

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
SEVENTEENTH PARTICIPANTS COMMITTEE MEETING
July 2-4, 2014
Lima, Peru**

Resolution PC/17/2014/5

Paraguay's Readiness Preparation Proposal

Whereas:

1. Paraguay submitted a Readiness Preparation Proposal (R-PP) to the Facility Management Team (FMT) in April 2014 and subsequently in June 2014, which was reviewed by a Technical Advisory Panel (TAP), a working group consisting of Participants Committee (PC) members established for this purpose;
2. The PC reviewed the R-PP in accordance with Section 11.1 (b) of the Charter Establishing the FCPF (Charter) at its seventeenth meeting; and
3. The PC acknowledged the extensive efforts made by Paraguay, and the high quality of the R-PP.

The Participants Committee,

1. Decides to allocate funding to Paraguay to enable it to move ahead with the preparation for readiness, subject to availability of funds in the Readiness Fund.
2. For this purpose, requests:
 - (i) Paraguay to submit a revised R-PP (Revised R-PP) to the FMT, reflecting the key issues in the summary report prepared by the FMT included in the annex of this Resolution;
 - (ii) The FMT, in cooperation with UNDP if necessary, to check on the Revised R-PP for completeness, make it available on the FCPF website and notify the PC of its availability;
 - (iii) UNDP, as the Delivery Partner, to complete its due diligence, in particular with regard to UNDP's policies and procedures and in accordance with the Common Approach, working closely with Paraguay, in order to provide a grant of up to US\$3.8 million, in accordance with Resolutions PC/3/2009/4 and PC/Electronic/2012/1;
 - (iv) Paraguay to consider the issues identified in the TAP's R-PP assessment as well as those raised by the PC at this meeting during readiness preparation; and
 - (v) Paraguay to report to the PC on progress made in accordance with Section 6.3 (b) of the Charter and to carry out its responsibilities in accordance with the Grant Agreement.

Annex
Summary Report Prepared by the FMT

The PC noted that the R-PP formulation process to date has been a positive one, and that the R-PP offers good opportunities for other REDD Countries to learn from Paraguay's experience.

Key Issues

The following are the key issues that Paraguay needs to address before entering into a Readiness Preparation Project Document with UNDP:

1. Explain the relationship between the SESA working group and the proposed REDD+ Technical Committee.
2. Develop a more detailed work plan for SESA and the ESMF by identifying relevant stakeholders.
3. Provide additional information on how Paraguay intends to take into consideration the protocol for FPIC elaborated by Federación para la Autodeterminación de los Pueblos Indígenas.
4. Provide information on how the R-PP intends to address conflicts related to indigenous lands that are being sold or leased to private agriculture companies, and explain how this issue may be taken into account during the SESA process and may be reflected in the safeguards information system.
5. Provide additional information on the applicable legal framework for the indigenous communities' traditional use of forest products.