



Forest Carbon Partnership Facility

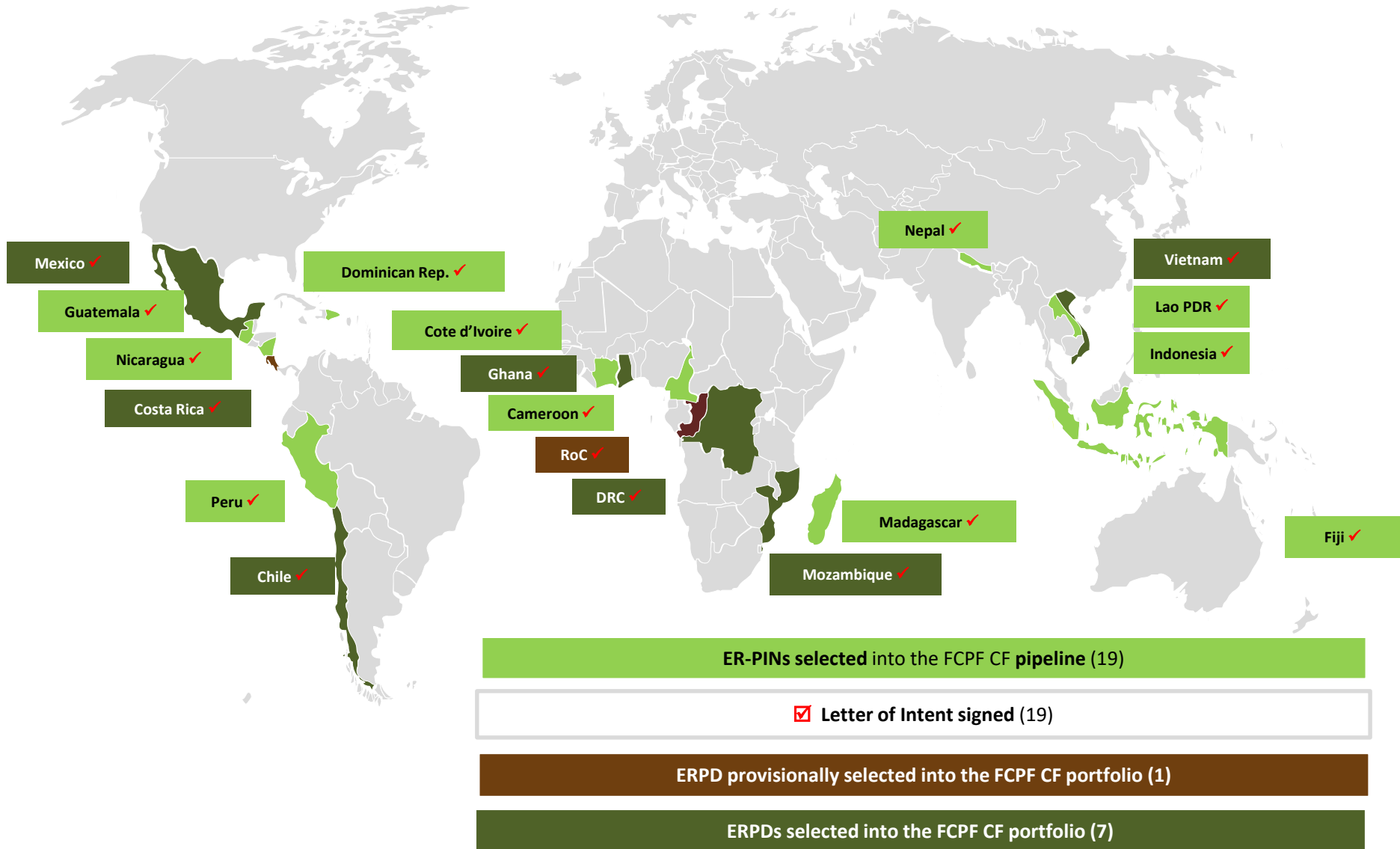
Update on Carbon Fund Progress since CF17

Eighteenth Meeting of the Carbon Fund (CF18)

Paris, France

June 20-22, 2018

Carbon Fund Pipeline and Portfolio



Progress since CF17 (Jan 2018)

Pipeline and Portfolio

Countries selected into the portfolio in CF17:

- **Vietnam** was accepted into the Carbon Fund Portfolio (Resolution [CFM/17/2018/2](#)).
- **Mozambique** was selected into the Carbon Fund Portfolio provisionally (Resolution [CFM/17/2018/1](#)). After submitting a revised ERPD, per the Resolution, and receiving no objections from CFPs, Mozambique was accepted into the Carbon Fund Portfolio.

Countries provisionally selected into the portfolio:

- **Republic of Congo** submitted a revised ERPD as per Resolution [CFM/16/2017/2](#) and information on the conditions set. The fulfilment of conditions is currently under review.

WBG Decision Meetings:

- Decision meetings for the FCPF programs in **Costa Rica** (March) and **Mozambique** (June) were held.
- The decision meeting for **Vietnam** and **Ghana** will be held in the coming months³.

Progress since CF17 (Jan 2018)

ERPA Preparation

ERPA Preparations Workshops:

- ERPA preparations workshops were held in **Mozambique** in May, bringing the total to six (workshops for Chile, Costa Rica and DRC, Ghana, and Mexico were held prior to CF17).
- ERPA preparation workshop will be held in **Vietnam** in the coming months.

ERPA Pre-Negotiations

- **DRC** is in the final stages of the ERPA pre-negotiation process. Initial expectations on the ERPA term sheets have been shared.
- Initial expectations on the ERPA term sheet have been received from **Mexico** and shared with CFPs.
- **Chile** and **Mozambique** have shared their Initial expectations on the draft ERPA term sheet with the Trustee.
- **Costa Rica** has shared a request for consideration on selected commercial terms with CFPs.



Progress since CF17 (Jan 2018)

ERPD Technical Assessments

Technical Assessments completed for 5th batch of ERPDs:

- Assessments of **Lao PDR, Madagascar, and Nepal** ERPDs by the TAP and CFPs completed for presentation and potential selection at CF18.

Technical Assessments completed or underway for 6th batch of ERPDs:

- **Nicaragua's** ERPD has been assessed by the TAP and **Indonesia's** advanced draft ERPD has been submitted for TAP review, with both expected to be presented at CF19 (December).

Expected 7th batch of ERPDs:

- Last opportunity for draft ERPDs to be presented for potential selection into the Portfolio at CF20 (June 2019).
- Submissions still outstanding from **Cameroon, Côte d'Ivoire, Dominican Republic, Fiji, Guatemala, and Peru.**

For Planning Purposes

ERPD Review Periods in 2018/19

ERPD review periods:

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

- July-early September, 2018: Virtual review of the ‘advanced draft’ ERPD for **Indonesia**.
- November 2018: Review of final ERPD for **Indonesia** and **Nicaragua** for potential selection at CF19 (December 2018).
- February-March 2019: Review period of ‘advanced draft’ ERPDs for **Cameroon, Côte d’Ivoire, Dominican Republic, Fiji, Guatemala, and Peru** if they are to be eligible for selection into the Portfolio.
- May 2019: Review of final ERPDs from **Cameroon, Côte d’Ivoire, Dominican Republic, Fiji, Guatemala, and Peru** for potential selection at CF20 (June 2019).

Progress since CF17

Methodology

Verifications

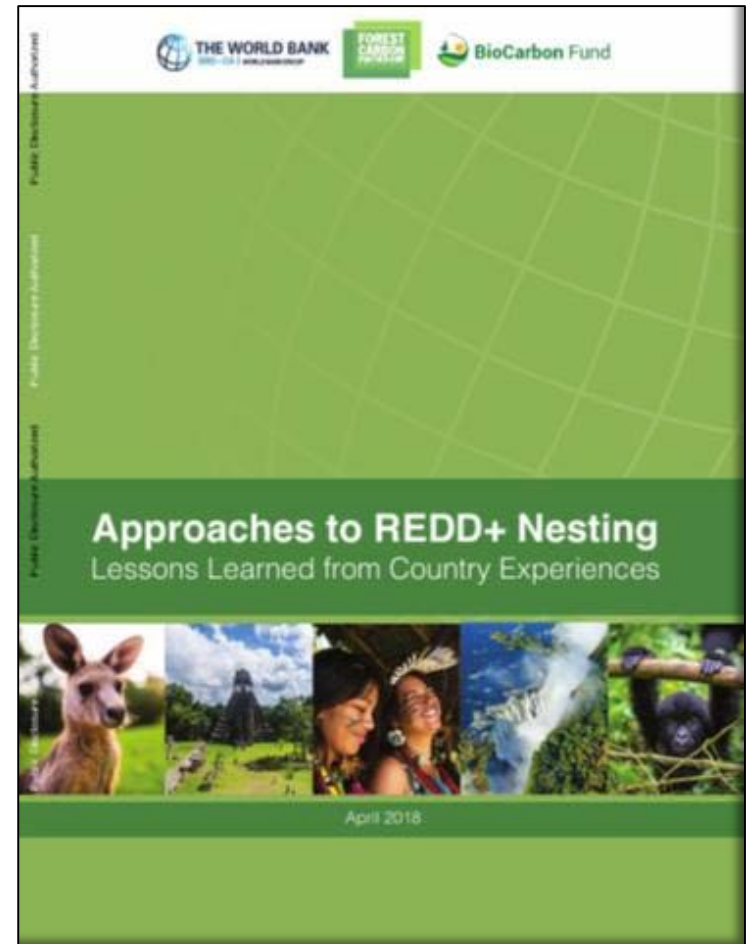
- The PC approved a the list of independent Third Parties who could conduct verifications under the Carbon Fund
- Any modifications to the list of independent Third Parties will be subject to the no-objection by the Participants Committee

Technical corrections to Reference Levels

- CFPs are considering the approval of guidance to allow technical corrections prior to first verification

Nesting

- Launched **study on “Approaches to REDD+ Nesting: Lessons Learned from Country Experiences”**



ER Program Financing Plans

Financing plans of ER Programs

- An initial analysis of the **financing plans** for ER programs was conducted to assess financing for program implementation. Led to improvements in requests to countries for ERPD preparation.
- **Financing plans** of ER programs are being further reviewed to assess the financing needs and gaps at the start of the program implementation and over the ERPA period.
- **Sensitivity analysis** of financing plans is being conducted to assess the sensitivity of costs, revenues and financing sources on the financing estimates of the programs.
- **Share of results-based finance** in relation to the overall financing of the programs is being assessed.

Mainstreaming Gender in REDD+

Initiatives in Carbon Fund countries

- In **Ghana**, IUCN implemented a Gender Analysis and Action Plan (GAP) designed to provide technical assistance towards mainstreaming gender into the Ghana Cocoa Forest REDD+ Program.
- A behavioral approach to gender in SFM programs in **Mexico** explored approaches to trigger behavioral change, modify social norms, and address gender inequalities in NRM activities, providing stakeholders concrete recommendations for improving men and women's economic opportunities, and access to and control over assets.
- In **Nepal**, WOCAN organized an inception workshop with the national REDD+ Implementation Center, and other stakeholders, conducting a Gender Analysis in the ERPD program area. The GAP is being mainstreamed in Nepal's ERPD.
- Tebtebba conducted a Gender Analysis in **Vietnam** as a part of the SESA process, with a focus on the ER Program area, drafting a GAP as part of the ESMF development for the ERPD.



Mainstreaming Gender in REDD+

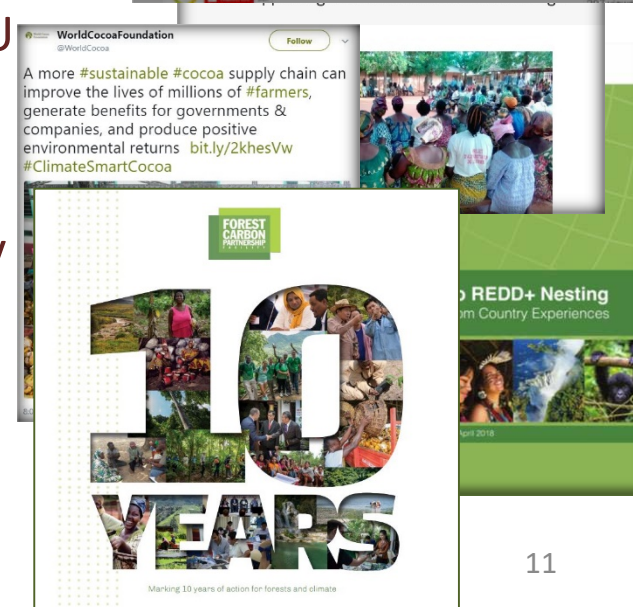
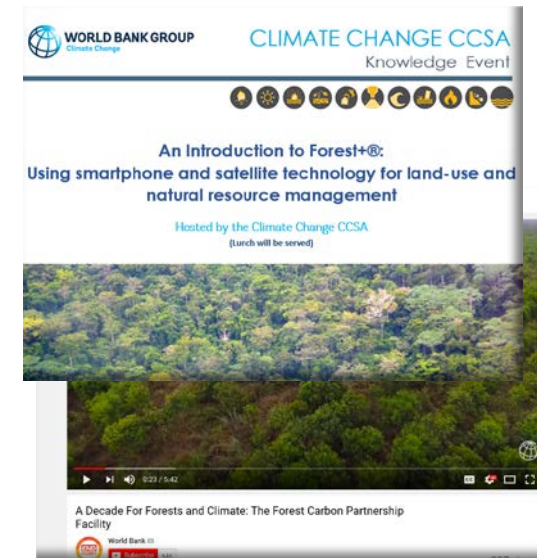
- Building on progress, the FCPF is funding new, country-level initiatives in 2018 in **Vietnam, Costa Rica, and the Dominican Republic**, with the following activities planned:
 - Piloting **gender analysis and integration activities**, to enhance women's participation in the countries' Emission Reductions Programs.
 - Building **capacity** for women's organizations and government institutions and agencies working on gender and REDD+.
 - Developing **Gender Action Plans**, to ensure women benefit directly from all forest and landscape interventions.
 - Reviewing women's participation in REDD+ **decision-making platforms** at subnational and national levels.
 - Ensuring **gender-sensitive indicators and targets** in the monitoring framework for national REDD+ strategies.



Progress since CF18 (Jan 2018)

Communications and Knowledge-Sharing

- Continue to celebrate **FCPF's 10 year anniversary** via products, stories, and events, including videos launched at PC25 featuring FCPF stakeholders and a publication marking achievements over the decade.
- Supported **South-South Knowledge Exchanges** focused on REDD+ Readiness and Emission Reductions Program Design hosted in Brazil, Ghana and Togo.
- Contributed a brief on the **impact of technology and the future of forests** and to a joint WB/OECD/UNEP/BMU project on financing climate futures.
- Held **BBLs** and knowledge sessions on topics such as “Lessons from FCPF Capacity Building Program”, MRV and Gender, including at the last PC.
- A continuous stream of **strategic features and blogs** keep forests and REDD+ highly visible online.



Topics and Decisions for CF18 Resolutions

Four Resolutions to be considered at this meeting:

- Decisions on **whether to proceed to negotiating an ERPA for proposed ER Programs from Lao PDR, Nepal, and Madagascar** (i.e. potential selection of ERPDs from pipeline into portfolio of the Carbon Fund)
- Approval of the FY19 Budget



Topics and Discussion for CF18

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

- An update on the World Bank organizational structure and the **roles and responsibilities** of relevant entities.
- Feedback on updates to the **Carbon Fund Process Guidelines**: (a) proposed steps for monitoring, reporting and verification and (b) ERPA negotiation process.
- Update on **registries**, including the scope of planned studies along and the results of initial analyses.
- Update on private sector engagement, including (i) **collaborative opportunities** with relevant networks; (ii) support in increased **role of private sector FCPF Observers**; (iii) topical **deep dives** and **knowledge products** to inform private sector strategies; and (iv) **program-specific** private sector engagement support.
- Proposal by the **Multi-Country Forests Bonds Program** to engage private sector investment in support of REDD+ efforts.

Focus Areas of FMT for FY19

- **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 Exchanges
- 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** and ensure continuity of **IP-CSO capacity** from readiness to program implementation

