

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)  
TWELFTH PARTICIPANTS COMMITTEE MEETING**

**June 27-29, 2012  
Santa Marta, Colombia**

**Resolution PC/12/2012/3**

**Methodological Framework and Pricing Approach for the Carbon Fund of the FCPF**

**Whereas:**

1. Taking into account the responsibilities of the Participants Committee (PC) as specified under Section 11.1 of the Charter Establishing the Forest Carbon Partnership Facility (Charter); and that Section 12.2(a) of the Charter provides that the Carbon Fund Participants shall make decisions on issues related to the Carbon Fund;
2. Section 11.1(f) of the Charter provides that the PC shall adopt policy guidance on pricing methodologies for Emission Reductions Payment Agreements;
3. Section 11.1(i) of the Charter states that the PC shall, on the basis of the recommendations from the Facility Management Team (FMT), provide guiding principles on the key methodological framework;
4. A Working Group was established in accordance with PC Resolution PC/10/2011/5, to make recommendations to the PC for consideration and adoption of guiding principles on the methodological framework and policy guidance on a pricing approach for the Carbon Fund of the Forest Carbon Partnership Facility (FCPF);
5. Resolution CFM/3/2012/2 established the Carbon Fund Working Group (CFWG) to provide feedback and advice to the FMT during the development of the methodological framework of the Carbon Fund, and Resolution CFM/4/2012/2 adopted the terms of reference for the CFWG; and
6. Resolution CFM/4/2012/2 invites the PC Bureau to nominate up to 5 REDD Country Participants to participate in the CFWG.

**The Participants Committee,**

1. Adopts the Recommendations of the Working Group on the Methodological Framework and Pricing Approach for the Carbon Fund of the FCPF (FMT Note 2012-8), as guiding principles on the key methodological framework and policy guidance on a pricing approach for the Carbon Fund (“Guiding Principles”), as attached in Annex A;
2. Urges the FMT and the Carbon Fund during the process of developing the methodological framework and pricing approach to: (i) take into account the needs of REDD Country Participants as well as Carbon Fund Participants, and (ii) build on the elements and rationales contained in the Guiding Principles adopted in paragraph 1 above;
3. Acknowledges the additional comments received prior to the twelfth meeting of the Participants Committee (PC12), and the diversity of views expressed at PC12, on the Guiding

Principles, and urges the FMT, Technical Advisory Panel (TAP) and the Carbon Fund to consistently track, review and consider these comments and views, as well as any additional comments received after PC12 in developing the methodological framework and pricing approach;

4. Notes that the FMT has established a platform on the FCPF website under which all FCPF Participants and Observers, and other relevant stakeholders, may record their respective comments to ensure an orderly and transparent sharing of views;
5. Invites FCPF Participants and Observers, and other relevant stakeholders, to record on this platform (i) any additional comments regarding the development of the methodological framework and the pricing approach for the Carbon Fund by August 15, 2012; and (ii) any comments on specific topics, as may be requested by the FMT from time to time;
6. Requests the PC Bureau to nominate by August 10, 2012, up to 5 REDD Country Participants to participate in the CFWG, in accordance with Resolution CFM/4/2012/2; and
7. Invites the Carbon Fund Participants and the FMT to periodically update the PC on progress in the development of the methodological framework and pricing approach.

## **Annex A**

### **Recommendations of the Working Group on the Methodological Framework and Pricing Approach for the Carbon Fund of the FCPF**