



Forest Carbon Partnership Facility

6a. Status of existing REDD Countries, reopening to new countries, and requests from additional countries to join the FCPF

Seventeenth meeting of the Participants Committee (PC17)

Lima, Peru

July 2-4, 2014

Outline

1. Background
2. Status of Existing REDD Country Participants
3. Reopening the FCPF to new countries
4. Requests from additional countries to join the FCPF

Background

- In the run-up to PC14 (March 2013), 17 REDD countries expressed interest in joining the FCPF and provided the information requested of them.
- As a result, PC14 adopted Resolution PC/14/2013/2:
 - For existing REDD Country Participants:
 - Set deadlines to submit Revised R-PPs and sign Grant Agreements, to maintain guaranteed access to grant funding.
 - These deadlines have now passed for most Countries.
 - For the selection of new countries:
 - The 17 eligible countries were requested to submit complete R-PPs by July 31, 2013, in part to demonstrate commitment to and progress in Readiness.
 - 11 countries did so, and could present their R-PP for selection at PC16/PC17.
 - 8 countries were selected at PC16. 3 were not. Any countries not selected by or at PC17 will not be selected into the FCPF for funding, unless the PC decides otherwise.
 - Selection criteria were established.
- Several other countries have expressed interest in joining the FCPF.

Task at PC17 is to decide:

1. Status of existing REDD Countries

- Whether to grant any exceptions to existing REDD Countries who were unable to meet certain deadlines, and therefore lost guaranteed access to Readiness Preparation Grant funding.
 - decision to be recorded in a resolution/co-chairs summary.

2. Reopening the FCPF to new countries

- Which of the three Qualified Eligible REDD Countries to select into the FCPF and on what terms.
 - Decision to be recorded in a resolution.
 - Individual resolution to be adopted for each Country selected, to allocate grant funding and identify key issues to be addressed in their Revised R-PP before signing a Grant Agreement, if relevant.

3. Requests from additional countries to join the FCPF

- Whether to allow more countries to join the FCPF and on what terms.
 - Guidance may be recorded in the PC17 Co-Chairs' summary.



Outline

1. Background
2. Status of Existing REDD Country Participants
3. Reopening the FCPF to new countries
4. Requests from additional countries to join the FCPF

Background

- PC14: Resolution PC/14/2013/2 on “Status of REDD Country Participants and Inclusion of Qualified Eligible REDD Countries”
- For existing REDD Country Participants who have been allocated Readiness Preparation Grant funding:
 - Deadlines were set to submit their Revised R-PP and sign their Readiness Preparation Grant Agreement (or equivalent).
 - Any such Country unable to do so loses guaranteed access to such funding, unless the PC decides otherwise on an exceptional basis.

Status of existing REDD Country Participants:

Progress in meeting milestones

- Countries that missed deadlines lost guaranteed access to Readiness funding, but remain eligible for funding subject to availability of funds.
- Countries that faced deadlines that have already passed: 36/44
- 33/36 submitted R-PPs by PC14 (all except Bolivia, Gabon, Paraguay)
- Countries allocated Readiness Preparation grants: 31, of which
 - 31/31 submitted Revised R-PPs before the deadlines:
 - 18/18 submitted by September 30, 2013.
 - 10/10 submitted by December 31, 2013.
 - 3 Countries were not required to submit a Revised R-PP.
 - 22/31 signed Readiness Preparation Grant Agreements (or equivalent) by May 31, 2014.
 - 9 did not and, despite having met the earlier deadline for submitting Revised R-PPs, lost guaranteed access to Readiness funding.
 - The PC may decide to restore guaranteed access on an exceptional basis.

Countries missed May 31 deadline for various reasons (1)

Country	Remaining Grant allocation (\$ millions)	Reason Grant Agreement has not been signed
Argentina	3.8	World Bank due diligence process ongoing.
CAR	3.8	No Delivery Partner is engaged in CAR due to the current security situation.
Colombia	3.6	Grant Agreement signature expected before PC18.
Kenya	3.6	Ongoing dialogue with and within Government institutions, the World Bank, and other stakeholders, on a range of natural resource management issues, including forest management. Further time is needed for conclusion of an ongoing Inspection Panel process concerning another World Bank supported project in the forestry sector, and for discussion on a range of natural resources management issues among the World Bank, the Government, and other stakeholders, to inform decisions including on the option of REDD+ support with Bank involvement. The decision on REDD+ engagement could happen by late Summer of 2014 or soon thereafter.
Lao PDR	3.6	Grant Agreement has been signed by the World Bank and is awaiting counter-signature by the Government.

Countries missed May 31 deadline for various reasons (2)

Country	Remaining Grant allocation (\$ millions)	Reason Grant Agreement has not been signed
Panama	3.8	Finalizing of process was delayed due to May 4 elections. On May 5, UNDP formally communicated to the FMT an alternative plan to sign the Project Document in a way that guarantees new government authorities' ownership of the REDD+ process. The plan includes a Project Initiation Document that was signed by the UNDP Country Office on May 31, and which outlines key steps towards Project Document signature by September 2014, including adequate consultation with key stakeholders and finalization of the R-PP. By implementing this alternative plan, UNDP wants to incorporate in the FCPF work an important lesson learned from implementing the UN-REDD National Joint Program in the country. The FMT offered to submit the signed PID for consideration by the PC.
PNG	3.8	Delivery Partner arrangement pending confirmation between Government and UNDP. Discussions ongoing on activities to be financed with FCPF grant.
Thailand	3.6	WB due diligence process was disrupted due to the current political situation. A clear action plan exists to sign before PC18, subject to the political situation improving.
Vanuatu	3.6	WB due diligence process largely complete, but Review Meeting was postponed due to audit of WB-funded projects in Vanuatu. Issues resolved, grant signature expected July.
Total	33.2	

Decision to be taken at PC17

- 9 Countries lost guaranteed access to Readiness funding after May 31, 2014.
 - Countries remain eligible for funding, but on a first-come-first-served basis as long as funding is available at the time they sign their Grant Agreement.
- PC to consider whether to reinstate deadline or not.
- FMT recommends adhering to the principle of the PC14 Resolution, and not granting exceptions.
 - Some Countries/Delivery Partners have faced specific challenges and have taken significant actions to demonstrate their intention to sign in the near future.
 - However, the deadlines were adopted for a reason.
 - First-come-first-served access will ensure funds are used for Readiness, and for Countries making the most and fastest progress, rather than being set aside.
 - Reserve is sufficient to allow each Country to sign a Grant Agreement in the near future, without making an exception. No negative impact on Countries if they make progress and sign in the near future.
- Given this, the FMT encourages Countries and Delivery Partners to continue their efforts to sign a Grant Agreement (or equivalent) in the near future.

Outline

1. Background
2. Status of Existing REDD Country Participants
3. Reopening the FCPF to new countries
4. Requests from additional countries to join the FCPF

Background

- PC14 Resolution laid out process for eligibility and selection into FCPF, namely submission of an R-PP by July 31, 2013.
- 3 eligible countries were not selected at PC16, and have re-submitted revised R-PPs for consideration at PC17:
 - Belize
 - Sudan
 - Uruguay.
- Any of these countries that has not been selected at PC17 will not be selected into the FCPF for funding, unless the PC decides otherwise.

Qualified Eligible REDD Countries: Criteria for selection

- PC14 agreed key criteria to help guide selection of new Countries:
 - a. Quality of the submitted R-PP, as informed by the TAP review;
 - b. Commitment of a Delivery Partner; and
 - c. Availability of sufficient resources in the Estimated Reserve to provide support to the Country. Until PC17:
 - 2/3 of Estimated Reserve is designated to support existing REDD Country Participants and any other activities approved in the annual budget.
 - 1/3 for support to new Countries selected into the FCPF.
 - d. In addition to (a)-(c), the PC may take into account other factors it considers relevant, such as availability of funding from non-FCPF sources and the demonstrated level of commitment to REDD+.
- Based on these criteria, at PC16 the PC selected eight of the eleven Qualified Eligible REDD Countries into the FCPF.

Criterion a: The quality of the submitted R-PP

- PC14: R-PP is a key criterion for eligibility and selection into FCPF
 - Straightforward way to demonstrate commitment to REDD+ and capacity to initiate work on Readiness.
 - Straightforward way for the PC to select countries based on the quality and content of their Readiness work.
 - Consistent with work on Readiness in existing REDD Countries.
- After PC16, Belize, Sudan and Uruguay revised their R-PPs and re-submitted them for consideration at PC17.

Criterion a: The quality of the submitted R-PP: TAP review

Component	Belize		Sudan		Uruguay	
	PC16 Assessment (December 2013)	PC17 Assessment (July 2014)	PC16 Assessment (December 2013)	PC17 Assessment (July 2014)	PC16 Assessment (December 2013)	PC17 Assessment (July 2014)
1a. National Readiness Management Arrangements	Largely met	Met	Partially met	Met	Largely met	Met
1b. Information Sharing and Stakeholder Dialogue	Largely met	Met	Met	Met	Partially met	Met
1c. Consultation and Participation Process	Largely met	Met	Met	Met	Largely met	Met
2a. Land Use, Forest Law, Policy and Governance	Met	Met	Largely met	Met	Largely met	Largely met
2b. REDD+ Strategy Options	Met	Met	Met	Met	Met	Met
2c. Implementation Framework	Largely met	Met	Largely met	Met	Largely met	Met
2d. Social & Environmental Impacts during Preparation and Implementation	Met	Met	Met	Met	Met	Met
3. Reference Level	Largely met	Largely met	Partially met	Largely met	Met	Met
4a. Monitoring – Emissions and Removals	Largely met	Largely met	Largely met	Met	Largely met	Largely met
4b. Other Multiple Benefits, Impacts and Governance	Partially met	Met	Met	Met	Partially met	Met
5. Schedule and Budget	Met	Met	Met	Met	Met	Met
6. Program Monitoring & Evaluation Framework	Met	Met	Largely met	Met	Met	Met

Criterion a: The quality of the submitted R-PP: PC Working Group review

Component	Belize		Sudan		Uruguay	
	PC16 Assessment (December 2013)	PC17 Assessment (July 2014)	PC16 Assessment (December 2013)	PC17 Assessment (July 2014)	PC16 Assessment (December 2013)	PC17 Assessment (July 2014)
1a. National Readiness Management Arrangements	Largely Met	Met	Met	Met	Largely Met	Met
1b. Information Sharing and Stakeholder Dialogue	Largely Met	Met	Met	Met	Partially Met	Largely Met
1c. Consultation and Participation Process	Largely Met	Met	Met	Met	Largely Met	Met
2a. Land Use, Forest Law, Policy and Governance	Largely Met	Met	Partially Met	Largely Met	Largely Met	Met
2b. REDD+ Strategy Options	Partially Met	Met	Met	Met	Largely Met	Met
2c. Implementation Framework	Met	Met	Partially Met	Met	Largely Met	Met
2d. Social & Environmental Impacts during Preparation and Implementation	Largely Met	Met	Met	Met	Partially Met	Largely Met
3. Reference Level	Met	Met	Not Met	Partially Met	Met	Met
4a. Monitoring – Emissions and Removals	Met	Met	Not Met	Met	Largely Met	Met
4b. Other Multiple Benefits, Impacts and Governance	Largely Met	Met	Met	Met	Partially Met	Largely Met
5. Schedule and Budget	Partially Met	Met	Partially Met	Met	Met	Met
6. Program Monitoring & Evaluation Framework	Largely Met	Met	Partially Met	Largely Met	Met	Met

Criterion b: Commitment of a Delivery Partner specified by the Country

- No new Country can work with a Delivery Partner other than the World Bank.
 - Unless the potential Delivery Partner of one of the ten already approved countries does not confirm it will act as such.
- All 3 Countries have confirmed their willingness to work with the World Bank as Delivery Partner, if selected.
- The World Bank has confirmed its commitment to acting as Delivery Partner in each of the candidate Countries, should they be selected.

Criterion c: Availability of sufficient resources in the Estimated Reserve

- Estimated cost of including a new Country with access to grant of \$3.8 million: approximately \$5.8 million (same terms as existing Countries and those selected at PC16).
 - Includes \$650,000 for Delivery Partner support to each Country.
 - FMT time for country advisory services and secretarial support
 - Support to attend PC/PA meetings.
- Until end of PC17 (July 4, 2014):
 - 2/3 of Reserve is designated for support to existing REDD Country Participants and activities approved as part of the annual budget.
 - 1/3 for support to Qualified Eligible REDD Countries selected into FCPF.
- Current funding available allows for selection of up to 3 new countries on the same terms as existing REDD Country Participants.

Sources of Funds		
Committed Funding		360.5
Total Sources		360.5
Committed Uses of funds		
Grant Commitments		
Commitments (grants) to existing REDD+ Countries (35 @ \$3.8 million) ¹	133.0	
Additional grant funding to DRC (for REDD+ Countries that demonstrate significant progress on readiness)	5.0	
Less grants to REDD+ Countries who did not submit R-PPs by PC14 (3 @ \$3.8) ²	(11.4)	
Less grants to REDD+ Countries who did not sign Grant Agreements by 31 May, 2014 (4 @ \$3.8 million and 5 @ \$3.6 million) ³	(33.2)	
Net Grant Commitments		93.4
Administrative, Operations, and Country Support		
FY09-13 Actual costs	29.5	
FY14 Estimated costs	9.4	
FY15-20 Projected costs ⁴	33.6	
Reserve for Delivery Partner capacity for dispute resolution	2.0	
Administrative, Operations, and Country Support		74.5
Total Uses		167.9
Estimated Reserve: Total Sources less Total Uses		192.6
Reserve allocation for new countries (1/3 of reserve) ⁵		64.2
Reserve allocation for existing countries (2/3 of reserve)		128.4
Use of reserve allocation for new countries		64.2
Commitments to new countries selected into the FCPF at PC16, including grants of \$3.8 million, plus all support costs (8 @ \$5.8 million) ⁶		(46.4)
Remaining in reserve allocated to new countries (until end of PC17)		17.8
Cost of selecting 3 new countries into the FCPF at PC17, including grants of \$3.8 million, plus all support costs (3 @ \$5.8 million) ⁷		(17.4)
Remaining in reserve if 3 new countries selected into FCPF at PC17		0.4
Possible uses of reserve allocation for existing countries		128.4
Grant to Paraguay at PC17 (1 @ \$3.8 million)		(3.8)
Additional grant funding to 3 countries (3 @ \$5 million, plus additional support costs of 3 @ \$300k)		(15.9)
Grants to REDD+ Countries who did not sign Grant Agreements by 31 May, 2014 (4 @ \$3.8 million and 5 @ \$3.6 million) ³		(33.2)
Remaining in reserve allocation for existing countries		75.5
Which could provide 14 grants of \$5 million, including additional support costs of \$300k per grant (14 @ \$5.3 million)		74.2

Current Reserve = \$192.6m

Could allow:

- 3 new countries to be selected,
- \$3.8m grants to all active existing countries requesting funding (33 + 8 from PC16),
- \$5m additional grants to 18 countries.

Task at PC17 is to decide:

- Reopening the FCPF to new countries
 - which of the three Qualified Eligible REDD Countries to select into the FCPF and on what terms.
 - Decision to be recorded in a resolution.
 - Individual resolution to be adopted for each Country selected, to allocate grant funding and identify key issues to be addressed in their Revised R-PP before signing a Grant Agreement, if relevant.
- FMT recommends:
 - Selecting the three countries into the FCPF.
 - On the same terms as existing REDD Countries and those selected at PC16.
 - Subject to the PC finding that their R-PPs are of sufficient quality.



Outline

1. Background
2. Status of Existing REDD Country Participants
3. Reopening the FCPF to new countries
4. Requests from additional countries to join the FCPF

Background

- Since PC16, FMT has received 5 more requests/reconfirmations from countries to join the FCPF.
- These are in addition to countries that expressed interest in earlier years but did not meet requirements for consideration in the current selection “window” at PC16 and PC17.

Qualified Eligible REDD Countries that did not submit an R-PP for selection into the FCPF	Burundi (Reconfirmed interest after PC16) Chad (Reconfirmed interest after PC16) Jamaica Philippines South Sudan Sri Lanka
Countries that expressed interest before PC11, but did not provide supplemental information/R-PP	Guinea (Reconfirmed interest after PC16)
Countries that expressed interest after PC16	Benin Guinea Bissau
Countries that have informally expressed interest	Rwanda Sierra Leone

Task at PC17 is to decide:

- Requests from additional countries to join the FCPF
 - Whether to allow more countries to join the FCPF and on what terms.
 - Guidance may be recorded in the PC17 Co-Chairs' summary.
- The FMT does NOT recommend allocating smaller grants to some countries, to allow countries to join despite limited funding in the FCPF.
 - All REDD Country Participants should be treated equally, so as to not create different classes of REDD Countries and to allow all REDD Countries equal opportunity to meet their Readiness needs.
 - A Delivery Partner incurs a minimum level of costs regardless of the size of a grant, and the cost of preparing and supervising the grant can quickly outweigh the size of a very small grant.

Recommendation

- PC may consider allowing countries to be observers with no access to funding.
 - Insufficient reserve
 - FMT recommends decision at PC14 to be adhered to, meaning that FCPF will remain closed to new REDD Countries.
 - PC may wish to revisit this at a later time; encourage interested Countries to seek support from other sources.
 - The additional countries have not gone through the R-PP process; may benefit from learning from others' experiences.
 - May put them in a strong position to undertake Readiness and seek support from other sources.
 - But given costs/challenges if the FCPF were to provide support, recommend considering allowing countries to observe meetings at their own cost.
 - Logistical/cost implications. Would need to decide criteria for which countries to fund/not.
 - In accordance with Rules of Procedure, countries would request to attend a given meeting, and requests would be considered by the FMT on a case-by-case basis in consultation with the Bureau of the PC.
 - Consistent with handling of past requests from countries to observe FCPF meetings.

Summary Recommendations

- **For 9 Countries that did not sign a Grant Agreement by the May 31 deadline:**
 - Adhere to the principle of the Resolution adopted at PC14, and not grant any exceptions to restore guaranteed access to funding.
 - Reserve is sufficient to allow each of these Countries to sign a Grant Agreement in the near future, without granting an exception.
 - FMT encourages Countries and Delivery Partners to continue their efforts to sign a Grant Agreement (or equivalent) in the near future.
- **For Qualified Eligible REDD Countries (Belize, Sudan and Uruguay):**
 - There are sufficient funds available, and Delivery Partner confirmation.
 - FMT recommends that the 3 Countries be selected into the FCPF, subject to the quality of their R-PPs.
- **For additional (new) countries:**
 - Insufficient resources in the reserve → FMT recommends adhering to decision at PC14 and keeping FCPF closed to the selection of new REDD Countries.
 - The PC may consider allowing countries to observe FCPF meetings, at their own cost, on a case-by-case basis.



THANK YOU!

www.forestcarbonpartnership.org