

Forest Carbon Partnership Facility (FCPF)

Readiness Fund

Strategic Direction of the FCPF: Activities to be supported through the Readiness Fund

October 9, 2012

In accordance with Resolution PC/10/2011/1.rev from the PC10 meeting in Berlin, and Resolution PC/12/2012/5 from PC12 meeting in Santa Marta, this note is designed to (A) present a proposal for analytical and knowledge management activities, (B) present the overall budget status of the Readiness Fund including activities provisionally approved by the PC at previous meetings, and (C) facilitate discussions on possible activities to be supported through the Readiness Fund in FY13 and beyond. The Note has been updated based on the feedback received from the PC in Santa Marta, the final country needs assessment report, and discussions with the UN-REDD Programme to ensure complementarities and avoid duplication in proposed activities.

The proposed activities cover five key areas of support:

- 1) Reference levels and MRV,*
- 2) Building REDD+ capacity for social inclusion, governance diagnostics and setting up grievance redress mechanisms,*
- 3) Linking lessons learnt from activities to address drivers of deforestation at the local level to REDD+ Strategy development.*
- 4) Country dialogues on the role of the private sector in REDD+ and*
- 5) Registries for REDD+.*

A detailed list of the activities proposed can be found in Annex 1. The proposed activities are based on strategic discussions, feedback from operational missions, and previous work undertaken by the FMT, and are aligned with the key needs expressed by countries in the country needs assessment. The proposed activities are strongly interlinked and complement each other, in order to assist countries in reaching REDD+ readiness in a holistic manner. The proposed activities are presented as an integrated work program and have not been prioritized.

The total proposed budget for FY13 is \$1,523,000 as shown in the summary table below. This includes \$200,000 that the PC already approved at PC12 for the Capacity Building for Social Inclusion (Activity 2A), and \$1,323,000 that is proposed for PC approval at PC13. The proposed activities are designed to reach a large number of REDD+ countries and ensure that results have global value. The activities are likely to continue in FY14, with an indicative FY14 budget estimate of \$1,749,000. If the work program does continue into FY14, some adjustments may need to be made based on the results achieved in FY13 and PC approval of the FY14 budget will be solicited in June 2013.

Summary Table

<i>Activity No</i>	<i>Area of Activity</i>	<i>FY13 Budget (US\$000s)</i>
1	Reference levels and MRV	375
2A	Social inclusion: Training Workshops on Safeguards (SESA/ESMF), Stakeholder Consultations, and Feedback & Grievance Redress Mechanisms	346
2B	Piloting governance diagnostics for REDD+ using PROFOR tool, and setting up feedback and grievance redress mechanisms in 2 FCPF countries	217
3	Linking lessons learnt from activities to address drivers of deforestation at the local level to REDD+ Strategy development	210
4	Country dialogues on the role of the private sector in REDD+	150
5	Registries for REDD+	225
	Total	1,523
	Less previously approved budget for Activity 2A in June 2012 in Santa Marta	(200)
	Proposed total for approval	1,323

Expected PC action: The PC may wish to approve the budget for FY13, including some or all of the additional activities outlined in Table 1.

Introduction

1. The Participants Committee, at its tenth meeting in October 2011 in Berlin (PC10), engaged in a strategic level discussion on the future direction of the FCPF, in particular the Readiness Fund, and suggested follow-up actions in Resolution PC/10/2011/1.rev.
2. In that Resolution and subsequent Resolutions, the PC has adopted the following priorities in budget allocations:
 - i. Higher priority:
 - (a) Standard allocation of \$3.6 million in Readiness grant resources to REDD Country Participants whose R-PP is assessed by the PC by PC14 (per Resolution PC/10/2011/1, paras.2-3);
 - (b) \$5.5 million for the period FY2012-2015 for enhanced support for engagement of CSOs and Forest-Dependent Indigenous Peoples and Forest Dwellers in the REDD+ readiness process, including up to \$1 million for participation of Southern CSOs in FCPF meetings and dialogues with the Indigenous Peoples on the FCPF (per Resolution PC/10/2011/1, para.9);

- (c) Up to \$13.4 million for enhanced capacity for dispute resolution (per Resolution PC/Electronic/2012/1, para.2, i-iii), including:
 - a. strengthening national feedback and grievance redress mechanisms for REDD Country Participants (incremental allocation of up to \$200,000 raising the total grant amount to \$3.8 million per REDD Country Participant);
 - b. enhancing preparation support, direct engagement, and monitoring by Delivery Partners (raising the notional administrative funds allocation to \$650,000 per REDD Country Participant); and
 - c. reinforcing Delivery Partner capacity for dispute resolution (up to \$2 million).
 - ii. Lower priority:
 - (a) Additional grant funding of up to \$5 million to some countries at mid-term review (per Resolution PC/10/2011/1, para.5);
 - (b) Analytical work, knowledge management, South-South exchange and linkages between REDD+ and FLEGT (*the proposal outlined in this note*) (per Resolution PC/10/2011/1, para.6); and
 - (c) Determine the process and criteria for selection of new REDD+ countries at PC14 (per Resolution PC/10/2011/4, para.4).
- (Note that a priority order for items ii (a) through (c) has not been agreed.)

PC request for proposal for analytical, knowledge management and cross-country activities to be managed by FMT in FY13

3. Recognizing the importance of scaling up efforts to support REDD Country Participants for effective implementation of REDD+ readiness processes, the PC through its Resolution PC/10/2011/1, para.6 requested the FMT to present a detailed proposal and budget estimate for analytical work, knowledge management, and centrally sourced activities, including South-South exchange and linkages between REDD+ and FLEGT, by PC12. Such a proposal would be based on a quick assessment of the REDD+ countries' readiness needs, take into account similar existing or planned activities undertaken by other initiatives including the Forest Investment Program (FIP) and the UN-REDD Programme, and take into account the FMT's capacity to support the proposed activities. The FMT presented such a proposal at PC12, and the PC provided further feedback through Resolution PC/12/2012/5 and asked the FMT to submit a revised proposal at PC13.

Country Needs Assessment (CNA): Responses from the FCPF and UN-REDD Programme to the key findings

4. As a follow-up to the PC request, the FMT undertook a countries readiness needs assessment jointly with the UN-REDD Programme. The methodology for this assessment was presented by the consultants leading this work at the joint meeting between the FCPF PC and UN-REDD Policy Board in Asuncion in March 2012 (see <http://www.forestcarbonpartnership.org/fcp/node/484>).

5. The draft report presenting findings from this assessment was presented at PC 12. Based on the feedback received, the consultants have revised the report which is available on <http://www.forestcarbonpartnership.org/fcp/node/619>. The country responses to the survey conducted as part of the needs assessment were analyzed, and a summary of the priority needs where countries have indicated request for assistance is presented below:

- A. **Technical support for reference levels and MRV systems:** There was need expressed across all three regions for more support on the core technical aspects of setting reference levels and setting up MRV systems, including providing technical support and building national technical capacities to set reference levels /reference emission levels, test models and and build expertise in monitoring and maintenance of national forest and carbon databases.
- B. **Safeguards:** Capacity to develop and mainstream safeguards in Readiness and REDD+ programs also came up as an area of high priority, with a response rate just above 60%. This includes the need to pilot the implementation of safeguards, as well as FPIC principles and identification of risks of REDD+ strategy options.
- C. **Consultation and participation process:** The need to improve the capacities of local NGOs and community groups to participate in REDD+ alongside decentralized government institutions is highlighted. 86% of the countries require formal procedures for stakeholder consultations, 73% require capacity to improve information dissemination to stakeholders including support through trainings on consultation and participation processes, 48% require assessment of previous experiences related to REDD+ and 46% require support for implementation of Conflict Resolution mechanisms.
- D. **Increasing awareness and capacity of CSOs, NGOs and Indigenous Peoples** to participate in REDD+ is also recognized as a priority area for support.
- E. **Governance:** The sense of urgency given to issues of governance is high. Within governance, institutional strengthening, legal frameworks and benefit sharing are three key areas where needs are expressed. Strengthening capacities of sub-national structures such as provincial or district structures has been emphasized since this is where REDD+ programs will be implemented. Countries still need support for their national coordination structures, and seek cross-sector engagement on REDD+ programs and agreement on national REDD+ policies and policy frameworks.
- F. **REDD+ strategies:** The need for more support on REDD+ strategies was the second highest priority after governance for countries irrespective of the region in which they are located.. South-South exchange has been indicated as a useful platform for exchange of knowledge from existing and evolving experiences to help design of REDD+ strategies.
- G. **Linking pilots to carbon markets** is another area where interest has been expressed. There is also interest in *setting minimum investment thresholds* needed to create the desired

'impact' for REDD+ at the national level and thereby produce transformative changes on how REDD+ is perceived.

- H. **Support for REDD+ pilot projects:** Countries suggest that additional resources to initiate and support REDD+ pilot projects is one of the better ways to create buy-in from both communities, local and central governments.
- I. **Revitalizing political interest in REDD+:** Overcoming what appears to be a waning 'political interest' in REDD+ within countries.

6. In June 2012, in the margins of PC12, a workshop on preliminary findings of the Countries Needs Assessment (CNA) was held. During the discussions, stakeholders of both UN-REDD and the FCPF requested the multilateral initiatives to develop a response to the CNA findings drawing on the comparative advantages of each initiative.

7. In the case of the FCPF, the response is reflected by aligning the FMT's FY13 proposal for readiness support to REDD+ countries with the needs reflected in the CNA, while also taking into account the PC discussions on the strategic direction of the FCPF, readiness activities already being undertaken at the country level, and the capacity of the FMT to deliver the additional support. Activities have been developed in targeted areas of support and in a way such that outputs from each of the activities will cumulatively enhance readiness work and will be of use to several REDD+ countries as opposed to selected countries only.

8. In the case of the UN-REDD Programme, this response will reflect the review of the Support to National REDD+ Efforts: Global Programme Framework 2011-2015 (SNA) budget and work plan as requested by the UN-REDD Policy Board in October 2011 during its eighth meeting in Berlin. A more comprehensive exercise was undertaken taking into consideration the scope of the SNA, the lessons learned from its implementation, the UN-REDD Programme priorities and funding status, as well as the UN-REDD Programme's comparative advantages.

9. The two initiatives have discussed their respective proposals on readiness support to countries with each other, with a view to ensuring that where similar topics are being supported, there is no duplication in the activities to be undertaken or in the selection of countries where piloting work is foreseen. The FCPF and UN-REDD Programme will share findings from respective work at joint fora, as possible, so countries can draw upon best practices. Where one initiative has a clear comparative advantage, the other one is not proposing activities. For example:

- i. Legal preparedness: UN-REDD will undertake activities under its Global Programme that will be of relevance to all countries, while the FCPF limits itself to addressing these issues through the country-specific SESA processes. The workshop held on the topic at FAO in September 2012 benefited many countries and saw the participation of the World Bank's legal department;
- ii. Development of registries for REDD+: This will be undertaken by the FCPF only, which is explained by the need for such infrastructure to facilitate performance payments for REDD+ under the Carbon Fund;
- iii. Land tenure: Only UN-REDD will take up this theme in its Global Programme, whereas the FCPF would tackle it in the context of the design of national REDD+ strategies and implementation frameworks.

Categorization of technical and knowledge management activities proposed for FY13

10. The proposed activities can be grouped into three categories:
- i. **Continuing Activities (\$931,000 for FY13; see Table 1, Activities 1, 2A and 3):** The activities such as Reference levels, MRV, REDD+ strategy and safeguards have been supported in earlier years through the Readiness Fund and hence are not completely new activities. The nature and scale of support has been adapted based on the feedback received in the Country Needs Assessment. If the PC decides to fund them in FY13, these activities would be expected to continue beyond FY13;
 - ii. **New Activities (\$592,000 for FY13, see Table 1, Activities 2B, 4 and 5):** Activities such as private sector engagement, developing a basic framework for REDD+ registries, and piloting grievance mechanisms in REDD+ countries are relatively new areas of support which have been included based on needs expressed. The scope of these activities in FY14 and beyond will be determined based on the progress achieved in FY13. The activities fit within the scope of recommendations made in the Country Needs Assessment and will indirectly help maintain the momentum and political buy-in for REDD+; and
 - iii. **Mandated Activities (included in base budget):** Activities mandated by the PC and Carbon Fund Participants such as the Carbon Fund Working Group on the methodological and pricing framework and the preparation of an M&E Framework are included in the base budgets shown in the FY13 Readiness Fund budget presentation at PC12. These activities are not included in Table 1.

Rationale for the FMT proposal presented in Table 1

11. **The proposal is based on strategic discussions at the PC meetings, feedback received from operational FCPF missions to countries, and previous work undertaken by the FMT, and is aligned to the key needs (A to I above) expressed in the Country Needs Assessment.**
12. **Holistic approach to readiness:** At PC12, the PC requested the FMT to prioritize the activities proposed. The proposal in Annex 1 is a work program targeting key areas of readiness such that the overall objective of REDD+ readiness can be met. Even though activities are seemingly independent and will be led by various focal points in the team, the inter-linkages between activities are strong. For example, the social and environmental risk assessment of REDD+ strategy options (activity 2A), including stakeholder capacity, will benefit immensely if countries identify the strategy options based on lessons/experiences of ongoing REDD+ pilots (Activity 3).
13. Furthermore, the Country Needs Assessment shows that countries have requested support in all key components of Readiness. Even though some variations in needs across regions and by state of readiness have been noted in the report, it does not warrant prioritization of certain activities over others as several of the readiness elements are closely linked. Therefore a multi-prong approach targeting support on all related aspects of readiness has added value.
14. **Comparative advantage of the FCPF:** The proposal focuses on technical aspects of REDD+ Readiness where the FMT can leverage internal and external expertise and deliver products that have global value and relevance for all REDD+ countries. The proposed work program includes activities such as enhancing roles of the private sector in REDD+ and developing REDD+ registries, two extremely important areas with imminent relevance for REDD+ yet where very little has been done to date. Given the needs of the Carbon Fund, and the fact that the Carbon Fund is a public-private partnership, the FCPF is well placed to advance these activities.

15. The proposal has been developed keeping in view the resource availability, capacity and comparative advantage of the FMT and is not intended as a proposal that covers all needs expressed in the Country Needs Assessment. There are other efforts including previous decisions made by the PC that are assisting countries to address these needs, such as the provision of additional readiness support through additional grants of up to \$5 million to eligible countries.

16. The proposal does not include the following topics which have been reflected in the Country Needs Assessment:

- i. Activities such as **REDD+ pilots** which are not eligible for support through the Readiness Fund, and those activities that are currently being supported through the direct FCPF readiness grant support, such as **institutional strengthening** at sub-national and local levels;
- ii. **Land tenure** which is already being addressed by the UN-REDD Programme, and business models of investments, which will emerge through existing aid instruments, such as bilateral aid, the Forest Investment Program, and the piloting under the Carbon Fund. Given the growing global demand for increased investment in tenure reform, Rights and Resources Institute has proposed setting up the International Forest Tenure Facility that will respond to demand for a major global effort and commitment in forest tenure reforms, and respond at scale across the developing world. Land tenure is therefore not specifically included in this proposal, although funding for tenure reform projects proposed by civil society and Indigenous Peoples in developing countries through the Indigenous Peoples Capacity Building Program will be provided as relevant.
- iii. Legal preparedness: As reflected in paragraph 9(i) above UN-REDD will undertake activities under its Global Programme that will be of relevance to all countries, while the FCPF limits itself to addressing these issues through the country-specific SESA processes.

Approach to be used in carrying out proposed activities

17. Activities will be carried out either at regional level by bringing together countries with similar challenges and opportunities for REDD+, or through piloting in selected countries. In both cases the results will be disseminated widely.

18. The method and scale of support has been adapted to ensure that a large number of REDD+ countries can benefit from the proposed activity. For example, more resources have been allocated to the components on capacity building for social inclusion and reference levels/MRV relative to others, as economies of scale would be particularly useful in these areas. The approach in these components is to build capacity through training workshops, south-south exchanges, and training materials that will strengthen the capacity of local experts who are engaged in supporting REDD+ readiness at the country level.

19. Piloting activities in selected countries for grievance redress mechanisms and governance diagnostics are intended to generate lessons and recommendations that other REDD+ countries can draw upon and adapt as necessary. Testing several interrelated aspects of REDD+ in the same country will yield results that will present a more complete picture of issues at hand and possible solutions. For example, Liberia has been selected to pilot feedback and grievance redress mechanisms and governance diagnostics.

20. The work program for most activities is proposed to be carried out over two years (FY13 and FY14). The results from FY13 will help adapt the work for FY14 but the two-year period is considered

necessary to enable reaching out to REDD+ countries in each geographic region. In other cases where piloting in select countries will be undertaken, it is proposed to pilot in at least two to three countries so results can be meaningfully analyzed, interpreted and presented to wider audiences.

Budget

21. PC approval is sought for \$1,323,000 for FY13 (in addition to the \$200,000 approved at PC12). Indicative estimates are included in Table 1. The estimated budget for each of the activities above includes FMT staff costs (preparation, supervision and travel) as well as costs to support the activity such as consultant contracts, logistical support and workshop costs. The estimated budget for FY14 if the PC agrees to continue the work program is \$1,749,000; PC approval for FY14 is not requested at this time.

22. The piloting activities at national level will be combined with visiting missions to countries for other topics/support, to minimize the transaction costs. Attempt has been made to combine events where possible to reduce the burden of inviting stakeholders frequently for different workshops. Further adjustments to the schedule, including the potential bunching of events, could be made as preparation advances.

23. Activities 1, 4 and 5 (Reference levels and MRV, Private Sector and Registries) will be shared with the Carbon Fund. Thus, the Carbon Fund share of the proposed total for approval of \$1,323,000 is \$262,000, leaving the Readiness Fund share at \$1,061,000.

FMT capacity to provide support

24. The PC at PC12 requested the FMT to review the likely need to increase FMT capacity, and outline any necessary increases in FMT capacity as part of the proposal for additional activities. The FMT has recruited five short-term consultants who are providing support on the preparation of knowledge dissemination products, follow-up to the readiness package, support on registries, and logistical support required for various events/discussion sessions being organized for the Readiness and Carbon Fund. In addition, two full-time staff (a communications and knowledge management specialist and a senior carbon finance specialist) have been recruited, adding to the existing FMT team capacity.

25. Activities have been proposed keeping in view the existing capacity and comparative advantage of the FMT to deliver on specific topics. FMT capacity to conduct or facilitate these additional activities is not expected to be an issue as FMT personnel are already working on a number of these topics, and the FMT would increasingly rely on external consultants specific to each of the other activities (thus incurring variable costs as opposed to fixed costs). The FMT's role will be largely focused on supervision and coordination to ensure quality and timely completion of activities. FMT travel needs would likely increase, however. The expected time that FMT staff would dedicate to each of the proposed activities is included in Table 1.

Sources and Uses of Readiness Funds:

26. In the PC12 discussions on additional activities, the PC requested the FMT to also present the status of the budget and potential budget implications of the proposed activities. As such, Table 2 presents the sources and uses of Readiness funding, including for the additional IP and CSO program as agreed at PC10 in Berlin, and enhancing capacity for dispute resolution as agreed subsequently. In terms of the priorities outlined in paragraph 2 above, the higher priority activities outlined in paragraph 2(i)

are included in the estimated long-term uses, while the lower priority activities outlined in paragraph 2(ii) are not.

27. Table 2 indicates a forecast reserve of about \$32 million. Table 3 shows the resources required to undertake the additional activities outlined in this note and to fund additional grants of \$5 million to 20 countries. It is forecast that total additional funding of approximately \$69 million would be required if all proposed additional activities were to be supported. The table also shows that \$133 million would be required if these activities were funded and 11 new additional countries were to be selected into the FCPF in 2013. Any reduction in the volume of proposed additional activities would reduce the need for additional funding accordingly. For example, the inclusion of fewer additional activities starting in FY13 would reduce the funding requirement, though not by a significant amount. The inclusion of fewer new countries in the FCPF in March 2013 would reduce the requirement by a much larger amount. Likewise, not granting the additional \$5 million to as many as 20 countries would significantly reduce the requirement.

Table 1: Activities proposed to support analytical work and knowledge management in REDD+ Readiness.¹

1. Proposed Activity: Reference Levels and MRV (integrated work plan for both) Rationale: FCPF countries identified Reference Levels (RLs) and MRV as high priorities for country capacity building. Standardized methods are not yet available. Practical decision support tools and fundamental capacity building on methods, technological options and work organization are critical needs for countries to start implementing RL and MRV activities proposed in R-PPs.					
Key Activities to be supported	Estimated Budget (US\$)	Expected Output		Personnel to support the activity	
FY13: (i) Further development of existing Winrock draft decision support tool for reference levels, to include MRV design decisions as well; (ii) development of early training and guidance materials; (iii) workshops in 2-3 countries to pilot use of decision support tool and tutorials. FY14: (i) improvement of training materials; (ii) piloting activities in additional 3-4 countries.	Total: 750,000 FY13: 375,000 FY14: 375,000	FY13 (i) Improved, tested and revised decision support tool, now integrating MRV as well; (ii) 2-3 REDD+ countries piloting the tool for their R-PP work; (iii) draft tutorials and learning materials.	FY14 (i) Final decision support tool, field-tested; (ii) 3 additional FCPF countries pilot use of tool and training (iii) materials and training available to all FCPF countries.	FMT/World Bank staff FMT time: FY13: 10 weeks FY14: 10 weeks	Consultant support Work is performed by expert consultants working with in-country experts and government. Firms are contracted for development of tool and training.
2. Proposed Activity: REDD+ Country Capacity Building: 2A: Social Inclusion: Training Workshops on Safeguards (SESA/ESMF), Stakeholder Consultations, and Feedback & Grievance Redress Mechanisms Rationale: FCPF countries identified building sound safeguards systems and structuring stakeholder consultation processes as areas where support is required given the strong linkage to assessment of social and environmental risks of REDD+ strategy options.					

¹ These are summary needs collated by the FMT from the response matrix.

Key Activities to be supported	Estimated Budget (US\$)	Expected Output		Personnel to support the activity	
Workshops at regional level for multiple audiences, according to the following schedule: FY13: 2nd quarter: Anglophone Africa 3rd quarter: East and South Asia FY14: 1st quarter: Francophone Africa 3rd quarter: Latin America	Total 2A: 692,000 FY13: 346,000 FY14: 346,000	FY13: 1 st and 2 nd regional workshops; Preparation of training material; Workshop Reports for broader dissemination and cross-learning; Plans for follow-on learning in- country	FY14 3 rd and 4 th regional workshops; Preparation of training material; Workshop Reports for broader dissemination and cross-learning; Plans for follow-on learning in- country	FMT/WB staff FMT time: 18 weeks FY13: 9 weeks; FY14: 9 weeks WB staff time: 4 weeks FY13: 2 weeks FY14: 2 weeks	Consultant support Logistical support for organization of workshops will be contracted to external consultants Consultant time: 13 weeks FY13: 7 weeks; FY14: 6 weeks
<p>2. Proposed Activity: REDD+ Country Capacity Building: 2B: Piloting governance diagnostics for REDD+ using PROFOR tool, and setting up feedback and grievance redress mechanisms in 2 FCPF countries (Liberia and Lao PDR are potential candidates)</p> <p>Rationale: Forest Governance has been identified as a key area requiring strengthening in the country needs assessment. Though the proposed work will not address all governance related needs reflected in the country needs assessment, the governance diagnostic using the PROFOR tool will help set up a systematic process with identified governance gaps and action plan relevant to REDD+ implementation. There are other options available to countries such as the Participatory Governance Assessment of the UN-REDD Programme which is being piloted in select countries. One of the pillars of governance in the context of REDD+ is feedback and grievance redress mechanisms and the PC recognized this as a priority area for REDD+ readiness. Given the strong link to the overall governance framework, and the strong overlap in the stakeholders targeted for this work, it is proposed to pilot governance diagnostics and feedback and grievance redress mechanism in the same two FCPF countries. Pilot countries selected (Liberia and Lao PDR) are those where governance work has not been undertaken by other initiatives and where there was an opportunity to also provide support for grievance redress mechanisms.</p>					
Key Activities to be supported	Estimated Budget (US\$)	Expected Output		Personnel to support the activity	
FY13: Piloting will be undertaken in 2 FCPF countries through a common workshop at the national level. Activities will include: (i) Preparation of background status paper on forest governance and	Total 2B: 325,000 FY13: 217,000 FY14: 108,000	FY13: Country approach paper for setting up grievance redress mechanisms in 2 FCPF countries.	FY14: Possibility of replication in 1 additional country depending on results in FY13.	WB/FMT staff: Team members from other units in the Bank will join the mission to provide the	Consultant support: preparation of background papers for governance and grievance redress, and workshop facilitation

<p>application of PROFOR Tool and (ii) Review of existing redress mechanisms in pilot countries in discussion with key stakeholders and preparation of approach paper outlining options for a possible redress mechanism at the country level.</p> <p>FY14: Possible replication in an additional FCPF country, dissemination of findings from the 3 pilots showing diversity in gaps, Set up community of practice on governance.</p>	<p>Grand Total 2A+2B: 1,017,000</p>	<p>Guidelines on 'How to' set up Feedback and grievance redress mechanisms for REDD+</p> <p>Country report on governance diagnostic including recommendations and action plan for the pilot countries.</p>	<p>Dissemination of findings from pilots to other countries.</p> <p>Create community of practice on governance to continue the work and provide regular support.</p>	<p>requisite support.</p> <p>FY13: Total time:10 weeks</p> <p>FMT time: 4.5 weeks</p> <p>WB (Agriculture and Rural Development) staff time: 5.5 weeks</p> <p>FY14: 5 weeks</p> <p>FMT time: 2.5 weeks</p> <p>WB staff time: 2.5 weeks</p>	<p>will be done by consultants.</p> <p>FY13: Consultant time: 7 weeks (3.5 weeks per country)</p> <p>FY14: 3.5 weeks</p>
<p>3. Proposed Activity: Linking experiences and lessons learnt from activities to address drivers of deforestation at the local level to REDD+ Strategy development.</p> <p>Rationale: Support for REDD+ strategy development is a high priority area where support is requested in the Country Needs Assessment. Several REDD+ countries are beginning to pilot REDD+ strategy implementation. Countries have expressed need to draw upon lessons from on-the-ground experiences and assess impacts of activities to address drivers of deforestation. At the recently concluded regional exchanges on benefit sharing held through videoconferences, REDD+ countries expressed the need for South-South exchanges on lessons from local REDD+ initiatives. The proposed activity will allow interaction between policy makers and practitioners and thus help to integrate lessons from the ground into ongoing national REDD+ strategy development processes.</p>					
<p>Key Activities to be supported</p>	<p>Estimated Budget (US\$)</p>	<p>Expected Output</p>		<p>Personnel to support the activity</p>	
<p>FY13: One regional workshop in Africa is intended to facilitate sharing of lessons learnt from local REDD+ initiatives through the synthesis of lessons from case studies and preparation of</p>	<p>Total: 630,000</p> <p>FY13: 210,000</p> <p>FY14: 420,000</p>	<p>FY13: (i) Synthesis of lessons from REDD+ pilot activities to address drivers of deforestation and likely implications for national</p>	<p>FY14: Similar activity in Latin America and Asia regions</p> <p>Dissemination of key observations, findings in</p>	<p>WB/FMT staff:</p> <p>Total FMT staff time: 12 weeks</p> <p>FY13: 4 weeks</p>	<p>Consultant support: 10 weeks</p> <p>Consultants will prepare background papers, facilitate workshop discussions</p>

background notes. FY14: Similar regional activities in Latin America and Asia regions.		REDD+ strategy (ii) Preparation and dissemination of briefs for policy makers (iii) Networking between investors and REDD+ strategists to scope models for REDD+	form and substance that would be useful for those who are in the early phases of REDD+ readiness.	FY14: 8 weeks	and draft synthesis report. A short term consultant will handle workshop logistics
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4. Proposed Activity: Country dialogues on the Role of the Private Sector in REDD+
Rationale: There is very little engagement of the private sector in the REDD+ policy making agenda, and almost no consideration of the roles of the private sector by the countries in their preparation for REDD+. This shortfall is often noted in FCPF R-PPs and FIP Investment Plans. Without a good understanding and consideration of the private sector's role at the policy design stage, risks exist that strategic decisions may be made that do not foster future participation by the private sector (e.g., allocation of carbon rights, RELs, etc.).

Key Activities to be supported	Estimated Budget (US\$)	Expected Output		Personnel to support the activity	
FY13: Consultant contract for country level assessment of the role of the private sector in up to 2 FCPF countries (followed by country level dialogues with targeted audience in up to 4 countries. FY14: Up to 2 or 3 additional country level dialogues based on results from the first dialogue in FY13.	Total: 450,000 FY13: 150,000 (Co financing of 150,000 will be sought) FY14: 300,000	FY13: 1 or 2 country level dialogues and Report including recommendations for better consideration of the role of the private sector in REDD+ policy design.	FY14: 2 or 3 country level dialogues and Report including recommendations for better consideration of the role of the private sector in REDD+ policy design.	FMT/WB staff: FMT time: FY13: 10 weeks	Consultant support: FY13: 12 weeks

5. Proposed Activity: Registries for REDD+
Rationale: To date there is little practical experience illustrating how activities at the sub-national level and/or emissions reductions can be integrated into national accounting. Some countries such as DRC have started the first steps towards developing a national registry. Given that a national registry is a common need in all REDD+

countries, the proposed activity will help approach the registry development uniformly and avoid duplication of work in FCPF countries.

Key Activities to be supported	Estimated Budget (US\$)	Expected Output		Personnel to support the activity	
<p>FY13: Convene an expert group supported by an ad hoc Technical Advisory Panel to set design standards for system developers to use. The FMT will make proposals to the PC for a wholesale approach to registry development, and/or develop generic terms of reference to be used by the REDD Country Participants to help them develop a national registry system according to their individual country needs. Help a number of countries to start assessing their needs in relation to the basic framework being developed and devise plans for how to meet these needs.</p> <p>FY14: Continuation of assistance to countries to design registries, plus targeted support in a few countries through the Carbon Fund.</p>	<p>Total: 425,000 FY13: 225,000 FY14: 200,000</p>	<p>FY13: Proposal to PC for wholesale approach to registry development, and/or terms of reference to be used by the REDD Country Participants</p>	<p>FY14: General registry design in large number of countries, plus advanced design in countries participating in Carbon Fund</p>	<p>FMT/WB staff: FY13: FMT time:10 weeks</p>	<p>Consultant support: FY13: TAP contract: 50 days</p>
	<p>Grand Total FY13: 1,523,000 FY14: 1,749,000</p>				

**Table 2: Summary of Long-Term Sources and Uses of Readiness Funding
(in \$ million, as of October 2012)**

Uses	Oct 2012	
		Total
Commitments (grants) to REDD+ Countries (35 @ \$3.8 million)		133.0
Administrative, Operations and Country Support of which:		72.4
<i>FY09-12 Actual costs</i>	20.7	
<i>FY13 Budgeted costs</i>	11.8	
<i>FY14-20 Projected costs</i>	39.9	
Reserve for Delivery Partner capacity for dispute resolution		2.0
Total Uses		207.4
Sources		
Committed Funding (currently no pledges)		239.8
Estimated Reserve		
Reserve: Committed Funding less Total Uses		32.4

Table 3. Resources required for possible additional activities planned as of October 2012

Possible Additional Activities	
Proposed Additional Activities budget for FY13 as per this FMT Note (less Shared Costs charged to the Carbon Fund)	1.1
Additional funding to countries that demonstrate significant progress on readiness (up to \$5 million per country), assuming 20 countries meet criteria by FY15	100.0
Total Resources required for Additional Activities	101.1
Funding Gap (Total Resources required for Additional Activities less Reserve)	68.7
Potential reopening of the FCPF to new countries (\$5.8 million per country ²), assuming 11 additional countries ³	63.8
Funding Gap (Total Resources required for Additional Activities plus potential reopening to 11 new countries, less Reserve)	132.5

Assumptions:

- 1) Expected grants to 35 REDD Country Participants. All 37 originally selected into the FCPF but excluding Tanzania (bilaterally funded) and Equatorial Guinea (PA not signed by February 1, 2012).
- 2) Steady operational budget through FY16 (including an estimate for continuing additional activities), with 20% annual cuts thereafter.

² This figure of \$5.8 million is calculated by simply spreading the total projected costs of the Readiness Fund (\$207.4 million) over 36 countries. It therefore includes both variable and fixed costs.

³ Decision to be made at PC14 (March 2013).

Annex 1

Activities to be supported through the Readiness Fund

Additional Information

1. Reference Levels and MRV

1. **Title:** Practical tools for development of integrated Reference Levels (RL) and Measurement, Reporting, and Verification (MRV) systems

2. **Objective:**

This activity enables REDD+ countries to understand technical, capacity and policy implications of the approaches they choose to developing RL and MRV systems, which play a critical role in REDD+ financing. Many REDD+ countries have relied on foreign consultants thus far, and have not begun substantive work. These proposed tools and activities are planned as an integrated set to: a) help countries decide what to do first as no-regrets actions, and b) learn from the first pilot countries how best to revise tools and training to make them available quickly to all FCPF countries.

3. **Rationale:**

- a. The FCPF has worked on reference levels and MRV since its inception. The FMT contracted Winrock International to develop a draft decision support tool for RLs, and to hold a workshop at the World Bank in November 2011 with four FCPF REDD+ countries to evaluate their needs. Early results of this work were presented by FMT staff at the UNFCCC Expert Meeting on Reference Levels in Bonn in November 2011, and at the Forest Day 5 panel on REDD+ reference levels organized by FMT staff in cooperation with FAO. The FMT has also supported early MRV decision making in about a half-dozen FCPF countries during visiting missions, and participated in numerous MRV expert meetings and workshops.
- b. The joint UN-REDD/FCPF Country Needs Assessment showed that RL and MRV are key areas where countries identified strong needs for technical assistance and guidance that is appropriate for national capacities. Early implementation of activities related to RL and MRV shows that technical capacities in REDD+ countries are limited and guidance and support are needed to initiate and perform the work, including the development of sound terms of reference, preparation of bidding documents to solicit quality services, evaluation of technical proposals, supervision of technical work, etc. REDD+ countries need assistance in assessing the multitude of methodological and technological options, each of which have trade-offs and cost implications to consider. Staff and task teams within the World Bank (and other Delivery Partners) require enhanced capacity and knowledge to support REDD+ countries on technically complex activities funded by the FCPF.
- c. The technical work often entails important technical decisions linked to policy (e.g., related to the definition of forests or technology options for forest monitoring) that stakeholders, technical experts, and policy makers need to understand. The proposed tools and activities will

enable REDD+ countries to make informed decisions and conduct technical work efficiently, while leveraging related ongoing international initiatives.

- d. The FMT can effectively support both REDD+ countries and World Bank (Delivery Partner) operational units in preparing, structuring and supervising country-implemented work on RL and MRV. The FCPF grant is the principal source of funding for RL/MRV technical activities in many countries. While focusing on readiness preparation, the proposed activities will also directly inform the methodology development for the Carbon Fund in FY13, and benefit FCPF countries that are considering the development of emission reduction programs.
- e. Other related initiatives that can complement the proposed activities include: (i) Global Observation of Forest and Land Cover initiative is periodically updating a Sourcebook (based on IPCC Good Practice Guidance and referenced in many R-PPs), and the adoption of good practice could be promoted more effectively through the development of training and capacity building tools; (ii) Global Forest Observation Initiative is promoting the development of guidance and methods material for application of remote sensing for REDD+ MRV – however, this material will not be available until 2014/15 and is designed to primarily inform expert audiences; and (iii) regionally, the Lowering Emissions in Asia's Forest (LEAF) program, for instance, is promoting capacity building for forest mapping and forest carbon accounting. FAO (in its role in UN-REDD) is helping countries in the long-term challenge of developing their National Forest Monitoring systems (NFMS), with the understanding that this system will support the production of measurable, reportable and verifiable estimates for required variables like carbon or safeguards. The FAO/UN-REDD focus is on supporting work in countries with UN-REDD Joint National Programs, with a longer-term perspective (e.g., to promote country capacity for national forest inventories and to begin implementation of them). These countries potentially include: Bolivia, Ecuador, Mexico, Panama; DRC, Nigeria, Tanzania, Zambia; Cambodia, Indonesia, Sri Lanka and Vietnam. In some countries where this effort is advancing, FAO will start work on RL/REL.
- f. The FMT's proposed tools and activities effectively complement more technically focused and longer-term initiatives by other organizations, by focusing on the generation and testing of decision support tools to assist FCPF REDD+ countries in making early capacity and institutional decisions on the reference level and MRV work; and to help build fundamental in-country capacity for implementation, especially for a few countries considering applying to the Carbon Fund to test performance-based payment approaches.

4. Key activities to be supported in FY13:

- a. **Further development of the draft Winrock International decision support tool for REDD+ reference levels, including adding in MRV design considerations.** This tool will guide users through critical technical and policy decisions in the context of developing RLs, integrated with the MRV system to measure and report emissions reductions. Major country decisions include the scope (deforestation, degradation, carbon stock enhancements) and scale (sub-national to national) of REDD+ in a country, and what data and methods are used to account for emissions from different forest types and carbon pools. This activity builds on initial work performed with

Winrock under contracts with the World Bank. The existing material will be revised and piloted in a few REDD+ countries that have expressed interest in submitting an Emission Reductions Program to the FCPF Carbon Fund, and improved based on the feedback and experiences gained during an initial testing phase. The target audience is broad and includes REDD+ focal points, technical experts (e.g., working on forest inventories), policy makers, forest managers, forest users, and potentially operational staff of Delivery Partners.

- b. **Development of tutorial and learning modules for RL and MRV.** The material is to be structured such that it can be presented stand-alone (e.g., in the form of a 1-2 day workshop), or be part of longer topically-related workshops. The modular format will facilitate the dissemination to audiences of varying technical backgrounds. The tutorials (accompanied by case studies and exercises) will be documented so they can be easily used and communicated by others (e.g., technical advisors in REDD+ countries). The materials will build on existing guidance documents, such as the GOFC-GOLD sourcebook, to avoid any duplication. The target audience is technical experts, but would also inform technical government staff, project managers, advisors and consultants supporting REDD+ countries.

5. Estimated Budget (USD): the same budget applies for FY13 and for FY14:

Further development and enhancement of decision support tool	\$120,000
Development of tutorial and learning modules	\$120,000
Pilot-testing of decision support tool and tutorials in 2-3 countries	\$75,000
Finalization and review of decision support tool	\$30,000
Finalization and review of tutorial	\$10,000
Printing, translation, dissemination	\$20,000
<i>Total FY13</i>	<i>\$375,000</i>
<i>Total FY14</i>	<i>\$375,000</i>

6. Personnel to support the activity:

The work is to be performed through consultant contracts supervised by the FMT (lump sum contracts following standard WB procurement procedures). The FMT will develop terms of reference and procurement documents, guide the consultants, review and assess deliverables, co-organize in-country pilot-testing workshops, and present and disseminate the final products. If possible the funds would be used to seek feedback and test the material in the context of topically related international or regional workshops. As for previous workshops co-organized by the FMT, other development partners are likely to co-finance such workshops. The required FMT staff time (full-time equivalent) in FY13 is a total of 10 weeks. FY14 support by the FMT consists of the same activities continued in other countries, the finalization of tools, and estimated FMT staff time of 10 weeks.

2. Country Capacity Building for REDD+

1. Title: Building REDD+ capacity for social inclusion, governance diagnostics and setting up grievance redress mechanisms

2. Objective:

This activity covers support for capacity building for several key stakeholder groups on three inter-related topics: (i) Safeguards (with an emphasis on SESA/ESMF); (ii) Stakeholder Consultations; and (iii) Grievance Redress Mechanisms.

The support on this topic will be provided at two levels:

- A. **Capacity building for Social Inclusion** through regional workshops inclusive of key stakeholder groups from several countries in a region, and
- B. **Piloting grievance redress mechanism and governance** aspects for REDD+ at the country level in 2 FCPF countries, the results from which would be disseminated to other countries.

A. Capacity building for Social Inclusion

3. Rationale:

- a. In response to the need identified via the Country Needs Assessment and other recent activities—including World Bank missions in support of Readiness Preparation grant formulation or implementation—the FMT proposes to undertake a more comprehensive and synergistic approach to capacity building for REDD+. The chief means of doing this would be a series of four regional training workshops planned and implemented in conjunction with other previously scheduled FCPF events (such as a PC meeting or an Indigenous Peoples dialogue), in order to save on travel costs. By actively “decentralizing” training and covering several major themes in the same event, the aim would be to build the technical capacities of several key stakeholder groups at once: Government officials, consultants, World Bank and delivery partner staffs, in-country CSOs, and indigenous peoples and other forest-dwelling people. Casting such a wide net would provide those who already have some understanding of the topics at hand with the knowledge and tools needed to train others, thereby creating a “cascade effect” whereby vital knowledge on REDD+ is transferred downwards from higher levels (in administrative jurisdictions, or in organizational structures), reaching lower-level actors who can use it.
- b. The topics that we propose to cover in these 3-4 day workshops respond to the expressed desire of REDD+ countries, donors, and others to make REDD+ more socially inclusive and environmentally sustainable. Training on SESA/ESMF as a means to promoting both social and environmental sustainability and safeguards compliance under the Common Approach, is very timely, given the number of Readiness Preparation grants that are expected to be signed in the next few months. Consultation and participation processes for REDD+ Readiness, which are closely related to SESA, have long required effective capacity building at every level. Finally, feedback and grievance redress mechanisms (or FGRMs, as they are referred to in the latest version of the R-PP template), are not only linked to SESA and consultation processes, but are

also becoming recognized as integral to the Readiness Preparation process as a whole. This was shown most recently by the PC's decision to make additional resources available to recipient countries (up to \$200K per country) to assist them in the design and implementation of effective FGRMs.

4. Key activities to be supported in FY13:

The activity consists of 4 regional workshops, 2 in FY13 and 2 in FY14. In light of the need for sufficient prior preparation, the workshops have been spaced out; as such, they are proposed to be carried out over a period of roughly 16 months, starting in November 2012. The proposed schedule for the workshops is as follows:

- FY13 2nd quarter: Anglophone Africa
- FY13 3rd quarter: East and South Asia
- FY14 1st quarter: Francophone Africa
- FY14 3rd quarter: Latin America

Proper implementation of these workshops would involve expenses for the refinement of existing training resources and the production of new ones, the hiring of consultants to help with this task or to serve as workshops facilitators, etc. For example, part of the funding request would cover the costs associated with the production of an eLearning course on Safeguards for REDD+, which has been designed to combine a number of tools and techniques that could be useful in conducting a SESA. The workshops themselves would also make use of the guidance document on setting up FGRMs for REDD+ that are proposed to be developed under activity 2B below (Piloting Forest Governance and Grievance Redress Mechanisms), once it is available, bringing these two additional activities into close alignment.

It is envisaged that the outcomes of these workshop would lead to better guidance on consultation and participation processes, learning on safeguards for REDD+, and guidance on setting up effective FGRMs at the country level.

5. Estimated Budget for FY13 and FY14 (USD) [for a total of 4 regional workshops]

Regional Workshops with estimated 50 participants each (travel, venue etc.)	\$200,000
Workshop preparation training materials	\$19,000
Short term consultant to assist with workshop logistics	\$10,000
Supervision, support, travel of FMT &WB staff	\$117,000
<i>Total FY13</i>	<i>\$346,000</i>
<i>Total FY14</i>	<i>\$346,000</i>

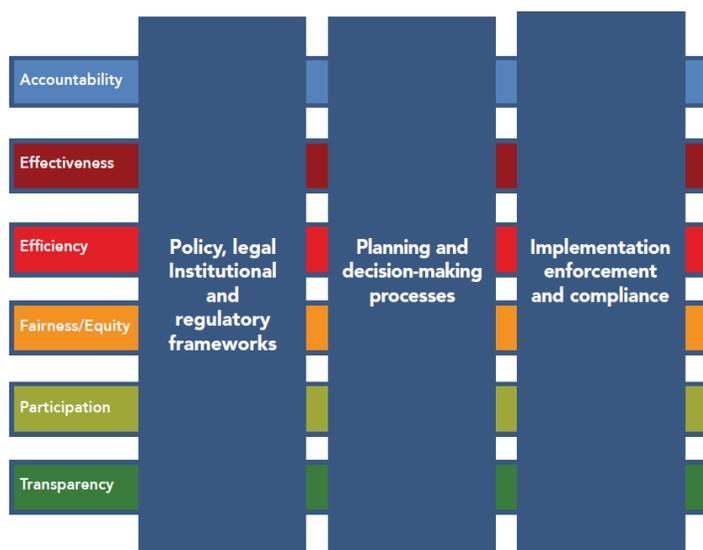
The PC has approved \$200,000 at PC12 for this activity.

B. Piloting Forest Governance and Grievance Redress Mechanisms at the country level through piloting in 2 FCPF countries

6. **Rationale:**

- c. The country needs assessment for REDD+ readiness shows that 80% of all countries surveyed gave high priority to governance (esp. institutional strengthening, improving legal frameworks and equitable benefit-sharing). Thus, a practical approach for improvement of governance for forests is necessary to the successful implementation of REDD+ strategies. PROFOR's "User's Guide for a Forest Governance Diagnostic Tool" offers a practical tool for the assessment and monitoring of forest governance and identifying the "governance gaps". The tool organizes the scope of forest governance under 3 pillars which are themselves underpinned by six principles of good governance. (See Fig 1).

Figure 1: Pillars and Principles of Forest Governance



- d. *Approach: Piloting Forest Governance: Utilizing PROFOR's Forest Governance Diagnostic Tool in REDD+*

Briefly, the tool consists of a set of indicators and a protocol for scoring the indicators which relies on structured multi-stakeholder inputs. Piloting experiences, from Burkina Faso, Kenya and Uganda, have confirmed the feasibility of using the results to design forest governance reforms for REDD+. The case of Burkina Faso is noteworthy, as governance gaps have been well integrated into the "drivers of deforestation" analysis, in their R-PP (equivalent) document.

- e. FCPF is fully cognizant of similar efforts (to assess and improve the quality of forest governance) being undertaken by other agencies including UN-REDD and for the need to ensure complementarities. Bilateral support is being provided by agencies at the country level. For example USAID is piloting PROFOR tool in DRC, and FLEGT is initiating work in Liberia. To this end FCPF is in close touch with the UN-REDD Programme, FAO, EFI and IMFN, to foster this collaboration, including jointly organizing a high-level forest governance learning event at the PA5 meeting in Brazzaville.

- f. Piloting grievance redress mechanisms: In conjunction with the two pilots of the PROFOR governance tool, the national level workshops will also be used to review existing feedback and grievance redress mechanisms (FGRMs) at the national level and engage in a discussion with key stakeholders. Piloting in this way will enable the production of guidelines on how to set up FGRMs for use more widely, particularly in the capacity building workshops proposed under the ‘Capacity Building for Social Inclusion’ activity above.

7. Key activities to be supported :

The PROFOR tool will be applied to identify the connections between the underlying drivers of deforestation and degradation and the governance gaps. Review of grievance redress mechanisms will be undertaken. A World Bank expert will provide support for this work.

For FY13: 2 countries (to be identified in consultation with countries). Tentatively: 1 country in Africa—Liberia (national workshop in January 2013); 1 country in Asia—Lao, PDR (national workshop in February 2013).

For FY14: Piloting in 1 additional country. Organize regional dissemination workshops to create awareness of the tool and its potential use, and to establish a community of practice and a clearing-house for information.

Key expected outputs in FY13

- a) Forest governance baseline measures for two countries; identification of the highest priority governance issues requiring improvements in the context of the underlying drivers for deforestation and degradation, and concrete proposals for improvement; indicators to monitor progress in governance reforms.
- b) Case-study based learning and dissemination of material.
- c) Creation of a REDD+ governance community of practice.
- d) An approach paper outlining options for a possible redress mechanism at the country level for each country will be prepared.

8. Estimated Budget (USD) FY13

Two National Consultation workshop (travel, logistics)	\$70,000
Preparation of background papers on (governance, grievance redress mechanism)	\$30,000
Governance baseline measures for two countries;	
Approach paper outlining options for a redress mechanism at the country level	\$30,000
Supervision, support & travel from FMT &WB staff	\$87,000
<i>Total FY13</i>	<i>\$217,000</i>
<i>Total FY14</i>	<i>\$108,000</i>

3. Linking Local REDD+ initiatives to REDD+ Strategy

- 1. Title of activity:** Linking lessons learnt from activities to address drivers of deforestation at the local level to REDD+ Strategy development.
- 2. Objective:**

Strengthen countries' capacity to design an efficient and effective REDD+ strategy and implementation framework by sharing lessons from on-the-ground activities aimed at reducing deforestation and forest degradation.
- 3. Rationale:**
 - a. The need for more support on REDD+ strategies is the second highest priority expressed in the Country Needs Assessment by countries irrespective of the region in which they are located. Countries expressed the need for more REDD+ pilot projects, since they offer testing and learning and also help to create buy-in from communities, local and central governments. Whilst the FCPF Readiness Fund does not support on ground pilots, the work proposed here will complement the support being provided by other partners to implement on ground pilots. The proposal is for facilitating exchanges of experiences and lessons evolving from REDD+ pilots among countries in the region that have similar political and geographical characteristics and drivers of deforestation, but that are at different stages of advancement in REDD+.
 - b. Little has been done so far to link lessons from on-the-ground activities to the preparation of the national-level REDD+ strategy. At the recent regional exchanges on benefit sharing through videoconferences organized by the FMT, REDD+ countries restated their interest in face-to-face South-South exchanges on lessons from local REDD+ initiatives, where stakeholders involved in on-the-ground implementation could share evolving knowledge and experiences from pilots with policy makers. The FMT is in the process of synthesizing the lessons from examples of pilots that were presented at the benefit sharing sessions for wider dissemination to REDD+ countries.
 - c. The proposed activity will facilitate south-south exchange of experiences on the opportunity, implementation, institutional requirements and transaction costs of activities undertaken to address drivers of deforestation by synthesizing information from pilots. This will help countries assess technical and financial prospects of REDD+ strategy implementation at the national level.
 - d. The FMT will seek co-financing from other sources, particularly the BioCarbon Fund Plus Program.
 - e. The FMT has good contacts with the REDD+ countries and concrete ongoing initiatives targeted at reducing deforestation and forest degradation through different ways. The FMT also has a good sense of REDD+ countries' priorities in developing the national REDD+ strategies and it is the key component of FCPF readiness grants.
- 4. Key activities to be supported:**
 - a. This activity will be delivered through a three-day regional workshop in Africa bringing together:
 - i) key national-level representatives of REDD+ countries in Africa working on the development of

the REDD+ strategy; ii) representatives of entities implementing REDD+ activities and projects on the ground; iii) representatives of communities participating in the REDD+ activities; iv) potential donors to REDD+ activities.

- b. The workshop will be structured around the responses to the key drivers of deforestation and forest degradation in Africa, and entities conducting concrete projects to address these drivers will present lessons learned. Participants will discuss how to generalize these lessons, and how they can shape national-level policies.
- c. The third day of the workshop will serve as a ‘market place’ where project entities will present their activities and expected results to potential donors and buyers of emission reductions. This should allow ongoing pilot REDD+ projects to identify potential sources of financing to their activities.

5. Estimated Budget (USD):

- a. The cost associated with one regional workshop in Africa with 60 participants is estimated at \$102k. A consultant and/or expert/s will be engaged to prepare background notes, including documentation of case studies, to facilitate workshop sessions and to synthesize a report from the workshop discussions. Total costs for the activity, including preparation of background papers, FMT time and costs for assistance with logistical support, is approximately \$210,000.

Regional workshop in Africa with estimated 60 participants (12 countries)	\$102,000
Synthesis of lessons/experiences of responses to drivers of deforestation emerging from REDD+ pilots, workshop facilitation and proceedings	\$51,000
Logistical support, interpretation	\$18,000
Coordination, FMT supervision, travel	\$39,000
 <i>Total FY13</i>	 <i>\$210,000</i>
 <i>Total FY14</i>	 <i>\$420,000</i>

The workshop is proposed for February 2013. Two additional workshops in Latin America and Asia will be considered in FY14.

6. Key deliverables and dissemination of results:

The outcomes from the workshop will be documented as a report that will highlight lessons drawn from local initiatives and made available to all FCPF countries.

7. Personnel to support the activity:

The work is to be performed through consultant contracts that will be supervised by the FMT. The FMT will develop terms of reference and guide the consultants for preparation of background documents for the workshop, facilitation of workshop and documentation of final report, and will present and disseminate the final products. A short term consultant will be engaged to handle workshop logistics. The required FMT staff time (full-time equivalent) is 4 weeks in FY13 and 8 weeks in FY14.

4. Country dialogues on the Role of the Private Sector in REDD+

1. **Title of activity:** Country dialogues on the Role of the Private Sector in REDD+

2. **Objective:**

- a. The proposed activity consists of country dialogues on the role of the private sector in REDD+ and the conditions for this role to materialize. The aim is to achieve a better understanding and consideration of the role of the private sector at REDD+ policy design stage in REDD+ countries.
- b. There is very little engagement of the private sector in the REDD+ policy making agenda, and almost no consideration of the roles of the private sector by the countries in their preparation for REDD+. This shortfall is often noted in FCPF R-PPs and FIP Investment Plans. Without a good understanding and consideration of the private sector's role at the policy design stage, risks exist that strategic decisions may be made that do not foster future participation by the private sector (e.g., allocation of carbon rights, RELs, etc.).
- c. The FCPF is a partnership aiming, inter alia, to support REDD+ countries in building their capacity to benefit from possible future systems of positive incentives for REDD+. As such, it should contribute to a better understanding of the issues by both the private and the public sector, in order to enable the design of policies and frameworks that are attractive to the private sector.
- d. The FMT conducted informal discussions with interested initiatives, *including UN-REDD, the World Wide Fund for Nature (WWF), the Coalition for Rainforest Nations, and the Climate Markets & Investment Association (CMIA)*, to define the best way to achieve this goal, building upon and complementing existing or ongoing studies. In parallel, the FMT discussed the topic with FIP who is a natural partner, also willing to catalyze private investments. The proposed activity results from these discussions and the expressed will among these entities to form an advisory group for the activity (the Advisory Group⁴).

3. **Rationale:**

3.1. *The Challenge*

- a. Most REDD+ financing today comes from public sources. However, the challenge of financing and implementing REDD+ will not be overcome by public resources only. Regardless of the outcome of the UNFCCC or other regimes, it is widely thought that the private sector will also be needed to provide the required capital and expertise to implement REDD+. While estimates vary on the annual investment needed to achieve REDD+ at the scale required to stabilize global climate change, several studies suggest that it is in the range of tens of USD billions.

⁴ Other entities could join the Advisory Group in the future. These could include the International Finance Corporation (IFC) and initiatives such as the World Business Council for Sustainable Development (WBCSD), the World Economic Forum (WEF), the Climate Bond Initiative, etc.

- b. The private sector's involvement in REDD+ to date has been mainly in the voluntary carbon markets, in demonstration activities as a project implementer (mostly in partnership with NGOs), or as a buyer of credits. Those activities were mainly driven by Corporate Social Responsibility (CSR) or pre-compliance motivations, were always performed at project level, and currently amount to tens of USD millions per annum.
- c. The private sector is also linked to REDD+ as a driver of deforestation, either directly in land-use related sectors such as timber, agriculture, mining, energy and infrastructure, or indirectly when its operations involve commodity processing, distribution or finance.
- d. REDD+ strategies and policies are being designed and will be implemented predominately by national and subnational governments. These large undertakings are likely to impact any direct or indirect land-use-related private company—as well as offering new opportunities for private sector roles in the delivery and monitoring of programs by providing a wide range of services, infrastructure, training, investments and best practices for forest or agricultural land management. Many companies are well-placed to provide such services and investments in many countries in which they now have operations.
- e. The private sector needs to better understand these upcoming structural changes, and evaluate the new business opportunities and sustainability objectives that will arise. Private sector entities already involved in REDD+ also may need to consider integrating their operations into emerging national systems, moving from project to national level.
- f. The private sector can play several roles in REDD+, through the purchase of Emission Reductions but also as a direct financier, service and technology provider, project developer, investor and implementer, potentially within Public-Private Partnership schemes. The private sector can also be a partner accompanying structural changes that will affect the land-use value chain.
- g. On top of the legal and governance conditions needed to attract the private sector in general, there are specific issues relating to the private sector involvement in REDD+ in a country. These include the design choices for REDD+ architecture in the country and how the project level is linked to the national level, the benefit sharing schemes, the available risk management instruments and the incentives put in place in the country and internationally.

3.2. Reflections to date on the role of the private sector in REDD+

- a. There has been a great deal of discussion and numerous analyses of the role of the private sector in REDD+ and climate finance more generally. Much of the discussion has been general in nature, treating the private sector as a single entity, despite the heterogeneity of its activities.
- b. Some analyses to date adopt top-down approaches and address the REDD+ design options that are most likely to attract the private sector. Others follow bottom-up approaches and analyze country or sector-specific conditions to determine options and enabling frameworks for the private sector's involvement. Table A1 below describes some of the most recent analyses:

Table 1: Recent analyses on the role of the private sector in REDD+

Initiative leading the analysis	Year	Topic	Countries covered	Process	Outcome
Conservation Finance Alliance / PwC	2010	<p><i>“National REDD+ funding frameworks and achieving REDD+ readiness - findings from consultation”</i></p> <p>A survey of REDD+ activity among Governments, private and public sector project developers, investors and NGO communities in 12 countries. The first detailed analysis of how REDD+ funding is currently, or could in the future be managed and disbursed within the intended recipient nations.</p>	Brazil, Cambodia, Colombia, Costa Rica, DRC, Ecuador, Peru, Tanzania, Uganda, Indonesia, Madagascar , Mexico	Consultation with a wide network of senior level contacts in 60 key organizations.	The study highlights the practical capacity and governance issues facing donor and recipient countries, and prospects for long term engagement with donors and private sector investors. It makes recommendations for the steps needed to encourage REDD+ funding at scale to recipient countries, including specific proposals on how environmental funds could be used by the private sector, especially in geographic regions where high funding and investment risk is perceived.
World Economic Forum/PwC and others	2010	<p><i>“Financing Sustainable Land Use Project (FSLU)”</i></p> <p>Convened businesses from across the value chain of land use with Government officials, civil society and scientific experts to identify concrete actions to accelerate private sector engagement in sustainable land use and REDD+ activities and address the financing gap.</p>	Brazil, Colombia, Tanzania	Workshop format in three countries	Presents a number of policy options that would enable greater private sector engagement in two selected countries, taking into account current barriers to private sector participation and key risk factors, and to transfer the learning from these pilot studies to other countries.

Initiative leading the analysis	Year	Topic	Countries covered	Process	Outcome
UN-REDD	2011	<p><i>“Private sector strategy for the UN-REDD Programme. LAC regional Outlook”</i></p> <p>Look into the main drivers of deforestation in LAC (including agriculture, timber, mining, oil and gas and infrastructure development). Identify the main private stakeholders in each sector and their negative impacts as well as their sustainability commitment. Bring forth a strategy to incorporate the private sector into REDD+ initiatives.</p>	UN-REDD Pilot and Partner Countries in LAC.	Country based approach focused on drivers of deforestation in LAC. No stakeholders’ dialogue. Desk review and a case study in Paraguay.	Recommendations on strategy orientations in each sector to encourage private sector participation in REDD+ initiatives.
Prince's Rainforest Project	2010	<p><i>“REDD+ and Agriculture Proposed Solutions from the Private Sector”:</i></p> <p>How Agricultural production could be expanded without further deforestation and how emerging REDD+ frameworks and finance could help achieve this goal .</p>	Brazil, Indonesia, Malaysia, West African Countries including Ghana, Ivory Coast and Nigeria.	Country based approach focused on Agriculture with stakeholders’ dialogue. Focus on certain commodities (Palm Oil, Soy, Cocoa and Cassava). Meetings amongst large agricultural companies operating in rainforest countries followed by eight regional meetings in Brazil, Ghana,	Consensus that it is technically feasible to increase agricultural production in these regions without further deforestation, while generating positive economic returns for the private sector. While some public intervention may be required to reduce upfront risks, to stimulate the flow of credit and to create the right enabling conditions, major public subsidies would not be required. A set of proposed

Initiative leading the analysis	Year	Topic	Countries covered	Process	Outcome
				Malaysia and Indonesia bringing together private sector representatives, NGOs and Governments.	generic interventions linked to specific drivers of deforestation were proposed, potentially as part of integrated low carbon development plans for each country featuring complementary activities to reduce deforestation.
Commodity Roundtables	Since 2011, willingness to build bridges with REDD+.	<p>- Agricultural Commodities (Palm Oil, Sugar Cane, Cocoa, Soy, Cattle): The role of commodity roundtables in promoting solutions to increasing yields without agricultural expansion is explored. A workshop was organized on the topic in September 2011.⁵</p> <p>- Other Commodities (Timber, Oil & Gas) may have interest in adopting similar approaches</p>	Worldwide	<p>Certification/ Encouraging best practices and promoting better supply chain commitments and tracking (through sustainability standards).</p> <p>Workshops and consultations to build bridges with REDD+.</p>	<p>Workshop's outcome:</p> <p>Commitment to explore the degree to which commodity roundtables could be more closely aligned with REDD+, such as how climate finance could help reduce barriers to certification. Explore options to apply tools in tandem, including REDD+, payments for environmental services, voluntary commitments, standards, regulations, and lending policies, and tailor them to each unique situation.</p>

⁵ <http://ccafs.cgiar.org/blog/updates-workshop-commodity-roundtables-avoided-forest-conversions-subnational-redd>

Initiative leading the analysis	Year	Topic	Countries covered	Process	Outcome
World Economic Forum	2010/2011	<p><i>“Proposals from the Private Sector for Engagement at Scale in REDD+”</i>: The project examines how to:</p> <ul style="list-style-type: none"> • Use private sector resources and capabilities across the value chain to quickly build an effective REDD+ mechanism and implement ongoing REDD+ action at scale, • Raise private sector finance to do so, including but not limited to carbon finance and carbon markets, • Increase the impact of public sector fast start funding through private sector engagement. 	Worldwide	Desk review and consultations with public and private sector representatives, NGOs and experts.	Set of recommendations and proposals from the private sector. Engaging stakeholders’ dialogues identified as an immediate next step.
Philippino-Swiss Initiative	2011	<p><i>“Towards Building a Governance Framework for REDD+ Financing”</i>: The initiative aims to identify, through facilitated discussions among key stakeholders, the critical elements for a governance framework that presents sustainable and secure financing options for REDD+ results-based activities.</p>	Worldwide/ partnership with the Philippines.	Desk review and bringing together different REDD+ stakeholders, including negotiators, private sector, and non-governmental organizations to discuss 1) current state of	Workshop in October 2011 in Panama + Report in December 2011 analyzing the sources of financing for REDD+.

Initiative leading the analysis	Year	Topic	Countries covered	Process	Outcome
				REDD+ financing, 2) present case studies on forest governance with special attention to finance and 3) potential elements of a governance framework for REDD+ financing.	
DFID/Winrock/Climate Focus	2010	<i>“Engaging the private sector in the potential generation of REDD+ Carbon Credits”</i> : Design options (incentives and risk sharing schemes) and instrument for reducing risks and raising finance.	Worldwide	Theoretical analysis of options	Proposal of design options. Mainly focused on the private sector involvement with a view of purchasing or acquiring carbon credits (for compliance, CSR objectives or for financial return)
WWF/Global Canopy Programme/Climate Bonds Initiative	2011	<i>“Unlocking Forest Bonds: A High Level Workshop on Innovative Finance for Tropical Forests”</i> ⁶	Worldwide	Consultation with private sector finance experts	Workshop in February 2011 in London discussing the necessary conditions for bonds to become a useful large-scale financing mechanism in the effort to save tropical forests

⁶ http://awsassets.panda.org/downloads/unlocking_forest_bonds_low_res.pdf

Initiative leading the analysis	Year	Topic	Countries covered	Process	Outcome
World Bank PROFOR/PwC	2012	<p data-bbox="520 345 978 451"><i>“Making Benefit Sharing Arrangements Work for Forest-Dependent Communities”</i></p> <p data-bbox="520 483 978 654">A review of over 30 benefit sharing mechanisms around the world, currently being used by public and private sector entities to incentivize sustainable forest management.</p>	Cameroon, Ecuador, Uganda, Brazil, Tanzania, Uganda, Cambodia, Indonesia, The Philippines, Brazil, Mexico	Desk based review and interviews with organizations establishing and benefiting from these benefit sharing mechanisms	Produced a detailed options assessment tool for use by FCPF governments to put in place the building blocks for those mechanism types best suited to their level of REDD+ readiness, and country context. Many enabling actions within these building blocks could help facilitate greater private sector investment in REDD+ projects.

3.3. Comparative advantage of the proposed activity:

- a. The above analyses provide useful outcomes for a better involvement of the private sector in REDD+ and were widely shared with -if not emerging from- a variety of stakeholders, including policy makers. However, there is still very little actual engagement of the private sector in the REDD+ policy making agenda at the national level, with almost no consideration of the roles of the private sector by the countries in their preparation for REDD+. This shortfall is often noted in FCPF R-PPs and FIP Investment Plans.
- b. Although R-PPs often do evidence engagement with domestic business associations, this has not been at the depth that could occur to underpin the beginnings of true cross-sectoral REDD+ strategies. In particular, the perspective of local and international companies engaged in ethical investment or existing investors in forestry or commodities open to adjusting their investment strategies is limited. There could be greater engagement with the private sector, including both the private sector that is involved in deforestation drivers and “impact investment” oriented private sector entities that could form part of a country’s implementation strategies. Without a good understanding and consideration of the private sector’s role at the policy design stage, risks exist that strategic decisions may be made that do not foster future participation by the private sector (e.g., allocation of carbon rights, RELs, etc.).

4. Key activities to be supported:

- a. The activity involves conducting about four in-depth country specific analyses of the potential roles for the private sector and the conditions for its involvement through initiating country dialogues between policy makers and private sector stakeholders. The objective is to conduct two country dialogues in FY13. The two other country dialogues would be conducted in FY14 (subject to financing), and will learn from the experiences of the initial ones.
- b. The activity has three objectives and steps: 1) Conduct a top-down analysis of the country context; 2) Complement with a bottom-up survey on the private sector’s perception of and positioning towards REDD+; 3) Facilitate a dialogue between the public sector and the private sector in the country, based on the conclusions of steps 1 and 2.

4.1. Country selection

- a. It is important to select countries that are represented in fora where REDD+ strategies are elaborated, since the objective is to achieve a better consideration of the role of the private sector in REDD+ policy designs. The FMT proposes that countries to be selected be covered by at least three of the initiatives which form the Advisory Group, to ensure coordination across these efforts and to provide leverage among them. These initiatives are the FCPF, UN-REDD, FIP, the Coalition for Rainforest Nations, WWF and CMIA⁷.

⁷ The countries to be considered are: (i) FCPF’s REDD Country Participants, (ii) UN-REDD’s Partners and Pilot Countries, (iii) FIP Pilot Countries, (iv) The members of the Coalition for Rainforest Nations and (v) the countries where WWF has an active REDD+ policy dialogue. CMIA is a thematic association with a global coverage.

- b. Countries which meet this criterion of involvement in at least three Advisory Group initiatives include:
- Latin America and the Caribbean: Argentina, Colombia, Costa Rica, Guatemala, Guyana, Honduras, Mexico, Panama, Paraguay, Peru.
 - Africa: DRC, CAR, Congo, Gabon, Ghana, Kenya.
 - Asia and the Pacific: Indonesia, Nepal, Papua New Guinea, Vietnam.
- c. In addition, the following criteria have been suggested in Advisory Group discussions to date, in order to (i) increase the chances that the country dialogue will have an actual impact on the policy design and (ii) maximize the usefulness of the lessons learned from the 4 country dialogues in other similar country contexts:
- Representative forest conditions, with a view to the various forest conditions being represented in the selected countries.
 - Potential to build on a major existing initiative on the role of the private sector in REDD+ in the country, which could be led by a member of the Advisory Group (but not necessarily);
 - Existing dialogue on private sector and REDD+ to build on (for example through agriculture commodity roundtables) ;
 - Potential for co-financing for country dialogue from other initiatives;
 - Government started outreach to the Private sector on REDD+, as publicly stated or announced by the Government, or contained in their R-PP or REDD+ strategy.
- d. The countries to be selected will not necessarily meet all these conditions, but those that meet most of them can be considered relevant candidates.

The FMT and the Advisory Group for this activity would discuss selection criteria of the initial pilot country or countries for FY13; and identify a set of four countries for country dialogues over two years.

4.2. Proposed methodology

Early ideas on the organization of the country dialogue include the following three steps:

- **Step 1: Conduct a top-down analysis of the country context.**

This analysis will cover the national REDD+ policy documents and assess the public sector's understanding and perception of (i) current private sector involvement in REDD+ and (ii) what the role of the private sector should be. It will also describe the private sector structure in the country and its current involvement in or relation to REDD+ (also as a driver of deforestation). This first step should also identify the key initiatives on the role of the private sector in REDD+ in the country, and analyze the reasons why there was little consideration of the private sector's role in policy documents.

- **Step 2: Complement with a bottom-up survey on the private sector's perception of and positioning towards REDD+.**

The major private sector stakeholders in the country whose operations could be affected by REDD+ policies by creating new opportunities or constraints will be identified. They will be consulted /interviewed to assess their level of knowledge and understanding of REDD+.

- **Step 3: Facilitate a country dialogue between the public sector and the private sector in the country, based on the conclusions of Steps 1 and 2.**

The objective is to raise awareness (i) from the private sector's side on the policy implications and the new opportunities offered through the implementation of REDD+ policies and (ii) from the public sector's side on the facilitating conditions for the private sector to play a role in REDD+ and be prepared for the new policy orientations.

5. Key deliverables and dissemination of results

The key deliverables of the activity are the following:

- Country dialogues through workshops where major public sector and private sector stakeholders as well as local communities and Indigenous People would be represented.
- Recommendations and proposals made following each workshop with a clear identification of next steps to engage the private sector in REDD+ in the country context, including potential immediate actions.

The activity should also provide concrete conclusions which could feed into other countries' experiences and help initiate the same kind of dialogue. It is considered that such a country-specific approach, building upon existing initiatives, is more likely to provide pragmatic lessons learned and help design enabling frameworks. Consideration and inclusion of the role of the private sector in REDD+ policy documents, such as R-PPs, is an indicator of success.

6. Estimated Budget (USD)

The cost associated to each country dialogue is estimated at \$150,000. The proposed activity, which would cover four country dialogues, is therefore anticipated to cost \$600,000.

The FMT proposes that the FCPF finance \$450,000 of this budget. The FMT and the Advisory Group for this activity would discuss co-financing opportunities for the studies to be conducted in FY13 and in FY14 for the balance of the proposed \$600,000 total budget. Discussions would be held with Advisory Group partners, including UN-REDD; and with other potential partners who could join the Advisory Group via a commitment of funds to the activity.

Estimated budget per country dialogue

Consultant costs	\$30,700
Workshop	\$78,000
FMT/WB co financing initiative time	\$12,500
Travel	\$28,800
<i>Total FY13</i>	<i>\$150,000</i>
<i>Total FY14</i>	<i>\$300,000</i>

7. Personnel to support the activity

The FMT and the Advisory Group will discuss selection criteria of the initial pilot country or countries for FY13, and identify a set of four countries for country dialogues over two years.

As mentioned above, the FMT and the Advisory Group will discuss co-financing opportunities for the balance of the proposed total budget (\$150,000 of the total \$600,000, for four countries over FY13 and FY14).

If no co-financing opportunity is identified for FY13, the organization of the first country dialogue will be fully coordinated by the FMT. The FMT will supervise the in-depth analysis; organize the workshop and ensure outcome dissemination.

Where co-financing will be available, the distribution of work between the FMT and the co-financing initiative/institution will be determined on an ad-hoc basis.

6. Proposed Activity: Registries for REDD+

1. **Title:** Framework for Registries for REDD+
2. **Objective:** To develop a basic initial framework for a national registry system for tracking carbon and financial flows for REDD+, creating geo-referenced databases of projects, facilitating their approval by national authorities, making them publicly accessible and connecting them with other systems will prove critical to the credibility of future REDD+ transactions. This can then be adapted to individual country needs.
3. **Rationale:** To date there is little practical experience illustrating how activities at the subnational level and/or emissions reductions can be integrated into national accounting. REDD+ registries could be an important tool to centrally record the information from sub national activities and facilitate transparency and tracking of that information that could eventually be linked to a national system. The term “registry” in this context refers to the electronic infrastructure, rules and operational procedures designed to ensure accurate, efficient and transparent recording of REDD+ actions, their respective emission reductions as well as the issuance of REDD+ units and tracking of results-based payments. REDD+ registries could ensure important information is captured, processed and stored in a consolidated, transparent, and easy-to-interpret manner. Centralized information storage and access could help to manage implementation of pilots, results-based funding, private investment, and potentially REDD+ carbon markets if a market-based mechanism is used.

Some REDD+ countries are already beginning to develop registries for REDD+, whilst many others recognize the need for registries. To avoid duplication of work by REDD+ countries on the development of individual national registries (with the attached high cost and effort), and the risk of incompatible systems emerging as a result, the FMT is proposing to start a line of work to help REDD Country Participants assess their needs and identify solutions. REDD+ is potentially not the only field of activities where registries are needed, though REDD+ presents specific challenges (e.g., large territories, myriad actors including rural populations with little or no access to modern means of communications, weak governance).

The design of a registry is part of the national Readiness efforts. It is in fact one of the objectives that a country seeks to achieve as it designs a REDD+ strategy (it is included in component 2c “Implementation Framework” of the R-PP), and the country will thus also consider reporting on achievements in this area as part of its R-Package.

Registries will be important to the integrity of the Carbon Fund’s operations, so those countries participating in the Carbon Fund will likely need to develop systems that meet this need, building on their Readiness achievements. A concept paper outlining the need and options for a REDD+ registry was produced by KfW in cooperation with the FCPF and was disseminated at PC12.⁸ At present no other initiative is actively pursuing this issue.

⁸ See documentation on registries disseminated at PC12, including <http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/June2012/R>

4. Key activities to be supported: The work to be undertaken in FY13 would consist of two main components:

- i. Convene an expert group, consisting of practitioners from industrialized and developing countries, and industry leaders, supported by an ad hoc Technical Advisory Panel, with the objective of producing a set of building blocks (e.g., program accreditation, geo-referencing, safeguards information systems, asset custody), potentially with minimum design standards, for system developers to use. The expert group would help the FMT make proposals to the PC for endorsement (following a 'wholesale' approach whereby a common core of work would be undertaken to benefit some or all of the REDD Country Participants), and/or develop generic terms of reference to be used by the REDD Country Participants to help them develop a national registry system according to their individual country needs. To the extent possible the expert group would meet in conjunction with other planned FCPF events to minimize travel costs; and
- ii. Recruit an ad hoc Technical Advisory Panel to help a number of countries to start assessing their needs in relation to the basic framework being developed and referred to above and devise plans for how to meet these needs. The lessons learnt in the process of helping this group of countries would be made available to all REDD Country Participants to increase the knowledge transfer. This component may shift to FY14 depending on progress with component (i).

The above would lay the groundwork for further developments in this area (in FY14 and beyond) under the Readiness Fund, and for more advanced specifications/requirements for those countries that will participate in the Carbon Fund.

5. Estimated Budget (FY13): \$225,000

A. Expert group	\$ 150,000
(i) TAP fees	\$ 25,000
(ii) TAP travel	\$ 25,000
(iii) FMT time & travel	\$ 50,000
(iv) Expert group meetings	\$ 50,000
B. Needs assessment and solution design	\$ 75,000
(i) TAP travel	\$ 15,000
(ii) TAP fees	\$ 25,000
(iii) In-country meetings	\$ 20,000
(iv) FMT time & travel	\$ 15,000
<i>Total FY13 (A+B)</i>	<i>\$ 225,000</i>
<i>Total FY14</i>	<i>\$ 200,000</i>

[EDD%2B%20Registries%20KfW%20Short.pdf](#) and <https://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2011/REDD%20Brosch%C3%BCre%202011%20druck%20digital.pdf>.