



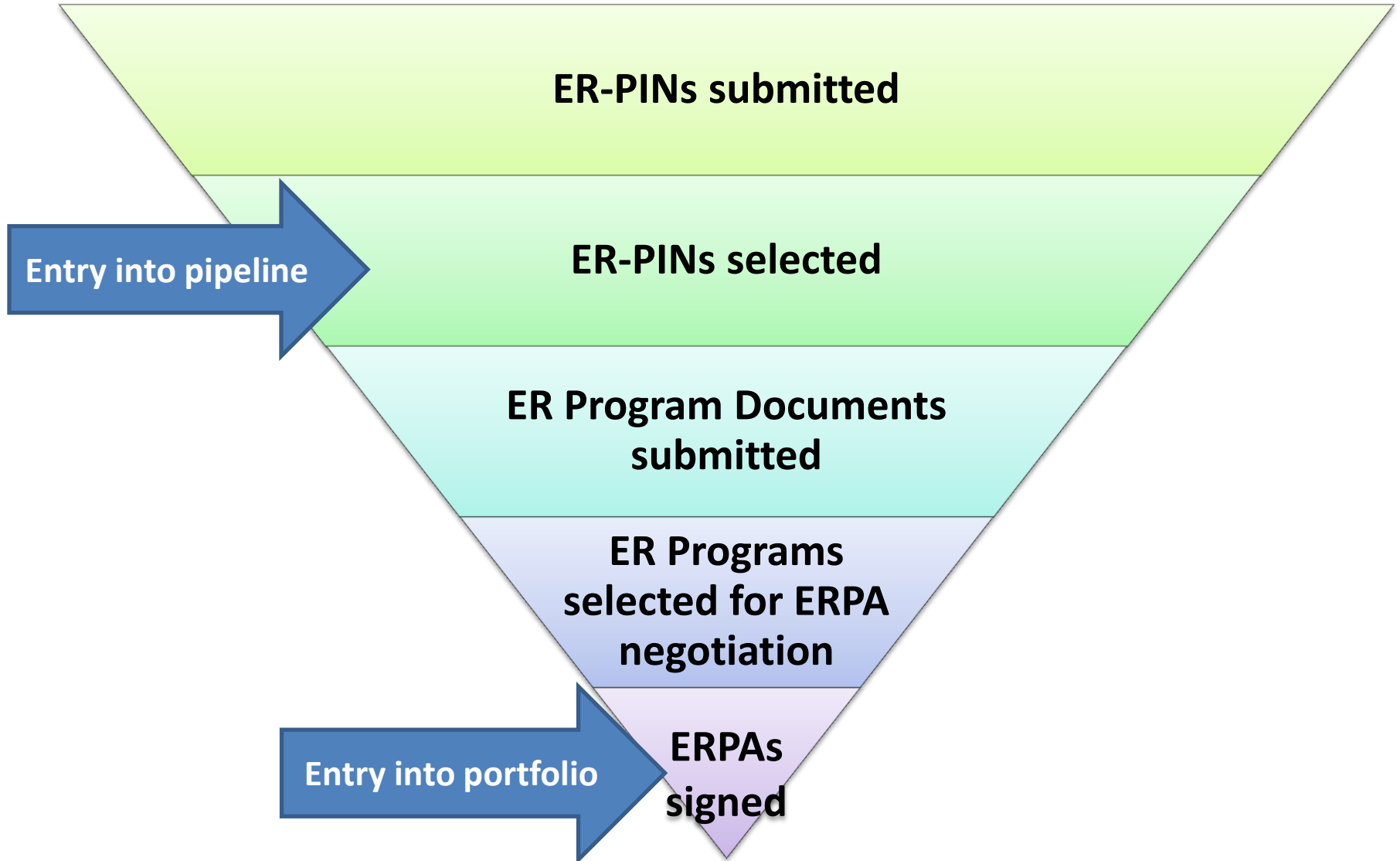
Forest Carbon Partnership Facility

Processing steps from ER-PIN to ERPA

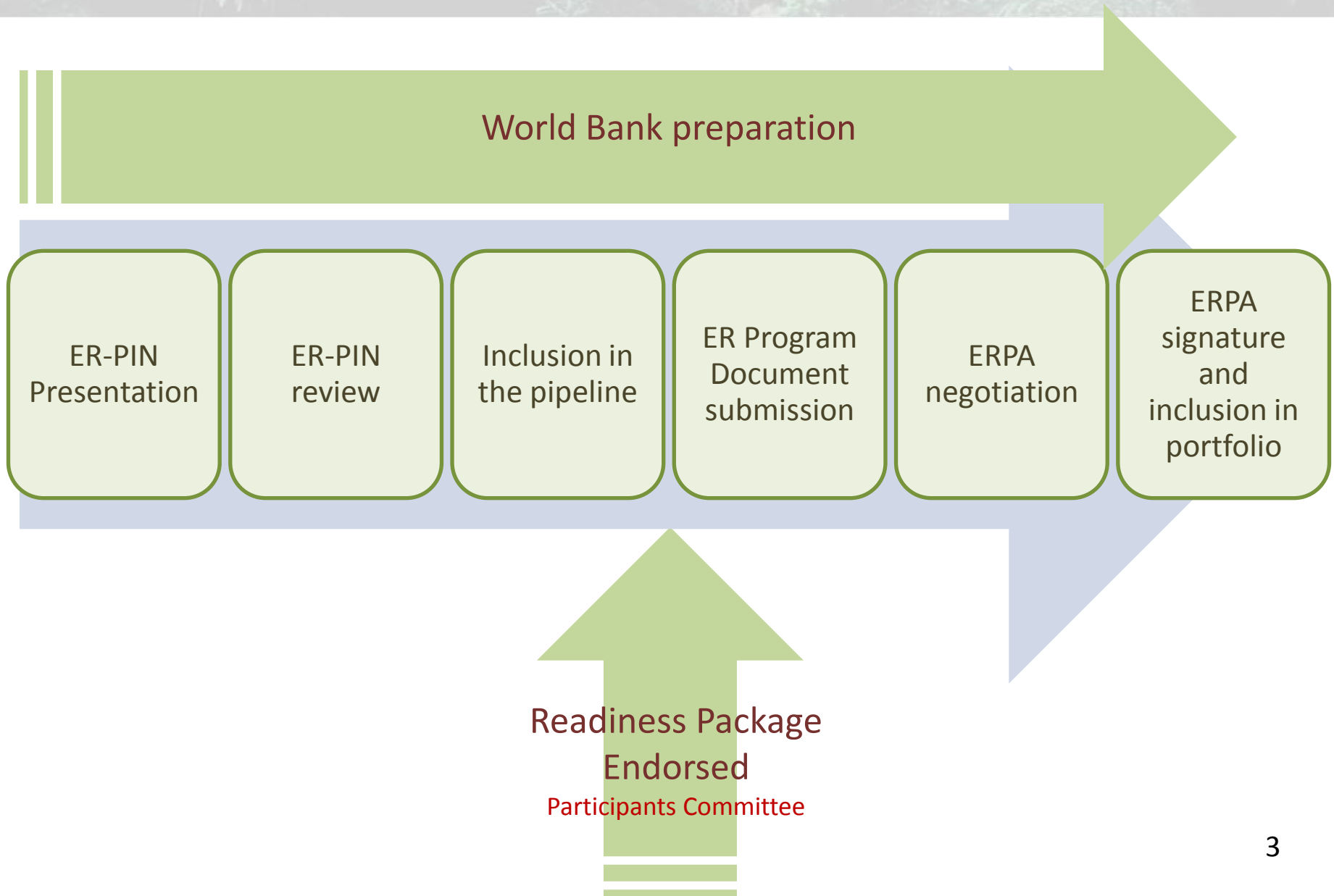
FCPF Carbon Fund – fourth meeting (CF4)

June 24-25, 2012

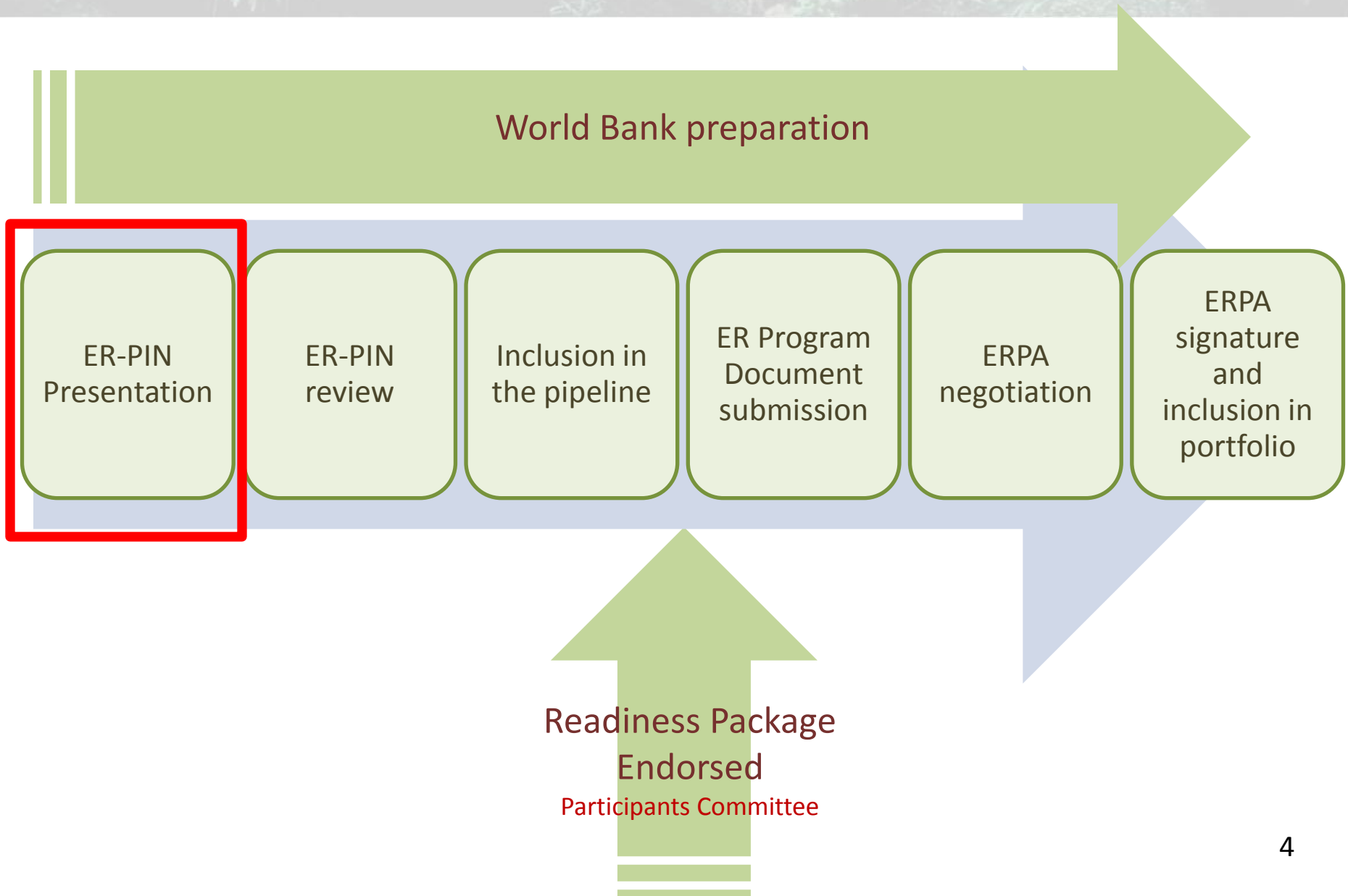
Funneling down from ER-PINs to ERPAs



Revised proposed process: Outline



Revised proposed process: Outline



Revised process: ER-PIN presented

ER-PIN presentation (As per decisions in previous discussions)

Step
1

ER-PIN presented:

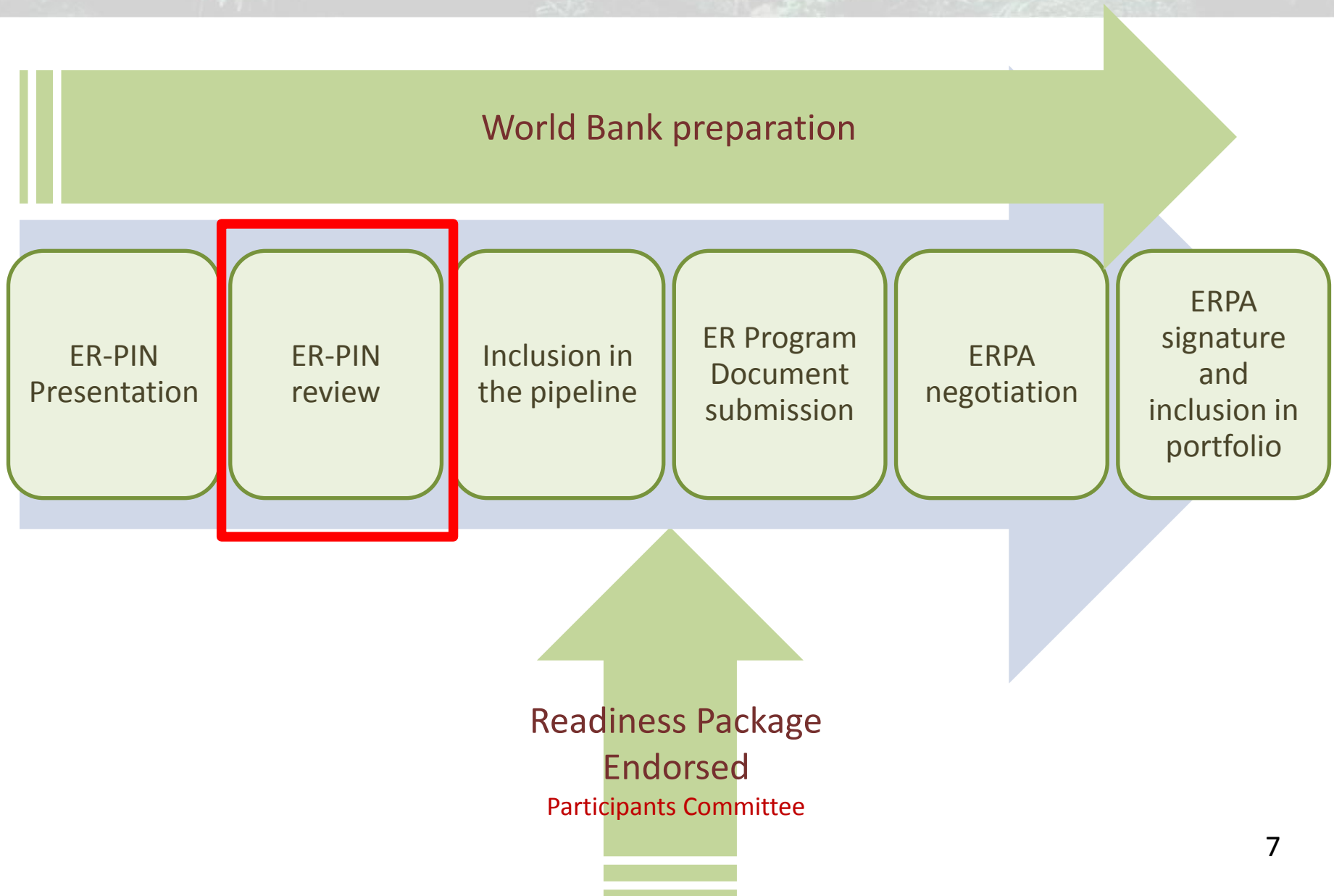
- From FCPF REDD Countries that have signed their Readiness Preparation Grant Agreement
- By Country or authorized entity
- Using ER Program Idea Note ('ER-PIN') template
- In predefined "windows"
- \$200k allocated for "business development"

Modalities for ER-PIN Submission: Questions for discussion

- Timing of first window

- September 1 or 15, 2012 for consideration at CF5 in October 2012?

Revised proposed process: Outline



Revised process: ER-PIN Review

ER-PIN Review

2

Verification by FMT/World Bank that the ER-PIN meets the requirements

3

Clarification of any issues and informal feedback on the proposed ER Program

4

Posting of the ER-PIN on the FCPF website

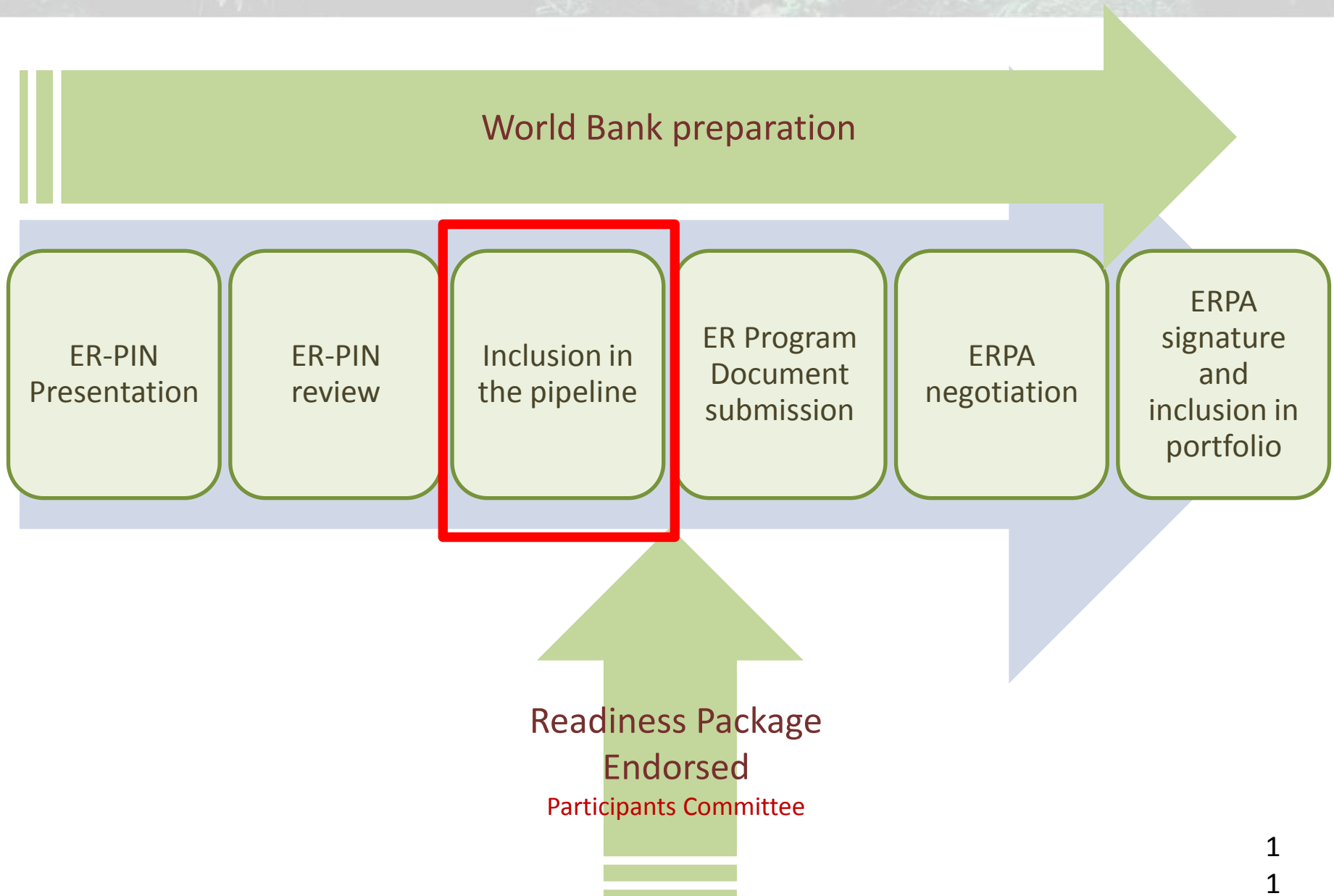
Modalities for ER-PIN Review: Questions for discussion

- What form of written approval is required and by whom?
 - Option 1: Require “Letter of Approval”.
 - “Letter of Approval” process can be involved and take significant time
 - Requires national REDD+ management arrangements to already be established.
 - Option 2 (recommended): Require “written approval”. Potential interim procedure: obtain written approval from National REDD+ Focal Point, until national REDD+ management arrangements established.
- Is written approval required only if ER-PIN is submitted by entity other than national government, or in all cases?

Modalities for ER-PIN Review: Questions for discussion

- Should right of first refusal be required before ER-PIN is published, or at all?
 - Letter of Intent is required later on, which would likely include exclusivity and seniority rights (and is potentially tied to funding)
 - Limited value in current pre-competitive situations?
 - Recommendation: Not require right of first refusal

Revised proposed process: Outline



Revised process: Inclusion in pipeline

Inclusion in the pipeline

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Inclusion of the proposed ER Program into pipeline

6

Signing of Letter of Intent

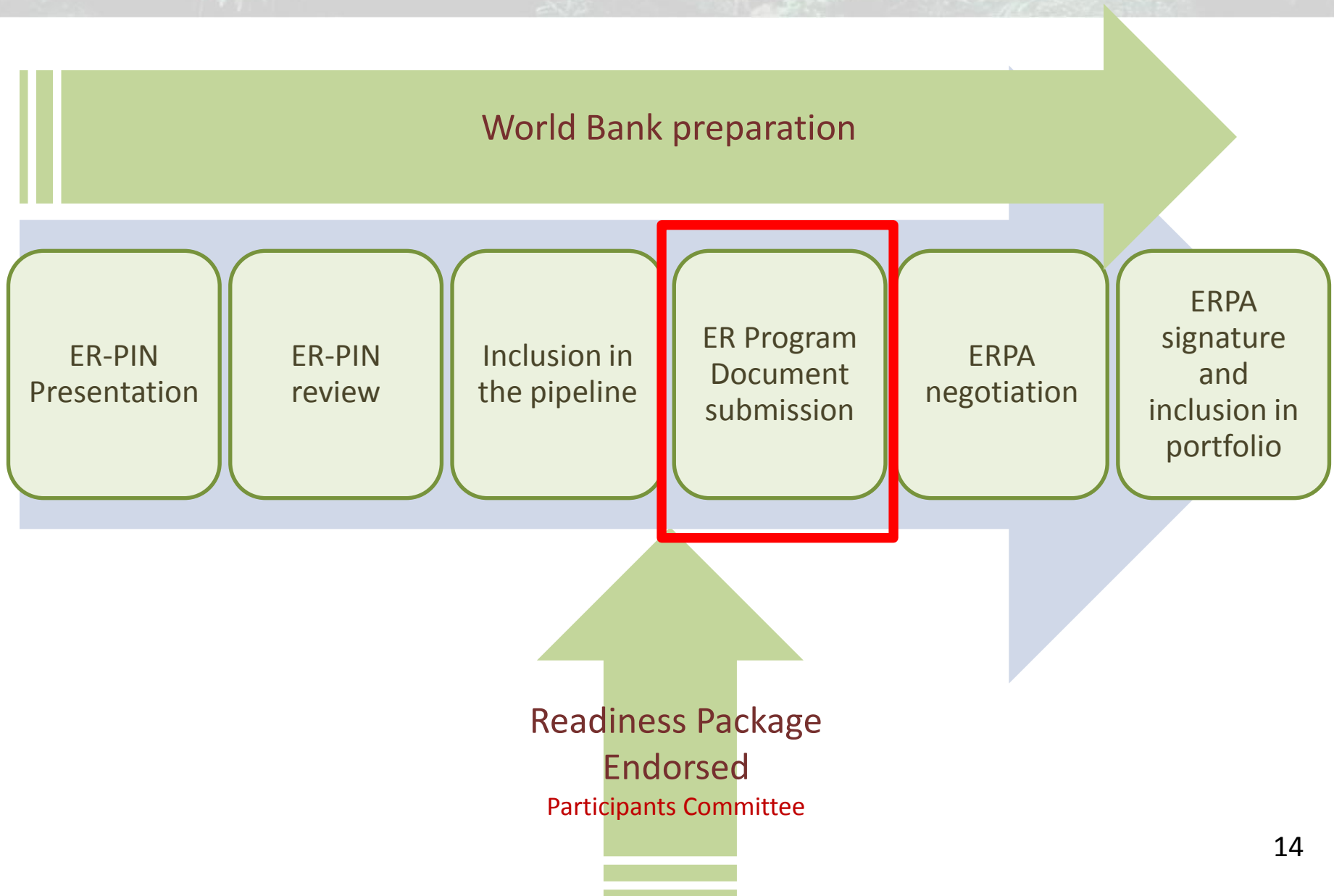
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Development of ER-PIN into ER Program Document

Inclusion in pipeline: Options for discussion

- When should inclusion in pipeline be decided on?
 - Scenario 1: After initial ER-PIN review (1 step for processing and funding)
 - Scenario 2: After reviewing an enhanced ER-PIN (2 steps for processing and funding)
- When should funds be made available to the country/entity and the World Bank/FMT to cover the costs associated with the preparation of the ER Program (e.g., ER Program Document, stakeholder consultations)?
 - Option 1: Immediately after decision to include the ER Program in the pipeline
 - Option 2: After Letter of Intent is signed

Revised proposed process: Outline



Revised process: ER Program Document submission

ER Program Document submission

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Submission of ER Program

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Review of ER Program Document

11

Decision to proceed with ERPA negotiation

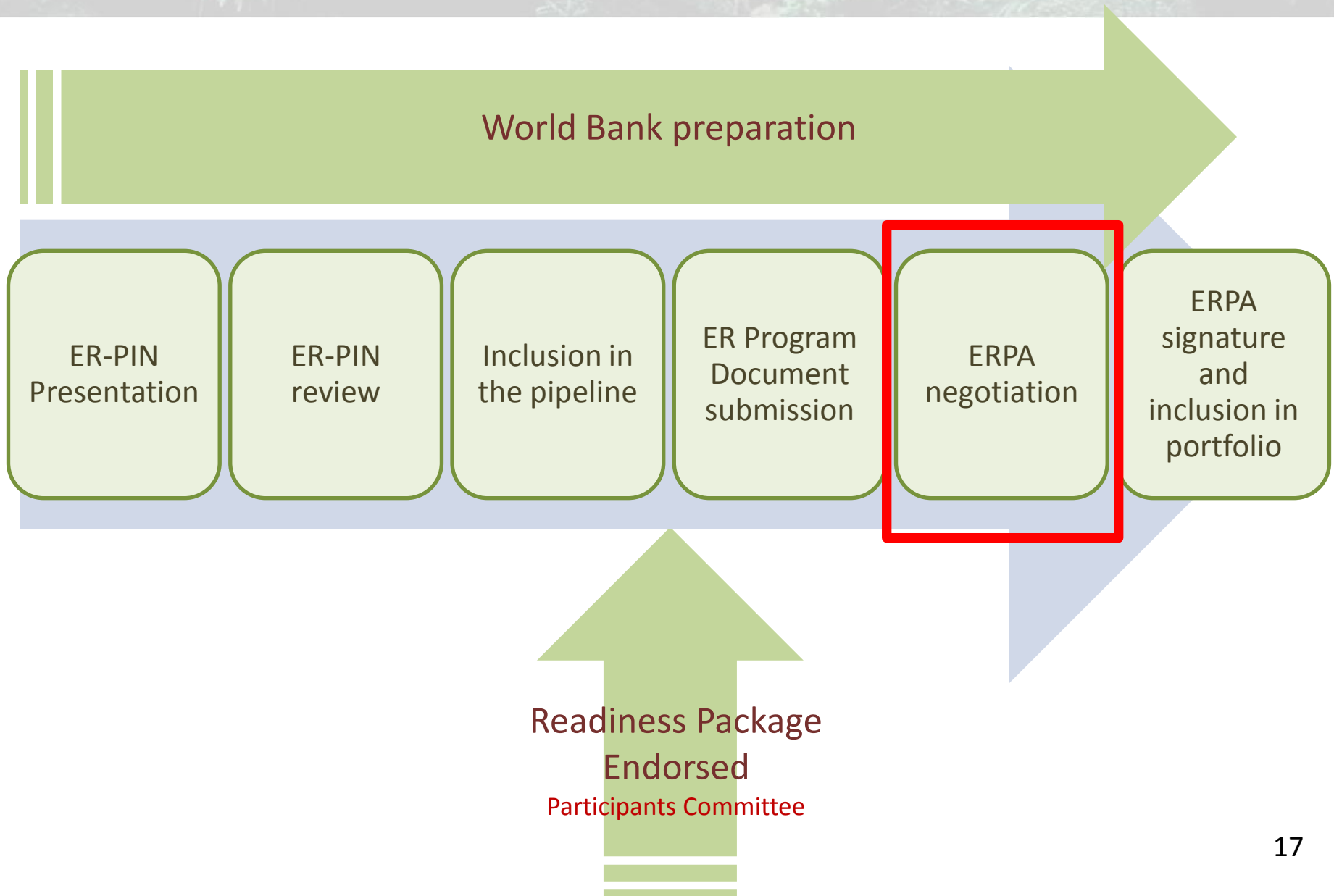
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Readiness Package
Endorsed
Participants Committee

ER Program submission – issues for discussion

- TAP
 - TAP may be asked to review specific aspects of a proposed ER Program Document, on a case by case basis.
 - These aspects would be specified in TAP TORs
- Specify other documents required as part of submission or review process, or on a case by case basis?
 - Decision based on the information available to date
 - Could include financial documents (business model), World Bank's due diligence, legal documents clarifying carbon rights and certifying transfer of carbon credits/rights to the Carbon Fund, etc.

Revised proposed process: Outline



Revised process – ERPA negotiation

ERPA negotiation

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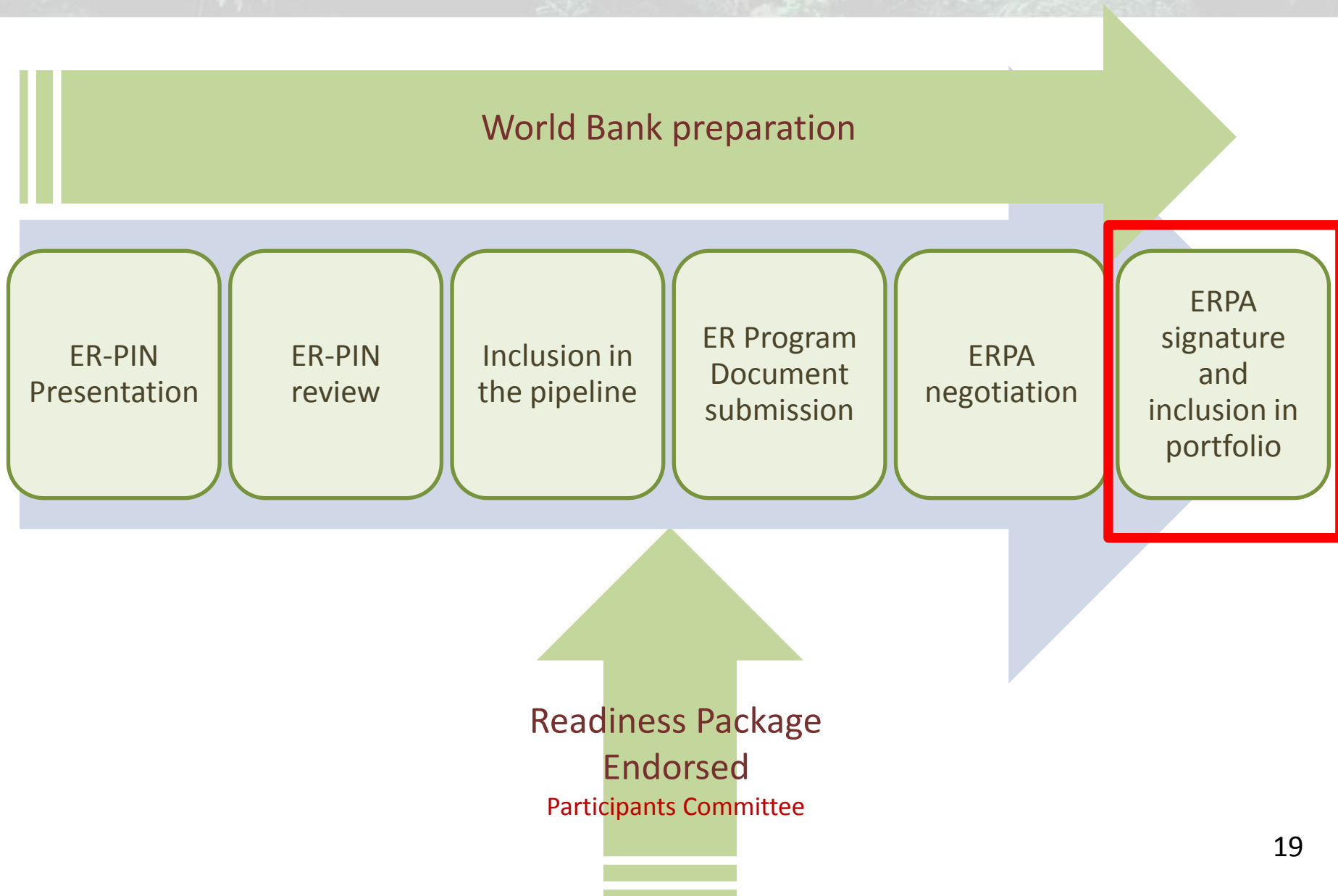
Trustee drafts an ERPA

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ERPA negotiation process:

- Between CFP representatives and ER Program representatives
- Trustee would help facilitate negotiations

Revised proposed process: Outline



Revised process – ERPA signature

ERPA signature and inclusion in portfolio

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ERPA signing

Signatories:

- The REDD Country Participant or its authorized entity; and
- The Trustee.



THANK YOU!

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