



Forest Carbon Partnership Facility

4a. Annual Report Fiscal Year 2011

Fourth Meeting of the Participants Assembly (PA4)

Berlin, Germany

October 17, 2011

FCPF Annual Report for Fiscal Year 2011

ANNUAL REPORT for FISCAL YEAR 2011

FOREST CARBON PARTNERSHIP FACILITY 2011 ANNUAL REPORT



Overview

- Third year of FCPF operations ended June 30, 2011
- 37 REDD countries, 18 financial contributors, and 6 observers
- Remarkable progress achieved in the new international REDD+ framework
 - UNFCCC
 - REDD+ Partnership
 - FCPF
 - UN-REDD Programme
 - FIP
 - GEF's new SFM/REDD+ window
- FCPF a central piece in the new REDD+ institutional landscape

Highlights from FY11 (1)

- Several important developments on the path from REDD+ Readiness to carbon finance
- 3 countries signed Readiness Preparation Agreements
 - DRC, Indonesia and Nepal (plus Ghana since year end)
 - Made possible by World Bank approval of safeguards approach
- 8 countries submitted formal R-PPs, allocated grant funding
- Total 19 formal and 5 informal R-PPs submitted to end of FY11
- Almost \$65 million allocated in Readiness Preparation grants to end of FY11
- Common Approach agreed
 - Enhance coverage and speed up commitments without diluting standards

Highlights from FY11 (2)

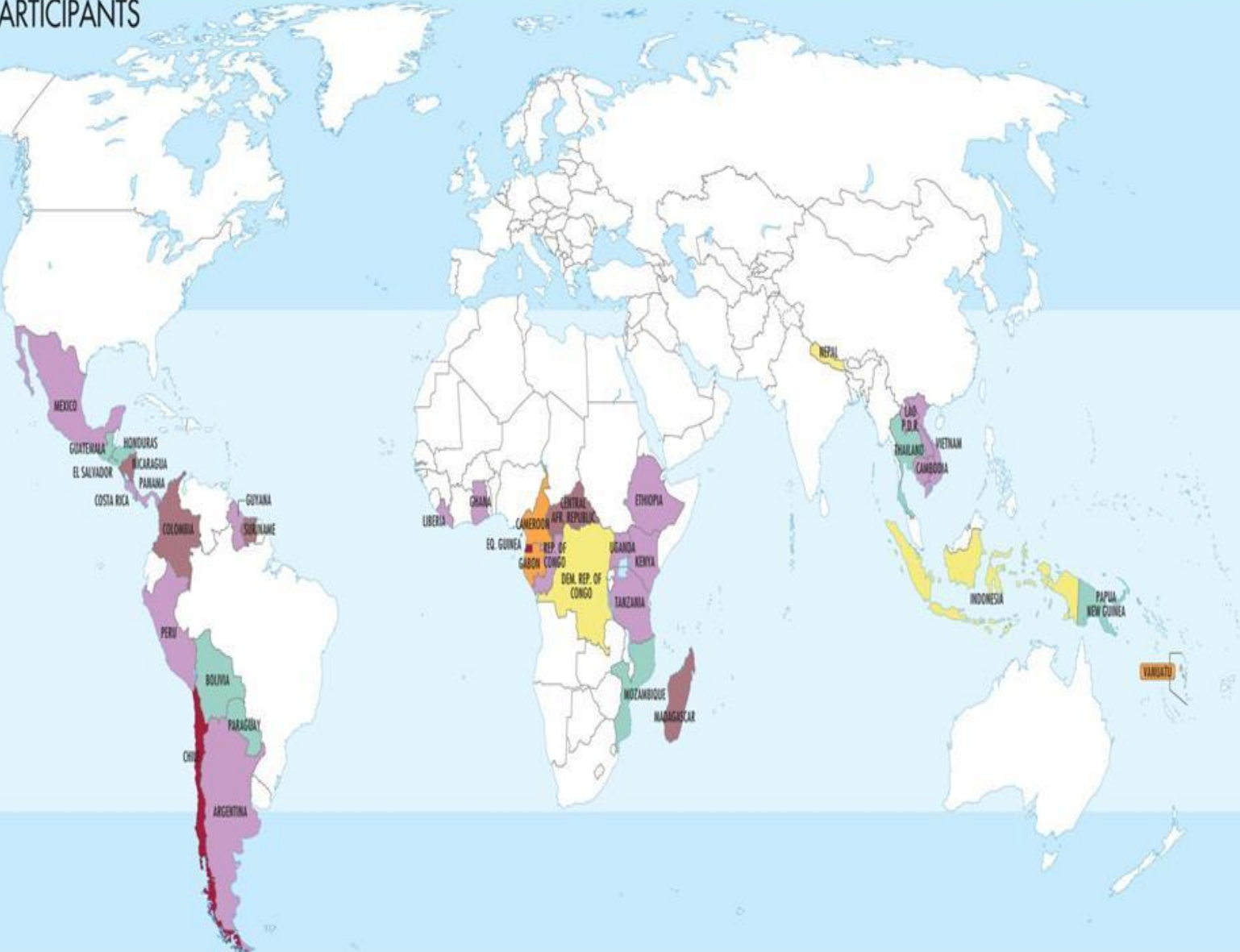
- First program evaluation completed
 - Some recommendations already acted upon
 - Other recommendations to be discussed at this PA/PC
- Carbon Fund fully operational in May 2011
- Turning point
 - Implementation of national Readiness preparation programs
 - Initiation of performance-based incentive systems
- Total funding to both Funds at end of FY11 was \$444 million
- Continued to serve as a forum for exchanging ideas and information, and building capacity
- Continued support of capacity-building activities among IPs

FCPF REDD+ Country Participants

FCPF REDD+ COUNTRY PARTICIPANTS

REDD+ Country Participants
37 REDD+ Country Participants have been selected into the FCPE. The map illustrates the progress within the FCPE of each of the 37 countries as of June 30, 2011.

- SELECTED INTO FACILITY (2)
- PA SIGNED (8)
- FORMULATION GRANT SIGNED (3)
- R-PP INFORMAL PRESENTATION (5)
- R-PP ASSESSED/FINAL R-PP SUBMITTED (14)
- READINESS PREPARATION GRANT SIGNED (3)



IBRD 3675992
SEPTEMBER 2011
This map was produced by the Map Design Unit of The World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment as to the legal status of any territory, or any endorsement or acceptance of such boundaries.

Financial Contributors

**Financial Contributors to the FCPF (Donor Participants and Carbon Fund Participants)
as of June 30, 2011**

FCPF Financial Contributors
<i>Agence Française de Développement</i>
Australia
BP Technology Ventures
Canada
CDC Climat
Denmark
European Commission
Finland
Germany
Italy
Japan
Netherlands
Norway
Spain
Switzerland
The Nature Conservancy
United Kingdom
United States of America

Increased Ownership

- Equal representation of REDD Countries and financial contributors on PC
- Co-chairing, contact groups, PC reviews of R-PPs, Task Force, Working Groups
- PC Bureau more active, now 5 REDD countries, 3 financial contributors
- Consensus -> empowerment of observers

Indigenous Peoples

- 5 regional IP observers to be funded by FCPF from FY12
- IP Program \$1 million over 5 years (up to FY13)
- Various meetings and workshops
 - 2 high level dialogues with IP leaders (Washington DC and New York)
 - COICA: Amazon Basin (Bolivia)
 - International Technical Workshop of IPs towards COP16 (Mexico)
 - Information sharing at FIP Caucus Meetings (Ghana, Lao PDR and Peru)
 - International Forum of IPs of the Congo Basin (Republic of Congo)
 - Global dialogue agreed (Panama)

Leveraging Strengths of Partners

- Common Approach – expansion to other Delivery Partners
- Coordination with FIP and UN-REDD Program
 - Guidelines on stakeholder engagement, particularly IPs
 - 3 Joint papers
 - Multi-stakeholder participation
 - Benefit sharing
 - Safeguards initiatives
 - R-PP template
 - Country level
- REDD+ Partnership
 - World Bank (through the FMT of the FCPF) and UN-REDD provide Secretariat services
 - REDD+ Database
 - Workshops (Tianjin, Cancun, Bangkok)
 - Recommendations for targeted improvements to multilateral initiatives

Strengthening REDD+, Accelerating Learning

- Evaluation
- Harvesting Knowledge - Early Lessons
 - Reproduced briefly in Annual Report with some examples of REDD Country activities in FY11
- Building on the International Framework for REDD+
 - Cancun (COP16) historic summit for REDD+
 - Transition from a creative international policy concept 5 years ago to effecting REDD+ activities on the ground
- Safeguards for People and the Environment
 - Improvements to R-PP template
 - Safeguards approach (SESA and ESMF) mainstreamed as a safeguards instrument in FCPF, World Bank's operational policies, and R-PP template
- Knowledge sharing and capacity building
 - TAPs
 - South-South sharing

Carbon Fund

- Fully operational in May 2011
- Finalized Issues Note, Tranches and revision to Charter
- Committed and pledged funding at end of FY11 was \$212 million
- First meeting of CF participants held in Barcelona in May/June 2011
 - Budget agreed for FY12
 - Agreed an Action Plan for next 3 years

Financial Report

- **Readiness Fund**
 - Commitments and Pledges
 - PC approved budgets for FY09-12 and Expenditures for FY09-11
 - Disbursements
 - Financial Statement
- **Carbon Fund**
 - Commitments and Pledges
 - Approved budget for FY12 and Expenditures for FY10-11
- **Online access to Donor Center**
 - Based on the World Bank financial recording system (SAP)
 - Information note

Conclusions and the Road Ahead

- FY11 a crucial year for REDD+
- FCPF a central piece of the REDD+ institutional landscape
- Durban and beyond
 - Guidelines on MRV and reference levels
 - Guidance on information systems for safeguards
 - Options for financing phase 3 (results-based payments)
- For FCPF
 - Shift to signing and disbursing Readiness Preparation grants
 - Design of a Readiness Package
- Next few years
 - Impact global emissions
 - Daunting challenges



THANK YOU!

www.forestcarbonpartnership.org