

Forest Carbon Partnership Facility
Twenty-Fifth Meeting of the FCPF Participants Committee (PC25)
Washington DC, March 26-28, 2018
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-fifth meeting (PC25) on March 26-28, 2018 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 His Excellency Batio Bassiere, Minister of Environment, Green Economy, and Climate Change, Burkina Faso and the Honorable Carlos Fernando Coronado Castile, Vice-Minister, Ministry of Environment and Natural Resources, Guatemala.

All meeting materials are available at <https://www.forestcarbonpartnership.org/PC25> 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.

Readiness Packages

The PC adopted resolutions endorsing Readiness Packages from [Guatemala](#) and [Lao PDR](#). Participants noted the high quality of the information provided in the R-Packages and the rigor of the self-assessments. Participants recognized good practices demonstrated through different aspects of readiness implementation in both of the countries, while encouraging them to take issues raised during the meeting into account during further implementation of readiness.

Guatemala

The Participants congratulated Guatemala for its [comprehensive R-Package](#), including a clear path forward in addressing identified bottlenecks. The Participants also recognized Guatemala's strong efforts to engage a significant number of diverse organizations in the REDD+ Readiness process, its active mainstreaming of gender in REDD+ efforts, and its alignment of the REDD+ process with the Nationally Determined Contributions. Participants encouraged Guatemala to take the following issues into account as they move forward:

- Continue implementing the Territorial Dialogue Plans initiated in 2017, socializing the Feedback and Grievance Redress Mechanism (FGRM) among local stakeholders.
- Improve multi-stakeholder coordination to increase collaboration among relevant sectors (e.g., agriculture and livestock sectors) on REDD+, both at the national and sub-national levels.
- In accordance with relevant laws of Guatemala, including the Climate Change Law, assess and clarify carbon rights and relevant land tenure issues—particularly for forest land, Indigenous Peoples' territories, and land for local communities and land holders—for the REDD+ strategy implementation.
- Continue the development of the REDD+ implementation framework, including the benefit sharing mechanism, taking into account relevant laws of Guatemala, including the Climate Change Law.
- Update the reference level, taking into account comments from the Technical Advisory Panel (TAP), and enhance the Monitoring, Reporting and Verification (MRV) capacity at the sub-national level.

Lao PDR

Participants congratulated Lao PDR for the significant progress made on REDD+ Readiness, a comprehensive and well-structured [R-Package](#), a high quality self-assessment, and an excellent presentation at the meeting. Participants were impressed by Lao PDR's achievement of REDD+ milestones such as the preparation of a national REDD+ strategy; submission of forest reference level to UNFCCC; development of the Strategic Environmental and Social Assessment (SESA), the Environmental and Social Management Framework (ESMF) and the FGRM at national level; preparation of Free, Prior and Informed Consent (FPIC) Guidelines and piloting at sub-national level; clear timeline for continuous improvement of readiness work; ongoing revision of land law and forest law; and submission of an advanced draft Emission Reductions Program Document (ERPD) to the FCPF Carbon Fund. Participants encouraged Lao PDR to take the following issues into account as they move forward:

- Technical capacity building from national to sub-national levels, including on monitoring of forest degradation.
- Coordination with other sectors (e.g. agriculture) on implementation of REDD+.
- Consider developing a private sector engagement strategy for the ER Program and REDD+.
- Clarification of carbon rights and land tenure issues, particularly for forest land and communal ownership.
- Preparation of ESMF and the Safeguard Information System at ER Program level.

Mid-term Progress Reports and Requests for Additional Funding

[Burkina Faso](#) and the [Dominican Republic](#) presented their mid-term progress reports (MTRs) on their national REDD+ readiness progress and requests for additional funding. The PC adopted resolutions allocating the additional funding, subject to availability of funding in the Readiness Fund, to further support the readiness process in [Burkina Faso](#) and the [Dominican Republic](#).

Burkina Faso

Participants congratulated Burkina Faso on the significant progress made, in particular on the coordination of FIP-DGM, FCPF and other resources in a complementary fashion, the coordination of government departments for an integrated MRV system, in the support of private sector engagement through the zero-deforestation shea butter project, and the prioritization of gender as a key element of the national strategy and subnational implementation plans. Participants encouraged Burkina Faso to take into account the following issues raised by the PC, during further readiness preparation:

- Consider adjusting the timeline for proposed additional readiness activities to ensure full completion of these activities by the end of 2020.
- Continue the development of an FGRM, as well as a benefit-sharing mechanism, incorporating lessons being learned from the FIP-DGM process.
- Continue the targeted consultation process, and ensure that local communities and a broad range of stakeholders are included in the consultations.

Dominican Republic

Participants congratulated Dominican Republic on the significant progress made, highlighting the prioritization of a gender action plan as a key element of the national strategy and implementation. Participants also recognized the creation of two subcommittees on safeguards and legal issues within the Technical Advisory Committee. The inclusion of agroforestry

systems in the carbon accounting and the REDD+ strategy was praised as a best practice, as well as the initiative to mainstream the private sector into the ER-Program.

Participants encouraged Dominican Republic to take into account the following issues raised by the PC, during further readiness preparation:

- Clarify the definition of the agroforestry systems to be included in the reference level and national carbon accounting system.
- Develop a reference level, to be submitted to the UNFCCC in January 2019, in compliance with all UNFCCC requirements.
- Update the timeline to clarify which activities represent milestones in the ERPD development to be accomplished by May 2019, and those which are ongoing Readiness activities.
- Publish key documents, including R-Package, in Spanish to enable meaningful stakeholder participation and consultations (including civil society, local communities and indigenous peoples).
- Clarify the process to ensure participation and consultation of local communities in the REDD+ process.

Update on Funding Availability

The Facility Management Team (FMT) presented an [update](#) on funding availability and criteria for additional funding requests in the context of managing the Readiness Fund's limited resources as the term of the Readiness Fund draws closer. The FMT informed the PC that available funding has been almost wholly allocated, but there is sufficient funding to meet all previous allocations, as well as those made at this meeting.

To ensure funds are almost wholly disbursed by December 2020, the FMT recommended no further calls for requests for additional funding through Recipient-executed grants, instead it proposed to look into options to use the remaining funds for additional World Bank and Delivery Partner- executed work with countries on specific needs—such as MRV, gender, private sector, CSO/ IP capacity building, etc. The PC agreed with the FMT's recommendation.

Follow up actions:

The FMT will provide an update report to the PC by May 31, 2018 on the status of country grants to be signed by March 31, 2018 that have not yet been signed, with recommendations for those still not signed by then.

The FMT will notify REDD Countries of the decision regarding no further calls for requests for additional funding through Recipient-executed grants.

The FMT will present options and recommendations on the use of remaining funds for World Bank and Delivery Partner-executed work to the PC, either virtually for no-objection or at PC26.

The FMT will look into options for donors who are not in the Carbon Fund to transfer their pro-rata shares of any undisbursed balance in the Readiness Fund to the Carbon Fund, should they wish to make such a transfer.

FMT Progress Update

The FMT presented an [update on progress](#) made since PC24, including the following:

- A \$180 million contribution from Germany brings the total contributions to the FCPF to approximately \$1.3 billion, with: \$400 million in the Readiness Fund and \$897 million in the Carbon Fund.

- Four more countries were selected into the portfolio of the Carbon Fund, bringing the total to eight (Chile, Costa Rica, Democratic Republic of Congo, Ghana, Mexico, Vietnam, Mozambique and the Republic of Congo—the latter two, provisionally).
- Four more Emission Reduction Program Documents (ERPDs) from Lao PDR, Nepal, Nicaragua and Madagascar are being assessed.
- The addition of Guatemala and Lao PDR brings the total number of R-Packages to 16. This now means that out of the 19 CF pipeline countries, 14 have now presented their R-packages (along with Ethiopia and Liberia who are not in the Carbon Fund).
- One Readiness Preparation Grant was signed (Paraguay).
- Seven Additional Financing Grants were signed (Bhutan, Cambodia, Guatemala, Nicaragua, Papua New Guinea, Sudan, Uganda).
- Four Mid-Term Reports and requests for additional funding were reviewed and approved virtually (Fiji, Pakistan, Suriname, Vanuatu).
- A new portfolio tracking tool was developed and implemented in early 2018, allowing for the more detailed monitoring of deadlines, disbursements, and risks at both the fund and country-level.
- All six CBP Phase 2 Projects have been operative and disbursing since September 2017.
- The FMT supported several South-South Knowledge Exchanges focused on REDD+ Readiness and Emission Reductions Program design, including ones hosted in Brazil, Ghana, and Togo.

The PC appreciated the FMT's comprehensive update on progress made since PC24, especially on the IP/CSO Capacity Building Program and private sector engagement efforts.

Budget

The FMT [presented](#) the proposed FY19 budget (see [FMT Note 2018-1](#)). Final accounts of FY18 will be provided as part of the FY18 Annual Report for PA11/PC26. The PC adopted a [resolution](#) approving the FY19 budget.

Verification

The PC adopted a [resolution](#) establishing a list of [Independent Third Parties](#) who could conduct verifications under the Carbon Fund *inter alia*, and the process for making any revisions to the list.

Registries

The FMT provided an [update](#) on ongoing work on transaction registries, including results from a survey of FCPF and BioCarbon Fund-ISFL countries and subsequent analysis, along with an update on ongoing and forthcoming consultancies related to this work. The PC was generally supportive of the FMT's approach to Registries and encouraged early development of a centralized registry.

M&E Framework

The FMT [informed](#) the PC that the Oversight Committee has reviewed and endorsed the revised M&E framework, with baselines, milestones and targets still to be finalized. The revised M& E Framework is posted on the FCPF website [here](#).

The PC agreed that the Oversight Committee be reconstituted virtually with the same representative groups in the same numbers. The new Oversight Committee will approve the TORs for the next FCPF evaluation.

Follow up actions:

Once the FMT has finalized the baselines, milestones, and targets, the framework will be presented to the PC via email for initial feedback and then, depending on the feedback, for approval through no objection.

After the Oversight Committee approves the TORs for the evaluation, they will be shared with the PC either virtually or at the next PC meeting for feedback.

Gender

The FMT presented an [update](#) on progress integrating gender into the FCPF's work, including achievements at the Fund and Country-level in Ghana, Mexico, Nepal, and Vietnam. This was followed by a moderated panel discussion, where highlights from the four countries were presented.

CORSIA

The PC appreciated the FMT's [update](#) on CORSIA and was generally supportive of efforts to explore the potential for the FCPF to serve as a sample program in CORSIA and its participation in an informal testing process coordinated by ICAO.

TOR for REDD Country Observers at the Carbon Fund

REDD country observers [presented on a draft TOR](#) aimed at bringing more consistency and structure to the Carbon Fund observer role so that it is more effective in providing input to the Carbon Fund process.

Updates on Other Initiatives

Three related initiatives provided the PC with updates on their programs: [the Program on Forests \(PROFOR\)](#), the [Global Environment Facility](#) (GEF) and the [BioCarbon Fund's Initiative for Sustainable Forest Landscapes \(ISFL\)](#).

Next Meetings

The twenty-sixth Participants Committee meeting (PC26) and eleventh Participants Assembly (PA11) will be held in Nicaragua in late September or early October 2018. 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 gratitude to all the Participants and Observers at PC25 for their collaborative spirit and unfaltering enthusiasm. With 4 more countries—Burkina Faso, the Dominican Republic, Guatemala, and Laos—achieving major fund milestones, the number of countries that have presented MTRs now stands at 35, while the number who have had their R-Packages endorsed is at 16. With the close of the Readiness Fund around the corner in 2020, we expect the pace of activity to only increase.

At this meeting, we not only saw how past Readiness efforts are generating results on the ground—e.g. the work of the IP/ CSO Capacity Building Program, gender integration efforts, etc.—but also got a look at where the FCPF is heading via registries, verifications, and other building blocks of large-scale jurisdictional emissions reduction programs.

We look forward to the year ahead, where the prospect of signed ERPAs is anticipated in the coming months. This progress will yield important lessons and experiences for “proving the concept” of REDD+ and catalyzing the realization of REDD+ at scale. We look forward to seeing you all in Nicaragua at the PA/PC later in the year.

Please do not hesitate to contact the FMT at fcfsecretariat@worldbank.org if you have questions.

Sincerely,

Jorge Ernesto Quezada, El Salvador (on behalf of REDD Country Participants)
and
Bente Herstad, Norway (on behalf of Donor Participants)