



# Forest Carbon Partnership Facility

## Carbon Fund: Draft Rules of Procedure

FCPF Carbon Fund – Second Meeting (CF2)  
October 20-21, 2011

# Background

- Draft Rules of Procedure were discussed at the First Organizational Meeting of the Carbon Fund in Barcelona on May 31, 2011
- Draft Rules of Procedure were shared with the PC in Oslo, in June 2011 at PC9
- Follow up teleconference with the CF Participants on August 8, 2011

# Draft Rules of Procedure

- Change introduced –CF participant of one tranche as an observer to another tranche
  - Section 8.06
    - Participation in a Tranche Meeting shall normally be limited to ~~only the Carbon Fund Participants in the relevant Tranche.~~ **Only the Carbon Fund Participants in the relevant Tranche have voting rights.** ~~However, unless otherwise decided by t~~**The Chairperson of the Tranche Meeting may, in consultation with the Carbon Fund Participants of that in the Tranche, decide to close parts of the Tranche Meeting to include only the Carbon Fund Participants of that Tranche.** The Chairperson may **also**, in consultation with **and following by consensus consensus by** the Carbon Fund participants in the **relevant** Tranche, determine whether to invite ~~the Carbon Fund Participants from the other Tranche and~~, as appropriate, Observers to attend **that** Tranche Meeting.

# Draft Rules of Procedure

- Change introduced –observer to a tranche meeting
  - 3 representatives of REDD Country Participants, selected by the REDD Country Participants that are members of the Bureau of the PC
    - 1) progress by the REDD Country Participant towards REDD+ Readiness, including formal assessment by the PC of the REDD Country Participant's Readiness Preparation Proposal and allocation of a Readiness Preparation Grant by the PC to the REDD Country Participant, signature of the Readiness Preparation Grant agreement, and progress towards the Readiness Package;
    - 2) geographic balance among Africa, Asia and Latin America; and
    - 3) inclusion of the REDD Country Participant into the Carbon Fund.

The three representatives will be selected for 1 year at the time of the PC election.

- 1 representative of each category of Observers listed in Section 11.7 of the FCPF Charter
- In consultation with the Carbon Fund Participants, FMT may invite any other entities, provided at least 7 days notice to the Participants and no objection

# Draft Rules of Procedure

- Observers

- Observers can express their views but have no voting rights
- Closed session:
  - Portions of the Carbon Fund Meeting involving confidential deliberations (inclusion of ER Programs in the tranche portfolio; entry into Emission Reductions Payment Agreements (ERPAs) or whether to revise, extend or cancel these ERPAs; approval of annual business plans and budgets; and whether to establish ad hoc Technical Advisory Panels for the Tranche-specific ER Programs or ERPAs.)
  - The Chairperson may, in consultation with and following consensus by the Carbon Fund Participants, determine whether to invite Observers to participate in any such confidential deliberations.

# Next Steps

- Adoption of the Rules at the CF Meeting in Berlin (Oct, 2011)
  - Section 12.8 (Charter): Rules shall be adopted by consensus of the Carbon Fund Participants