

**Co-Chairs' Summary**  
**Fourth Meeting of the FCPF Participants Assembly (PA4) and**  
**Tenth Meeting of the FCPF Participants Committee (PC10)**  
**Berlin, Germany, October 17-19, 2011**

Dear Participants and Observers,

We are pleased to report that the Participants Assembly of the Forest Carbon Partnership Facility (FCPF) held its fourth meeting (PA4) on October 17, 2011, followed by the tenth meeting of the Participants Committee (PC10) on October 18-19, 2011, in Berlin, Germany.

More than 170 representatives of governments, Indigenous Peoples' organizations, international and non-governmental organizations and the private sector contributed to successful meetings. We wish to reiterate our thanks to Mr. Hans-Jürgen Beerfeltz, State Secretary of the Federal Ministry for Economic Cooperation and Development of Germany, for his welcoming remarks.

Please be advised that all the background materials, presentations, Resolutions and this summary have been posted on the FCPF website at <http://www.forestcarbonpartnership.org/fcp/node/324>.

Please find below the main conclusions from the meeting, which are also being translated in French and Spanish:

1. *Achievements in Fiscal Year 2011.* The Facility Management Team (FMT) presented progress and achievements of the last year. Readiness Preparation grant agreements were signed with the Democratic Republic of Congo, Indonesia, and Nepal before the end of June 2011. The corresponding grant agreement was signed with Ghana in October 2011 and the grants with Costa Rica and Mexico have been approved by the World Bank and are nearing signature. Norway, the co-chair for PC9, reported to the Participants Assembly on behalf of the PC, highlighting among others the approval of the Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners. The six Observers to the FCPF, plus the Inter-American Development Bank (IDB) and the United Nations Development Programme (UNDP) as Delivery Partners also spoke on progress in the last year. The Indigenous Peoples and Forest Dwellers' representative reported on the Global Dialogue on the FCPF that was held in Panama in September 2011, and the action plan which the participants developed as a proposal to the FCPF. Japan also reconfirmed its earlier pledge of \$4 million to the FCPF Readiness Fund and noted that the transfer of funds is underway.
2. *Knowledge-sharing Panel on FLEGT and REDD+ (organized jointly with the European Commission):* Ghana and the Republic of Congo, as well as a number of countries speaking from the floor, shared their experiences on the interactions between REDD+ and FLEGT and similar efforts to address forest governance issues. Key points made included that:
  - The REDD+ and FLEGT processes are complementary, but actors involved need to work together and specific attention is needed for operational synergies to emerge;
  - There is benefit to proactively identifying and building synergies, thus building upon the work already undertaken, such as using elements of the FLEGT Voluntary Partnership Agreement to inform the REDD+ Strategic Environmental and Social Assessment (SESA);
  - REDD+ countries are urged to coordinate and integrate ongoing actions on forest governance into their REDD+ strategies; and
  - Further opportunities could be provided to identify areas for coordination, exchange country experiences in addressing synergies, and support capacity development on the national and

regional levels on synergies between REDD+ and forest governance initiatives such as FLEGT, and in doing so strengthen their respective objectives.

3. *Election of the Participants Committee* (see Resolution PA/4/2011/1): The Participants Assembly elected the Participants Committee and Bureau, to serve until the next meeting of the Participants Assembly (expected to be held in October 2012).
  - The new PC is composed of the following members:
    - For the REDD Country Participants: Central African Republic, Colombia, Ethiopia, Guatemala, Indonesia, Liberia, Mexico, Nepal, Nicaragua, Paraguay, Republic of Congo, Suriname, Uganda, and Vietnam;
    - For the financial contributors: Agence Française de Développement, Australia, Canada, Denmark, European Commission, Finland, Germany, Japan, Norway, Spain, Switzerland, The Nature Conservancy, the Netherlands, and the United States. A special provision was adopted to ensure the replacement of the Netherlands as a PC member in the course of the year.
  - The new Bureau of the PC is composed of the following members: Australia, Canada, Central African Republic, Colombia, Ethiopia, Germany, Guatemala, and Vietnam.
4. *USD7.0 million in new readiness grant allocations*: The PC reviewed and assessed the Readiness Preparation Proposals (R-PPs) submitted by the Central African Republic and Colombia, aided by reviews by the ad hoc Technical Advisory Panels (TAPs), PC members and, in the case of Colombia, the World Bank. After discussions in the plenary PC and contact groups dedicated to crafting resolutions, the PC resolved to allocate readiness preparation grants of USD3.6 million to the Central African Republic and USD3.4 million to Colombia. (See Resolutions PC/10/2011/2 and PC/10/2011/3, respectively).
5. *Draft R-PP presentations*: Guatemala and Mozambique presented their draft R-PPs, which were reviewed by ad hoc TAPs and, in the case of Mozambique, PC representatives, and will likely submit their revised R-PPs for formal assessment at upcoming PC meetings.
6. *Upcoming R-PP submissions*: The FMT noted that the R-PP template is being revised to incorporate the Common Approach and harmonization with the UN-REDD Programme. The new template (version 6) will be available on the FCPF website by November, for a two-week public comment period.

Countries submitting R-PPs for consideration at PC11 (March 2012) are encouraged but not required to use version 6 of the R-PP template, and should submit their R-PPs to the FCPF Secretariat by December 15, 2011 (January 10, 2012 in case of resubmission). R-PPs for consideration at PC12 should use version 6 of the template, and should be submitted by April 9, 2012 (April 23, 2012 in case of resubmission).
7. *Strategic directions of the FCPF* (see Resolution PC/10/2011/1): Following on the FCPF evaluation and earlier PC discussions, the PC discussed a number of strategic issues for the FCPF in order to best address REDD Countries' needs. The FMT will further revise the draft logical framework based on the discussion and with feedback from interested Participants. In addition, the PC:
  - Agreed on a timeline for determining a REDD Country's participation status and eligibility to access FCPF grant financing. REDD Country Participants are encouraged to read Resolution PC/10/2011/1, which includes key dates requiring country action;

- Decided to provide up to USD5 million in addition to the currently allocated maximum amount of USD3.6 million grant per country to support REDD+ readiness activities for the REDD Country Participants that meet certain criteria, in accordance with the Resolution subject to the availability of resources;
- Agreed on a way forward for increasing readiness support to REDD Country Participants for enhancing analytical support to countries, and knowledge exchange including South-South cooperation, which REDD Countries have found very valuable in the past. In this context, the PC also encouraged REDD Country Participants to consider the possibility of having a portion of the readiness preparation grant to be executed by the respective Delivery Partner as presented in Proposal B of the FMT Note 2011-10. Countries may wish to use the option of split execution of readiness preparation grants by the Delivery Partner as relevant and where this may help to enhance the REDD+ readiness process in their respective country context.
- Agreed on a way forward for enhancing support for engagement of Indigenous Peoples and southern civil society organizations (CSOs) and in their national REDD+ readiness processes, including:
  - conducting a mapping exercise of the activities being supported by the existing IP and CSO capacity building programs;
  - provisionally allocating USD5.5 million for FY12-15 for the enhanced support for engagement of CSOs and Forest-Dependent Indigenous Peoples and Forest Dwellers in REDD+ readiness, subject to the availability of resources;
  - approval of up to USD1 million within the above amount, for FY12-13 to support participation of Southern CSOs in PA and PC meetings, and to conduct three regional dialogues and one global dialogue with Indigenous Peoples on the FCPF, subject to the availability of resources.
- Considered the possibility of opening the FCPF to new countries. The PC has solicited further information and will continue discussions on this issue in the forthcoming PC meetings.

8. *Lessons learned from TAP's reviews of R-PPs to date:* The TAP and PC discussed the trends seen in and lessons learned from the 26 R-PPs submitted to the FCPF to date. Key messages from the discussion included:

- Countries will take different lengths of time to achieve Readiness depending on their starting point;
- The PC needs to think about how to use the FCPF as well as other REDD+ initiatives to best address the issues and trends being seen. For example, this information should now be used to set priorities for the FCPF's capacity building and knowledge-sharing activities; and
- REDD+ readiness is a continual process of learning and improving. Issues detected in the R-PP formulation phase, e.g., the disconnect between the diagnosis of the causes of deforestation and forest degradation and the proposed REDD+ strategy options, should inform the readiness preparation phase, with the Readiness Package as a key deliverable.

9. *Multiple Delivery Partners (see Resolution PC/10/2011/4):*

- Timothy Mealey of the Meridian Institute presented the work program for an analysis of lessons learned from the Multiple Delivery Partner pilot arrangement;
- The PC approved the Central African Republic, Guatemala, Honduras and Suriname as additional Pilot Countries under the Multiple Delivery Partner pilot arrangement;

- Discussions focused largely on the FMT's proposal (FMT Note 2011-11) to set aside USD11.5 million under the Readiness Fund to cover the potential costs related to accountability for Delivery Partners, currently including the IDB, UNDP and the World Bank. A number of questions and concerns were raised on this proposal. Given the importance of this issue and the potential precedent it creates, the PC requested the FMT to prepare further information to respond to the many questions from PC members and Observers and indicated that the Donor Participants will need adequate time to discuss implications of any such proposal internally and with their Executive Directors at the World Bank;
- The IDB noted that the terms of the Transfer Agreement with the Trustee have been agreed, subject to a decision by the PC on how to cover reasonable costs incurred in making the IDB's accountability mechanism available to address claims under the FCPF Readiness Fund. Once the PC has agreed on how to address these costs of accountability, the IDB will be able to present the full proposal to act as a Delivery Partner to its Board of Directors for approval;
- The PC approved FAO to act as an additional Delivery Partner and designated FAO as an Observer to the Participants Committee. In the meantime, the PC reconfirmed that Paragraph 9 of Resolution PC/9/2011/1 authorized pilot REDD Countries to partner only with either IDB or UNDP until the multiple delivery partner program is fully operationalized. FAO also committed to holding a consultation with representatives of Indigenous Peoples concerning environmental social safeguards, its accountability mechanism and Environmental Impact Assessment guidelines before PC11.

10. *Readiness Package (R-Package)*: The FMT presented the findings of the working group on the Readiness Package, which had discussed and made progress on the following: (i) the R-Package components; (ii) the phasing of Readiness; (iii) assessment of Readiness; and (iv) assessment of Readiness in relation to access to the FCPF Carbon Fund.

- The PC recognized the need to make progress on both the Readiness Fund and the Carbon Fund to show that REDD+ can be done in a sustainable way, while not expecting that a country has become fully ready by the time it submits its R-Package and while also maintaining consistency with the UNFCCC process;
- The FMT's presentation synthesized points of general agreement and major outstanding issues that need to be addressed through further work. The PC tasked the FMT to produce a Concept Note by end-December 2011 that builds on the findings of the working group and guidance provided by the PC. The Note shall address the purpose and scope of the R-Package, and reflect on options for Readiness assessment;
- The FMT is further tasked by the PC to set up a webpage to serve as a transparent tool to solicit and share comments on the Concept Note, and to produce a revised version of the Note for PC's review at PC11 incorporating the feedback received. The FMT may seek technical input and guidance from the Technical Advisory Panel and hold regional conference calls with Participants and Observers as needed. FMT will seek further guidance from PC11 to advance work on the R-Package structure and the readiness assessment approach.

11. *Carbon Fund* (see Resolution PC/10/2011/5): The FMT presented key issues related to the development of a methodological framework and pricing approach for the FCPF Carbon Fund. The PC exchanged views on:

- The incorporation of co-benefits into the methodological framework;

- Whether and how opportunity, implementation and transaction costs may be considered in the Carbon Fund pricing approach;
- The scope of the methodological framework in relation to safeguards; and
- The timing and sequencing of the R-Package and Emission Reductions Program development.

The PC established a Working Group on the methodological and pricing approach for the Carbon Fund of the FCPF. The Carbon Fund Participants met immediately following the PC meeting (CF2, on October 20-21, 2011) to develop the terms of reference for this working group. These terms of reference will be shared with the PC for approval on a no-objection basis. The CF2 meeting materials are available at <http://www.forestcarbonpartnership.org/fcp/node/325>.

12. *Next meetings:* Paraguay will host PC11 in March 2012 in Asunción, in conjunction with the eighth meeting of the UN-REDD Programme's Policy Board. Colombia will host PC12 in June 2012. The dates of both meetings will be confirmed in due course.

We would like to thank everyone again for helping to make PC10 a success, and we look forward to seeing you at PC11. There are a number of items for follow-up in the coming weeks and months, and the FMT will liaise with Participants on these, and with the PC Bureau in preparing the PC11 agenda. Please do not hesitate to contact the FMT at [fcpssecretariat@worldbank.org](mailto:fcpssecretariat@worldbank.org) if you have any questions or concerns.

Sincerely,

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