



Forest Carbon Partnership Facility

5a. Update on Progress of the Working Group of the CF on the Methodological Framework:

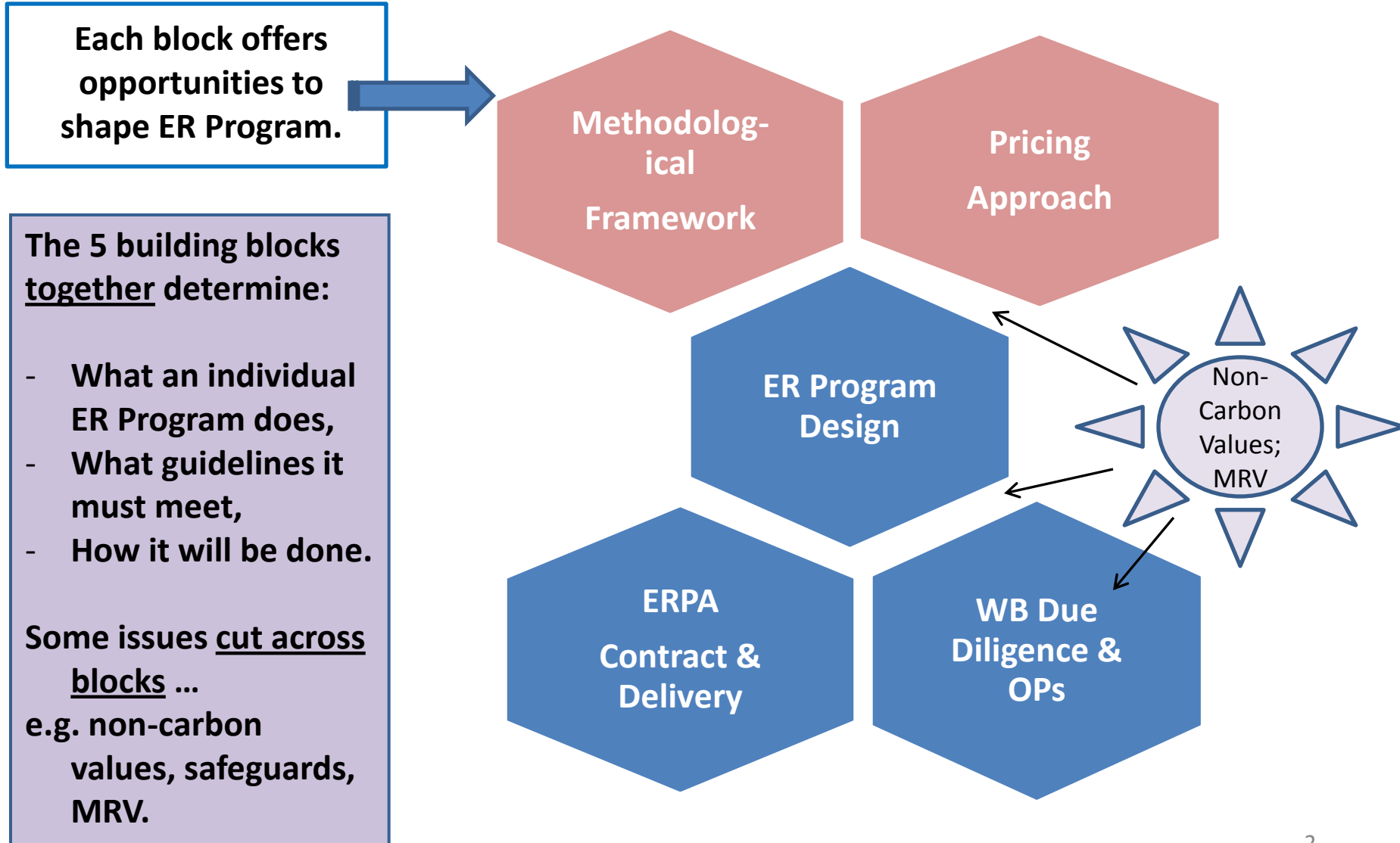
How Will We Provide Guidance for ER Program Proposals?

FCPF Carbon Fund 6

Washington, DC

March 15 - 16, 2013

Method. Framework & Pricing Approach Are Part of 5 Building Blocks of an Carbon Fund ER Program



PC Working Group & PC12 Identified 16 Elements as Guidance for CF Developing Method. Framework

Recommendations for elements on carbon accounting:

1. Stepwise approach to reduce uncertainties
2. Reference level
3. Consistency with monitoring system
4. Address reversals
5. Address displacement (leakage)

Recommendations on programmatic characteristics:

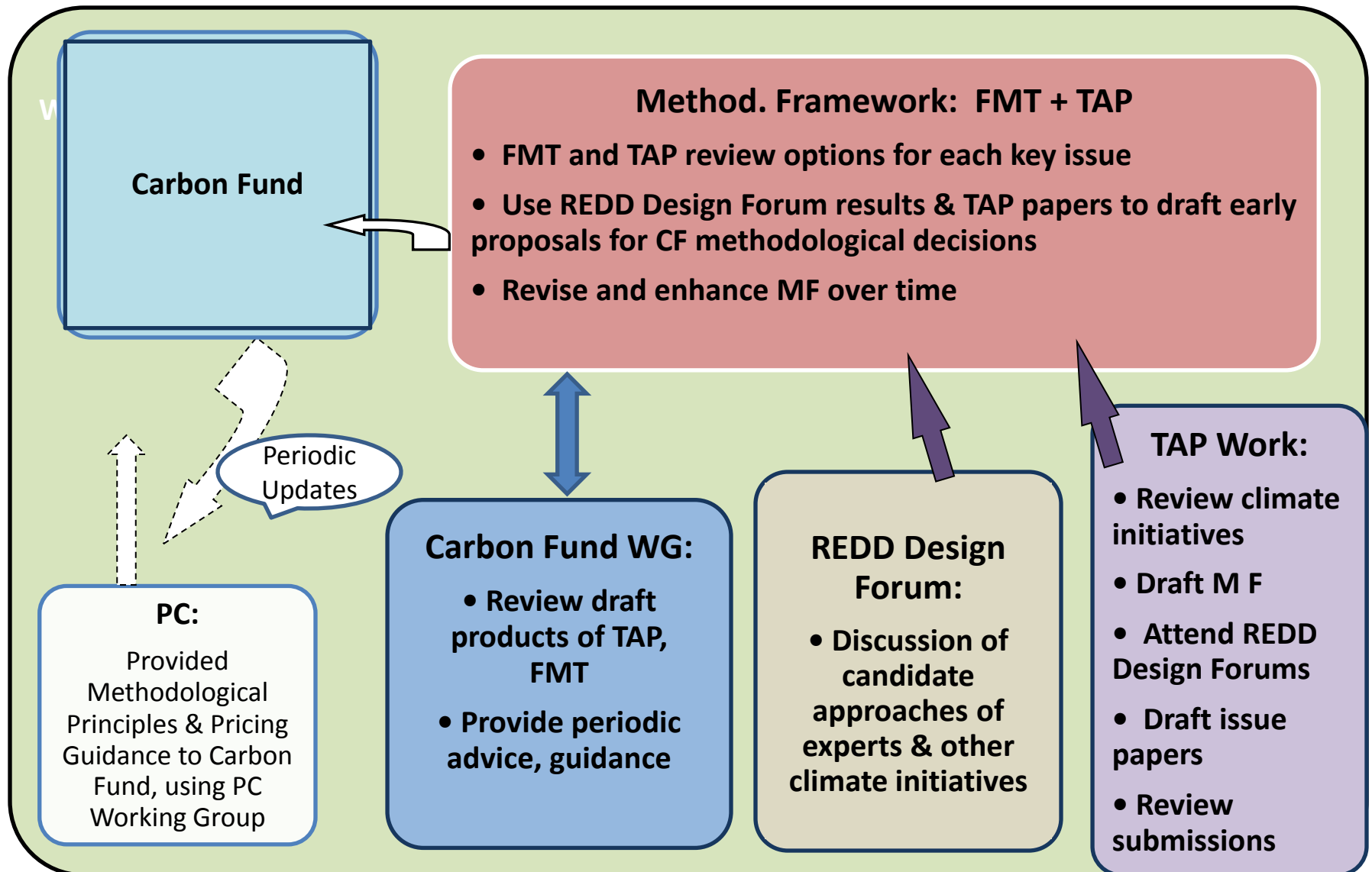
1. Endorsement and implementing capacity
2. Scale and ambition
3. Safeguards
4. Stakeholder participation
5. Benefit sharing
6. Non-carbon benefits

Recommendations on pricing elements:

1. Fairness, flexibility and simplicity
2. Price structure
3. Informed negotiations
4. Non-carbon benefits



Process for Development of Methodological Framework and Pricing Approach for CF



Objectives of WG Meeting

1. Agree on a general approach for the Methodological Framework
2. Solicit feedback on early draft overview of criteria and indicators for 1 carbon accounting topic (reference levels), and 1 programmatic topic (feedback and grievance redress mechanism), as examples of proposed approach
3. Provide advice on key issues emerging in REDD Design Forums and issue papers
4. Discuss proposed process to develop MF in draft by June and in final form by November, including role of WG
5. Not to wordsmith draft criteria and indicators— give a proof of concept and approach

CF Methodological Framework Issue Papers

Format: Identify key questions. Review other initiatives.
Propose options for CF approach.

- 1: General Approach for MF: standards and indicators vs. methods vs. positive list. Scope and Scale.
- 2: Reference Levels; and additionality
- 3: MRV design: carbon, non-carbon, community role; and
- 4: Displacement (leakage), and Reversals of GHG benefits (permanence), and sustainability of ER Programs
5. Safeguards: WB safeguards, reporting on Cancun safeguards
6. Feedback and grievance mechanisms
- 7: Benefit sharing mechanisms, inc. equitable distribution; non-carbon benefits, inc. biodiversity, and valuation
- 8: Carbon rights and land tenure
- 9: Registries
- 10: Financial strategy for ER-Programs, in context of country plans
- 11: Sustainability of REDD programs

X = Draft
O = in progress

X

X

X, O
X

X

X

X

X

X

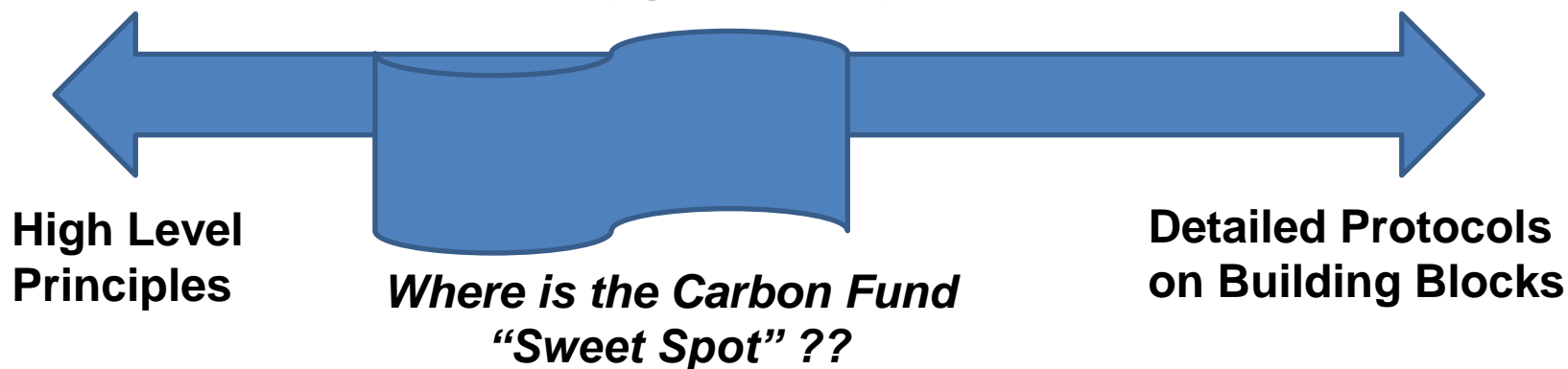
O

O

Overarching Question 1:

What General Approach to Take: Standards, Methods, Positive List?

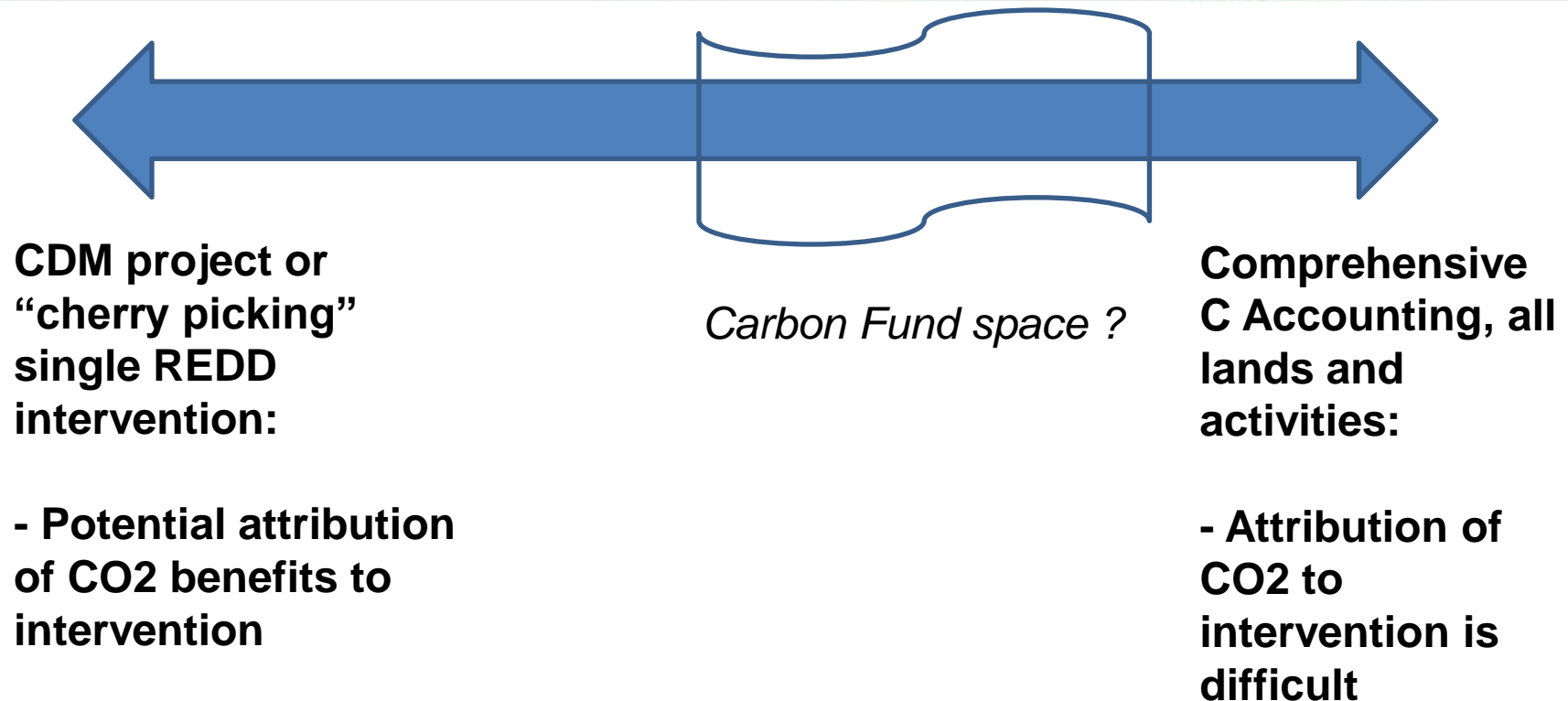
- **Three major approaches (or combinations of them):**
 - 1) Criteria and indicators
 - 2) Criteria and indicators + detailed guidance or protocols
 - 3) Positive list : If ER Program meets an existing standard for a topic in another climate initiative (eg, VCS, ACR), it meets CF standard.



Early WG views:

- 1) Set of Requirements: *develop Criteria & Indicators, for each topic.*
- 2) Additional guidance, not required: *only as needed & feasible, including identifying Best Practices for some topics*

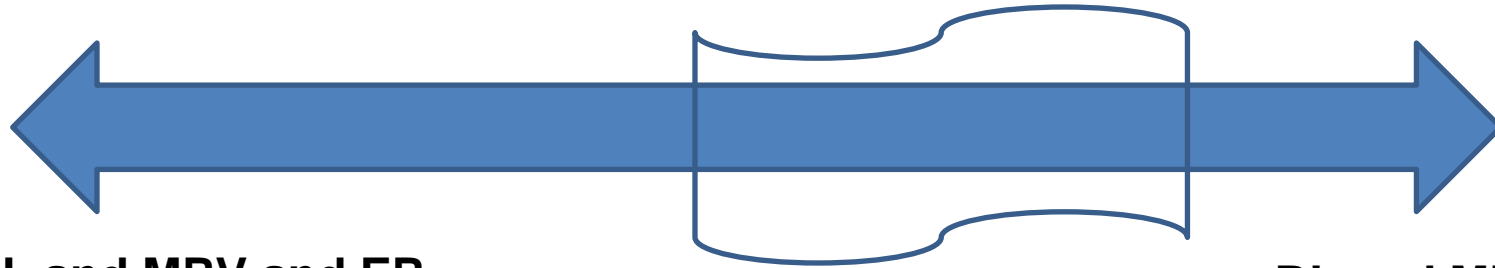
Overarching Question 2: What Scope of ER Programs Does CF Seek to Pilot?



Early WG views:

- 1) *Seek to move to right on continuum above . . .*
- 2) *But more development needed: decision affects many criteria and topics of MF*

Overarching Question 3: What Geographic Scale, and Relation to Higher Scales?



RL and MRV and ER
Program
interventions occur
in same area:

eg, a “jurisdiction”,
say 1-2 districts
within a province?

Carbon Fund space ?

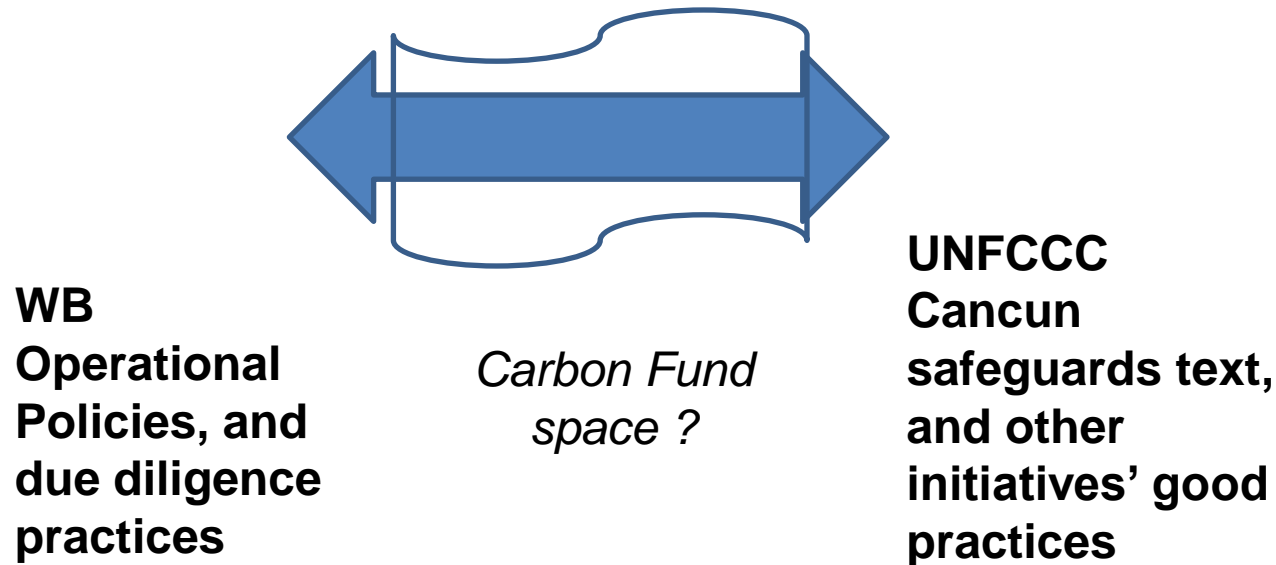
RL and MRV are
larger area than
ER Program
intervention
area:

eg, at whole
province or
national scale?

Early WG views:

- 1) *Seek high degree of overlap of Program intervention area, and Reference Level and MRV area*
- 2) *. . . But: more development needed: decision affects many criteria*

Overarching Question 3: Clarifying Relationship between WB OPs & Cancun/Other Safeguards approaches?



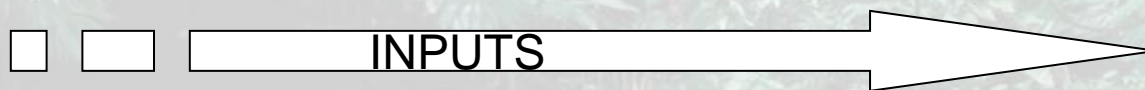
Early WG views:

- 1) WB needs to share its internal work assessing the high degree of overlap on this topic as the next step*
- 2) FMT & TAP will develop full draft of criteria and Indicators on all topics, ASAP, for review by WG.*

Potential Format of Methodological Framework: Requirements, plus Guidance

- **Build directly on PC-provided “Elements,” as first-order framing of approaches by FCPF**
- **Provisional discussion of the format of final product:**
 - **Requirements would consist of: Criteria, Indicators, and Rationales per topic.**
 - **Annexes?: potentially with decision support tools, or other optional guidance and information?**
 - **Good Practices document?: coming later, offering early GPs for each major topic, as feasible,**
- **Consistency will be needed as some topics are addressed in MF, and/or elsewhere: eg, in:**
 - **ERPA contract (inc. Term sheet topics)**
 - **Implementation of WB Operational Policies and due diligence**
 - **ER Program design.**

Overview of Methodological Framework Development



Tentative Dates	Inputs: TAP Work	REDD Design Forum	WG on MF
October 22, PC13 Brazzaville	Ideas on General Approach for MF: standards vs. methods vs. positive list		WG Meeting 1: Schedule, Objectives, General Approach
November, 2013	FMT: Public call for short <u>submissions</u> to the MF process, with due dates.		
January, 2013 Washington, DC	<i>Issue Papers:</i> 1: General approach 2: Reference Levels and Additionality 3: MRV design 4: Displacement, Reversals	<i>REDD Design Forum #1:</i> Overview of existing standards in initiatives. Carbon Accounting Issues: Reference Levels, MRV, Displacement, Reversals	
February, 2013 Washington, DC	<i>Issue Papers:</i> 5: Safeguards 6: Grievance mechanism 7: Benefit sharing	<i>REDD Design Forum #2:</i> Safeguards; Benefit sharing; Non-C benefits; Grievance mechanisms.	

Overview of Methodological Framework Development: 2



Tentative Date, Location	Inputs: TAP Work, Submissions	REDD Design Forum: Topics to be Addressed	WG on Method. Framework (MF):
March 13-14, Washington, DC	Issue papers + Forum summary		WG meeting 2: General approach, & hard issues
April 23 - 25, Washington, DC	<i>Issue papers 7, 8, 9</i>	<i>Forum #3: Carbon rights, tenure. Non C values. Registries. Finances.</i>	
Late May ?, Washington?	all materials		WG Meeting 3 discuss rough draft MF
June 21 – 22, Paris ?? CF7: June 24-25	review presentation of full MF to CF		WG Meeting 4 in Paris
June 29 – July 2 PC 15, Indonesia			Share progress with PC ?
July – August (dates tbd)			Public review period
September ?	Revise draft MF.	Forum # 4, if needed	
November, 2013, tbd	CF reviews final MF at CF meeting		Meets 2 days prior to CF meeting

We are off to a solid beginning . . .

