

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
THIRD CARBON FUND MEETING
March 24 and 26, 2012
Asuncion, Paraguay**

Resolution CFM/3/2012/2¹

Establishment of Carbon Fund Working Group for the Carbon Fund

WHEREAS:

1. The Participants Committee (PC), through Resolution PC/10/2011/5, established the working group on methodological and pricing approach for the Carbon Fund of the FCPF;
2. In accordance with Sections 11.1(f) and (i) of the Charter Establishing the Forest Carbon Partnership Facility (Charter), the PC is expected to adopt policy guidance on pricing methodologies for Emission Reductions Payment Agreements and will provide guiding principles on the key methodological framework on REDD at the Twelfth Meeting of the PC; and
3. The Carbon Fund, through Resolution CFM/2/2011/1, decided to establish a Technical Advisory Panel (TAP) to provide technical inputs to the Carbon Fund Participants.

The Carbon Fund Participants,

1. Recognizing the need for further work on the methodological framework, decide to establish a Carbon Fund Working Group after the Twelfth Meeting of the PC. The Carbon Fund Participants will select their representatives and Observers will select up to three representatives (one representative from the Indigenous Peoples, one representative from the Non-governmental Organizations, and one representative from the Private Sector Entities) as members of the Working Group. In addition, the Carbon Fund invites the PC Bureau to nominate up to five REDD Country Participants to participate in the Working Group. The Working Group will provide feedback and advice to the FMT, as requested, during its development of a preliminary draft methodological framework for consideration by the Carbon Fund Participants at the Fifth Carbon Fund meeting. The Working Group is anticipated to meet virtually and potentially at one face to face meeting prior to the Fifth Carbon Fund meeting;
2. Discuss and adopt the terms of reference of the Working Group at the Fourth Carbon Fund meeting; and
3. Request the FMT to revise the terms of reference for the Carbon Fund TAP to assist in the development of the preliminary methodological framework mentioned above in paragraph 1.

¹ Subject to no-objection by Carbon Fund Participants in the next fourteen (14) days.