

FOREST CARBON PARTNERSHIP FACILITY (FCPF)

**PARTICIPANTS ASSEMBLY
October 20, 2008**

Resolution PA 2008-1

WHEREAS:

In accordance with Section 10.2 (b), the Participants at the Annual Meeting shall elect their representatives to the Participants Committee.

NOW THEREFORE IT IS HEREBY RESOLVED THAT:

1. The following are elected as representatives of REDD Country Participants:

Gabon	Nepal
Democratic Republic of Congo	Bolivia
Ghana	Guyana
Madagascar	Panama
Vietnam	Costa Rica

Notwithstanding Section 11.2(f) and (g), and subject to paragraph 3 below, Costa Rica shall resign as a member of the Participants Committee and shall then be replaced by Mexico at the time Mexico has signed the REDD Country Participation Agreement.

2. The following are elected as representatives of Donor Participants and Carbon Fund Participants:

AFD	Norway
Australia	Switzerland
Germany	TNC
Japan	United Kingdom
The Netherlands	United States

3. According to Section 11.2 (f) of the Charter, the term of the membership of the Participants Committee will run from the first date after the end of the Organizational Meeting at which they were elected, until the second Annual Meeting. In the case of Costa Rica, the term will run until it is replaced by Mexico, of which the term will run for the unexpired term of Costa Rica.

FOREST CARBON PARTNERSHIP FACILITY (FCPF)

PARTICIPANTS COMMITTEE MEETING

October 21-22, 2008

Resolution PC 2008-1

Rules of Procedure for Meetings of the Participants Committee

WHEREAS:

1. Section 11.8 of the Charter Establishing the FCPF (“Charter”) provides that rules of procedure for the meetings of the Participants Committee shall be prepared by the Facility Management Team for adoption by the Participants Committee

NOW THEREFORE IT IS HEREBY RESOLVED THAT:

The Participants Committee hereby adopts the Rules of Procedure attached to this Resolution.

Attachment

Forest Carbon Partnership Facility

**Rules of Procedure
For Meetings of the Participants Committee**

I. Definitions

1.01. Capitalized terms hereinafter appearing in these Rules of Procedure, but not otherwise defined, shall have the same meaning as that ascribed to them in the Charter, and the terms set forth below shall have the following meanings:

- (a) “Bureau of the Participants Committee” or “Bureau” means the members referred to in Section VII of the Rules;
- (b) “Chairperson” means the chair for the Participants Committee who is designated in accordance with Section 11.2 (i) of the Charter;
- (c) “Members” means members of the Participants Committee;
- (d) “Meetings” means the meetings of the Participants Committee;
- (e) “Observers” means observers referred to in Section 11.7 (a) and (b) of the Charter, and the entities referred to in Section 8.01 of the Rules; and
- (f) “Rules” or “Rules of Procedure” means rules set out herein for meetings of the Participants Committee.

II. Scope and Application

2.01 The Rules supplement the relevant provisions of the Charter and shall apply to all meetings of the Participants Committee. In the event of any conflict between any provision of these Rules and any provision of the Charter, the provisions of the Charter shall prevail.

III. Dates and Venue of Meetings

3.01 At the first meeting of the Participants Committee, the Chairperson shall propose a schedule of the Meetings to be held before the next Annual Meeting.

3.02 At each meeting of the Participants Committee, the Members shall review the schedule of the Meetings referred to in Section 3.01 and decide on the dates and venue of the next Meeting.

3.03 The Meetings of the Participants Committee shall take place at the seat of the Facility Management Team, unless the Participants Committee decides otherwise or other arrangement is made by the Facility Management Team in consultation with the Members.

IV. Agenda

4.01 The Facility Management Team shall prepare, on the basis of the conclusions of the previous Meeting referred to in Section 10.02 of the Rules and in consultation with the Bureau of the Participants Committee, the provisional agenda for each Meeting of the Participants Committee.

4.02 The provisional agenda together with supporting documents shall be distributed to the Members and the Observers at least fourteen days before the meeting of the Participants Committee.

4.03 The Participants Committee shall adopt the provisional agenda at the beginning of each Meeting.

V. Conduct of Business

5.01 The Chairperson may decide to invite speakers to express their views, starting with the Members, the observers identified in Section 11.7 (a) and (b) of the Charter, and the entities invited to participate in the Meeting as referred to in Section 8.01 of the Rules.

5.02 The Chairperson may limit the time allowed to each speaker and the number of times each speaker may speak on a question.

VI. Meetings through Electronic Means

6.01 The Participants Committee may decide to conduct its Meetings by videoconference, teleconference or other electronic means.

VII. Bureau of the Participants Committee

7.01 Up to six members of the Participants Committee, including three REDD Country Participants and, up to three Donor Participants and Carbon Fund Participants collectively, shall serve as the Bureau of the Participants Committee to liaise with and provide guidance to the Facility Management Team during intercessional periods.

7.02 Members from REDD Country Participants, Donor Participants and Carbon Fund Participants, respectively, shall select their representatives to the Bureau. The term of the Bureau will run from the first day after the end of the Annual Meeting at which the Bureau is selected until the following Annual Meeting.

VIII. Observers

8.01 In addition to the observers identified in Section 11.7 (a) and (b) of the Charter, the Facility Management Team, in consultation with the Bureau of the Participants Committee, may invite any other entity to participate in a meeting of the Participants Committee as an observer. However, for any specific agenda item, the Chairperson may decide to limit participation in the Meeting to the members of the Participants Committee and the observers identified in Section 11.7(a) and (b) of the Charter.

8.02 Without prejudice to Section 5.01 of the Rules, all Observers may express their views on issues under discussion but shall not vote on any decision by the Participants Committee.

IX. Voting Method

9.01 Any voting referred to 11.4 of the Charter, shall normally be held by written ballot or by show of hands.

X. Resolution and Meeting Record

10.01 The Participants Committee may adopt its decisions in the form of resolutions.

10.02 At the end of each meeting of the Participants Committee, the Facility Management Team shall prepare a record of the conclusions of the Meeting for approval by the Members.

XI. Language

11.01 The Meetings shall be conducted in English and all documents of the Meetings shall be in English. However, the Facility Management Team shall normally arrange for simultaneous translation from English to French and Spanish.

XII. Amendment

12.01 The Rules may be amended by the Participants Committee at any meeting provided at least fourteen days notice of the proposed amendment has been given to the Members and the observers identified in Section 11.7 (a) and (b) of the Charter.

FOREST CARBON PARTNERSHIP FACILITY (FCPF)

PARTICIPANTS COMMITTEE MEETING

October 21-22, 2008

Resolution PC 2008-2

Selection of REDD Country Participants

WHEREAS:

1. Fourteen Readiness Plan Idea Notes (R-PINs) were received by the Facility Management Team (FMT) and reviewed by an ad hoc Technical Advisory Panel (TAP) and the World Bank;
2. In accordance with Section 11.1 (a) of the Charter Establishing the FCPF (the Charter), the Participants Committee shall select Eligible REDD Countries to participate in the FCPF.

NOW THEREFORE IT IS HEREBY RESOLVED THAT:

1. The following Eligible REDD Countries are selected as REDD Country Participants:
 - (i) Cameroon, Colombia, Ethiopia, Papua New Guinea, Paraguay, Peru; and
 - (ii) Argentina, Nicaragua, Republic of Congo, Uganda, and Vanuatu.

In accordance with Section 6.2(b) of the Charter, the Eligible REDD Countries referred to in subparagraphs (i) and (ii) shall enter into a REDD Country Participation Agreement with the Trustee of the Readiness Fund.

The Eligible REDD Countries referred to in subparagraph (i) above and those REDD countries selected at the meeting of the Steering Committee as reflected in Resolution SC 2008-1, will each have access to grants in the amount of up to US\$3.6 million, subject to terms and conditions specified in the Charter and the Grant Agreement(s) for the purpose of the preparing and implementing their Readiness Plans (R-Plans);

The Eligible REDD Countries referred to in subparagraph (ii) above will each have access to a grant in the amount of US\$200,000 for preparing the R-Plan, subject to the receipt of additional funding to provide such grants from Donor Country Participants (Norway and Switzerland having indicated that they are prepared to consider favorably providing such additional funding). Access to grants larger than US\$200,000 and associated service from the FCPF will be subject to availability of resources in the Readiness Fund. Priority should be given to those countries that have submitted their R-PINs a second time. The potential benefits of a regional approach should be taken into account in this process.

2. Those other Eligible REDD Countries that have submitted R-PINs but not selected in this meeting to become REDD Country Participants are encouraged to revise their respective R-PINs, taking into account the comments from the Ad Hoc Technical Advisory Panel, and resubmit their revised R-PINs by December 15, 2008 for consideration by the second

meeting of the Participants Committee. The Facility Management Team will provide specific feedback to these countries to facilitate their revision.

FOREST CARBON PARTNERSHIP FACILITY (FCPF)

PARTICIPANTS COMMITTEE MEETING

October 21-22, 2008

Resolution PC 2008-3

**Budget for the Readiness Fund for FY09
Grant Allocations for the REDD Country Participants**

Whereas:

Section 11.1(o) of the Charter Establishing the FCPF (the "Charter") provides that the Participants Committee shall approve the Annual Budget of the Readiness Fund and the Shared Costs

NOW THEREFORE IT IS HEREBY RESOLVED THAT:

The Annual Budget and the Grant Allocation for REDD Country Participants attached to this Resolution are approved.

**Attachment I
Annual Budget for FY09**

FCPF Readiness Trust Fund

FCPF FY09 Annual Budget (US\$ Thousands)

Approved 'Scenario 1' with 20 REDD Country Participants and about \$100M in Pledged Resources	FY09
<i>Projected Income</i>	
Readiness Fund Expected Cash Inflows	\$57,035
<i>Provisioning for Grant Commitments*</i>	(\$21,063)
<i>Provisioning for FY10 Expenses**</i>	(4,309)
Total	\$31,663
<i>Projected Expenses</i>	
<i>Services to REDD Countries</i>	
REDD Country Participant Grants	\$27,200
Country Implementation Support	\$1,194
Country Advisory Services	\$873
REDD Methodology Support***	\$822
Total	\$30,090
FCPF Secretariat***	\$868
Readiness Trust Fund Administration	\$306
Capacity Building Program for Indigenous Peoples	\$200
Contingencies	\$200
Projected Balance	\$0

*Funds required to be set aside for grants committed to the first 20 countries.

**As Trustee the World Bank requires that resources for FY10 expenses be available by the start of FY10, July 1, 2009.

***65% of the Shared Costs as per the FCPF Charter

Attachment II
Grant Allocations for REDD Country Participants

Formulation, Submission and Approval of Readiness Plans

1. To formulate its Readiness Plan (R-Plan) using the FCPF template, a REDD Country Participant is encouraged to request assistance from its development partners, whether it uses the US\$200,000 grant for preparation or not.
2. Where the FCPF has allocated grant resources to assist the REED Country Participant formulate its R-Plan, the World Bank task team assesses the compliance of the studies and activities proposed in the R-Plan with World Bank policies and procedures, in particular the Bank's safeguard policies. This assessment should start when a first draft of the R-Plan becomes available.
3. The REDD Country Participant submits its completed R-Plan to the FCPF Facility Management Team (FMT).
4. The FMT checks the R-Plan for completeness and forwards it to a Technical Advisory Panel (TAP) and to the World Bank task team for the formal assessment of the compliance of the studies and activities proposed in the R-Plan with World Bank policies and procedures, in particular the Bank's safeguard policies.
5. The World Bank task team writes a Readiness Plan Assessment Memorandum.
6. A decision meeting internal to the Bank concludes whether, based on the Readiness Plan Assessment Memorandum, the Bank has no objection to the R-Plan.
7. If the Bank has no objection to the R-Plan, the R-Plan, the TAP's review of the R-Plan and the Readiness Plan Assessment Memorandum are forwarded to the Participants Committee (PC) of the FCPF for review. The PC decides whether to approve the R-Plan on the basis of these three documents.
8. If the PC approves the R-Plan, the REDD Country Participant becomes eligible to a readiness grant of, on average, US\$3.6 million (inclusive of the original US\$200,000). However, the funds would be made available to the country in tranced disbursements, with the country suggesting in its R-Plan the milestones for disbursing the first US\$2 million, and the condition for disbursing any amount beyond that in a final tranche.
9. Before a REDD Country Participant receives its final disbursement (beyond the first US\$2 million), a progress report would need to be submitted to the FMT, consistent with the Charter. The progress report would be subject to assessment and review by the PC before any final disbursement above the US\$2 million is made. In addition, until the full US\$100 million in pledges is received into the Readiness Fund, this last tranche of disbursements would be conditional on having sufficient resources in the Readiness Fund.

FOREST CARBON PARTNERSHIP FACILITY (FCPF)

PARTICIPANTS COMMITTEE MEETING

October 21-22, 2008

Resolution PC 2008-4

Amendment to the Charter Establishing the FCPF

Whereas:

Section 21.1 (c) of the Charter Establishing the FCPF (the “Charter”) provides that the Bank may amend provisions under Article 1, Article 11 and the Annex to the Charter, with unanimous consent of all members of the Participants Committee

NOW THEREFORE IT IS HEREBY RESOLVED THAT:

1. The following definitions shall be included in Section 1.1:

“UNFCCC Secretariat” means the Secretariat of the United Nations Framework Convention on Climate Change, located in Bonn, Germany;

“UN-REDD Programme” means a collective program of Food and Agriculture Organization, United Nations Development Programme and United Nations Environment Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD) which aims to help developing countries prepare and implement national REDD strategies and programs and support the development of normative solutions and approaches for REDD under the UNFCCC.”

2. Section 11.7 (b) shall be amended as follows:

“One representative from Relevant International Organizations, one representative from Relevant Non-Governmental Organizations, one representative from Forest-Dependent Indigenous Peoples and Forest Dwellers, one representative from Relevant Private Sector Entities, one representative from the UN-REDD Programme and one representative from UNFCCC Secretariat will be invited to attend the meetings of the Participants Committee as observers without voting rights to any decision by the Participants Committee.”

FOREST CARBON PARTNERSHIP FACILITY (FCPF)

PARTICIPANTS COMMITTEE MEETING

October 21-22, 2008

Resolution PC 2008-5

Capitalization of the Readiness Fund

WHEREAS:

1. In the report submitted by the World Bank to its Board of the Executive Directors regarding establishment of the FCPF, it was indicated that the total target capitalization of the FCPF is US\$300million, with US\$100million for the Readiness Fund and US\$200million for the Carbon Fund;
2. As of October 22, 2008, 43 Eligible REDD Countries have expressed interest in participating in the FCPF and twenty five of them have been selected as REDD Country Participants;
3. The Participants Committee recognized that there is an urgent need to increase funds in the Readiness Fund in order to achieve the objectives of the FCPF;

NOW THEREFORE IT IS HEREBY RESOLVED THAT:

1. The World Bank as the Trustee of the Readiness Fund is urged to increase the target capitalization of the Readiness Fund from US\$100million to US\$150million with a view to supporting up to 30 REDD Country Participants;
2. All Donor Participants are urged to increase their Contributions to the Readiness Fund; and
3. All Participants are urged to help mobilize additional contributions to the Carbon Fund.