



# Forest Carbon Partnership Facility

## 4d. Creation and transfer of Emission Reductions

Carbon Fund Seventh Meeting (CF7),  
June 24-25, 2013, Paris, France

# Outline of Presentation

1. Objectives of the work program
2. Overview of FMT work on REDD Registries in FY-13:  
“What did we learn”
3. Emerging strategy for REDD+ Data management  
Systems and ER Registries
4. Work plan for FY14

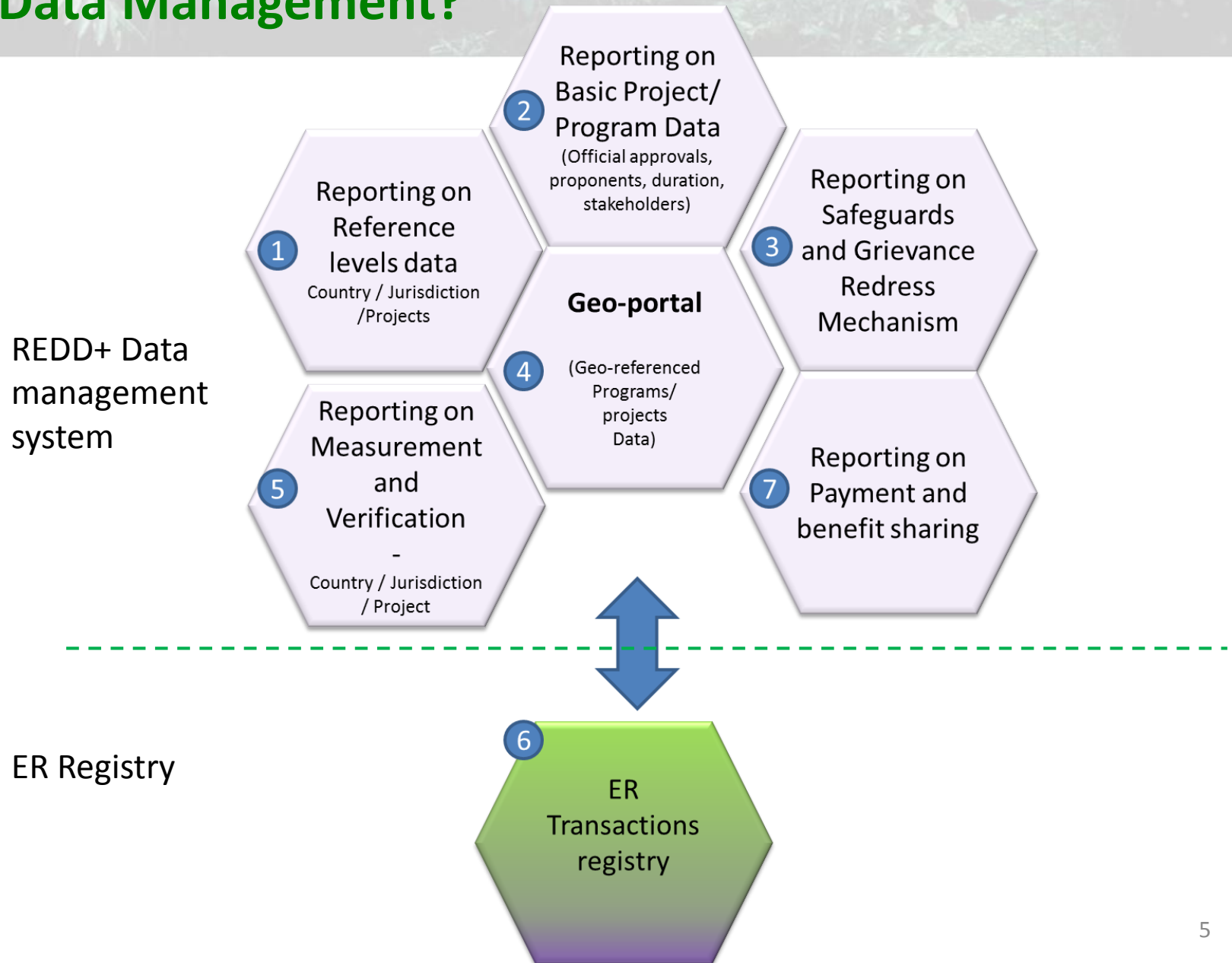
# Dual Objectives of the Work Plan on Registries

1. To assess client country needs and provide tailored capacity building, technical assistance and facilitation support with respect to REDD data management systems and ER registries.
2. To support the needs of FCPF CF participants for creation and transfer of Emission Reductions.

## FY-13 work overview

- REDD Registry Workshop April 25-27, Washington DC (13 countries represented)
- Draft functional specification with minimum design standards data management systems and ER transaction registries for REDD+.
- Country needs assessment. Specific input already provided to requesting countries (Indonesia, Colombia, and Honduras).

# A key question: Integrate or separate ER registry and other REDD Data Management?



# What are the main functions of a REDD+ data management systems (DMS) and an ER registry?

REDD+ Data Management System	ER Registry
<ul style="list-style-type: none"><li>- Registering information on government approvals, title to ERs (Projects/Jurisdictions/Nation)</li><li>- Collecting/distributing information on RL and MRV data (Projects/Jurisdictions/Nation)</li><li>- Collecting information on how safeguards are addressed and respected</li><li>- Collecting information on financial flows (performance based payments) and benefit sharing</li></ul>	<ul style="list-style-type: none"><li>- Issuance and serialization of ERs</li><li>- Account holders systems to manage positions and settlements for transactions,</li><li>- Accounting for non-permanence risk management (buffer reserves)</li><li>- Reporting on ERs, and</li><li>- Linking to other registries</li></ul>

## What did we learn?

- For most countries the “REDD+ Registry” is a Data Management System (DMS). Mexico, Colombia, Peru, DRC, Ghana, Indonesia have draft designs or prototype systems.
- The ER transaction registry has yet to be considered by most countries (only Mexico and Costa Rica).
- “Interoperability” is a major challenge shared by all. Many countries are looking to operate “VCS Scenario 2” type implementation frameworks and are looking for DMS that support consistency and coherence across scales.
- ER Registry/DMS plans overlap with plans for other sectors. Linkages to the Partnership for Market Readiness (PMR) are important for Mexico, Costa Rica, Colombia, Chile, Indonesia, Peru, Thailand and Vietnam.

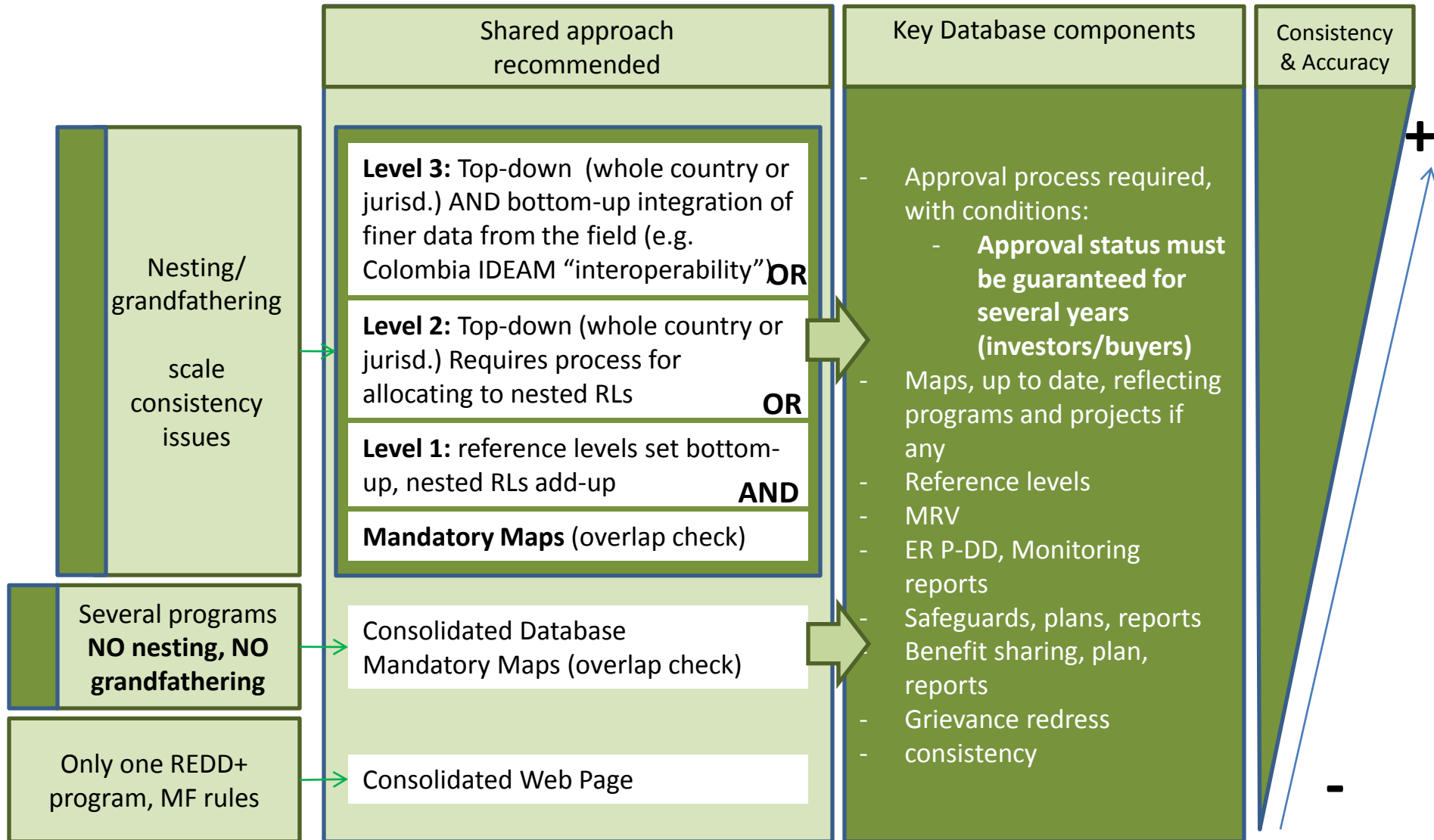


## What did we learn?

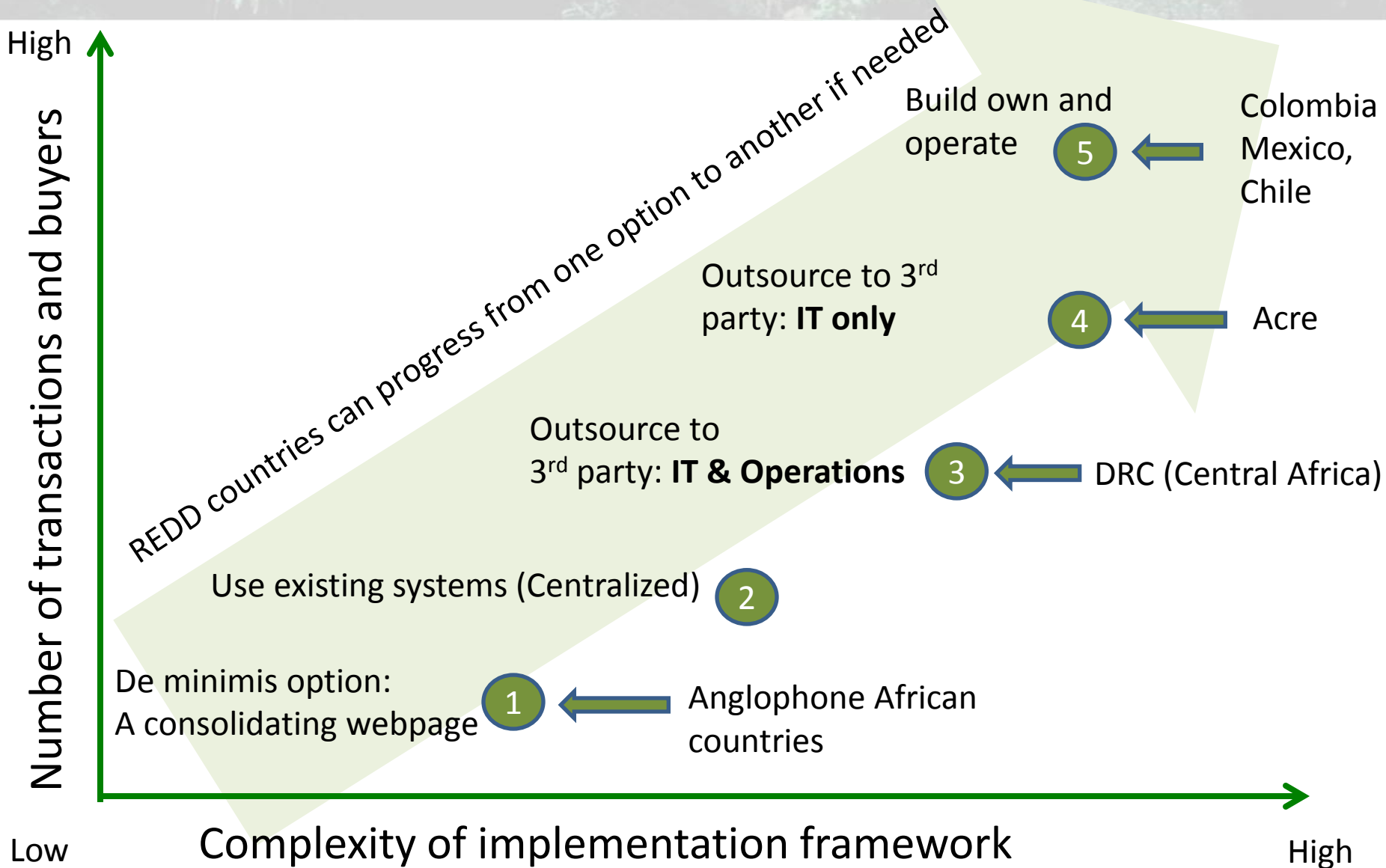
- There is no one fits-all solution with respect to DMS. Only *de minimis* FCFP requirements. REDD+ Countries have different implementation frameworks and therefore different systems.
- ER Registry is very costly to develop and operate. It only makes sense if a country is considering the development of a domestic ETS.
- Sovereignty over data /approach to DMS and ER registry is very important for many countries
- DMS are locally driven solutions, while ER registry solutions can be standardized using common infrastructure.



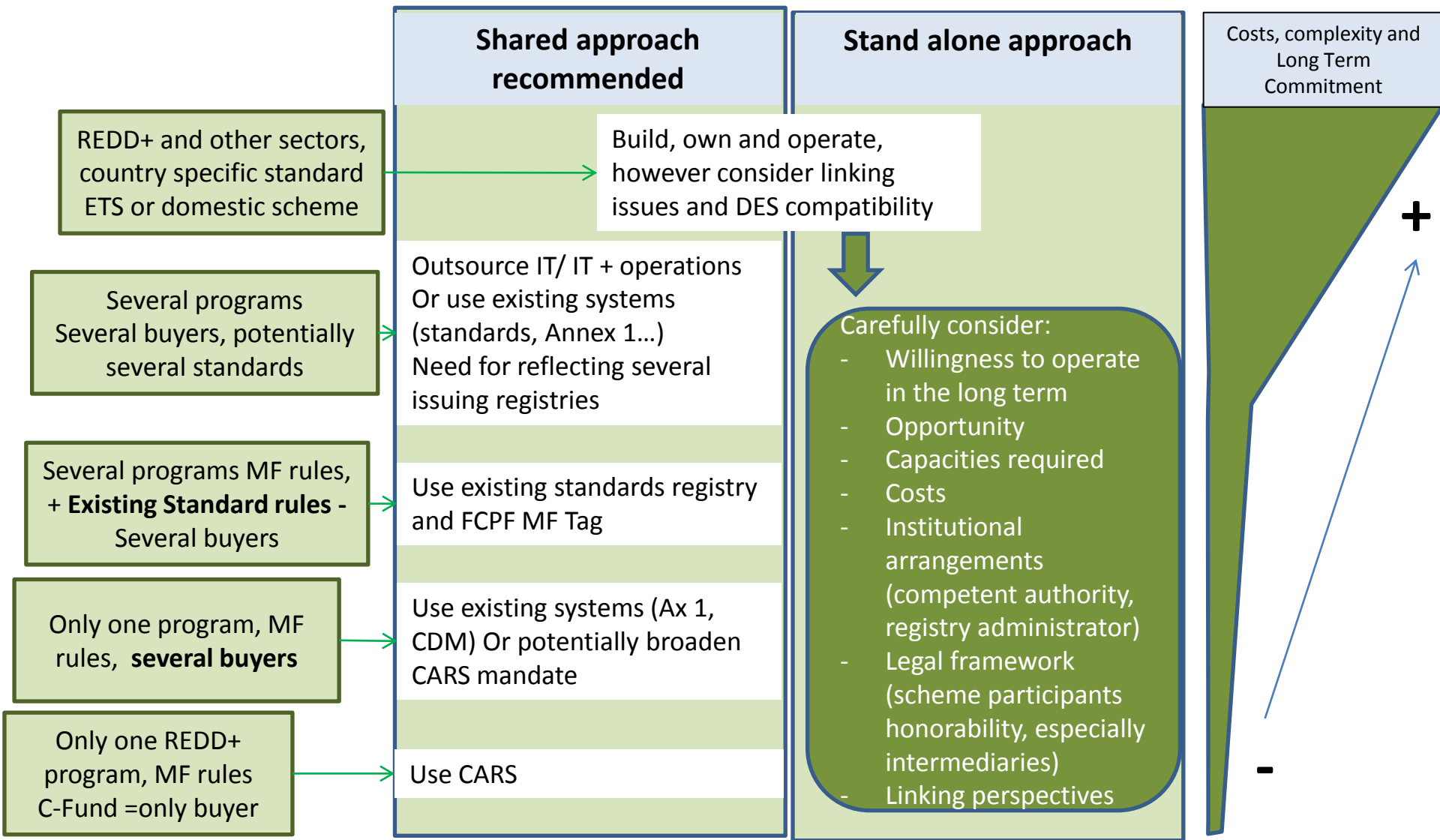
# Country Needs Assessment : REDD+ Data Management System



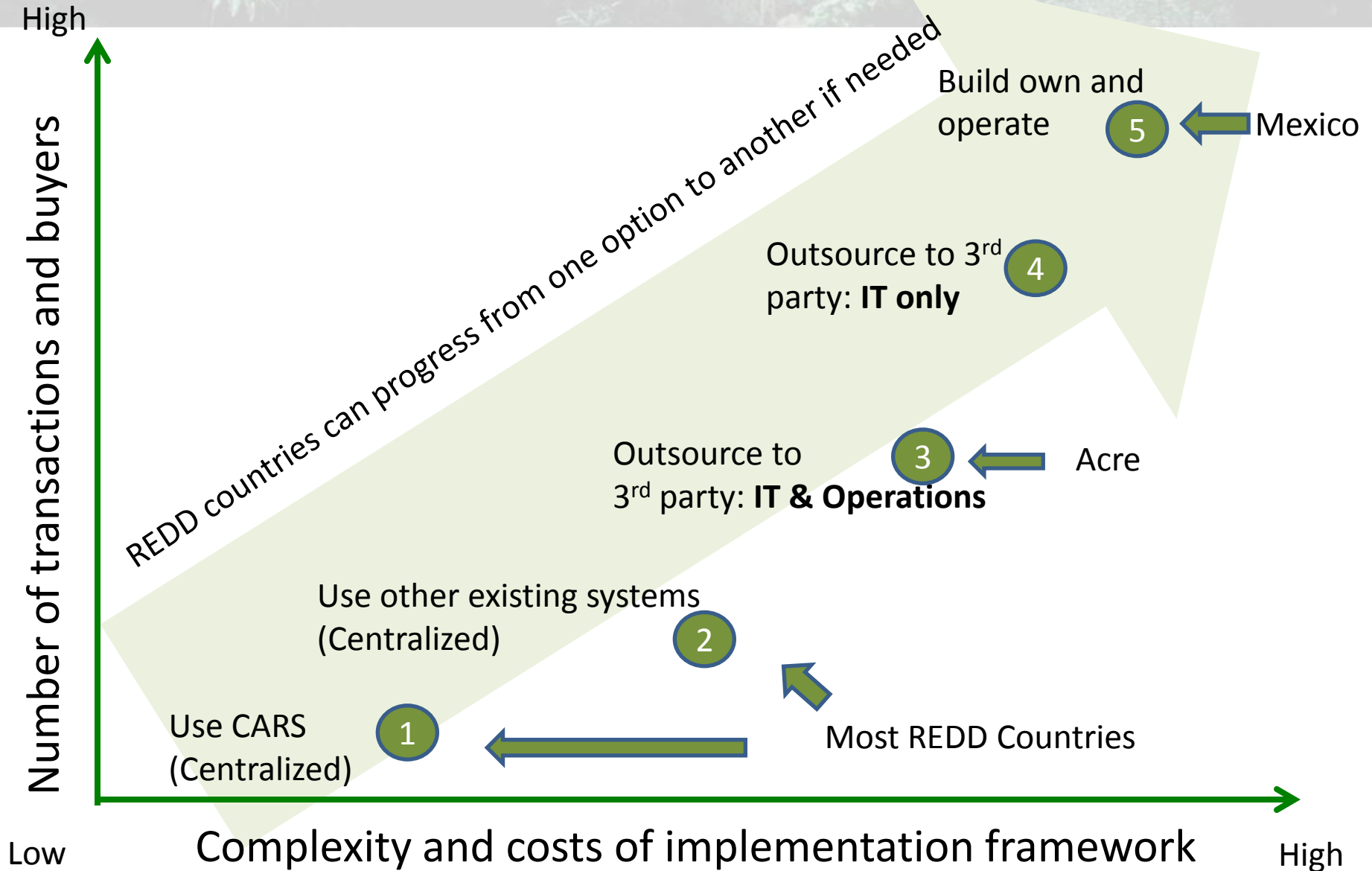
# Country Needs Assessment: REDD+ Data Management System



# REDD+ ER transaction registry



# Country Needs Assessment: ER registry



# ER Registry Needs: Costa Rican Example

- **Offsets from multiple sectors and domestic ETS-** initially REDD projects, eventually other offset units e.g., agriculture and waste management. Buyers both domestic and international.
- **Phased registry development.** No need to handle multiple transactions in the early stages (“one off sales”, no secondary market), but would grow to accommodate multiple users.
- **Registry provider assessment.** Costa Rica has already met with multiple registry developers and would like help to make a robust comparison. Interest in making use of a centralized ER Registry in the near term and then transition to a Costa Rican registry over time.
- **Needs.** PMR and FCPF to provide advice in close technical coordination

# Towards a Carbon Fund Vision for a *De minimis* REDD+ Data Management Systems

- The FCPF Carbon Fund develops/uses a centralized consolidating web page for its own purposes and makes it available to REDD countries (*De minimis option*) to report all relevant information on REDD+ implementation.
- Question whether or not this *De minimis* option is appropriate for large countries with multiple ER Programs and complex implementation frameworks (e.g. VCS Scenario 2).
  - Mexico, Colombia, Peru, DRC, Ghana and Indonesia are developing their own system which will be different from one another and more sophisticated than the *De minimis* option.
  - Should FCPF CF set conditions under which this *de minimis* option is acceptable? (e.g. fewer than 10 projects, no “Nested” project, etc.)

# Towards a Carbon Fund Vision for Creation and Transfer of Emission Reductions

- The FCPF Carbon Fund develops/uses a centralized ER registry for its own purposes and makes it available to REDD countries for all their REDD transactions (and other sectors). 3 main options to do so:
  1. Arrangement to use existing registry infrastructure in an Annex 1 country (Switzerland? Australia? Other Annex 1?).
  2. Prepare an RFI/RFP for an interim ER registry and seek proposals from interested parties (including World Bank CARS).
  3. UNFCCC solution.
- If an ER Program meets national standards or 3<sup>rd</sup> party standards additionally to the Carbon Fund requirements, verified ERs could be issued under the national or 3<sup>rd</sup> party program and use a national or 3<sup>rd</sup> party ER Registry (with Carbon Fund “tag” to mark compliance with CF Methodological Framework)



## DMS Work Plan for FY14

- Develop/modify webpage to provide *de minimis* reporting functions for REDD countries (June 2014).
- Identify funding options for DMS solutions in low income countries that wish to develop their own. Help countries secure adequate funding (October 2013)
- Missions to provide (on request) in-depth needs assessment and technical advice. Merge with FMT work program on MRV and RL.
- Facilitate collaboration and exchanges for countries on a similar trajectory

# ER Registry Work Plan for FY14

- Establish a cross-functional DMS/Registry team to support work in FCPF/PMR.
- Investigate 3 ER registry options & make recommendation to FCPF (March 2014).
- Develop funding model and secure investment for interim ER registry (June 2014).
- July 2014 commence implementation.
- Build momentum with FCPF countries to support / influence UNFCCC/ SBSTA and international solution for REDD DMS/ ER registry.
- Missions to provide (on request) in-depth needs assessment and technical advice (Joint PMR-FCPF)



**Gracias**

**Merci**

**Thank you**

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