



**Forest Carbon Partnership Facility (FCPF)
Fifteenth Meeting of the Carbon Fund (CF15)
December 12-15, 2016**

Washington Plaza Hotel
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<http://www.washingtonplazahotel.com/>

AGENDA

Monday, December 12, 2016	
8:00-8:45am	Registration
1. Opening	
8:45-9:00am	a. Welcome, objectives and review of agenda <ul style="list-style-type: none"> • Chair: John Verdieck, United States • John Roome, Senior Director, Climate Change, World Bank
9:00-9:45am	b. Overview of Emission Reductions Program Documents (ER-PDs) to be presented at CF15 <ul style="list-style-type: none"> • Overview of Chile ER-PD (15 minutes) • Overview of Mexico ER-PD (15 minutes) • Overview of Vietnam ER-PD (15 minutes)
9:45-10:15am	<i>Coffee break</i>

2. Emission Reductions Program Documents (ER-PDs)	
10:15-10:45am	a. Setting the stage for ER-PD Reviews (selection criteria and guiding principles) <ul style="list-style-type: none"> • Stephanie Tam, Senior Operations Officer, Facility Management Team
10:45-11:45am	b. Chile ER-PD (<i>Resolution will be sought in session 3a</i>) <ul style="list-style-type: none"> • World Bank update (10 minutes) • TAP comments on ER-PD (10 minutes) • Country response to TAP, CFP and Observer comments received during the review process (20 minutes) • Clarifications and discussion on country response (20 minutes)
11:45am-12:45pm	c. Mexico ER-PD (<i>Resolution will be sought in session 3a</i>) <ul style="list-style-type: none"> • World Bank update (10 minutes) • TAP comments on ER-PD (10 minutes) • Country response to TAP, CFP and Observer comments received during the review process (20 minutes) • Clarifications and discussion on country response (20 minutes)
12:45-1:45pm	<i>Lunch</i>
1:45-2:45pm	d. Vietnam ER-PD (<i>Resolution will be sought in session 3a</i>) <ul style="list-style-type: none"> • World Bank update (10 minutes) • TAP comments on ER-PD (10 minutes) • Country response to TAP, CFP and Observer comments received during the review process (20 minutes) • Clarifications and discussion on country response (20 minutes)
2:45-3:15pm	<i>Coffee break</i>
3:15-4:15pm	<i>Facilitated discussion group on Chile's ER-PD</i>
4:15-5:15pm	<i>Facilitated discussion group on Mexico's ER-PD</i>
5:15-6:15pm	<i>Facilitated discussion group on Vietnam's ER-PD</i>

Tuesday, December 13, 2016	
3. Portfolio Management and Decisions on ER-PDs	
9:00-11:00am	a. Portfolio Management and Decisions on ER-PDs – Resolutions sought on Chile, Mexico and Vietnam ER-PDs <ul style="list-style-type: none"> • Alex Lotsch, Senior Carbon Finance Specialist, Facility Management Team • Erin Conner, Fund Analyst, Facility Management Team • Mirko Serkovic, Carbon Finance Specialist, Facility Management Team

11:00-11:30am	Coffee break
11:30am-12:45pm	Facilitated discussion group on Chile's ER-PD
12:45-1:45pm	Lunch
1:45-3:00pm	Facilitated discussion group on Mexico's ER-PD
3:00-4:15pm	Facilitated discussion group on Vietnam's ER-PD
4:15-4:45pm	Coffee break
End of day <i>(Time for private group discussions (CFPs, Observers, REDD Countries) if desired)</i>	

Wednesday, December 14, 2016	
9:00-9:30am	Feedback from facilitated discussion groups and any private discussions
4. Facility issues	
9:30-10:15am	a. Update on progress made since CF14 <ul style="list-style-type: none"> • Ellysar Baroudy, Program Coordinator, Facility Management Team
10:15-10:45am	Coffee break
10:45-12:00pm	b. Double Counting – Options for the Use of ERs <ul style="list-style-type: none"> • Markus Pohlmann, Legal Department, World Bank
12:00-1:00pm	Lunch
1:00-2:00pm	Facilitated discussion group on Chile's ER-PD
2:00-3:00pm	Facilitated discussion group on Mexico's ER-PD
3:00-3:30pm	Coffee break
3:30-4:30pm	Facilitated discussion group on Vietnam's ER-PD
End of day <i>(Time for private group discussions (CFPs, Observers, REDD Countries) if desired)</i>	

Thursday, December 15, 2016	
9:00-9:45am	Feedback from facilitated discussion groups and any private discussions
4. Facility issues (continued)	
9:45-10:45am	c. Request for additional Observers <ul style="list-style-type: none"> • Simon Whitehouse, Fund Manager, Facility Management Team
6. Closing	
10:45-11:00am	a. Next meetings <ul style="list-style-type: none"> • Stephanie Tam, Senior Operations Officer, Facility Management Team
11:00-11:45am	b. Adoption of Resolutions <ul style="list-style-type: none"> • Chair: John Verdieck, United States • Markus Pohlmann, Legal Department, World Bank
11:45am-12:00pm	c. Conclusions <ul style="list-style-type: none"> • Chair: John Verdieck, United States
12:30-1:45pm	<i>Lunch reception hosted by the World Bank at the Washington Plaza Hotel</i>

ANNOTATIONS

All background documents are available on the CF15 page of the FCPF website at:
<https://www.forestcarbonpartnership.org/CF15>

Session 1b. Overview of Emission Reductions Program Documents (ER-PDs) to be presented at CF15

Background: Chile, Mexico, and Vietnam have each submitted an ER-PD for consideration by CFPs and potential selection into the Carbon Fund portfolio.

Background documentation: The ER-PDs and Technical Advisory Panel (TAP) reviews of the ER-PDs are available on the CF15 page.

Expected action: No action is expected during these sessions. The selection of which ER-PDs will be invited into the Carbon Fund portfolio will take place in Session 3 (Portfolio Management and Decision on ER-PDs). See annotations for Session 3.

Session 2a. Setting the stage for ER-PD Reviews (selection criteria)

Background: There are two decision points related to selection of ER programs into the Carbon Fund:

- i. Selection into the pipeline of the Carbon Fund based on an Emission Reductions Program Idea Note (ER-PIN). At CF4 in June 2012, CFPs agreed on seven criteria for review and selection of ER-PINs into the pipeline:

1. Country progress towards Readiness
 2. Political commitment
 3. Consistency with the Methodological Framework
 4. Scale
 5. Technical soundness
 6. Non-carbon benefits
 7. Diversity and learning value
- ii. Decision to proceed to the Carbon Fund based on an Emission Reductions Program Document (ER-PD). As per the Process Guidelines for the Carbon Fund:
 “Based on the information available to date, which may include the FCPF Participants Committee’s endorsement of the country’s Readiness Package, the final ER Program Document, the TAP assessment of the final ER Program Document, the World Bank’s due diligence, and technical, financial and legal information (e.g., business model, progress made in assigning a national authority with the responsibility to approve ER Programs by issuing final Letters of Approval (LoAs), etc.), the CFPs of the respective Tranche(s) decide whether to proceed to negotiating an ERPA for the proposed ER Program.”

At CF15, CFPs will be reviewing three ER-PDs (decision point ii above). The FMT will provide background information on the process for reviewing these ER-PDs, as an introduction to the presentations of the ER-PDs themselves (sessions 2b-d).

Background documentation: The draft presentation will be available on the CF15 website. The Process Guidelines for the Carbon Fund are available at <https://www.forestcarbonpartnership.org/sites/fcp/files/2015/April/CF12%202c.%20TAP%20option%201%20CF%20Process%20guidelines%20-%20clean.pdf>.

Expected CFP action: No action is expected during this session. The selection of which ER-PDs will proceed to the Carbon Fund pipeline and portfolio will take place in Session 3 (Portfolio Management and Decisions on ER-PDs). See annotations for Session 3 below.

Sessions 2b-d. ER-PDs

Background: Chile, Mexico, and Vietnam have each submitted an ER-PD for consideration by CFPs and potential selection into the Carbon Fund portfolio.

Background documentation: The ER-PDs and Technical Advisory Panel (TAP) reviews of the ER-PDs are available on the CF15 page.

Expected CFP action: No action is expected during these sessions. The selection of which ER-PDs will proceed to the Carbon Fund portfolio will take place in Session 3 (Portfolio Management and Decision on and ER-PDs). See annotations for Session 3.

Session 3a. Portfolio Management and Decisions on ER-PDs – Resolutions sought on ER-PDs

Background: See Sessions 2a-d above regarding ER-PDs being presented for selection into the portfolio at this meeting. This session will present an overview of the programs in the FCPF portfolio and pipeline

and the financial status of the Carbon Fund, as a basis for discussions on whether to invite the ER-PDs into the portfolio.

This session will also address risk management. Risks to FCPF Carbon Fund programs are managed by the World Bank's operational teams in line with the World Bank's framework for risk management. In addition, the FMT has developed a probabilistic model to project over time the volume of emission reductions that can be expected from programs in the FCPF Carbon Fund portfolio based on their risk profile. The FMT will introduce these two risk management tools to FCPF Carbon Fund Participants.

Background documentation: See Sessions 2b-d above; information note on ER delivery risk assessment model.

Expected CFP Action: For Chile, Mexico and Vietnam's ER-PDs, decide whether to proceed to negotiating an ERPA for the proposed ER Program.

A facilitated discussion group will be formed on each ER-PD selected, in order to further discuss issues in the respective ER-PD and agree on the text of the resolution to be adopted for each ER-PD where relevant. Facilitated discussion groups will be organized as per the facilitated discussion group table at the end of the annotated agenda (page 6).

4a. Update on progress made since CF14

Background: The FMT will present progress made since CF14 in June 2016.

Background documentation: Presentation.

Expected action: None.

4b. Double Counting – Options for the Use of ERs

Background: The FMT will present options on how to address double counting in the event of a request by the Program Entity/host country to use contracted ERs for ER Programs for domestic compliance purposes.

Background documentation: Presentation.

Expected action: None.

4c. Request for additional Observers

Background: The Carbon Fund Rules of Procedure allow for the following observers:

- 3 REDD Country representatives, selected by the REDD Country members of the PC Bureau and selected for a one year period. The selection criteria include progress towards Readiness and geographic balance among Africa, Asia and Latin America and, as such, the Bureau selected Ghana, Nepal and Peru for this year. As per the Rules of Procedure, over time, the REDD Country Participants receiving funding from the Carbon Fund will have priority to be selected as Observers.
- 1 representative of each of the following categories: International Organizations, Northern NGOs, Southern NGOs, Forest-Dependent Indigenous Peoples and Forest Dwellers, Private Sector, UN-REDD, UNFCCC Secretariat.

- In addition to the 10 observers above, the FMT may invite other observers provided there has been at least seven days' notice to and no objection by the Participants.

FMT has received a request to begin funding three Southern CSO representatives (instead of the current one) and three Indigenous Peoples representatives (instead of the current one) to attend Carbon Fund meetings, in order to allow representatives from each of the three regions (Africa, Asia, Latin America) to participate. As per the Rules of Procedure, regardless of the number of representatives the FMT funds to attend, only one representative of any given constituency would act as the official Observer with a seat at the main table.

Background documentation: A presentation will be made available on the CF15 webpage.

Expected action: Decide whether to increase the number of Southern CSO observers and Indigenous Peoples observers that the Carbon Fund funds to attend Carbon Fund meetings. This would not require an amendment to the Rules of Procedure but would have budget implications.

Facilitated discussion groups

All groups will meet in the main meeting room

Resolution # and Topic	FMT Co-facilitators	Dec 12 3:30pm	Dec 12 4:30pm	Dec 12 5:30pm	Dec 13 11:30pm	Dec 13 1:45pm	Dec 13 3:00pm	Dec 14 1:00pm	Dec 14 2:00pm	Dec 14 3:30pm
1. Chile ER-PD	Andres Espejo / Leonel Iglesias									
2. Mexico ER-PD	Rodrigo Martinez / Franka Braun									
3. Vietnam ER-PD	Nina Doetinchem / Alex Lotsch									