROLE OF THE WB IN IMPLEMENTATION



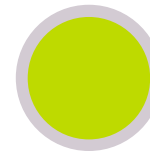
## Phase 1: Readiness / design

Mitigation strategy, capacity building, MRV system design,...



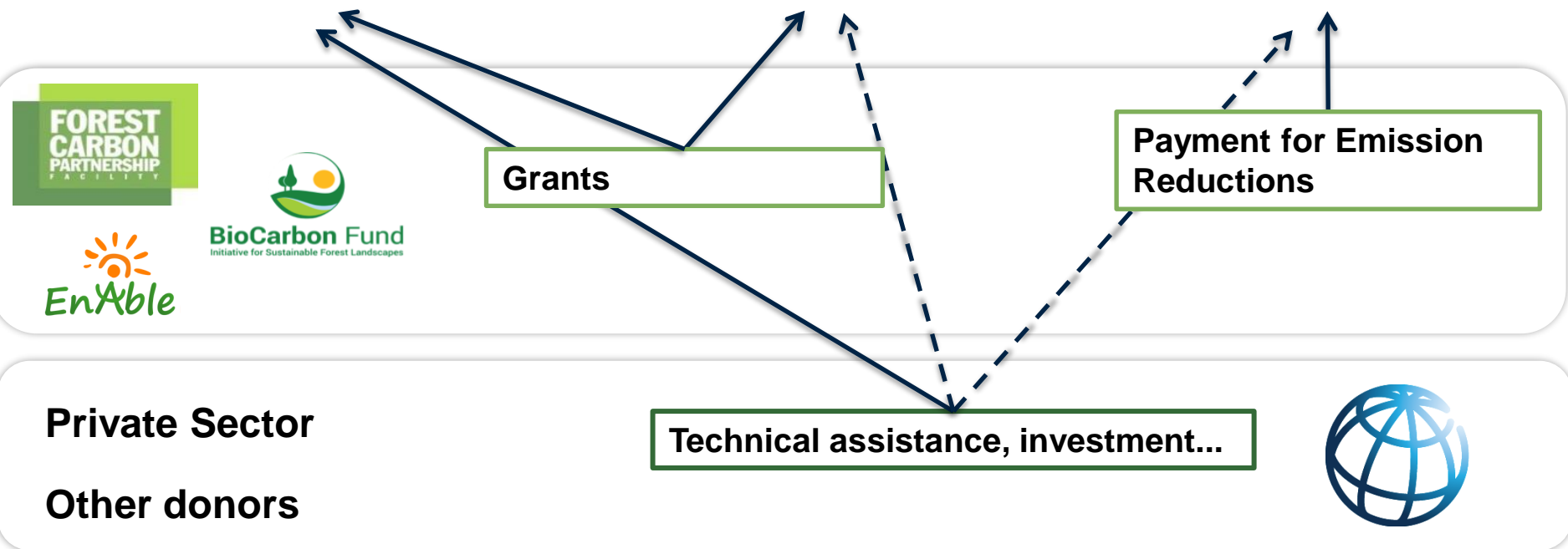
## Phase 2: Implementation

Implementation strategies, investments, institutional devices...

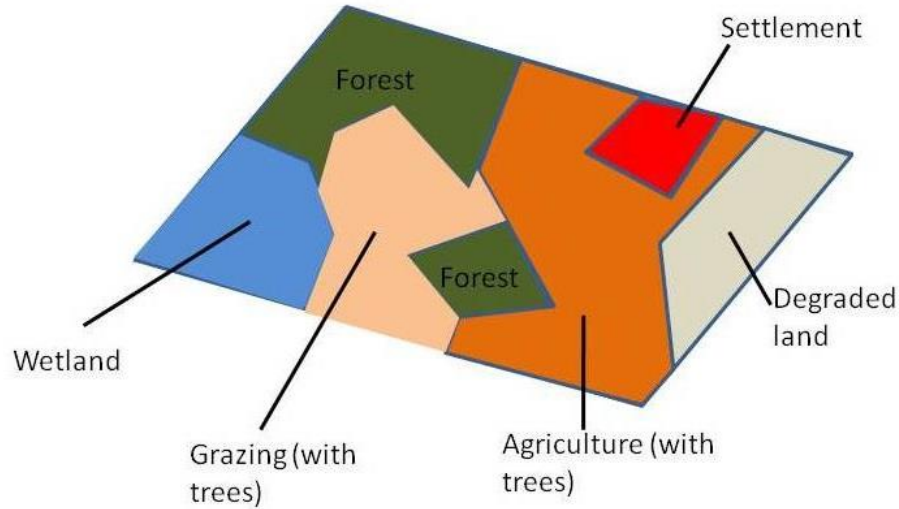


## Phase 3: Payment for results

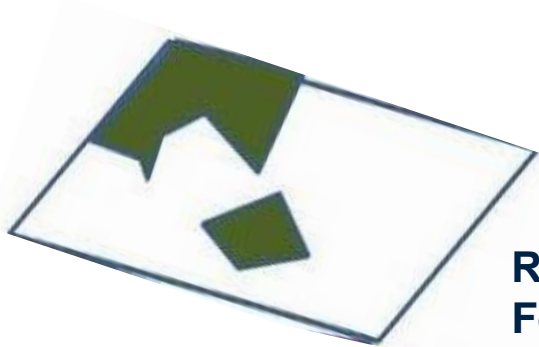
ERs are measured, reported, verified, transacted and paid



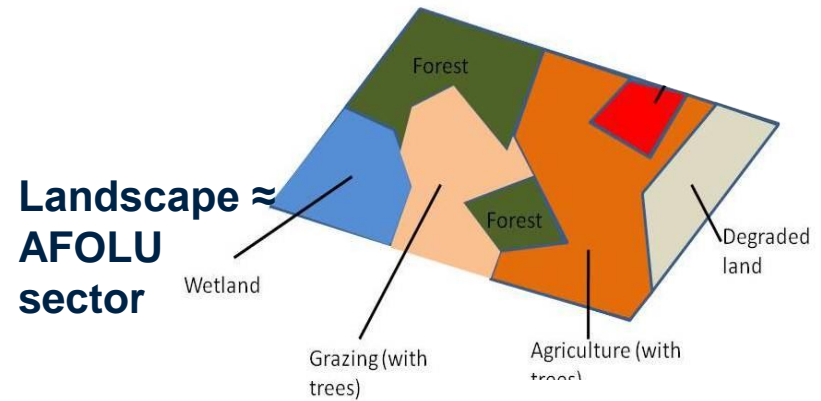
# FCPF CARBON FUND AND THE ISFL



**Jurisdiction X**



**REDD+ ≈  
Forestry  
sector**

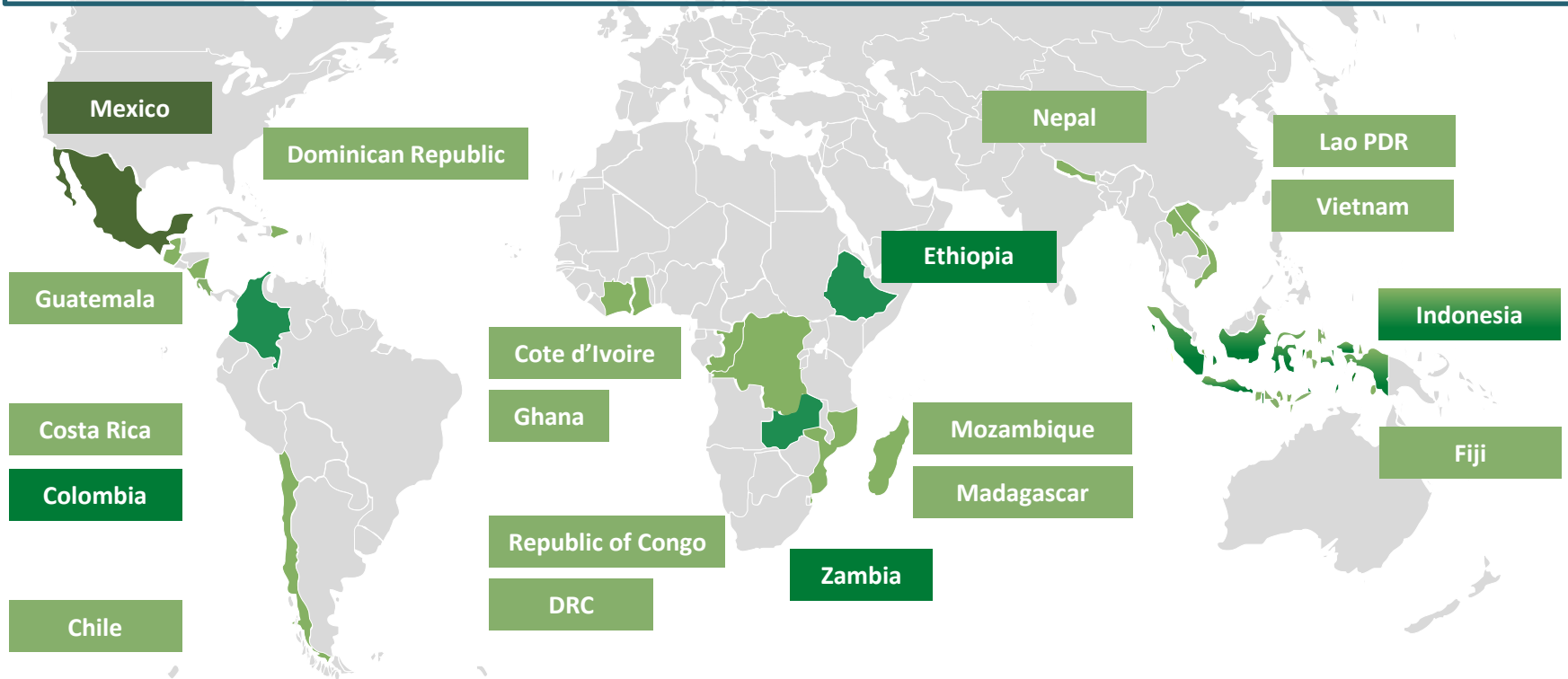


**Landscape ≈  
AFOLU  
sector**

# WHERE DO WE WORK – RESULT BASED PAYMENTS

 15 ER Programs under the FCPF Carbon Fund

 5 ER Programs under the ISFL



# BASIS FOR AN EMISSIONS REDUCTION PROGRAM

## ER Program

Mitigation strategy

Legal and institutional framework

Action and investment plan

M&S safeguards and consultations system

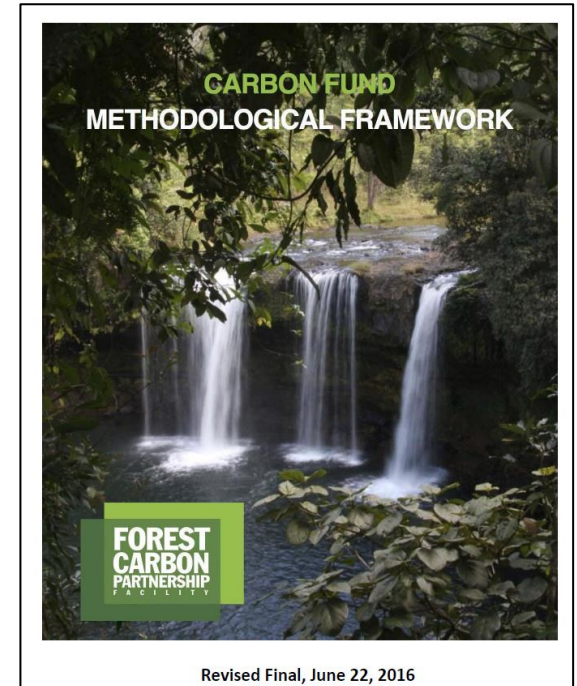
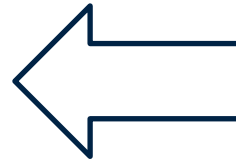
MRV System

ER Title and Transfer

Benefit Sharing Arrangements

Institutional Arrangements

COMPLIANT WITH:

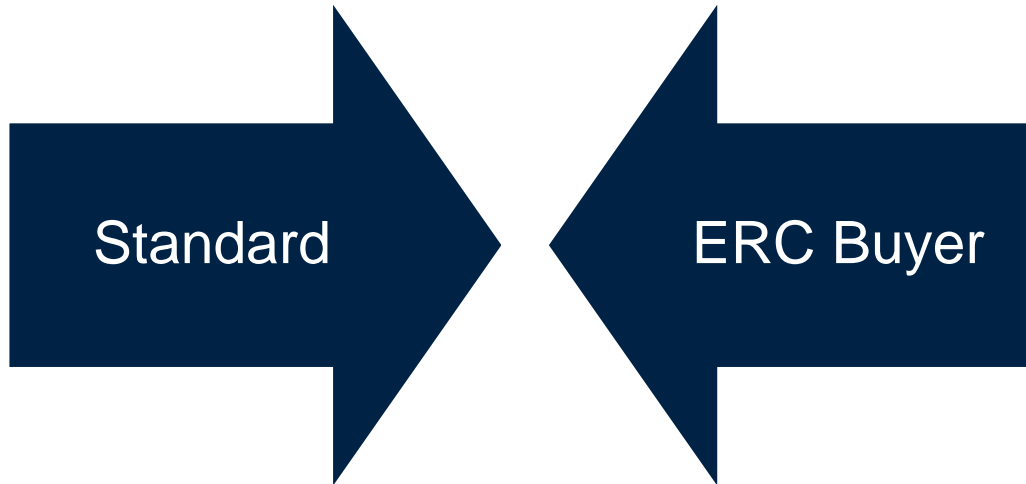




# APPROACH



- Standards and methodologies
- Third party verification
- ER Transaction Registry

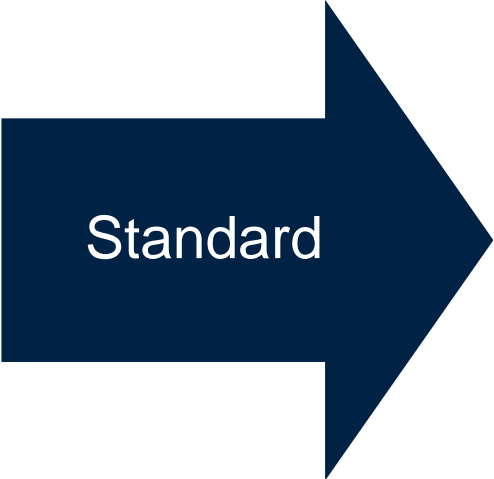


- Negotiated ER Payment Agreements

# APPROACH




Ensure ER environmental integrity and market-ready ERC



Provide certainty on ER demand

# STATUS



- Payments:
  - \$US30 million to Mozambique, Ghana, Costa Rica
  - \$US191 million expected in the coming year
- Excess FCPF Units available to third-party buyers
  - 754,855 FCPF units from Mozambique
  - 22 million FCPF units from other Programs based on presented in ER-MRs
- Auction mechanism to be launched in 3-4Q
-  FCPF Standard approved
- Analyzing different financial instruments

- ERPA signed with Ethiopia, negotiations with other 4 countries are ongoing



# THE FCPF

- The Forest Carbon Partnership Facility (FCPF) is a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on REDD+.
- The FCPF was launched at the UNFCCC Conference of the Parties (COP) in December 2007 in Bali and has been operational since then.
- The FCPF currently works with 47 developing countries and 17 donors who have made contributions and commitments of \$1.3 billion.
- The FCPF provides financial support to countries through two different funds:
  - **Readiness Fund:** provides grants to participating countries to prepare for REDD+ through the development of REDD+ strategies.
  - **Carbon Fund:** Provide payments for verified emission reductions from REDD+ programs in countries that have made considerable progress towards REDD+ readiness



# 47

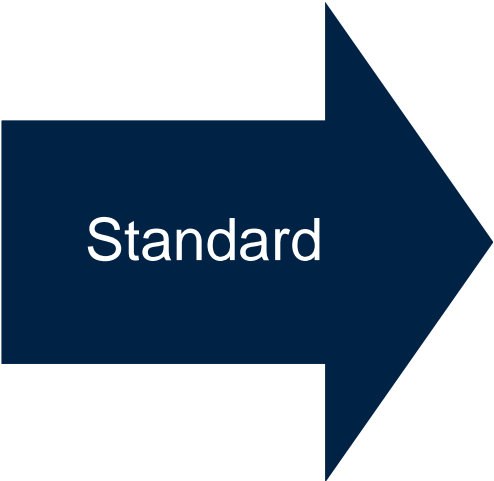
DEVELOPING COUNTRIES

*The FCPF works with 47 developing countries across Africa, Asia-Pacific, and Latin America and the Caribbean.*

# APPROACH



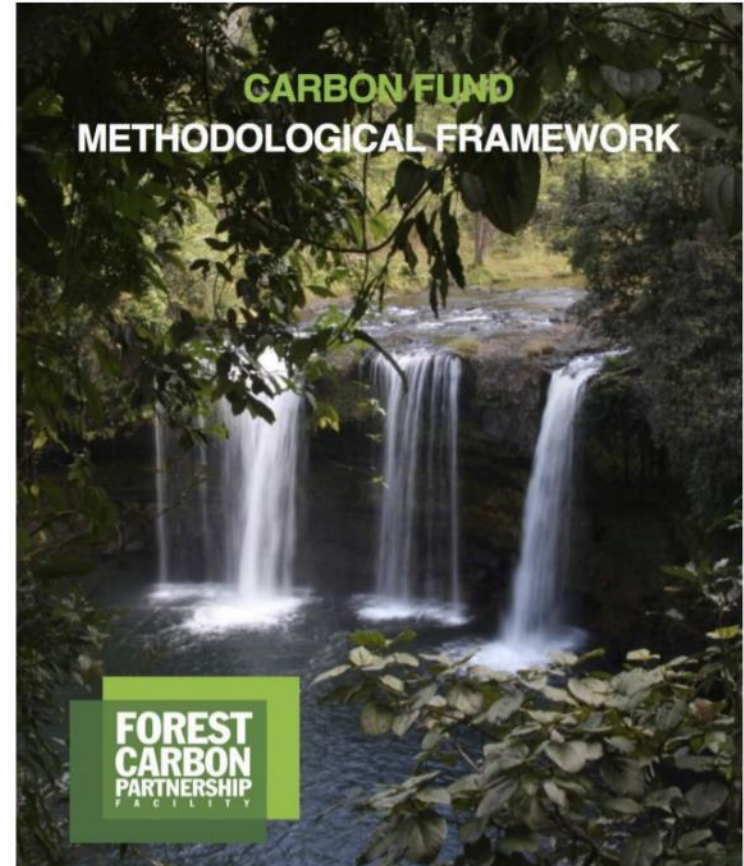
Ensure ER environmental integrity and market-ready ERC



Provide certainty on ER demand

# FCPF REQUIREMENTS

- Methodological Framework (MF):
  - Guides countries with developing and implementing ER Programs (including MRV elements) for the Carbon Fund by setting a Standard through a set of criteria and indicators.
- Guidelines
  - Guidelines on the application of the MF
  - Buffer guidelines
  - Process guidelines
  - Validation and Verification Guidelines
  - FCPF glossary of terms
- Guidance notes
- Templates

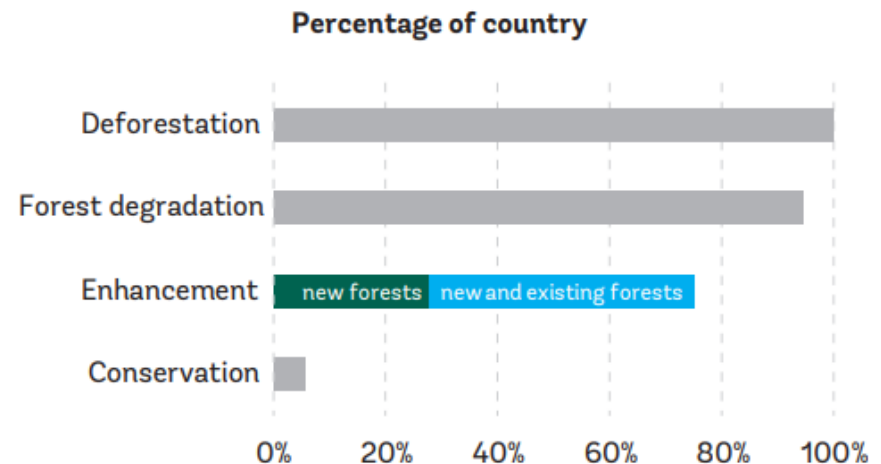
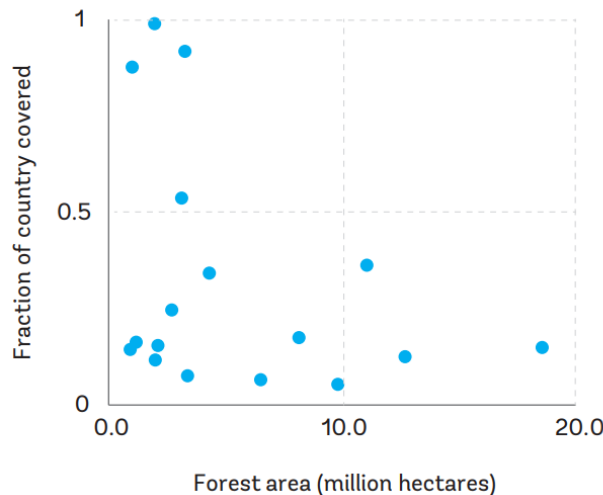


Version 3, April 2020

All resources are [publicly available](#)

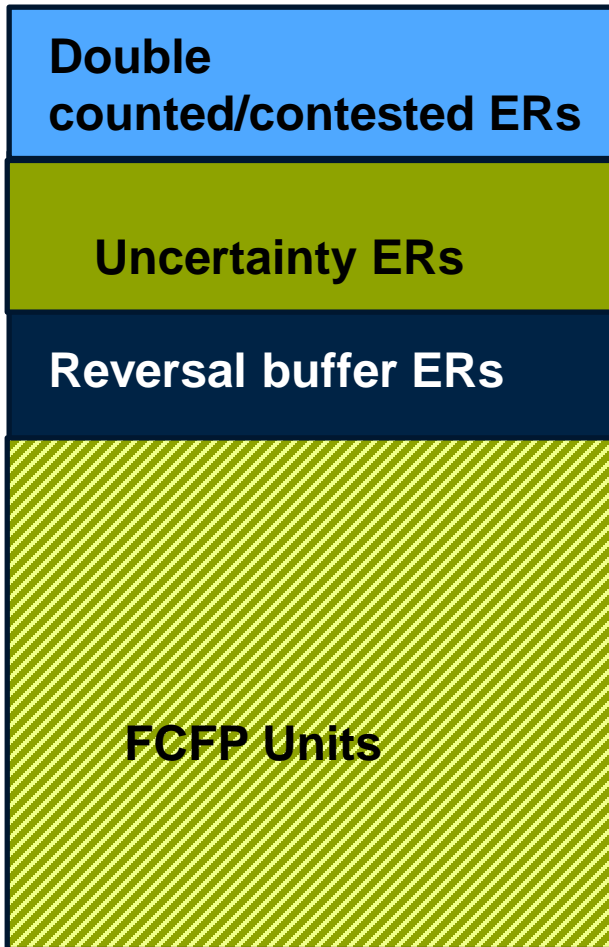
# ELIGIBILITY, SCALE AND SCOPE

- Selected ER Programs:
  - Comply with MF (jurisdictional/large-scale programs)
  - National REDD+ strategy in place
  - Significant progress in their REDD+ readiness
- FCPF Methodological Framework requires:
  - **Ambitious programs** covering a significant portion of forest-related emissions and implemented **at jurisdictional scale** following **National REDD+ Strategy**
  - Accounts for **deforestation**, and **forest degradation** if significant (>10% of total forest-related emissions)



# CALCULATION OF ERs

## Total ERs



- Subtract the reported and verified emissions and removals from the Reference Level.
- Subtract from the total ERs the % for which the ability to transfer title to ERs is unclear or contested.
- Set aside a number of ERs to reflect the level of uncertainty associated with the estimation of ERs (percentage of Total ERs)
- Set-aside of ERs in CF Buffer to deal with risk of Reversals of ERs



# TRANSACTION REGISTRY

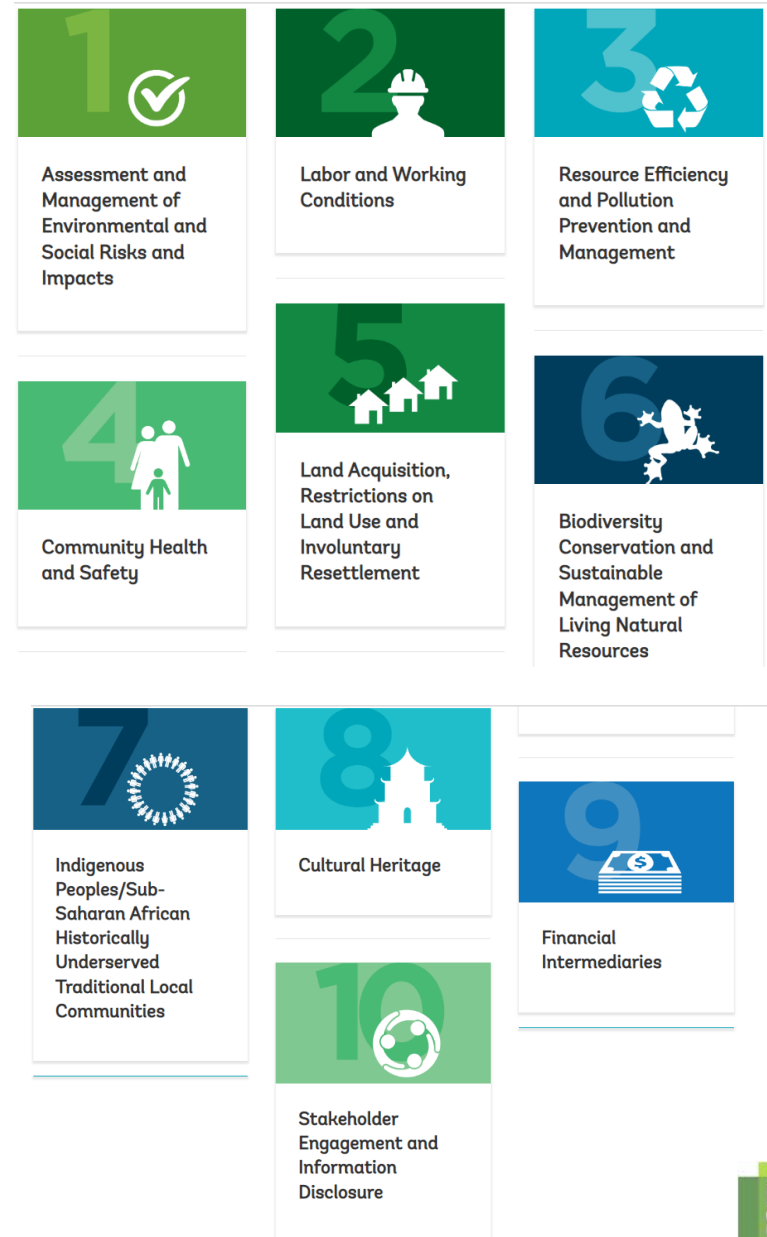
- **The Carbon Assets Tracking System (CATS)** is an Emission Reduction (ER) Transaction Registry, designed and implemented to support the issuance and transactions of ER units generated under the World Bank Programs including the FCPF.
- CATS provides a strong and reliable architecture to create, govern, store, and maintain data; guarantees operational transparency and security; and mitigates double-counting risks for the ER units generated under the World Bank.

<https://cats.worldbank.org/>



# SOCIAL AND ENVIRONMENTAL SAFEGUARDS

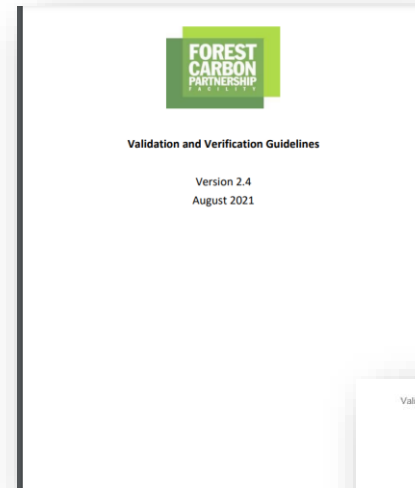
- ER programs under the FCPF are required to comply with different requirements related to safeguards, including:
  - [World Bank Safeguards Policies](#)
  - [World Bank Environmental and Social Framework \(ESF\)](#)
- ER programs are required to report annually to the World Bank, and safeguards implementation are subject to WB's regular supervision and procedures
- Third-Party monitoring may be triggered to track the implementation of safeguards



# Validation and Verification Process

# VALIDATION AND VERIFICATION GUIDELINES (VVGs)

- There was a need to define in written form standards for validation verification, this is the purpose of the VVG
- These are based on ISO 14064-3, ISO 14065 and ISO 14066
- VVG set:
  - Requirements for VVBs
  - Requirements for conducting Validation and Verification under the FCPF

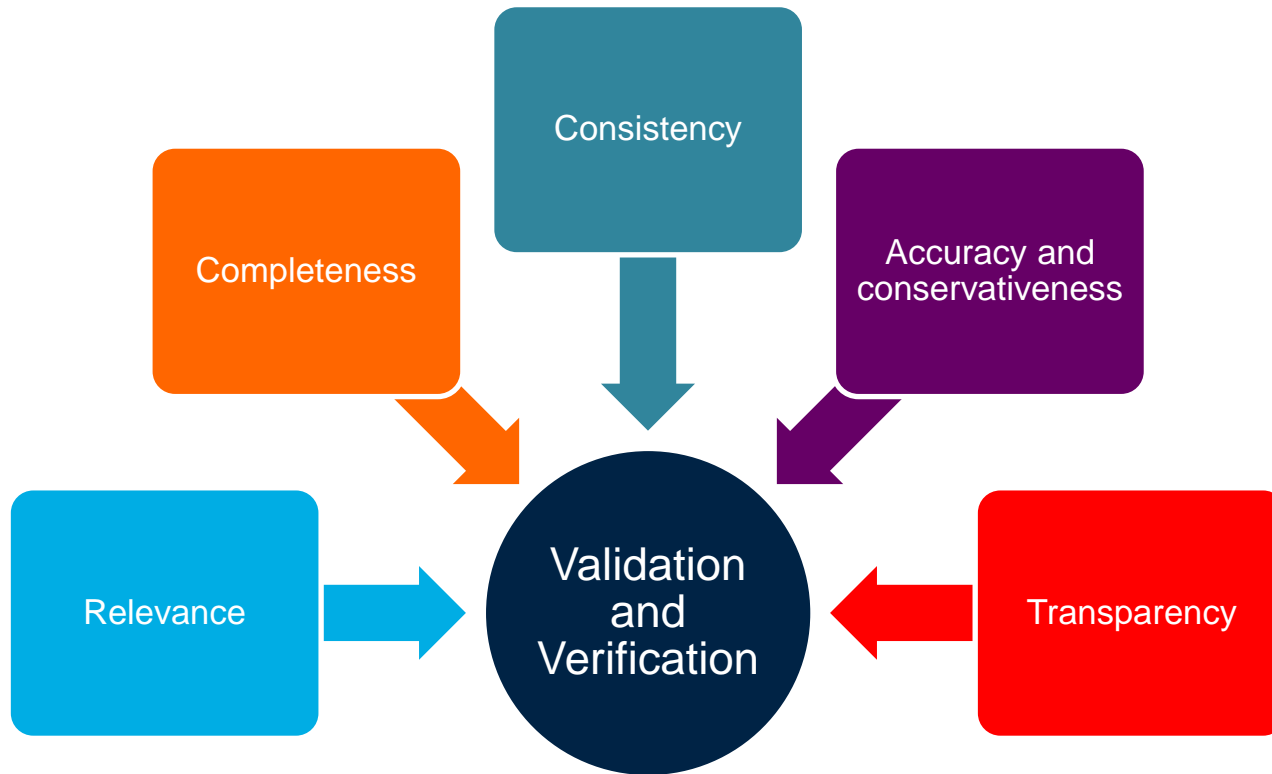


# VALIDATION AND VERIFICATION GUIDELINES (VVGs)

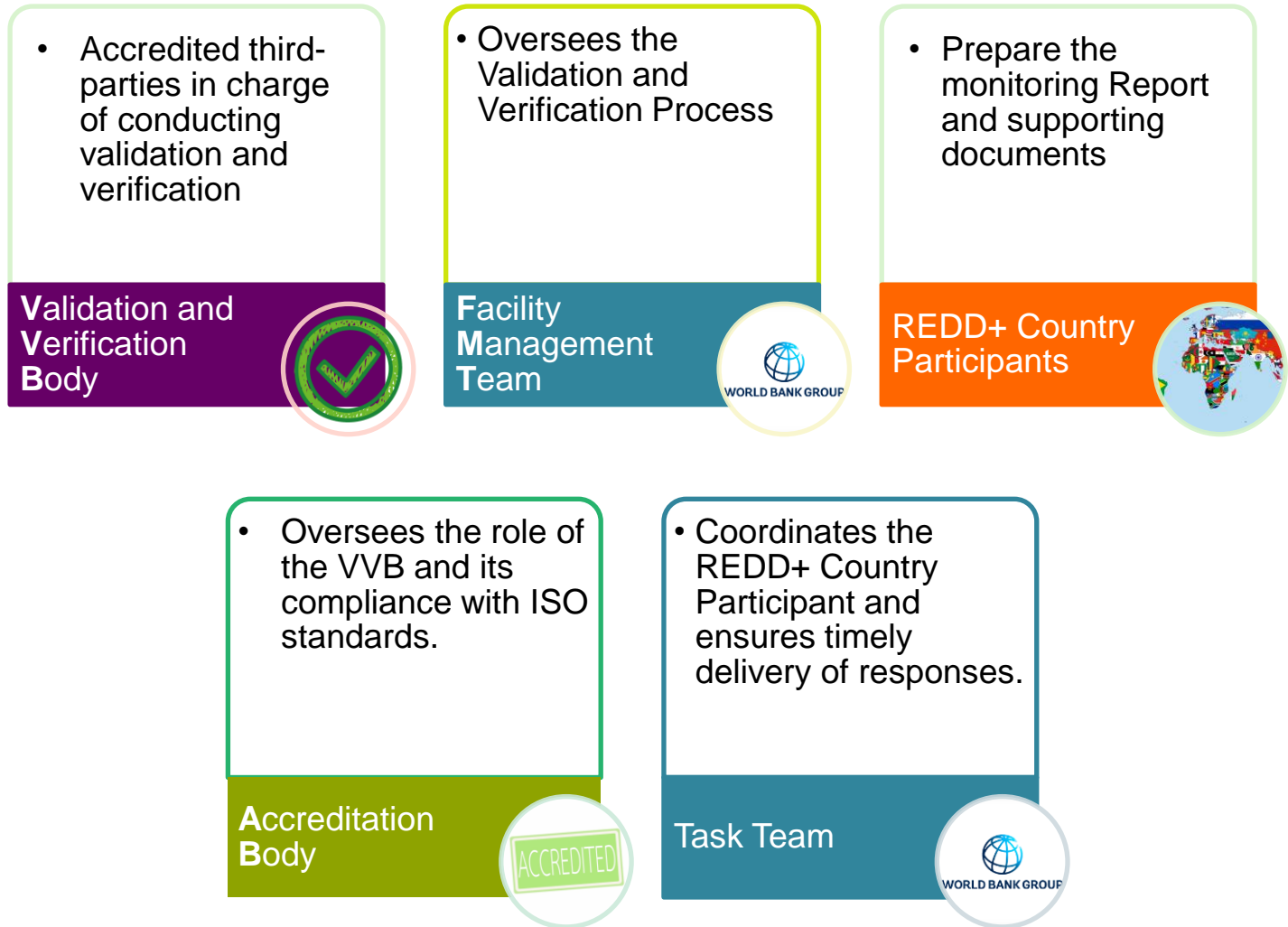
- **Validation and Verification Bodies (VVBs)**
- Characteristics:
  - Impartiality = no COI
  - Competent for the scope:
    - REDD+, JNR, GHG assessment, IPCC, GFOI methods, applied statistics, remote sensing, local language
  - Professional Judgement based on clear rules (e.g., ISO)
  - Accreditation:
    - Under ISO 14065 for scope ISO 14064-2, specifically for Land Use and Forestry by an Accreditation Body that is a member of IAF and that provides accreditation services to VVBs to assess GHG assertions in the land use and forestry sector
  - Training by WBG
  - Mandatory exam (three attempts)

- **Outcome:** assurance by the verifier that the ERs claimed are correct or not based on a level of **assurance: Reasonable. Materiality 1%**

# GENERAL PRINCIPLES VALIDATION AND VERIFICATION



# VAL/VER PROCESS – ROLES AND RESPONSIBILITIES



# VALIDATION AND VERIFICATION

## **Validation:**

Assess the integrity of the reference level. Validation with extended scope (i.e. CORSIA) also includes the assessment of policy and design decisions, e.g. forest definition, sources and sinks,...

## **Verification:**

Is the periodic assessment by a VVB of the amount of ERs generated by the ER Program since the last Verification Report or, in the case of the first Verification, since the Crediting Period Start Date

**Validation and Verification exclude the assessment of non-carbon benefits, safeguards, benefit sharing implementation, drivers of deforestation and resources tenure.**



# VALIDATION, EXTENDED VALIDATION, AND VERIFICATION

## Validation

**MANDATORY**

- Assess that the RL is materially accurate
- Assess the uncertainty assessment of the RL
- Assess technical corrections made to the reference level

## Extended Validation

**CORSIA**

**OPTIONAL**

- Assess the ER Program's scope in terms of sources, sinks and carbon pools
- Assess whether the ER Program's methods are in compliance with IPCC Guidelines
- Assess the Programs policy and design decisions (Forest definition, National Forest Monitoring System, etc)
- Assess conformance of RL with applicable validation criteria.

## Verification

**MANDATORY**

- Assess consistency of monitoring with RL
- Assess that the Emission Reductions generated in the RP are materially accurate
- Assess the uncertainty assessment of the ERs
- Assess completeness and accuracy of MR sections on displacement and reversals
- Assess buffer calculation, double counting and DMS

# VALIDATION AND VERIFICATION PROCESS



# Accreditation Process

## Revision to ANAB AR1

- FCPF is currently in the process of updating its program documentation to address the requirements of ISO 14064-3:2019, until such time as the updates are announced, vv engagements shall apply the 2006 version.
- A VVB can hold either ISO/IEC 17029 for scope ISO 14065 or ISO 14065:2013 but must meet ANAB's transition requirements (e.g. must transition before end of June 2024 and all engagements starting July 1, 2024 must be conducted to ISO/IEC 17029 for scope ISO 14065).

# Key Updates – Validation Opinions

- A validation opinion under ISO 14064-3:2019 may not provide assurance on the expected future reductions.
- A validation opinion under ISO 14064-3:2019 must clearly state that assurance is provided only on the reasonable basis for the assumptions, limitations, and methods used to project or forecast information (not on the content of the projections or forecasts)
- A validation opinion may only be worded in the negative
- Must include statement that “Actual results are likely to be different from the forecast projection since anticipated events frequently do not occur as expected and the variation may be material”.
- Must include a summary of the assumptions used by the responsible party as the basis for the projected or forecast information
- Must include referenced criteria
- Must consider the sufficiency of evidence that the emissions, removals, and storage are likely to occur and the design of the data management system and its controls are likely to be effective.

# Key Updates – Mixed Engagements

- A validation and verification engagement could consider that some items which are based on historical data and were traditionally covered in the validation phase could be considered as a verification (verification of the baseline emissions?)

# Key Updates – Validation Process

- ISO 14064-3:2019 Section 7 Validation adds more detail to the validation process such as:
  - Strategic analysis (also required in a verification)
  - Estimate testing
  - Assessment of GHG-related activity characteristics

# ANAB Process to Obtain Group 3 (AFOLU) Accreditation

- VVB shall apply for accreditation (ISO/IEC 17029:2019 and ISO 14065:2020 and ISO 14064-3:2019)
- Document review
- Witness assessment of a Group 3-type project
- Office Assessment
- Initial Accreditation
- Annual surveillance and reaccreditation at year 5



# ANAB Process to Add FCPF to Accreditation

- VVBs in good standard with ANAB and accredited for project validation and verification for group 3 may respond to World Bank procurement announcements for EOI.
- The first FCPC vv engagement is required for ANAB witness
- Following successful witness (closure of NCs) ANAB staff can make the decision to add FCPF to the scope of accreditation.
- Once accredited, witness assessments are still required and FCPF requirements are to be checked during surveillance assessments.

# Witness Requirements

- < 5 engagements commenced in 5 year accreditation cycle = 1 ANAB witness per 5 years.
- > 5 engagements in a 2-year period = 2 ANAB witness per 5 years.
- Witness assessments and desk reviews also based on risks and performance feedback from FMT

# Reminders

- FMT serves as the intermediary between the VVB and the country and therefore, must be included on all communication between the VVB and the country.

# Procurement and Selection process

# PROCUREMENT PROCESS

- 15 Verifications in 2024
- 12 Verification in early 2025
- Average price per assessment:  $\approx$  USD 90,000
- Selection process: competitive

## Criteria

- VVB holds ANAB or ONAC accreditation for Validation and Verification of scope 3 (ANAB), Agriculture, Forestry and Other Land Uses (ONAC) or demonstrates that is able to obtain it within 1 month from the issuance of the RFP
- Experience of the VVB on the validation and verification of REDD+ / LULUCF projects
- Qualifications and competences of the key staff (VV team) conducting the assignment in accordance with the VVG
- Experience of the firm in the validation and/or verification of Jurisdictional Programs under REDD+ (or similar)
- Understanding of the scope of the assignment

# PROCUREMENT PROCESS

- RFX now
- <https://wbgeprocure-rfxnow.worldbank.org/rfxnow/external/login.html>
- Guidance [here](#) and video [here](#)
- Potential Vendor Registry Form [here](#)

**WBG eProcure**

## Vendors

Find business opportunities. Bid. Win.

Your username is linked to your profile in The World Bank Group's WBG eProcure Supplier Registration portal.  
Note: contacts may have multiple usernames, be sure to use the username linked to the correct supplier.

**Username\***

**Password\***

Login

[Forgot password?](#)

[First Time User](#)

[WBG eProcure Supplier Registration](#)

[View All Advertisements](#)

# PROCUREMENT PROCESS

Go to the [WBGeProcure portal](#)

WORLD BANK GROUP

Didn't receive an invitation and want to become a WBG supplier?

**APPLY HERE!**

Suppliers who have received login/password emails and existing suppliers, enter your credentials below.

Login

Password

Show password

Keep me signed

**SIGN IN**

[Forgot Password or Login?](#) [QA](#)

[Legal notice](#) [Accelerate Test of Compatibility](#)

[WELCOME PAGE](#) [COMPANY INFORMATION](#) [CATEGORY ASSIGNMENT](#) [DOCUMENTS](#) [CERTIFICATE OVERVIEW](#) [GENERAL INFORMATION QUESTIONNAIRE](#) [SUPPLIER DIVERSITY QUESTIONNAIRE](#) [TERMS AND CONDITIONS](#) [LOG OUT](#)

The World Bank Group will be unable to process applications from and July 5 at 6:00 PM EDT due to year-end system unavailability.

This is the World Bank Group Supplier-Self Registration (SSR) process for potential vendors. Below you will be prompted to enter your company information. All mandatory fields are marked in red and must be completed in order to proceed. When complete, click "Next" to proceed to the next page.

COMPANY INFORMATION

Company Name

Address

Address 2

City

Postal code

Country

State / Province(s)

Phone

Fax

Email address

Currency

Website

Contact Information

First name

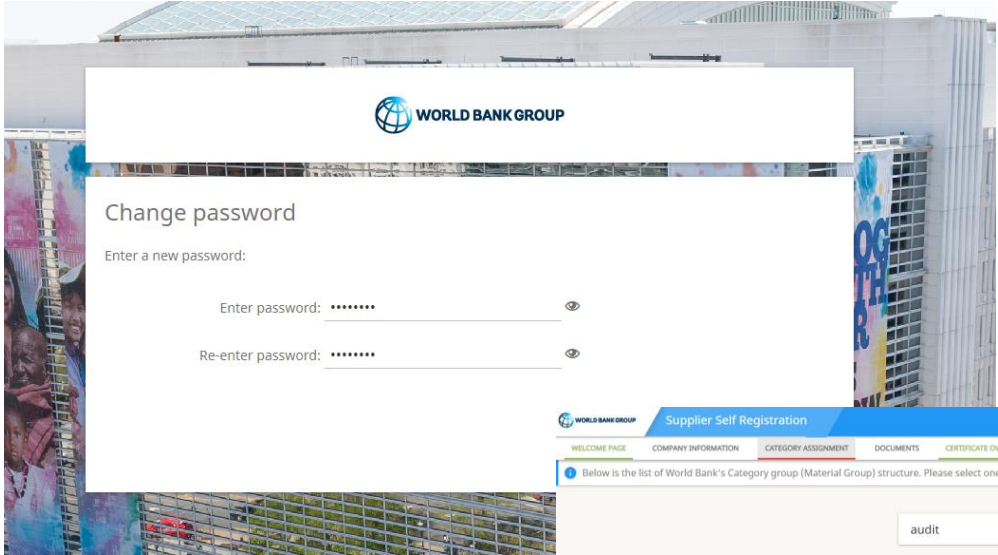
Last name

E-mail

Mobile/Cell

# PROCUREMENT PROCESS

Go to the [WBGeProcure portal](#)

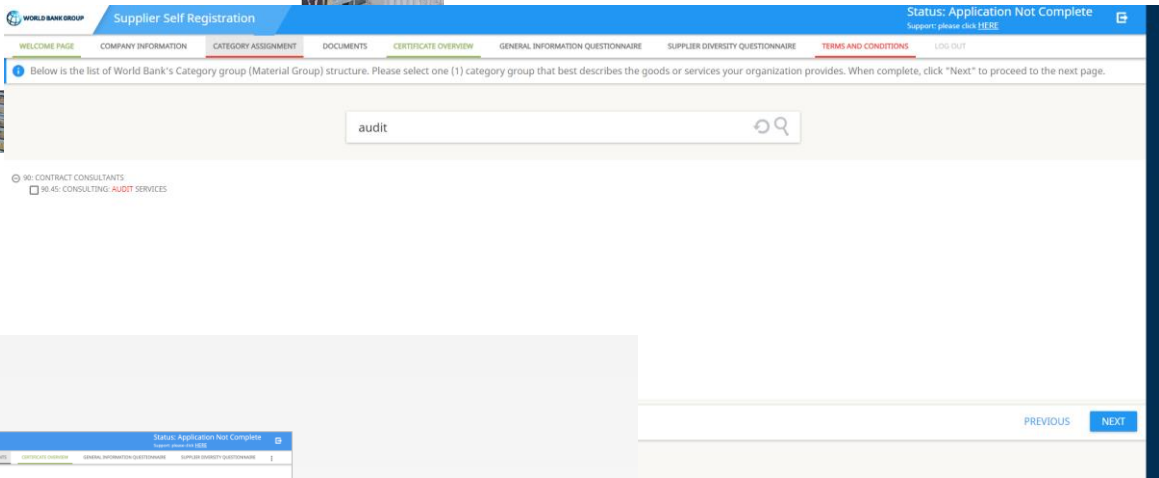


### Help & Support

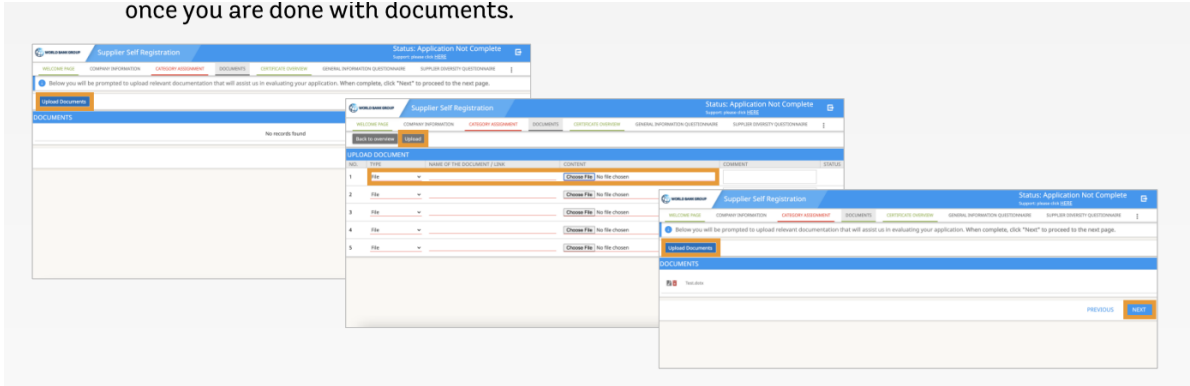
In case of questions or comments, please do not hesitate to contact us.

**By email:**  
corporateprocurement@worldbank.org

**By phone:**  
USA: +1 202 458 5858



once you are done with documents.





# Upcoming Assessments

# ONGOING AND CONCLUDED ASSESSMENTS



**Mozambique (2)**



**Ghana (1)**



**Costa Rica (1)**



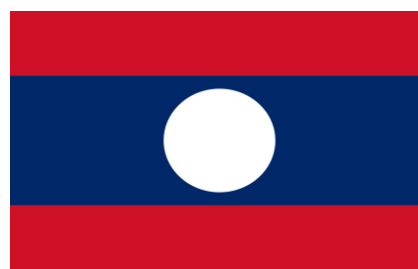
**Vietnam (1)**



**Indonesia (1)**



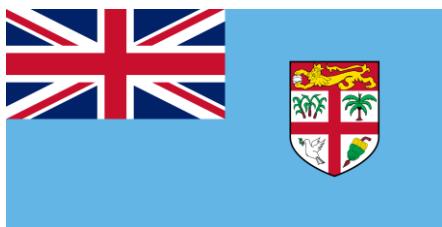
**Madagascar (1)**



**LAO PDR (1)**



**DRC (1)**



**FIJI (1)**



**Cote d'Ivoire (1)**



**Dominican Republic (1)**

# UPCOMING ASSESSMENTS



Mozambique (1)



Ghana (2)



Costa Rica (2)



Vietnam (2)



DRC (3)



Indonesia (2)



Madagascar (2)



LAO PDR (2)



Dominican Republic (2)



Cote d'Ivoire (2)



FIJI (2)



Chile (3)



ROC (3)



Guatemala (3)



Nepal (3)



**WORLD BANK GROUP**  
Climate Change



THANK YOU

[mbecerraleal@worldbank.org](mailto:mbecerraleal@worldbank.org)