



Forest Carbon Partnership Facility

Participants Committee (Article 11) and Amendment Procedure

Fifth Meeting of the Participants Committee (PC5)

La Lopé, Gabon

March 22-25, 2010



Background (1): Resolution PC4/2009/2

- Amendment to Section 11.2 (a) of the Charter (i.e. expanding the size of the PC from 20 to 28)
- Resolution PC4/2009/2
 - PC's role in amending the provisions on PC under the Charter (Article 11)
 - Requesting FMT to analyze the implications of a possible amendment to Section 21.1(c) – amendment procedure for PC

Background (2): Amendment Procedure

- General Amendment Procedure
 - Unanimous consent of the PC, subject to no objection by all other Participants that are not the members of the PC at the time the amendment is adopted
- Exceptions to the General Amendment Procedure – Special Amendment Procedure
 - Any amendment to Article 1 (definitions), Article 11 (PC) and the annex (Criteria for country selection) only requires unanimous consent of the PC

Rational for Special Amendment Procedure for Article 11

- FCPF is about learning by doing – PC, as a decision making body, may need to make an adjustment from time to time in response to various needs
- To strike a balance between efficiency and accountability, an amendment to Article 11 needs unanimous consent of all the PC members – a higher hurdle for decision-making compared with two thirds majority for other decisions by PC

Article 11: Participants Committee

- Article 11
 - Section 11.1 Role of the PC
 - Decisions related to 4 issues can be overturned by the PA
 - Section 11.2 Membership of the PC
 - Section 11.3 Meetings of the PC
 - Section 11.4 Voting
 - Section 11.5 Quorum
 - Section 11.6 Conflict of Interest
 - Section 11.7 Observers to the PC
 - Section 11.8 Rules of Procedures
- Some sections are substantive and critical for PC operations while some sections are procedural
- Question: What would be the criteria if PC intends to apply “differentiated” treatment in using the amendment procedure?

Relationship between PA and PC

- Participants Assembly (PA) : “light touch” function body
 - Mainly serving as a forum for information exchange
 - Providing general guidance to the PC
 - May overturn the decisions made by PC by double majority on the following four issues:
 - Pricing methodologies for ERPAs
 - General Conditions of ERPAs
 - Guidelines on Additional Benefits; and
 - Evaluation of the FCPF
- PC remains as a main decision-making body
- Question: Would the governance arrangement between PA and PC be still suitable for the FCPF operation?

Options for Consideration

- Option A
 - Any amendment to Article 11 would no longer be subject to the Special Amendment Procedure but fall under the General Amendment Procedure
- Option B
 - Only amendments to specific provisions of Article 11 would be subject to the General Amendment Procedure and the rest of provisions are still subject to by the Special Amendment Procedure, in which case PC needs to decide which provisions should be governed by an appropriate amendment procedure

Options for Consideration (2)

- Option C
 - Maintain the Special Amendment Procedure for Article 11 as it is, but amend Section 10.2 (a) (ii) by inserting an additional provision that PA can overturn decisions by the PC regarding an amendment to Article 11
- Option D
 - Status quo



THANK YOU

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