



Process Guidelines

Version 5.2
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1 Introduction

1. These process guidelines define the steps required for REDD+ Country ER Programs to participate in the Carbon Fund, generate Emissions Reductions and receive incentive payments to achieve long-term forest conservation in developing countries.
2. The objectives of FCPF process guidelines is to:
 - a) Provide clarity on the participants and documents involved in the FCPF Carbon Fund Process;
 - b) Describe the overall process to obtain FCPF verified Emissions Reductions.

2 References

3. The following are references that are applicable for Validation and Verification:
 - a) FCPF Methodological Framework: Provides the overarching guidance and act as a standard that is designed to achieve a consistent approach to carbon accounting and programmatic characteristics;
 - b) FCPF Validation and Verification Guidelines: define the requirements for Validation and Verification of Emission Reduction Programs (“ER Program”) under the Forest Carbon Partnership Facility Carbon Fund (FCPF CF);
 - c) Guidelines on the application of the methodological framework on technical corrections to GHG emissions and removals reported in the reference period;
 - d) Registry Guidelines: Operational Guidelines for Emission Reductions Transaction Registry.

3 Glossary of terms

4. For the purposes of the Process Guidelines, the terms and definitions described in the FCPF Glossary of Terms shall apply.

4 Overview of the Carbon Fund

5. The Carbon Fund is set up to pilot incentive payments for REDD+ efforts in developing countries. FCPF participant countries that have made significant progress in their REDD+ readiness endeavors may be selected to participate in the Carbon Fund, which became fully operational in May 2011.
6. Carbon Funds are designed to help countries and their stakeholders achieve long-term sustainability in financing forest conservation. They are intended to help reduce climate change impacts from forest loss and degradation by making forests more valuable standing than cut down. The Carbon Fund remunerates participant countries in accordance with negotiated contracts for verifiable emission reductions (ERs).

5 Administration and Management

7. The FCPF’s Participants Committee and Participants Assembly are at the core of its governance structure. The Participants Committee is the main decision-making body of the FCPF and meets twice a year to review submissions and select new participant countries, as well as approve funding allocations, rules of procedure, budgets and new methodologies. The Participants Assembly meets annually to elect the Participants Committee and provide general guidance.

8. These governing bodies comprise representatives from developing countries, donors' participants, and active observers from northern and southern indigenous peoples, civil society and women's organizations, as well as several international delivery partners.
9. The World Bank is the trustee of the FCPF's Readiness Fund and Carbon Fund and provides secretariat services through a Facility Management Team. FCPF CF Facility Management Team administers the FCPF's Carbon Fund. The FMT oversees the Validation and Verification process to ensure that all FCPF operations comply with applicable World Bank Group Policies and the Carbon Fund requirements. The FMT has several functions, *inter alia*:
 - a) Proposals for approval by the Carbon Fund governance;
 - b) VVB selection;
 - c) Completeness check and posting of the final ER-PD and ER Monitoring Report;
 - d) Communication between the VVB and the REDD Country Participant;
 - e) Review of the Validation and Verification reports;
 - f) Management of the Carbon Asset Trading System, i.e. FCPF transaction registry.
10. The Validation and Verification Body shall be accredited as per the requirements of the Validation and Verification Guidelines (VVG). The FCPF Carbon Fund will submit a request for proposals from accredited VVBs to conduct country-specific Validation and Verification engagements". Other requirements for Validation and Verifications under the FCPF Carbon Fund may be found in the Validation and Verification Guidelines.
11. Accreditation of any Validation and Verification Body is given by an Accreditation Body acceptable to the FCPF. The Accreditation Body is in charge of the oversight of VVB and compliance with the requirements of ISO 14065 and the requirements of the Validation and Verification Guidelines.
12. Accredited VVBs shall be approved by the FCPF Participants Committee in accordance with the FCPF Charter to be able to provide Validation and Verification services under the FCPF Carbon Fund.

6 Documents

13. The following paragraphs provide a description of the different documents that exist under the FCPF Program and the process to revise and approve these.
14. There are four general classes of documents:
 - a) **Requirements:** Normative documents setting rules required to be complied with by ER programs.
 - i. **Methodological framework:** High-level requirements designed to achieve a uniform approach to compliance with the FCPF Requirements. The Methodological Framework is mandatory;
 - ii. **Guidelines:** a set of procedures intended to ensure that criteria of the Methodological Framework and other requirements are fulfilled. Guidelines are mandatory;
 - b) **Guidance notes:** provides supplemental advice or instruction on the methodological framework or guideline. A guidance note describes acceptable methods of satisfying requirements.
 - c) **Templates:** Used to capture data or information required in the FCPF processes. A form contains predefined fields to be filled in by the REDD Country Participant, or the Validation and Verification Body. Templates include specific text with Guidelines. This includes documents related to the ERPA with the Carbon Fund.

Requirements	Guidance notes	Templates
<ul style="list-style-type: none"> • FCPF Methodological Framework • Buffer Guidelines • Guidelines on the application of the MF • Process Guidelines • Validation and Verification Guidelines • FCPF Glossary of Terms 	<ul style="list-style-type: none"> • Guidance note on benefit sharing for ER Programs • Guidance note on the ability of the Program Entity to transfer title to ERs • Guidance note on the preparation of financing plan of ER Programs • Guidance note on disclosure of information 	<ul style="list-style-type: none"> • ER Program Document • ER Monitoring Report • Validation / Verification Report • Verification Report • Technical Assessment Report • ER Program Idea Note • ERPA general terms & conditions • ERPA commercial terms

15. The following requirements have been approved:

- FCPF Methodological Framework: Provides the overarching guidance and act as a standard that is designed to achieve a consistent approach to carbon accounting and programmatic characteristics;
- Buffer Guidelines: Provides the procedures for managing uncertainty and reversal management mechanism of ER Programs;
- Guidelines on the application of the MF: Guidelines that provide supplementary information on the application of the methodological framework;
- Validation and Verification Guidelines: Provides the procedures for conducting Validation and Verifications of ER Programs by Independent Validation and Verification Bodies;
- Process Guidelines: Provides the procedures for the ER program cycle from ER-PIN submission to payment of Emission Reductions;
- FCPF Glossary of Terms: Provides the definitions applicable under the FCPF.

16. The following Guidance Notes have been approved:

- Guidance note on benefit-sharing for ER Programs: Provides supplemental advice for the development of benefit-sharing plans of ER Programs;
- Guidance note on the ability of the Program Entity to transfer title to ERs: Provides supplemental advice for demonstrating the ability of the Program Entity to transfer title to ERs;
- Guidance Note on the preparation of financing plan of ER Programs: Provides supplemental advice on the preparation of financing plans for ER programs.
- Guidance note on disclosure of information: Provides information on the disclosing of information and it relates to the process guidelines.

17. The following templates have been approved:

- ER Program Document: Form and guidance to help REDD Country Participants to prepare a description of the ER Program required for the approval of the ER Program;
- ER Monitoring Report: Form and guidance to help REDD Country Participants to prepare a monitoring report describing the results of the applicable Reporting Period.

- c) Validation Report and Verification Report: Forms and guidance to help VVBs to prepare the Validation report and the Verification report.
 - d) ER Program Idea Note: Form and guidance to help REDD Country Participants to prepare an ER Program Idea Note.
 - e) ERPA general conditions;
 - f) ERPA Commercial Terms.
18. All requirements are to be approved by the Carbon Fund Participants. Revisions to the FCPF Methodological Framework requires the approval by Carbon Fund Participants via a specific resolution. Revisions of existing Guidelines or approval of new Guidelines require the approval by Carbon Fund Participants via specific resolution or via three-week non-objection period. Revisions of an existing Guidance Note /template or approval of a new Guidance Note / template may be done by the FMT without prior-approval from Carbon Fund Participants.
19. The version of the FCPF Methodological Framework applicable to the Validation or Verification of an ER Program, is the most recent version available at the time of ERPA signature with the Carbon Fund. The latest version of Guidelines or Templates applies, including on-going Validation and Verifications.

7 Carbon Fund process

20. The creation of emission reductions in the FCPF Carbon Fund consists of the steps below. Note that the steps may not necessarily be sequential.
21. The availability of FCPF Carbon Fund documents as mentioned in all the steps below is determined in accordance with the World Bank's Access to Information Policy.
22. The Carbon Fund Process consists of the following steps:
- a) ER Program pre-approval: Preparation of the ER Program Idea Note (ER-PIN) and presentation to the FCPF Carbon Fund for its acceptance;
 - b) ER Program approval: Preparation of the ER Program Document (ER-PD), FCPF due diligence and presentation to the Carbon Fund for its acceptance;
 - c) Monitoring and Reporting:
 - d) Validation and Verification:
 - e) Payments and allocation of ERs to the Carbon Fund
 - f) Post-Carbon Fund

7.1 ER Program pre-approval

7.1.1 ER-PIN presentation

23. An Emission Reductions Program Idea Note (ER-PIN) may be proposed from an FCPF REDD Country Participant that has signed its Readiness Preparation Grant Agreement, using the ER-PIN template. An ER-PIN shall be presented during predefined 'windows' by a REDD Country Participant, through its authorized representative (e.g., its national REDD+ committee), or by another entity authorized to propose the ER Program on behalf of the REDD Country Participant. The World Bank Global Practice staff and/or the FCPF Facility Management Team (FMT) may support a REDD Country Participant in

developing its ER-PIN and conduct due diligence in these countries, using funds allocated by the FCPF Carbon Fund Participants (CFPs) for this purpose.¹

7.1.2 ER-PIN review

24. The FMT and/or World Bank Global Practice staff verifies that the ER-PIN meets the requirements set in para 9 of Version 4 of the Process Guidelines.
25. The World Bank Global Practice staff and/or the FMT liaises with the REDD Country Participant or the authorized entity, as applicable, to clarify any issues and provide informal feedback on the proposed ER Program.
26. If the proposed ER Program meets the requirements listed above, the FMT posts the ER-PIN on the FCPF website and forwards it to the CFPs.

7.1.3 Pre-approval

27. Based on the FMT's review of the ER-PIN and other relevant comments received, the CFPs shall, during predefined 'windows', decide whether or not to include the proposed ER Program in the Tranches' pipelines.² CFPs may decide:
 - a) to pre-approve the ER Program and accept it in the Tranches' pipeline;
 - b) to provisionally pre-approve the ER Program and accept it in the Tranches' pipeline conditional to the provision of a revised ER-PIN that addresses the identified issues. The REDD Country Participant or its authorized entity provides a revised ER-PIN and/or other evidence addressing the conditions for provisionally including the ER-PIN in the Tranches' pipeline. The FMT checks if the revised ER-PIN and/or evidence provided fulfills the conditions;
 - c) not to pre-approve the ER Program. ER-PINs not included may still be modified and presented again on a later date.
28. The World Bank, acting as the trustee of the FCPF Carbon Fund ('Trustee'), and the REDD Country Participant's authorized representative sign a Letter of Intent specifying the terms and procedure under which the parties to the Letter of Intent intend to negotiate in good faith an ERPA for the potential sale and purchase of certain ER volumes to be generated under the ER Program during a certain time period on the basis of exclusivity and seniority. The Letter of Intent may include provisions on cost recovery from the entity, for example in the event of a breach of the exclusivity provisions under the Letter of Intent by the REDD+ Country and/or in the event that ERPA negotiations are not carried out in good faith. Upon signature of the Letter of Intent, the ER Program is pre-approved and it enters the pipeline of the respective Tranche(s).
29. The World Bank Global Practice staff and/or FMT liaises with the REDD Country Participant or authorized entity on ways to improve the quality of the proposed ER Program during design and/or implementation, as appropriate.

¹ The World Bank conducts its due diligence throughout the development of the proposed ER Program as required by the applicable Operational Policies and Procedures (e.g., its review of environmental and social aspects, sector and country issues, risks, etc.) in accordance with standard internal procedures.

² Pre-approval of an ER Program equates to its inclusion in the pipeline. But a program is not officially included in the Carbon Fund portfolio until an ERPA is signed. Inclusion in the pipeline does not necessarily mean that an ERPA will be signed.

7.2 ER Program approval

30. The REDD Country Participant or its authorized entity sends a draft of the ER-PD to the FMT. The FMT checks if the draft is complete and of sufficient quality for TAP review purposes (Completeness Check). Upon meeting the Completeness Check, the FMT sends the draft ER-PD to the TAP for an independent assessment against the criteria and indicators listed in the Methodological Framework.
31. The TAP conducts the technical assessment of the ER Program following the provisions of para. 16-25 of Version 4 of the Process Guidelines.
32. The REDD Country Participant or its authorized entity presents its ER-PD at a Carbon Fund Meeting. Based on the information available to date, which shall include the FCPF Participants Committee's endorsement of the country's Readiness Package, the final ER-PD, the TAP final AR, and may include the World Bank's disclosable program documents, and technical, financial and legal information (e.g., business model, progress made in assigning a national authority with the responsibility to approve ER Programs by issuing final Letters of Approval (LoAs), etc.), the CFPs of the respective Tranche(s) decide whether or not to include the proposed ER Program in the FCPF Carbon Fund portfolio. CFPs may decide:
 - a) to approve the ER Program and select its inclusion into the FCPF Carbon Fund portfolio and proceed to negotiate an ERPA for the proposed ER Program, subject to completion of the World Bank due diligence and the authorization by the World Bank management to negotiate;
 - b) to provisionally approve the ER Program and select its inclusion into the FCPF Carbon Fund portfolio and proceed to negotiate an ERPA for the proposed ER Program, subject to the completion of the World Bank due diligence, the authorization by the World Bank management to negotiate, and fulfillment of a number of conditions to the satisfaction of the Trustee and/or the TAP in accordance with the applicable resolution. If applicable, the REDD Country Participant or its authorized entity provides a revised ER-PD in accordance with the deadline set out in the applicable resolution. The FMT checks if the revised ER-PD fulfills the conditions set by the CFPs;
 - c) not to approve the ER program yet (i.e. not to proceed to negotiate an ERPA for the proposed ER Program) but to request the REDD Country Participant to resubmit a revised ER-PD that fulfills a number of conditions; or
 - d) not to approve the ER program and, therefore, not to proceed to negotiate an ERPA and do not request the REDD Country Participant to resubmit.
33. In parallel, the World Bank task teams assist the REDD Country Participant in the preparation of the Carbon Fund Operation, in a manner consistent with Operational Policy/Bank Procedures.

7.3 ERPA signature with the Carbon Fund

7.3.1 Benefit Sharing Plans

34. The process for Benefit Sharing Plans including reviews by CFPs is in accordance with the latest version of the FCPF Guidance Note on Benefit Sharing for ER Programs.

7.3.2 ERPA negotiation with the Carbon Fund

35. Based on the Pricing/Valuation Approach and the General Conditions for ERPAs, as endorsed by the FCPF Participants Committee, the Trustee drafts an ERPA for the selected ER Program, which is sent to the REDD Country Participant and/or authorized entity and the CFPs of the respective Tranche(s).³
36. The REDD Country Participant or its authorized entity and the respective Tranche(s) of the Carbon Fund agree on the terms of the ERPA, and the Trustee negotiates the ERPA to reflect the agreed terms. In the ERPA negotiation process, the respective Tranche(s) of the Carbon Fund may choose to select one or more CFP representatives to represent the Tranche in the ERPA discussions and negotiations.

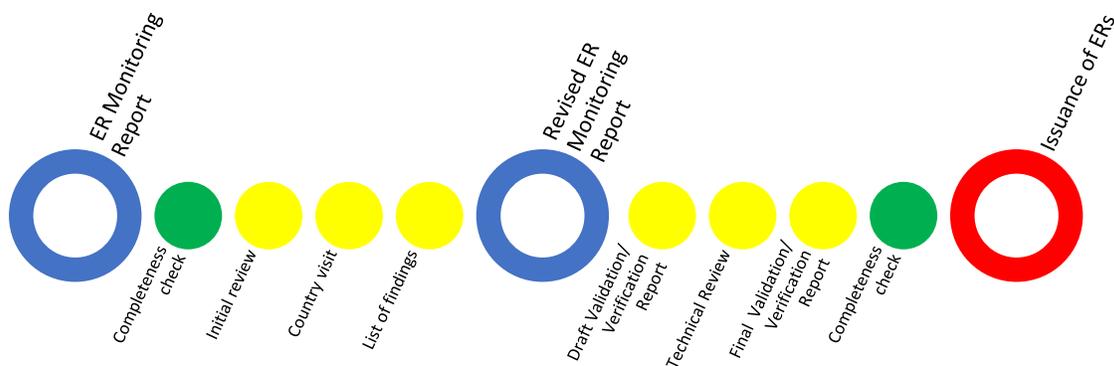
7.3.3 ERPA signature

37. The REDD Country Participant or its authorized entity and the Trustee sign the ERPA.
38. Issuance of a formal Letter of Approval for the ER Program, issued by the national authority finally assigned with the responsibility to approve ER Programs in accordance with national law and regulations, as well as national REDD+ management arrangements, would be a requirement under the ERPA.

7.4 Reporting, Validation, and Verification

39. ER Programs not wishing to generate CORSIA Eligible Emissions Units shall be subject to Validation as specified in the Validation and Verification Guidelines. ER Programs wishing to generate CORSIA Eligible Emissions Units shall be subject to a Validation with extended criteria by an independent Validation and Verification Body as specified in the Validation and Verification Guidelines.
40. Validation shall occur concurrently to the first Verification. Validation with extended criteria shall occur concurrently to a Verification and anytime the REDD Country wishes to generate CORSIA compliant units. In any case, Validation shall be based on Annex IV to the ER Monitoring Report that provides a description of the Reference Level of the ER Program and the carbon accounting system.
41. FCPF reporting and validation/verification include the following two phases.
 - a) ER Monitoring Report: Upon the reception of the ER Monitoring Report, the VVB shall prepare a Validation/Verification plan and a sampling plan in accordance with the requirements of the Validation and Verification Guidelines. Upon a desk review of documentation and a country visit, the VVB shall issue a list of findings to be addressed by the ER program participants and revise the ER Monitoring Report.
 - b) Revised ER Monitoring Report and supporting information: The VVB shall prepare a draft Validation/Verification Report that shall be subject to a Technical Review, upon which, it shall issue a final Validation/Verification Report. The final Validation/Verification Report shall be reviewed by the FMT, who may provide comments to improve its quality.

³ To the extent possible, the Tranche(s) should only commit to contract and pay for a fraction of the ER potential of the ER Program, leaving room for interested entities to participate in one or more additional transactions (ERPAs). Such transaction(s) could include CFPs from either Tranche and/or entities from outside of the Carbon Fund negotiating one or more separate ERPA(s);



42. Within forty-five (45) calendar days following the end of each Reporting Period or as agreed with the World Bank, the REDD Country Participant provides the FMT with an ER Monitoring Report for that Reporting Period⁴ following the ER Monitoring Report template.
43. For the first reporting period, the ER Monitoring Report shall include information on the Reference Level, whether it includes technical corrections or not, at the time of the first Verification to enable third party Validation.
44. The REDD Country Participant monitors and reports to the FMT on the implementation of the Safeguards Plans and Benefit Sharing Plan in accordance with the ERPAs.
45. Within forty-five (45) calendar days prior to the submission of the of the ER Monitoring Report to the FMT, the REDD Country or its authorized entity shall inform the FMT of its intention to submit the ER Monitoring Report and it shall inform on its intention to generate CORSIA Eligible Emissions Units.
46. The REDD Country Participant or its authorized entity sends the ER Monitoring Report and its annexes including the description of the RL, including any applicable technical corrections⁵, and any supporting documentation to the FMT.
47. The FMT reviews the ER Monitoring Report is complete and of sufficient quality (Completeness Check). This includes whether the proposed technical corrections are included in the positive list of the Guidelines in Technical Corrections.
48. The FMT sends the ER Monitoring Report to a Validation and Verification Body (VVB) that has been previously selected by the FMT based on the World Bank's procurement processes.
49. The VVB assesses the ER Monitoring Report following the Validation and Verification Guidelines.
50. After the desk review and country visit, the VVB issues a report of findings that may include requests for Major corrective actions (MCAR), Minor corrective (mCAR) actions and Observations (OBS).
51. The REDD+ country participant proposes a solution for the findings raised by the VVB and sends the ER Monitoring Report and the Validation/Verification findings report back to the VVB and the FMT.
52. In the case the REDD Country Participant proposes a technical correction to the Reference Level as part of the ER Monitoring Report and the VVB finds that the correction is not consistent with the

⁴ The information in the ER Monitoring Report may be fed into the FCPF Monitoring and Evaluation Framework, which can be found on the FCPF website.

⁵ Latest version of the Guidelines on the application of the methodological framework Number 2 On technical corrections to GHG emissions and removals reported in the reference period found in the FCPF website.:

applicable guidelines and the Methodological Framework, these will be reported back to the CFPs and discussed either virtually or during a subsequent Carbon Fund Meeting and its use under the ER Program will be decided in accordance with the applicable Guidelines.

53. Once the ER Monitoring Report is revised the VVB shall prepare a draft Validation/Verification Report that shall be subject to a Technical Review, upon which, it shall issue a final Validation/Verification Report.
54. The VVB issues a Validation/Verification Report following the requirements specified in the Validation/Verification Report template and the Validation and Verification Guidelines⁶.
55. If VVB's opinion on the Validation/Verification is negative because the REDD+ Country program failed in solving one or more MCARs, then the program shall make the necessary arrangements to comply when possible with the VVBs MCARs and the FMT may schedule and negotiate additional rounds of review with the VVB as applicable.
56. The FMT posts the Validation/Verification Report and, if applicable, an updated version of the ER Monitoring Report on the FCPF website and notifies CFPs and Observers of the availability of the documents.
57. The Validation/Verification report, along with the ER Monitoring Report shall be submitted to the Carbon Asset Trading System.
58. ERs issued shall be administered by the Carbon Asset Trading System (CATS). Cancellations, Retirements, and Transfer of ERs occurs through CATS as per the CATS Terms and Conditions.
59. ERs under the FCPF can be issued only during the defined Crediting Period. Once the Crediting Period is concluded, ER Programs that decide to continue trading credits under the CORSIA scheme shall transition to another standard approved by ICAO and adjust the program documents accordingly.

7.5 Issuance, Buffer, transfer, and payment

7.5.1 Issuance

60. Based on the VVB's Verification Report, and subject to applicable operational policies and procedures and ERPA provisions being complied with, the FMT determines and notifies the REDD Country Participant or its authorized entity of the amount of generated and Verified ERs for which the REDD Country Participant or its authorized entity has demonstrated its ability to transfer Title to ERs and which form part of the ER Transfer.
61. The Verified ERs shall be recorded in the ER program's Recording Account. A Fund Transaction Processor shall record the units either as Reported (from the Monitoring Report) or Verified (from the Validation and Verification Report). In the case the ER Program has undergone successfully a 'Full' Validation and is eligible to generate CORSIA Eligible Emissions Units, the Fund Transaction Processor labels the units as CORSIA-eligible units After the Fund Transaction Processor records and submit the transaction, the request goes to the Fund Manager for approval.
62. A Fund Transaction Processor can issue (partial/total) verified ER units from the Recording account selecting available units from a specific Reporting Period. After the Fund Transaction Processor records and submits the transaction, the request goes to the Country Program Approver and the Fund Manager for the final clearance.

⁶ Validation and Verification Guidelines include requirements related to the issuance of positive opinions.

63. These certified emission reduction units are recorded in the issuance account as blocks. Each block shall be assigned a unique Global Carbon Ticker Code (GCTC). The mechanism of GCTC serialization consists of 13 elements, reflected as 71 alphanumeric characters that can be described as:
- a) Static Elements that never change throughout the block life-cycle and define the details and characteristics of the block origin; and
 - b) Dynamic Elements that are subject to continuous change through the block life-cycle and define current state and characteristics of the block in relation to the transactions which have been performed

7.5.2 Buffer

64. If applicable, the FMT, following consultations with the REDD Country Participant or its authorized entity, determines and notifies the REDD Country Participant or its authorized entity of the amount of generated and Verified ERs that have to be deposited into the ER Program Buffer as Buffer ERs in accordance with the ER Program Buffer Guidelines.
65. Serialized ER units (after issuance) are allocated in Buffer accounts to help manage both Uncertainty and Reversal Risks. Three separate ER Program-specific buffer reserve accounts are established:
- a) an 'Uncertainty Buffer' to create incentives for improving (reducing) uncertainty associated with the estimation of ERs and manage the risk that the Emission Reductions were overestimated for prior Reporting Periods;
 - b) a 'Reversal Buffer' to insure against potential Reversals; and
 - c) a 'Pooled Reversal Buffer' to insure against potential large-scale Reversals which exceed the amount of Buffer ERs set aside in the Reversal Buffer (covering, on a pro-rata basis and subject to certain requirements, Reversal Risks that may materialize under any ER Program for which an ERPA has been signed)
66. A Buffer Transaction Processor selects the Issuance account and the action Buffer for Uncertainty / Buffer for Reversal, setting the discount percentage or the specific number of units from a specific Reporting Period. Once he/she records and submit the transaction, the request goes to the Country Program Approver and the Buffer Manager for the final clearance.

7.5.3 Transfer

67. From the Issuance account, and once the buffer discounts have been applied, the available serialized ER units from a specific Reporting Period can be transferred to the Fund Participants accounts. The Fund Transaction Processor can record and submit the transaction, 'Purchase Units' for Fund Manager's approval. These Purchased Certified Units must be allocated to the Participant Interim Non-Tradable or Tradable Accounts based on their contributions (once the Tranches are closed). A Fund Transaction Processor records and submit the transaction and the request goes to the Fund Manager for approval. The corresponding amount is credited in the Participant Interim Accounts waiting to be forwarded to the Participant's Non-Tradable or Tradable Accounts. Again, the Fund Transaction Processor records and submit the transaction and the request goes to the Fund Manager for approval.
68. Finally, a Participant Transaction Processor can initiate the operation of Re-Transferring ERs from the Participant Non-Tradable Accounts to the Program-specific Non-Tradable account (NDCs justification) for retirement. This request shall go to the Participant Approver and the Country Program Approver for approval (final clearance from the Fund Manager). The corresponding amount is credited in the Program Non-Tradable Account (holding accounts).

69. Allocating available serialized ERs from the Issuance account to the Tradable Country Program Account and transfer a specific amount to a Third-Party Buyer account (selling) is also possible once the buffer discounts have been performed and considering the specific conditions of the ERPA with the FCPF Carbon Fund. The Fund Transaction Processor records and submit the transaction to the Fund Manager's approval and the corresponding amount is credited in the Program Tradable Account (holding accounts). In a second phase the Country Program Transaction Processor records and submits the transaction to the Country Program Approver and the Third-Party Approver for approval (final clearance from the Fund Manager). Finally, the Third-Party Transaction Processor can request the cancellation of those units that leave the system again through a 2-level of approval system (Third-Party Approver and final clearance from the Fund Manager).
70. For a complete and detailed explanation of all registry procedures consult the Registry Guidelines: Operational Guidelines for Emission Reductions Transaction Registry.

7.5.4 Payment by the Carbon Fund

71. Within thirty (30) calendar days following receipt of the Buffer ERs in the ER Program Buffer, the REDD Country Participant or its authorized entity provides the World Bank with a signed ER Transfer Form which documents the amount of Verified ERs to be transferred to the FCPF Carbon Fund.
72. Following the completion of an ER Transfer, the World Bank makes the payment to the REDD Country Participant or its authorized entity in accordance with the ERPA.
73. The Trustee of the FCPF Carbon Fund accounts for the pro-rated amount of ERs transferred to each Tranche of the FCPF Carbon Fund and allocates a pro-rata share of ERs to each Tranche Participant.

7.6 Reversal management after the Term of the CF ERPA

74. Section 12 of the ER Program Buffer Guidelines specify provisions for Reversal Management Mechanism beyond the Term of the CF ERPA⁷ and the actions to be undertaken if the ER Program does not propose a RMM.
75. In accordance to Section 12 of the ER Program Buffer Guidelines, if an ER program transits into a new GHG program or standard, the applicable GHG program⁸ shall monitor for the Reversals and have in place a Reversal management mechanism to compensate for material Reversals for at least until 15 years following the end of Carbon Fund in 2025 (i.e. 31 December 2040).

⁷ These provisions ensure that ER programs that wish to generate CORSIA eligible Emission Reductions need to inform the Carbon Fund of their intention to transition to a "CORSIA Eligible Emissions Unit Programme" (as defined under CORSIA) one year before the end of the Term of the CF ERPA.

⁸ Such as a "CORSIA Eligible Emissions Unit Programme" as defined under CORSIA

Document history

Version	Date	Notes
Version 5.2	August 2021	<ul style="list-style-type: none"> • Accreditation requirements have been removed as these are already mentioned in the Validation and Verification Guidelines. • The terms “partial validation” and “full validation” have been removed. • Requirements for the approval and revision of FCPF Documents have been included. • Applicability of revised versions has been clarified.
Version 5.1	January 2021	<p>Changes made:</p> <ul style="list-style-type: none"> • The references to the guideline and process of technical corrections have been updated to refer to the latest version of the FCPF guidelines on the application of the methodological framework number 2 • It has been clarified that ER Programs wishing to generate CORSIA Eligible Emissions Units may be subject to ‘full’ Validation at any time. • It has been clarified that REDD Country participants shall inform the FMT of its intention to submit an ER Monitoring Report 45 days before submission.
Version 5	April 2020	<p>Version approved virtually by Carbon Fund Participants.</p> <p>Changes made:</p> <ul style="list-style-type: none"> • Sections related to Documentation and Administration were introduced. • The Validation process was included in the process. • Additional information on the issuance and transfer was included. • Aspects related to the technical assessment were abridged and reference to Version 4 of the Process Guidelines was made instead.
Version 4	March 2019	<p>Version presented in FMT Note CF-2019-1 and approved during the 19th CF Meeting. Changes made:</p> <ul style="list-style-type: none"> • Updates to the Technical Assessment Process • Updates to the different options for approval of ER Programs

		<ul style="list-style-type: none"> • Inclusion of the monitoring and Verification process • Inclusion of the steps related to the submission of technical corrections of reference levels
Version 3	June 2016	<p>The revised version presented in FMT Note CF2016-2 and approved. Changes made:</p> <ul style="list-style-type: none"> • Revisions to reflect the lessons learned from the first ER-PD assessments.
Version 2	April 2015	<p>Revised presented in FMT Note CF-2014-3 rev and approved. Changes made:</p> <ul style="list-style-type: none"> • Addition of the submission and review of advanced draft ER PD in the process.
Version 1	February 2011	<p>The initial version presented in FMT Note CF-2012-1-rev and approved.</p>