

# Forest Carbon Partnership Facility (FCPF)

## Carbon Fund

### Draft Disclosure Guidance for the Carbon Fund

November 20, 2013

(Revised from June 10, 2013 version)

*This note proposes disclosure guidance for the Carbon Fund of the Forest Carbon Partnership Facility (FCPF), in accordance with the World Bank's Access to Information Policy<sup>1</sup> (AIP) and building on operational guidance for World Bank staff on the disclosure of documents related to Carbon Finance.*

*The Carbon Fund Participants are invited to provide comments and guidance on the draft FCPF Carbon Fund disclosure guidance e that has been revised as per comments received at the seventh meeting of the Carbon Fund in Paris in June 2013. e and to consider translation needs for selected key documents related to Emission Reductions (ER) Programs under the Carbon Fund.*

#### **Background on disclosure of documents:**

During the sixth meeting of the Carbon Fund (CF6) in Washington, DC in March 2013, the Carbon Fund Participants requested the FMT to prepare disclosure guidance for the Carbon Fund similar to those for the Readiness Fund. The FMT presented draft disclosure guidance (refer to FMT Note CF-2013-2) at the seventh meeting of the Carbon Fund (CF7) in Paris in June 2013. The revised draft disclosure guidance annexed to this note addresses comments received from Carbon Fund Participants at CF7.

Information disclosure, transparency and sharing of knowledge are important to the piloting and learning objectives of the Carbon Fund. As such, guidance on the disclosure medium, disclosure responsibility and timing has been prepared for documents referenced in the business process of the FCPF Carbon Fund. The guidance contained in this document is not World Bank policy but, rather, is intended to clarify how the AIP applies in the context of the FCPF Carbon Fund.

The FCPF Carbon Fund Disclosure Guidance will be documented as an Annex to the Process Guidelines for the Carbon Fund of the FCPF (refer to FMT Note CF-2012-1-Rev, dated July 12, 2012). The Process Guidelines, including the annexed Disclosure Guidance, may be revised from time to time based on the requirements of the Carbon Fund.

The Disclosure Guidance only applies to documents related to the FCPF Carbon Fund, and therefore does not apply to any other documents of the World Bank, including documents of other carbon funds managed by the World Bank.

At the fourteenth meeting of the FCPF Participants Committee (PC14), the PC requested the Trustee to clarify issues related to Emission Reductions Payment Agreement (ERPA) confidentiality with a view to maximizing transparency with respect to ERPAs under the FCPF Carbon Fund. To this effect, ERPAs and Letters of Intent (LOIs) under the FCPF Carbon Fund will indicate explicitly that the Buyer and Seller authorize disclosure, and

<sup>1</sup><http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTANDOPERATIONS/EXTINFODISCLOSURE/0,,menuPK:64864911~pagePK:4749265~piPK:4749256~theSitePK:5033734,00.html>

both documents will accordingly be disclosed. Only if either Party requests confidentiality, a confidentiality provision will be included in the LOI and/or ERPA and the respective document will not be disclosed.

Emission Reductions Program Idea Notes (ER-PINs) and Emission Reductions Program Documents (ER-PDs) prior to Carbon Fund Participants' review are considered "deliberative"<sup>2</sup> and thus "restricted information" as per the World Bank's Access to Information Policy. However, in order to fulfill the FCPF's objective of disseminating knowledge, these documents under the FCPF Carbon Fund will contain an explicit agreement by the Government (or authorized entity) to disclose the respective document and will thus be made public.

#### **Background on Translation of documents:**

~~In~~ accordance with the Rules of Procedure of the Carbon Fund, English ~~has been~~ is the working language of the Carbon Fund and translation of documents by the FMT has not been the practice. Countries have been encouraged, but not required, to make documents related to ER Programs available in local languages. The translation of safeguard documents "in a language understandable to project-affected people" is, however, a requirement as per the World Bank's safeguards policies and falls under the responsibility of the country that owns the safeguard documents.

~~Prior to CF7, O~~ observers to the Carbon Fund submitted a request to the FMT to consider - amongst other- the translation of key documents related to the Carbon Fund in order to increase access to program information and to promote stakeholder participation. At CF7, Carbon Fund Participants concurred with the benefits of translation and requested the FMT to centrally manage translation of selected key program documents into the three standard languages used in the FCPF. An expanded translation budget was subsequently approved by the FCPF Participants Committee at its fifteenth meeting (PC15) on Lombok, Indonesia.

~~Translation of even a small number of key program documents (e.g., ER-PDs and/or ER-PINs) into the three standard languages used in the FCPF would have budget implications that would need to be taken into account. Any decision by the Carbon Fund Participants to request the FMT to centrally manage translation of selected key program documents would require a dedicated translation budget.~~ Translation of program documents under the Carbon Fund into the variety of local languages used by communities in areas where ER programs activities will be undertaken is not considered to be a feasible or cost-effective option that should be managed by the FMT and would rather be a consideration of the Government (or authorized entity) as part of in-country efforts for stakeholder participation.

#### **Expected outcomes of the discussion at the Carbon Fund meeting:**

Based on the revised disclosure guidance for the FCPF Carbon Fund provided as an Annex to this note, the Carbon Fund Participants may want to confirm that comments provided at CF7 are adequately reflected in the revised guidance. ~~provide:~~

~~Guidance for any revision of the draft FCPF Carbon Fund disclosure guidance before finalization subsequent to the seventh CF meeting~~

- ~~• Guidance on the need for translation of key documents related to ER Programs under the Carbon Fund taking into account respective budget implications~~

<sup>2</sup> "Deliberative information", such as e.g. draft documents, is one of the 10 types of information that are considered to be "restricted information" and therefore not available to the general public based on the list of ten exceptions to the disclosure of information as per the World Bank's Policy on Access to Information.



**FCPF Carbon Fund of the Forest Carbon Partnership Facility (FCPF): Draft Guidance on Disclosure of Information**

The following guidance on disclosure of information only applies to the below-listed documents for the FCPF Carbon Fund, in line with the [World Bank's Access to Information Policy](#) (AIP). It does not apply to any other documents of the World Bank, including documents of other carbon funds managed by the World Bank.

Item to be disclosed	Party Responsible for Disclosure	Disclosure Medium	Time of Disclosure
<a href="#">Emission Reductions Program Idea Notes (ER-PINs)</a>	<a href="#">Facility Management Team (FMT)</a>	FCPF website	21 days prior to relevant <a href="#">Carbon Fund (CF)</a> meeting
	Government/Authorized Entity	<a href="#">Disclosed to the public in paper or electronic form</a> <del>Paper or electronic distribution to relevant stakeholders</del>	Within 30 days after selection by the CF Participants
<a href="#">Carbon Fund (CF) Resolutions on ER-PINs</a>	FMT	FCPF website	Within 14 days after resolution by the CF Participants
Letter of Intent (LOI) with potential <a href="#">Emission Reductions Payment Agreement (ERPA)</a> counterparties under the Carbon Fund of the Forest Carbon Partnership Facility (FCPF)*  (*The LOI will indicate that the Buyer and Seller authorize disclosure. If either Party requests confidentiality, a confidentiality provision will be included in the LOI and the LOI will not be disclosed.)	FMT	FCPF website	Within 30 days of countersignature* (*unless request for confidentiality)
<a href="#">Emission Reductions R Program Documents (ER-PDs)</a>	FMT	FCPF website	21 days prior to relevant CF meeting
	Government/Authorized Entity	<a href="#">Disclosed to the public in paper or electronic form</a> <del>Paper or electronic distribution to relevant stakeholders</del>	Within 30 days after selection by the CF Participants
ER Program reviews (including those by a TAP and	FMT	FCPF website	<del>7-14</del> days prior to relevant CF meeting

CF Participants)			
CF resolutions on ER-Programs	FMT	FCPF website	Within 14 days after resolution by the CF Participants
<a href="#">Project Information Document (PID)</a> – Concept stage	<a href="#">World Bank (WB): Task Team Leader (-TTL)</a>	WB website	Upon internal approval
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
<a href="#">Integrated Safeguards Information Sheet (ISDS)</a> – Concept stage	WB: TTL	WB website	Upon internal approval
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
PID– Appraisal stage	WB: TTL	WB website	Prior to appraisal. If applicable, updated upon completion of appraisal
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
ISDS – Appraisal stage	WB: TTL	WB website	Prior to appraisal. If applicable, updated upon completion of appraisal
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
Safeguard Documents prepared by the country (or designated entity)	WB: TTL	WB website	<p><u>Draft</u> reports, specifically Environmental Assessment (EA) reports, Social Assessments, Indigenous Peoples Plans/Indigenous Peoples’ Planning Frameworks, and Resettlement Plans/Resettlement Policy Frameworks/Resettlement Process Frameworks, are disclosed before appraisal begins.</p> <p><u>Final</u> reports are disclosed when the country (or designated entity) officially transmits the final report to the World Bank. No later than 60 days, in the case of Category A projects, and 30 days, in the case of Category B projects, prior to signature of Emission Reductions Payment</p>

			<p>Agreement (ERPA).*</p> <p>(*unless condition of effectiveness of ERPA)</p>
	Government/Authorized Entity	<p>Disclosure in a <u>form</u>, manner and language understandable to project-affected people in one or more convenient public locations.</p>	<p><u>Draft</u> reports are disclosed before appraisal begins.</p> <p><u>Final</u> reports are disclosed no later than 60 days, in the case of Category A projects, and 30 days, in the case of Category B projects, prior to signature of Emission Reductions Payment Agreement (ERPA)*</p> <p>(*unless condition of effectiveness of ERPA)</p>
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
<u>Benefit Sharing Plan(s)</u>	<u>WB: TTL</u>	<u>WB website</u>	<p><u>Draft plan is disclosed before appraisal begins.</u></p> <p><u>Final plan is disclosed prior to signature of Emission Reductions Payment Agreement (ERPA).*</u></p> <p><u>(*unless final plan is not available at the time of ERPA signature. In such case, the advanced draft is disclosed prior to ERPA signature and the final plan is disclosed before the sale and purchase obligations under the ERPA become effective.)</u></p>
	<u>Government/Authorized Entity</u>	<p><u>Disclosure in a form, manner and language understandable to the ER program-affected stakeholders in one or more convenient public locations.</u></p>	<p><u>Draft plan is disclosed before appraisal begins.</u></p> <p><u>Final plan is disclosed prior to signature of Emission Reductions Payment Agreement (ERPA).*</u></p>

			<u>(*unless final plan is not available at the time of ERPA signature. In such case, the advanced draft is disclosed prior to ERPA signature and the final plan is disclosed before the sale and purchase obligations under the ERPA become effective.)</u>
	<u>FMT</u>	<u>Link to WB website from FCPF website</u>	<u>Within 14 days after availability on WB website</u>
<u>Carbon Finance Assessment Memorandum (CFAM)</u>	<u>WB: TTL</u>	<u>WB website</u>	<u>Prior to ERPA signature</u>
	<u>FMT</u>	<u>Link to WB website from FCPF website</u>	<u>Within 14 days after availability on WB website</u>
Emission Reductions Payment Agreement (ERPA) under the Carbon Fund of the Forest Carbon Partnership Facility (FCPF)*  (*The ERPA will indicate that the Buyer and Seller authorize disclosure. If either Party requests confidentiality, a confidentiality provision will be included in the ERPA and the ERPA will not be disclosed. <u>In such case, the requesting Party shall disclose its rationale for such a request.</u> )	FMT	FCPF website	Within 30 days of countersignature*  (*unless request for confidentiality)
<u>Final Benefit Sharing Plan(s) annexed to ERPA</u>	<u>FMT</u>	<u>-FCPF website</u>	<u>Within 30 days after receipt by the FMT</u>
	<u>Government/Authorized Entity</u>	<u>Disclosure in a manner and language understandable to project-affected people in one or more convenient public locations.</u>	<u>Within 30 days after plan becomes available</u>
Letter of Approval	FMT	FCPF website	Within 30 days after receipt by the FMT
	<u>Government/Authorized</u>	<u>Disclosed to the public</u>	<u>Within 30 days after letter</u>

	Entity	<u>in paper or electronic form</u> <u>Paper or electronic distribution to relevant stakeholders</u>	becomes available
ER Program Monitoring Plan	FMT	FCPF website	Within 30 days after receipt by the FMT
	Government/Authorized Entity	<u>Disclosed to the public in paper or electronic form</u> <u>Paper or electronic distribution to relevant stakeholders</u>	Within 30 days after plan becomes available
ER Monitoring Reports	FMT	FCPF website	Within 30 days after receipt by the FMT
	Government/Authorized Entity	<u>Disclosed to the public in paper or electronic form</u> <u>Paper or electronic distribution to relevant stakeholders</u>	Within 30 days after report becomes available
Verification Reports	FMT	FCPF website	Within 30 days after receipt by the FMT
	Government/Authorized Entity	<u>Disclosed to the public in paper or electronic form</u> <u>Paper or electronic distribution to relevant stakeholders</u>	Within 30 days after report becomes available
Interim Progress Reports	FMT	FCPF website	Within 30 days after receipt by the FMT
	Government/Authorized Entity	<u>Disclosed to the public in paper or electronic form</u> <u>Paper or electronic distribution to relevant stakeholders</u>	Within 30 days after report becomes available
Aide Memoires from supervision missions	WB: TTL	WB website	Disclosure (as attachment to the ISR) is subject to agreement by the national government/authorized entity and the World Bank.
Implementation Supervision Reports* (*disclosable portion)	WB: TTL	WB website	Upon internal approval
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website
Implementation Completion Report <u>(ICR)</u>	WB: TTL	WB website	Upon internal approval
	FMT	Link to WB website from FCPF website	Within 14 days after availability on WB website