

FOREST CARBON PARTNERSHIP FACILITY (FCPF)

SECOND PARTICIPANTS COMMITTEE MEETING

March 11-13, 2009

Gamboa, Panama

Resolution PC/2/ 2009/1

**Selection of REDD Country Participants and Allocation of Grants from the
Readiness Fund**

WHEREAS:

Eleven Eligible REDD Countries have submitted Readiness Plan Idea Notes (R-PINs) and one Eligible REDD Country has submitted a draft Readiness Plan (R-Plan) to the Facility Management Team (FMT) for the purpose of requesting participation in the Readiness Fund of the FCPF;

THE PARTICIPANTS COMMITTEE HAS HEREBY RESOLVED THAT:

I. Selection of REDD Country Participants

1. The following twelve Eligible REDD Countries are selected as REDD Country Participants:
 - Cambodia
 - Central African Republic
 - Chile
 - El Salvador
 - Equatorial Guinea
 - Guatemala
 - Honduras
 - Indonesia
 - Mozambique
 - Suriname
 - Tanzania
 - Thailand
2. Pursuant to Section 6.2(b) of the Charter, the countries listed in paragraph 1 above will be invited to enter into a Participation Agreement with the Trustee of the Readiness Fund in order to become REDD Country Participants.

3. Through this and previous Resolutions, 37 Eligible REDD Countries have now been selected as REDD Country Participants.

II. Allocation of Grants from the Readiness Fund

4. As of March 2009, the Trustee of the Readiness Fund has signed Donor Participation Agreements representing a sum of US\$107 million, which enables the Trustee to provide grants of up to US\$3.6 million (Total Grant) and cover associated expenses for at least 20 REDD Country Participants. This suggests a funding gap of US\$78 million in order to enable the Readiness Fund to provide Total Grant support to the remaining REDD Country Participants.
5. At its first meeting, through Resolution PC2008-2, the Participants Committee approved the following arrangement:
 - The following REDD Country Participants will each have access to a Total Grant, subject to terms and conditions specified in the Charter and the Grant Agreement(s), for preparing and implementing their R-Plans:

Bolivia, Cameroon, Colombia, Costa Rica, Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Guyana, Kenya, Lao PDR, Liberia, Madagascar, Mexico, Nepal, Panama, Paraguay, Peru, Papua New Guinea and Vietnam.
 - The following REDD Country Participants will each have access to a grant in the amount of US\$200,000 for preparing their R-Plans. Access to grants larger than US\$200,000 will be subject to availability of resources in the Readiness Fund:

Argentina, Nicaragua, Republic of Congo, Uganda and Vanuatu.
6. The Participants Committee requests the FMT to present a note on resolving the funding gap referred to in paragraph 4 above for decision by the Participants Committee at its third meeting. The note should consider the following:
 - Assessment of progress made or likely to be made by REDD Country Participants in preparing and implementing R-Plans;
 - Availability of alternative financial resources for R-Plan preparation and/or implementation, e.g., own resources, bilateral/multilateral assistance, or participation in the UN-REDD Programme. For this purpose, the Participants Committee requests REDD Country Participants to disclose such availability to the FMT.

In addition, the note should also include a sources and uses of funds plan.

7. Pending the decision by the Participants Committee referred to in paragraph 6 above, grants will not be allocated to the countries listed in paragraph 1.
8. The target size of the Readiness Fund increases to US\$185 million. In order to achieve this target, Donor Participants are encouraged to increase their Contributions, and additional donors are invited to contribute to the Readiness Fund.

III. Conclusion of Selection of Eligible REDD Countries

9. No new requests by Eligible REDD Countries for participation in the Readiness Fund will be considered.
10. According to Section 17.1 of the Charter, the first evaluation of the operation of the FCPF shall take place no later than two years after the FCPF was declared operational in June 2008. The Participants Committee may consider, on the basis of such evaluation, resuming selection of Eligible REDD Countries into the FCPF.