



## Forest Carbon Partnership Facility

# Advances on the Methodological Framework for the FCPF Carbon Fund

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Global Action Plan Workshop for Indigenous Peoples and Southern CSOs

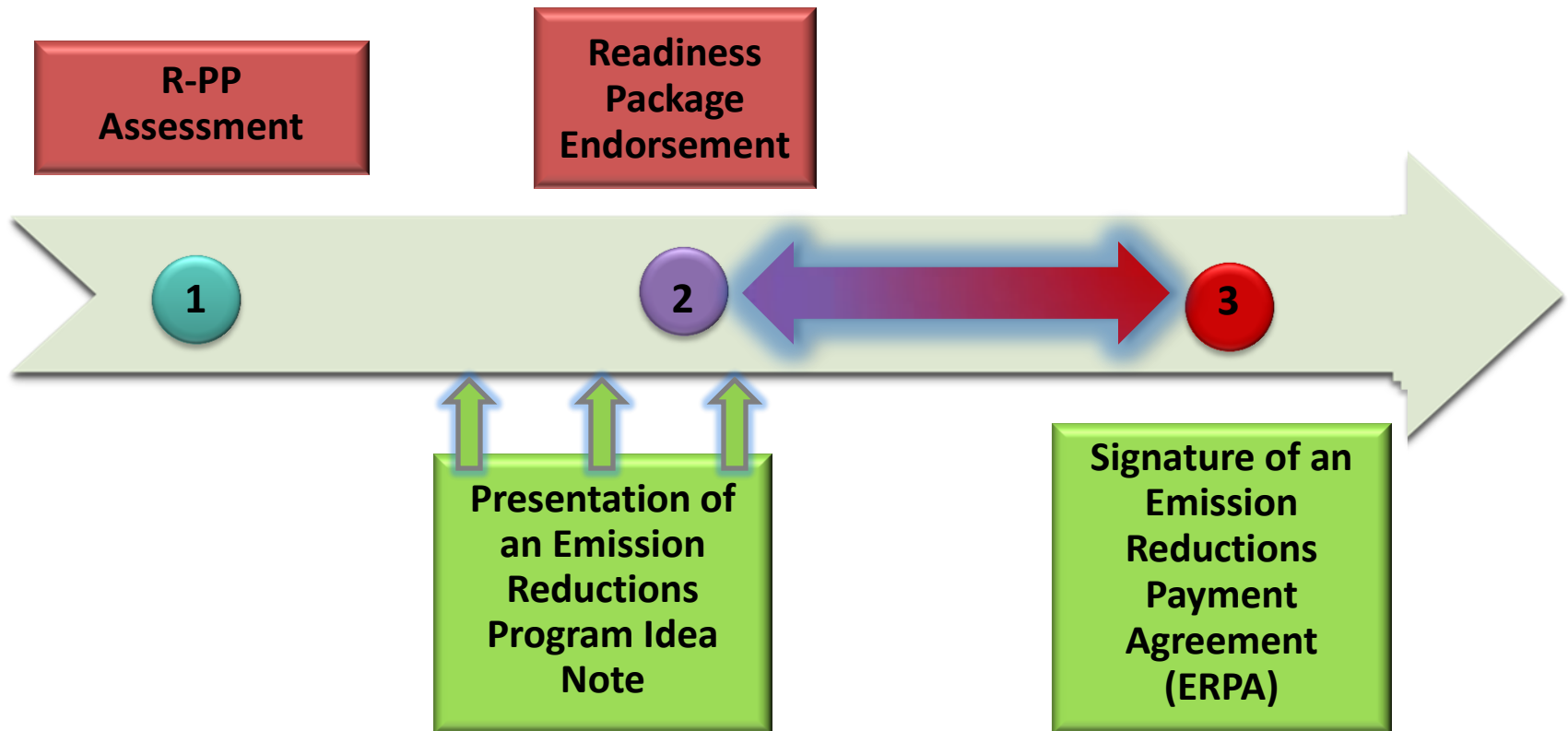
Washington, D.C. | February 11-12, 2013

# Outline

- Review of Carbon Fund Business Process
- Initial Work on the CF Methodological Framework (MF)
- Current Process: Full-fledged (Draft) Methodological Framework by June 2013
- Today's Task: Provide feedback in anticipation of Design Forum #2

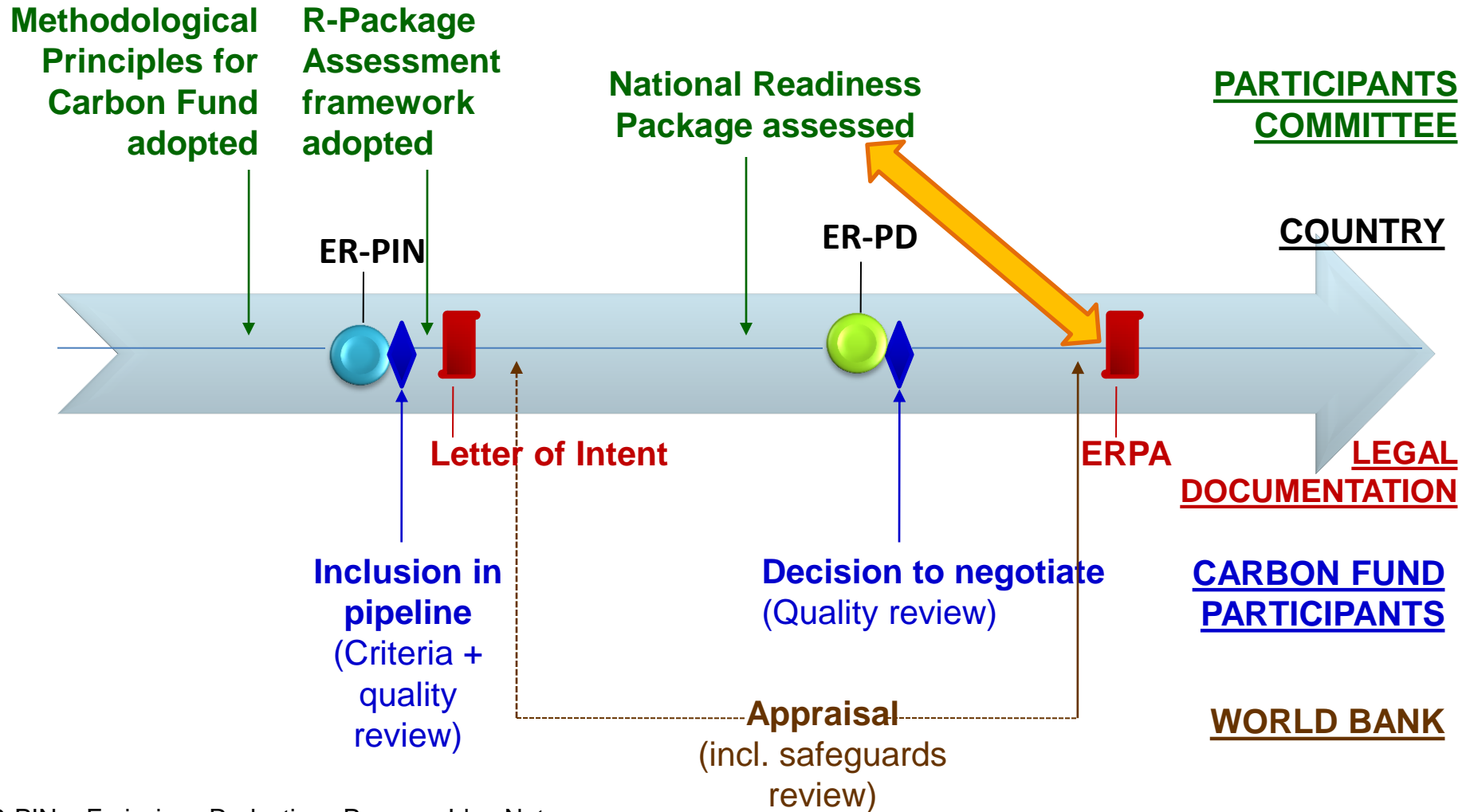
# Link Between the RF and CF Business Processes

## FCPF Readiness Fund



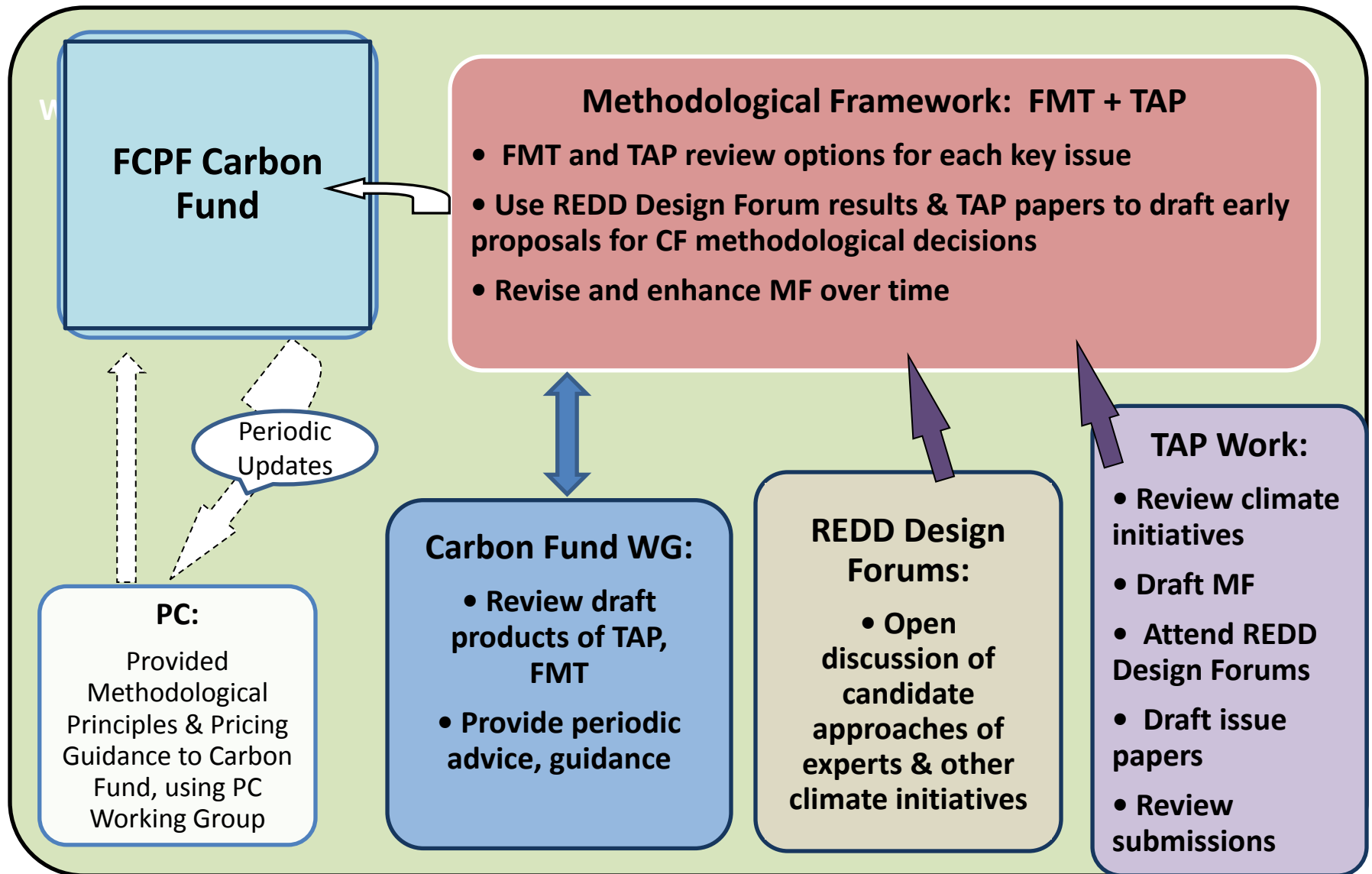
## FCPF Carbon Fund

# Carbon Fund Business Process



ER-PIN = Emissions Reductions Program Idea Note  
 ER-PD = Emission Reductions Program Document  
 ERPA = Emission Reductions Payment Agreement

# Process for Development of Methodological Framework and Pricing Approach for CF





# PC Working Group & PC12 Identified 16 Elements as Guidance for CF Methodological Framework

## Recommendations for elements on carbon accounting:

1. Stepwise approach to reduce uncertainties
2. Reference level
3. Consistency with monitoring system
4. Address reversals
5. Address displacement (leakage)

## Recommendations on programmatic elements:

1. Endorsement and implementing capacity
2. Scale and ambition
3. Safeguards
4. Stakeholder participation
5. Benefit sharing
6. Non-carbon benefits

## Recommendations on pricing elements:

1. Fairness, flexibility and simplicity
2. Price structure
3. Informed negotiations
4. Non-carbon benefits



# Methodological Framework Development Timeline

<b>Task</b>	<b>Tentative Dates</b>
<b>CF Working Group meetings</b>	<b>October 2012 - June 2013</b>
<b>Create ad hoc TAPs to support CF and FMT</b>	<b>Ongoing</b>
<b>Design Forums addresses key technical issues</b>	<b>January - April 2013</b>
<b>Present full Methodological Framework to CF</b>	<b>Mid-June 2013</b>
<b>Public comment period on draft MF</b>	<b>July - August? 2013</b>
<b>Update and enhance MF as ER Programs evolve</b>	<b>August 2013 - October 2014</b>

# Design Forum #1: Reference Levels, MRV, Displacement (Leakage), Reversals (Permanence)

- Took place in late Jan. 2013
  - By all accounts, a very productive discussion
- General decision with respect to the CF methodological framework:
  - Agreement that the MF will consist of a set of criteria and indicators based on each of the elements
  - Clear and simple criteria and indicators accompanied by separate guidance/best practices (not part of “standard”)
  - Criteria need to find sweet spot between providing flexibility for countries and providing sufficient guidance
  - Indicators must provide for verification



# Design Forum #2: Safeguards, Benefit Sharing, Feedback & Grievance Redress Mechanisms

- Taking place at end of Feb. 2013
- All issues papers are in the process of internal review
  - Paper authors have come up with their own questions
  - These will be considered by the Forum invitees
- We are already seeking feedback on these questions
  - This will be the subject of your work in break-out groups
  - The responses will be written up and shared in D.F. #2

# Key Questions: Safeguards

- What principles should form the safeguards requirements for the Carbon Fund MF?
- How can information required for World Bank safeguards compliance (SESA, ESMF, Safeguards Plans) be integrated with the safeguards information systems (SIS) requested by UNFCCC?
- How should safeguards be assessed at different stages of an ER Program supported by the CF?
  - Consider the different stages: ER-PIN preparation and selection, ER-PD approval, report prior to each payment against ER transfer, use of the payments for and by beneficiaries

# Key Questions: Benefit Sharing

- To what extent can the Carbon Fund build on existing standards/methodologies related to benefit sharing to develop its approach?
- Should the CF use a binding approach (e.g. specify minimum requirements), a non-binding approach (e.g. develop voluntary guidelines and tools), or a combination of both?
- How can the CF leverage or create additional incentives for making progress on land tenure and property rights, rural livelihoods enhancement, or other potential non-carbon benefits?

# Key Questions: Grievance Redress Mechanisms

- In general, what is the best approach for a REDD+ country- or program-level feedback and grievance redress mechanism?
- How could this be applied effectively to your people or constituency, if they were to be involved in an ER Program supported by the Carbon Fund?
- What principles, criteria and indicators should go into the definition of the mechanism?



**THANK YOU**

**GRACIAS**

**MERCI**

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