

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
TWENTIETH CARBON FUND MEETING
July 8 - 11, 2019
Washington, D.C.**

**Resolution CFM/20/2019/4
Selection of Emission Reductions Program Document of Nicaragua into the
Portfolio of the Carbon Fund of the FCPF**

1. As per Resolution CFM/13/2015/7, the Carbon Fund (Carbon Fund) of the Forest Carbon Partnership Facility (FCPF) selected Nicaragua's Emission Reductions Program Idea Note (ER-PIN) into the pipeline of the Carbon Fund and provided additional funding for Nicaragua to develop an Emission Reductions Program Document (ER-PD) for its Emission Reductions Program (ER Program);
2. In September 2017, as per Resolution PC/24/2017/5, the Participants Committee of the FCPF endorsed Nicaragua's Readiness Package;
3. Nicaragua issued its advanced draft ER-PD in February 27, 2018. The Technical Advisory Panel (TAP) reviewed the ER-PD against the ER-PD requirements in the Carbon Fund's Methodological Framework dated December 20, 2013, as amended, and issued its TAP Review document in March 2018. The Carbon Fund Participants reviewed the advanced draft ER-PD and the TAP Review document and submitted their consolidated comments to the FCPF Facility Management Team (FMT) in April 2018. Based on the findings of the TAP Review and the comments of the Carbon Fund Participants, Nicaragua submitted to the FMT a revised final ER-PD on May 17, 2019. The TAP reviewed such final ER-PD and issued its final TAP Review document to the FMT on May 21, 2019; and
4. Nicaragua has presented its final ER-PD during this meeting.

The Carbon Fund Participants,

1. Acknowledge the extensive efforts made by Nicaragua, and the high quality of the ER-PD;
2. Decide to provisionally include Nicaragua's ER-PD into the portfolio of Tranche B of the Carbon Fund, provided that any commercial terms (such as advance payments, price etc.) included in the ER-PD are subject to subsequent negotiations of the Emission Reductions Payment Agreement (ERPA);
3. Provisionally authorize the International Bank for Reconstruction and Development (Bank), as trustee of Tranche B of the Carbon Fund (Trustee), to lead the ERPA negotiations with Nicaragua for the ER Program, in accordance with the ERPA negotiations process and subject to completion of Bank due diligence and final Bank approval, provided that ERPA negotiations shall not start before Bank management has appraised the ER Program;
4. The provisional inclusion of Nicaragua's ER-PD into the portfolio of Tranche B of the Carbon Fund and the provisional authorization of the Trustee to lead the ERPA negotiations with Nicaragua are deemed approved upon fulfillment of the following condition:

Revision by Nicaragua of the ER-PD and submission of such revised ER-PD to the FMT (1) preferably as soon as possible after this meeting but, in any case, no later than July 31, 2019, unless otherwise agreed with the Carbon Fund Participants in Tranche B of the Carbon Fund, and (2) in substance satisfactory to the Trustee, with the consent of the Carbon Fund Participants in Tranche B of the Carbon

Fund on a three (3) week no objection basis. The revised ER-PD shall reflect that individuals and institutions on any sanction lists of the World Bank and the Carbon Fund Participants will not be associated with or benefit from the benefit sharing arrangement of the ER Program.

5. Unless decided otherwise by the Carbon Fund Participants in Tranche B of the Carbon Fund and subject to fulfilment of the condition in paragraph 4 above, commit to nominate, prior to the start of ERPA negotiations, for Tranche B of the Carbon Fund one (1) representative to act as Carbon Fund Representative of Tranche B of the Carbon Fund throughout the ERPA negotiations process and notify the FMT accordingly; and
6. Encourage Nicaragua to further develop the additional issues identified by the Carbon Fund Participants in the Chair's Summary for this meeting, not listed under paragraph 4 above, and inform the FMT about corresponding developments, if any, to be shared with the Carbon Fund Participants and Observers, prior to ERPA signature.