

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
EIGHTEENTH CARBON FUND MEETING
June 20-22, 2018
Paris, France**

**Resolution CFM/18/2018/3
Selection of Emission Reductions Program Document of Nepal into the
Portfolio of the Carbon Fund of the FCPF**

1. As per Resolution CFM/9/2014/5, the Carbon Fund (Carbon Fund) of the Forest Carbon Partnership Facility (FCPF) selected Nepal's Emission Reductions Program Idea Note (ER-PIN) into the pipeline of the Carbon Fund and provided additional funding for Nepal to develop an Emission Reductions Program Document (ER-PD) for its Emission Reductions Program (ER Program);
2. In September 2016, as per Resolution PC/22/2016/1, the Participants Committee of the FCPF endorsed Nepal's Readiness Package;
3. Nepal issued its draft ER-PD in May 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 October 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 November 2017. Based on the findings of the TAP Review and the comments of Carbon Fund Participants, Nepal submitted to the FMT a final ER-PD in May 2018. The TAP reviewed such final ER-PD and issued its final TAP Review document to the FMT in June 2018; and
4. Nepal has presented its final ER-PD during this meeting.

The Carbon Fund Participants,

1. Acknowledge the extensive efforts made by Nepal, and the high quality of the ER-PD;
2. Decide to include Nepal'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. 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 negotiation with Nepal for the ER Program, in accordance with the ERPA negotiation 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. Unless decided otherwise by Carbon Fund Participants, 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 negotiation process and notify the FMT accordingly; and
5. Encourage Nepal to further develop the additional issues identified by the Carbon Fund Participants in the Chair's Summary for this meeting, and inform the FMT about corresponding developments, if any, to be shared with the Carbon Fund Participants and Observers, prior to ERPA signature.