

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
ELEVENTH CARBON FUND MEETING
October 6-8, 2014
Washington, DC**

**Resolution CFM/11/2014/2
Selection of Indonesia's Emission Reductions Program Idea Note into the Pipeline**

Whereas:

1. The Carbon Fund Participants at their Fourth Meeting adopted Resolution CFM/4/2012/1 on the selection criteria of Emission Reductions Program Idea Notes (ER-PINs);
2. FMT Note CF-2012-1-Rev. lays out the detailed process guidelines for the Carbon Fund, including the selection of ER-PINs; and
3. In accordance with the FMT Note CF-2012-1-Rev., Indonesia submitted its ER-PIN to the Facility Management Team (FMT) in September 2014, which was reviewed by the FMT for completeness and forwarded to the Carbon Fund Participants.

The Carbon Fund Participants,

1. Acknowledge the extensive efforts made by Indonesia, and the high quality of the ER-PIN;
2. Decide to provisionally include Indonesia's ER-PIN in the pipelines of both Tranche A and Tranche B of the Carbon Fund, and provisionally allocate up to US\$ 650,000 to support the development of Indonesia's ER-PIN into an ER Program Document (ER-PD) and the costs associated with such development, including the World Bank's due diligence. This provisional allocation, once approved, will be managed by the World Bank, in accordance with the Process Guidelines for the Carbon Fund of the FCPF (FMT Note CF-2012-1-Rev). The ER-PD will be prepared in accordance with the Methodological Framework of the Carbon Fund. The provisional inclusion and allocation are deemed approved, upon the fulfillment of the following two conditions (i) and (ii), in the order listed below:

(i) **Revision of the ER-PIN:** Revision by Indonesia of the ER-PIN and submission of such revised ER-PIN to the FMT 1) preferably at least 14 calendar days prior to the thirteenth meeting of the Carbon Fund (indicatively scheduled for October or November 2015), and 2) in substance satisfactory to the Trustee, with the consent of the Carbon Fund Participants, preferably at or before the thirteenth meeting of the Carbon Fund. The revised ER-PIN shall address the following issues:

- (a) Geographic consolidation of program and accounting areas;
- (b) Explanation of how 1) one consolidated reference level will be developed, 2) emissions from peat will be fully included, and 3) consistency with the national reference level approach and MRV system will be ensured;
- (c) Explanation of how all relevant sources of potential leakage resulting from the ER Program will be addressed;
- (d) Explanation of how the ER Program will contribute to Indonesia's pledge to reduce national GHG-emissions by 26% by 2020 (with own efforts) and by 41 % (with international support);
- (e) Description of how relevant components of the national MRV system, including institutions, are used for the ER Program, and are not unnecessarily duplicated at sub-national level; and

(f) Additional information on the relevant stakeholders, drivers, tenure, and the proposed actions at the level of intervention (e.g. the district level).

(ii) **Signing of a Letter of Intent (LOI):** The Trustee shall negotiate an LOI with Indonesia based on the template attached to Resolution CFM/6/2013/1. The LOI shall include the key issues identified by the Carbon Fund Participants in the Chair's Summary for this eleventh Carbon Fund Meeting, and Indonesia is encouraged to consider these issues in the revised ER-PIN, and if relevant, in the ER-PD it submits to the Carbon Fund Participants. Once the LOI has been negotiated, the FMT shall submit the negotiated LOI to the Carbon Fund Participants for a 14 calendar day review period (Review Period). If, at the end of the Review Period, the Carbon Fund Participants have no objection, the Trustee will enter into said LOI with Indonesia. The Review Period may be extended by 7 calendar days by the FMT, as necessary and such an extension will be communicated to the Carbon Fund Participants by the FMT.

3. Request the FMT to:

(i) Reflect the allocation of a total of up to US\$ 650,000 in the Carbon Fund's annual budget approval process; and

(ii) Include information on Indonesia's progress, where appropriate and relevant, as part of the FMT's regular reporting to the Carbon Fund Participants, as described in the Monitoring and Evaluation Framework.