

Co-Chairs' Summary
Ninth Meeting of the FCPF Participants Committee (PC9)
Oslo, Norway, June 20-22, 2011

Dear Participants and Observers,

We are pleased to report that the ninth meeting of the Participants Committee (PC9) of the Forest Carbon Partnership Facility (FCPF) took place in Oslo, Norway, on June 20-22, 2011.

As Co-Chairs, we would like to thank the 117 meeting participants and observers from governments, indigenous peoples' organizations, international and non-governmental organizations and the private sector for your contributions to a successful meeting. And we wish to reiterate our thanks to the Minister of the Environment and International Development, Erik Solheim, the World Bank Special Envoy for Climate Change, Andrew Steer, and the State Secretary of the Norwegian Ministry of Finance, Kjetil Lund, for their guest 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/300>.

Please find below the main conclusions from the meeting:

1. *USD6.8 million in new readiness grant allocations:*

- The PC reviewed and assessed the Readiness Preparation Proposals (R-PPs) submitted by Liberia and Uganda, aided by the reviews of these R-PPs from the ad hoc Technical Advisory Panels (TAPs), PC members, and 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 USD3.4 million each to Liberia and Uganda.
- Subject to revision of the R-PPs to address some key issues and completion of due diligence by the World Bank, Liberia and Uganda will each enter into a Readiness Preparation grant agreement to assist them in preparing their Readiness Packages (see Resolutions PC/9/2011/2 and PC/9/2011/3, respectively).
- The FMT also announced that Readiness Preparation grant agreements have been signed with the Democratic Republic of Congo, Indonesia, and Nepal, and that Readiness Preparation grants with Costa Rica and Mexico have been approved by the World Bank and are nearing signature.

2. *Draft R-PP presentations:* Colombia and Nicaragua presented their draft R-PPs, which were reviewed by ad hoc TAPs and PC representatives, and will likely submit their revised R-PPs for formal assessment at upcoming PC meetings.

3. *Upcoming R-PP submissions:* R-PPs for consideration at PC10 should be submitted by August 1, 2011 (August 22, 2011 in case of resubmission) and should use the latest version of the R-PP template (version 5), which is available from the website. R-PPs for consideration at PC11 should be submitted by January 6, 2012 (January 16, 2012 in case of resubmission) and should use the version 6 of the R-PP template, which will be available from the website as of the end of July.

4. *TAP reviews of R-PPs:* PC10 will include a discussion and analysis of TAP reviews of R-PPs conducted so far, using the PC9 TAP overview presentation as a basis.

5. *New funding:*

- Germany announced a new pledge of EUR30 million to the FCPF, increasing its contribution to approximately USD115 million.
- Norway signed a new contribution of USD50 million to the Carbon Fund, bringing Norway's total contribution to the FCPF to USD100 million.

- With these additional contributions, total pledged funding for the facility amounts to approximately USD436 million.
- The Facility Management Team (FMT) will discuss with the World Bank's Board of Executive Directors to adjust the capitalization target of the Readiness Fund and the Carbon Fund, with a view to receive additional contributions over and above the target capitalization levels previously approved by the Board (see Resolution PC/9/2011/5).

6. *Multiple Delivery Partners (see Resolution PC/9/2011/1):*

- The PC approved the Common Approach as recommended by the Task Force at PC9, and approved the Inter-American Development Bank (IDB) and the United Nations Development Programme (UNDP) to act as the first Delivery Partners under the Readiness Fund, and welcomed these Delivery Partners as Observers to the PC. This is a key development in the life of the FCPF, which should improve the service coverage to REDD Country Participants.
- The PC authorized up to five more REDD Country Participants to participate as pilot countries using IDB or UNDP as Delivery Partners, outlined a process for approving future Delivery Partners, and agreed to the FMT's targeted outreach on the Common Approach.
- The Trustee will enter into negotiations of Transfer Agreements with the IDB and UNDP, which will include provisions to cover operational costs incurred as well as, in the case of the IDB, reasonable costs incurred in making the IDB's accountability mechanism available to address claims under the FCPF Readiness Fund, and, in the case of UNDP, making an independent safeguard expert or consultant available to receive and provide expert guidance on eligible complaints related to safeguards and the Common Approach.
- The FMT will synthesize lessons learned on the Common Approach in accordance with the recommendations by the Task Force.

7. *FCPF evaluation:*

- The PC took stock of the recommendations from the evaluation report, on the basis of the report of the PC working group presented by the evaluator and the FMT update. Considering the recommendations in the report, the PC highlighted the need for discussion of the strategic direction and scope of work of the Readiness Fund.
- The contact group on evaluation discussed the next steps required to start addressing the recommendations. On that basis, the FMT will prepare a draft action plan outlining these next steps and timelines for PC consideration beginning at PC10. The FMT will send this draft action plan to PC members and observers via email by July 20, 2011 for endorsement on a no-objection basis. The FMT will also prepare relevant background information to facilitate the PC discussions and decisions at forthcoming PC meetings in accordance with the draft action plan.

8. *Readiness Package (R-Package):*

- In a knowledge sharing panel Nepal, DRC, and Costa Rica presented country readiness experiences to-date and early views on the elements of Readiness-Package, including the review and assessment process, to the PC. The countries focused their presentation on key readiness activities and possible elements for the R-Package, including REDD+ strategy development, implementation framework, MRV systems development, reference levels, and safeguards, and reflected on principles, indicators and criteria that could be used to define key milestones for future R-Package submissions.
- Due to limited time to discuss R-Package issues in the PC plenary, the FMT solicited feedback from PC members and observers during meeting breaks. Comments were received on how to define Readiness, how to set minimum standards, how to ensure consistency of this standard with emerging guidance from the UNFCCC, and suggestions on the review and

assessment process. Based on this feedback, as well as earlier goals defined by FCPF Carbon Fund participants during the first operational meeting (May 31-June 1 in Barcelona), the FMT will facilitate the drafting of an R-Package outline to be presented at PC10, targeting the adoption of a first draft of R-Package guidelines and an R-Package assessment process by PC11. Several countries have committed to actively participating in this process.

9. *Benefit sharing:* A knowledge sharing panel consisting of Liberia, Mexico and the Nature Conservancy presented lessons from the forest sector which can feed into the design of benefit sharing mechanisms. The discussion highlighted the contrasting lessons from experiences with forest concessions for logging, community forest management, and payment for environmental services. Each of these mechanisms demonstrates different lessons in building capacity at the community level; developing participatory decision making processes at community, sub-national and national levels; ensuring functionality of diverse instruments that favor good governance; improving targeting and effectiveness as well as governance and transparency; signing long term agreements with land holders/owners; implementing results based payment approaches; setting a compliance monitoring system; and ensuring equitability and fairness. Based on the rich discussions, the FMT will continue the dialogue on benefit-sharing mechanisms in Fiscal Year 2012 (FY12), through workshops or similar activities that will discuss country experiences and design of potential mechanisms.
10. *Strategic issues:* In line with the next steps for the FCPF evaluation and issues raised during the knowledge sharing panels, PC10 will include a strategic discussion, and decisions as relevant on issues such as:
 - Benefit sharing;
 - Integrating local communities into national MRV system development;
 - Development of Reference levels;
 - Stakeholder engagement in the REDD+ process (CSOs and private sector);
 - Flexibility of the Readiness Fund (e.g., moving away from flat rate disbursements, clearer plans regarding expansion of FCPF to new countries); and
 - Enhancing learning, South-South exchange and capacity building.
11. *Carbon Fund:* The PC welcomed two private sector participants that have joined the Carbon Fund in recent months (BP and CDC Climat). The Carbon Fund is now operational, and committed contributions now amount to approximately USD169 million. 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, following which they will be adopted by the Carbon Fund Participants.
12. *Budget:* The core budget and proposed additional budget items for FY12 were approved (see Resolution PC/9/2011/4).
13. *Indigenous Peoples observers to the FCPF:* Forest-Dependent Indigenous Peoples and Forest Dwellers (IP) representatives presented the outcome of their self-selection process. Consequently, the approved FY12 budget includes resources for the participation of five regional representatives to attend FCPF meetings, and the participation of one IP Observer at the open Carbon Fund meetings. In addition, in recognition of the critical importance of continuing and expanding the dialogue with IPs, the PC approved additional budgets for a global consultation meeting on the FCPF, bringing together IPs from various parts of the world.
14. *Time management:* The PC noted the improvements that have been made in managing PC meetings, and made a number of suggestions for further improvement, which included the following:
 - The importance of Co-Chairs in managing time was emphasized;

- Contact groups do not substitute for the PC as the decision-making body, but play an important role. It was suggested that regular sessions be designated for contact group meetings, and the timing of these sessions be made available in advance so that Participants and Observers can plan their participation. In some cases language translation support is also needed;
- Meeting documents should be circulated well in advance, particularly those with financial implications;
- Rather than developing Additional Decisions, as in previous PC meetings, the Co-Chairs could instead provide a summary (as per this message);
- It is useful to have three-day PC meetings, in order to cover the meeting agenda. Those items requiring resolutions should be discussed early on, including R-PPs. The adoption of resolutions could potentially be split between the second and third days.

15. *Rules of Procedure:* As follow-up to PC8 discussions, the FMT presented revisions that were made to the Rules of Procedure for the Meetings of the Participants Committee in an effort to ensure a balanced representation of Participants and observers in contact groups. The FMT will further revise the Rules of Procedure to clarify the scope of the work of the contact groups, as discussed at PC9. The proposed revised Rules will be circulated to the PC members and observers for adoption by the PC members by PC10.

16. *Next meetings:* Please mark your calendars...

- The global consultation with Indigenous Peoples will be held, tentatively, September 27-29, 2011 in Panama (to be confirmed, particularly as the next Ad Hoc Working Group sessions under the UNFCCC have now been confirmed for the following week, October 1-7, 2011, in Panama City). Further details will be provided in due course. As a reminder, Indigenous Peoples have invited PC members and observers to attend the consultation. Please let us know if you would be interested in attending by writing to fcpfsecretariat@worldbank.org.
- Germany will host PA4/PC10 on October 17-19, 2011 in Berlin. PA4/PC10 will be held in conjunction with the seventh meeting of the UN-REDD Programme's Policy Board.
- The FMT will liaise with the Bureau of the PC on the question of where to hold PC11, which is planned for March 2012 (Colombia reiterated its offer to host).

By way of conclusion, we would like to note that a number of important decisions were made at PC9, and that countries are registering significant progress in REDD+ Readiness. The process leading up to and at PC9 demonstrated important collaboration amongst Participants and observers, which was commended by many. There are a number of items to make further progress on at PC10 including, importantly, forward-looking strategic directions of the FCPF Readiness Fund. The FMT will liaise with the PC Bureau in preparing the PC10 agenda.

We would like to thank everyone again for helping to make PC9 a success, and we look forward to seeing you at PC10. Please do not hesitate to contact the FMT at fcpfsecretariat@worldbank.org if you have any questions or concerns.

Sincerely,

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