

Forest Carbon Partnership Facility (FCPF)

Working Group (WG) on the Methodological and Pricing Approach for the Carbon Fund of the FCPF

Summary of the fourth WG conference call on March 12, 2012

March 17, 2012

Chair:

Duncan Marsh (The Nature Conservancy)

Participants:

José Carlos Fernandez (Mexico); Resham Dangi (Nepal); John Goedschalk (Suriname); Peter Horne (Australia); Anja Bursche (Norway/Germany); Jeff Fiedler (The Nature Conservancy); Andrew Hedges (Private Sector); Joshua Lichtenstein, Joanna Durbin, Mark Roberts (Civil Society Organizations); Benoît Bosquet, Ken Andrasko, Marco van der Linden, Manelle Ait Sahlia, Peter Saile, Stephanie Tam and Rajesh Koirala (FMT). Nicholas Soikan Meitiaki (Indigenous Peoples) informed the FMT that he was not available to participate in the call because of other engagements.

All background documents for this call are available at:

<http://www.forestcarbonpartnership.org/fcp/node/486>

Discussion Summary:

A. Chairing arrangements of the WG

The WG participants endorsed the selection of Duncan Marsh to chair the conference call.

B. Methodological Framework: Programmatic Elements

Discussion:

The WG continued their brief discussion on the Programmatic Elements from the previous call. Some members asked if the element stating that ER Programs should meet the World Bank safeguard policies could be broadened to include the safeguards identified under the UNFCCC in the Cancun Agreement (see Background Note #5, table 2, element 3). Several members emphasized that under the UNFCCC process, the discussion is on reporting on safeguard and developing systems for providing information on how safeguards are addressed and respected. This reporting is considered to be different from the application of the World Bank safeguard policies which have to be met. Hence they felt that if the element is broadened to include UNFCCC safeguards, this difference should be reflected in the text of the element. It was also suggested that if the element would be expanded to include UNFCCC safeguards, reference could also be made to safeguards in other major climate initiatives (where applicable).

The WG discussed if there were any elements missing from the list provided in table 2 of background note #5. One suggestion included having an element on Programs being undertaken at a significant scale, although it was noted that this would require further discussion on what defines scale (area, emission reductions, etc.) and what is considered significant (which can be expressed as either relative or absolute numbers).

Another suggestion was to include governance and financial management aspects to the element on benefit sharing mechanisms (see background note #5, table 2, element 5). It was noted that benefit sharing arrangements can be very Program- and country-specific, and should take into account national legislation and sovereignty. Some members suggested to broaden governance to transparent and effective forest governance structures as contained in the list of safeguards in the Cancun agreements. Other members felt this element should be limited to benefit sharing and that forest governance would be sufficiently covered by including a reference to the UNFCCC safeguards as discussed above. On the same element of benefit sharing, it was also suggested to include “broad community support” in the element.

On the element of capacity (see background note #5, table 2, element 7), it was suggested to include financial capacity in this element. Furthermore it was suggested to replace the use of the term ‘entity’ with ‘framework’ or another term that would reflect that ER Programs could be implemented by a group of entities and institutions working together.

On the element of consistency with the national REDD+ strategy (see background note #5, table 2, element 6), it was suggested that the ER Program should not just be consistent with the strategy but should be consistent with and address elements of the strategy and address the key drivers of land-use change.

Some members also suggested including a new element on additional social and environmental benefits. It was argued that this would stimulate inclusion of these benefits in the design and implementation of ER Programs, without the need for a price premium as discussed in the guidance on pricing. At the same time it was recognized that for ER Programs to be able to implement activities to increase the social and environmental benefits beyond those inherent in the planned REDD+ activities, some kind of financial provision would be required to cover the costs of implementation and monitoring. Some members supported trying to include monitoring of social and environmental benefits against something like the community benefits plans as used by the WB’s Community Development Carbon Fund, although it was noted that this may be more challenging for the far larger-scale REDD+ activities envisioned in the Carbon Fund.

Summing up the discussion, the chair noted that the list of elements should not become too long to ensure that the impact and importance of individual principles does not become too diluted. The chair also urged members to keep in mind the goal of trying to finish the WG’s work while members can work face-to-face in Paraguay if possible.

Follow-up:

- All WG Members were reminded to provide written feedback to the FMT on the principles for the methodological framework and guidance on pricing. BIC informed members that they had just made a submission on behalf of BIC, Friends of the Earth, and the Environmental Investigation Agency (rather than all CSOs) and had shared this with members, and briefly summarized its contents.

C. Agenda for the Paraguay meeting

Discussion:

The Working Group discussed the draft agenda prepared by the FMT for the face-to-face meeting in Paraguay on March 25. The members agreed with the proposed agenda and requested the FMT to

provide further documents from other Funds within the World Bank (specifically BioCF and CDCF) on how these Funds address additional benefits. Discussion of co-chairs for the meeting identified Duncan Marsh as one, who was supported by the members, and that the REDD+ countries in the WG would caucus and nominate another co-chair. No facilitation would be used, and members expressed contentment with the FMT's role thus far. CSOs noted that three or four CSO Observers plan to attend the WG meeting.

D. Next steps

- ❖ The FMT prepared this summary report of the fourth call. It will also be posted on the FCPF web site at <http://www.forestcarbonpartnership.org/fcp/node/486>.
- ❖ The FMT will draft a short version of the carbon accounting and programmatic principles, and pricing guidance, for consideration by the WG during the meeting in Paraguay and try to distribute this to the members by March 16, 2012.