



Forest Carbon Partnership Facility

2. Report from the Participants Committee

Fourth Meeting of the Participants Assembly (PA4)

Berlin, Germany

October 17, 2011

PC Meetings

- **(PA3 / PC7 – Washington DC, Oct 2010)**
- **PC 8 Dalat, Vietnam (March 2011)**
- **PC9 Oslo, Norway (June 2011)**



Progress on Readiness Preparation

- 6 countries obtaining readiness preparation grant approvals:
 - Cambodia (PC8)
 - Ethiopia (PC8)
 - Peru (PC8)
 - Vietnam (PC8)
 - Liberia (PC9)
 - Uganda (PC9)
- Additional drafts presented from Colombia, Nicaragua, CAR
- Readiness grants signed with DRC, Nepal, Indonesia, Ghana
- Costa Rica, Mexico readiness grants about to be signed

Funding Situation

- New pledges and commitments:
 - Private sector:
 - BP committed \$5m (CF)
 - CDC Climat committed \$5m (CF)
 - Public sector:
 - AFD committed EUR 4m (RF)
 - Canada committed \$41.4m (RF)
 - Finland committed EUR 4m (RF)
 - Germany committed \$26 million (RF) and pledged EUR 30m (RF & CF)
 - Italy committed \$5m (RF)
 - Norway committed \$50m (CF)
 - Switzerland committed \$9.6m (CF)
- Total funding level at \$444 m. FMT to request WB Board for increase in capitalization targets.

FCPF Evaluation

- FCPF Evaluation presented
 - + Pioneering leadership role in preparing a framework for REDD+. Developing concepts.
 - + Forum for knowledge exchange and development
 - + Opened a space for stakeholder participation in the REDD+ process
 - Slow disbursements. Steps taken:
 - Streamlined and clarified Readiness Fund safeguards requirements (SESA/ESMF)
 - Multiple Delivery Partners (with common approach to social and environmental safeguards)
 - Possible further steps at PC10 (strategy discussion)
- Contact group to follow up on recommendations. Strategic discussion at PC10

The Multiple Delivery Partners Saga...

- Process / history: PC4 – 5 – 6 – 7 – 8 – 9...
- Task Force set up at PC7 to recommend Common Approach on social and environmental safeguards. Pilot phase with 5 initial countries (Cambodia, Guyana, Panama, Paraguay and Peru)
- Mandate expanded at PC8 – lesson learning and targeted outreach
- PC9 approved the Common Approach as recommended by the Task Force at PC9.
 - Delivery Partners using FCPF requirements + own policies.
 - IDB and UNDP approved as delivery partners for the Readiness Fund. Observers to the PC.
 - Process outlined for approving additional delivery partners (FAO, ADB)
 - PC authorized up to five more REDD countries as pilot countries, in addition to initial 5.
 - Trustee (WB) to enter into transfer agreements with IDB and UNDP.

Final Touches to the Common Approach...



Developing the R-Package

- Knowledge sharing panel on elements of R-Package at PC9
- Working group established at PC9
- Update and discussion at PC10
- A first version to be prepared for PC11, PC adoption at PC12
- Countries need to have PC endorsement of R-Package before entering into transactions with Carbon Fund

Carbon Fund

- Carbon Fund declared operational in May 2011
- Committed contributions approx. USD171 million.
- PC9: The FMT presented an update on the Carbon Fund's three-year action plan and draft Rules of Procedure for the Carbon Fund. Comments were received on the draft Rules of Procedure. Will be adopted by the Carbon Fund Participants.
- PC to approve general conditions for Emission Reductions Payment Agreements (ERPAs) and general pricing approach for the Carbon Fund.

Various Other Developments/Decisions (1)

- Shared cost arrangement between Readiness Fund and Carbon Fund amended:
 - Shared cost element to be covered by Carbon Fund capped at USD 12m over the lifetime of the fund.
- PC Bureau expanded with two additional REDD Country representatives. Now 5 REDD countries, still 3 financial contributors.
 - Current Bureau (up for election today):
 - Democratic Republic of Congo, Kenya, Guatemala, Argentina, Cambodia, Australia, Germany, and the United States

Various Other Developments/Decisions (2)

- R-PP template updated to reflect Cancun. UN REDD now using the R-PP.
- Budget approved for FY12
- IP observers: Adopted self-selection process. Five regional representatives, one to open meetings of the Carbon Fund. Budget for global dialogue meeting on the FCPF
- PC requested the FMT to develop a plan for enhanced communications about the FCPF
- Knowledge sharing panel on benefit sharing
- PC Rules of Procedure adopted before PC10





THANK YOU!

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