



FCPF Program announcement

Date: January 21, 2021

Issue: Update to FCPF Requirements and applicability of latest version to ER Programs and on-going validations/verifications

The FMT would like to inform you that some FCPF Program Documents and Requirements have been updated following a series of discussions with FCPF Countries and Contributors.

These updates were socialized by the FMT during the webinar sessions that took place last December with all FCPF Countries. The updated documents and requirements have now entry into force, and they shall be considered by REDD Country Participants and Validation and Verification Bodies (VVB) when preparing respectively the ER Monitoring Report and Validation and Verification Reports.

The updates include:

1. **Guidelines on the application of the Methodological Framework:**
 - The guideline number 2 about the application of Technical Corrections to GHG Emissions and Removals Reported in the Reference Period has been updated to include additional types of corrections into the previously accepted positive list, clarify the procedure to perform changes not included in such list, and facilitate the process to report technical corrections.
 - The guideline number 4 about the Uncertainty Analysis of Emission Reductions has been included as part of the guidelines on the application of the Methodological Framework. This guideline was previously an annex to the Validation and Verification Guidelines but now it has been adjusted and published as a separate file. FCPF Programs and VVBs need to read and follow this guideline to identify, assess and quantify sources of uncertainty impacting the carbon estimations.
2. **Definition of Crediting Period Start Date:** The FCPF Glossary of terms has been adjusted to update the definition of the Crediting Period Start Date. The new definition allows ER Programs to propose crediting periods that start prior to the ER Program Start date as described in the ERPAs with the FCPF and generate FCPF Units during the pre-ERPA period if they comply with all conditions listed in the definition. The FMT has also prepared a list of FAQs that may be found in Annex.
3. **Monitoring Report template:** The Monitoring Report Template and its annex IV have been updated to better reflect among others the Uncertainty Analysis as per the Guideline Number 4, the assessment of ERs transferred to other entities or other schemes, and the validation and verification process as per the Validation and Verification guidelines. The Spanish and French versions of this template have also been updated.



4. **Validation and Verification Guidelines (VVG):** The VVG have been adjusted to include in the scope of validation the assessment of the start date selected for the crediting period. Finally, section 7.6 of the VVG have been adjusted to require all Validation and Verification Bodies to conduct a mandatory training and complete an exam before they can be appointed to perform a third-party assessment under the FCPF.

5. **Process Guidelines:** The Process Guidelines have been updated to make them consistent with the above changes and to clarify the period for notification from REDD Country Participants on their intention to submit the ER Monitoring Report and their decision to be subject to a 'full' or 'partial' validation.

Only REDD Country Participants with ER Programs under validation and verification process at the time of this note have the opportunity to decide whether to adhere or not to the new requirements summarized in sections 1 and 2. The FMT shall be informed as soon as possible so that the objectives and criteria of validation and verification are revised accordingly. All other Country Participants shall implement these changes.



FAQ – Crediting Period Start Date

What are the revisions that have been made?

The [FCPF Glossary of Terms](#) has been modified to update the definition of the Crediting Period Start Date. Main differences are as follows:

- **Previous definition:** Crediting Period Start Date coincide with the start of the first reporting period under the FCPF ERPA, so countries cannot claim FCPF Units generated prior to the ERPA term.
- **New definition:** The Crediting Start Date can differ from the start of the first reporting period under the FCPF ERPA, provided it complies with a number of conditions.

Does this revision impact the ERPAs with the FCPF Carbon Fund?

No, this change does not impact the ERPAs with the FCPF Carbon Fund. All ERPAs are either signed or close to signature so this would not impact ERPAs.

What are the requirements for the new Crediting Period Start Date?

The Crediting Period Start Date cannot be later than the start of the Term of the ERPA with the FCPF Carbon Fund and it shall comply with the following conditions:

1. Cannot be earlier than the date the first ER Program Measure (s) (including any Sub-Project (s)) begins generating ERs, i.e. first implementation.
2. It is justified with objective evidence by the ER Program Entity and it is independently assessed by a Validation Verification Body during Validation.
3. It is not earlier than January 1st 2016.
4. It does not fall within the Reference period.
5. It is demonstrated that the ER Program complies with requirements since the start date on safeguards, carbon accounting and double counting as specified in the MF.

More details may be found in the [FCPF Glossary of Terms](#).

Will the FCPF units generated prior to the ERPA be paid for by the FCPF Carbon Fund?

FCPF Units will not be part of the ERPA with the FCPF Carbon Fund, yet REDD Countries may commercialize these FCPF Units with third party buyers or use them for other purposes (e.g. NDCs).

How it can be demonstrated the date when the first ER Program measures were implemented?

A description of the acceptable evidence is provided in footnote 2 of the FCPF Glossary of Terms.



Where to present this crediting period start date and who will assess it?

This Crediting Period Start Date will be proposed in the ER Monitoring Report and will be assessed by the Validation and Verification Body as per the Validation and Verification Guidelines.

How it can be demonstrated compliance with WB safeguards?

The REDD Country shall demonstrate that ER Program Measures generating the (retroactive) ERs were implemented in a manner consistent with the approved ESMF. This is a requirement that exists for retroactive ERs (a.k.a. pre-ERPA-signature ERs) which are part of the ERPA with the FCPF Carbon Fund.

Compliance with WB safeguards policies since the proposed date has to be assessed and confirmed by the World Bank, following the same process as for retroactive ERs (pre-ERPA-signature ERs), so the REDD Country will need to liaise with the WB task team to discuss how to demonstrate this. This confirmation from the WB will have to be provided to the FMT no later than at the time of issuance of FCPF Units.

How to monitor and report these pre-ERPA period FCPF Units ?

The REDD Country may include this extended period in the first Monitoring Report as a single Reporting Period which includes the first reporting period under the FCPF ERPA plus the pre-ERPA period. The [FCPF Guidelines on The Definition of Reporting Periods of Emission Reduction Programs](#) shall be used to allocate the ERs to the period pre-ERPA and the ERPA period.

In the case the REDD Country does not include this pre-ERPA period in the first Monitoring Report, the REDD Country will have to prepare a separate Monitoring Report covering this period.

How to verify these pre-ERPA period FCPF Units ?

If the pre-ERPA period is included in the first Monitoring Report which includes the first reporting period under the FCPF ERPA plus the pre-ERPA period, Verification will cover the full period. Cost of Verification will be covered by the FCPF Carbon Fund.

In the case the REDD Country does not include this pre-ERPA period in the first Monitoring Report, Verification of FCPF Units during this first Reporting Period will have to be done separately in compliance with the Validation and Verification Guidelines. In this case the cost of Verification will be covered by the REDD Country.

How these pre-ERPA period FCPF Units will be issued ?

Any FCPF Units regardless of the buyer will be issued as FCPF Units in the WB's ER Transaction Registry (CATS).