

**Feedback for the FCPF Carbon Fund draft Methodological Framework  
September 5, 2013 version**

This feedback represents the combined views of ERA and Wildlife Works Carbon LLC.

The Methodological Framework team should be commended for the substantial progress they have made in a relatively short period of time in adding a great deal of detail to the Methodological Framework within this version.

We hope that our comments will be helpful, as they reflect issues we have encountered in the practical aspects of implementation of REDD+, both at the project and jurisdictional scale, in several countries that might potentially be CF applicants, as well as some that probably will never be.

**Section 2 - level of ambition**

- 1) Section 2.1 - It is clear that the intent of this program is to encourage new large scale ER Programs to be implemented within forest governments, and this should be applauded.

However the language in Indicator 1.2 “ The ER Program is ambitious, uses new or enhanced ER Program measures to reduce emissions or enhance removals,” makes it unclear as to whether new ER Programs at jurisdictional scale could include emission reduction activities that were previously implemented as early action projects and that are being nested into the jurisdictional program. We believe that forest governments should be able to include ALL ER program measures that are relevant into the ER program design, thereby ensuring that the program captures all ER activities within the jurisdiction... and also to make sure that this program does not to punish early action investments within the jurisdictional scope.

Please clarify with the intent of this language in regard to early action projects that are already within the spatial scope of a new jurisdictional ER Program.

**Section 3 - Carbon Accounting**

- 2) Section 3.1, Criterion 3

Will the CF consider programs that include avoided conversion of natural grassland & shrub land ecosystems (ACoGS) within the ER Program jurisdictional scope, where emissions from such grassland / shrub land

conversion can be shown to be a significant percentage of historical emissions?

This category of land use and land use change is included in UNFCCC, so we are wondering why it is not yet included here?

### 3) Section 3.3 - Reference Levels

Indicator 11.2: We note that the MF has relaxed the definition of program end date to allow up to 15 years of history to be analyzed in calculating historical rates. This is important for those countries for whom circumstances in the years leading up to 2011 might not have allowed for a ten year time period to be the most accurate reflection of a reference level, e.g. in the case that insecurity, civil strife, and/or legislative moratoriums had significantly altered the business as usual (BAU) emissions profile for the country or region.

- 4) Indicator 13.2 The eligibility requirements do not make specific reference to “HFLD” any more, but now contains more subjective language, putting the onus on forest governments that are identified as HFLD under the UNFCCC to demonstrate eligibility against these subjective criteria generated by the CF. Why was this change made?

Indicator 13.3 The Emission threshold in option 1 and the maximum allowable adjustment in option 2 both use a factor of 0.0x/y%, thereby capping adjustments to historical baselines for HFLD countries at less than 1/10 of one percent of total potential emissions. As stated in the MF document, this factor originated as 0.07%, in Norway’s work with Guyana, a country with no net deforestation in recent times and a population of only 750,000. It seems that to only allow a maximum 0.02% variance from Guyana’s model to cover all HFLD countries, including for example the DRC, with a population of 65 Million and where historical deforestation was significant, but is generally accepted to be artificially low due to civil strife and an environment not conducive to global investment in forests destroying economic activities, is not a reasonable range of adjustments. Given that this version of the MF accepts that this factor is in fact a variable and not fixed at 0.07%, why not allow a wider range, and let HFLD countries within the program propose an adjustment that must be justified during ER Program validation which is relevant to their circumstances?

Option 2 2) allows for the adjustment to be made on the basis of “documented trends in emissions”. It would seem that this is appropriate to allow HFLD countries to make a documented case for an adjustment relevant to their circumstances, but then the caveat is that any adjustment under Option 2 is still capped at 0.0y%/yr of Total Potential Emissions, rendering Option 2 2), in our opinion, fairly meaningless. As an example: the DRC would

be forced to keep their future emissions at less than 25% over the historically measured rate in order to be eligible to earn any ERs under the CF program. Most research indicates that the peace dividend in the DRC may result in dramatic increase in pressure on their forest stocks, leading to many multiples of historical rates. If the DRC was able to keep its forest emissions to an increase of 25% over historical that would of course be a huge win for the planet, but absolutely no value to the DRC under this program.

5) Section 3.3 - Measurement Monitoring and Reporting

Criterion 16 - We wholeheartedly support and applaud the inclusion of community participation in MRV activities as now included in the MF document.

6) Section 3.7 - Calculation of Emission Reductions

Criterion 22 - Step 3 - The concept of avoiding double counting is clear and important. However this language:

“do not include any reported and verified emissions and removals that have been verified and issued under a third-party agreement or domestic scheme to another entity. Such emissions and removals within the Accounting Area and during the monitoring and reporting period shall not be considered ERs for the Carbon Fund.] “

is ambiguous when considered in practice, given that VERs from nested ER program activities that must be verified against an international standard such as VCS to be eligible for sale in the voluntary market, as well as verified under the ER Program for eligibility, could be issued to a project proponent other than the forest government responsible for the ER Program. Those VERs would not have been counted against any ER targets until sold either by the ER Program government to the CF, or to a market actor in the voluntary market. There would be no double counting issue at this point, but the project proponent operating under the umbrella of the ER Program could be considered “another entity” to whom the VERs were issued. We assume the intent here was that once the VERs are issued to “another entity” that *retires them* against an emission reduction target, they become ineligible for the ER Program (i.e. you are intending to prevent “double sale” of VERs), so perhaps the language here should be clarified.

7) Figure 4.2 page 39

This figure implies that there is a selection process at the ER Program Document completion stage. These are programs that have already signed letters of intent and have invested a great deal in developing the ER Program Document. What are the circumstances under which an ER Program could not be selected at this late stage? Would this conceivably be for non-

conformance to the MF or other World Bank rules, or is the CF planning on having more ER Program Documents than it can accept, so that there is no guarantee that even if an ER Program meets all the MF and World Bank criteria, that it will be selected into the ERPA stage? This clarification is extremely important to entities that have invested a great deal of time and capital up until the point of ER Program Document completion. Please clarify if this is in fact the intent of the diagram, and if so, please explain the details surrounding this late selection process.