



## Forest Carbon Partnership Facility

# 4a: Readiness Fund: Available Funding and criteria for additional funding requests

Twenty-fourth Meeting of the Participants Committee (PC24)

Luang Prabang, Lao PDR

September 25-27, 2017

# Introduction

- **Purpose:**

- To confirm to the PC that there is sufficient funding to meet all previous allocations, including the \$5 million allocation to the IP/CSO Program made in March 2017
- To advise the PC that all available funding has been allocated
- To propose solutions to deal with the latest requests for funding
- To get consensus from the PC on the proposals included in the FMT Note, including i) the proposals regarding grants with a September 2017 signing and ii) proposal regarding group waitlisting

- **Main messages:**

- Available funding is wholly allocated
- Not possible with current funding to provide additional financing to all REDD Countries

# What's in the presentation?

- **Funding status of Readiness Fund, Long Term Sources and Uses**
- **Allocations to REDD Countries not yet signed**
- **Current Requests for Additional Funding**
- **Criteria for additional funding requests**
- **Grants due to be signed by 30 September 2017 and 31 March 2018**
- **Possible solutions to limited funding**
- **Other considerations**
- **FMT Proposals**
- **Next steps**

# FCPF Readiness Fund

## Donor Contributions (\$ 000s)

### FCPF Readiness Fund

Donor Contributions as of September 15, 2017 (in \$ thousands)

Participant Name	Total	Outstanding*	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Australia	23,892							6,330	7,997		9,565
Canada	41,360								41,360		
Denmark	5,800									5,800	
European Commission	5,248	1,195				1,364		2,688			
Finland	23,196				3,230		5,261	5,749			8,956
France	10,340							5,136		592	4,612
Germany	76,766				23,784	13,913	13,113		25,956		
Italy	5,000								5,000		
Japan	14,000							4,000		5,000	5,000
Netherlands	20,270						7,635	7,635			5,000
Norway	115,656	44,360	2,370			38,727			8,801	16,398	5,000
Spain	7,048										7,048
Switzerland	8,214										8,214
United Kingdom	5,766								5,766		
United States of America	9,000						4,000			4,500	500
<b>Committed Funding</b>	<b>371,556</b>	<b>45,555</b>	<b>2,370</b>		<b>27,014</b>	<b>54,004</b>	<b>30,009</b>	<b>31,538</b>	<b>94,880</b>	<b>32,290</b>	<b>53,895</b>

# Long Term Sources and Uses: Sources

## Summary of Long Term Sources and Uses of Readiness Funding (in \$ million, as of September 15, 2017)

Description	Totals (\$m)	
<b>Sources of funds</b>		
Committed Funding	371.6	
Less 15% discount applied to outstanding contributions that are in a currency other than US dollars, the holding currency of the fund (World Bank policy)	(6.8)	
Investment income to date	22.6	
<b>Total Available Funding</b>	<b>387.4</b>	

# Long Term Sources and Uses: Uses

Summary of Long Term Sources and Uses of Readiness Funding (in \$ million, as of September 15, 2017)		
Description	Totals (\$m)	
<b>Uses of funds</b>		
<b>Grant Allocations</b>		
<b>To REDD Countries</b>		
Signed grants to REDD Countries (commitments)	222.8	
Allocations to REDD Countries (not yet signed)	62.6	
<b>Total Allocation to REDD Countries</b>		<b>285.4</b>
<b>To IP/CSOs</b>		
Initial Allocation to IP/CSO Capacity Building Program	3.0	
Additional Allocation to IP/CSO Capacity Building Program (March 2017)	5.0	
<b>Total Allocation to IP/CSO Capacity Building Program</b>		<b>8.0</b>
<b>Total Grant Allocations</b>		<b>293.4</b>
<b>Administrative, Operations, and Country Support costs over lifetime of fund</b>		
FY09-17 Actual costs	60.8	
FY18-21 Projected costs	28.3	
Reserve for Delivery Partner capacity for dispute resolution	1.0	
<b>Total Administrative, Operations, and Country Support costs over lifetime of fund</b>		<b>90.1</b>
<b>Total Uses of Funds</b>		<b>383.5</b>
<b>Estimated Reserve: Total Available Funding less Total Uses</b>		<b>3.9</b>

# Current Requests for Additional Funding

## Proposed Waitlisting Groups

When sufficient funding is available FMT send Notice to countries

If only part of waitlist Group Value becomes available, FMT could send a Notice allowing pro-rata grant values. At discretion of FMT

Possible Allocations	Request (\$m)	Total
Waitlist Group 1		
Virtual - July 2017		
Pakistan	5.00	
Waitlist Group 1 Total Value		5.00
Waitlist Group 2		
(in no order of priority)		
PC24 - September 2017		
R-PP		
Gabon	1.95	
MTRs		
El Salvador	2.50	
Nigeria	4.94	
Togo	2.93	
Waitlist Group 2 Total Value		12.32
Total Possible Allocations (15 Sept 2017)		17.32

# Criteria for additional funding requests

- **R-PP Gabon:** already looked at process and criteria in earlier session
- Focus on criteria for requests for additional funding





# Criteria for additional funding requests

- **Significant progress:** the PC recognizes significant achievement of progress, as determined based on the Delivery Partner's mid-term grant monitoring report.
- At least **50%** of the Readiness Preparation Grant (up to \$3.8 million) has already been **committed** at the time of the request for additional funding
- Additional funding to be used to support activities consistent with the endorsed R-PP, to be agreed with the relevant Delivery Partner, taking into account countries' needs
- Proposal submitted in accordance with process
- **Availability of resources in the Readiness Fund**
- **When an allocation becomes a commitment**

# Grants due to be signed by 30 September 2017

Country	Amount Allocated (\$m)	Date Allocated	Delivery Partner	Comments
Cambodia	5.0	9/28/2016	UNDP	expected to be signed by September 30 deadline
CAR	3.8	5/31/2013	WB	signed
Chile	5.0	11/6/2015	WB	signed
Cote d'Ivoire	5.0	9/22/2016	WB	signed
Guatemala	5.0	5/5/2016	IDB	to be executed by IDB so effectively signed
Kenya	3.6	10/3/2010	UNDP	Resolution changing Delivery Partner to UNDP to be considered at this meeting. Propose new deadline of 31 March 2018.
Madagascar	5.0	9/28/2016	WB	signed
Mexico	5.0	4/19/2015	WB	signed
Nicaragua	5.0	9/28/2016	WB	should be signed in October 2017
Paraguay	3.8	4/30/2015	UNDP	about to be signed, expected by September 30 deadline
Uganda	3.75	5/5/2016	WB	signed by World Bank, to be signed by country soon
<b>Total</b>	<b>50.0</b>			

# Update Report

- FMT intends to provide an update report to PC by 30 November 2017 on the status of the 6 country grants not signed, with recommendations for those not signed at that time

# Grants due to be signed by 31 March 2018

Country	Amount Allocated (\$m)	Delivery Partner
Bhutan	4.8	WB
Cameroon	5.0	WB
Columbia	4.9	WB
Honduras	2.3	UNDP
Lao PDR	4.6	WB
PNG	5.0	UNDP
Peru	5.0	IDB
Sudan	5.0	WB
<b>Total</b>	<b>36.6</b>	

# Possible solutions to limited funding

- Possibility of additional funding from existing or new donors
- Request payment of outstanding contributions from donors
- Reduce allocations of additional funding
- Continue to impose time limit for signing of grants (12 months), after which allocation is withdrawn and funds reallocated

# Other considerations (1)

- Term of fund currently to 31 December 2020
- All current allocations (including at this PC) likely to be almost wholly disbursed by 31 December 2020
- With these 4 additional funding requests (including Pakistan) only 29 of the 47 REDD countries in the Partnership will receive additional funding, including 17 of the 19 Carbon Fund pipeline countries (those not included to date are Dominican Republic and Fiji)

## Other considerations (2)

- 3 countries not yet allocated the initial \$3.8 million grant (Bolivia, Gabon, Tanzania) (Gabon presenting their R-PP at this meeting)
- More potential requests for additional funding by the spring of 2017
- Future investment income – not possible to commit until credited to the fund

# FMT Proposals for approval by PC

- Allocate funding as requested to all 5 countries, including Pakistan's virtually post-PC (subject to meeting all criteria), but clearly subject to availability of resources, 12-month deadline from availability of resources
- Establish a group waitlist system for allocations, based on timing of submissions (first-come, first-served)
- Decide whether to limit future submissions of requests for additional funding to the single virtual review already set (October 2017)
- PC agrees not to make any grant allocations with a September 2017 signing deadline null and void, until after November 2017 update



## Next steps

- Resolutions for 4 countries at this PC, which will include Notice and 12-month signing deadline
- Virtual resolution for Pakistan post-PC, which will also include Notice and 12-month signing deadline
- FMT to provide update report on grant allocations with a September 2017 deadline by end of November 2017, with recommendations for those not signed at that time
- FMT to send Notice to country (and PC) if and when resources become available for those allocations in waitlist