

**Forest Carbon Partnership Facility
Twenty-third Meeting of the FCPF Participants Committee (PC23)
Washington DC, March 27-29, 2017
Co-Chairs' Summary**

Dear Participants and Observers,

We are pleased to report that the Participants Committee (PC) of the Forest Carbon Partnership Facility (FCPF) held its twenty-third meeting (PC23) on March 27-29, 2017 in Washington, DC.

More than 100 representatives of governments, Forest-Dependent Indigenous Peoples and Forest Dwellers organizations, private sector and international and non-governmental organizations participated. We wish to acknowledge the participation of the Honorable Minister Oquist, Secretary for National Public Policies, from Nicaragua, in the meetings.

All meeting materials are available at <https://www.forestcarbonpartnership.org/PC23> and photos at <https://www.flickr.com/photos/fcpf>. Below are the main conclusions of the meeting, which will also be available in French and Spanish.

Twenty-third Meeting of the FCPF Participants Committee (PC23)

Progress update

The Facility Management Team (FMT) presented an update on progress made since PC22 including the following:

- Committed funds to the Facility now total over \$1.1 billion;
- Since PC22, two Readiness Preparation Grants (Argentina, Belize) and three Additional Funding Grants have been signed (Indonesia, Nepal, Vietnam);
- Four Mid-term Reports have been reviewed virtually (Bhutan, Lao PDR, Papua New Guinea, Peru), and requests for additional funding have been approved; an additional four Mid-term Reports, including requests for additional funding have been prepared for review at PC23 (Cameroon, Colombia, Honduras, Sudan);
- One R-Package was prepared for endorsement at PC23 (Mozambique);
- Additional \$25.7 million has been disbursed since PC22 making a total grant disbursement of \$93.4 million;
- In-depth portfolio reviews are undertaken to proactively identify bottlenecks and propose actions to address them;
- Five of six Projects under Phase Two of the Capacity Building Program for Forest-Dependent Peoples and Southern CSOs have advanced to grant signature and are disbursing, with one project remaining in final stages of review.

Participants appreciated overall progress made and welcomed the FMT's offer to provide financial support to self-initiated South-South Exchanges, such as a recent one held in Temuco, Chile, in March 2017.

The Green Climate Fund expressed strong interest in learning from the FCPF to apply knowledge gained to strengthen its own emerging Results-Based-Payment framework.

Several REDD+ countries cautioned that management of stakeholder expectations continues to be a challenge and emphasized the need to address this issue collectively across the broader global REDD+ community.

Readiness Packages

The PC adopted a [resolution](#) endorsing Mozambique's [Readiness Package](#). Participants acknowledged the high quality of the information provided in the R-Package and the rigor of the self-assessment carried out. They congratulated Mozambique on taking a programmatic, landscape-level approach to REDD+. Participants encouraged Mozambique to take into account the following issues raised by the PC as they move forward:

- Clarify the role of the National Development Fund in REDD+ coordination and implementation. Update the decree within a set timeline to reflect this change.
- Continue to strengthen the process of consultation and capacity building with local communities and civil society organizations.
- Continue to ensure that the methodologies used for the proposed ERPD inform, and are harmonized with, the national methodologies for forest reference emission levels (FREL).
- Continue the development of the Safeguard Information System.
- Strengthen gender mainstreaming in the REDD+ process.
- Improve understanding of the legal status of carbon rights and continue working towards further clarifying these carbon rights.

Mid-Term Progress Reports and requests for additional funding

[Cameroon](#), [Colombia](#), [Honduras](#) and [Sudan](#)¹ presented Mid-Term Progress Reports (MTRs) on their national REDD+ readiness progress and requests for additional funding. The PC adopted resolutions allocating funds of up to \$5 million to [Cameroon](#), [Colombia](#), [Honduras](#), and [Sudan](#).

The PC was further informed that Mid-Term Progress Reports and requests for additional funding for [Bhutan](#), [Papua New Guinea](#), and [Peru](#) were reviewed and approved by virtual means.

Cameroon

Participants congratulated Cameroon on the progress made, in particular on the completion of several key studies and improvements in the management of the REDD+ process following operationalization of the Technical Secretariat. Participants encouraged Cameroon to take into account the following issues raised by the PC, during further readiness preparation:

- Consider an enhanced role for the REDD+ FLEGT working group in the REDD+ process.
- Encourage Cameroon to enhance coordination of key initiatives for the REDD+ process, including the Forest Investment Program and the Central African Forest Initiative, and ensure that the REDD+ Technical Secretariat has sufficient capacity to implement these integrated initiatives efficiently.
- Encourage Cameroon to consider options for addressing the limited representation of civil society and indigenous peoples in the REDD+ Steering Committee.
- While acknowledging Cameroon's efforts in partnering with indigenous peoples and civil society since the launching of the REDD+ process, Participants recognized that there is still a need to substantially build the

¹ Please note that the World Bank revised its presentation on Sudan subsequent to the PC meeting to provide more details in response to the discussion at the meeting. The updated presentation has been uploaded on the FCPF website.

capacity of and increase support for indigenous peoples and civil society to continue their engagement in the REDD+ process. The Climate Change and REDD+ Platform requested that Cameroon allocate 30 percent of the additional funding to continue strengthening the mobilization, participation and contribution of indigenous peoples and civil society in the REDD+ process. In light of the above, and taking into account the recommendations made by the World Bank in its presentation on Cameroon's Mid-Term Report and request for Additional Funding, (i) the Climate Change and REDD+ Platform will undergo an audit of its financial management and leadership structures, and (ii) Cameroon, indigenous peoples, and civil society will continue to further elaborate on the work program for the additional funding, including enhanced participation of indigenous peoples and civil society in the REDD+ process and related allocation of funding.

Colombia

Participants congratulated Colombia on the progress made, particularly on strengthening the national REDD+ management arrangements, on submission of FREL to the UNFCCC; and on the extensive and inclusive REDD+ Strategy development process. Participants encouraged Colombia to take into account the following issues raised by the PC, during further readiness preparation:

- Strengthen coordination of donor resources flowing into Colombia for REDD+ activities in order to avoid funding overlap.
- Improve understanding of the legal status of carbon rights and continue working towards further clarifying these carbon rights, while respecting the rights of indigenous peoples, Afro-Colombian communities, and local communities.
- Continue strengthening co-benefit monitoring systems.
- Explore the possibility of allocating resources under the consultation, participation and outreach component through a participatory mechanism, such as a call for proposals, following an inclusive approach, taking into account ethnic diversity, gender, youth, and local communities.
- Strengthen regional governance structures for implementation of REDD+.

Honduras

Participants congratulated Honduras on the progress made, particularly on actively involving indigenous peoples and Afro-Honduran communities in REDD+, while making efforts to integrate gender considerations and promoting Free Prior and Informed Consent; and on advancing on the development of the Reference Emissions Levels and the Monitoring, Report and Verification System. Participants encouraged Honduras to take into account the following issues raised by the PC, during further readiness preparation:

- Continue strengthening the participation and consultation of civil society and indigenous peoples in the REDD+ process, building on the participation and consultation mechanism already developed, paying particular attention to indigenous peoples who are not yet participating in the Indigenous and Afro-Honduran Committee on Climate Change (MIACC).
- Continue efforts to assess the environmental and social risks associated with the REDD+ strategy options, including relevant land and resource tenure issues, through the SESA process.
- Continue making efforts to coordinate the AVA-FLEGT and REDD+ processes to maximize synergies on forest governance and monitoring.
- In the context of developing the national REDD+ strategy and the relevant policy framework, improve understanding on the potential linkage between land and resource tenure, benefit sharing arrangement, and carbon rights, as relevant, while respecting the rights of indigenous peoples, Afro-Honduran communities, and local communities.

Sudan

Participants congratulated Sudan on the progress made, in particular on receiving strong government buy-in at both national and provincial levels. Participants encouraged Sudan to take into account the following issues raised by the PC, during further readiness preparation:

- Strengthen the effective participation of civil society organizations, women, and local communities in the REDD+ process, including in the development of the national REDD+ strategy.
- Clarify how the Additional Funding will be used to enhance gender integration in the REDD+ process.
- Encourage Sudan, as part of the national REDD+ strategy, to elaborate on its long-term perspective beyond the FCPF-supported REDD+ readiness efforts.
- Build on the FAO supported REL/MRV work, clarifying the extent of forest cover in Sudan, based on its definition of “forest”.

Allocations of Available Funding

With available funding in the Readiness Fund almost wholly allocated and the current term of the fund ending in 2020, the FMT presented options (see [FMT Note 2007-1](#)) on how to manage limited resources within the remaining term of the fund. The PC adopted a [resolution](#) reducing the amount allocated for dispute resolution to a total of US\$1 million, allocating up to an additional US\$5 million to the IP/CSO Capacity Building Program (subject to availability of funds in the Readiness Fund), and otherwise setting deadlines for entering into grant agreements, after which the grant funding allocation would be available for potential reallocation.

If grant funding would become available again, the PC would continue to consider mid-term reviews and requests for additional funding on a first-come, first-served basis and would continue to apply the current eligibility criteria for additional funding.

The PC discussed that if significant additional contributions were received, the possibility of extending the term of the Readiness Fund beyond 31 December 2020 would be considered. Recognizing the value of the Readiness Fund in creating a platform to support the implementation of REDD+, the PC encouraged financial contributors to pledge additional resources to the Readiness Fund.

Second independent evaluation of the FCPF

The [Oversight Committee provided an update](#) on progress made on the second independent evaluation since PC22 and recalled the recommendations and proposed next steps as per the [Draft Action Plan](#). The FMT presented a number of proposals responding to the evaluation’s recommendations, including the following:

- An [update](#) on IP/CSO Capacity Building Program and related recommendations (addresses RF&CF Recommendation R4).
- A [FMT Note 2007-3](#) on a new Knowledge and Communications Strategy (addresses RF&CF Recommendation R7).
- A [FMT Note 2017-4](#) on strengthening readiness support to countries (addresses RF Recommendation R1).
- A [FMT Note 2007-5](#) on enhancing efficiency and addressing excessive delays in Grant agreement implementation (addresses RF Recommendations R2 and R4).
- An [update](#) on strengthening support for SESA and guidance on consultations and communications during ER-PD preparation (addresses RF Recommendation R3).
- An [update](#) on strengthening alignment of Delivery Partner country engagement strategies and countries’ REDD+ agendas (addresses RF&CF Recommendation R1).
- An [update](#) on gender-related work (addresses RF&CF Recommendation R5).

The PC generally welcomed and supported the proposals presented and offered the following feedback:

- Ensure that activities under the IP/CSO Capacity Building Program are well coordinated and harness potential synergies with activities of other such programs (for example, FIP, DGM, etc.);
- Consider an increase of the allocation of funds to the IP/CSO Capacity Building Program given the strong demand; further encourage REDD+ countries to dedicate part of their Readiness grant allocations to support IP/CSO engagement;
- Noted quality and quantity improvement in communications and knowledge activities over the past three years and appreciated the FMT's decision to focus on activities that play to its strengths and have a high value-added;
- Supported the revamping of the current FCPF website and the focus on increasing peer-to-peer learning;
- Suggested strengthening women's participation in ERPD development and bringing a gender lens to the Carbon Fund;
- Expand the number of gender-related indicators as part of updating the FCPF's M&E Framework.

Update from Gabon

Gabon provided an [update](#) on independently made progress with REDD+ readiness and the government's intention to reengage with the FCPF, which the PC welcomed. Having made significant readiness progress, the country expressed an interest in (i) sharing knowledge and exploring synergies with other countries, and (ii) submitting an R-Package at a future PC meeting.

Updates from other Initiatives

Updates were provided by the [Green Climate Fund](#) (GCF) and on the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) under the [International Civil Aviation Organization](#) (ICAO).

The GCF Secretariat presented on ongoing consultations for Results-Based-Payments (RBP) for REDD+. Board and stakeholder input received thus far in response to an open call was presented regarding a number of procedural and technical elements that will inform an upcoming request for proposals (RFP) on REDD+ RBP. The RFP and associated guidance will be presented at the next GCF's Board meeting in July 2017. Countries were encouraged to provide input as part of the consultations.

World Wildlife Fund US (WWF US) provided an overview on the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) that is currently being developed. Participants recognized its potential linkages to, and opportunities for, REDD+. Reflecting on the environmental integrity and high standards of FCPF emissions reduction programs, the PC noted the interest of Participants in exploring a potential role for the FCPF as a program under the CORSIA, and recognized that there may be future decision points as part of this consideration process.

Northern CSOs explicitly called on the FCPF to take advantage of "early action" in this space and to act quickly to position itself related to ICAO and CORSIA.

Follow up action:

A detailed discussion on linkages and opportunities related to CORSIA as well as potential follow up action is planned for the upcoming Carbon Fund meeting (CF16) in June. The FMT will further facilitate a dialogue on this topic over the next few months and in the run up to CF16.

Budget

The FMT [presented](#) the proposed FY18 budget (see [FMT Note 2017-6](#)). Final accounts of FY17 will be provided as part of the FY17 Annual Report for PA10/PC24. The PC adopted a [resolution](#) approving the FY18 budget.

Participants took note of moderate increases in budget mainly related to i) an increase in country implementation support and ii) a more robust knowledge, learning and communications component, including South-South exchanges and a global workshop with a focus on social and sustainability aspects of REDD+ programs.

Next meetings

The twenty-fourth Participants Committee meeting (PC24) and tenth Participants Assembly (PA10) will be held in late September or early October, 2017. The FMT will advise on further details as soon as possible.

Deadlines for submission of MTRs and Readiness Packages are available on the [FCPF homepage](#).

In Closing

In closing, we would like to express our appreciation for the collaborative spirit and tireless energy demonstrated by Participants and Observers at PC23.

With a growing number of countries rapidly reaching the mid-term and REDD+ readiness stages, the FCPF is now well into its transition from readiness preparation to REDD+ strategy implementation that will reduce deforestation and forest degradation at scale and bring the prospect of results-based payments. This critical mass of forward momentum is also providing rich lessons that help to scale up South-South learning among REDD+ Country Participants.

At the Facility level, the findings and recommendations of the second independent evaluation of the FCPF have guided the Partnership in assessing its relevance, effectiveness, and efficiency in the context of a changing global context and in maintaining its responsiveness to countries' strategic priorities and climate change ambitions.

It is exciting to see that there is strong demand from other bodies, such as the GCF, to learn from the innovation that the FCPF has spearheaded in the REDD+ space, thus confirming the FCPF's role as a leading pilot mechanism. At a global level, it is encouraging to witness nascent market development indicating interest in emission reductions from REDD+, which is providing optimism for the long-term viability of the concept of results-based finance that can equally serve global climate mitigation as well as national low-carbon development objectives.

We look forward to continued progress and feedback in the coming months. Please do not hesitate to contact the FMT at fcpssecretariat@worldbank.org if you have questions.

Sincerely,

Angelo Sartori, Chile (on behalf of REDD Country Participants)

and

Nicolas Duval-Mace, Canada (on behalf of Donor Participants)