

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
TENTH PARTICIPANTS COMMITTEE MEETING
October 18-19, 2011
Berlin, Germany**

Resolution PC/10/2011/4

**Multiple Delivery Partners
Additional Pilot Countries and Delivery Partners and Costs of Accountability**

Whereas:

1. The Participants Committee (PC), through its Resolution PC/9/2011/1, authorized up to five (5) REDD Country Participants where the World Bank does not currently have active forest sector engagement¹ and wish to be paired with another Delivery Partner, to utilize the Delivery Partners approved in that Resolution, namely, Inter-American Development Bank (IDB) and the United Nations Development Programme (UNDP);
2. The PC, through its Resolution PC/9/2011/1, also adopted steps to approve Potential Delivery Partners as Delivery Partners under the FCPF Readiness Fund; and
3. The PC, through its Resolution PC/9/2011/1, further instructed the Trustee of the Readiness Fund to negotiate and execute legally binding Transfer Agreement with the IDB and UNDP that will fully incorporate the Common Approach. It also recognized the need to clarify all financial obligations before Transfer Agreement can be executed, and directed the Facility Management Team (FMT) to work closely within the World Bank and with IDB and UNDP to assess potential costs related to the use of accountability mechanisms, as described in paragraph 8 of that Resolution.

The Participants Committee,

I. Approval of Additional Pilot Countries

1. Approves the following four (4) REDD Country Participants as Pilot Countries under the Multiple Delivery Partner arrangement: Central African Republic, Guatemala, Honduras and Suriname. Subject to Delivery Partner agreement, IDB will be the Delivery Partner for Guatemala, and UNDP will be the Delivery Partner for the Central African Republic and Honduras.

II. Approval of Additional Delivery Partner

¹ It was noted that the World Bank manages the \$US 5 million Dutch-funded regional *African Heartland Trust Fund* to support technical assistance in Congo Basin countries.

2. Recalls that Paragraph 9 of Resolution PC/9/2011/1 authorizes up to five (5) additional REDD Countries to be paired with either IDB or UNDP who were approved by the PC to serve as Delivery Partners under the Readiness Fund at the ninth PC meeting and that no additional REDD Countries will be authorized to partner with Delivery Partners other than the World Bank until the Multiple Delivery Partner arrangement is operationalized following the lessons learned set forth in Paragraph 10 of Resolution PC/9/2011/1.
3. In recognition of the following:
 - i. the United Nations Food and Agriculture Organization (FAO) has approved its Environmental Impact Assessment Guidelines and completed the process spelled out in Section VI of Resolution PC/9/2011/1;
 - ii. FAO will hold a consultation with representatives of Indigenous Peoples consulting and coordinating through the official Indigenous Peoples observers to the FCPF concerning environmental social safeguards, its accountability mechanism and Environmental Impact Assessment (EIA) guidelines. This consultation shall occur during the period between PC10 and PC11; and
 - iii. FAO has an accountability mechanism and has committed to develop, and communicate to the PC in a timely manner, a timeline for establishing an Accountability Mechanism that will fulfil any requirements to bring it into compliance with Paragraph 36 of the Common Approach prior to the execution of any Transfer Agreement with the World Bank as the Trustee of the Readiness Fund;

approves FAO to act as an additional Delivery Partner under the Readiness Fund. The PC hereby designates FAO as an Observer to the Participants Committee.

III. Proposal on the costs of accountability

4. Notes the FMT's proposal (FMT Note 2011-11) on the costs of accountability.
5. Requests that before any resolution concerning the costs of accountability is formulated, PC members and Observers submit questions concerning these costs to the FMT by November 18, 2011. Further requests that the FMT submits to the PC and Observers detailed responses to the questions, including those set forth below, seeking specific inputs to the responses from each Delivery Partner as necessary. Also requests the FMT to explore all means (including transitional financial arrangements), to conclude ongoing negotiations of Transfer Agreements.
 - i. What is the basis upon which the FMT is requesting the amount?
 - ii. How does this amount relate specifically to the Common Approach or to Readiness work more broadly?
 - iii. If the basis is formulated upon risks of accountability claims being filed, what are the details of this risk-based formulation?

- iv. Are there other formulations the Delivery Partners have considered to manage potential costs of accountability, and if so, what are they and what is the basis for these other formulations?
 - v. Can these funds be made available without reopening the Participation Agreements of any Readiness Fund Donor Participants?
 - vi. Will the provision of these funds set a precedent for provisioning of funds for accountability costs in other Delivery Partner administered trust funds?
 - vii. If funds are provisioned, is there a date at which the funds will cease to be required for this purpose?
 - viii. Would these dates differ depending on the Delivery Partner and, if so, to what extent would they differ?
 - ix. If funds are capped, should they be capped by project, or by country?
 - x. If funds provisioned are not fully drawn upon, to what use will they be put?
 - xi. If funds provisioned are inadequate to meet the accountability costs, will Delivery Partners be permitted to request additional funding?
 - xii. If more REDD Country Participants are added to FCPF, will additional funds be provisioned?
6. Agrees that the FMT should aim to conclude its response to the questions posed by the PC members and Observers to their satisfaction by January 15, 2012, formulating its submission based on available evidence, and follow up with individual PC members and Observers as necessary. The FMT should ensure that its response considers different options or scenarios for PC consideration, e.g., either more/less than the 5 percent of capital proposal or another means of addressing the perceived risks.
7. Agrees that the FMT will aim to, by January 15, 2012 or shortly thereafter, circulate to the PC for electronic approval on a no-objection basis of at least twenty-eight (28) days a proposed Resolution to address the costs of accountability. Failing consensus, the proposed Resolution will be presented to the next PC meeting for its consideration.