

**International Bank for
Reconstruction and Development**

**Charter Establishing
The Forest Carbon Partnership
Facility**

[EXCERPT ONLY]

Article 8 Carbon Fund Participants

Section 8.1 Participation and Contribution

(...)

Section 8.2 Payment of Contribution

(...)

Section 8.3 Disclosure of Competing Potential Conflicts of Interests

(a) Prior to the meetings of the Carbon Fund Participants to review the relevant Emission Reductions Program of a REDD Country Participant for a decision, (“Underlying Emission Reductions Program”), if a Carbon Fund Participant or its affiliate or employee is engaging in the following activities, directly involved in preparing and/or implementing the Readiness Preparation Proposal or the Readiness Package of the REDD Country Participant whose Underlying Emission Reductions Program is under consideration by the Carbon Fund Participants, the Carbon Fund Participant shall disclose such involvement to the Facility Management Team through an email or other written electronic means and the Facility Management Team will accordingly inform other Carbon Fund Participants and the Observers:

1) direct involvement in preparing and/or implementing the Emission Reductions Program which is under consideration by the Carbon Fund Participants, including the preparation of the Emission Reductions Program Idea Note and Emission Reductions Program Document for the Emission Reductions Program concerned— or otherwise direct involvement in the designing of the Emission Reductions Program concerned; and/or

2) engagement in a separate transaction for Emission Reductions from the same Emission Reductions Program which is under consideration by the Carbon Fund Participants.

The failure of If the Carbon Fund Participant fails to disclose the relevant involvement, will constitute a breach of this Charter by such Carbon Fund Participant, and the Facility Management Team sha will determine what remedies appropriate action to exereise take after consultation with the other Carbon Fund Participants.

(b) ~~If~~ The Facility Management Team determines whether that the involvement of the Carbon Fund Participant referred to in subparagraph (a) above is such that the Carbon Fund Participant making the disclosure should not participate in the decision by the Carbon Fund Participants on whether or not to object to

~~the Emission Reductions Program, it shall advise the relevant Carbon Fund Participant making the disclosure to~~ recuse itself from the deliberation, discussion and/or decision by Carbon Fund Participants with respect to the ~~Underlying~~ Emission Reductions Program concerned, and will advise such Carbon Fund Participant and inform the other Carbon Fund Participants and the Observers accordingly. If the disclosing Carbon Fund Participant or any other Carbon Fund Participant disagrees with the Facility Management Team's determination, the Carbon Fund Participants (excluding the disclosing Carbon Fund Participant) will decide whether the disclosing Carbon Fund Participant should be permitted to participate in the deliberation, discussion and/or decision related to the Emission Reductions Program concerned.

- (c) The Facility Management Team may further develop guidelines on process and procedure on conflict of interest in accordance with Section 14.1(g).

(...)

Article 11 Participants Committee

Section 11.1 Role of the Participants Committee

(...)

Section 11.2 Membership of the Participants Committee

(...)

Section 11.3 Meetings of the Participants Committee

(...)

Section 11.4 Voting

(...)

Section 11.5 Quorum

(...)

Section 11.6 Disclosure of Potential Conflicts of Interest

- (a) If a member of the Participants Committee who is a Donor Participant or a Carbon Fund Participant or that member's affiliate or employee, is directly involved in the preparation and/or implementation of the Readiness Preparation Proposal and/or the Readiness Package (together "**REDD Activities**") of the REDD Country Participant whose application or REDD Activities are under

consideration by the Participants Committee, such member of the Participants Committee shall disclose such involvement to the Facility Management Team through an email or other written electronic means and the Facility Management Team will accordingly inform the Participants Committee and the Observers. If The failure of such member of the Participants Committee fails to disclose the relevant involvement, will constitute a breach of this Charter by such member of the Participants Committee, and the Facility Management Team will determine what appropriate action remedies to take exercise after consultation with the other members of the Participants Committee.

- (b) ~~If~~ The Facility Management Team determines whether the conflict of interest due to the involvement REDD Activities referred to in subparagraph (a) above isare such that the Participants Committee determines the existence of conflict of interest due to the involvement referred to subparagraph (a) above, such member of the Participants Committee making the disclosure should shall recuse itself from thehimself or herself from participating in anydeliberation, discussion, and/or decision related to theis REDD Country's Participant's REDD Activities, and will advise such member of the Participants Committee and inform the other Participants Committee members and the Observers accordingly. If the disclosing member of the Participants Committee or any other member of the Participants Committee disagrees with the Facility Management Team's determination, the Participants Committee (excluding the disclosing member of the Participants Committee) will decide whether the disclosing member of the Participants Committee should be permitted to participate in the deliberation, discussion and/or decision related to the REDD Country Participant's REDD Activities.
- (c) A member of the Participants Committee from a REDD Country Participant shall recuse ~~himself or herself~~itself from taking part in any decisions related to that country's activities undertaken pursuant to relevant provisions of this Charter, including, without limitation, matters related to its Readiness Preparation Proposal and grant allocation referred to in Section 11.1(b) and (c) and endorsement of some or all elements of its Readiness Package referred to in Section 11.1 (d).
- (d) The Facility Management Team may further develop guidelines on the process and procedures on conflict of interest for considerations by the Participants Committee in accordance with Section 14.1(g).
- (...)