



FCPF Carbon Fund

ERPA Negotiations Process

Eighteenth Meeting of the Carbon Fund (CF18)

Paris, France

June 20-22, 2018

Outline of Presentation

- Roles and responsibilities for ER programs and ERPA negotiations
- ERPA negotiations process

Roles and Responsibilities for ER Programs and ERPA Negotiations

Role	Responsibilities
World Bank Country Director, part of Country Management Unit (CMU)	Represents World Bank in relevant REDD+ Country and, in accordance with existing practice in other carbon funds, signs the ERPA on behalf of the World Bank, acting as Trustee of the FCPF Carbon Fund.
World Bank Task Team (part of Environmental and Natural Resources Global Practice, GP)	Supports the REDD+ Country in preparing and implementing the ER Program, including helping to clarify understandings and initial expectations arising from the default ERPA term sheet. Coordinates internal World Bank document preparation, reviews, and decision meetings. Led by and composed of staff from the Environment and Natural Resources Global Practice (GP) with support from staff and consultants from other relevant parts of the World Bank, including experts on environmental and social safeguards, financial management, and Facility Management Team (FMT) colleagues for GHG accounting.

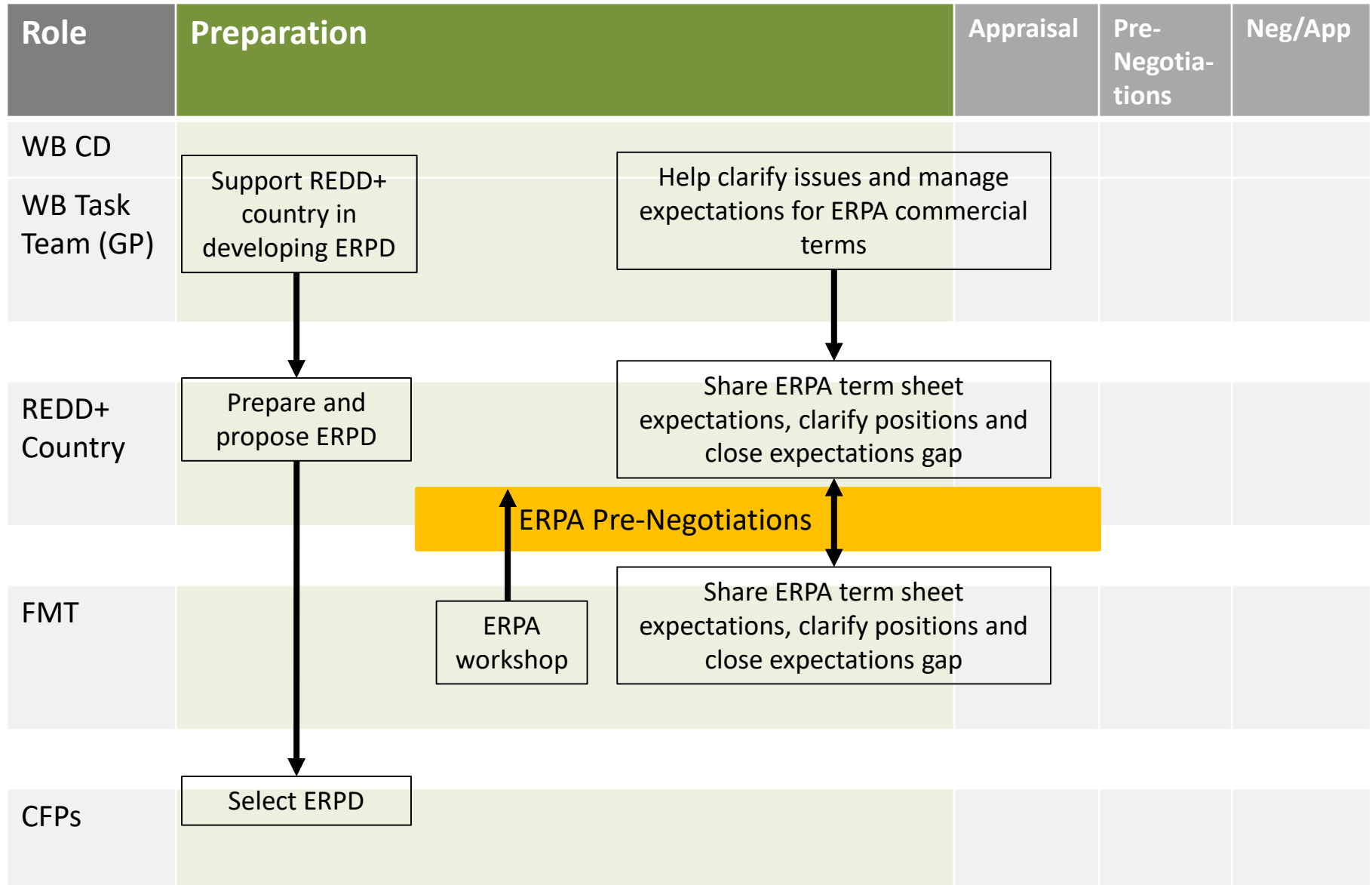
Roles and Responsibilities for ER Programs and ERPA Negotiations

Role	Responsibilities
REDD+ Country	Seller of ERs under an ERPA. Responsible for preparing and implementing the ER Program. Conducts ERPA pre-negotiations and ERPA negotiations with Trustee.
World Bank as Trustee of FCPF Carbon Fund	Buyer of ERs on behalf of CFPs under an ERPA. Conducts ERPA pre-negotiations and ERPA negotiations with REDD+ Country on behalf of CFPs. The Trustee function is carried out by a subset of Facility Management Team (FMT) staff (fund management staff and others, as necessary) with the support of legal staff advising the FCPF in its Trustee function. Responsible for the day-to-day operation of the FCPF as a facility, including secretariat, fund management and fund administration services, input to reviews of ER Program documents for consistency with FCPF requirements, and technical advice, particularly for GHG accounting and Monitoring, Reporting, and Verification (MRV), amongst other functions.

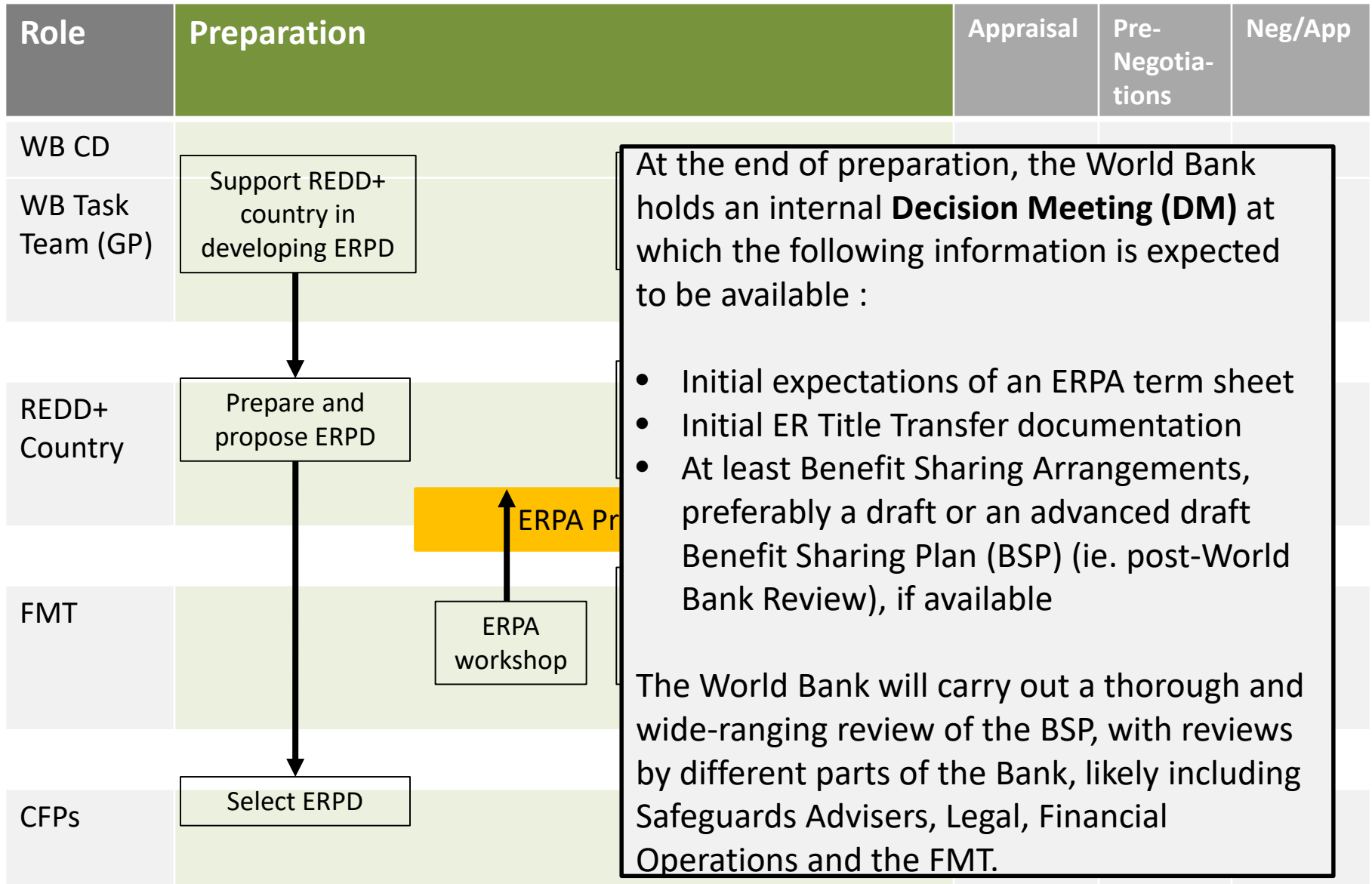
Roles and Responsibilities for ER Programs and ERPA Negotiations

Role	Responsibilities
Carbon Fund Participants (CFPs)	Select prospective ER Programs to enter into the FCPF CF portfolio, provide commercial terms parameters to Trustee for ERPA negotiation purposes, provide ‘no objections’ on final ERPA term sheets and ERPAs , and receive ERs once generated, verified, and paid for. Each Tranche of the FCPF CF self-selects one representative (CFP Rep) to facilitate communications between the Trustee and CFPs in each Tranche during ERPA pre-negotiations and negotiations.

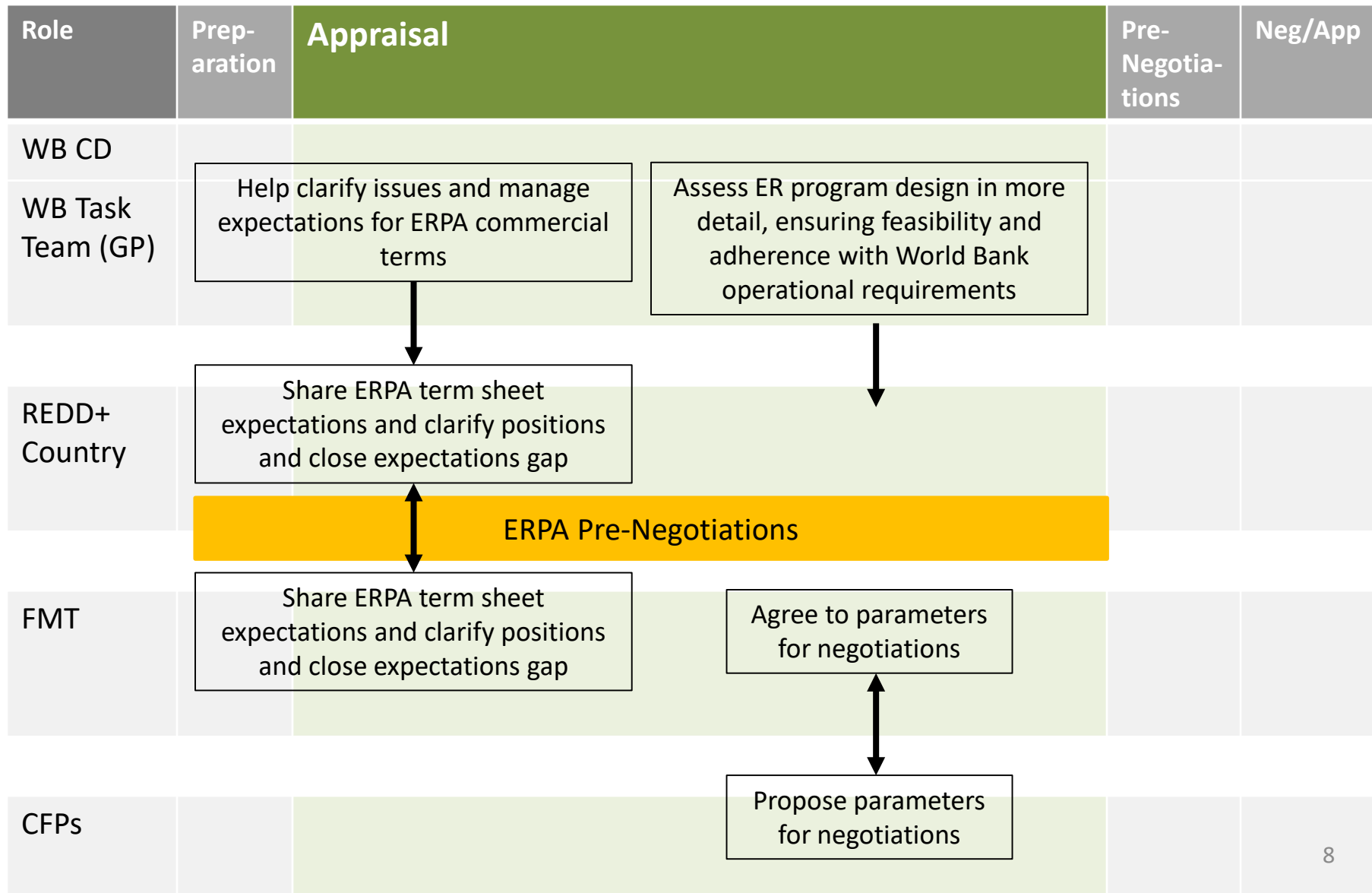
ERPA Negotiations Process - Preparation



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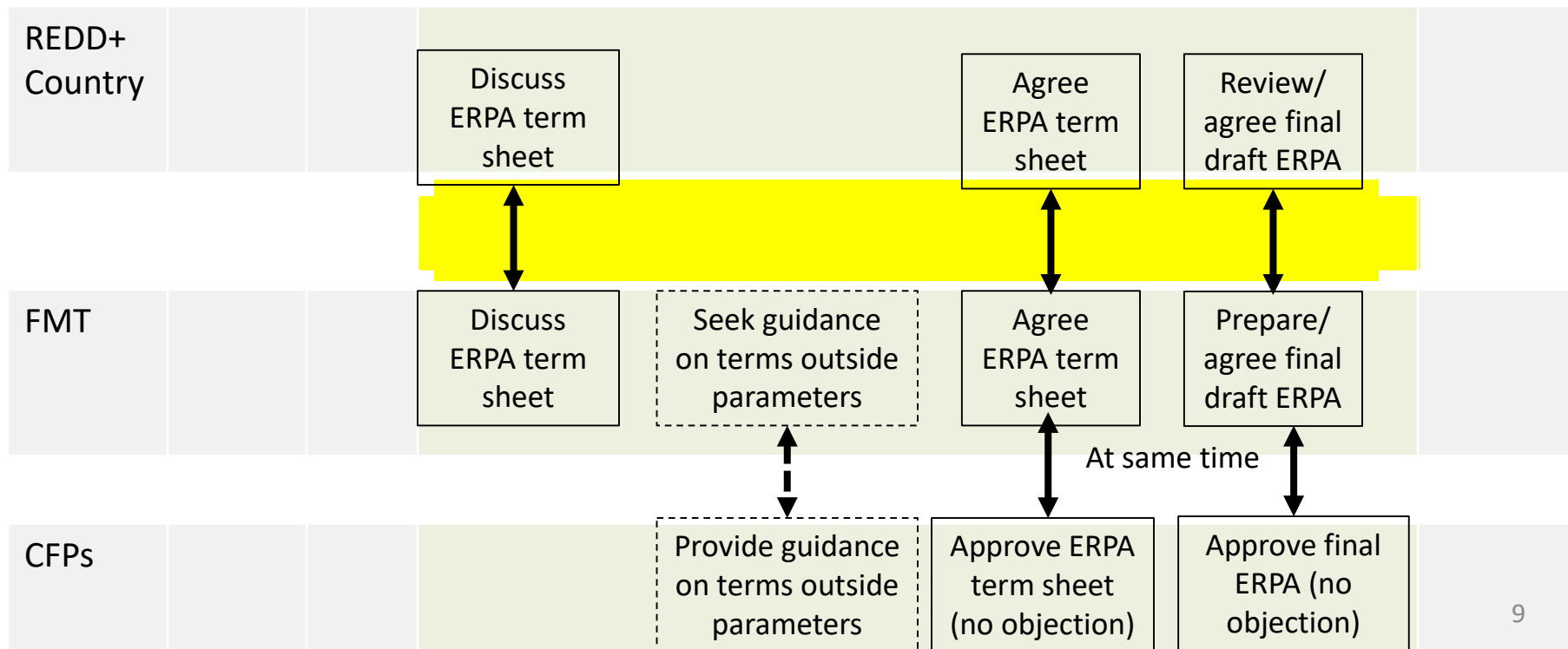


ERPA Negotiations Process – Appraisal/pre-negotiations



ERPA Negotiations Process – Appraisal/pre-negotiations

Role	Preparation	Appraisal	Pre-Negotiations	Neg/App
WB CD				
WB Task Team (GP)				



ERPA Negotiations Process – Appraisal/pre-negotiations

At the end of appraisal and pre-negotiations, a **Negotiations Package** is prepared, expected to consist of the following:

- ERPA term sheet, draft ERPA (no objection by CFPs)
- ER Title Transfer documentation
- At least a draft BSP; preferably an advanced draft BSP, if available
- Authorization to negotiate from CD
- This is the start of formal “negotiations” in the World Bank process

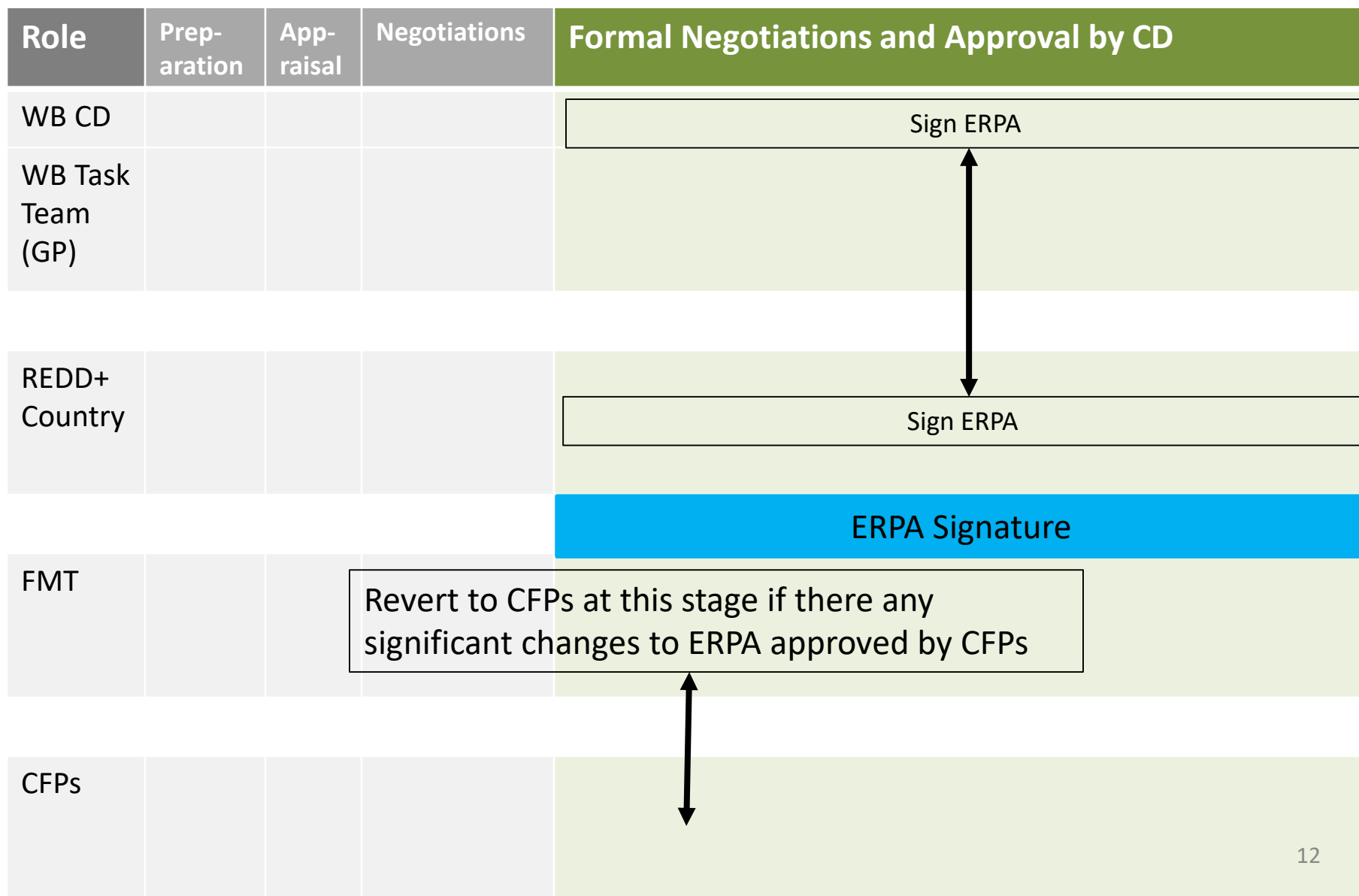
ERPA Negotiations Process – Benefit Sharing Plan

The review process and guidance for BSPs is currently being finalized.

The current proposal is to share:

- a version of the BSP, containing all of the elements of the FCPF Methodological Framework on benefit sharing and acceptable to the World Bank, with CFPs ahead of public disclosure (for feedback on fundamental issues only).
- The version of the BSP (reflecting CFP feedback, if any), acceptable to the Bank, is disclosed publicly prior to ERPA signature.

ERPA Negotiations Process – Formal Negotiations and Approval by CD





THANK YOU!

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