

Forest Carbon Partnership Facility (FCPF) Readiness Fund

Possible Inclusion of Additional REDD+ Countries in the FCPF

March 5, 2013 (with revised Annex)

This FMT Note aims to provide the PC with the information needed to discuss and decide on 1) whether or not to re-open the FCPF to new REDD+ countries, 2) if the decision is to open to new countries, what criteria to use to select the new countries and by what process, 3) which countries to allow in, if relevant at this time, and 4) on what terms.

Based on the information available and the FCPF's past experience in selecting REDD Country Participants, the FMT recommends reopening the FCPF to a limited number of additional countries, according to the process proposed in the Summary Recommendation. Key aspects of the proposed process are:

- *The sole criteria for a new country to be eligible for consideration by the FCPF would be the submission of a complete R-PP (draft or final) by June 30, 2013.*
- *An eligible country may revise its R-PP and present it for formal assessment by the PC at or before PC17, as appropriate. At the time of formal assessment, the criteria for a country to be selected into the FCPF would be 1) the quality of the R-PP, 2) the commitment of a Delivery Partner to support the country, and 3) the availability of reserve funds for new countries at that time. The estimated amount of funds needed per new country would provide for the same type of support as is provided to all existing REDD Country Participants (\$3.8 million Readiness Preparation grant plus FMT and Delivery Partner support).*
- *A fixed percentage of available reserve funds (e.g., two-thirds) would be designated for support to existing REDD Country Participants, and a fixed percentage (e.g., one-third) for support to new REDD+ countries, so as to ensure that the inclusion of new countries into the FCPF will not diminish the support being provided to existing REDD Country Participants.*
- *If funding is not available at the time of formal R-PP assessment but the country meets the other selection criteria, the country will be placed on a waitlist pending the FCPF's securing of sufficient funding. If additional funding is not secured by December 31, 2014, any countries not yet selected into the FCPF (including countries on the waitlist) will no longer be considered and the FCPF will be closed to additional REDD+ countries until further notice.*
- *Any funding that is secured after December 31, 2014 will be used to finance the REDD Country Participants (both existing and those that will have been selected into FCPF by that time), and for other activities as may be approved by the PC as part of the annual budget approval process.*

The FMT views the proposed approach to be consistent with the FCPF's objectives and existing work; to be a clear and straightforward way to encourage interested countries to demonstrate their commitment to REDD+ and capacity to initiate work on Readiness, while allowing time for countries to develop high-quality R-PPs and engage with stakeholders without unnecessarily rushing the process; to be a clear and straightforward way for the PC to select countries based on the quality and content of their Readiness work; and to take into account the limited resources available in the Readiness Fund.

Introduction

1. At PC10 in October 2011, the Participants Committee (PC) adopted a Resolution on the strategic direction of the FCPF (Resolution PC/10/2011/1.rev) which, among other things guarantees access to \$3.8 million Readiness Preparation grants for those REDD Country Participants who submit their R-PP and whose R-PP is assessed by the PC at or before PC14. For those REDD Country Participants that are unable to do so, the grants of up to \$3.8 million will only be allocated provided that sufficient funds are available in the Readiness Fund at the time of the formal consideration and PC endorsement of the R-PP.
2. A subsequent Resolution on the status of REDD Country Participants and possible inclusion of additional eligible REDD+ countries in the FCPF was adopted in March 2012 in Paraguay (Resolution PC/11/2012/4) which, among other things:
 - a. requested REDD+ countries interested in joining the FCPF to submit supplemental information by January 31, 2013 (thereby becoming “Qualified Eligible REDD Countries”);
 - b. decided to consider a process and criteria for reopening the FCPF to new REDD+ countries at PC14, including the following minimum criteria:
 - i. availability of resources in the Readiness Fund;
 - ii. the Qualified Eligible REDD Countries’ proposed date of their respective R-PP submission for PC’s formal assessment; and
 - iii. the Qualified Eligible REDD Countries’ proposed Delivery Partner, as defined in Resolution PC/9/2011/1, whose support the country wishes to request.
 - c. specified that such consideration shall take into account that the allocation of existing resources and support for REDD+ readiness activities in the existing REDD Country Participants shall take precedence over allocation for the Qualified Eligible REDD Countries.
3. This FMT Note aims to provide the PC with the information needed to discuss and decide on 1) whether or not to re-open the FCPF to new REDD+ countries, 2) if the decision is to open to new countries, what criteria to use to select the new countries and by what process, 3) which countries to allow in, if relevant at this time, and 4) on what terms.

Status of existing REDD Country Participants in the FCPF and their eligibility to access FCPF grant financing

4. As of March 5, 2013, 33 of 36 REDD Country Participants have submitted R-PPs for assessment. Of these:
 - a. 26 have had their R-PPs assessed by the PC and have been allocated Readiness Preparation grants;
 - b. 7 (Chile, Honduras, Madagascar, Papua New Guinea, Suriname, Thailand and Vanuatu) have submitted their R-PPs for formal assessment at PC14 in March 2013;¹
 - c. 3 (Bolivia, Gabon and Paraguay) have not submitted any R-PP, losing their guaranteed access to Readiness Preparation funding. They remain eligible for Readiness Preparation funding subject to the availability of funding at the time their R-PP is formally assessed.

See Table 1 and the FCPF Dashboard for further details on countries’ status.

¹ Due to the current political situation, Madagascar’s R-PP will not be assessed at PC14.

Table 1: Country Progress under the FCPF (as of March 5, 2013)

	Participation Agreement Signed	R-PP Submitted for TAP/PC Assessment	PC Resolution Adopted	R-PP Revised	FMT Completeness Check Done	Readiness Preparation Grant Agreement Cleared by DP	Readiness Preparation Grant Agreement Signed	Mid-Term Report Submitted	Delivery Partner Confirmed	Group	Remarks
Argentina	✓	✓	✓						WB	YELLOW	Revised R-PP expected April 2013. Preparation grant signature date TBD.
Bolivia	✓	X								RED	No R-PP was received
Cambodia	✓	✓	✓						UNDP	YELLOW	Revised R-PP expected March 2013. Preparation grant signature expected March 2013
Cameroon	✓	✓	✓	✓	✓				WB	GREEN-	PC Resolution on R-PP assessment effective February 2013. Preparation grant signature expected Sept 2013
CAR	✓	✓	✓						Tbd ¹	YELLOW	Revised R-PP expected March 2013. Search for Delivery Partner on-going
Chile	✓	✓							WB	ORANGE	PC Resolution on R-PP expected March 2013. Preparation grant signature expected June 2013
Colombia	✓	✓	✓						WB	YELLOW	Revised R-PP expected March 2013. Preparation grant signature expected September 2013
Costa Rica	✓	✓	✓	✓	✓	✓	✓		WB	GREEN+	Preparation grant disbursing. MTR expected October 2013
DR Congo	✓	✓	✓	✓	✓	✓	✓	✓	WB	GREEN+	Additional allocation pending revised country request. R-Package expected December 2014.
El Salvador	✓	✓	✓						WB	YELLOW	Preparation grant signature expected September 2013

	Participation Agreement Signed	R-PP Submitted for TAP/PC Assessment	PC Resolution Adopted	R-PP Revised	FMT Completeness Check Done	Readiness Preparation Grant Agreement Cleared by DP	Readiness Preparation Grant Agreement Signed	Mid-Term Report Submitted	Delivery Partner Confirmed	Group	Remarks
Ethiopia	✓	✓	✓	✓	✓	✓	✓		WB	GREEN+	Preparation grant disbursing. MTR expected December 2014
Gabon	✓	X							WB	RED	No R-PP was received
Ghana	✓	✓	✓	✓	✓	✓	✓		WB	GREEN+	Preparation grant disbursing. MTR expected October 2013
Guatemala	✓	✓	✓	✓					IDB	YELLOW	Preparation grant signature expected March 2013
Guyana	✓	✓	✓	✓	X ²				IDB	YELLOW	Preparation grant signature expected June 2013
Honduras	✓	✓							UNDP	ORANGE	PC Resolution on R-PP expected March 2013. Preparation grant signature expected September 2013
Indonesia	✓	✓	✓	X	X ²	✓	✓		WB	GREEN+	Preparation grant disbursing. MTR expected June 2013
Kenya	✓	✓	✓	✓	✓				WB	GREEN-	Inspection Panel request re Natural Resources Management Project delaying due diligence in forest sector
Lao PDR	✓	✓	✓	✓	✓	✓			WB	GREEN-	Preparation grant signature expected April 2013
Liberia	✓	✓	✓	✓	✓	✓	✓		WB	GREEN+	Preparation grant disbursing. MTR expected June 2014

	Participation Agreement Signed	R-PP Submitted for TAP/PC Assessment	PC Resolution Adopted	R-PP Revised	FMT Completeness Check Done	Readiness Preparation Grant Agreement Cleared by DP	Readiness Preparation Grant Agreement Signed	Mid-Term Report Submitted	Delivery Partner Confirmed	Group	Remarks
Madagascar	✓	✓							WB	ORANGE	PC Resolution on R-PP expected November 2013 depending on political situation
Mexico	✓	✓	✓	✓		✓			WB	YELLOW	Grant agreement in draft since mid-2012. Presidential transition delaying progress
Mozambique	✓	✓	✓	✓	✓				WB	GREEN-	Preparation grant signature expected June 2013
Nepal	✓	✓	✓	✓	✓	✓	✓		WB	GREEN+	Preparation grant disbursing. MTR expected September 2013
Nicaragua	✓	✓	✓						WB	YELLOW	Preparation grant signature expected by June 2013
Panama	✓	✓	✓		X ²				Tbd ¹	YELLOW	No activity on the R-PP
PNG	✓	✓							Tbd ¹	ORANGE	PC Resolution on R-PP expected March 2013. Search for Delivery Partner on-going
Paraguay	✓	X							Tbd ¹	RED	No R-PP was received
Peru	✓	✓	✓						IDB	YELLOW	Revised R-PP expected June 2013. Preparation grant signature expected March 2014
Republic of Congo	✓	✓	✓	✓	✓	✓	✓		WB	GREEN+	Preparation grant disbursing. MTR expected March 2014

	Participation Agreement Signed	R-PP Submitted for TAP/PC Assessment	PC Resolution Adopted	R-PP Revised	FMT Completeness Check Done	Readiness Preparation Grant Agreement Cleared by DP	Readiness Preparation Grant Agreement Signed	Mid-Term Report Submitted	Delivery Partner Confirmed	Group	Remarks
Suriname	✓	✓							UNDP	ORANGE	PC Resolution on R-PP expected March 2013. Preparation grant signature date TBD
Tanzania	✓	✓	✓	✓					Tbd ³	YELLOW	Revised R-PP received. FMT completeness check underway
Thailand	✓	✓							WB	ORANGE	PC Resolution on R-PP expected March 2013. Preparation grant signature expected September 2013
Uganda	✓	✓	✓	✓	✓				WB	GREEN-	Preparation grant signature expected by June 2013
Vanuatu	✓	✓							WB	ORANGE	PC Resolution on R-PP expected March 2013. Preparation grant signature expected November 2013
Vietnam	✓	✓	✓	✓	✓	✓	✓		WB	GREEN+	Preparation grant effective. MTR expected June 2014
Total	36	33	26	15	13	11	9	1			

Notes:

Group RED: Countries that have not submitted an R-PP and would, in accordance with Resolution PC/10/2011/1.rev, lose guaranteed access to FCPF grant funding

Group ORANGE: Countries that have submitted an R-PP and for whom assessment is pending

Group YELLOW: Countries that have received PC assessment of their R-PP and are to submit a revised R-PP to reflect the PC Resolution's provisions

Group GREEN-: Countries for which due diligence towards signing a Readiness Preparation grant agreement is on-going

Group GREEN+: Countries that have signed a Readiness Preparation grant agreement

¹ Countries that have requested UNDP to be their Delivery Partner

² Guyana, Indonesia and Panama do not need an FMT completeness check given the type of PC Resolution

³ Tanzania has not requested grant funding from the FCPF and has not requested any Delivery Partner

Should the FCPF Readiness Fund be reopened?

Expressions of Interest and information submitted by interested countries

5. 17 countries have expressed interest in joining the FCPF and provided supplemental information by January 31, 2013. See Annex 1 for relevant information provided by the interested countries.

- 1) Belize
- 2) Bhutan
- 3) Burkina Faso
- 4) Burundi
- 5) Chad
- 6) Cote d'Ivoire
- 7) Dominican Republic
- 8) Fiji
- 9) Jamaica
- 10) Nigeria
- 11) Pakistan
- 12) Philippines
- 13) Republic of the Sudan
- 14) South Sudan
- 15) Sri Lanka
- 16) Togo
- 17) Uruguay

Criteria for reopening the FCPF to new countries

6. As noted above, Resolution PC/11/2012/4 identified three minimum criteria for reopening the FCPF to new countries. The following section provides relevant information on each of these criteria.

Criterion 1: Availability of resources in the Readiness Fund

7. *Is there, or will there be enough resources in the Readiness Fund?* Table 2 presents the sources and uses of FCPF Readiness funding. The uses include all previously agreed expenditures, including the IP and CSO capacity building programs as agreed at PC10 in October 2011, the additional budget approved for enhancing capacity for dispute resolution, and the additional activities approved at PC13 in October 2012.

8. Table 2 indicates a forecast reserve of approximately \$60 million. Table 3 shows the resources required to fund grant commitments for those REDD+ countries who have submitted an R-PP by PC14 but whose R-PP has not been formally assessed by PC14. It also shows the resources required to fund additional grants of \$5 million to 20 countries, including support costs, and the resources that would be required to fund an additional 17 countries. With the current level of funding, it is clear that there is a trade-off between providing additional resources to and achieving significant progress in currently existing REDD Country Participants, and accepting additional countries into the FCPF.

**Table 2: Summary of Long-Term Sources and Uses of Readiness Funding
(in \$ million, as of February 2013)**

Sources		Total
Committed Funding (currently no pledges)		258.7
Uses		
Commitments (grants) to REDD+ Countries (35 @ \$3.8 million) ¹	133.0	
Additional grant funding to DRC (for REDD+ countries that demonstrate significant progress on readiness)	5.0	
Less grants to REDD+ Countries who have not submitted an R-PP for formal assessment by PC14 (3 @ \$3.8 million) ²	(11.4)	
Less grants to REDD+ Countries who have submitted an R-PP for formal assessment by PC14 but whose R-PP has not been formally assessed by PC14 (1 @ \$3.8 million) ³	(3.8)	
Net grant commitments		122.8
Administrative, Operations and Country Support of which:		73.9
<i>FY09-12 Actual costs</i>	20.7	
<i>FY13 Budgeted costs (including Additional Activities)</i>	12.9	
<i>FY14-20 Projected costs</i> ⁴	40.3	
Reserve for Delivery Partner capacity for dispute resolution		2.0
Total Uses		198.7
Estimated Reserve		
Reserve: Committed Funding less Total Uses		60.0

Table 3. Resources required for possible additional activities

Proposed Commitments	per country	
Proposed grant commitments for those REDD+ countries who have submitted R-PPs by PC14 but whose R-PP has not been formally assessed by PC14 (1 @ \$3.8 million)		3.8
Estimated Reserve after deducting Proposed Commitments		56.2
Additional funding to REDD+ countries that demonstrate significant progress on readiness (\$5.0 million grant plus say \$0.3 million support costs per country, say 20 countries)	5.3	106.0
Potential reopening of the FCPF to new countries (\$5.8 million per country ⁵ , assuming 17 additional countries)	5.8	98.6
Funding Gap		(148.4)

Footnotes to Tables:

1. Expected grants to 35 REDD Country Participants. All 37 originally selected into the FCPF but excluding Tanzania (bilaterally funded) and Equatorial Guinea (PA not signed by February 1, 2012.)
2. Per Resolution PC/10/2011/1.rev, includes Bolivia, Gabon and Paraguay
3. Due to the current political situation Madagascar's R-PP will not be assessed at PC14
4. Steady operational budget through FY16 (including an estimate for continuing additional activities), with 20% annual cuts thereafter.
5. This estimate of \$5.8 million per country includes the grant of \$3.8 million plus the agreed Delivery Partner support costs of \$650,000 and all other additional costs (FMT support costs, meeting costs, REDD Methodology support etc)

9. *How much would it cost to include new countries?* It is estimated that the full cost of including a new REDD+ country with access to a grant of \$3.8 million would be approximately \$5.8 million, as indicated in Table 3 above.
10. *Would adding new countries diminish the quality of support to existing countries?* In addition to the availability of financial resources, an important consideration is the availability of human resources. In particular, when a Delivery Partner considers whether or not to support a REDD+ country, a key question is whether they have the capacity to provide high-quality support to the existing portfolio of countries as well as to the new country. The Delivery Partner takes into account the fact that the FMT provides \$650,000 per REDD Country Participant to the Delivery Partner to carry out its work in supporting the REDD Country Participant (e.g., time and travel to work directly with the country, contracting services or hiring staff if needed). Therefore when the Delivery Partner agrees to support the country, the understanding is that, with the resources provided by the FMT, they will be able to provide high-quality support to the new country while maintaining high-quality support to existing REDD Country Participants. Discussions with Delivery Partners thus far indicate a willingness and capacity to support additional countries, but only a limited number of additional countries, to ensure that support to existing REDD Country Participants is not diminished.
11. *Would the FMT have the capacity to provide services to an expanded set of countries?* Likewise, if additional countries were selected into the FCPF, the FMT would need to allocate time and resources to supporting these countries. Analysis of past time contributed by the FMT for country advisory services and of time spent on provision of secretarial support shows that approximately three additional full time FMT staff would be needed if all 17 candidate countries were accepted into the FCPF. The costs of these additional staff are included in the cost per country of \$5.8 million reflected in Table 3. In this way, the FMT would be able to provide services to additional countries, but it is important to strike a balance with the time and resources needed to undertake other key FMT activities (e.g., work on stakeholder engagement, R-PP and Readiness Package development, support to countries on MRV and registries, Carbon Fund Methodological Framework and Pricing Approach).
12. *Recommendation:* Based on the current availability of resources, the cost of including new countries, and the capacity of Delivery Partners and the FMT to provide support to additional countries, the FMT recommends reopening the FCPF to a limited number of additional countries, thereby leaving resources available to finance additional grants of up to \$5 million for some existing REDD Country Participants achieving significant progress. A fixed percentage of available reserve funds (e.g., two-thirds) could be designated for support to existing REDD Country Participants, and a fixed percentage of available reserve funds (e.g., one-third) could be designated for support to new REDD+ countries. Setting such a ratio would allow for additional countries to be selected into the FCPF, while ensuring that support to existing REDD Country Participants is not diminished, and would be an objective and predictable way to determine how many additional countries could be selected into the FCPF. This ratio could be applied regardless of the amount of reserve funding available, meaning that it would apply to current available reserve funding as well as any new donor contributions that may be made to the FCPF during the process of selecting additional countries. As a result, the number of additional countries that may be selected into the FCPF would be determined solely by the amount of reserve funding available. Donors would be encouraged to provide additional resources to the fund. Table 4 shows that with the current amount of reserve funds, designating one-third of reserve funds for additional countries would allow three additional countries to be invited into the FCPF on the same terms as existing REDD Country Participants (\$3.8 million Readiness Preparation grant plus FMT and Delivery Partner support).

Table 4. Proposed Use of Current Estimated Reserve

Description	per country	Total
Estimated Reserve: Committed Funding less Total Uses		60.0
Proposed Commitments		
Proposed grant commitments for those REDD+ countries who have submitted R-PPs by PC14 but whose R-PP has not been formally assessed by PC14 (1 @ \$3.8 million)	3.8	3.8
Estimated Reserve after deducting Proposed Commitments		56.2
66% for additional funding to REDD+ countries that demonstrate significant progress on readiness (\$5.0 million grant plus say \$0.3 million support costs per country, approx. 7 countries)	5.3	37.1
33% for potential reopening of the FCPF to new countries (\$5.8 million per country, approx. 3 additional countries)	5.8	17.4
Estimated Unallocated Funding		1.7

Criterion 2: The Qualified Eligible REDD Country's proposed date of its R-PP submission for formal assessment by the PC

13. In Resolution PC/11/2012/4, the Participants Committee agreed that the proposed date of submission of an R-PP for formal assessment would be a minimum criterion for considering a new REDD+ country. (Annex 1 lists by when each candidate country has indicated it may submit its R-PP to the FCPF.) The idea was that the Participants Committee would like to see countries making progress in REDD+ readiness, and submission of an R-PP would demonstrate a country's commitment to REDD+ and capacity to initiate work on Readiness, and would allow the PC to select countries based on progress and commitment already demonstrated. Selecting countries that have already demonstrated progress would also be in line with the goal set out in the FCPF Monitoring and Evaluation Framework of having the majority of REDD Countries submit their mid-term reports by 2015. In addition, the FCPF would then be supporting countries that are at a similar point as existing REDD Country Participants, which would enable the FMT and Delivery Partners to apply ongoing work across all countries. As such, the timing of an R-PP submission would be an objective, country-driven criterion for inclusion in the FCPF, and using this criterion would be consistent with the FCPF's objectives and existing work.

14. *Setting an ambitious deadline for submitting an R-PP.* Experience shows that existing FCPF REDD Country Participants took at least one year, in some cases up to two years from the time of signing an R-PP formulation grant, to prepare a quality R-PP. Therefore, given the above interest in seeing countries progress alongside existing REDD Country Participants, it would not be prudent to bring on a new country unless the country can prepare an R-PP that is of high enough quality to be subject to at least an informal assessment by the PC and Technical Advisory Panel (TAP), and can do so in the near future. With existing REDD Country Participants having already garnered significant experience, the candidate countries are well placed to build on the experiences and knowledge of other countries and are now better placed than the existing REDD Country Participants were to produce an R-PP in a shorter amount of time.

15. *Financing the formulation of an R-PP.* The FMT has considered whether the lack of access to the \$200,000 R-PP Formulation Grant would be a constraint and prevent candidate countries from producing an R-PP. Based on the information provided by candidate countries in their expressions of

interest, it is evident that the majority of countries have bilateral support already available or are in a position to access funding to produce an R-PP (See Annex 1 for a summary of relevant information provided by candidate countries on existing financial and technical support for REDD+ in each country). In addition, out of the 33 existing REDD Country Participants that prepared an R-PP, more than one-third (14 Countries) did not use the \$200,000 formulation grant to prepare their R-PP and instead produced their R-PP with other resources (national or bilateral). As a result, setting R-PP submission as a criterion for inclusion in the FCPF is reasonable. The seeking out of other sources of financing to prepare an R-PP would also demonstrate a country's political commitment to REDD+. There may, of course, be exceptional circumstances in a country (e.g., lack of ability to secure other resources or political contexts) that may prevent a country from preparing an R-PP; however, based on lessons learned from the slow progress in implementing FCPF activities in some existing REDD Country Participants, it would not be prudent for the FCPF to direct its limited financial resources to support these countries over those that are demonstrating progress.

16. *Consideration of other criteria.* The FCPF Charter lays out a number of criteria for selection of REDD Country Participants, including, for example: quality of the Readiness Preparation Idea Note (R-PIN), geographic and biome balance, relevance of the country in the REDD context (e.g., forest area and carbon stock, deforestation and forest degradation rates, relevance of forests in the economy), and variety of approaches to REDD (see Annex to the FCPF Charter). During the initial selection of countries into the FCPF in 2008 and 2009, the process of selecting countries based on these criteria proved to be complicated, and ultimately, the final decision to select a country was made solely based on the quality of the country's R-PIN. Those countries that were not selected in a given round were given the opportunity to revise their R-PIN and resubmit it, and the PC eventually selected each of these countries once their R-PIN was deemed to be of sufficient quality (See Resolution SM 2008-1, Resolution PC 2008-2 and Resolution PC/2/2009/1 on the Selection of REDD Country Participants).

17. *Recommendation.* Based on this previous experience, the FMT recommends using the submission of a complete R-PP (draft or final) as the sole criterion for a new country to be eligible for selection into the FCPF, and setting an ambitious deadline for such submission. After the deadline, eligible countries would revise their R-PPs as needed and eventually present the R-PP for formal assessment by the PC, when appropriate. Formal R-PP submissions from candidate countries would be considered on a rolling basis at each PC meeting, and the PC would decide at each PC meeting which of the candidate countries to select into the FCPF based on the availability of reserve funds at the time, the quality of the R-PP, and the commitment of a Delivery Partner to support the country (see Criterion 3 below). This would be consistent with the FCPF's objectives and existing work, and would be a clear and straightforward way to encourage interested countries to demonstrate their commitment to REDD+ and capacity to initiate work on Readiness, and for the PC to select countries based on the quality and content of their Readiness work.

18. To address the need for resources to develop an R-PP, REDD+ country candidates would be encouraged to seek out financial and/or technical support from other sources (e.g., bilateral agencies, GEF, NGOs, own sources) to help develop an R-PP. Likewise, the various agencies and organizations could be encouraged to provide financial and/or technical support.

Criterion 3: The Qualified Eligible REDD Country's proposed Delivery Partner whose support the country wishes to request

19. *Would Delivery Partners be available to support these countries?* In Resolution PC/11/2012/4, the PC had requested interested countries to indicate which Delivery Partner they would like to work

with. As such, several candidate countries have expressed interest in working with Delivery Partners other than the World Bank. However, in this context it is important to recall that Resolution PC/10/2011/4 on Multiple Delivery Partners limits the arrangement to a pilot in 10 REDD Country Participants, subject to the gathering and application of lessons learned involving a mid-term review for at least two Pilot Countries per Delivery Partner. At the time the PC requested interested countries to indicate their preferred Delivery Partner, the assumption was that the Multiple Delivery Partner arrangement may be fully operationalized by the time the PC would potentially select additional countries into the FCPF. That has not happened to date. Nine existing REDD Country Participants have been approved by the PC to work with Delivery Partners other than the World Bank; in three of these countries the potential Delivery Partner is yet to confirm that it will act as Delivery Partner (CAR, Panama and Paraguay). As a result, there is a limited number of new REDD+ countries that could work with a Delivery Partner other than the World Bank, unless the Multiple Delivery Partner pilot arrangement is extended. Annex 1 lists the Delivery Partner that candidate countries expressed an interest in working with; however, 1) the countries were not aware of the limited number of new REDD+ countries that could work with a Delivery Partner other than the World Bank, and 2) many of the candidate countries provided this information a year ago when country circumstances may have been different, so this information may not be an accurate indication of whether a country would have Delivery Partner support going forward. In addition, this information does not mean that the named Delivery Partner is committed to supporting these countries.

20. *Recommendation:* Assuming additional countries are selected into the FCPF based on their R-PP submission, when the FMT receives an R-PP submission from a candidate country, the FMT can confirm whether there is a Delivery Partner that will commit to providing support to the country at that time. The FMT can present this information to the PC at the time that the candidate country presents its R-PP to the PC for formal assessment. The PC can then decide whether or not to select the country, based on a review of the R-PP itself, the availability of funding, and the commitment of a Delivery Partner. Depending on which countries are selected and which Delivery Partners are willing to support the selected countries, there could be potential issues related to the Multiple Delivery Partner arrangement. The PC would have to discuss and explore options at that time.

Summary Recommendation

21. Based on the above, using submission of an R-PP as the sole criterion for additional countries to be eligible for selection into the FCPF would be consistent with the FCPF's objectives and existing work, and would be a clear and straightforward way to encourage interested countries to demonstrate their commitment to REDD+ and capacity to initiate work on Readiness, and for the PC to select countries based on the quality and content of their Readiness work.

22. In order to select countries that are making good progress in REDD+ Readiness as reflected in the submission of an R-PP, while allowing time for countries to develop high-quality R-PPs and engage with stakeholders without unnecessarily rushing the process, and taking into account the limited resources available in the Readiness Fund, the PC may consider adopting the following process. This process would be restricted to the REDD+ countries that have already expressed interest and provided information to the FMT (i.e. the 17 countries listed in paragraph 5 above):

- i. A country must submit a draft R-PP by a given deadline (e.g., June 30, 2013) to be eligible for consideration by the FCPF. If the FMT finds the R-PP to be complete, the country may submit its R-PP for informal or formal consideration by the PC, for potential selection into the FCPF. Any country that is not able to submit a complete R-PP by June 30, 2013 will not be considered for

selection into the FCPF. Setting an ambitious deadline will place emphasis on countries that are demonstrating progress in and commitment to Readiness, and will reduce the risk that other countries will invest significant time and resources in preparing an R-PP and engaging with stakeholders (potentially raising expectations) over the coming months with no indication of whether they will be selected into the FCPF. To address the need for resources to develop an R-PP, REDD+ country candidates would be encouraged to seek out financial and/or technical support from other sources (e.g., bilateral agencies, GEF, NGOs, own sources) to help develop an R-PP. Likewise, the various agencies and organizations could be encouraged to provide financial and/or technical support.

- ii. For those R-PPs that are submitted by June 30, 2013 and are found to be complete, the country may revise its R-PP as appropriate (as per the existing review and revision process) and will present its R-PP to the PC at PC16 (in October or November 2013) for informal or formal consideration, depending on the quality of the R-PP. When reviewing R-PPs that have been submitted for formal assessment at PC16, the PC will select countries into the FCPF based on 1) the quality of the formal R-PP (as per the existing review process), 2) the commitment of a Delivery Partner to support the country, and 3) the availability of reserve funding for additional countries at the time of formal R-PP assessment. All these criteria have to be met before the PC can formally select a new REDD+ country into the FCPF.
 - a. Regarding availability of funding, a fixed percentage of available reserve funds (e.g., two-thirds) would be designated to support existing REDD Country Participants,² and a fixed percentage of available reserve funds (e.g., one-third) would be designated to support new REDD+ countries. This will ensure that the inclusion of additional countries into the FCPF will not diminish the support being provided to existing REDD Country Participants. This ratio would be applied regardless of the amount of reserve funding available, meaning that it would apply to current available reserve funding as well as any new donor contributions that may be made to the FCPF during the selection process. As a result, the number of additional countries that may be selected into the FCPF would be determined solely by the amount of reserve funding available at the time of R-PP review. The estimated amount of funds needed per new country would provide for the same type of support as is provided to all existing REDD Country Participants (\$3.8 million Readiness Preparation grant plus FMT and Delivery Partner support).
 - b. If available funding at the time is insufficient to support all the countries that meet the other criteria for selection into the FCPF, then countries for which there is insufficient funding (i.e., less than \$5.8 million in reserve) will be placed on a waitlist, pending additional funding becoming available. (The order of countries on the waitlist would be based on the timing of their formal R-PP presentation (e.g., at which PC meeting they present their formal R-PP). If multiple countries are placed on the waitlist at the same PC meeting, the PC would rank them on the waitlist based on the quality of the R-PP.)
- iii. If an R-PP is not found to be of sufficient quality at PC16, the country may revise the R-PP and present it for formal consideration at PC17 (June 2014). The PC will select another round of

² Bolivia, Gabon and Paraguay are existing REDD Country Participants that have not submitted any R-PP, losing their guaranteed access to Readiness Preparation funding. They remain eligible for Readiness Preparation funding subject to the availability of funding for existing REDD Country Participants at the time their R-PP is formally assessed.

countries (or place them on a waitlist, as the case may be) based on 1) the quality of the formal R-PPs, 2) the commitment of Delivery Partners to support the countries, and 3) the availability of reserve funding for additional countries. This process will allow time for countries to engage with stakeholders, revise their R-PP as appropriate, and still be considered for selection into the FCPF, subject to the availability of funding.

- iv. If additional funding is not secured by December 31, 2014, any countries not yet selected into the FCPF (i.e., countries on the waitlist) will no longer be considered and the FCPF will be closed to additional REDD Country Participants until further notice. Any funding that is secured after December 31, 2014 will be used to finance the REDD Country Participants (both existing and those that will have been selected into FCPF by that time), and for other activities as may be approved by the PC as part of the annual budget approval process.

Annex 1: FMT's summary of relevant supplemental information regarding candidate countries

For complete submissions made by countries go to <http://www.forestcarbonpartnership.org/node/392>

Country	Existing financial and technical support for REDD+	Level of Participation in the FCPF requested; Potential Delivery Partner requested	R-PP Submission Date
Belize	<ul style="list-style-type: none"> Some financial support for R-PP preparation available from GTZ In process of preparing R-PIN for submission to the UN-REDD Programme via UNDP 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation Seeks technical support on MRV; creation and implementation of appropriate legal mechanisms Preference for Delivery Partner not indicated 	By March 2013
Bhutan	<ul style="list-style-type: none"> Ongoing discussions with UNDP Initial support of USD 60,000 for 2012 for setting up REDD+ Working Group received from UNDP 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation UNDP suggested as Delivery Partner World Bank currently not engaged in forestry sector Seeks FCPF support on MRV and REDD+ strategy development, increasing role of community and private sector in natural resource management 	Not Available
Burkina Faso	<ul style="list-style-type: none"> FIP Investment Plan and funding have been approved, to support activities complementary to REDD+ process 	<ul style="list-style-type: none"> Financial resources needed to implement R-PP are included in the country's Forest Investment Plan and other development projects; the country does not plan to solicit new funding Burkina Faso has approached the FCPF in order to align its approach with this global initiative and to take advantage of their technical expertise Information on potential Delivery Partner was not requested 	R-PP already submitted
Burundi	<ul style="list-style-type: none"> No ongoing talks with other potential partners including the UN-REDD Programme 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation, or with support for formulation of R-PP Seeks support for strengthening of technical capacity and forest governance, and developing national policy for forest, MRV No ongoing talks with potential Delivery Partners 	Draft by June 2013; Final by October 2013
Chad	<ul style="list-style-type: none"> No identified sources of bilateral or other forms of support as yet 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation Has not formally identified a potential delivery partner, but hopes that one or two of the UN institutions (UNDP, FAO or UNEP) will give more technical and financial help for REDD+. 	June 1, 2013
Cote	<ul style="list-style-type: none"> In discussions with UNDP and the World Bank 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness 	Will start R-PP

Country	Existing financial and technical support for REDD+	Level of Participation in the FCPF requested; Potential Delivery Partner requested	R-PP Submission Date
d'Ivoire	<ul style="list-style-type: none"> Country Partner in UN-REDD Programme but no financial support as yet 	<p>preparation</p> <ul style="list-style-type: none"> In discussions with World Bank and UNDP as potential Delivery Partner 	preparation in April 2013
Dominican Republic	<ul style="list-style-type: none"> Received support from GIZ for preparation of initial draft R-PP, training and diagnostic work on REDD+ Above support is limited and FCPF resources will be required to sustain REDD+ work 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ World Bank as potential Delivery Partner 	Draft R-PP submitted
Fiji	<ul style="list-style-type: none"> GIZ is supporting the Fiji Forest Department in structuring and facilitating the process which has so far led to establishment of clear governance structures, capacity building, publishing of the Fiji National REDD+ Policy and preparation of demonstration activities in pilot areas 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation. A two-stage approach with formulation grant is not necessary World Bank is preferred Delivery Partner 	Not available
Jamaica	<ul style="list-style-type: none"> No technical or financial support for REDD+ as yet World Bank supports natural resource management; not active in forests per se The World Bank is also collaborating with the IDB under the Pilot Programme For Climate Change 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation Planning Institute of Jamaica, on behalf of the Government has had initial discussions with the World Bank Country Office as the potential Delivery Partner 	Not available
Nigeria	<ul style="list-style-type: none"> UN-REDD Programme has approved Nigeria's REDD National Programme with a funding allocation of USD 4 million. This fund is to support capacity building and readiness activities at the Federal level and more intense demonstration activities at Cross River State which will serve as the REDD Pilot State in Nigeria. More resources required in other states 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation Presently working with UNDP as delivery partner for channeling resources from UNREDD, but willing to work with World Bank as delivery partner for channeling FCPF resources World Bank has prepared country-level forest sector review with a focus on forest law enforcement and governance in Nigeria WB supported the workshops on FLEG 	June 2013
Pakistan	<ul style="list-style-type: none"> Pakistan is a member of the UN-REDD Programme National Focal Point for UN-REDD has been designated Preparing proposal to seek funding from UN-REDD Other on-going efforts include active mobilization of ICIMOD and accessing GEF resources for SFM, REDD+ 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation Given ongoing discussions prefer FAO or UNDP as Delivery Partner for FCPF Importance of REDD+ as a means to conserve and enhance forest cover, forest area and carbon stocks 	R-PP to be submitted within six months from date of inclusion of Pakistan in FCPF
The Philippines	<ul style="list-style-type: none"> Support from: (1) BMU/GIZ for policy measures and piloting REDD+ measures with demonstration site in 	<ul style="list-style-type: none"> Participation with full financial support for REDD+ Readiness preparation 	Not available

Country	Existing financial and technical support for REDD+	Level of Participation in the FCPF requested; Potential Delivery Partner requested	R-PP Submission Date
	<p>Southern Leyte, (2) EU for community and livelihood options with demonstration site in Palawan, (3) FFI-Team Energy- EU for the ancestral domain planning and livelihood options, and demonstration site in General Nakar, (4) SDC for cross-cutting policy, capacity building, governance and research initiatives, (5) UN-REDD for initial readiness process on institutional mechanisms, awareness, safeguards, and MRV system proposal (USD 500,000)</p>	<ul style="list-style-type: none"> • FCPF could support MRV, demonstration sites and the process of informing/ integrating/ consolidating the field results to national systems. • Further to the MRV, FCPF could also look into nesting mechanisms from subnational activities to national activities. • FCPF could continue on from the work of UNREDD / GIZ in establishing the national reference level as well as sub national (province level) reference levels • World Bank has forestry portfolio in the country • Most logical Delivery Partner would be UN-REDD country mechanism 	
South Sudan	<ul style="list-style-type: none"> • The Ministry of Agriculture, Forestry, Cooperatives and Rural Development established a “national Forest Governance Task Force” to develop the framework for REDD+ strategic plan. Financial support for the inception workshop was provided by UNDP • UNDP expected to continue financial support for the Forest Governance Task Force and covering as its secretariat 	<ul style="list-style-type: none"> • Participation with full financial support for REDD+ Readiness preparation • Delivery Partner not identified as yet • 	At the earliest possible after funds are made available
Republic of the Sudan	<ul style="list-style-type: none"> • Forests National Corporation established a National REDD+ unit to develop framework for REDD+ strategic plan; work was done in collaboration with UNDP • Support for capacity building workshops and participation in UN-REDD Policy Board meetings by UNDP and UNEP • No financial resources for REDD+ as yet 	<ul style="list-style-type: none"> • Participation with full financial support for REDD+ Readiness preparation • Preference for Delivery Partner not indicated • 	Before June 2013 (R-PP preparation process started in Feb 2012)
Sri Lanka (based on R-PP)	<ul style="list-style-type: none"> • Currently support from UN-REDD Programme only 	<ul style="list-style-type: none"> • R-PP presented to UN-REDD Programme • Information on Delivery Partner for FCPF not known as yet. 	R-PP already submitted (to UN-REDD)
Togo	<ul style="list-style-type: none"> • Technical and financial support available from International Tropical Timber Organization to begin the process • Swiss Cooperation has provided a consultant. This support covers (i) Capacity building of forestry staff on the issue REDD+, (ii) the development of R-PIN by a 	<ul style="list-style-type: none"> • Participation with full financial support for REDD+ Readiness preparation. Assistance needed for preparation of strategy includes REDD+ financial and technical support. • Community Development Project of High Intensity Labour (PDC-LI) with financial support from the World Bank is being implemented. The forestry component of this project involves 	June 2013

Country	Existing financial and technical support for REDD+	Level of Participation in the FCPF requested; Potential Delivery Partner requested	R-PP Submission Date
	small multi-stakeholder representative group and (iii) the preparation of a REDD strategy and initial validation of R-PIN.	<p>the reforestation of 2015 ha in the five administrative regions in Togo. 923.69 ha are already planted in 2011.</p> <ul style="list-style-type: none"> • Support required for the realization of the national forest inventory to define the reference line. • No potential Delivery Partner indicated 	
Uruguay	<ul style="list-style-type: none"> • Existing sources of funding not identified 	<ul style="list-style-type: none"> • Participation with full financial support for REDD+ Readiness • IDB indicated as preferred Delivery Partner 	Likely R-PP date not indicated