



Forest Carbon Partnership Facility

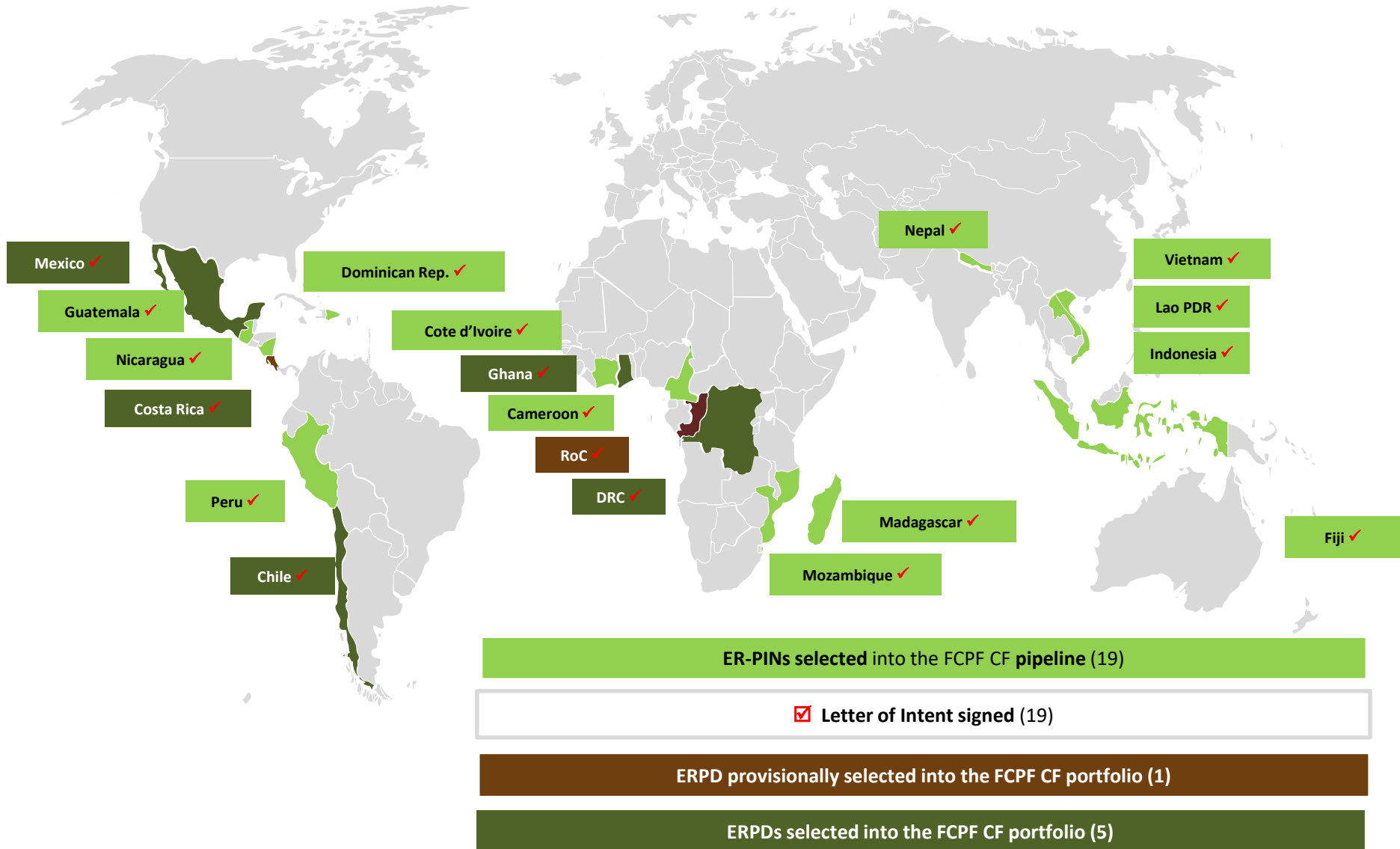
Update on Carbon Fund Progress since CF16

Seventeenth Meeting of the Carbon Fund (CF17)

Paris, France

January 30-February 01, 2018

Carbon Fund Pipeline and Portfolio



Progress since CF16 (June 2017)

Pipeline and Portfolio

Signature of LOIs:

- With **Indonesia** signing its LOI, all 19 countries in the CF pipeline have signed LOIs.

Updates on countries provisionally selected into the portfolio:

- **Costa Rica** submitted revised ERPD per resolution [CFM14/2016/2](#) and having received no objections from CFPs was accepted into the portfolio.
- **Mexico** submitted revised ERPD per resolution [CFM15/2016/2](#) and having received no objections from CFPs was accepted into the portfolio.
- **Republic of Congo** submitted a revised ERPD as per Resolution [CFM/16/2017/2](#) and information on the conditions set. The FMT is currently reviewing the fulfilment of conditions.

Countries selected into the portfolio in CF16:

- **Ghana** was accepted into the Carbon Fund Portfolio (Resolution [CFM/16/2017/1](#))

Progress since CF16 (June 2017)

ERPA Preparation

ERPA Preparations Workshops:

- ERPA preparations workshops were held in **Costa Rica** in August and **Ghana** in September, bringing the total to five (workshops for Mexico, Chile and DRC were held prior to CF16).

WBG Decision Meetings:

- Decision meetings were held for the FCPF programs in **DRC** (August), **Mexico** (November), and **Chile** (December).
- The decision meeting for **Ghana** will be held in February and the one for **Costa Rica** will be scheduled shortly.

Expected ERPA Signatures:

- Plan to sign at least 2 ERPAs by end of FY18 (deadline moved back by six months).

Safeguards:

- Clarified safeguards approach at corporate level for ER programs.

Progress since CF16 (June 2017)

ERPD Technical Assessments

Technical Assessments completed for 4th batch of ERPDs:

- Assessments of **Mozambique** and **Vietnam** ERPDs by the TAP and CFPs completed for presentation and potential selection at CF17.

Technical Assessments completed or underway for 5th batch of ERPDs:

- **Nicaragua's** advanced draft ERPД has been submitted for TAP review.
- **Madagascar**, and **Nepal's** advanced draft ERPDs and respective initial TAP assessment reports have already been posted.

Expected 6th batch of ERPDs:

- Submission of **2 draft ERPDs** (Lao PDR, Ivory Coast) expected for presentation and potential selection at CF19 (December 2018).

For Planning Purposes

ERPD Review Periods in 2017/18

ERPD review periods:

CFPs requested advanced notice on periods with intensive work loads in terms of document review.

- February-March 2018: review period of 'advanced draft ERPD' for Nicaragua.
- May 2018: review of final ERPDs from Madagascar, Nepal and Nicaragua for potential selection at CF18 (June 2018).
- July-early September, 2018: virtual review of 'advanced draft ERPDs' for Lao PDR and Ivory Coast.
- November 2018: review of final ERPDs for potential selection at CF19 (December 2018).

Progress since CF16 (June 2017)

Private Sector Engagement Work Plan

Explore collaborative opportunities with relevant networks

- Exploring options to partner with Tropical Forest Alliance (TFA); Colombia; Implementation Dialogue in Ghana (May 2018).
- Cocoa developments: Building on cocoa study, deepening engagement with World Cocoa Foundation and Cocoa companies; led to Launch of the Joint Frameworks for Action of the Cocoa and Forests Initiative (government and private sector) at COP23.
- Collaborating with World Cocoa Foundation to co-host 1-2 Cocoa Dialogues (Africa and Latin America) using TFA's Implementation Dialogue format, but tailored toward CF programs (for which cocoa could be a key element of forest protection and sustainable production).

Topical Deep Dives and Knowledge Products to inform private sector strategies

- Presenting on Nesting Paper (Donna Lee) at CF17.
- Considering Background Paper on Cocoa Dialogues which would provide overview of cocoa operations, impact on forests, and potential opportunities in CF portfolio countries.

Progress since CF16 (June 2017)

Private Sector Engagement Work Plan

Program-Specific Private Sector Engagement Support

- Completing overview of strongest PS opportunities in CF portfolio; based on an initial review, deeper assessments in selected countries will be initiated.
 - 8 countries identified as potential high capacity for PS partnership for ER production and sustainable supply chain partnership.
 - Number of countries identifying following as key drivers/opportunities: cocoa (8), palm oil (6), timber (6), coffee (5).
- Collaborating with Commodities/Jurisdiction Initiative: working with private sector members to identify overlap between CF programs and commodities sourced/produced/marketed by member companies, for the purpose of determining priority matches and pursuing partnerships.
- MOU between Cameroon and American company Taylor Guitars signed at COP, outlining a collaboration on sustainable ebony sourcing and planting with a community agroforestry model in the ER-Program area.
- Madagascar completed private sector investment blueprint, identified cocoa and cloves projects with high PS investment and ER potential.

Progress since CF16 (June 2017)

Private Sector Engagement Work Plan

Support increased role of private-sector FCPF Observer

- Working with Meridian to implement a transparent selection process for both the current and *ad hoc* (agriculture-focused) PS Observer positions, with interviews underway, and selected Observers expected to participate in next CF meeting.

Private Sector Focal Point Position

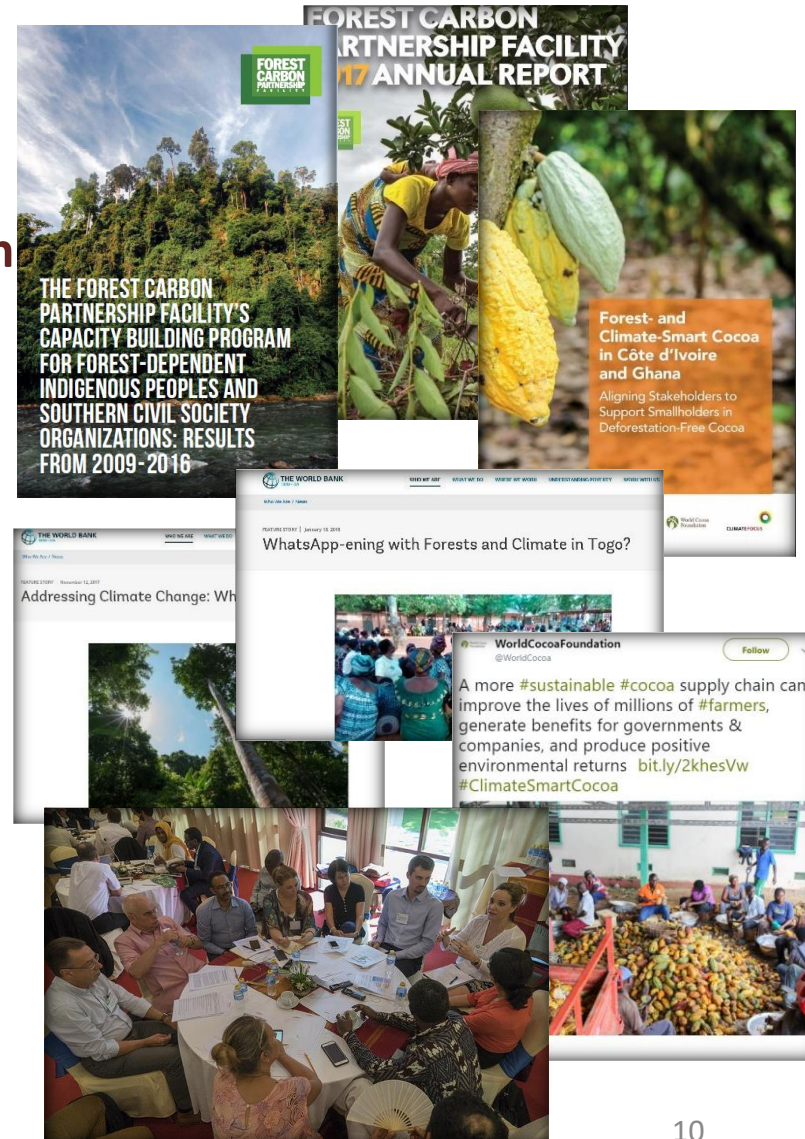
- Welcoming Jean-Dominique Bescond, formerly of OLAM, to FMT in February.



Progress since CF16 (June 2017)

Communications and Knowledge-Sharing

- Report on **Key results from the FCPF capacity building program for indigenous peoples and civil society organizations.**
- Report on **“Forest and Climate-Smart Cocoa in Cote d’Ivoire and Ghana”.**
- **Joint knowledge day** with the CIF’s Forest Investment Program to share best practices and lessons learned.
- A continuous stream of **features and blogs** keep forests and REDD+ highly visible online.
- High impact **social media outreach** amplifies our messages. Partners and ‘influencers’, inside and outside the WB are taking note and sharing our narratives.
- Looking ahead to celebrating **FCPF 10 year anniversary** – products, stories, events.



Progress since CF16 (June 2017)

Methodology (GFOI Collaboration)

- The World Bank joined the **Global Forests Observation Initiative (GFOI) Leads group**, strengthening collaboration with development partners.
- FMT is developing technical guidance under GFOI to support REDD+ countries in their program implementation. Areas of focus include the following:
 - Activity data estimation
 - Uncertainty analysis
 - Emission factors
- The collaboration is supporting development of a country needs assessment process, with a pilot workshop in Togo next week.



Topics and Decisions for CF17 Resolutions

Two Resolutions to be considered at this meeting:

- Decisions on **whether to proceed to negotiating an ERPA for proposed ER Programs from Mozambique and Vietnam** (i.e. potential selection of ERPDs from pipeline into portfolio of the Carbon Fund).



Topics and Discussion for CF17

Discussions at this meeting (to be captured in the Chair's Summary):

- Guidance (where appropriate) on the **Practical application of the Methodological Framework: Carbon accounting and TAP**, including on potential improvement of uncertainty of RLs prior to first verification.
- Feedback on the **ER Monitoring Report template** and 'no objection' on making it available on the FCPF website for use by countries.
- Discussion on **next steps for registries** based on the findings of the survey on transaction registries and meeting discussions.
- Discussion on **roles and responsibilities** and the **processes for ERPA negotiations**.
- Agreement on a proposed **list of potential verification entities** to be submitted to the next PC meeting, and agreement on setting the **framework for enabling the completion of verifications**.

Update on Staff hiring for FMT

Six new staff were recruited to join the FMT in 2017/18

- Some are new positions and others replace colleagues that have transitioned to other roles at the WB.
- Some are shared positions/costs with the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)

Replacement Positions

Operations Officer

Sr. Methodology Specialist

Knowledge Management Officer

Team Assistant

New Positions

Sr. Private Sector Specialist

Finance Officer

Operations Officer

Focus Areas of FMT for 2018

- **Signing the first batch of ERPAs -> Main Priority**
- Complete **due diligence and appraisal** for countries selected into the portfolio
- **Continue to build country capacity for ERPA negotiations** (commercial terms, contract ERs vs option ERs, etc.)
- Continue support to countries in **ER Program development and implementation**
- Support countries in **meeting remaining indicators of the Methodological Framework** (e.g., Benefit-Sharing-arrangements, ER title transfer ability, etc.), including through South-South Knowledge Exchange
- Leverage additional investment to finance/strengthen **financial viability of ER Programs**
- Continue support to countries in development of **benefit-sharing plans and safeguards plans**
- Support PC-funded **gender activities focused on Carbon Fund countries**
- Implement stronger **portfolio monitoring and management**

