

Progress against Carbon Fund Objectives

| Role of:                 | Progress    | 6 Months Targets (October 2011)                               | AP | M&E | Progress  | One Year Goals - Expected by June 2012   | AP | M&E | Progress    | June 2013-October 2013                                  | AP   | M&E | Progress    | 3 Year Goals (by June 2014 and beyond)  | AP | M&E |
|--------------------------|-------------|---|----|-----|-----------|--|----|-----|-------------|---|--|-----|-------------|---|----|-----|
| Carbon Fund Participants | completed   | Agrees ER-PIN template  | x  |     |           |  |    |     |             |   |  |     | In progress | 10 early ideas or ER-Programs presented by countries to the CF by 2015  |    | x   |
|                          | completed   | Agrees Carbon Fund Rules of Procedure                         | x  |     |           |  |    |     |             |   |  |     |             | Sign at least 3 ERPAs representing a value of approximately 60% of the "available capital for ER Purchases" from the capitalization target of US\$200 million | x  | x   |
|                          | In progress | Initiates a strategic discussion on future of Carbon Fund     | x  |     |           |  |    |     |             |   |  |     |             | Minimum of 5 signed ERPAs by 2015   |    | x   |
|                          |             |   |    |     |           |  |    |     |             |   |  |     |             | Amount of ER purchases following ERPA signature (total value of 10M USD)  |    | x   |
| Participants Committee   | completed   | Discusses draft policy guidance on Valuation/Pricing Approach | x  |     | completed | Adopts first draft of Readiness Package guidelines and Readiness Package assessment process by PC11                                    | x  |     |             |   |  |     |             |   |    |     |
|                          |             |   |    |     | completed | Assessment Framework on Readiness Package to be published following adoption at PC14   |    | x   |             |   |  |     |             |   |    |     |
|                          |             |   |    |     | completed | Agrees policy guidance on Valuation/Pricing Approach (PC agreed to the guiding principles on the valuation/Pricing Approach)           | x  |     |             |   |  |     |             |   |    |     |
|                          |             |   |    |     | completed | Agrees Methodological Framework (PC agreed to the guiding principles to the Methodological framework)                                  |    | x   |             | In progress   | Fully developed draft (Meth framework, Pricing Approach and Business processes) by CF7 (June 2013), endorsed by October 2013 |     | x           |   |    |     |
|                          |             |   |    |     |           |  |    |     |             | In progress (ERPA Term Sheet defined)                   | Fully defined ERPA Term Sheet by PC14, ERPA General Conditions endorsed by PC16 (Oct-Nov 2013)                               | x   | x           |   |    |     |
| FMT                      | completed   | Shares draft Meth Framework with PC                           | x  |     | completed | Signs Participation Agreements with at least 2 additional private Participants (depends on developments in REDD+ regulatory framework) | x  |     | In progress | Signs Letters of Intent for between 1 and 3 ER Programs | x  |     |             | Review and revise FCPF framework as necessary (i.e., Methodological Framework, Valuation/Pricing Approach, etc.)  |    | x   |
|                          | completed   | Proposes Readiness Package outline to PC                      | x  |     | completed | Achieves current capitalization target of US\$200 million  | x  |     |             |   |  |     |             | Capture and disseminate the lessons learned in the first 3 years of fund operations   |    | x   |
|                          |             |   |    |     |           |  |    |     |             |   |  |     |             | Evaluation of preparatory work and first operational activities of the CF in 2015   |    | x   |