

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
SIXTH PARTICIPANTS COMMITTEE MEETING
June 28-July 1, 2010
Georgetown, Guyana**

Resolution PC/6/2010/2

Costa Rica's Readiness Preparation Proposal

Whereas:

1. Costa Rica submitted a Readiness Preparation Proposal (R-PP) to the Facility Management Team (FMT) on June 14, 2010, which was reviewed by a Technical Advisory Panel (TAP), a working group consisting of Participants Committee (PC) members established for this purpose, and the World Bank;
2. The PC reviewed the R-PP in accordance with Section 11.1 (b) of the Charter Establishing the FCPF (Charter) at its sixth meeting; and
3. The PC acknowledged the extensive efforts made by Costa Rica and the high quality of its R-PP.

The Participants Committee,

1. Decides to allocate grant funding to Costa Rica to enable it to move ahead with preparation for readiness;
2. For this purpose, it requests:
 - i. Costa Rica to submit a revised R-PP (Revised R-PP) to the FMT, reflecting the key issues in the summary report prepared by the FMT included in the annex to this resolution;
 - ii. The FMT to check the Revised R-PP for completeness, make it available on the FCPF website and notify the PC of its availability;
 - iii. The World Bank, as the Trustee of the Readiness Fund (Trustee), to complete its due diligence, in particular with regard to the World Bank's Operational Policies and Procedures, working closely with Costa Rica, in order to provide a grant of up to US\$3.4 million, in accordance with PC Resolution PC/3/2009/4;
 - iv. Costa Rica to consider the issues identified in the TAP's R-PP assessment as well as those raised by the FCPF PC at this meeting during readiness preparation; and
 - v. Costa Rica to report to the PC on progress made in accordance with Section 6.3 (b) of the Charter and to carry out its responsibilities in accordance with the grant agreement.

Annex

Summary Report Prepared by the FMT

The PC praised Costa Rica for producing a clear and high quality R-PP which builds on a long history and experience from programs that have been addressing deforestation and degradation. The country has put in place an inclusive and participatory process. The R-PP, in particular, sets very high standards for defining the Reference Emission Level.

The PC noted with satisfaction that the R-PP recognizes the inter-sectoral nature of deforestation and forest degradation and the role of the different stakeholders in particular the civil society and Indigenous Peoples.

Key Issues

The following are the key issues that Costa Rica needs to address before entering into a Readiness Preparation grant agreement with the Trustee of the Readiness Fund:

1. More clarity is requested in terms of how the government addresses some forest land tenure issues affecting Indigenous Peoples.
2. Although, the MRV section of the R-PP is very strong, it should clarify the different options that could involve technical staff, civil society organizations, local communities and Indigenous Peoples in the national MRV system. Their capacity needs should be included in the capacity building strategy.
3. It is also suggested that the R-PP clarifies in the MRV section how the system would be able to report on emissions, rather than only measure carbon stocks.
4. Clarify in the R-PP that the reference scenario also takes into account the issue of degradation, in addition to deforestation.
5. The Monitoring and Evaluation Section should be better integrated in the context of the entire R-PP, making reference to the implementation schedule