

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
SEVENTEENTH CARBON FUND MEETING
January 30-February 1, 2018
Paris, France**

**Resolution CFM/17/2018/1
Selection of Emission Reductions Program Document of Mozambique into the
Portfolio of the Carbon Fund of the FCPF**

1. As per Resolution CFM/13/2015/6, the Carbon Fund (Carbon Fund) of the Forest Carbon Partnership Facility (FCPF) selected Mozambique's Emission Reductions Program Idea Note (ER-PIN) into the pipeline of the Carbon Fund and provided additional funding for Mozambique to develop an Emission Reductions Program Document (ER-PD) for its Emission Reductions Program (ER Program);
2. In March 2017, as per Resolution PC/23/2017/5, the Participants Committee of the FCPF endorsed Mozambique's Readiness Package;
3. Mozambique issued its draft ER-PD in July 2017. The Technical Advisory Panel (TAP) reviewed the ER-PD against the ER-PD requirements in the Carbon Fund's Methodological Framework dated December 20, 2013, as amended, and issued its TAP Review document in August 2017. The Carbon Fund Participants reviewed the draft ER-PD and the TAP Review document and submitted their consolidated comments to the FCPF Facility Management Team (FMT) in October 2017. Based on the findings of the TAP Review and the comments of Carbon Fund Participants, Mozambique submitted to the FMT a final ER-PD in December 2017. The TAP reviewed such final ER-PD and issued its final TAP Review document to the FMT in December 2017; and
4. Mozambique has presented its final ER-PD during this meeting.

The Carbon Fund Participants,

1. Acknowledge the extensive efforts made by Mozambique, and the high quality of the ER-PD;
2. Decide to provisionally include Mozambique's ER-PD into the portfolio of both Tranche A and Tranche B of the Carbon Fund, provided that any commercial terms (such as advance payments, price etc.) included in the ER-PD are subject to subsequent negotiations of the Emission Reductions Payment Agreement (ERPA);
3. Provisionally authorize the International Bank for Reconstruction and Development (Bank), as trustee of Tranche A and Tranche B of the Carbon Fund (Trustee), to lead the ERPA negotiations with Mozambique for the ER Program, in accordance with the ERPA negotiations process and subject to completion of Bank due diligence and final Bank approval, provided that ERPA negotiations shall not start before Bank management has appraised the ER Program;
4. The provisional inclusion of Mozambique's ER-PD into the portfolio of both Tranche A and Tranche B of the Carbon Fund and the provisional authorization of the Trustee to lead the ERPA negotiations with Mozambique are deemed approved upon fulfillment of the following conditions, (1) preferably as soon as possible after this meeting but, in any case, no later than July 31, 2018, unless otherwise agreed with the Carbon Fund Participants, and (2) in substance satisfactory to the Trustee, with the consent of the Carbon Funds Participants on a three (3) week no objection basis:

- A) Revision of ER-PD: Revision by Mozambique of the ER-PD and submission of such revised ER-PD to the FMT. The revised ER-PD shall summarize the outcomes of the following actions to be taken by Mozambique:
- Provide clarification on how the degradation data has been analyzed, and how the degradation will be monitored and reported;
 - Provide clarification and additional information on the benefit sharing arrangements, in accordance with the requirements of the FCPF CF Methodological Framework, and in particular, on eligibility of Beneficiaries to receive Monetary and Non-Monetary Benefits, criteria and process for the distribution of such Benefits (including clarification on the roles and responsibilities of relevant entities involved in the benefit sharing arrangement), monitoring of the benefit sharing arrangement, consultations that have been held to date on benefit sharing arrangement, and the roadmap and timeline for further development of the benefit sharing arrangement including the preparation of the Benefit Sharing Plan; and
 - Reassess the reversal buffer currently presented in the ER-PD, consistent with the FCPF CF Buffer Guidelines (in particular the risk factors B. and C. specified in Table 2 of the FCPF CF Buffer Guidelines).
- B) Provision of data: The Program Entity provides data on: a) deforestation in the group of Zambebian districts outside the ER Program Accounting Area (“Outside Area”); and b) baseline emissions for the Outside Area.
- C) REDD+ Decree: Council of Ministers approves the REDD+ Decree (as described in the ER-PD).
5. Unless decided otherwise by Carbon Fund Participants and subject to fulfilment of the conditions in paragraph 4 above, commit to nominate, prior to the start of ERPA negotiations, for each Tranche of the Carbon Fund one (1) representative to act as Carbon Fund Representative of the respective Tranche of the Carbon Fund throughout the ERPA negotiations process and notify the FMT accordingly.