



## 2b. Portfolio Management Update

# Carbon Fund Financial Situation: Sources and Uses Summary

Carbon Fund Sources and Uses Summary as of September 30, 2023	
<b>Sources (\$m)</b>	<b>914.0</b>
Number of ER Programs	15
<b>Uses - Costs over Fund Lifetime</b>	<b>115.6</b>
-Fixed Costs (FY10 to FY26)	37.2
-ER Program Costs	68.5
-ER Program's Reversal Management Mechanism	10.0
<b>Uses - Available for Purchase of ERs</b>	<b>798.3</b>
Equivalent to tons @ \$5/ton (millions)	159.7
Average ER Program (15 programs)	53.2

# FCPF Carbon Fund Contributions to Date

## FCPF Carbon Fund

Donor Contributions as of September 30, 2023 (in \$ thousands)

Participant Name	Total	Outstanding	FY21	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	181,582		71,489	92,153									17,940		
United States of America	18,500						4,500				4,000		10,000		
<b>Committed Funding</b>	<b>874,492</b>	<b>0</b>	<b>71,489</b>	<b>175,292</b>	<b>84,883</b>	<b>42,256</b>	<b>59,271</b>	<b>71,681</b>	<b>32,222</b>	<b>27,280</b>	<b>171,866</b>	<b>36,912</b>	<b>71,800</b>	<b>4,181</b>	<b>25,356</b>

\$874.5  
million

# Available for purchase of ERs

Carbon Fund Sources and Uses Summary (\$m) as of Sept 30, 2023	
Sources	914.0
Available for purchase of ERs	798.3
Signed ERPAs (15)	721.3
<b>Total uncommitted</b>	<b>77.0</b>

# ERPA Commitments

Country	Contract Vol. (tCO <sub>2</sub> e)	Contract Value	HFLD	HFLD proportion
Chile	5,200,000	\$ 26,000,000		
Costa Rica	12,000,000	\$ 60,000,000		
Côte d'Ivoire	10,000,000	\$ 50,000,000		
Dominican Republic	5,000,000	\$ 25,000,000		
DR Congo	11,000,000	\$ 55,000,000	11,000,000	
Fiji	2,500,000	\$12,500,000		
Ghana	10,000,000	\$ 50,000,000		
Guatemala	10,500,000	\$ 52,500,000		
Indonesia	22,000,000	\$ 110,000,000		
Lao PDR	8,400,000	\$ 42,000,000		
Madagascar	10,000,000	\$ 50,000,000		
Mozambique	10,000,000	\$ 50,000,000		
Nepal	9,000,000	\$ 45,000,000		
Republic of Congo	8,359,000	\$ 41,795,000	8,359,000	
Viet Nam	10,300,000	\$ 51,500,000		
<b>TOTAL</b>	<b>144,259,000</b>	<b>721,295,000</b>	<b>19,359,000</b>	<b>13%</b>

# Portfolio updates - overview

## ER Monitoring Reports

- **1<sup>st</sup> Reporting Period**
  - 15 submitted and 14 available online
- **2<sup>nd</sup> Reporting Period**
  - 4 submitted of which 3 are available online

## Validation & Verification

- **1<sup>st</sup> Reporting Period**
  - 7 completed and reports available online
  - 7 ongoing (3 expected to complete by end FY24), 1 just started
- **2<sup>nd</sup> Reporting Period**
  - 1 completed, 2 ongoing

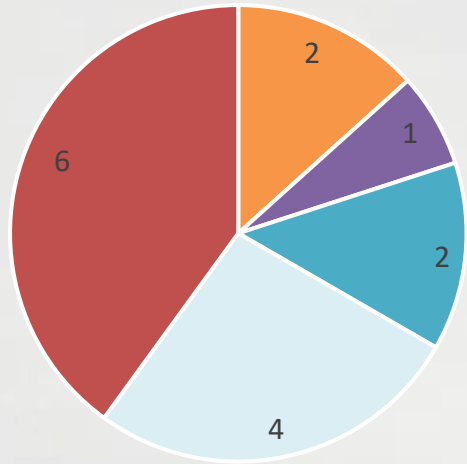
## ERPA Payments

- **Verified ER payments:** 5 payments made (**\$88.03 million**), 3 additional payments pending (\$53.9 million)
- **Total Contract ER payments:** By end FY24 \$291 million, by end CY24 \$358 million

# ER MR submission – Validation & Verification Status

ER MR#	Status	# of countries	Countries
<b>1<sup>st</sup> RP</b>	VV completed	7	Costa Rica, Côte d'Ivoire, Ghana, Lao PDR, Madagascar, Mozambique, Viet Nam
	VV ongoing	4	DRC, Guatemala, Nepal, ROC
	VV completing within FY24	3	DR, Fiji, Indonesia
	VV just started	1	Chile
<b>2<sup>nd</sup> RP</b>	Verification completed	1	Mozambique
	Verification ongoing	2	Costa Rica, Ghana
	Verification just started	1	Chile
	ER MR not submitted	11	All remaining ERPAs

# ER Delivery – ER Program & Portfolio



■ 100%   
 ■ >=70%   
 ■ >=50%   
 ■ 30% - 45%   
 ■ <= 26%

% ERPA delivered*	Countries	# of RPs left
100%	Indonesia, Viet Nam	2
>=70%	Cote d'Ivoire	2
>=50%	Costa Rica, Guatemala	2
30% - 45%	Lao PDR	1
	DR Congo, Fiji, Ghana	2
<= 26%	Chile, DR, Madagascar, Mozambique, ROC	2
	Nepal	1

- **50%** ER delivery expected to date at portfolio level (Contract ERs only)
- **40%\*** of the portfolio has reported <=26% of their ERPA Contract volumes

\* based on submitted ERMRS and Verification Reports



# ER Program Updates

ER Program	Key issues
<b>Chile</b>	<ul style="list-style-type: none"><li>• Chile submitted in Nov 2023 the revised RP1 and RP2 ERMRS considering the approved approach (exclusion of emissions and removals from natural disturbances)</li><li>• Validation &amp; Verification (VV) expected to start in Jan 2024.</li><li>• Based on the outcome of the validation and verification, Bank and Chile will discuss the next steps</li></ul>
<b>Costa Rica</b>	<ul style="list-style-type: none"><li>• ERMRS for RP2 was submitted in June 2023. Verification is now ongoing.</li><li>• Updates to ERMRS RP1 in relation to ER title transfer, expected in Dec 2023. A supplementary statement by VVB will be issued and enable additional ER issuance and payment to Costa Rica</li><li>• BSP implementation for the first payment is currently ongoing</li></ul>
<b>Cote d'Ivoire</b>	<ul style="list-style-type: none"><li>• VV for RP1 ERMRS just concluded. Payment will be made once annexes to the ER MR and all processes related to CATS are completed.</li><li>• BSP report has been updated and revised and published on the FCPF website</li></ul>

# ER Program Updates

ER Program	Key issues
<b>DRC</b>	<ul style="list-style-type: none"><li>• Validation and Verification for ER-MR for RP1 started in July 2023</li><li>• Work is also ongoing to ensure ability to transfer title to ERs</li><li>• Credits already issued by REDD+ project will be discounted from the total FCPF credits to be verified and issued.</li></ul>
<b>DR</b>	<ul style="list-style-type: none"><li>• Validation and Verification for RP1 ER-MR is progressing well and expected to complete in early 2024</li><li>• Payment may take some time as the process for demonstrating ER title transfer ability is still yet to be completed, i.e., establishment of sub-agreements</li></ul>
<b>Fiji</b>	<ul style="list-style-type: none"><li>• Validation and Verification for RP1 ER-MR started in May 2023</li><li>• Bank following closely on other legal and administrative procedures required to ensure readiness for ER transfer and payment after VV concludes</li></ul>
<b>Ghana</b>	<ul style="list-style-type: none"><li>• Verification of RP2 ER MR started in July 2023 and is progressing well and expected to conclude within FY24.</li><li>• BSP implementation for the first payment is currently ongoing</li></ul>
<b>Guatemala</b>	<ul style="list-style-type: none"><li>• VV for RP1 ER MR started in July 2023</li><li>• Work ongoing in parallel to sign sub-agreements with REDD+ project initiatives to enable ER transfer and payment after VV is complete</li><li>• ER delivery expected beyond sweep cap amount of +2 million ERs</li></ul>

# ER Program Updates

## ER Program

## Key issues

### Indonesia

- VV of RP1 ER-MR pending conclusion – findings yet to be closed on assessment of the reversal risk set-aside
- ER-MR for RP2 is expected by June 2024.
- Advance payment of \$20.9 million received in October 2022 for reported ERs has been used to test BSP implementation
  - Distribution to sub-national government has been completed, distribution to communities is pending completion of legal process with the Intermediary Agencies.

### Lao PDR

- VV of RP1 ER-MR concluded in October 2023 and reports available online
- Onboarding process in CATS is almost complete and payment for 3.2 million ERs (~\$16 million) expected in early 2024

### Madagascar

- \$8.8 million payment for 1.76 million Contract ERs from RP1 made in Nov 2023
- Decree enabling receipt and implementation of ERPA payments was approved by the government council in July 2023
- Operationalization of disbursement and reporting mechanisms being finalized.

# ER Program Updates

## ER Program

## Key issues

### Mozambique

- RP2 ER-MR verification completed in 2022 – payment pending completion of Third-Party Monitoring on implementation of BSP (expected to start in early 2024).
- Distribution to the provincial and district govt. and Gile National park completed.
- BSP implementation pertaining to the first payment has been quite slow:
  - Distribution to the provincial and district govt. and Gile National park completed.
  - Only 17% of the payment has been distributed to communities following the first round of project proposal selection. Distribution to the private sector is pending selection and approval of project proposals.
  - Bank working with client on alternative mechanisms to accelerate disbursement to communities and private sector
- Mozambique expressed interested in combining ER-MRs for RP3 and RP4 – initial draft of RP3 ER-MR was submitted and currently under review by FMT.

# ER Program Updates

ER Program	Key issues
<b>Nepal</b>	<ul style="list-style-type: none"><li>• VV for RP1 ER-MR started in December 2023.</li><li>• Final BSP has been updated to reflect additional consultations conducted and will be made available following government approval.</li><li>• Work ongoing to ensure operationalization of the Forest Development Fund for BSP implementation by the time of the first ER payment.</li></ul>
<b>Republic of Congo</b>	<ul style="list-style-type: none"><li>• VV for RP1 ER-MR started in November 2023.</li><li>• ERPA has been amended to include the advance payment provisions and an upfront advance payment of \$1 million (expected to be paid by Jan 2024).</li><li>• Decree defining the 15% allocation of ERPA payments to the government is currently awaiting approval</li></ul>
<b>Viet Nam</b>	<ul style="list-style-type: none"><li>• VV for RP1 ER-MR concluded in October 2023 and reports available online</li><li>• Payment for remaining amount of Contract ERs is being processed.</li><li>• Work ongoing on the implementation of the BSP, with a first BSP implementation status report due in first half of 2024</li><li>• Trustee will also pay for 1 million Additional ERs (\$5 million)</li><li>• Viet Nam has 4.9 million Excess ERs – can be used to sell to carbon markets (e.g., auction), or to meet NDCs, or retire.</li></ul>

THANK YOU!

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