



# FCPF Program announcement

Date: May 25, 2022

Issue: Changes to the number of ERs for which the ability to transfer Title to ERs is unclear or contested after the issuance of a Verification statement.

According to criterion 36 of the FCPF Requirements, ER Programs must be able to demonstrate that the ER Program Entities are able to transfer Title to ERs. This ability should be demonstrated at the time of ERPA signature or at the latest, at the time of ER transfer.

The assessment of the ability of ER Programs to transfer title to ERs, or the percentage of ERs for which title is clear or uncontested (hereinafter referred to as *ER title transferability*) is covered by the FMT's review and due diligence, therefore, this is not within the scope of Validation and Verification of ER Programs under the FCPF (c.f. section 8.4 of the Validation and Verification Guidelines).

However, the *ER title transferability* has to be reported by the VVB in the Verification report template (c.f. section 5.4.1) as it is needed to compute the number of FCPF units and Buffer ERs to be verified.

Recently, the FMT identified that the *ER title transferability* for some ER Programs may increase with time as the Program Entity signs additional sub-agreements with different ER title holders and this change might occur after the issuance of the Verification statement. As this *ER title transferability* changes, the amount of FCPF units and Buffer ERs to be verified might change too.

The FMT would like to clarify that if the VVB identifies at the time of Verification that the *ER title transferability* for a specific Reporting Period could increase in the future (i.e. the *ER title transferability* at the time of Verification is less than 100% AND the REDD Country has expressed in the MR its intention to increase it in the future), the REDD Country and the VVB shall respectively report this in the ER Monitoring Report and Verification statement.

If and once the *ER title transferability* is increased, the REDD Country shall provide a new version of the Monitoring Report just for the additional ERs resulting from the increased *ER title transferability* to the VVB, who shall modify its Verification statement, and sections 5.4.1 and 5.6 of the Verification Report only if all of the following conditions are met:

1. The revised *ER title transferability* is confirmed by the FMT.
2. The revised *ER title transferability* pertains to the same Reporting Period of the original Verification statement as confirmed by the FMT.
3. The modification of the Verification statement and Verification report is in line with section 8.7 of ISO 14065:2013, and section 4.11 of ISO 14064-3:2006 in relation to facts that are discovered after the issuance of Verification statements.



4. The scope of Verification is not modified and no additional Verification activities are required.

Modification to Verification statements and verification reports shall be accepted on a case-by-case basis. VVBs shall seek guidance from the FMT.