




FOREST CARBON PARTNERSHIP FACILITY

2020 ANNUAL REPORT





**More than 10 years of REDD+ Readiness
advancements and seven years of developing
large-scale emission reductions programs
are culminating in an unprecedented level of
momentum in the FCPF.**

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ABBREVIATIONS AND ACRONYMS

Bank	World Bank	ISFL	Initiative for Sustainable Forest Landscapes (of the BioCarbon Fund)
BioCF	BioCarbon Fund	Lao PDR	Lao People's Democratic Republic
CATS	Carbon Assets Tracking System	LOI	Letter of Intent
CBP	Capacity Building Program for Forest-Dependent Indigenous Peoples and Southern Civil Society Organizations	MF	Methodological Framework
CDP	formerly the Carbon Disclosure Project	MPIDO	Mainyoto Pastoralists Integrated Development Organization
CF	Carbon Fund	MRV	measurement, reporting, and verification
CIF	Climate Investment Fund	NFMS	national forest monitoring system
COP	Conference of the Parties (to the UNFCCC)	PA	Participants Assembly
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation	PC	Participants Committee
CSO	civil society organization	PROFOR	Program on Forests
DGM	Dedicated Grant Mechanism (of the Climate Investment Fund)	REDD	Reducing Emissions from Deforestation and Forest Degradation
DRC	Democratic Republic of Congo	REDD+	REDD plus conservation of forest carbon stocks, sustainable management of forests, and enhancement of forest carbon stocks
ER	emission reductions	REPALEAC	Network of Indigenous Peoples and Local Communities for the Sustainable Management of Central African Forest Ecosystems
ERPA	Emission Reductions Payment Agreement	R-PP	Readiness Preparation Proposal
ERP	Emission Reductions Program Document	SIS	safeguards information system
ER-PIN	Emission Reductions Program Idea Note	tCO_{2e}	(Metric) tons of carbon dioxide equivalent
FAO	Food and Agriculture Organization (of the UN)	UNFCCC	United Nations Framework Convention on Climate Change
FCPF	Forest Carbon Partnership Facility	UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
FMT	Facility Management Team (of the FCPF)		
FREL	forest reference emission level		
FRL	forest reference level		
FY20	fiscal year 2020: July 1, 2020 – June 30, 2021		
ha	hectare		
ICAO	International Civil Aviation Organization		
IFC	International Finance Corporation (of the World Bank Group)		
IP	indigenous peoples		



As our global climate change and development challenges become increasingly complex, the Forest Carbon Partnership Facility remains uniquely positioned to help countries find sustainable and inclusive solutions.

FOREWORD

Every year seems to present new, pressing reasons to scale up efforts to halt forest loss and climate change across the planet.

In 2020, the global COVID-19 pandemic underscored the undeniable link between decades of widespread deforestation and forest degradation, accelerated biodiversity loss, and our current global health crisis. Depleted and degraded forests have led to displaced wildlife, which will continue to expose humans to new pathogens previously isolated in the natural world.

Despite this reality, global deforestation rates increased in 2019 from the previous year, resulting in the release of more than 2 billion tons of carbon dioxide. As we start to focus on building back, we should do so in a way that emphasizes both resilience and sustainability for people and the planet.

Encouragingly, we are seeing some positive trends in certain regions. A recent Global Forest Watch analysis found that several countries in West Africa, including Ghana and Côte d'Ivoire, reduced primary forest loss by up to 50 percent in 2019 compared with the previous year. The research noted that a number of initiatives, including REDD+ programs, could be helping to achieve this.

Over the past year, FCPF country participants across the globe have made significant progress in their REDD+ efforts. In December, Chile became the fourth country—and the first in Latin America—to sign an Emission Reductions Payment Agreement with the FCPF Carbon



Fund. To date, the primary sources of funding for emission reductions programs have been public funds. What's exciting about results-based finance from the FCPF Carbon Fund is how it is catalyzing both public and private investment in REDD+ programs. This leveraging effect will help bring together the scale and diversity of financing sources needed to achieve long-term emission reductions and forest preservation.

Countries in the FCPF Readiness Fund also made encouraging progress this past year, with several of them now finalizing their REDD+ Readiness activities and advancing toward emission reductions program development and implementation. The new extension of the FCPF Readiness Fund—until December 2022—means that even more FCPF countries will be able to do the same in the coming two years.

This year's travel limitations have changed the way many of us do our work. It's been impressive to see how FCPF participant countries have persevered and found creative solutions and new technologies to advance their REDD+ efforts.

Moving forward, the FCPF will continue working closely with a wide range of stakeholders and initiatives to make sure that financing and technical capacity building—even at a distance—are strengthened, providing participant countries with the support they need to drive the REDD+ agenda forward. We look forward to the first payments for FCPF forest emission reductions in the coming months, which represent a major advancement for the world's evolving forest carbon market.



A handwritten signature in black ink, appearing to read 'Simon Whitehouse'.

Simon Whitehouse
FCPF Fund Manager
October 2020

EXECUTIVE SUMMARY

A NEW CHAPTER FOR REDD+ READINESS AND CONTINUED PROGRESS ON EMISSION REDUCTIONS PAYMENT AGREEMENTS

Over the past year, the Forest Carbon Partnership Facility (FCPF) Carbon Fund signed its fourth Emission Reductions Payment Agreement (ERPA), making Chile the first country in Latin America to advance to emission reductions program implementation. When this ERPA is factored in with the others previously signed by the Democratic Republic of Congo, Ghana, and Mozambique, the cumulative value of signed payment agreements amounts to \$181 million.

The other 14 Carbon Fund participants are expected to finalize their emission reductions (ER) programs and follow suit with ERPA signings valued in excess of \$800 million in 2020. The next important milestone after ERPA signings is to make results-based payments. The first verification for the Mozambique ER Program has been initiated, with the first payment expected between April and June 2021.

Support from the Carbon Fund remains focused on establishing the remaining building blocks for ER programs and providing bespoke tools and knowledge for country programs, building on its growing body of experience and evidence.

During the past year, all FCPF country and donor participants and the World Bank's Board of Executive Directors unanimously approved extending the term of the **FCPF's Readiness Fund** by two years to December 31, 2022. This extension underscores the important role the fund has played over more than a decade in supporting the building blocks of REDD+ across 47 FCPF country participants.

The signature of Gabon's Readiness Preparation Grant in fiscal year 2020 (FY20) brings the number of signed preparation grants to 45. These grant allocations, which assist countries in scaling up their REDD+ efforts, now total \$314.3 million. With this support, FCPF country participants continued to make important advancements on a range of REDD+ Readiness work, including national REDD+ strategies, stakeholder engagement, forest reference emission levels (FRELs), and non-carbon benefits.

Through both the Readiness and Carbon Funds, the FCPF advanced important **technical capacity-building** tools over the past year. Significant progress was made in the development of the FCPF's central transaction registry, the Carbon Assets Tracking System (CATS), which was released in November. CATS offers countries a platform solution to issue, record, and transfer emission reduction units generated under the FCPF Carbon Fund, and under other initiatives in the future.

The World Bank's Land Use Climate Funds **Measurement, Reporting, and Verification (MRV) support program** is in full implementation, with \$6 million allocated to implement work plans in 18 REDD+ countries. The MRV Support Program is also developing several global analytical and technical assistance activities that seek to improve the enabling environment for measurement, reporting, and verification operationalization, including guidance on nesting and carbon stock conservation accounting.





In FY20, the FCPF continued to deepen its knowledge on how results-based finance can scale up REDD+ investment. Results-based finance from the Carbon Fund is able to catalyze four to five times as much public and private investment in REDD+ programs. Addressing financing gaps is necessary to ensure effective program implementation and achieve emission reductions.

The FCPF also developed and launched an **online benefit-sharing platform** that serves as a step-wise resource, providing countries with guidance and lessons learned on developing benefit-sharing arrangements. An April 2020 webinar highlighting benefit-sharing resources brought together 250 participants from 85 countries.

In the area of **stakeholder engagement**, the FCPF's long-standing Capacity Building Program for Forest-Dependent Peoples and Southern Civil Society Organizations was extended until December 2022, with the allocation of an additional \$5 million. The final phase of this program will continue the small grants programs to civil society organizations and Indigenous Peoples in FCPF countries, focused on consolidating knowledge, results, and good practices on REDD+.

In FY20, the FCPF also supported **women's engagement** in REDD+ by conducting several studies, including a review of gender mainstreaming in benefit-sharing plans and emission reductions programs. The FCPF also advanced a review of gender and land tenure security in Carbon Fund countries to better understand access to land, management of land rights, indigenous women, and collective forest land tenure. The FCPF continued to advance its Gender Strategy and Action Plan 2020–2025.

The FCPF continued to develop resources and tools to deepen collaboration with the private sector in REDD+, assessing gaps and developing strategies to overcome barriers that hinder private sector engagement across a variety of sectors, including cocoa, livestock, coffee, and vanilla. These strategies aim to increase private sector investment as well as the number of zero-deforestation pledges in commercial agriculture sectors and smart mining.

Moving forward, the FCPF will continue to develop tools for private sector engagement across a variety of sectors. This work includes developing a guide for implementing different cocoa agroforestry systems, as well as hosting a carbon forum with the International Emissions Trading Association (IETA) and the international nongovernmental organization CDP (formerly Carbon Disclosure Project). This forum aims to help supply chain companies better understand how carbon finance can support sustainable commodity production.

At the **international level**, the FCPF continued its engagement with important climate change efforts such as the United Nation's Climate Change Conference in Madrid, Spain (COP25). In 2019, the FCPF was conditionally approved as an Eligible Emissions Unit Program under the UN International Civil Aviation Organization (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Through this aviation carbon credit program, FCPF country participants may be able to access a new stream of performance-based payments for their emission reduction efforts.

Even with the COVID-19-related limitations on global travel anticipated in the coming year, the FCPF will continue working closely and creatively with stakeholders to ensure that countries in the Readiness Fund finish putting in place the remaining building blocks needed to participate in jurisdictional landscape ER programs, and that countries in the Carbon Fund are ready to sign ERPAs, implement their programs, and receive results-based payments.

HOW THE FCPF OPERATES

The Forest Carbon Partnership Facility is truly a global partnership—comprising governments, the private sector, civil society, international organizations, and Indigenous Peoples (IP)—focused on efforts to reduce emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks in developing countries (activities commonly referred to as REDD+).

The FCPF works with 47 developing countries across Africa, Asia-Pacific, and Latin America and the Caribbean. With the support of the facility, countries lay the groundwork to implement REDD+, the building blocks of which include developing national REDD+ strategies and reference emission levels; designing measurement, reporting, and verification (MRV) systems; and establishing national REDD+ management structures, including environmental and social safeguards.

The overall goal of the FCPF is to pilot results-based payments to countries that have advanced through REDD+ Readiness and implementation and achieved verified emission reductions in their forest sector (see Strategic Objectives). In addition to emission reductions, the facility tests ways to

sustain or enhance livelihoods of local communities and to conserve biodiversity.

The FCPF has two separate but complementary funding mechanisms—the Readiness Fund and the Carbon Fund—with funding in excess of \$1.3 billion between them to achieve its strategic objectives. Both mechanisms are supported by a multidonor fund of governments and nongovernmental entities, including the private sector, all of which have made a minimum financial contribution of \$5 million. Contributors to the Readiness Fund are known as donor participants, and contributors to the Carbon Fund are known as Carbon Fund participants. Developing countries participating in both FCPF funds are known as REDD+ country participants.

47

DEVELOPING COUNTRIES

The FCPF works with 47 developing countries across Africa, Asia-Pacific, and Latin America and the Caribbean.

STRATEGIC OBJECTIVES

To assist countries in their REDD+ efforts by providing them with financial and technical assistance in building their capacity to benefit from possible future systems of positive incentives for REDD+.

To pilot a performance-based payment system for REDD+ activities, with a view to ensuring equitable benefit-sharing and promoting future large-scale positive incentives for REDD+.

Within the approach to REDD+, to test ways to sustain or enhance livelihoods of local communities and to conserve biodiversity.

To disseminate broadly the knowledge gained in the development of the facility and the implementation of Readiness Preparation Proposals and ER programs.

IMPACTS

REDUCED EMISSIONS

from deforestation and forest degradation



SUSTAINED OR ENHANCED BIODIVERSITY and LIVELIHOODS

for forest dependent men and women



OUTCOMES

OVERARCHING OUTCOME:

Improved governance and transparency for sustainable forest resource management (including REDD+ interventions) within participant countries

The Readiness Fund supports the development of capacity within participant countries to deliver REDD+ and/or access REDD+ finance



The Carbon Fund incentivizes the development and delivery of REDD+ ER programs



Participant countries strengthen delivery of programming aimed at sustaining or enhancing livelihoods of local communities and/or conserving biodiversity



Enhanced learning from the FCPF on global implementation of REDD+



OUTPUTS

Readiness Assessment Framework is agreed upon and disseminated

Countries demonstrate an adequate plan to achieve preparedness for REDD+ funding

Countries progress adequately on implementation of their Readiness Preparation Proposals and Grant Agreements

Standards and preparations in place for high-quality ER programs discussed and endorsed by Carbon Fund participants and/or Participants Committee

Countries have entered the Carbon Fund portfolio

Private sector engages with the Carbon Fund

Countries progress adequately on implementation of their ER programs

Enhanced capacity of IPs and civil society organizations to engage in REDD+ processes at the country level

FCPF participant countries test ways to sustain and enhance livelihoods

FCPF participant countries test ways to conserve biodiversity

Knowledge gained during the development and delivery of FCPF activities is disseminated, in line with Communications and Knowledge Strategy

Participants actively engage in South-South learning activities

FCPF knowledge is applied by participants and other REDD+ practitioners

FCPF STEP BY STEP

Readiness Fund

Helping Developing Countries Set Up the Building Blocks to Implement REDD+

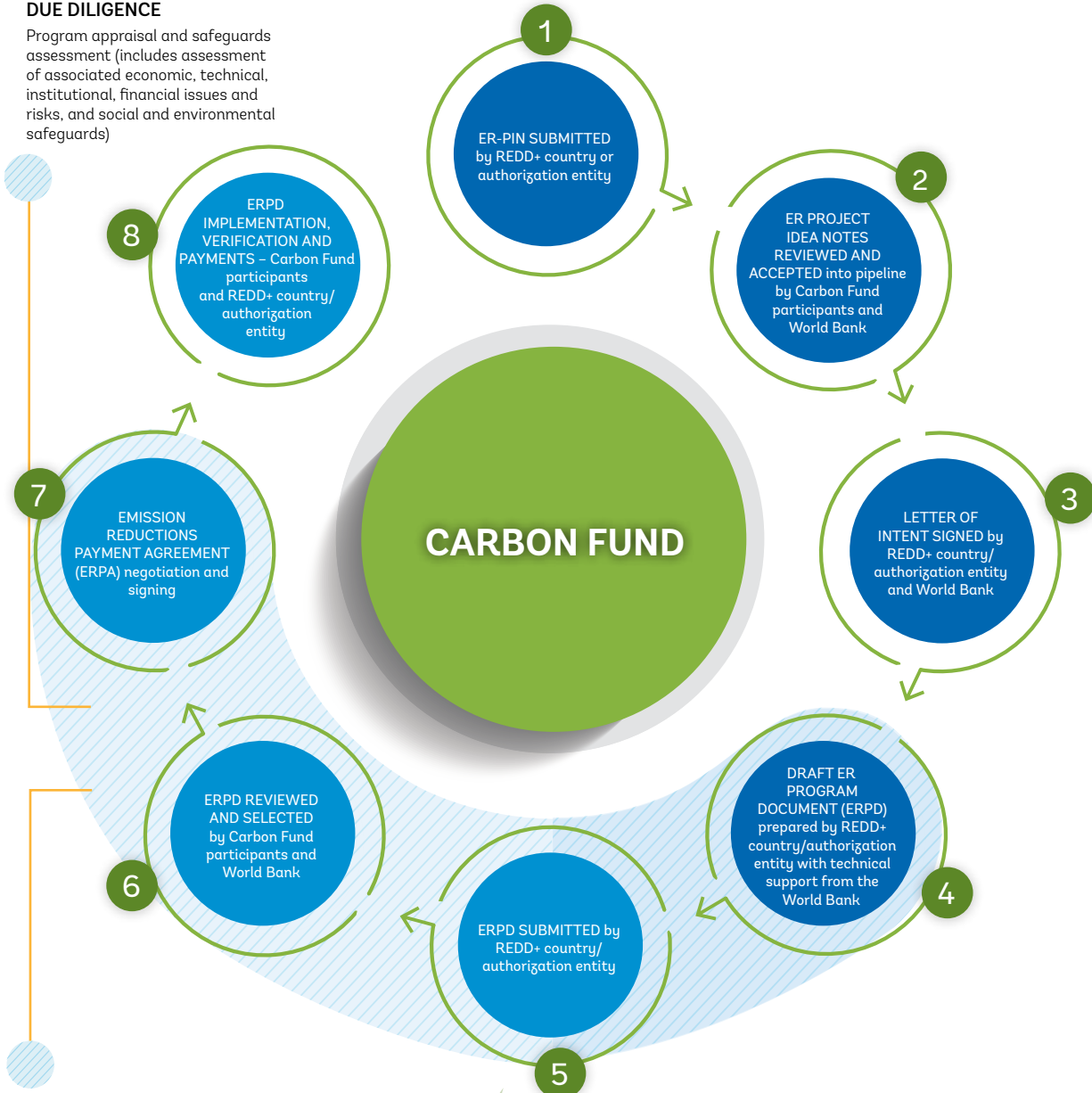


Carbon Fund

Piloting Results-Based Payments for REDD+ Efforts in Developing Countries

WORLD BANK DUE DILIGENCE

Program appraisal and safeguards assessment (includes assessment of associated economic, technical, institutional, financial issues and risks, and social and environmental safeguards)



ER PROGRAM DUE DILIGENCE

Includes assessing technical (e.g., reference emission levels, MRV) and programmatic elements (e.g., subnational arrangements, benefit sharing) in accordance with the Carbon Fund Methodological Framework

WHO IS THE FCPF?

REDD+ COUNTRY PARTICIPANTS



Argentina



Belize



Bhutan



Bolivia



Burkina Faso



Cambodia



Cameroon



Central African Republic



Chile



Colombia



Congo, Dem. Rep. of



Congo, Rep. of



Costa Rica



Côte d'Ivoire



Dominican Republic



El Salvador



Ethiopia



Fiji



Gabon



Ghana



Guatemala



Guyana



Honduras



Indonesia



Kenya



Lao People's Dem. Rep.



Liberia



Madagascar



Mexico



Mozambique



Nepal



Nicaragua



Nigeria



Pakistan



Panama



Papua New Guinea



Paraguay



Peru



Sudan



Suriname



Tanzania



Thailand



Togo



Uganda



Uruguay



Vanuatu



Vietnam

DONORS



European Commission



Australia



Canada



Denmark



Finland



France



Germany



Italy



Japan



Netherlands



Norway



Spain



Switzerland



United Kingdom



United States of America

DELIVERY PARTNERS



OBSERVERS

(official & unofficial)



Indigenous Peoples



Civil Society Organizations



International Organizations



Women's Groups



Private Sector



FCPF BY THE NUMBERS

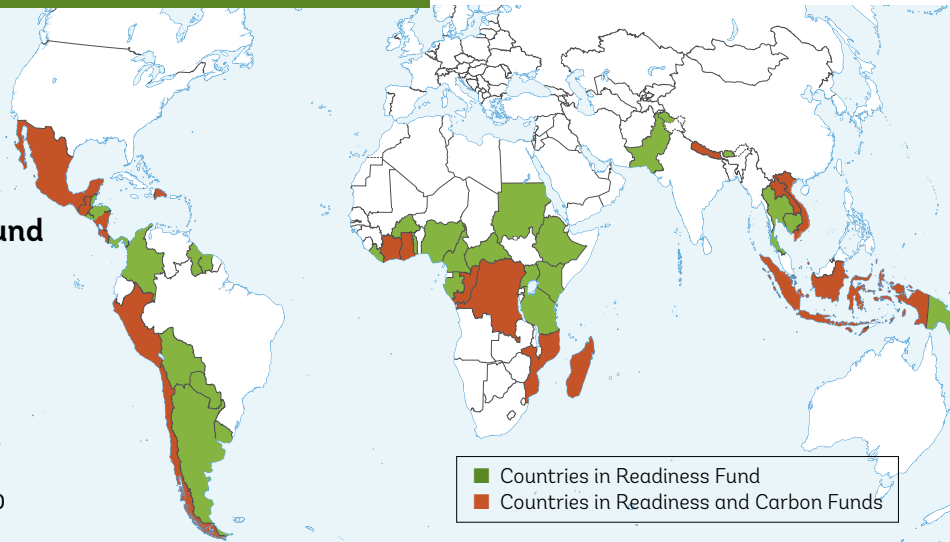
47

Countries in Readiness Fund

18

Countries in Carbon Fund

as of June 30, 2020



Readiness Fund

\$465m

in Readiness Fund



\$314m

Grants Allocated



\$248m

Funding Disbursed



47

Readiness Proposals



41

Midterm Progress Reports



45

Readiness Preparation Grant Agreements Signed



24

Readiness Packages Endorsed



Carbon Fund

\$870m

in Carbon Fund



\$181m

Total ER Payment Agreement Value



18

Programs in the Portfolio



14

Programs Advancing to ER Payment Agreement



4

ER Payment Agreements Signed



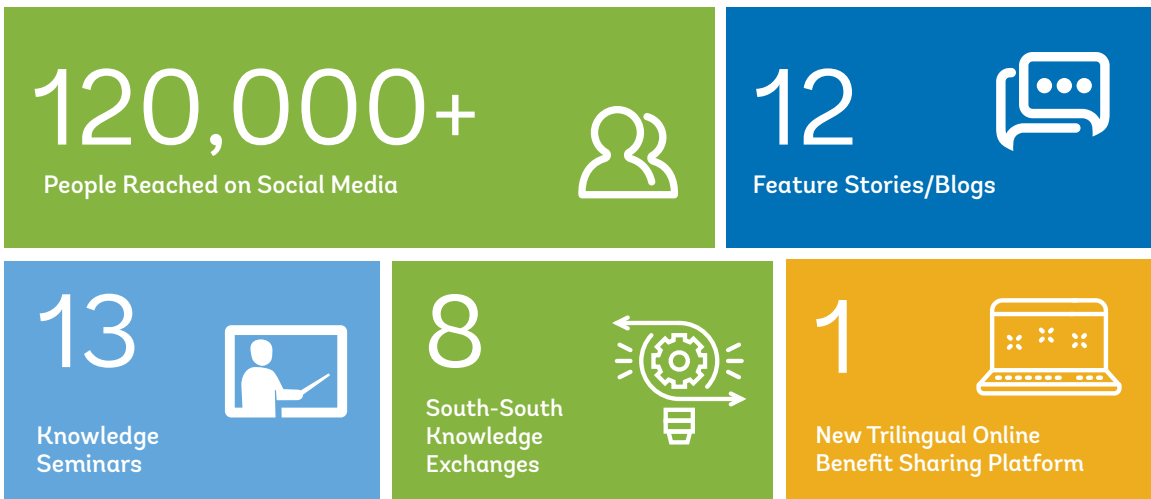
141m

Hectares in Combined Program Areas

Capacity Building Program



Communications and Knowledge



THE READINESS FUND

The Readiness Fund supports tropical and subtropical developing countries in preparing themselves to participate in a large-scale system of positive incentives for REDD+.



Throughout the past year, REDD+ country participants have continued to make important advancements in their readiness efforts, including national policy reforms, engaging and consulting stakeholders, advancing their national REDD+ strategies, developing national forest monitoring and safeguards information systems, and establishing forest reference levels, as well as capturing and enhancing the non-carbon benefits of REDD+.

BUILDING AN ENABLING ENVIRONMENT FOR REDD+

FCPF Readiness Grants make important contributions to nationally driven policy reforms that support the effective design and implementation of REDD+. The initiation and execution of these reforms are complex undertakings, requiring collective action across ministries and sectors and at national and subnational levels, which sometimes goes beyond the scope of FCPF funding.

The following examples provide a snapshot of important, country-driven policy reforms introduced over the past year that both guide and inform REDD+ in the context of broader national processes.

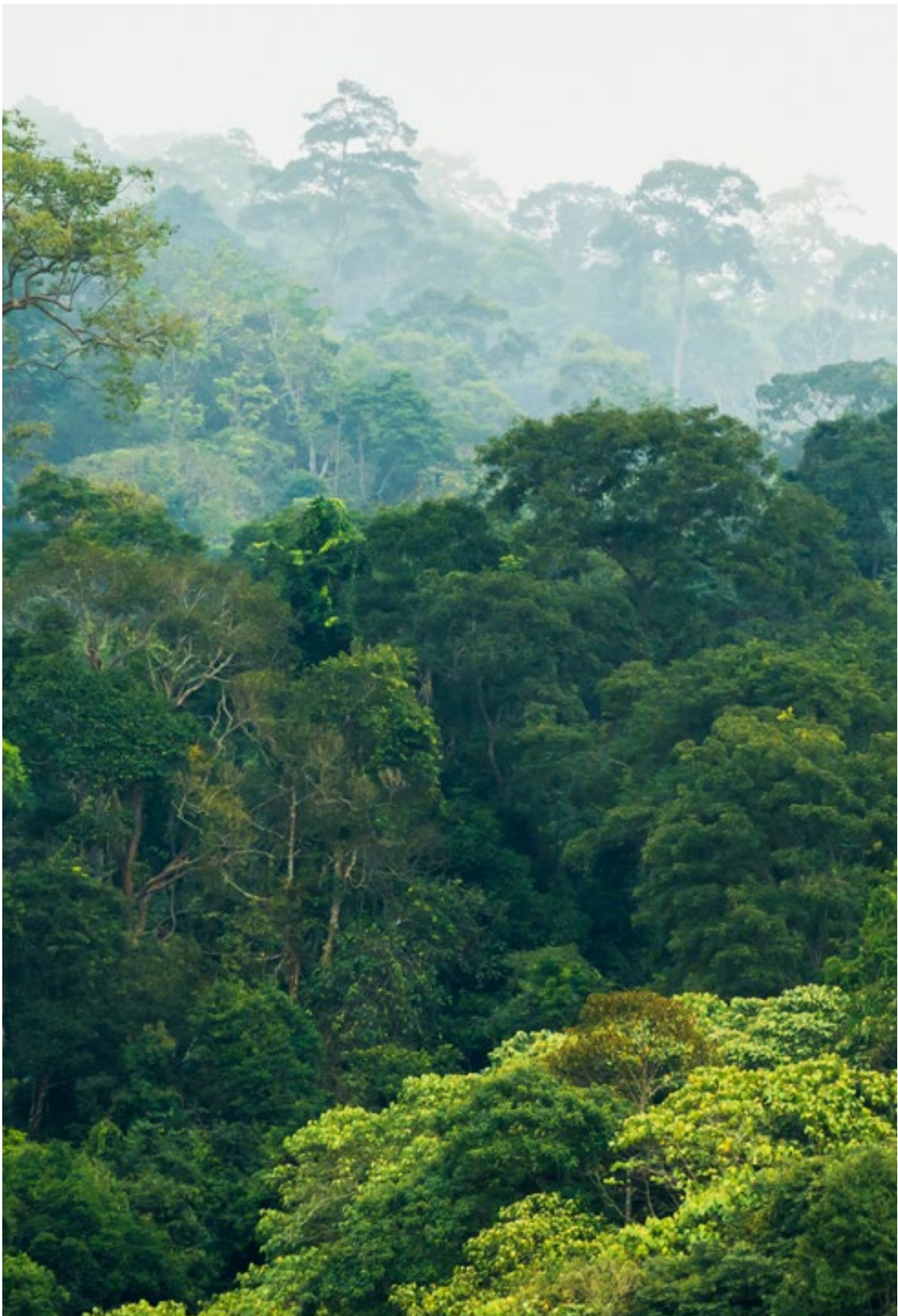
Burkina Faso conducted several REDD+-related policy studies in FY20, including a review of the country's legal frameworks for natural resource management in the context of REDD+ as well as a study to clarify carbon rights. Both studies are informing national policies under development.

Gabon has set up a National Climate Council to align national objectives and commitments with international targets. This council will also facilitate and manage Gabon's REDD+ initiatives. As part of the development of the country's National Land Use Plan, the government of Gabon is also supporting the creation of various land management initiatives.

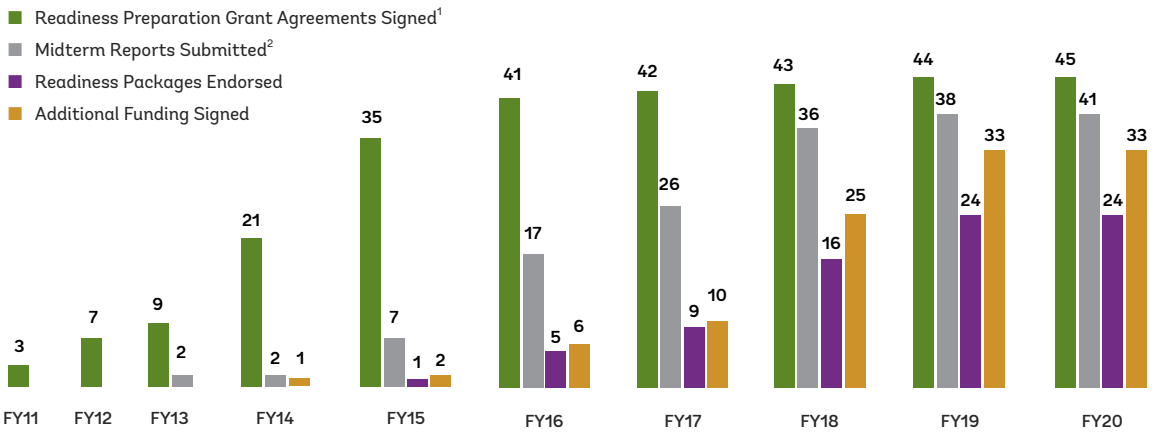
Indonesia strengthened national coordination to achieve its Nationally Determined Contributions through a draft Presidential Regulation on Nationally Determined Contribution implementation. In parallel, Indonesia's Ministry of Environment and Forestry began drafting a decree on national REDD+ implementation. In East Kalimantan, the region developed a climate change regulation to govern mitigation and adaptation efforts in all relevant sectors.

Papua New Guinea's FCPF program continued to support legislative reviews of the country's Climate Change Management Act, National Sustainable Land Use Policy, and Forestry Act. These reviews aim to align the country's land-use legislative frameworks with its national REDD+ strategy.

Paraguay's National Strategy of Forests for Sustainable Growth, which serves as a national REDD+ strategy, was approved in FY20. The country has also started to develop a jurisdictional and nested REDD+ program to generate verified carbon units under the Verra standard.



MILESTONES



¹One new Readiness Preparation Grant Agreement was signed in FY20: Gabon.

²Three additional countries presented MTRs in FY20: Argentina, Belize, and Central African Republic.

Readiness Preparation Grant Agreements Signed

A Readiness Grant Agreement sets out terms and conditions for disbursement of the grant for support of a Readiness Preparation Proposal (R-PP).

Midterm Reports Submitted

An MTR provides an update on progress made in the implementation of the R-PP.

Readiness Packages Endorsed

An R-Package describes the activities designed to support a REDD country participant's capacity to participate in future systems of positive incentives for REDD+, which include a reference scenario, a REDD+ strategy, and a monitoring system.

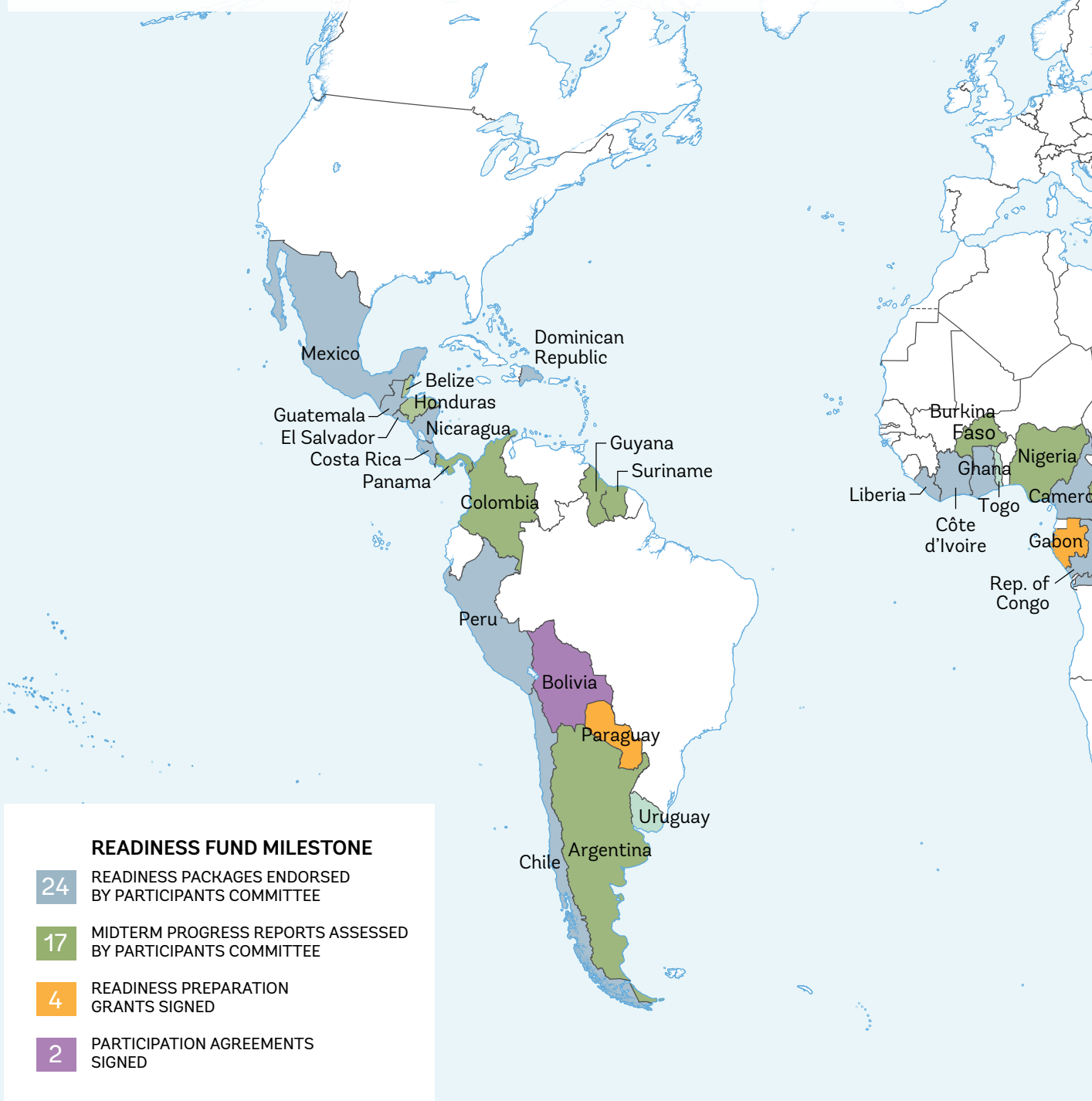
Additional Funding Signed

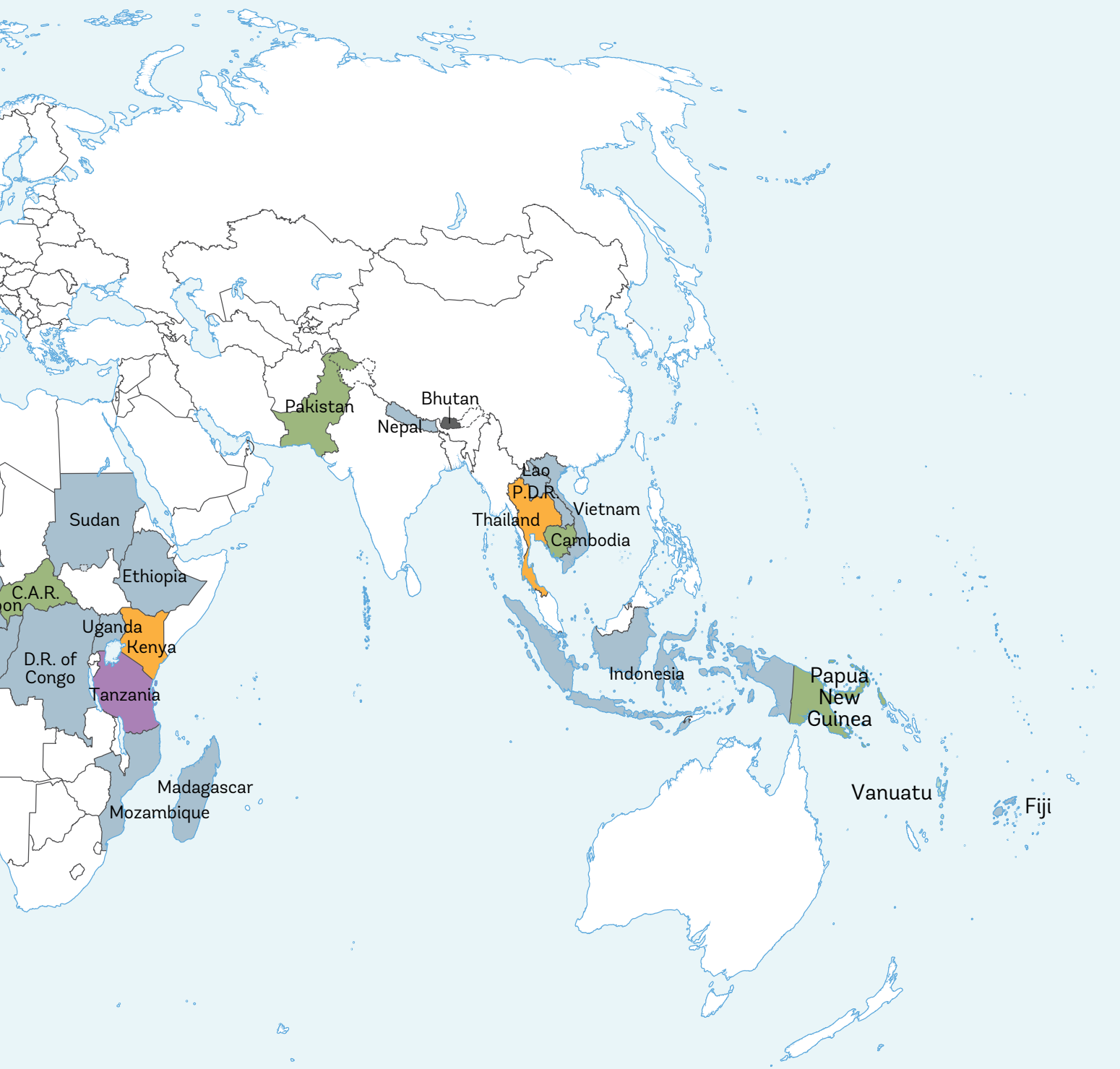
An Additional Funding Grant enables a country to continue with its REDD+ Readiness efforts, building upon the work supported by an initial grant.



47 Countries in the Readiness Fund

47 REDD+ country participants have been selected into the FCPF and have signed Participation Agreements. The map illustrates the furthest milestone toward readiness completion a country had achieved as of June 30, 2020.





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This map was produced by the Map Design Unit of The World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.

CONSULTATION, PARTICIPATION, AND OUTREACH

Catalyzed by REDD+ efforts, the expansion and protection of tribal land rights can be one of the most cost-effective ways to protect forests and sequester carbon. Indigenous Peoples and local communities, including women and youth, are most closely connected to forests and, with the right knowledge and tools, are the ones uniquely placed to manage forests sustainably now and for generations to come.

Since FCPF's launch, broad stakeholder engagement has been at the heart of the facility's REDD+ support to countries. Civil society, Indigenous Peoples, and other forest-

dependent communities, women's groups, and nongovernmental organizations have come to play a central role in REDD+ Readiness and implementation and have gained more access to forest and land-use planning than ever before.

The following examples showcase consultation and outreach work that happened in the past year in participant countries at various stages of the readiness process.

Bhutan hosted two REDD+ consultations in October that brought together more than 215 stakeholders from regional and local levels to develop inclusive local forest management plans. The country also held workshops with local groups, including 1,000 students and teachers, to build awareness on sustainable waste management, forests, and climate change.



Guyana produced culturally appropriate communication materials on REDD+ and disseminated them to various IP communities across the country. Throughout FY20, Guyana’s FCPF Project Execution Unit partnered with several community groups to ensure the readiness process included protection for natural resources, traditional values, and local livelihoods.

Nepal carried out various stakeholder capacity-building and outreach activities on REDD+ and social inclusion, including a national workshop on gender integration in REDD+ and forestry. Nepal also developed several resources related to REDD+, including brochures and video documentaries, to promote stakeholder engagement.

Sudan continued to implement its stakeholder consultation program across 18 states in the country, at both the state and local levels. Program activities in FY20 included awareness raising using TV and radio to sensitize various stakeholder groups on Sudan’s REDD+ program.

Suriname developed and began implementing its Stakeholder Engagement Plan for 2020, which included 13 REDD+ “walk-in-school” events and several meetings and workshops related to the development of Suriname’s safeguards information system. These events and activities brought together about 900 stakeholders to increase their engagement in REDD+.



NATIONAL REDD+ STRATEGIES

National REDD+ strategies are a key output of the REDD+ Readiness phase. They outline policies and programs that define the direct and indirect drivers of deforestation, relevant baseline indicators and forest monitoring systems, reference emission levels, and social and environmental safeguards. REDD+ strategies serve as a catalyst, helping countries analyze and reform wider forestry, land tenure, and sustainable development policies.

Below are examples of some of the advancements made by FCPF country participants over the past year in the design of their national REDD+ strategies.

Argentina's national REDD+ strategy has been integrated into the country's National Action Plan for Forests and Climate Change. This plan was developed in consultation with multisectoral groups in all forest regions of the country. The

plan's objectives support national and international commitments, including the Paris Agreement.

Burkina Faso produced the first version of its national REDD+ strategy in FY20. The strategy is informed by several studies, including one looking at the drivers of deforestation and forest degradation, and another on strategic response options. Burkina Faso continues to advance additional studies to further define REDD+ activities and how they will be integrated into existing sector strategies.

Nepal formed a National REDD+ Coordination Committee in FY20 to oversee the implementation of the country's national REDD+ strategy. The committee has already convened its first meeting to review Nepal's REDD+ Readiness progress.

Suriname's national REDD+ strategy was endorsed by the government in October. Over the past three years, the strategy was developed with extensive stakeholder engagement, including government institutions, indigenous and tribal peoples, the private sector, and civil society.

Togo finalized its national REDD+ strategy and implementation action plan in FY20. The strategy was informed by several studies assessing the country's direct and indirect drivers of deforestation, as well as the obstacles to developing sustainable forest management. In FY20, Togo also completed and operationalized its REDD+ complaints management mechanism.

Vanuatu completed several studies in FY20 to inform the development of the country's national REDD+ strategy, expected to be completed in October 2020. These studies assessed Vanuatu's direct drivers as well as the underlying causes of deforestation and forest degradation. Vanuatu's national REDD+ strategy inception workshop in February brought together a wide range of stakeholders representing government ministries and organizations.



FOREST REFERENCE EMISSION LEVELS

Setting forest reference levels (FRLs) or forest reference emission levels (FRELs), or both, is one of the first steps countries need to take to benefit from REDD+. As a key component of national forest monitoring systems, FRLs and FRELs provide a baseline against which emission reductions can be measured and subsequent results-based payments can be made (Box 1).

FCPF countries that have submitted FRELs to UNFCCC



2015	Colombia, Guyana, Mexico
2016	Chile, Costa Rica, Ethiopia, Indonesia, Paraguay, Peru, Republic of Congo, Vietnam
2017	Cambodia, Côte d'Ivoire, Ghana, Honduras, Madagascar, Nepal, Papua, New Guinea, Tanzania, Uganda
2018	Democratic Republic of Congo, Lao PDR, Madagascar,* Mozambique, Nigeria, Panama, Suriname
2019	Argentina, Nicaragua, Nigeria*
2020	Belize, Bhutan, Burkina Faso, Colombia,* Dominican Republic, Honduras,* Kenya, Liberia, Mexico,* Pakistan, Sudan, Togo

* Resubmission of FREL to UNFCCC

BOX 1. UNFCCC DOES NOT EXPLICITLY DIFFERENTIATE BETWEEN AN FRL AND AN FREL

A common understanding is as follows:

FRL

A benchmark for emissions from deforestation and forest degradation, and emissions and removals from sustainable management of forests, conservation of carbon stocks, and enhancement of carbon stocks (For all REDD+ activities)

For all REDD+ activities

VS

FREL

A benchmark for emissions exclusively from deforestation and forest degradation (REDD only)

For all REDD+ activities



This year, 12 FCPF countries submitted their FRELs/FRLs to the United Nations Framework Convention on Climate Change (UNFCCC) for technical assessment. Argentina, Costa Rica, and Uganda submitted REDD+ technical annexes to the UNFCCC in FY20. Argentina, Nicaragua, and Nigeria completed technical assessments of their FRELs/FRLs and are proceeding to prepare for the following phase.

Several other FCPF countries, including El Salvador, Fiji, and Guatemala, continue to progress in developing their FRELs/FRLs and are expected to finalize them soon. This work includes the definition of institutional arrangements for MRV and the implementation of a satellite land monitoring system, terrestrial inventories such as National Forest Inventories, and a system to estimate greenhouse gas emissions and removals.

NATIONAL FOREST MONITORING AND SAFEGUARDS INFORMATION SYSTEMS

A key building block in REDD+ Readiness is setting up a robust and transparent national forest monitoring system (NFMS). The FCPF supports countries in the design of monitoring systems that build on existing systems and use a combination of remote sensing and ground-based forest carbon inventory approaches.

Another key requirement for REDD+ is the development of a safeguards information system (SIS) for providing publicly available information on how safeguards are being addressed and respected in readiness and implementation activities. Safeguards exist to ensure that REDD+ activities take into account a range of policies and rights related to conservation, stakeholders, and stakeholder access to sustainable livelihoods, among others.

Below are examples of the progress country participants have made over the past year in advancing their national forest monitoring and safeguards information systems.

Cambodia has completed the design of its SIS, which was endorsed by the chairman of the country's National Council for Sustainable Development. The SIS will be operationalized as part of Cambodia's REDD+ implementation, in line with national policies, laws, and regulations and relevant international treaties and conventions.

Fiji is integrating its NFMS with the Ministry of Forestry's Timber Revenue System, which was developed independently to monitor harvesting operations. Fiji's SIS is expected to be finalized in December 2020. It aims to provide support and improvements to existing safeguard systems in the country.

Guatemala's NFMS is now completed and fully operational. The country's REDD+ MRV system has been designed, and trainings were conducted in FY20 to enhance institutional community forest monitoring and MRV capacities across the country. Guatemala has also completed a preliminary proposal of priority indicators to monitor co-benefits, and its SIS is expected to be operational by August 2020.

Kenya continued to develop its NFMS in FY20, including creating a Forest Information Platform and developing protocols to populate the platform. The country also advanced the development of its SIS, based on a comprehensive benefit-sharing study in 2013.

Pakistan has finalized national-level procedures for its NFMS and MRV system, and work on the country's subnational MRV system is now under way. Also, the country's SIS web portal is now accessible online.

Uganda completed the design of its SIS, and it continued to develop its NFMS in FY20, including updating its land use and land cover maps. Work on the NFMS in FY20 also included completing a National Forest Inventory with updated data and carrying out a pilot to explore the potential role of communities in MRV management.



NON-CARBON BENEFITS

A wide range of positive outcomes that go beyond those associated with avoided carbon emissions and carbon sequestration may result from REDD+ activities. Sometimes referred to as co-benefits or multiple benefits, they range from biodiversity conservation to livelihood improvements. The UNFCCC has recognized the importance of taking these non-carbon benefits into account when implementing REDD+ activities.

Over the course of last year, many FCPF country participants advanced their efforts to capture the non-carbon benefits arising from their REDD+ activities.

Colombia continued its efforts in FY20 to strengthen the livelihoods of forest communities. This work included further developing safeguards and other instruments for the sustainable management of ethnic territories based on traditional knowledge, uses, and customs defined in ethno-development plans. The country's REDD+ efforts are also catalyzing the establishment of mechanisms to recognize ancestral knowledge about forests.

Costa Rica's Plantations for Forest Use Program is working with a mixture of credits and payments to incentivize smallholder farmers to participate in environmental services. The country is also implementing innovative Emission Reductions Contracts that govern equitable benefit sharing of results-based payments under the Costa Rica Emission Reductions Program.

Kenya's REDD+ efforts are targeting the enhancement of livelihoods particularly among vulnerable groups in local and indigenous communities. These efforts aim to increase the participation of indigenous communities in forest conservation and management to ensure they have improved, sustainable access and user rights in forests.

Sudan's REDD+ strategy is addressing livelihood improvements for local communities, particularly in the areas of non-timber forest products and forest cover conservation. The strategy is also supporting community development, including improvements to health and education.

Vanuatu is developing several initiatives to enhance the livelihood of forest-dependent communities by generating additional household income. These include involving local communities in the management of protected forest areas, developing non-timber forest products, and initiating agroforestry systems that are more productive and sustainable. Vanuatu's national REDD+ strategy has also integrated biodiversity conservation into several activity areas, including the country's national forest monitoring system.

Fiji's Emission Reductions Program

MOVING FROM READINESS TO EMISSION REDUCTIONS PROGRAM IMPLEMENTATION

As a small island developing state, Fiji is on the front lines of climate change. Coastal erosion and sea level rise threaten virtually all aspects of life across the nation's 300 islands.

Fiji recognizes the critical role forests play in building a more resilient nation. Since 2009, the FCPF has been working with Fiji to set up the fundamental building blocks needed to advance the country's REDD+ Readiness and develop and implement the emission reductions program. The program is taking an integrated land-use planning approach to address multisectoral drivers of deforestation and forest degradation, and to promote native forest conservation as well as sustainable pine and mahogany plantations.

The story of Fiji's readiness and implementation advancements clearly illustrates how a country can partner with FCPF to move from readiness to ER program implementation.



FIJI'S MAIN DRIVERS OF DEFORESTATION AND FOREST DEGRADATION



Conventional logging



Forest conversion for agriculture



Poorly planned infrastructure development



Tourism and urban development



Mining



Natural disasters





WHY FIJI'S FORESTS MATTER

More than half of Fiji's total land area, or about 1.1 million hectares, is covered with diverse types of forests. Forests in Fiji help ensure clean air and water, reduce flash floods, and protect native land and marine species. Sustainable forest conservation and management, including agroforestry and climate-smart agriculture, will not only address forest degradation and deforestation but also contribute to improved livelihoods, biodiversity conservation, and ensuring clean drinking water to all urban centers along the coastal areas.

1.1 million

Fiji is covered with about 1.1 million hectares of diverse types of forests, including native forests, which help to ensure clean air and water.

Strong Leadership

As the first country in the world to ratify the Paris Agreement, Fiji continues to demonstrate its leadership in climate action. Fiji has integrated sustainable forestry into several national policies, including the National REDD+ Program, the National Adaptation Plan, the 5-year and 20-year National Development Plans (2017–2036), the Low Emissions Development Strategy (2018–2050), and the National Climate Change Policy (2018–2030).

Progress on REDD+ Readiness

Fiji has engaged with a broad range of stakeholders in its readiness work, including local communities, civil society, key agencies, development partners, academia, and the private sector. At the same time, Fiji's Ministry of Forestry has worked closely with the Ministry of Economy and other relevant ministries and agencies to mainstream the REDD+ strategy. Fiji has also established its forest reference emission level covering about 95 percent of its landmass, as well as national forest monitoring systems that include both remote sensing and ground-based forest carbon inventory approaches, which are highly instrumental in improving the country's capacity to strengthen sustainable land and forest management.

2.5 million

tons of emission reductions are expected to be generated from Fiji's ER program activities.

Supporting REDD+ Readiness

Between 2015 and 2018, the FCPF granted Fiji \$5.8 million to support the country's readiness efforts. These grants supported Fiji in preparation of its REDD+ strategy through a participatory and inclusive process and provided relevant technical and policy advice to enhance its capacity to advance the REDD+ agenda.

Developing an Emissions Reductions Program

Support from the FCPF's Readiness and Carbon Funds has facilitated the development of Fiji's ER program, which has been designed to pilot a results-based payment system, ensure equitable distribution of the benefits, and promote the country's access to future positive incentives for REDD+. The program will also pilot ways to enhance livelihoods of local communities, conserve biodiversity, and incentivize key stakeholders to reduce emissions. Approximately 2.5 million tons of emission reductions are expected to be generated from ER program activities, opening the door to about \$12.5 million in performance-based payments for the government of Fiji.

Benefit-Sharing Plan

Fiji has developed an inclusive benefit-sharing plan for its ER program through extensive stakeholder consultations at national and local levels to ensure that participating stakeholders and particularly local communities are fairly recognized and rewarded for their role in reducing emissions. The plan focuses on identifying mitigation roles among key stakeholders. The plan also blends existing and anticipated legal frameworks and mechanisms, through the issuance of REDD+ leases and REDD+ licenses, to register beneficiaries who will share the net carbon benefits from the ER program.

A background image of a forest with a green header bar at the top. The text is white on the green bar and black on the white background below.

THE CARBON FUND

Over the past year, the FCPF Carbon Fund signed an Emission Reductions Payment Agreement with Chile, unlocking a total of \$181 million in performance-based payments for the successful implementation of jurisdictional emission reductions programs across four Carbon Fund participant countries (Chile, the Democratic Republic of Congo, Ghana, and Mozambique). The Carbon Fund also accepted five new ER programs into its portfolio (the Dominican Republic, Fiji, Guatemala, Nicaragua, and Peru), bringing the total number to 18.

A background image of a forest with a white callout box at the bottom right. The text is black on the white box and white on the forest background.

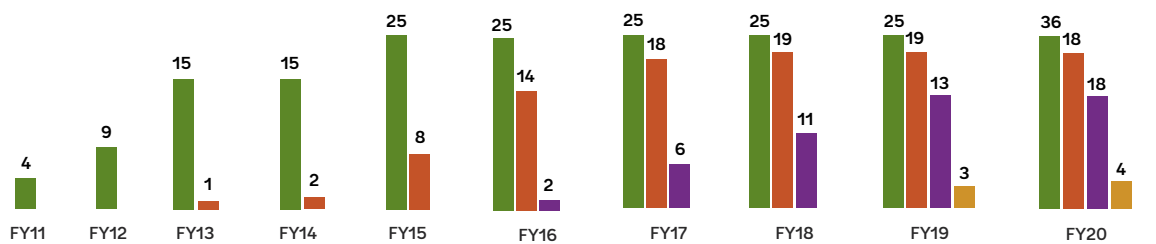
\$181m

in performance-based payments for the successful implementation of jurisdictional emission reductions programs across four Carbon Fund participant countries.



MILESTONES

- ER Program Idea Notes Submitted
- Letters of Intent Signed
- ER Programs Accepted into Portfolio¹
- ERPAs Signed²



¹ Five additional ERPDs were accepted into the portfolio in FY20: Dominican Republic, Fiji, Guatemala, Nicaragua and Peru.

² One country signed an ERPA in FY20: Chile.

ER Program Idea Notes Submitted

The Early Idea Note outlines major elements of the ER-PIN.

Letters of Intent Signed

The LOI is signed between the REDD+ country participant and the World Bank after a country is selected into the Carbon Fund pipeline. The LOI requires its parties to negotiate an ERPA in good faith based on exclusivity for a certain period.

ER Programs Accepted into Portfolio

The ERPD presents the technical and organizational aspects of the ER program and the ER program measures in accordance with the Carbon Fund Methodological Framework.

ERPAs Signed

The ERPA is an agreement signed between the participants and the World Bank (acting as trustee of the FCPF Carbon Fund) for the sale, transfer of, and payment for ERs generated from the ER program.

18 Countries in the Carbon Fund

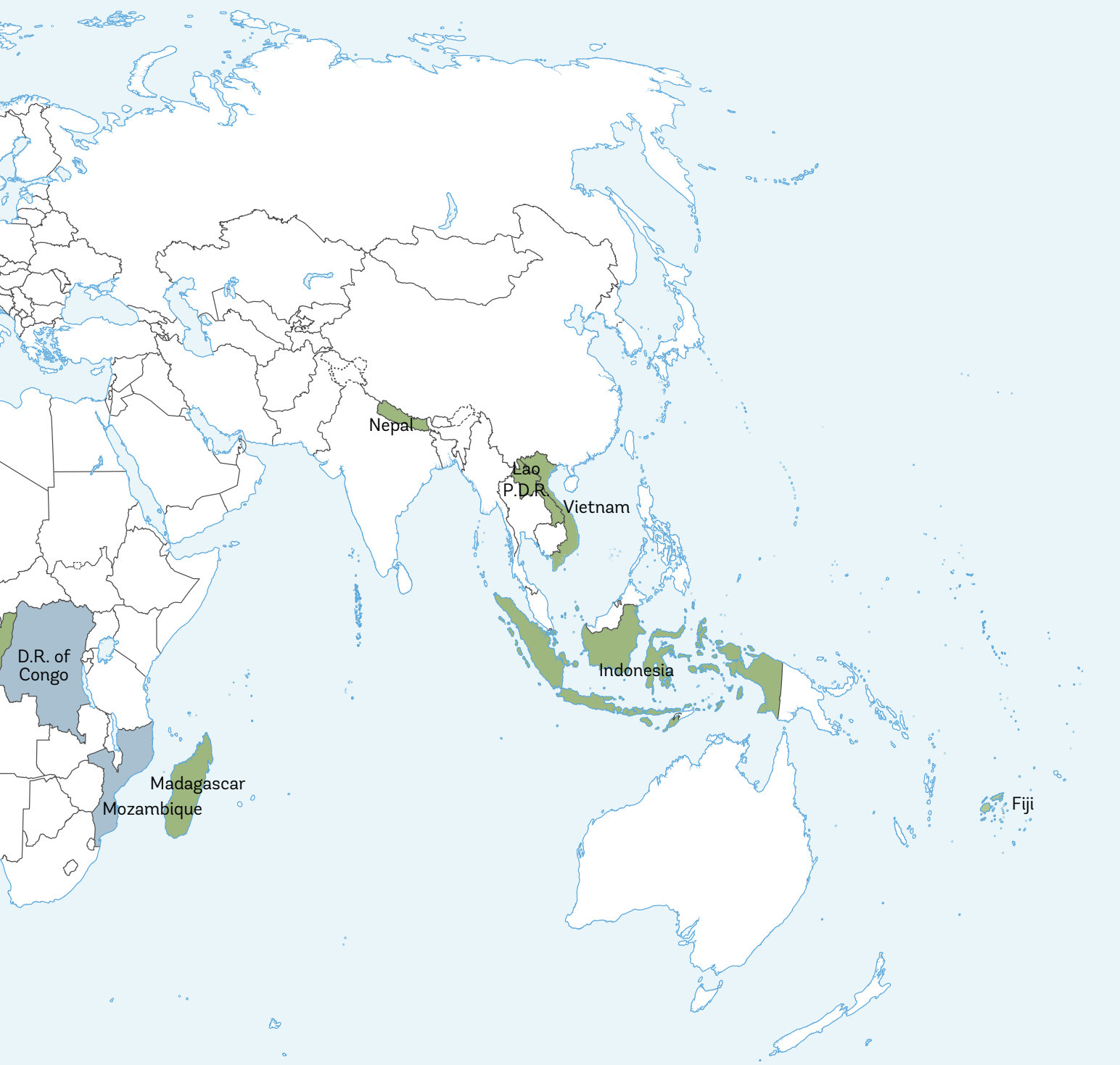
The Carbon Fund includes programs in 18 countries. The map illustrates the furthest milestone toward developing a large-scale REDD+ initiative that a country has achieved as of June 30, 2020.



CARBON FUND MILESTONE

- 4 ERPA's SIGNED**
 - DRC: \$55m
 - Mozambique: \$50m
 - Ghana: \$50m
 - Chile: \$26m

14 IN CARBON FUND PORTFOLIO



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This map was produced by the Map Design Unit of The World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.

Carbon Fund Country Program Descriptions


REDD+ COUNTRIES CONTINUE TO MAKE STRIDES IN DEVELOPING LARGE-SCALE REDD+ PROGRAM PROPOSALS THAT HAVE THE POTENTIAL TO TRANSFORM RURAL LANDSCAPES.


The Carbon Fund's 18 diverse and ambitious emission reductions programs take a jurisdiction-level approach to engaging actors in agriculture, energy, transport, land, mining, and forestry to achieve climate-smart land use, protect forests, restore degraded land, and improve local livelihoods.




Chile


The main goal of Chile's ER Program is to support and strengthen the country's National Strategy for Climate Change and Vegetation Resources (ENCCRV), which aims to decrease the social, environmental, and economic vulnerability generated by climate change, desertification, land degradation, and loss of vegetation resources. It will help Chile address its main drivers of deforestation through strategic activities such as preventive forest fire management and post-fire restoration, sustainable forest management, forest and livestock management models, and sustainable use of vegetation resources.

 **Program name:** Chile's Emissions Reduction Program

 **Program location:** Six of the 16 administrative regions in the country

 **Program area:** 15.3 million ha

 **Program ER volume:** 5.2 MtCO₂e






 **Status:** ERPA signed





Costa Rica






Costa Rica's ER Program supports the country's national REDD+ strategy and its broader ambition to achieve a low-carbon economy in a resilient environment. The program will support the expansion of the National Decarbonization Plan, the country's payment for environmental services program, as well as other key national programs for sustainable forest management, fire management, and landscape restoration. The program will also strengthen the governance of national protected areas, which cover 21 percent of the country's territory. Marked by a strong social component, the program seeks to increase the participation of all stakeholders, including Indigenous Peoples and private landowners in 20 percent of the program's forest area, to address the drivers of deforestation and forest degradation.

-  **Program name:** Costa Rica's Emission Reductions Program
-  **Program location:** National
-  **Program area:** 3.2 million ha
-  **Program ER LOI volume:** 12.0 MtCO₂e
-  **Status:** ERPA negotiations under way with the World Bank



Côte d'Ivoire






Côte d'Ivoire's ER program combines political commitment and private sector initiatives in one subnational region to promote zero-deforestation agriculture, agroforestry, agricultural intensification, and capacity building for protected area management and forest monitoring. The ER program seeks to implement a model for economic development that improves the population's living conditions while reducing environmental risks. It has also developed strong partnerships, including with World Cocoa Foundation members (some of the world's largest cocoa companies) that have committed to participate in Côte d'Ivoire's ER program by financing investments upfront.

-  **Program name:** Côte d'Ivoire Emission Reductions Program in the Tai National Park Area
-  **Program location:** Five regions in the county's southwest area (Cavally, Nawa, San Pédro, Guémon, Gboklè)
-  **Program area:** 4.6 million ha
-  **Program ER LOI volume:** 16.5 MtCO₂e
-  **Status:** Preparing for discussions on commercial ERPA terms with the World Bank



Democratic Republic of Congo






The Democratic Republic of Congo has selected the Mai-Ndombe Province, a hot spot of deforestation in the country, to pilot results-based payments for REDD+ at scale. The direct drivers of deforestation and degradation in the province mirror those at the national level and include slash-and-burn agriculture, fuelwood production, uncontrolled bush fires, artisanal logging, and industrial logging. Existing REDD+ investments underlying the Mai-Ndombe ER Program combine different sources of funding, such as the Forest Investment Program, the Central African Forest Initiative, and the Global Environment Facility. The ERPA will allow the country to secure long-term public and private finance to provide alternatives to deforestation and reward efforts to mitigate climate change, reduce poverty, and manage natural resources sustainably.

-  **Program name:** Mai-Ndombe Emission Reductions Program
-  **Program location:** Mai-Ndombe Province
-  **Program area:** 12.3 million ha
-  **Program ER volume:** 11 MtCO₂e
-  **Status:** ERPA signed



Dominican Republic

The Dominican Republic's ER program is a national-level initiative that is focused on reducing forest emissions and enhancing removals to help local communities and areas important for water supply and biodiversity. It aims to strengthen institutional frameworks and policies, as well as civil society and government programs that encourage sustainable agroforestry systems with the aim to stop the expansion of the country's agricultural frontier into forest areas. The program also aims to promote broader and sustainable natural resource management that can contribute to the growth of small and medium forest enterprises, and the conservation of forests.






-  **Program name:** Emission Reductions Program of the Dominican Republic
-  **Program location:** National
-  **Program area:** 4.8 million ha
-  **Program ER LOI volume:** 5 MtCO₂e
-  **Status:** Discussing commercial terms of ERPA with the World Bank



Fiji



Fiji's ER program takes an integrated approach to emission reductions and removal through afforestation/reforestation, forest rehabilitation, improved harvesting practices, national and subnational land-use planning, and sustainable forest management. The program emphasizes the enhancement of benefits that extend beyond carbon, such as improvements to the ecosystem, strengthened food security, enhanced land tenure, and conservation of social and cultural values. Local communities will play a key role in program implementation.






-  **Program name:** Emission Reductions Program of Fiji
-  **Program location:** Eleven provinces, including the islands of Viti Levu, Vanua Levu, and Taveunii
-  **Program area:** 1.7 million ha
-  **Program ER LOI volume:** 3.6 MtCO₂e
-  **Status:** Pre-negotiation of ERPA between the Fiji government and the World Bank



Ghana



Ghana's ER program is an ambitious and unique initiative in Africa—and a global first in the cocoa sector—that aims to produce sustainable, climate-smart cocoa beans while reducing emissions from deforestation and land degradation. The program addresses landscape management with a focus on cocoa farming, forest management, and land governance; it also promotes other tree crops and agroforestry within hot spot intervention areas.






-  **Program name:** Ghana Cocoa Forest REDD+ Programme
-  **Program location:** Six hot spot intervention areas in the high forest zone
-  **Program area:** 5.9 million ha
-  **Program ER volume:** 10 MtCO₂e
-  **Status:** ERPA signed



Guatemala



Guatemala's ER program is a subnational-level initiative aimed at strengthening the management of national protected areas and reinforcing forest policy instruments. The program proposes REDD+ activities focused on expanding existing incentives to increase carbon stocks; promoting sustainable forest management; strengthening the co-management of protected areas, agroforestry systems, and forest plantations; improving governance and law enforcement on forest lands; developing a forest products value chain; and promoting new mechanisms to compensate for the conservation of environmental and ecosystem services.






-  **Program name:** Guatemala National Program for the Reduction and Removal of Emissions
-  **Program location:** 92 percent of the national territory
-  **Program area:** 10 million ha
-  **Program ER LOI volume:** 10.5 MtCO₂e
-  **Status:** Discussing commercial terms of ERPA with the World Bank



Indonesia



Indonesia's ER program aligns with East Kalimantan's low-emission development approach, implemented through strategies and action plans that build on the province's strong leadership in addressing climate change. It is designed to promote sustainable forest management through activities that include improving forest licensing, increasing the number of small-scale plantations, and promoting community-based planning. The program will also focus on addressing the province's main drivers of deforestation and forest degradation through improved forest governance, protection and rehabilitation of peatland areas, and support for alternative livelihoods and community forestry. This is Indonesia's first jurisdictional-level ER program, which is providing an example for other subnational governments in the country.






-  **Program name:** East Kalimantan Jurisdictional Emission Reductions Program
-  **Program location:** East Kalimantan province
-  **Program area:** 12.7 million ha
-  **Program ER LOI volume:** 22 MtCO₂e
-  **Status:** Discussing commercial terms of ERPA with the World Bank



Lao PDR



Lao PDR's ER program aims to address the drivers and underlying causes of deforestation and forest degradation through provincial-level activities in six northern provinces. Working across key land-use sectors, the program has been designed to provide a strong, strategic, and scalable foundation to promote sustainable agriculture practices, forest management, conservation, and rehabilitation. The program's programmatic approach combines priority policy actions; improvements in forest management practices and measures to reduce pressure from the agriculture sector, including through integrated spatial planning; and sustainable livelihood development.






-  **Program name:** Northern Lao Governance, Forest Landscapes and Livelihood Program
-  **Program location:** Six northern provinces, covering more than one-third of the country
-  **Program area:** 8 million ha
-  **Program ER LOI volume:** 8.4 MtCO₂e
-  **Status:** Discussing commercial terms of ERPA with the World Bank



Madagascar



Madagascar's ER program builds on the country's Integrated Agriculture Landscape Program aimed at increasing agricultural productivity and reducing rural poverty while improving soil quality, conserving water resources, and protecting vital forests and biodiversity. Implementation of the program will follow a landscape approach that addresses the direct and indirect causes of deforestation and degradation including important watersheds. The program also reinforces conservation and community forest management and builds on forest-friendly agroforestry value chains, such as vanilla. The program includes a number of protected areas, reinforcing their important place in the landscapes.






-  **Program name:** Atiala Atsinanana Emission Reductions Program
-  **Program location:** Madagascar's eastern humid forest ecoregion
-  **Program area:** 6.9 million ha
-  **Program ER LOI volume:** 14.7 MtCO₂e
-  **Status:** Discussing commercial terms of ERPA with the World Bank.



Mexico



Mexico's ER program uses a comprehensive REDD+ land management model to support national-, state-, and community-level approaches to reducing emissions from the forestry and land-use sectors. The program will support rural communities in the development of low-carbon investment plans and help develop national and state policy instruments, institutional reforms, and capacity-building programs that promote climate-smart land sector transformation. The program takes an integrated approach to land management in rural areas and builds on the lessons learned from Mexico's early REDD+ actions.






-  **Program name:** Emission Reductions Initiative
-  **Program location:** Eleven intervention areas across five states
-  **Program area:** 8.3 million ha
-  **Program ER LOI volume:** 8.7 MtCO₂e
-  **Status:** Discussing commercial terms of ERPA with the World Bank



Mozambique



The Zambézia Integrated Landscape Management Program, an ambitious, cross-cutting initiative to promote sustainable rural development in one of Mozambique's poorest and most populous provinces, is the first of its kind in the country. The project area hosts lush forests, fertile soils, river systems, and an extensive coastline. The ER program focuses on investment activities that will promote conservation and climate-smart agriculture, create sustainable supply chains for cash-crop production, develop multipurpose plantations, restore degraded lands, improve the efficiency of charcoal production and consumption, and strengthen the management of protected areas.






-  **Program name:** Zambézia Integrated Landscape Management Program
-  **Program location:** Nine districts of Zambézia Province, in central-northern Mozambique
-  **Program area:** 5.3 million ha
-  **Program ER volume:** 10 MtCO₂e
-  **Status:** ERPA signed



Nepal




Building on almost two decades of Nepal's successful Terai Arc Landscape Program, the country's ER program will deliver forest conservation results and emission reductions at scale by addressing the pressures and threats to forests across the program area. The program's interventions include improving management practices in existing community-based forest groups, transferring national forest management to community-based forest groups, improving integrated land use, and strengthening capacity for protected area management.


-  **Program name:** People and Forests: A Sustainable Forest Management-Based Emission Reduction Program in the Terai Arc Landscape
-  **Program location:** Twelve districts of Nepal's Terai Arc Landscape
-  **Program area:** 2.2 million ha
-  **Program ER LOI volume:** 14 MtCO₂e
-  **Status:** Discussing commercial terms of ERPA with the World Bank





Nicaragua


Nicaragua's ER program is the principal component of the country's national REDD+ strategy, which aims to cut the national deforestation rate in half by 2040. It will address the main drivers of deforestation by implementing a territorial-based "production-protection" model that is more intensive, sustainable, equitable, and less carbon-dependent. This approach will combine forest conservation, sustainable forestry, and agricultural production with improved institutional and legal conditions to reduce emissions, achieve more sustainable land use, and enhance food security and biodiversity conservation.

 **Program name:** Emission Reductions Program to Combat Climate Change and Poverty in the Caribbean Coast

 **Program location:** Northern and southern autonomous Caribbean coast regions: Alto Wankay and Bocay Special Zone; and the Bosawás and Indio Maíz biological reserves

 **Program area:** 7 million ha


 **Program ER LOI volume:** 11 MtCO₂e


 **Status:** ER Program Document under development




Peru


Peru's ER program takes an integrated territorial and sustainable landscape approach to address the country's drivers of deforestation and forest degradation while promoting forest conservation and land-based economic activities, including agriculture and forestry. It brings together the Ministry of Environment and the Ministry of Agriculture and Irrigation, along with regional governments and indigenous and private sector organizations, to improve sustainable land use, increase agricultural and forestry productivity, and enhance competitiveness. The country will pursue these objectives by increasing institutional, organizational, and productive capacities, as well as improving access to markets.

 **Program name:** Reducing Emissions from San Martín and Ucayali in the Peruvian Amazon

 **Program location:** San Martín and Ucayali Regions

 **Program area:** 15.6 million ha






 **Program ER LOI volume:** 6.4 MtCO₂e

 **Status:** Discussions on ERPA commercial terms expected to start soon



Republic of Congo






The Republic of Congo's ER program aims to address both direct and underlying drivers of deforestation and forest degradation in the Sangha and Likouala Departments. The program will be among the first in Africa to test REDD+ at scale. ER activities include engaging forest concessionaires to reduce the impact of their logging operations. The program also aims to reduce emissions from deforestation in palm oil and mining concessions by avoiding the conversion of forests with high conservation value and adopting reduced-impact mining techniques. The program will support livelihood improvements through smallholder cocoa production, agroforestry systems, and smallholder outgrower schemes, and provide payments for environmental services for forest protection. Finally, the program includes measures to improve the management of existing protected areas, among others, through the creation of alternative income-generating activities for communities.

-  **Program name:** Emission Reduction Program in Sangha and Likouala, Republic of Congo
-  **Program location:** Sangha and Likouala Departments
-  **Program area:** 12.4 million ha
-  **Program ER LOI volume:** 9 MtCO₂e
-  **Status:** Discussing commercial terms of ERPA with the World Bank



Vietnam

Vietnam's ER program aims to increase forest cover and quality and improve forest management and protection through forest sector investments and policy enhancement in agricultural practices. The program supports large-scale integrated forest and land use, addresses the connection between agriculture commodity production and deforestation, supports poverty reduction, and applies innovative financing mechanisms to pay for forest ecosystem services. An innovative adaptive collaborative management approach engages local communities and ethnic minorities in state forest management to ensure their full participation and commitment to the program and its benefits.

-  **Program name:** Vietnam's North Central Region Emission Reductions
-  **Program location:** Six provinces in Vietnam's North Central Region
-  **Program area:** Over 5 million ha
-  **Program ER LOI volume:** 10.3 MtCO₂e
-  **Status:** ERPA negotiations under way with the World Bank

BUILDING BLOCKS OF EMISSION REDUCTIONS PROGRAMS

The FCPF's support to Carbon Fund country participants includes a wide range of national and international initiatives to support the design and implementation of large-scale ER programs. These initiatives include technical capacity building on topics ranging from MRV to REDD+ financing, the FCPF's long-standing Capacity Building Program for Forest-Dependent Indigenous Peoples and Southern Civil Society Organizations, as well as other strategic outreach done in partnership with international organizations to raise the engagement of women and the private sector in REDD+.

Some examples of progress made through these initiatives over the past year are below.



Capacity Building Program for Forest-Dependent Indigenous Peoples and Southern Civil Society Organizations

The FCPF Capacity Building Program for Forest-Dependent Indigenous Peoples and Southern Civil Society Organizations (CBP) works with Indigenous Peoples, other forest-dependent communities, and southern civil society organizations (CSOs) to increase their understanding of REDD+ and their engagement in readiness and implementation. The CBP focuses on national capacity building and awareness raising, including women and youth, as well as

regional exchanges and sharing of lessons learned. Launched in 2008, the small grants component of the CBP in its three phases now totals just under \$15 million (Figures 1 and 2, and Box 2).

In **Africa**, CBP-recipient organizations Mainyoto Pastoralists Integrated Development Organization (MPIDO) and Pan African Climate Justice Alliance (PACJA) successfully implemented capacity-building projects in FY20 in Burkina Faso, Cameroon, the Central African Republic, Côte d'Ivoire, Ethiopia, Gabon, Liberia, Madagascar, Mozambique, Nigeria, the Republic of Congo, Sudan, Togo, and Uganda. Additional subprojects were implemented in Burkina Faso, the Central African Republic, and Gabon.

The CBP supported the Pan African Civil Society Program, which reached close to 60,000 people (50 percent of them women), as well as the Pan African Indigenous Peoples Capacity Building Program, which reached more than 14,000 people (53 percent of them women). The World Bank's Social Protection Global Practice is preparing two new projects as follow-ups to these initiatives, to commence in the fall of 2020, and the FCPF has allocated \$1.4 million in additional financing to these projects.

In the **Congo Basin**, the CBP continued to support the Network of Indigenous Peoples and Local Communities for the Sustainable Management of Central African Forest Ecosystems (REPALEAC), which is administered by the Central African Forest Commission (COMIFAC). REPALEAC is dedicated to building the capacities of Indigenous Peoples in forest management and REDD+ policies.

In FY20, the Capacity Building Program supported:

15

countries
in Africa



10

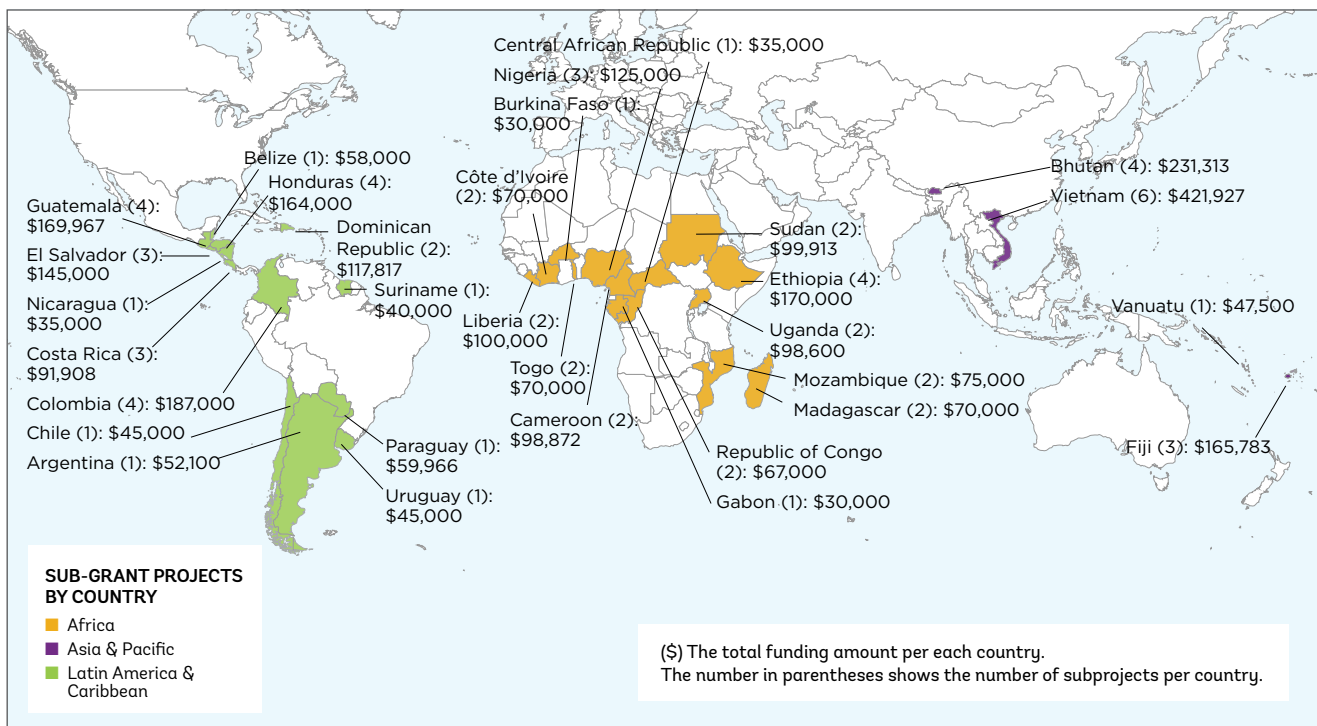
countries in Asia
and the Pacific



13

countries in Latin America
and the Caribbean

FIGURE 1. SUB-GRANT AMOUNTS AND NUMBER OF PROJECTS BY COUNTRY, AS OF MAY 2020



The project aims at helping REPALEAC design five national inclusive development plans and one regional development plan based on their 2018–2025 Regional Framework Strategy. This program has been extended until December 2022 with an additional \$690,000 in funding.

In **Asia and the Pacific**, CBP-recipient organizations Tebtebba and the Asia Network for Sustainable Agriculture and Bioresources (ANSAB) have continued to focus their efforts on Bhutan, Cambodia, Fiji, Indonesia, Nepal, Pakistan, Papua New Guinea, Thailand, Vanuatu, and Vietnam. In Fiji, Nepal, and Vietnam, research done on customary land tenure has helped inform benefit-sharing mechanisms for REDD+ implementation and the assessment of land and resource tenure for their respective ERPDs. Additional activities planned include a study on gender in Fiji, regional research on land tenure and forest policy, and a regional workshop on carbon accounting for Indigenous Peoples. All of these efforts across 10 countries in Asia and the Pacific have directly helped close to 25,000 beneficiaries so far, 49

percent of whom are women. The program is extended until December 2022 with an additional \$920,000 in funding.

In **Latin America and the Caribbean**, CBP-recipient organizations Asociación Sotz'il and ACICAFOC continued to focus their efforts on Argentina, Belize, Chile, Costa Rica, Colombia, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Suriname, and Uruguay, reaching just over 10,000 beneficiaries, of whom 45 percent are women. So far, 27 subprojects have supported a range of activities, with 17 new subprojects started over the year. These activities included 13 national and regional REDD+ knowledge exchange workshops for Indigenous Peoples; REDD+ training and certification programs for more than 4,000 IP leaders, technicians, and negotiators; and the development and dissemination of guidance tools related to REDD+ safeguards. These programs are also being extended until December 31, 2022, with \$2 million in additional funding.



Globally, the CBP has supported 86 subprojects, and the development of 700 regional and national knowledge products that have reached about 110,000 people. In FY20, the FCPF held several webinars with various stakeholder groups, including one in April and May to discuss findings and lessons learned from the CBP

Learning Review by Conservation International.

Moving forward, the FCPF will explore new modalities to expand support to Indigenous Peoples and CSOs and increase their engagement in ER programs and the implementation of benefit-sharing plans.



Globally, the CBP has supported

86

subprojects



700

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110k

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BOX 2. THREE PHASES OF THE CAPACITY BUILDING PROGRAM FOR FOREST-DEPENDENT INDIGENOUS PEOPLES AND SOUTHERN CIVIL SOCIETY ORGANIZATIONS

Since 2008, the CBP has helped educate more than 100,000 men, women, and youth about REDD+ across Africa, Asia and the Pacific, and Latin America and the Caribbean.

Phase 1	2009 – June 2016 During phase 1 of the CBP, just under \$2 million in funding supported 27 projects across the three regions. These projects were implemented by forest-dependent Indigenous Peoples and southern CSOs working with the FCPF Readiness Fund.
Phase 2	July 2016 – June 2018 With approximately \$3 million in funding, phase 2 supported six regional organizations: one for Indigenous Peoples and one for CSOs across the three regions. In this phase, funding went directly to regional organizations that coordinated capacity-building projects in their respective regions.
Phase 3	July 2018 – 2020 In March 2017, the FCPF's Participants Committee allocated an additional \$5 million to the CBP. This amount was divided among the six existing regional organizations engaged with the CBP and one additional organization (REPALAC, financed through COMIFAC) in Francophone Africa. For this phase of the program, Carbon Fund countries prioritized scaling up existing support and the initiation of new activities.
Consolidation Phase	2020 – December The FCPF has extended the CBP with an additional allocation of \$5 million to the program. The final phase of the CBP will continue the small grants programs to CSOs and IPs, focusing on consolidating knowledge, results, and good practices on REDD+.

FIGURE 2. PHASES 2 & 3 REGIONAL FUNDING RECIPIENTS

Region	Indigenous Peoples Organizations	Civil Society Organizations
Africa		
Asia and Pacific		
Latin America and the Caribbean	 <p style="text-align: center;">Asociación Sotg'il</p>	 <p style="text-align: center;">ACICAPOC</p>



Gender

Women play an essential role in forest landscape management across the world but are often not fully involved in decisions related to forests, nor to the equitable distribution of benefits from forest resources. The FCPF works with countries to design REDD+ Readiness and large-scale ER programs that ensure women are partners in the planning, operation, and deployment of climate finance.

Over the past year, several country participants advanced efforts to mainstream gender considerations in their readiness and implementation efforts. Work has continued to improve technical knowledge, strengthen institutional capacity, and create tangible benefits to support implementation at local and national levels.

Ghana created a gender-responsive ER program by implementing a gender analysis and action plan and collaborated with the International Union for Conservation of Nature (IUCN) to provide technical assistance and mainstream gender into the country's Cocoa Forest Program.

Mozambique has finalized its gender strategy and action plan. This plan will improve the understanding of gender inequality, identify measurable monitoring indicators, and help develop tools and strategies to support implementation.

Vietnam strengthened indigenous women's roles in community resilience and conducted a gender analysis along with capacity building for ethnic minority women as part of Vietnam's Strategic Environmental and Social Assessment. Vietnam also empowered ethnic minority youths in indigenous product value chains, which enhanced the participation and capacity of ethnic minority youths, especially young women, in sustainable livelihood development.

At the international level, the FCPF hosted and supported gender and REDD+ workshops, conferences, and learning sessions throughout the year, including two regional workshops on gender issues. These workshops brought together women's groups in ER program areas to define the key elements and critical issues facing women's participation in REDD+ mechanisms and the actions needed to address these issues.

In November 2019, Costa Rica presented its Gender Analysis and Action Plan at the Participants Committee meeting, providing a best-practice example for participant countries that are drafting and developing their gender plans. In FY20, the FCPF also launched a gender analysis project, which brings a behavioral science lens to the challenges of integrating women into REDD+-related activities and in other natural resource management projects.

Moving forward, the FCPF will continue to provide support to governments and local stakeholders to improve their knowledge and build their capacity through knowledge-sharing events. In addition, the facility will continue to study the impact of REDD+ on women's economic activities and livelihoods in Carbon Fund countries while developing pilots to support gender-sensitive value chains in ER programs.

The FCPF will conduct a series of reviews, including one on gender mainstreaming in benefit-sharing plans and ER programs; one on good practices of gender in forestry, using examples from the Dedicated Grant Mechanism program; and one on gender and land tenure security in Carbon Fund countries, with a focus on issues related to access to land, ability to manage land rights, Indigenous women, and collective forest land tenure.



The FCPF will continue to study the impact of REDD+ on women's economic activities and livelihoods in Carbon Fund countries while developing pilots to support gender-sensitive value chains in ER programs.

The FCPF plans to host a regional gender and REDD+ workshop in Latin America and the Caribbean. This workshop will focus on gender mainstreaming and increasing the discourse among Indigenous women. In addition, the design of the FCPF Gender Strategy and Action Plan 2020–2025 will focus on identifying the level of required support and exploring new funding modalities.



Private Sector Engagement

Long-term private sector investments are critical for addressing current funding gaps in climate finance for forests and landscapes. The FCPF assesses such gaps and develops strategies to overcome barriers that hinder private sector engagement in selected jurisdictions. It seeks out innovative entry points for the private sector to help scale up the potential of REDD+.

In the **cocoa sector**, the FCPF continued its work in FY20 with the World Cocoa Foundation and initiated work on cocoa standards in collaboration with the Rainforest Alliance, paving the way for stronger standards in the coming years. The facility also partnered with Kinomé, an international organization focused on ending deforestation, to produce a cocoa agroforestry guide. This work aims to facilitate the adoption of an economically viable and climate-resilient growth trajectory for the cocoa agroforestry supply chain.

In the **livestock sector**, the FCPF continued its work with the Global Roundtable for Sustainable Beef and helped showcase and disseminate sustainable and economically viable practices for livestock farming. The facility is also developing financing blueprints to boost climate mitigation investments in Kenya’s milk sector, and value chain financing to promote native ecosystem protection in Latin America and the Caribbean.

In the **smart mining sector**, the FCPF developed an analysis on prospects and options for the application of forest carbon tools to promote forest-smart mining in large-scale operations. It also developed proposals to integrate forest considerations in existing artisanal and small-scale mining standards and certification systems.

In the **vanilla sector**, the FCPF helped develop a sustainable vanilla practice manual to support sustainable vanilla practices in Madagascar’s Sava Region. This manual presents production practices that can contribute to zero-deforestation production and inform priorities for promoting forest-friendly practices at different levels of vanilla sector value chains.

The FCPF’s **cross-sectoral work** in FY20 included advancing work on a programmatic approach to assess gaps and develop strategies for overcoming barriers that hinder private sector engagement in selected jurisdictions. So far, targeted partners in the implementation of the FCPF’s programmatic approach include the Cocoa & Forests Initiative, the Global Roundtable for Sustainable Beef, and the Sustainable Vanilla and Nut Initiatives.

The FCPF continued to work with the Tropical Forest Alliance, via their “commodity first” approach, and the World Business Council for Sustainable Development, via their Soft Commodities Forum, to take advantage of synergies in overlapping jurisdictions. The facility continues to explore partnerships with other organizations, including Partnerships for Forests, Earthworm, and Solidaridad. In addition, the FCPF selected CDP, an environmental nongovernmental organization working with investors, businesses, and governments on building sustainable economies, as a new private sector observer for commodity value chains.





Moving forward, the FCPF aims to organize workshops on beef with the Global Roundtable for Sustainable Beef, on cocoa with the World Cocoa Foundation, and on mining with the International Council on Mining and Metals. The South-South knowledge exchanges on cocoa agroforestry in Brazil and on MRV in Colombia that were postponed in FY20 because of the coronavirus pandemic will be rescheduled in FY21. In addition, a carbon forum is under development with IETA and CDP to help companies better understand how carbon finance can support sustainable commodity production.



Technical Capacity Building

The FCPF's support to countries focuses on creating tools for a broad range of readiness and implementation themes, including carbon accounting, financing, forest governance, REDD+ strategies, and social inclusion. With these tools, countries can build a solid foundation for REDD+ that is suited to their unique context and needs.

Measurement, Reporting, and Verification

MRV systems are necessary to track implementation and performance of REDD+ activities and for the disbursement of results-based financing from the FCPF Carbon Fund.

During FY20, the FCPF continued its financial and technical support to countries operationalizing their MRV systems and improving their reference levels. The Facility Management Team (FMT) received work plans from 17 Carbon Fund ER programs requesting support on various aspects of their carbon accounting systems (Box 3).

The FCPF has also worked on enhancing the verification component of MRV programs by developing standards for conducting ER verifications under the Carbon Fund. In the past year, the facility established validation and verification guidelines for the FCPF Carbon Fund, which provide a set of requirements to ensure that the validation and verification criteria of the fund are fulfilled. The guidelines cover aspects related to the eligibility of verification entities as well as the verification process itself. Their objective is to enhance the overall integrity and transparency of the fund; establish the accreditation requirements for validation and verification bodies; provide clarity on the validation and verification process of the fund; and improve the consistency, quality, and transparency in the preparation, execution, and reporting of validations and verifications under the fund.

Carbon Fund participants approved the guidelines in FY20. The FMT worked with the American

BOX 3. WORLD BANK MRV SUPPORT PROGRAM

The Land Use Climate Funds (LUCF) MRV Support Program is now in full implementation, with \$6 million allocated to implement work plans in 18 participant countries. The LUCF support program generates global expertise on supporting MRV design and implementation, develops tools to improve the efficiency of the MRV cycle, and provides technical advisory services to operationalize MRV systems.

As the program progresses, the LUCF is expected to produce outputs that include assessments of technical options and solutions for carbon accounting, best practices for estimating changes in land use, statistics and response designs for estimating activity data, and a repository of tools for MRV. In addition, a guidance note and a nesting decision support tool will be developed by Climate Focus in consultation with a wide range of stakeholders and following the analysis of at least five country case studies.

National Standards Institute to help implement the requirements for the verification guidelines, grant the first accreditations to independent reviewers, support the FCPF in becoming an endorsed initiative under the International Accreditation Forum, and enable additional accreditation bodies to provide accreditations for verifications under the FCPF. The first verification is expected to launch after June 2020.

In January 2020, the FCPF convened a workshop on sample-based forest area estimation at the Food and Agriculture Organization (FAO) headquarters in Rome, Italy. The workshop aimed to build capacity for the creation of accurate and transparent forest information by those who manage forests. The workshop gathered representatives from Chile, Colombia, Costa Rica, the Democratic Republic of Congo, Ghana, Indonesia, Mexico, and Mozambique, and represented a joint action between the FCPF, FAO, Norway's International Climate and Forest Initiative (NICFI), Planet, and eight key forested countries.

In further technical assistance to participating countries, the FCPF also convened a series of three webinars in May and June 2020 to discuss sampling for estimating REDD+ activity data. These webinars addressed both sample design and response design in the use of stratified area

estimation, a technique combining the use of maps and point-sampled reference data to establish activity data estimates.

Transaction Registries

Emission reductions transaction registries are online databases that issue, record, and track ER units that are exchanged through market mechanisms or generated by results-based climate finance programs. Robust accounting of international transfers through a registry is imperative to safeguard the environmental integrity of ER units. Such registries are critical to mitigate the risk of double counting—when a single greenhouse gas emission reduction or removal is used more than once to demonstrate compliance with mitigation targets.

The third version of the World Bank ER transaction registry, referred to as the Carbon Assets Tracking System (CATS), was released in June 2020.

This latest version includes an application to connect to the World Bank's LexisNexis service for sanctions screening of external users and entities. CATS has been designed to support the issuance, recording, and transaction of ER units generated under World Bank programs, and it is ready to support the first ER transactions as

they commence under the FCPF Carbon Fund and BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCF ISFL) ERPA's.

For now, there are no national transaction platforms in operation, which means that FCPF participant countries lack capacity to issue their own units. For that reason, the World Bank will issue and transact the ER units on behalf of the host countries with their consent and approval. Focal points from host countries will be established and form a part of the governance system to support this arrangement. At the same time, the World Bank, as the trustee of trust funds supporting these results-based payment programs, provides a secure and transparent transaction platform, minimizing risk to operations. In addition, a comprehensive registry documentation was prepared, which includes the operational guidelines, the terms and conditions, the user manual, and training and communication materials.

This third release of CATS is a fully operational version of the registry. The management team is ready to start the onboarding process for entities and users as well as the issue and transfer of the first ER units under FCPF Carbon Fund programs. This version of CATS meets the methodological requirements of the FCPF Carbon Fund and BioCF ISFL ER programs and has been assessed to meet the conditions of ICAO CORSIA. It is flexible enough to be adapted to new business or technical requirements under other programs.

A communications and training plan to facilitate the onboarding process and the platform operation, which includes brown bag lunches and webinars, will be launched in July 2020.

In the coming years, the platform will explore the following initiatives:

- Connecting CATS with the Climate Warehouse infrastructure testing
- Using the CATS registry for mitigation outcomes from World Bank operations

- Potentially linking with other registries, such as Verra, Gold Standard, Climate Action Reserve, American Carbon Registry, and others
- Possibly using the designed and coded Blockchain prototype

Financing of Emission Reductions Programs

Billions of dollars will be required to implement the large-scale ER programs being designed by FCPF country participants. Building on the work done on REDD+ Readiness, the FCPF is working with governments to help them direct their investments and adopt policies to “crowd in” private sector investment so that more resources flow to sustainable forestry and land use.

In FY20, the FCPF prepared a report on financing ER programs that underscores the importance of public finance and the potential for enhancing private sector finance in advancing REDD+ implementation. The study shows how approximately \$1 of results-based finance from the FCPF has been able to leverage more than \$3 dollars of investment in REDD+. Based on this finding, ER programs supported through the FCPF Carbon Fund are expected to catalyze over \$3 billion in investment in REDD+ activities.

The ER program financing report also highlights FCPF program investments priorities to strengthen governance and institutional capacity, target interventions addressing drivers of deforestation and forest degradation, promote sustainable management of forest resources, and enhance effectiveness of monitoring and reporting progress on program implementation.

Standards and Management Tools

The Methodological Framework was adopted by Carbon Fund participants in December 2013. It provides a global standard for REDD+ transactions at scale and guides the piloting of results-based carbon finance transactions through the FCPF Carbon Fund.

Pricing Approach

In FY14, Carbon Fund participants indicated a preference for fixed pricing under current conditions and a willingness to pay up to \$5/tCO₂e, recognizing that the final price is subject to possible change at the time of ERPA negotiations.

Cost Assessment Tool

For the past four years, the FMT has been working with several countries, especially those in the Carbon Fund pipeline, to perform analysis and planning for the financing of Carbon Fund ER programs using the previously developed cost assessment tools. Such an upstream analysis has allowed countries to start structuring ER programs and to align various streams of finance, including the resources provided through the FCPF Readiness Fund, other investment funding, and results-based financing through the Carbon Fund.

Legal Documents

The ERPA General Conditions were adopted at the 18th Participants Committee meeting held in November 2014. With several countries advancing

in the Carbon Fund, draft term sheets are under development. By the end of FY20, workshops on both the legal and commercial content of a future ERPA and the related ERPA negotiation process had been held in all Carbon Fund countries.

The general conditions build on the criteria and indicators specified in the Methodological Framework and provide, among other things, for the general legal rules and procedures that are expected to be followed during ER program implementation. They further provide a set of (nonnegotiable) general rules and procedures that apply to each carbon transaction, while the ERPA covers the (negotiable) commercial terms of such transactions.

Transfer of Title

The Carbon Fund Methodological Framework requires that country participants demonstrate their ability to transfer title to emission reductions. At the Carbon Fund meeting in January 2018, the FMT gave guidance on the type of evidence countries should submit to demonstrate their ability to transfer title to emission reductions.



INTERNATIONAL ENGAGEMENT

REDD+ has a challenging agenda given its multisectoral and multistakeholder dimensions and the large financial and capacity needs involved. Despite COVID-19-related travel restrictions during the second half of FY20, the FCPF continued to engage with partners and international initiatives to develop tools and approaches that will help countries coordinate each of the dimensions of REDD+ and realize their vision for climate-smart forest management and land sector transformation.



UN Framework Convention on Climate Change

In December, the FCPF cosponsored a High-Level Meeting on Forests with the Chilean Presidency of the UNFCCC's COP25 to highlight the critical role forests and nature-based solutions play in climate change mitigation and adaptation efforts within the UNFCCC framework. At this event, Chile also announced details on the signing of their Emission Reductions Payment Agreement with the FCPF Carbon Fund, unlocking up to \$26 million to increase carbon sequestration and reduce emissions from forests in Chile.

BioCarbon Fund Initiative for Sustainable Forest Landscapes

Throughout the last year, the FCPF and the BioCF ISFL collaborated on several tools and events to support REDD+ and larger-scale ER programs. At the FCPF's Participants Committee and Assembly meetings in November, BioCF ISFL lessons learned were incorporated in all relevant Knowledge Day sessions, including on how to design and implement successful benefit-sharing mechanisms. Throughout FY20, the FCPF and the BioCF ISFL also collaborated in launching a trilingual benefit-sharing report and accompanying online platform that brings together a comprehensive set of tools, resources, and case studies for the design and implementation of benefit-sharing arrangements for ER programs as well as other results-based land-use initiatives.

UN International Civil Aviation Organization

The FCPF continued to collaborate with ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). In FY20, the

FCPF was conditionally approved as an Eligible Emissions Unit Program under CORSIA. Through this aviation carbon credit program, FCPF country participants may be able to access a new stream of performance-based payments for their ER efforts.

UN-REDD Programme

The FCPF continued its ongoing collaboration with the UN-REDD Programme to assist countries in getting ready for REDD+. At the national level, this collaboration entails joint country missions and shared responsibility for financing readiness activities. At the global level, the FCPF and the UN-REDD Programme work together on analytical and capacity-building efforts and events. In FY20, they continued their long-standing collaboration on program implementation and governance.

Program on Forests

The World Bank's Program on Forests (PROFOR) develops in-depth reports, analyses, innovative processes, and dialogues on a wide range of forest-related topics that provide an important knowledge foundation for the FCPF's thematic work. This includes resources on gender integration and social inclusion, carbon accounting, forest governance, and REDD+ strategies. In FY20, the FCPF and PROFOR continued to collaborate on the development of programmatic Country Forest Notes that analyze the threats to forests in individual countries or regions, and identify opportunities for sustainable socioeconomic growth in the forest sector. To date, notes have been produced for Colombia, the Democratic Republic of Congo, Ethiopia, Indonesia, Liberia, Mexico, Mozambique, and Nepal. These notes help integrate the World Bank's engagement on forests across sectors.



Forest Investment Program

In FY20, the FCPF collaborated with the Dedicated Grant Mechanism (DGM) of the Climate Investment Funds (CIF) Forest Investment Program to conduct a REDD+ gender study. This study aims to identify ways in which gender can be successfully mainstreamed into DGM projects and other programs related to the forest, land management, and REDD+. The study will be completed in FY21. The facility also collaborated with the CIF's Evaluation and Learning Initiative on a study using behavioral science to expand communication channels and increase women's participation in natural resource management in Mexico.

International Finance Corporation

In the cocoa sector, the FCPF's ongoing collaboration with the International Finance Corporation (IFC) is through the Cocoa & Forests Initiative, where IFC and the World Bank continue to join efforts with the World Cocoa Foundation, governments, and 35

leading cocoa and chocolate companies to end deforestation and restore forest areas. In FY20, the FCPF also collaborated with IFC on promoting sustainable livestock value chains in Colombia. In the vanilla sector, the FCPF and IFC are partnering with local and global companies to leverage private sector investments that can improve the sustainability of vanilla production in Madagascar.

Tropical Forest Alliance

In FY20, the FCPF continued to deepen its partnership with the Tropical Forest Alliance, targeting commodity-driven deforestation. In July 2019, the FCPF launched a study focusing on private sector engagement in deforestation-driven agricultural and mining value chains. This study is exploring synergies and collaborative opportunities with the alliance's commodity-first approach in overlapping jurisdictions in West Africa, Latin America, and Asia, focusing on cocoa, beef, and possibly palm oil.



COMMUNICATIONS AND KNOWLEDGE SHARING

Over the past year, the FCPF has supported REDD+ Readiness and ER program design through new technical publications, workshops, and knowledge exchanges.

OUTREACH



4 Quarterly Newsletters



1,300 Newsletter Subscribers



12 Stories/Blogs



3,000 FCPF Facebook Page Followers



13 Knowledge Seminars



120K World Bank Group Climate Twitter Followers



17 Knowledge Products

STORIES AND MULTIMEDIA



Seven key elements of benefit-sharing arrangements



Ghana pushes ahead with efforts to reduce emissions from deforestation, forest degradation



Getting the incentives right on forest protection



REDD+ Learning Session: Tracking emission reduction transfers with CATS



Open-source technical solutions for catalyzing climate action

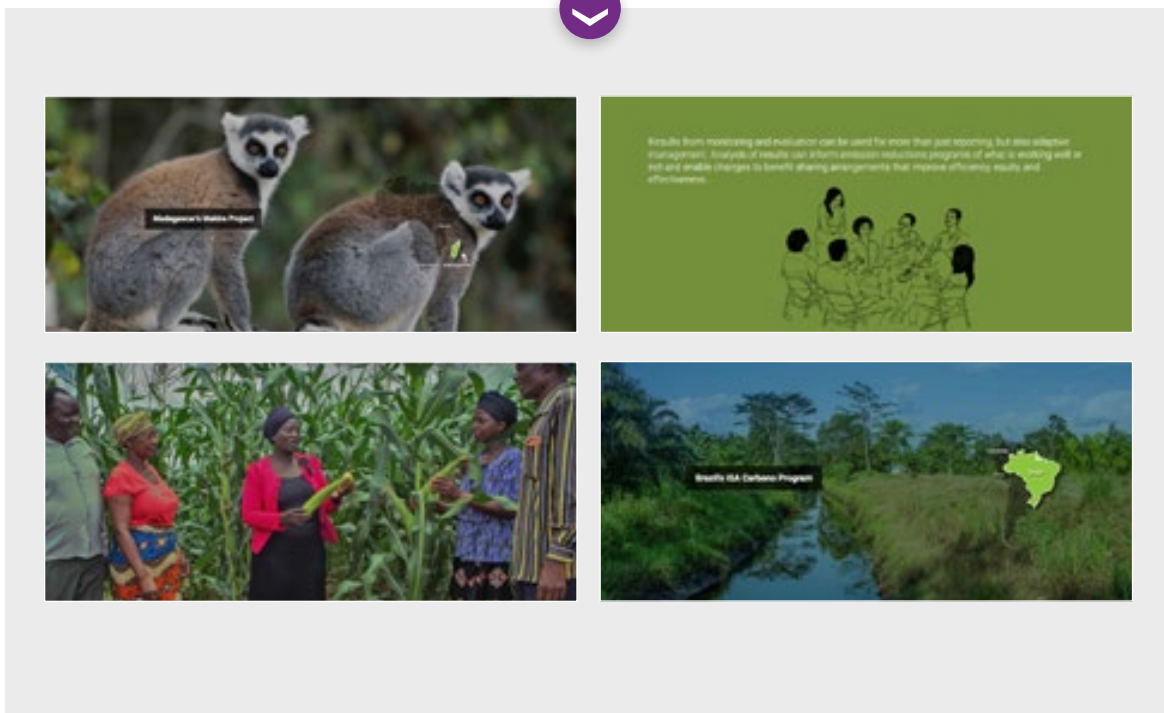
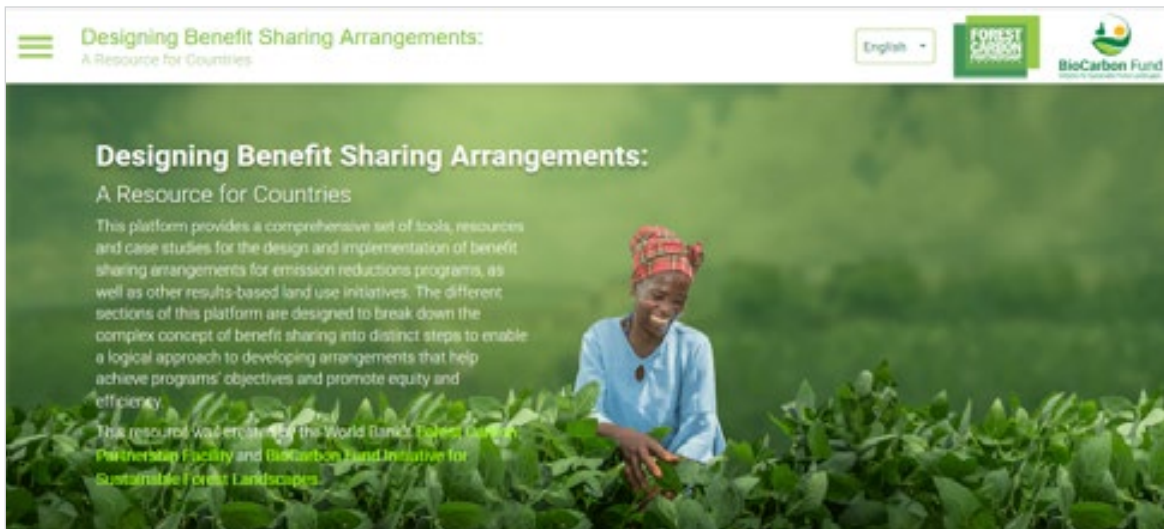


Reaping the rewards of sustainable land use

NEW ONLINE RESOURCE

Designing Benefit-Sharing Arrangements

In FY20, the FCPF and BioCF ISFL launched a trilingual online benefit-sharing platform. The platform walks users through a step-by-step process to develop benefit-sharing arrangements for results-based programs and provides guiding questions, lessons learned, and case studies. It is a resource for countries developing benefit-sharing plans for the FCPF and BioCF ISFL, but its content is also useful more broadly for the development of environmental incentive and results-based programs. <https://www.forestcarbonpartnership.org/bio-carbon/en/index.html>



SOUTH-SOUTH KNOWLEDGE EXCHANGES

Africa Exchange on Women's Participation in REDD+

When: July 2019

Where: Nairobi, Kenya

Who: 69 participants from 17 African countries (Burkina Faso, Cameroon, the Central African Republic, Côte d'Ivoire, the Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Liberia, Madagascar, Mozambique, Nigeria, Sudan, Tanzania, Uganda, and Zambia) as well as representatives from several international organizations from Belize, Germany, Nepal, and the Philippines.

What: Organized by the FCPF Capacity Building Program's intermediary organizations in Africa (MPIDO and REPALEAC), this gender workshop aimed to identify reasons for and solutions to the low participation of women in REDD+-related decision making. The workshop also identified ways to strengthen communication between African women-led and women-focused organizations engaged in REDD+.

Africa Exchange on Indigenous Peoples, Other Forest Dwellers, and Southern Civil Society Organizations

When: July 2019

Where: Nairobi, Kenya

Who: 101 participants from 19 African countries (Burkina Faso, Cameroon, the Central African Republic, Côte d'Ivoire, the Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Liberia, Madagascar, Mozambique, Nigeria, the Republic of Congo, Sudan, Tanzania, Togo, Uganda, and Zambia) as well as representatives from several international organizations and FCPF intermediaries from Belize, Guatemala, Nepal, Panama, the Philippines, and the United States.

What: During this regional dialogue, participants developed a regional consensus on key lessons learned from the FCPF's Capacity Building Program. The dialogue also established recommendations on future REDD+ capacity-building actions for forest-dependent Indigenous Peoples, other forest dwellers, and southern CSOs in Africa, and sought to strengthen these networks within the region.

Asia-Pacific Exchange on Women in REDD+

When: September 2019

Where: Bangkok, Thailand

Who: 52 participants from Bhutan, Cambodia, Fiji, Kenya, Lao PDR, Nepal, the Philippines, Thailand, Vanuatu, and Vietnam

What: Participants of this exchange engaged in a two-day workshop to identify challenges and opportunities for mainstreaming gender in REDD+ programs, with a focus on identifying lessons learned from gender-specific activities implemented to date. The workshop also allowed participants to reach a consensus about the key factors driving women's participation in REDD+ programs and define ways to increase women's participation in the future.

Asia-Pacific Exchange on Indigenous Peoples, Other Forest Dwellers, and Southern Civil Society Organizations

When: September 2019

Where: Bangkok, Thailand

Who: 64 participants from Bhutan, Cambodia, Fiji, Kenya, Lao PDR, Nepal, Pakistan, Papua New Guinea, the Philippines, Thailand, Vanuatu, and Vietnam

What: This exchange facilitated a regional dialogue designed to share lessons learned from IP and CSO capacity-building efforts. Participants agreed on a set of recommendations that reflected the perspectives from IP and CSO representatives on progress to date, gaps, and achievements across several REDD+ capacity-building thematic areas.

Latin America Exchange on Indigenous Peoples, Local Communities, and Civil Society Organizations in Latin America and the Caribbean

When: September 2019

Where: Panama City, Panama

Who: 110+ participants from Argentina, Belize, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Paraguay

What: Participants at this regional dialogue identified success factors and lessons learned from the FCPF's Capacity Building Program in order to ensure alignment with programs for reducing greenhouse gas emissions. Topics such as benefit sharing, monitoring social and environmental impact risks, and monitoring carbon inventories were discussed with a view to promoting new, appropriate activities in national REDD+ strategies.

Global Dialogue of Indigenous Peoples, Local Communities, and Southern Civil Society Organizations

When: November 2019

Where: Washington, D.C., United States

Who: 39 participants from 21 countries, including Belize, Cameroon, the Central African Republic, Chile, Colombia, Costa Rica, the Democratic Republic of Congo, the Dominican Republic, Ecuador, Ethiopia, Fiji, Gabon, Guatemala, Kenya, Madagascar, Nepal, Panama, the Philippines, the Republic of Congo, Suriname, and Vietnam

What: At this global dialogue, a wide representation of Indigenous Peoples, local communities, and southern CSOs gathered with intermediary organizations of the FCPF's Capacity Building Program. Participants engaged on the proposed extension of the program and discussed a variety of topics related to the design and implementation of ER programs. These topics included benefit sharing, land tenure, grievance redress, and gender, as well as monitoring, reporting, and verification.

FCPF Knowledge Day at PA12/PC28

When: November 2019

Where: Punta Cana, Dominican Republic

Who: 60+ participants from 35 countries, including members of government and representatives from civil society, IP organizations, and the private sector

What: The FCPF hosted a knowledge-sharing day at the PA12/PC28, consisting of four 90-minute sessions, a knowledge café featuring 12 fast-paced 45-minute-long discussions, and a demonstration of the FCPF's central transaction registry. Knowledge sessions covered several REDD+-related topics, such as improving benefit-sharing arrangements, engaging the private sector in forest landscapes, strengthening social inclusion, and designing institutional arrangements for the nexus of blue and green carbon agendas.

Côte d'Ivoire and Burkina Faso Exchange on FREL Development

When: November 2019

Where: Abidjan, Côte d'Ivoire

Who: 20+ members of technical teams from Côte d'Ivoire and Burkina Faso

What: This exchange provided a forum for Côte d'Ivoire to share experiences that can inform the development of Burkina Faso's FREL for submission to the UNFCCC. During this one-week training exchange, Ivorian technicians supported Burkina Faso in the implementation of its sampling plan, data collection for accuracy assessment, and estimation.

ISSUES AND CHALLENGES

Over the course of last year, the FMT identified new challenges emerging in countries' readiness and ER program efforts, in addition to ongoing challenges related to this work. The FMT will continue to monitor and address these issues through further follow-up action in the coming year.

MOVING TO PAYMENTS FOR EMISSION REDUCTIONS

With the Chile, Democratic Republic of Congo, Mozambique, and Ghana ERPA signed, it is anticipated that the finalization and signing of ERPAs with other FCPF Carbon Fund countries will continue to make good progress given the 2020 deadline. However, participant countries still face a range of challenges before getting to an ERPA signature. These include the need to innovate complex processes, methodologies, and monitoring and reporting systems required during ERPA negotiations while navigating operational and institutional realities, including elections, changes in governments, lack of capacity, and a global pandemic.

For example, stakeholder consultations are key to the development of benefit-sharing plans to ensure they respond to the needs and interests of the full range of stakeholders for the ER program. This can be time-consuming and delay ERPA signature even if gaps in expectations on commercial terms of a potential ERPA have been addressed. In addition, before a payment agreement can be signed, benefit-sharing plans have to undergo a thorough and wide-ranging review by the World Bank and Carbon Fund participants.

In addition, countries are required to submit evidence to demonstrate their ability to transfer title to emission reductions generated from the ER program. While there is Carbon Fund guidance on how countries can meet this requirement, the context varies between countries; hence, preparation and consultation internally in-country may take time. Experience from countries that have signed ERPAs has been helpful in the effort to move these important pieces forward.

ENHANCING ACCESS TO FINANCE FOR ER PROGRAMS

The cost of ER program implementation may exceed the potential carbon payments that countries can generate from verified emission reductions. More support from a wider variety of sources will be needed to help countries sustainably manage and protect their forests. The FCPF has been working on an initial analysis of financing plans for ER programs to assess funding for program implementation and the sensitivity of financing



estimates of the programs to costs, revenues, and financing sources. This analysis has led to improvements in the requests to countries for ER program preparation.

The FMT continues to strongly encourage all countries, including those not in the current Carbon Fund pipeline, to develop Readiness Packages. These packages signal the successful completion of readiness and allow countries to potentially access other results-based financing streams, such as the Green Climate Fund, opportunities with the private sector, and bilateral funding.

The FCPF will continue to work closely with other actors and initiatives to make sure that financing and technical modalities are aligned, providing countries with the support they need to drive the REDD+ agenda ahead. The facility also continues to explore and engage with other potential sources of liquidity that could purchase emission reductions from countries in the future.

PRIVATE SECTOR ENGAGEMENT

More than ever, private sector engagement is essential to help key sectors in the global economy build back better in a sustainable way. In FY20, the FCPF continued to engage with the private sector, especially in the context of participant countries' ER programs, to identify opportunities for facilitating partnerships between REDD+ country governments and companies. One of the ongoing challenges in this outreach is a disconnect between the company commitments and pledges made at headquarters and the reality in decentralized company offices on the ground. In some instances, local company representatives are not ready to commit to deforestation-free products. To address these challenges, the FCPF continues to develop action plans and earmark additional resources to catalyze scalable and enduring private sector engagement in sustainable forestry and broader land-use management.

COVID-19 CHALLENGES

The global COVID-19 pandemic in 2020 left no corner of the world untouched, including business-as-usual for FCPF program development and implementation, and FCPF governance. Dozens of FCPF missions and meetings were postponed or canceled in the latter half of FY20, and some programs have consequently had to deal with unanticipated delays. While we wait for a "new normal" to emerge, the FCPF will continue to work with participant countries to seek out creative solutions to connect, share, and advance REDD+ efforts.

While we wait for a "new normal" to emerge, the FCPF will continue to work with participant countries to seek out creative solutions to connect, share, and advance REDD+ efforts.

FY20 FINANCIAL REPORT

The FCPF's 2020 fiscal year ran from July 1, 2019, through June 30, 2020. Committed funds to the FCPF Readiness Fund and Carbon Fund at the end of FY20 totaled almost \$1.3 billion, with close to \$400 million committed to the Readiness Fund and close to \$870 million to the Carbon Fund (Tables 2 and 8, respectively). Readiness Fund resources have almost been entirely allocated, while the Carbon Fund is likely to commit all resources in the next year through signed ERPA's.

Fund balances at the end of FY20 totaled almost \$940 million, made up of \$112 million in the Readiness Fund and \$828 million in the Carbon Fund, with cash balances totaling \$863 million—\$112 million in the Readiness Fund and \$751 million in the Carbon Fund (Tables 1 and 7, respectively).

The value of grant allocations to FCPF country participants at the end of FY20 stood at \$314 million, while signed grant agreements represented firm commitments of \$311 million (Table 5). Grant disbursements from the Readiness Fund—through the World Bank and other delivery partners—totaled almost \$250 million at the end of FY20 (Table 5).



THE READINESS FUND

Fund Balance

Table 1 shows the summary financial statement for the Readiness Fund from the opening of the fund to the end of FY20. The Readiness Fund balance at the end of FY20 was \$111.8 million.

Total donor contributions received through the end of FY20 amounted to \$399 million. Investment income of \$66.1 million raised the total receipts through the end of FY20 to \$465 million. Total

disbursements through the end of FY20 amounted to \$353 million and consisted of \$89 million in cash disbursements, \$194.7 million in grants to country participants, \$6.7 million in grants to IP/CSO groups, and \$62.7 million to delivery partners for Readiness Preparation Grants to countries.

Total disbursements on a cash basis during FY20 amounted to \$44 million, made up of cash expenditures of \$9.7 million, grant disbursements of \$32.4 million to country participants, and IP/CSO Capacity Building Program grant disbursements of \$2 million.

TABLE 1. FCPF READINESS FUND SUMMARY FINANCIAL STATEMENT, FY09–FY20 (\$, THOUSANDS)

Description	Total	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Beginning Balance		140,466	159,278	159,472	192,767	226,801	224,869	195,830	189,999	165,804	77,695	50,945	
Donor Contributions	399,138		13,402	59,735	2,370		27,014	54,004	30,009	31,538	94,880	32,290	53,895
Investment Income	64,103	15,408	19,952	10,520	7,241	3,094	2,008	1,960	897	924	732	821	547
Investment Income (Transferred from the CF)	2,023							2,023					
Total Receipts	465,265	15,408	33,354	70,255	9,611	3,094	29,022	57,987	30,906	32,462	95,612	33,111	54,442
Cash Disbursements	89,334	9,715	8,920	9,915	7,134	7,909	6,914	9,373	8,752	5,383	6,421	5,402	3,497
Grant Disbursements*	194,705	32,388	33,520	39,038	29,940	25,419	16,379	8,173	4,923	2,884	1,082	959	
IP/CSO Grant Disbursements	6,760	2,020	2,076	1,831	832								
Disbursements to DPs for Grants	62,715		7,650	19,665	5,000	3,800	3,800	11,400	11,400				
Total Disbursements	353,514	44,123	52,166	70,449	42,906	37,128	27,093	28,946	25,075	8,267	7,503	6,361	3,497
Fund Balance (cash)	111,751	111,751	140,466	159,278	159,472	192,767	226,801	224,870	195,830	189,999	165,804	77,695	50,945

Note: CF = Carbon Fund; CSO = civil society organization; DP = delivery partner; IP = Indigenous Peoples.
*Includes \$599,694 of Bank-executed grant disbursements.

Funding Sources

Donor Contributions

Table 2 presents the committed contributions to the Readiness Fund at the end of FY20. All committed contributions to the Readiness Fund have now been fully paid. There are no outstanding contributions remaining.

Investment Income

Table 1 shows investment income figures over the life of the Readiness Fund. Amounts paid into the trust fund but not yet disbursed (the “cash balance”) are managed by the International Bank for Reconstruction and Development (IBRD), which maintains a pooled investment portfolio (the “pool”) for all the trust funds administered by the World Bank Group. Because all Participation Agreements with Carbon Fund country participants indicate that any interest generated by prepaid contributions shall be channeled to the Readiness Fund, the Readiness Fund receives an allocated share of investment income from the pool that consists of interest earned on both the Readiness Fund and the Carbon Fund. The cumulative total investment income deposited into the Readiness Fund (earned on the cash balances of the Readiness and Carbon Funds) through the end of FY20 was \$66.1 million.

Funding Uses

Cash Disbursements

Cash disbursements represent all non-grant disbursements and amounted to \$89.3 million from the opening of the fund to the end of FY20. Table 3 shows annual expenditures by activity.

Total cash disbursements for support to country participants over the lifetime of the fund (through the end of FY20) represent 67 percent of total cash disbursements, while administrative costs represent only 4 percent of total cash disbursements (Table 3). The cash disbursements for support to country participants of \$66.5 million plus the gross grant disbursements of \$264 million (of which \$6.7 million

was for IP/CSO capacity building; see Table 1) totaled \$330.5 million. These country-focused disbursements represent almost 94 percent of total disbursements of \$353.5 million (Table 1).

Administrative and Secretariat costs—which include the cost of all Participants Committee (PC) and Participants Assembly (PA) meetings and travel costs for country participants and some observers—over the lifetime of the fund (through the end of FY20) amounted to about \$18.9 million (net of shared Secretariat costs) and represent just 5 percent of total disbursements of \$353 million, while administrative costs alone (\$4.1 million) represent approximately 1 percent of total disbursements (Tables 1 and 3).

Table 4 compares the approved budget with actual expenditures by activity for FY20. The FY20 budget for the Readiness Fund, net of shared costs, was \$17.3 million (which includes the FY20 estimated budget for the additional Bank-executed activities as approved at the PA11/PC26 in October 2018), but actual total Readiness Fund expenditures for the year amounted to \$9.7 million. The fiscal year therefore closed with spending at 56 percent of budget.

Costs for country implementation support totaled \$2.5 million. This spending covers the direct assistance of delivery partner country teams to country participants, including technical assistance, grant supervision, and assessments provided to the Participants Committee.

Expenses for country advisory services were about \$1.5 million, or 76 percent of the \$1.9 million originally budgeted for FY20.

With the budget for REDD+ methodology support activities set at \$1.5 million for FY20 and total expenditures of about \$1 million, spending represents 65 percent of the FY20 plan.



TABLE 2. FCPF READINESS FUND DONOR CONTRIBUTIONS, FY09–FY20 (\$, THOUSANDS)

Participant Name	Total	Outstanding	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Australia	23,892										6,330	7,997		9,565
Canada	41,360											41,360		
Denmark	5,800												5,800	
European Commission	5,173			1,121					1,364		2,688			
Finland	23,196							3,230		5,261	5,749			8,956
France	10,340										5,136		592	4,612
Germany	106,382				29,616			23,784	13,913	13,113		25,956		
Italy	5,000											5,000		
Japan	14,000										4,000		5,000	5,000
Netherlands	20,270									7,635	7,635			5,000
Norway	113,696			12,281	30,119	2,370			38,727			8,801	16,398	5,000
Spain	7,048													7,048
Switzerland	8,214													8,214
United Kingdom	5,766											5,766		
United States of America	9,000									4,000			4,500	500
Committed Funding	399,138			13,402	59,735	2,370		27,014	54,004	30,009	31,538	94,880	32,290	53,895

TABLE 3. FCPF READINESS FUND CASH DISBURSEMENTS, FY09–FY20 (\$, THOUSANDS)

Activity	% of Total	Total	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Country Implementation Support	34%	34,220	2,532	3,555	5,419	3,145	4,275	2,676	3,730	3,213	1,701	1,904	1,660	409
Country Advisory Services	18%	17,620	1,463	1,804	1,953	1,584	1,632	1,881	2,342	1,750	1,073	545	793	801
REDD Methodology Support	15%	14,691	1,013	823	1,082	1,209	843	1,071	1,796	1,842	999	1,921	1,266	827
Subtotal Support to REDD Countries	67%	66,531	5,008	6,182	8,453	5,938	6,749	5,628	7,868	6,805	3,773	4,370	3,719	2,037
IP and CSO Capacity Building Program	4%	3,648	284	253	184	87	253	480	751	1,089	267			
FCPF Secretariat	21%	20,628	1,742	2,638	2,140	2,118	1,434	1,299	1,515	1,690	2,056	1,685	1,321	989
Readiness Trust Fund Administration	4%	4,101	389	332	265	162	269	327	397	404	356	366	362	471
Subtotal Readiness Fund (including Carbon Fund Shared Costs)		94,908	7,423	9,404	11,042	8,305	8,706	7,735	10,532	9,988	6,452	6,421	5,402	3,497
Less Carbon Fund Shared Costs		-9,558	-965	-1,211	-1,128	-1,172	-797	-821	-1,159	-1,236	-1,069			
Additional BETF	4%	3,985	3,258	727										
Total Readiness Fund	100%	89,334	9,715	8,920	9,915	7,134	7,910	6,914	9,373	8,752	5,383	6,421	5,402	3,497

Note: BETF = Bank-executed trust funds; CSO = civil society organization; IP = Indigenous Peoples.

FCPF Secretariat expenses were \$1.7 million, or about 62 percent of the activity budget of \$2.7 million. Expenditures included the standard costs for program management, organization of the annual Participants Assembly and Participants Committee meetings, and travel costs for country participants and some observers to those meetings. FCPF Secretariat costs include expenses for hosting and maintaining the FCPF website, communicating with FCPF stakeholders, and the translation of FCPF materials.

Expenditures on Readiness Fund administration costs represented 69 percent of the budget. These administrative costs reflect the work of all World Bank staff involved in fund management, accounting, specific legal operations related to the facility as a whole, and other services required by the Readiness Fund trustee, such as making arrangements for the Monitoring and Evaluation Framework for the FCPF. FY20 expenditures also include \$3.2 million of the additional Bank-executed activities, as approved at the PA11/PC26 held in October 2018.

Shared Costs

As part of the approval of the Readiness Fund budget, the FCPF Charter indicates that the

Participants Committee shall make decisions on all shared costs for activities that cut across and benefit both the Readiness and Carbon Funds. In practice, shared costs have typically included FCPF Secretariat and REDD+ methodology support activities, such as the costs of travel and expenses for country participants to attend the Participants Assembly and Participants Committee meetings, and the work of the Technical Advisory Panels.

Pursuant to the charter, the Readiness Fund pays 65 percent and the Carbon Fund pays 35 percent of shared costs, unless the Participants Committee decides otherwise. The Participants Committee approved resolutions waiving cost sharing through the end of FY11 (to reflect the fact that the Carbon Fund only became fully operational as of May 2011) and paying 100 percent of shared costs from the Readiness Fund. In addition, the committee agreed that cost sharing on the 65%/35% basis would apply from FY12 onward. However, there is an important caveat in Resolution PC/8/2011/8, approved in March 2011, in that the committee agreed to a lifetime cap of \$12 million on the shared costs to be charged to the Carbon Fund. This resolution responded to the concern among several existing and potential Carbon Fund country participants that without such an upward limit, the committee could be unrestrained in its decisions regarding the

TABLE 4: FCPF READINESS FUND CASH DISBURSEMENTS, FY20 (\$, THOUSANDS)

Activity	Budget	Actual Expense	Variance	Expense Rate (%)
Country Implementation Support	4,112	2,532	1,580	62%
Country Advisory Services	1,919	1,463	456	76%
REDD Methodology Support	1,570	1,013	557	65%
Subtotal Support to REDD Countries	7,602	5,008	2,594	66%
IP and CSO Capacity Building Program	672	284	388	42%
FCPF Secretariat	2,798	1,742	1,056	62%
Readiness Trust Fund Administration	563	389	174	69%
Subtotal Readiness Fund (including Carbon Fund shared costs)	11,635	7,423	4,212	64%
Less Carbon Fund Shared Costs	-1,529	-965	-564	63%
Subtotal Readiness Fund	10,106	6,458	3,648	64%
Additional BETF	7,178	3,258	3,920	45%
Total Readiness Fund	17,284	9,715	7,569	56%

Note: FY20 = 7/1/2019 – 6/30/2020; BETF = Bank-executed trust funds; CSO = civil society organization; IP = Indigenous Peoples.

annual approval of shared costs. With the extension of the Readiness Fund to December 2022, shared costs are estimated to be between \$12 million and \$13 million over the lifetime of the Readiness Fund. If this is the case, it will result in a maximum charge to the Readiness Fund (in lieu of the Carbon Fund) of approximately \$350,000 (35 percent of the additional \$1 million).

Shared costs transferred to the Carbon Fund for FY20 amounted to \$965,000. Shared costs over the lifetime of the FCPF (through the end of FY20) stood at \$9.6 million (Table 3).

Grant Disbursements

An important aspect of the Readiness Fund is that it makes grants available to countries in support of country-led readiness work. Initial grants are as high as \$3.8 million per country participant, with additional funding available of up to \$5 million. These grant amounts are only registered as disbursements in World Bank financial statements after the country participant has completed its reimbursement from the grant resources. Signed formulation, readiness preparation, and additional funding (of up to \$5 million) of grant agreements represent firm commitments of about \$311 million.

Grant disbursements from the Readiness Fund at the end of FY20 stood at \$247.6 million, which includes \$194.7 million disbursed through the World Bank and \$52.9 million through delivery partners. Details of the grant disbursements are provided in Table 5.

Financial Commitments Over the Longer Term

Since the Readiness Fund will run through December 31, 2022, annual budgets need to fit into a long-term financial planning framework consistent with World Bank policies for the financial management of trust funds. These policies generally require funds to be fully set aside for commitments made by participants as well as for meeting the fiduciary obligations that the World Bank has entered into as trustee.

To plan resources over this longer-time horizon, the Participants Committee issues resolutions from time to time to establish funding priorities and commitments for the coming years. These commitments are considered "notional" when the committee has set aside or allocated financial

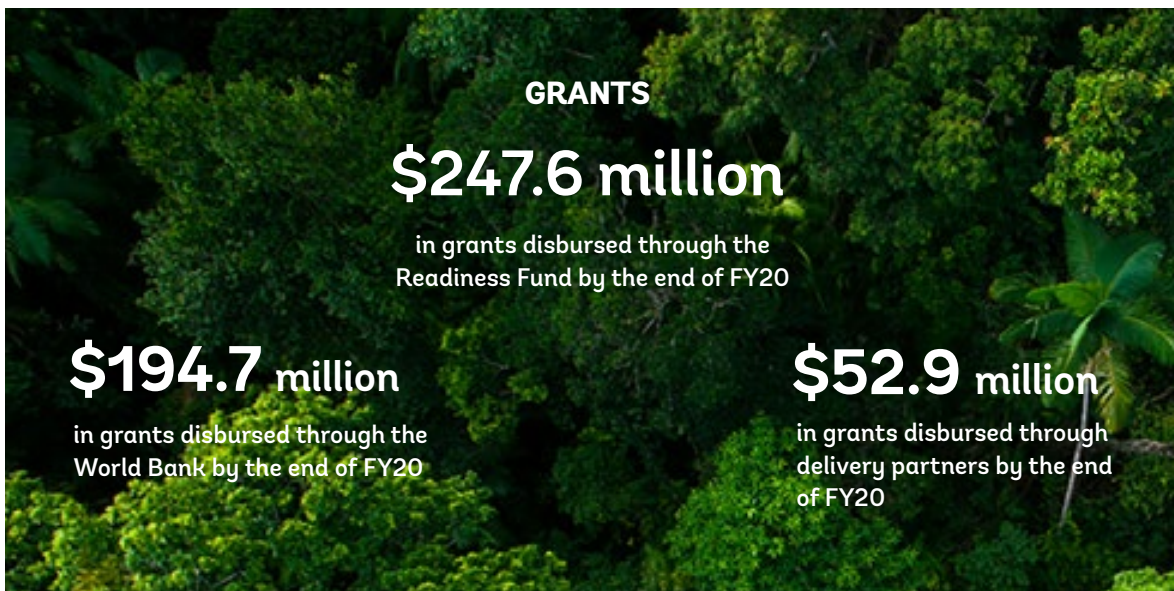


TABLE 5: FCPF READINESS FUND GRANT DISBURSEMENTS THROUGH THE WORLD BANK AND OTHER DELIVERY PARTNERS, FY10–FY20 (\$, THOUSANDS)

World Bank by Region/Country	Allocation	% Disbursed	Signed Grant	Total Disbursed	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Africa															
Burkina Faso	6,900	100%	3,800	3,798	1,257	950	1,084	263	245						
Cameroon	8,793	44%	8,793	3,881	89	366	1,352	510	516	476	379	134	3	55	
Central African Republic	3,800	54%	3,800	2,036	926	259	851								
Côte d'Ivoire	8,800	76%	8,800	6,683	1,876	1,270	480	1,097	1,232	728					
Democratic Republic of Congo	8,791	100%	8,791	8,791				1,233	1,825	2,202	1,161	1,381	797	14	177
Ethiopia	3,800	100%	3,800	3,800					2,247	694	258	400		100	100
Gabon	1,950	35%	1,950	685	685										
Ghana	8,586	100%	8,586	8,586			1,460	1,500	2,240	1,204	1,270	312	400		200
Kenya (moved to UNDP)	170	100%	170	170											170
Liberia	8,782	100%	8,782	8,766	414	2,334	1,298	1,572	1,689	682	289	305		107	75
Madagascar	8,800	66%	8,800	5,836	810	725	1,635	1,781	883						
Mozambique	8,800	100%	8,800	8,800			1,478	3,522	1,950	851	911	87			
Nigeria	8,740	56%	8,740	4,918	1,118	1,101	1,106	1,092	500						
Republic of Congo	8,033	100%	8,033	8,033	2	61	1,966	1,885	1,582	1,244	481	237	381	108	87
Sudan	8,800	90%	8,800	7,877	1,783	3,074	1,560	906	554						
Togo	6,730	63%	6,730	4,256	790	515	1,360	970	277	344					
Uganda	7,549	91%	7,549	6,853	883	1,093	1,679	1,055	644	1,334			-14	140	40
Africa Subtotal	117,824	82%	114,724	93,769	10,632	11,749	17,309	17,388	16,384	9,759	4,749	2,856	1,567	694	679
East Asia & Pacific															
Fiji	5,800	56%	5,800	3,245	624	1,462	419	453	287						
Indonesia	8,594	83%	8,594	7,174	1,463	1,269	640	359	279	167	1,233	1,247	518		
Lao People's Democratic Republic	8,347	81%	8,347	6,734	1,734	1,285	1,344	1,234	658	305				123	50
Thailand	3,800	50%	3,800	1,887	622	734	32	300				163	37		
Vanuatu	6,228	63%	6,228	3,901	1,275	709	961	467	177	186		106	21		
Vietnam	8,800	97%	8,800	8,524	1,693	1,773	428	1,990	1,055	1,084	501				
East Asia & Pacific Subtotal	41,569	76%	41,569	31,466	7,410	7,231	3,825	4,803	2,455	1,742	1,734	1,516	576	123	50
Latin America & Caribbean															
Argentina	3,800	32%	3,800	1,228	429	450	350								
Belize	3,800	60%	3,800	2,285	1,288	581	415								
Chile	8,800	81%	8,800	7,119	1,530	1,268	1,285	1,463	1,274	300					
Colombia	8,730	54%	8,730	4,734	834	650	2,183	467	400				66	134	
Costa Rica	8,758	82%	8,758	7,207	1,393	1,247	803	585	732	1,431	479	375		22	139
Dominican Republic	6,000	68%	6,000	4,109	1,032	1,398	1,144	54	480						
El Salvador	6,300	88%	6,300	5,567	1,337	650	1,718	1,161	509		42	98	52		
Mexico	8,800	100%	8,800	8,794	799	3,195	2,559	557	1,019	665					
Nicaragua	8,800	99%	8,800	8,689	2,230	2,059	1,275	1,100	1,016	431	378	77	123		
Uruguay	3,800	77%	3,800	2,930	1,177	960	294	500							
Lat Amer & Car Subtotal	67,588	78%	67,588	52,660	12,048	12,458	12,026	5,887	5,430	2,827	899	550	241	156	139
South Asia															
Bhutan	8,600	86%	8,600	7,380	1,205	699	3,487	980	372	637					
Nepal	8,233	74%	8,233	6,095	1,093	1,289	80	400	327	1,414	792		500	109	91
Pakistan	7,814	43%	7,814	3,336		92	2,312	481	451						
South Asia Subtotal	24,647	68%	24,647	16,810	2,297	2,081	5,879	1,861	1,150	2,051	792		500	109	91
World Bank Total	251,628	78%	248,528	194,705	32,388	33,520	39,039	29,940	25,419	16,379	8,173	4,923	2,884	1,082	959

TABLE 5: continued

Other Than World Bank by Country	Allocation	% Total Disbursed	Signed Grant	Total Disbursed
UNDP				
Cambodia I & II	8,800	91%	8,800	7,969
Suriname	6,450	78%	6,450	5,007
Honduras I & II	6,065	98%	6,065	5,952
Papua New Guinea I & II	8,800	92%	8,800	8,087
Panama	3,800	100%	3,800	3,791
Paraguay	3,800	75%	3,800	2,839
Kenya	3,600	36%	3,600	1,306
Subtotal UNDP	41,315	85%	41,315	34,950
IDB				
Guatemala	8,800	95%	8,800	8,393
Guyana	3,800	100%	3,800	3,800
Peru	8,800	65%	8,800	5,747
Subtotal IDB	21,400	84%	21,400	17,940
Other than World Bank Total	62,715	84%	62,715	52,889
Grand Total	314,343		311,243	247,594

Note: IDB = Inter-American Development Bank; UNDP = United Nations Development Programme.

resources from the Readiness Fund that are not yet signed into formal grant agreements or contracts. They are converted to “full” commitments once grant agreements (or vendor contracts) are signed by recipients and/or by the World Bank as trustee of the Readiness Fund, or once expenditures are made. Table 6 provides a complete picture of the planned sources and uses of funds over the lifetime of the fund. This financial plan includes commitments for the operation of the Secretariat by the Facility Management Team and the trustee role of the World Bank over the full term of the Readiness Fund—reflecting the fact that the FCPF is expected to be fully active through that time.

Total committed funding sources (including investment income) to the Readiness Fund as of June 30, 2020, amounted to \$465.3 million (Table 6). This level of funding is therefore adequate to meet the planned uses of funds of \$443.4 million. As of the end of FY20, the Readiness Fund had \$21.9 million in unallocated funds, largely attributable to the investment income earned on fund balances in both the Readiness Fund and the Carbon Fund, which is all credited to the Readiness Fund.



TABLE 6. SUMMARY OF LONG-TERM SOURCES AND USES OF READINESS FUNDING (\$, MILLIONS)

Description	Subtotal	Total
Sources of Funds		
Committed Funding	399.1	
Investment Income to Date	66.1	
Total Available Funding		465.3
Uses of Funds		
Grant Allocations		
To REDD+ Countries		
Signed Grants to REDD Countries (commitments)	311.2	
Allocations to REDD Countries (not yet signed)	3.1	
Total Allocation to REDD Countries		314.3
To IP/CSOs		
Initial Allocation to IP/CSO Capacity Building Program (commitments)	3.0	
Additional Allocation to IP/CSO Capacity Building Program (March 2017)	5.0	
Additional Allocation to IP/CSO Capacity Building Program (March 2019)	5.0	
Total Allocation to IP/CSO Capacity Building Program		13.0
Total Grant Allocations		327.3
Administrative, Operations, and Country Support Costs Over Lifetime of Fund		
FY09-FY20 Actual Costs	89.3	
FY20-FY21 Projected Costs	25.7	
Reserve for Delivery Partner Capacity for Dispute Resolution	1.0	
Total Administrative, Operations, and Country Support Costs Over Lifetime of Fund		116.0
Total Uses of Funds		443.4
Estimated Reserve: Total Available Funding Less Total Uses		21.9

Note: CSO = civil society organization; IP = Indigenous Peoples.



THE CARBON FUND

Fund Balance

Table 7 shows the summary financial statement for the Carbon Fund from its opening through the end of FY20. The Carbon Fund at the end of June 2020 had a balance of \$828 million and a cash balance of \$751 million. The outstanding balances on promissory notes and the outstanding contribution from the United Kingdom account for the difference of \$77 million. Total donor contributions received through the end of FY20 amounted to \$803 million, while total disbursements over the same period totaled \$42 million, made up entirely of cash disbursements. The Carbon Fund has been fully operational since May 2011. No payments have yet been made on account of emission reductions.

Total receipts during FY20 were \$175 million, made up of donor contributions from Germany, Norway, and the United Kingdom (Table 8).

All Participation Agreements with Carbon Fund country participants indicate that any interest generated by prepaid contributions shall be channeled to the Readiness Fund. For this reason, there is no investment income to report for the Carbon Fund.

Funding Sources

Table 8 presents the committed contributions to the Carbon Fund as of the end of FY20 (June 30, 2020). As noted earlier, the Carbon Fund received almost \$175.3 million in donor cash contributions over the last fiscal year. This brought total cash contributions through the end of FY20 to \$803 million, leaving \$67.48 million in outstanding contributions from the United Kingdom.

TABLE 7. FCPF CARBON FUND SUMMARY FINANCIAL STATEMENT, FY09–FY20 (\$, THOUSANDS)

Description	Total	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Beginning Balance	581,987	504,881	469,751	417,099	350,826	316,474	293,275	122,283	86,390	24,700	20,356		
Donor Contributions	803,003	175,292	84,883	42,256	59,271	71,681	32,222	27,280	171,866	36,912	71,800	4,181	25,356
Investment Income (transferred to RF)								(2,023)	901	520	256	346	
Total Receipts	803,003	175,292	84,883	42,256	59,271	71,681	32,222	25,257	172,767	37,432	72,056	4,527	25,356
Cash Disbursements	42,029	5,964	7,777	7,126	6,619	5,432	2,846	2,058	2,117	1,539	366	183	
Emission Reductions Payments													
Total Disbursements	42,029	5,964	7,777	7,126	6,619	5,432	2,846	2,058	2,117	1,539	366	183	
Less Promissory Note Balances	-9,658					25	4,975		342		-10,000		-5,000
Fund Balance (cash)	751,315	751,315	581,987	504,881	469,751	417,099	350,826	316,474	293,275	122,283	86,390	24,700	20,356
Plus Outstanding Promissory Notes	9,658												
Plus Outstanding Contributions	67,480												
Fund Balance	828,453												

Note: RF = Readiness Fund.

Funding Uses

Cash disbursements from the opening of the fund through the end of FY20 totaled \$42 million. Table 9 shows annual expenditures by activity, while Table 10 compares the approved budget with actual expenditures by activity for FY20.

Total cash disbursements from the opening of the fund through the end of FY20 amounted to

\$42 million and consisted of \$6.9 million in administrative costs (which include all meetings and financial management), \$2 million for Technical Advisory Panel work, \$9.9 million for technical support by the FMT to directly support countries, \$533,000 for work on private sector engagement, \$12.3 million in program development costs and supervision, \$9.5 million of shared costs, and \$858,000 on registries (Table 9).

Fund Administration, Technical Advisory Panel, Country Advisory Services, and Additional Activity on Registries

The Carbon Fund's total expenditures of almost \$6 million in FY20 were lower than the total budget of \$10.6 million. The 2020 fiscal year therefore closed with spending at 56 percent of the budget (Table 10). The underspend is mostly accounted for by the low spend on ERPA program development, ERPA supervision, and Carbon Fund country advisory services.

The Carbon Fund participants approved \$1 million for work on registries. FY20 expenses were \$758,000, or about 76 percent of the budget. Phase 1 of the central transaction registry, the Carbon Assets Tracking System, has been completed.

ERPA Costs – Development of ERPDs and Supervision

Once Letters of Intent (LOIs) are signed, ERPD development funds of \$650,000 per country flow. The \$1.9 million budget was based on estimated spending during FY20 on account of the allocations of \$650,000 made to programs entering the Carbon Fund pipeline and signing an LOI.

Currently, all 18 countries in the Carbon Fund pipeline have signed LOIs, thus releasing the \$650,000 of ERPD development funds for each program. It should be noted that costs were incurred on development of the Cameroon program before the decision was made to not include it in the portfolio. ERPA supervision costs of almost \$300,000 were lower than initially planned given that only four programs have signed ERPAs.



TABLE 8. FCPF CARBON FUND DONOR CONTRIBUTIONS, FY09–FY20 (\$, THOUSANDS)

Participant Name	Total	Outstanding*	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Australia	18,392										5,658	12,735		
BP Technology Ventures	5,000											5,000		
Canada	5,015										5,015			
European Commission	6,709												362	6,347
France	5,114							114				5,000		
Germany	321,295		55,974	57,265	29,616	54,771	13,329	32,108	27,280	6,556	15,443	21,125	3,819	4,009
Norway	297,087		27,166	27,618	12,640		58,352			161,310				10,000
Switzerland	10,796										10,796			
The Nature Conservancy	5,000													5,000
United Kingdom	177,572	67,480	92,153									17,940		
United States of America	18,500					4,500				4,000		10,000		
Committed Funding	870,482	67,480	175,292	84,883	42,256	59,271	71,681	32,222	27,280	171,866	36,912	71,800	4,181	25,356

*Amounts may vary due to exchange rate fluctuations.

TABLE 9. FCPF CARBON FUND CASH DISBURSEMENTS, FY10–FY20 (\$, THOUSANDS)

Activity	Total	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Carbon Fund Administration	6,886	1,076	864	696	657	555	741	626	652	470	366	183
Carbon Fund Technical Advisory Panel	2,014	41	533	463	514	440	23					
Carbon Fund Country Advisory Services	9,870	1,812	2,396	2,331	1,691	1,290	350					
Additional Activity on Private Sector Engagement	533	0	371	162								
Additional Activity on Registries	858	758	100									
Emission Reduction Payment Agreement Costs	12,308	1,312	2,301	2,347	2,585	2,351	910	273	229			
Program Development - General	907					235	170	273	229			
Program Development - ERPDS	10,977	1,028	2,161	2,347	2,585	2,116	740					
Program Supervision	423	284	140									
Shared Costs	9,558	965	1,211	1,128	1,172	797	821	1,159	1,236	1,069		
Total Carbon Fund	42,029	5,964	7,777	7,126	6,619	5,432	2,846	2,058	2,117	1,539	366	183

Note: ERPA = Emission Reductions Program Document.

TABLE 10. FCPF CARBON FUND CASH DISBURSEMENTS, FY20 (\$, THOUSANDS)

Activity	Budget	Actual Expense	Variance	Burn Rate %
Carbon Fund Administration	1,414	1,076	338	76%
Carbon Fund Technical Advisory Panel	251	41	209	16%
Carbon Fund Country Advisory Services	2,772	1,812	960	65%
ERPA Program Development	1,945	1,028	917	53%
ERPA Costs - Supervision	1,740	284	1,456	16%
Additional Activity on Registries	1,000	758	242	76%
Shared Costs	1,529	965	564	63%
Total Carbon Fund	10,651	5,964	4,687	56%

Note: ERPA = Emission Reductions Payment Agreement.

Shared Costs

As explained earlier, shared costs are directly related to Readiness Fund expenses in two key cross-cutting areas: the FCPF Secretariat and REDD+ methodology support. The expenditure of \$965,000 is below budget, which is due to the Readiness Fund's spending.

Financial Commitments Over the Longer Term

The life of the Carbon Fund was extended to December 2025 by the Carbon Fund participants at CF12 (Resolution CFM/12/2015/1) to allow for ERPA terms of five years. As outlined in the Readiness Fund section, annual budgets for each fund need to fit into a long-term financial planning framework that is consistent with World Bank policies for the financial management of trust funds. These policies generally require funds to be fully set aside for commitments made by participants as well as for meeting fiduciary obligations that the World Bank has entered into as trustee. The long-term financial plan (Table 11) indicates that almost \$804 million would be available for the purchase of emission reductions.

TABLE 11. CARBON FUND LONG-TERM FINANCIAL PLAN, FY20 (\$, MILLIONS)

Carbon Fund Long-Term Financial Plan (\$, millions)	
	As of End FY20
Sources (\$, millions)	870.5
Number of LOIs (#)	18
Number of ER Programs (#)	18
Uses	
Costs Over Fund Lifetime	
Fixed Costs (FY10 to FY26)	22.7
ER Program Costs	44.0
Total Costs	66.7
Available for Purchase of ER	803.8
Average ER Program	44.7

Note: ER = emission reductions; LOI = Letter of Intent.

BUDGET APPROVAL PROCESS

Budgets for both the Readiness Fund and the Carbon Fund are based on the World Bank's fiscal year (beginning July 1) and are approved annually in accordance with the FCPF Charter. The FCPF Participants Committee has to approve the annual budget for the Readiness Fund and the shared costs of the facility, while the Carbon Fund participants have to approve the annual budget for the Carbon Fund, as it is a separate trust fund.



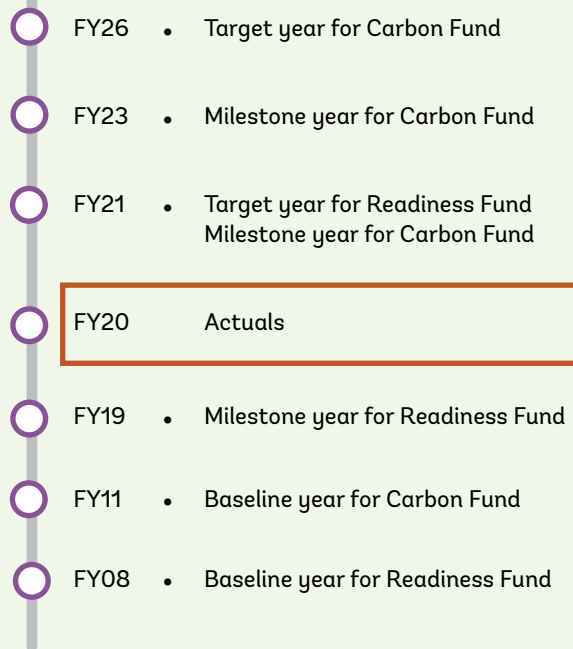


RESULTS FRAMEWORK

The FCPF Results Framework outlines how the FCPF’s expected **results** will be monitored, specifying the **indicators** that will be used to measure progress against each result. For each indicator, the results framework also details the indicator’s **baseline** (starting point), its time-bound **milestones and targets**, the **data sources** that should be used to gather evidence, and the FCPF stakeholders that have lead **responsibility** for monitoring and reporting on progress against each indicator. The FCPF Results Chain is outlined on page 9.

The Monitoring and Evaluation Framework was endorsed by the Evaluation Oversight Committee on behalf of the Participants Committee (see the co-chairs summary from PC25), which had given it the responsibility at PC24. While tentative targets and milestones have been included, these will be agreed by the Participants Committee.

RELEVANT TIME FRAMES



Result	Indicator	Baseline FY11	Milestone			Target	Actual
			FY19	FY21	FY23	FY26	FY20
IMPACT 1: Reduced emissions from deforestation and forest degradation	I.1.A: Number of tons of CO ₂ e emission reductions and removals through CF ER programs (tCO ₂ e)	0	Nil	14 million	47 million	170 million	0
	I.1.B: Number of tons of CO ₂ e emission reductions and removals through REDD+ interventions in all FCPF-supported countries (tCO ₂ e)	0	No targets (indicator reported on annually)				565.4 million ¹
	I.1.C: Total forest area re/afforested or restored through CF-supported interventions (ha)	0	n/a			18.5 million	0 ²
IMPACT 2: Sustained or enhanced biodiversity and livelihoods for forest-dependent men and women	I.2.A: Number of people receiving monetary and/or nonmonetary benefits through CF programs (disaggregated by gender)	0	TBD	TBD	TBD	TBD	0
	I.2.B: Amount of protected or conserved areas included in CF programs, if relevant (ha)	0	n/a			7.7 million	0

Result	Indicator	Baseline FY08	Milestone FY19	Target	Actual	
				FY21	FY20	
OVERARCHING OUTCOME: Improved governance and transparency for sustainable forest resource management (including REDD+ interventions) within participant countries	OV.1.A: Extent to which FCPF has influenced REDD+ country participants' national approaches to sustainable forest resource management (including among women, women's groups, IP, CSOs, local communities)	No targets (qualitative progress measured through evaluation)				
	OV.1.B: Number of FCPF-supported countries that have in place a national REDD+ strategy, FREL/FRL, NFMS, and SIS	0	8	16	11	
OUTCOME 1: The Readiness Fund supports the development of capacity within participant countries to deliver REDD+ and/or access REDD+ finance	1.A: Number of Readiness Packages endorsed by PC	0	19	26	24	
	1.B: Amount of finance mobilized to support the REDD+ Readiness process (disaggregated by public, private, grants, loans)	No targets (indicator reported on annually)				\$1.83 billion (public: \$1.72 billion; private: \$117 million; grants: \$1.30 billion; loans/other: \$536 million) ³
	1.C: Amount of REDD+ ER payments secured by countries with endorsed Readiness Packages through non-FCPF ER schemes	No targets (indicator measured through external evaluation)				n/a

Readiness Fund

Result	Indicator	Baseline FY08	Milestone FY19	Target FY21	Actual FY20
OUTPUT 1.1: Readiness Assessment Framework is agreed upon and disseminated	1.1: Existence of published assessment framework on Readiness Package	No	Yes	Yes	Output 1.1 was fully delivered in 2013
OUTPUT 1.2: Countries demonstrate an adequate plan to achieve preparedness for REDD+ funding	1.2.a: Number of R-PPs endorsed by PC	0	46	46	46 ⁴
	1.2.b: Number of Readiness Preparation Grant Agreements signed	0	45	45	45
	1.2.c: Value of grant allocations, before signing	\$0	\$309 million	\$309 million	\$314.3 million
	1.2.d: Value of signed grants	\$0	\$304 million	\$309 million	\$311.2 million
OUTPUT 1.3: Countries progress adequately on implementation of their R-PP and Grant Agreements	1.3.a: Number of countries that present midterm progress reports	0	39	40	41
	1.3.b: Number of countries that have completed R-PP Component 1: Organize and Consult	0	30	37	33 ⁵
	1.3.c: Number of countries that have completed R-PP Component 2: Prepare the REDD+ Strategy	0	16	30	31 ⁶
	1.3.d: Number of countries that have completed R-PP Component 3: Develop a National FREL	0	33	40	41 ⁷
	1.3.e: Number of countries that have completed R-PP Component 4: Design Systems for National Forest Monitoring and Information on Safeguards	0	18	25	37 ⁸
	1.3.f: Readiness Fund disbursement rate	Via Bank: \$0 (0% of signed grants)	Via Bank: \$176 million (60% of signed grants)	Via Bank: \$252 million (95% of signed grants)	Via Bank: \$194.7 million (78% of signed grants)
Via DPs: \$0 (0% of signed grants) (FY08)		Via DPs: \$30 million (60% of signed grants) (FY19)	Via DPs: \$63 million (95% of signed grants) (FY21)	Via DPs: \$52.9 million (84% of signed grants)	



Result	Indicator	Baseline FY11	Milestone			Target FY26	Actual FY20
			FY19	FY21	FY23		
OUTCOME 2: The Carbon Fund incentivizes the development and delivery of REDD+ ER programs	2.A: Number of tons of CO ₂ e emission reductions and removals committed through signed ERPAs (tCO ₂ e)	0	50 million	170 million	170 million	170 million ⁹	36.2 million
	2.B: Amount of finance mobilized to support delivery of CF ER programs (disaggregated by public, private, ER programs, grants, loans, equity)	No targets (indicator reported on annually)					\$0
	2.C: Amount of REDD+ ER payments secured by CF countries through non-FCPF ER schemes	No targets (indicator reported on annually)					\$0
	2.D: % of monetary benefits from CF programs shared with beneficiaries (disaggregated by gender, CSOs, IP, local communities)	0%	0%	TBD	TBD	TBD	0%

Result	Indicator	Baseline FY08/11	Milestone			Target FY21/FY26	Actual FY20
			FY19	FY21	FY23		
OUTPUT 2.1: Standards and preparations in place for high-quality ER programs discussed and endorsed by CF participants and/or PC	2.1.a: Standards and management tools discussed and endorsed by CF participants and/or PC for ER programs including: a) Methodological Framework and pricing approach b) Business processes (ER-PIN, ERPD, ERPA) c) Legal documents (general conditions, ERPA term sheet)	Delivered in 2014 ¹⁰					
	2.1.b: Development of CF approach to registries	0 (FY11)	Research and guidance published; options tested for centralized and country registries	CF registry approach endorsed & implemented (FY21)	n/a (to be completed in FY21)	CF registry approach endorsed & implemented (FY21)	Transaction registry under development
OUTPUT 2.2: Countries have entered into the portfolio of the Carbon Fund	2.2.a: Number of early ideas presented by countries to the CF	0 (FY11)	24	24	24	24	24 ¹¹
	2.2.b: Number of ER-PINs presented by countries to the CF	0 (FY11)	20	20	20	20	20 ¹²
	2.2.c: Number of countries invited into the CF pipeline	0 (FY11)	19	19	19	19	19 ¹³
	2.2.d: Number of countries signing a CF Letter of Intent	0 (FY11)	19	19	19	19	19 ¹⁴
	2.2.e: Number of ERPDs presented by countries to the CF	0 (FY08)	16	16	16	16 (FY21)	18
	2.2.f: Number of countries accepted into CF portfolio	0 (FY08)	14	16	16	16 (FY21)	18
	2.2.g: Number of countries that have signed an ERPA with the CF	0 (FY08)	5	16	16	16 (FY21)	4
OUTPUT 2.3: Private sector engages with the Carbon Fund	2.3.a: Extent to which CF programs influence private sector engagement with low/zero deforestation and REDD+ processes	No targets (qualitative progress measured through evaluation)					0
	2.3.b: Number of formal partnerships between CF programs and private sector entities (disaggregated by financial, nonfinancial)	0 (FY11)	5	8	10	10 (FY26)	0
OUTPUT 2.4: Countries progress adequately on implementation of their ER programs	2.4.a: Number of completed CF programs	0 (FY11)	0	0	0	15 (FY26)	0
	2.4.b: % of CF program budgets (as per ERPD) covered by secured finance	No targets (indicator reported on annually)		n/a		100% (FY26)	0
	2.4.c: Actual ERs purchased by CF as % of originally committed ERs (as per ERPA)	n/a (FY11)	n/a	9%	29%	60% (FY26)	n/a

Result	Indicator	Baseline FY08/FY11	Milestone			Target FY21/FY26	Actual FY20
			FY19	FY21	FY23		
OUTCOME 3: Participant countries strengthen delivery of programming aimed at sustaining or enhancing livelihoods of local communities and/or conserving biodiversity	3.A: Extent to which FCPF processes support participant country efforts to sustain and enhance livelihoods within REDD+ intervention areas	No targets (qualitative progress measured through evaluation)					
	3.B: Extent to which FCPF processes support participant country efforts to conserve biodiversity within REDD+ intervention areas	No targets (qualitative progress measured through evaluation)					
OUTPUT 3.1: Enhanced capacity of IP and CSOs to engage in REDD+ processes at the country level	3.1.a: Number of participants in CBP-funded activities (disaggregated by gender, CSOs, IP)	0 (FY08)	54,500 (of which 24,525 women; 42,700 CSO; 11,800 IP)	n/a	n/a	68,100 (of which 30,645 women; 55,100 CSO; 13,000 IP) (FY21)	109,154 (of which 54,310 women; 67,537 CSO; 41,617 IP)
	3.1.b: % of participants in CBP-funded activities indicating that: • they have more confidence to engage with REDD+ processes • they will definitely increase their engagement with REDD+ processes (disaggregated by gender, CSOs, IP)	n/a	50	60	70	75	75
OUTPUT 3.2: FCPF participant countries test ways to sustain and enhance livelihoods	3.2.a: Number of CF programs that test ways to sustain and enhance livelihoods	0 (FY11)	4	9	14	16 (FY26)	18
	3.2.b: Number of RF REDD+ country participants whose REDD+ strategies include activities that directly aim to sustain and enhance livelihoods	0 (FY08)	39	44	n/a	44 (FY21)	45
OUTPUT 3.3: FCPF participant countries test ways to conserve biodiversity	3.3.a: Number of CF programs that test ways to conserve biodiversity	0 (FY11)	14	16	16	16 (FY26)	18
	3.3.b: Number of RF REDD+ country participants whose REDD+ strategies include activities that directly aim to conserve biodiversity	0 (FY08)	39	44	n/a	44 (FY21)	45

Note: n/a = not available; CBP = Capacity Building Program for Forest-Dependent Indigenous Peoples and Southern Civil Society Organizations; CF = Carbon Fund; CSO = civil society organization; DP = delivery partner; ER = emission reduction; ER-PIN = Emission Reductions Program Idea Note; ERPA = Emission Reductions Payment Agreement; ERPD = Emission Reductions Program Document; FCPF = Forest Carbon Partnership Facility; FREL = forest reference emission level; FRL = forest reference level; IP = Indigenous Peoples; NFMS = national forest monitoring system; R-PP = Readiness Preparation Proposal; S-S = South-South; SIS = safeguards information system; tCO₂e = (metric) tons of carbon dioxide equivalent.


1. Data sourced from Biennial Update Reports for non-Annex I countries, country greenhouse gas profiles on UNFCCC website, and Climate Action Tracker, etc.
2. ERPDs are not yet completed for the CF.
3. Minor discrepancies in some reporting templates mean that totals do not sum, and some templates incorrectly identified type of funds. Thus, disaggregation should be taken as indicative/estimated.

4. Last R-PP (for Gabon) was endorsed in July 2017.
5. 33 is the number of countries that have an average rating of at least 4/green (Significant progress) in the Country Progress Report. To obtain this weighted score, each subcomponent was assigned points (1 to 5) and the average was taken..
6. 31 is the number of countries that have an average rating of at least 4/green (Significant progress) in the Country Progress Report. To obtain this weighted score, each subcomponent was assigned points (1 to 5) and the average was taken.
7. 41 is the number of countries that have an average rating of at least 3/yellow (Progressing well, further development required) in the Country Progress Report. To obtain this weighted score, each subcomponent was assigned points (1 to 5) and the average was taken.

Result	Indicator	Baseline FY08/FY11	Milestone			Target FY21/FY26	Actual FY20
			FY19	FY21	FY23		
OUTCOME 4: Enhanced learning from FCPF on global implementation of REDD+	4.A: Extent to which learning, evidence and knowledge products generated through the FCPF influences other REDD+ programs and practice	No targets (qualitative progress measured through evaluation)					
	4.B: Participant countries' assessment of FCPF's role within and contribution to national REDD+ processes	No targets (indicator reported on annually)					4.64 ¹⁵
OUTPUT 4.1: Knowledge gained during the development and delivery of FCPF activities disseminated, in line with communications and knowledge strategy	4.1.a: Number of knowledge products produced (cumulative)	0	20 news stories/ blogs	35 news stories/ blogs	50 news stories/ blogs	60 news stories/ blogs	45 news stories/ blogs 73 knowledge seminars 43 other products
			30 knowledge seminars	40 knowledge seminars	50 knowledge seminars	60 knowledge seminars	
			8 other products	12 other products	15 other products	20 other products	
	4.1.b: Number of unique and returning visitors to FCPF website	0	No targets, but traffic data reported annually				100%+ increase in unique visitors and unique visits
	4.1.c: Extent to which FCPF learning and evidence influences ongoing FCPF implementation	No targets (qualitative progress measured through evaluation)					
OUTPUT 4.2: Participants actively engaged in South-South learning activities	4.2.a: Number of FCPF-supported S-S learning activities and/or events connecting FCPF countries (cumulative)	0	8	10	14	15	13
	4.2.b: Number of participants in S-S learning activities and/or events connecting FCPF countries (cumulative) (disaggregated by gender, CSOs, IPs)	0	300 (of which 105 female 30 CSO; 30 IP)	400 (of which 160 women 40 CSO; 40 IP)	450 (of which 180 women 45 CSO; 45 IP)	500 (of which 200 women 50 CSO; 50 IP)	1,146 (of which 437 women; 116 CSO; 124 IP ¹⁶)
	4.2.c: % of participants in S-S learning activities indicating that: - they acquired new knowledge or skills - they will definitely apply the new knowledge or skills in their work - they have established new connections / networks that they will maintain (disaggregated by gender, CSOs, IPs)	n/a	50	60	70	75	88% (of which 49% women; 44% CSO; 32% IP ¹⁷)
OUTPUT 4.3: FCPF knowledge is applied by participants and other REDD+ practitioners	4.3.a: Extent to which FCPF learning, evidence and knowledge products are used by participant countries	No targets					4.16 ¹⁸
	4.3.b: Number of non-FCPF programs and countries that have adopted elements of the FCPF Methodological Framework within their own REDD+ processes	No targets (quantities and examples reported annually)					

8. 37 is the number of countries that have an average rating of at least 3/yellow (Progressing well, further development required) in the Country Progress Report. To obtain this weighted score, each subcomponent was assigned points (1 to 5) and the average was taken.
9. All ERPA's will be signed by FY21; hence, there is no change in the number of tons.
10. All delivered except the ERPA business process.
11. Last "early ideas" presented at CF12.
12. Guyana produced an ER-PIN, but no further action was taken. The last ER-PIN was presented at CF14.
13. The last country entered the pipeline at CF11.
14. Last LOI was signed at CF16.

15. 4.64 is the average score of a survey on FCPF strengths, weaknesses, and contributions to REDD+ of each FCPF country calculated from the Country Progress Report. To obtain this average score, each answer to a question was assigned points (1 as Completely agree to 5 as Completely disagree) and the average was taken.
16. Disaggregated figures were not reported in FY18. Thus, disaggregated figures reported this year and going forward will be cumulative from FY19 onward.
17. Disaggregated figures were not reported in FY19 and before. Thus, disaggregated figures reported this year and going forward will be cumulative from FY20 onward.
18. 4.16 is the average score of a survey on the usefulness and application of FCPF knowledge products of each FCPF country calculated from the Country Progress Report. To obtain this average score, each answer to a question was assigned points (1 as Completely agree to 5 as Completely disagree) and the average was taken.



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