



2b

Portfolio Management Update

**FOREST
CARBON
PARTNERSHIP
FACILITY**

FCPF Carbon Fund – Contributions to date

FCPF Carbon Fund

Donor Contributions as of March 31, 2025 (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		
Committed Funding	874,492	0	71,489	175,292	84,883	42,256	59,271	71,681	32,222	27,280	171,866	36,912	71,800	4,181	25,356

**\$874.5
million**

Carbon Fund Financial Situation: Sources and Uses Summary

Carbon Fund Sources and Uses Summary (\$m)	
	Current Situation
Sources	973.2
Number of ER Programs	15
Uses	877.2
Signed ERPAs	721.3
Costs over Fund Lifetime (FY10 to FY29)	155.9
Fixed Costs	47.5
ER Program Costs	98.4
ER Program's Reversal Management Mechanism	10.0

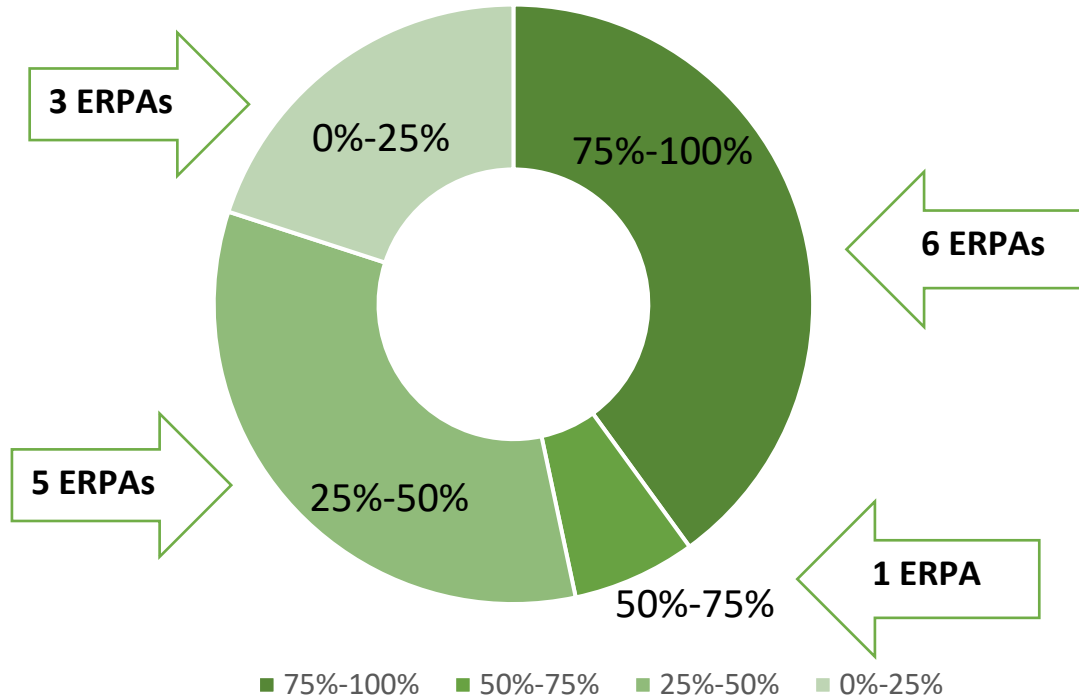
Total uncommitted funds

\$96 million

ER MR submission – Validation & Verification Status

ER MR#	Status	# of countries	Countries
1st RP	Validation & Verification (VV) completed	10	Chile, Costa Rica, Côte d'Ivoire, DRC, DR, Ghana, Lao PDR, Madagascar, Mozambique, Viet Nam
	VV ongoing and expected to complete within CY25	5	Guatemala, Fiji, Indonesia, Nepal, ROC
2nd RP	Verification completed	5	Chile, Costa Rica, Côte d'Ivoire, Ghana, Mozambique
	Verification ongoing and expected to complete within CY25	1	Madagascar
	ER MR not submitted	9	All remaining ERPAs
3rd RP	Verification ongoing and expected to complete within CY25	1	Mozambique
	ER MR submitted	2	Chile, Ghana

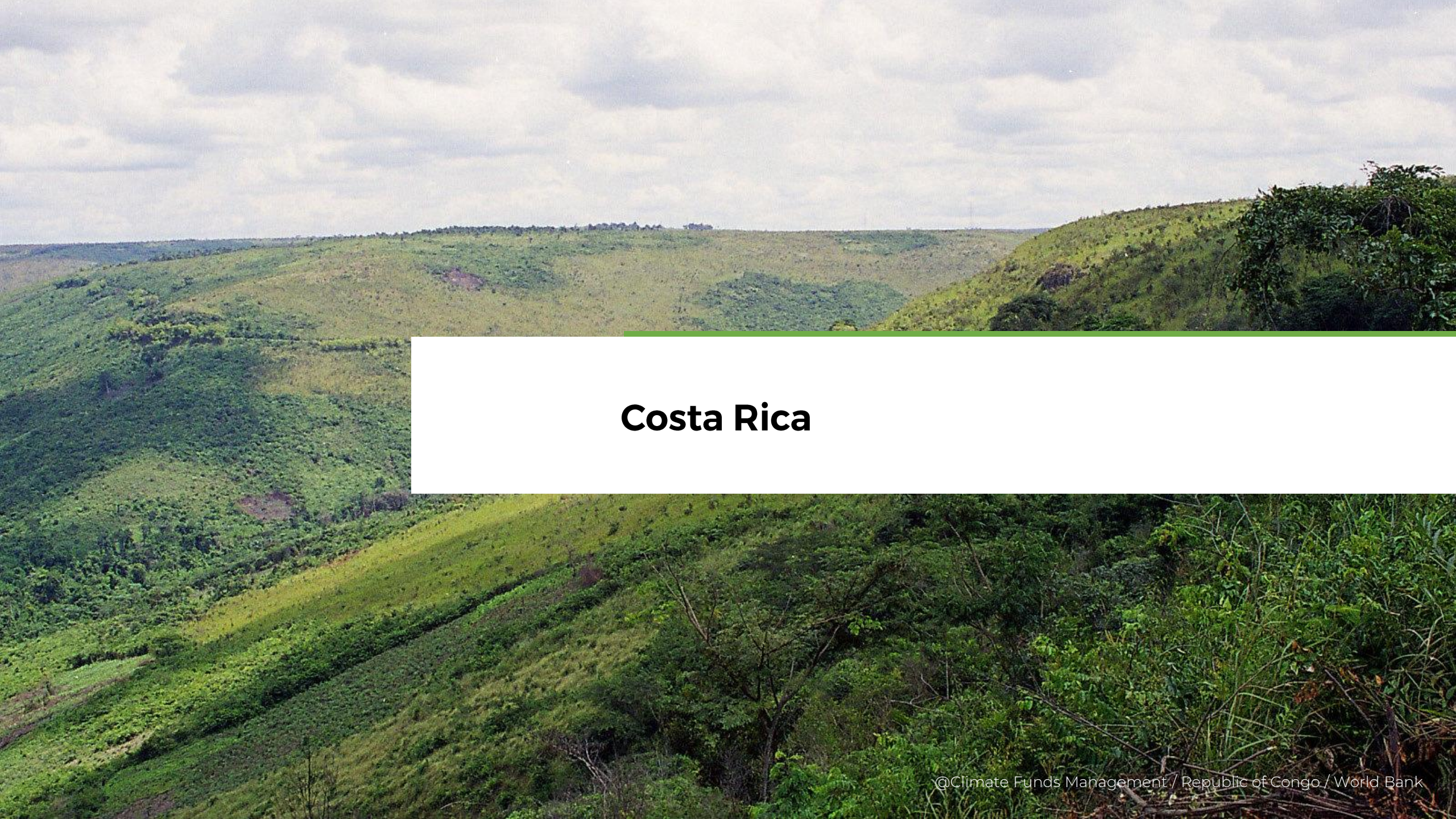
ER Program and Portfolio Delivery – Reported and delivered



% ERPA delivery*	Countries	# countries	# of RPs left
75% - 100%	Chile, Côte d'Ivoire, Ghana, Madagascar	6	1
	Indonesia, Viet Nam		2
50% - 75%	Costa Rica	1	1
25% - 50%	Lao PDR, Nepal	5	1
	DR, DRC, Fiji		2
0% - 25%	ROC, Guatemala	3	2
	Mozambique		1

- **61%** Contract ER delivery expected at portfolio level based on ER MRs submitted to date
- **80%*** of the portfolio has reported an ER delivery of more than 25% of their ERPA Contract volumes (Contract ERs only)
- **7** countries reported Excess ERs (Costa Rica, Côte d'Ivoire, DR Congo, Guatemala, Indonesia, Madagascar and Viet Nam)

* based on submitted ERMRS and Verification Reports



Costa Rica

ER Program Update – Costa Rica

- **Key drivers of deforestation:** agriculture, cattle breeding, illegal logging
- **Key activities of program:**
 - Emissions reduction from deforestation and degradation
 - Increase Carbon Pools
- **Noteworthy issues, challenges, unexpected developments:**
 1. Challenges in the implementation of the Indigenous Territorial Forest and Environmental Plans (PAFT) with funding resources under CREF.
 2. Expansion of the areas under the PES mechanism to guaranty proper inclusion of expanded beneficiaries.
 3. Successful implementation of SINAC Strengthening Action Plan to help address drivers of deforestation (e.g., illegal logging and forest fires).
 4. Degradation Control



ER Program Update – Costa Rica (cont)



Monitoring and reporting process

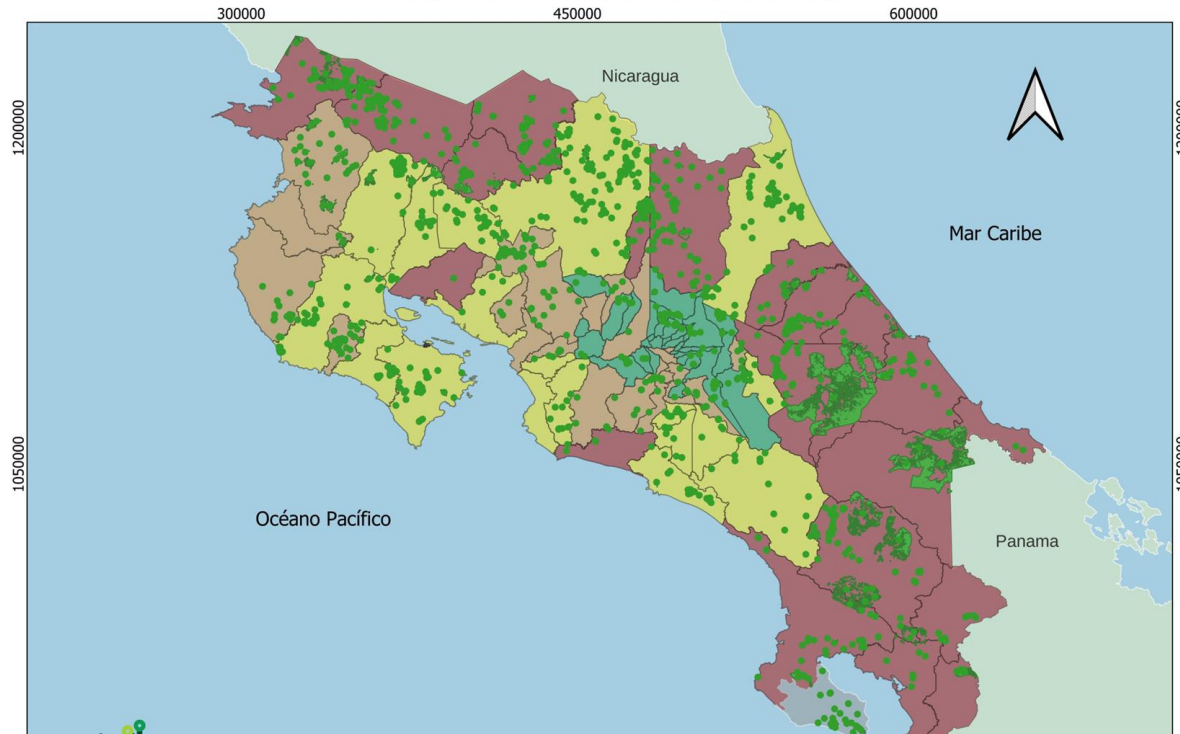
- First and second V&V monitoring events completed
- Monitoring reports are made by the REDD+ Secretariat.
- Map uncertainty calculation and degradation (contracted).
- Safeguards and BSP reporting is done by REDD+ Secretariat.
- Map under preparation for third monitoring event.
- Farm recruitment

Validation and Verification process

- Data Management System revision in process
- ERPA extension will require additional resources for Secretariat operation
- Renegotiation of ERPA opens opportunity for additional resources by accessing better prices through TREES Standard

ER Program Update – Costa Rica (cont)

Distribución de Contratos por Reducción de Emisiones Forestales (2018-2019) según el Índice de Desarrollo Social Cantonal



BSP implementation

- *Benefit Sharing Plan characteristics:*
 - Forest Emission Reductions Contract (CREF)
 - SINAC Strengthening Action Plan
 - Sustainable Inclusive Development Fund (FOINDES)
 - Green Business Fund (FNV)
- *Number of people expected to benefit:*
 - 24 Indigenous Territories ~ 300,000 people
 - Private sector ~ 530 contracts (3 people per contract → ~ 1590 people)
 - 100 women under FOINDES
 - ~100 people under FNV
- *Experiences to date*
 - Inclusion of landowners (both official and nonofficial)
 - Strengthening the governance and execution of direct resources in indigenous territories



Democratic Republic of Congo

ER Program Update – Democratic Republic of Congo

- Key drivers of deforestation:
 - ✓ Slash-and-burn shifting agriculture;
 - ✓ Illegal or artisanal logging of timber;
 - ✓ Charcoal and fuelwood.
- **Key activities of program:** Afforestation/Reforestation, Agroforestry, Value Chain Development, Infrastructure development, Agricultural road rehabilitation, Infrastructure (eco-tourism, office); Forest cover monitoring.
- **Noteworthy issues, challenges, unexpected developments:**
 1. Weak governance;
 2. Weak community ownership
 3. Connectivity and weak digital infrastructure



ER Program Update – Democratic Republic of Congo (cont)



Monitoring and reporting process

- ✓ MR1 (2019-2020): Approved with lot of support from the Bank
- ✓ MR2 (2021-2022) : Ongoing (the Directorate of Forest Management and Inventory is expected to lead the process with less Bank support)
- ✓ MR3 (2023-2024) : Activity data to be produced with UMD support and the Directorate of Forest Management and Inventory is expected to fully lead

Validation and Verification process: MR1 (2019-2020) validation took almost a year with several back and forth

ER Program Update – Democratic Republic of Congo (cont)



BSP implementation

- *Benefit Sharing Plan characteristics:*

- Two categories of payments
 - Non-performance-based payments made to IPLCs.
 - Performance-based payments for participation in activities that generated ERs
- ERP payments, either in kind or monetary
- Institutions involved in ERP administration
 - Indigenous Peoples and Local Communities (IPLCs)
 - Private owners of REDD+ sub-projects

- *Number of people expected to benefit:*

- About 50,000 people (12,000 women and 2,400 IPs)

- *Experiences to date*

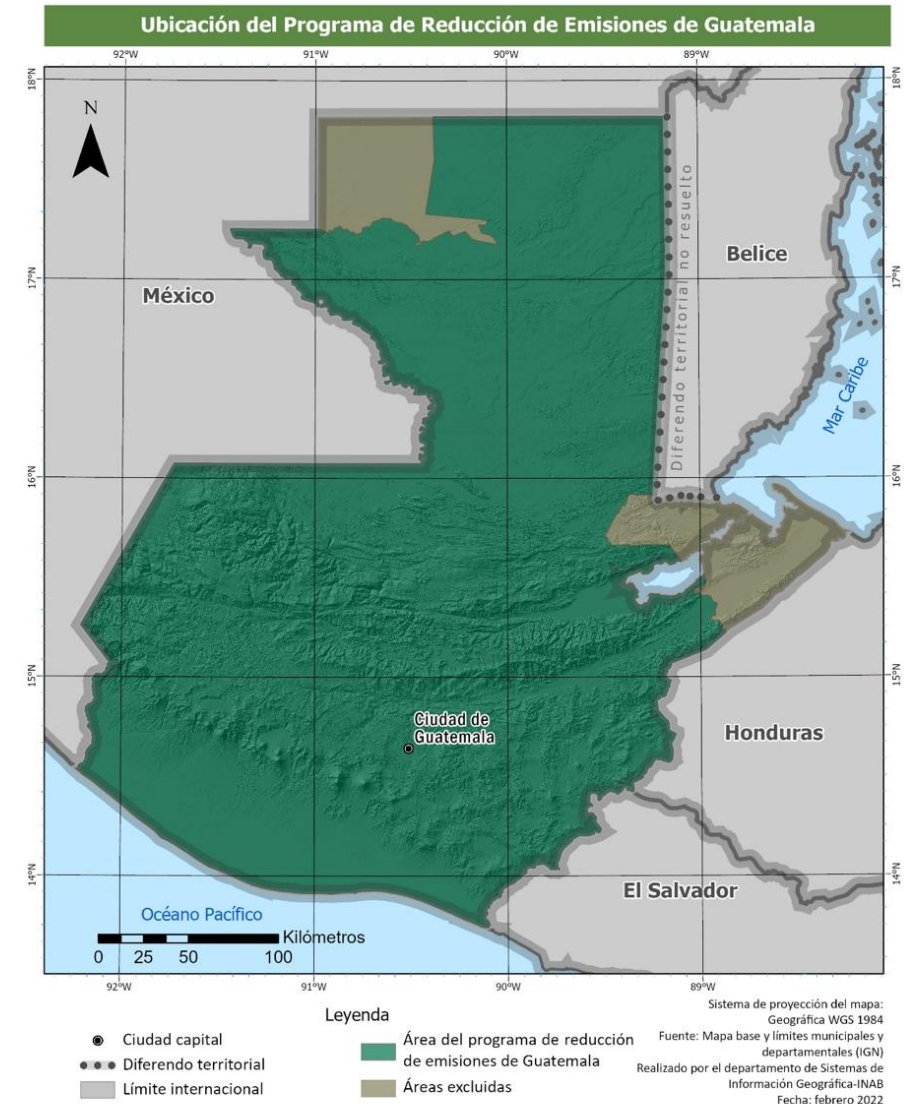
- Preparation for the Benefit Sharing Implementation
- First payment in May 2025



Guatemala

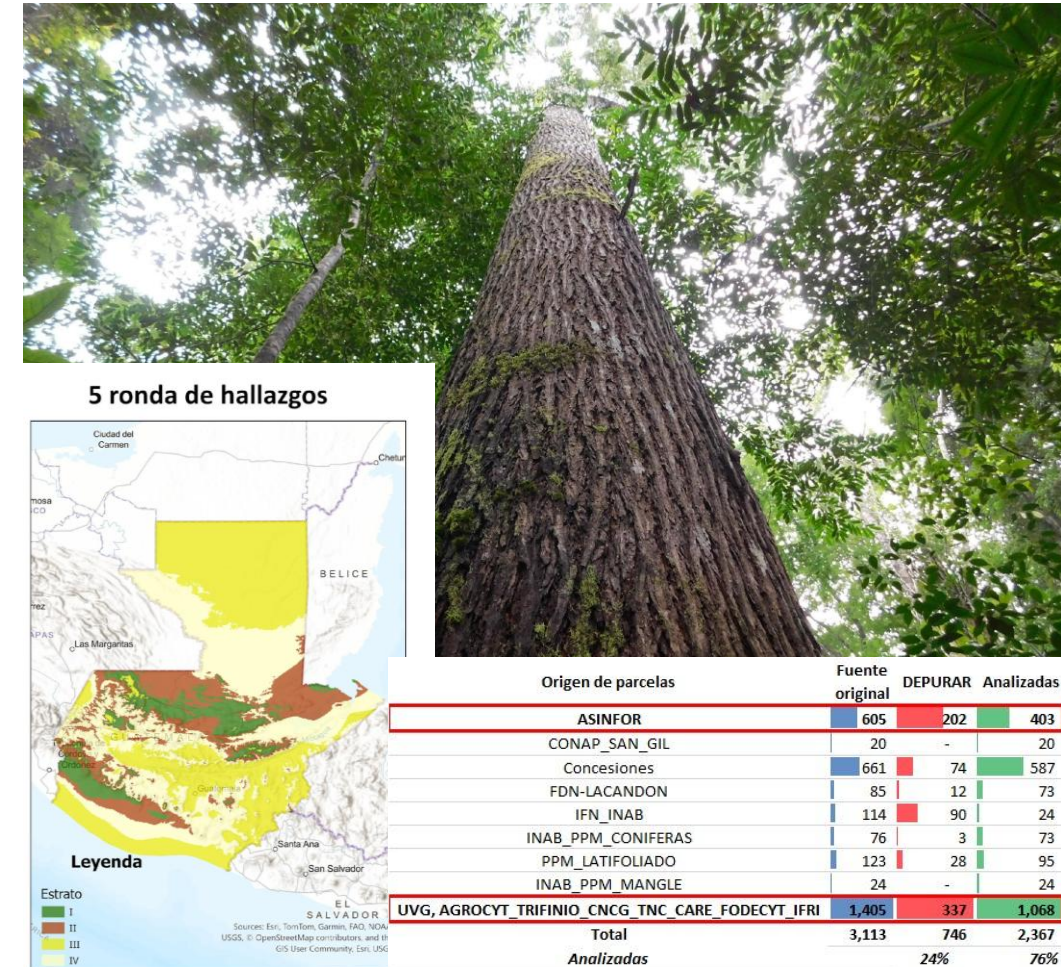
ER Program Update – Guatemala

- **Key drivers of deforestation:** extensive livestock farming (73%), agriculture (21%).
- **Key activities of the program:**
 1. Forest incentive projects, early REDD+ project activities.
 2. Protection and conservation of protected areas and biological diversity.
- **Noteworthy issues, challenges, unexpected developments:**
 - We provided a roadmap to the World Bank and held discussions with them regarding the **extension of the ERPA expiring December 31st, 2025.**
 - Despite taking longer than expected, the **validation and verification process** is moving forward. We have successfully addressed a **fifth round of findings** with Aster Global Environmental Solutions.



ER Program Update – Guatemala

- **Monitoring and reporting, VV consultancy process:**
 - VV of the Reporting Period 1 ER MR is ongoing, expected to complete within June, 2025.
 - This process has been a valuable **learning experience**, enabling us to identify opportunities for improvement, including **updating national emission factor data**.
 - Establishing a **permanent team** to develop monitoring reports and oversee validation and verification would significantly optimize the process.
 - We learned that **Aligning perspectives on the degradation scenario** is crucial. This consensus helped resolve a substantial number of findings in the third round and advanced the monitoring report.
 - Future monitoring reports are expected to be completed more efficiently. The executive unit will also design a **training program** (e-learning course) to share the lessons learned.



ER Program Update – Guatemala (cont)



The Benefit Sharing Plan is designed with several core characteristics to ensure its effectiveness and equitable implementation:

- **Equitable Distribution, Transparency, and Social Inclusion:** We prioritize a fair and transparent distribution of benefits, ensuring all relevant social groups are included.
- **Broad Beneficiary Base:** The plan is designed to encompass a wide range of beneficiary types, maximizing its reach and impact.
- **Nested Approach:** Our approach utilizes a nested framework, allowing for flexible and efficient benefit sharing across different scales.
- **Legally Defined Institutional Roles:** The legal framework clearly delineates the roles of government institutions, ensuring accountability and smooth operation.
- **Adaptability:** The plan is built with flexibility, allowing it to adapt to evolving circumstances and needs.

ER Program Update – Guatemala

- Number of people expected to benefit:

- Total of 1,252,403 hectares
- Around 200,000 potential beneficiaries

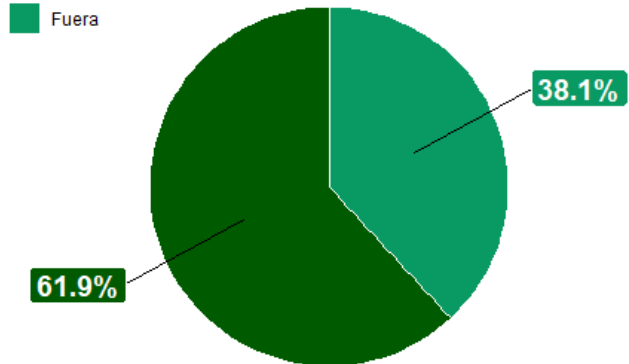
- Number of projects received within the PRE by type:

Tipo de Proyecto	Número de Proyectos	Área (ha)	Área (%)
MCSEAB	1,203	263,243.65	21.0
Proyectos REDD+	3	746,359.53	59.6
Modelos del SIGAP	19	242,800.71	19.4
Total	1,225	1,252,403.89	100.0

Area of received projects, inside and outside protected areas

Ubicación

Dentro
Fuera



ER Program Update – Guatemala (cont)

“Every payment is more than a transaction; it's a tangible opportunity to transform lives and forge a more promising future for our forests and their beneficiary communities.”

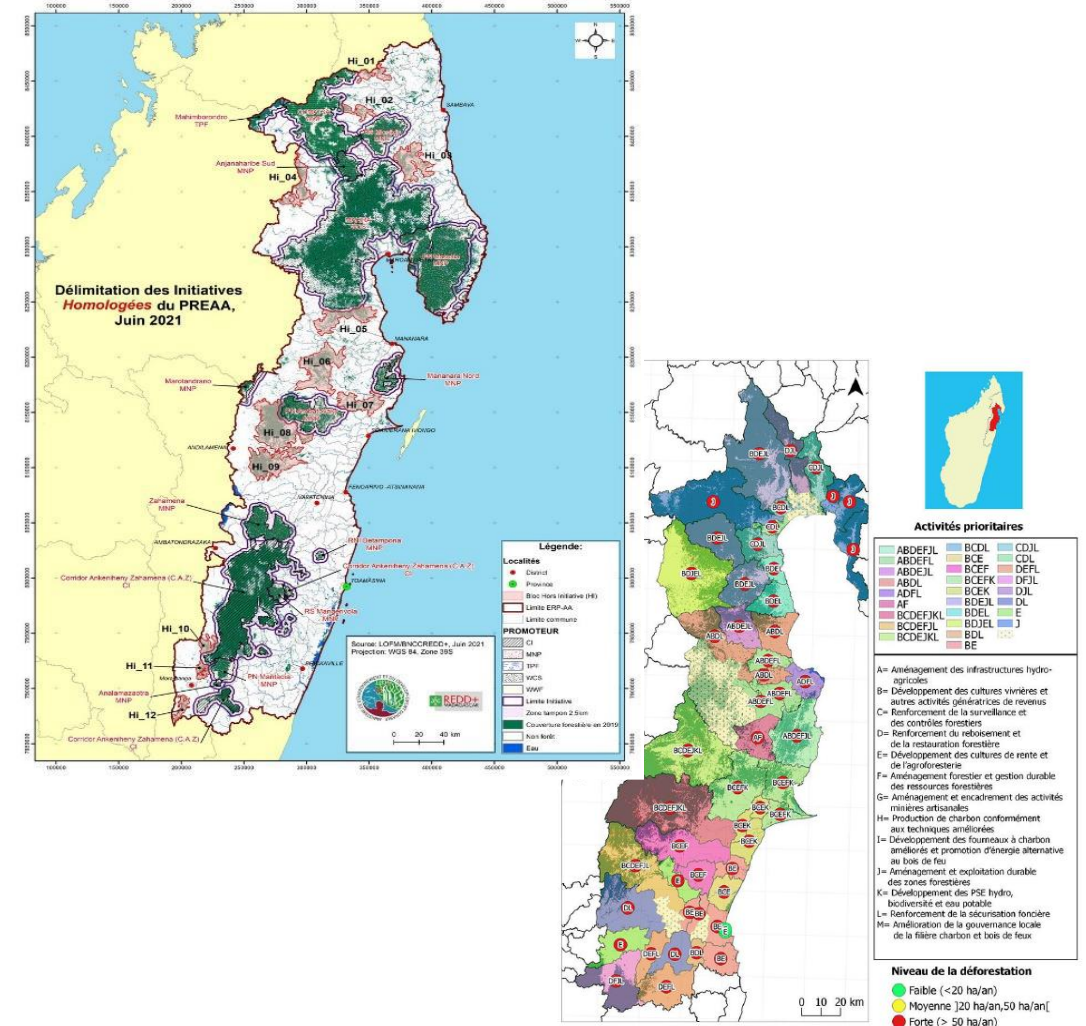




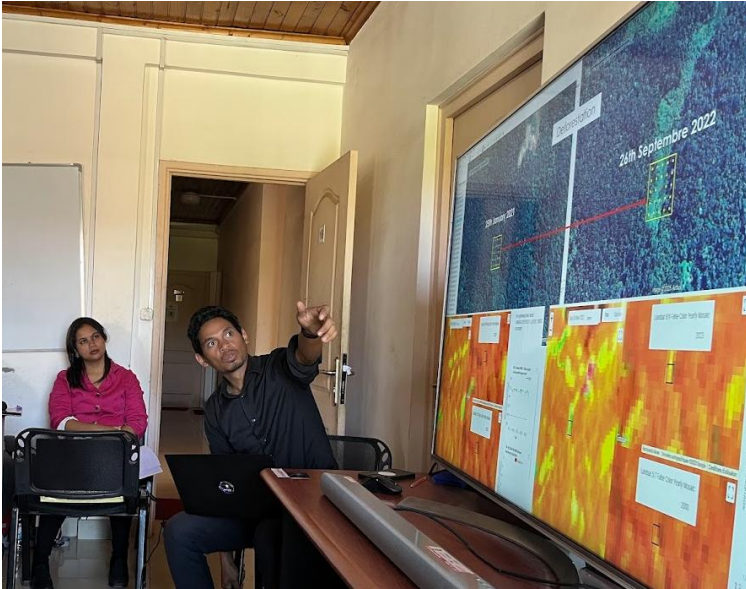
Madagascar

ER Program « Atiala Atsinanana » Update

- **Key drivers of deforestation:**
 - Direct causes: unsustainable agriculture practices, logging, mining rushes, etc.
 - Underlying causes: exacerbated by poverty, lack of economic alternatives.
- **Key activities of program:**
 - A program-specific intervention strategy that is operational and adaptable.
 - Intervention Strategy by REDD+ Initiative
 - Scoring based on the impact of measures and their feasibility.
- **Noteworthy issues, challenges, unexpected developments:**
 1. *Disparities Among Program Stakeholders:* Understanding of REDD+ concepts, Capacity to design and implement activities that meet requirements.
 2. *Management of Areas Outside Initiatives:* Higher deforestation rates, Insufficient community engagement.
 3. *Several very isolated areas,* difficulty in implementation and monitoring



ER Program « Atiala Atsinanana » Update (cont)



Monitoring and reporting process

- RP3 in progress, first draft will be available in October 2025

Validation and Verification process RP2:

- First Findings : 26; 18 of which are now closed and 8 remain to be processed
- Second Findings : added 12 after the site visit
- Response to all Findings in progress
- End of process: beginning of August



ER Program « Atiala Atsinanana » Update (cont)



BSP implementation

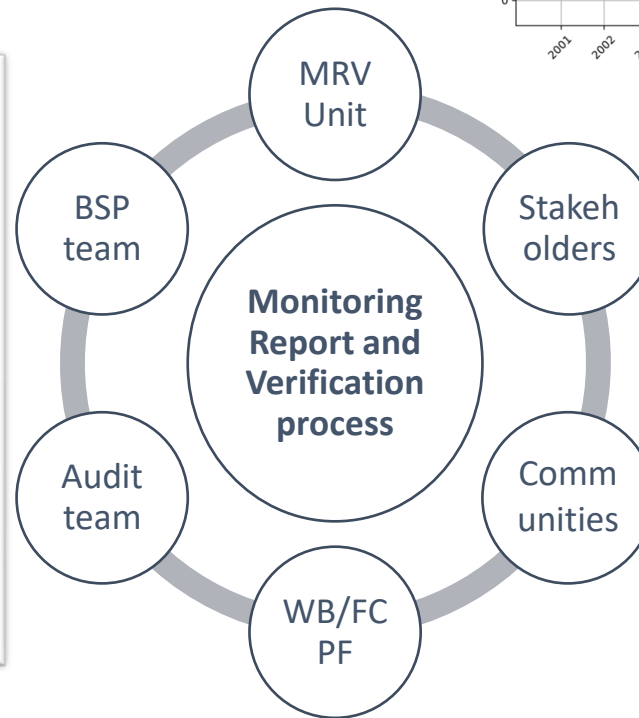
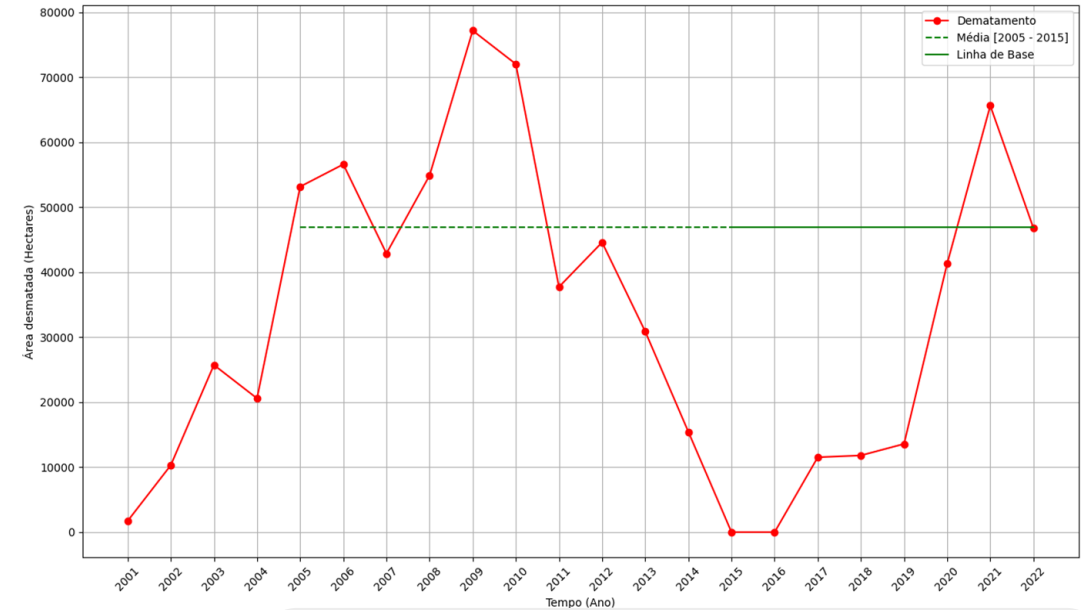
- *Benefit Sharing Plan characteristics:*
 - 14 REDD+ Initiatives and 12 Area outside Initiative,
 - 119 Municipalities,
 - 350 Community Associations act in the transfer of forest resource management.
- *Number of people expected to benefit:*
 - for the first payment, more than 11, 000
- *Experiences to date:*
 - Main ongoing activities: alternative activities to unsustainable agricultural practices, forest controls, community patrols, reforestation, safeguard measures, provision of school and health equipment
 - Legal framework change



Mozambique

ER Program Update - Mozambique

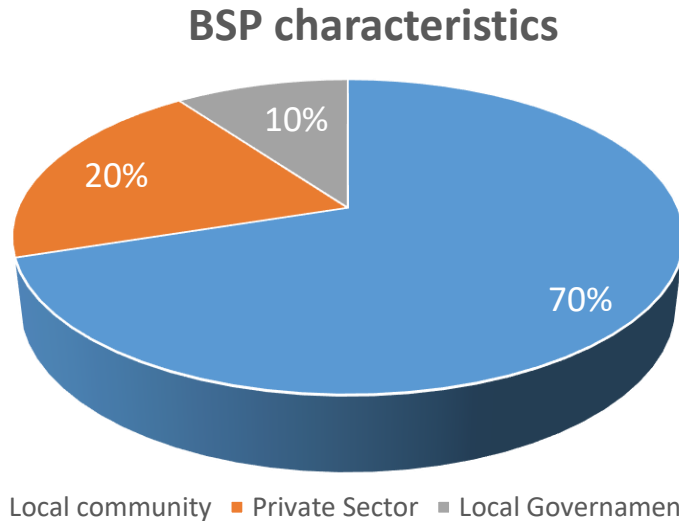
Period	FCPF ER
2018	2.040.904
2019-2020	483.756
2021-2022	
2023-2024	
Total	2.524.660



Key drivers of deforestation:

Shifting cultivation (87,8%); Firewood and charcoal production; Logging; and Others

ER Program Update – Mozambique (cont...)



FGRM Green Line : 800900300

Challenges:

- Unanticipated costs and time, due to lack of clarity on the classification of BSP funds (whether it is Revenue, Donation or Investment) - Changes in policies and divergent interpretations made it difficult to implement the plan correctly, early and uniformly;
- Costs related to the organization, training and involvement of beneficiaries (local communities and private sector), legalization of CBOs, opening and maintaining bank accounts and payment of administrative court fees.

www.fnds.gov.mz

- It financed around 100 CBOs, comprising 10,000 people, including 25 Forestry and Restoration projects, 20 Beekeeping projects, 26 Agroforestry Systems projects, 12 Livestock projects, 6 Fish Farming projects, 5 Infrastructure projects and 1 Eco-Tourism project. **And still to finance 135 CBOs.**
- **12 private sector companies** were financed, adding value in terms of employment opportunities for local communities;
- **12 Local Government institutions** were strengthened to provide assistance to local communities.





Regional updates

ER Program Updates

Africa

ER Program	Key issues
Côte d'Ivoire	• Payment for 1st Reporting Period (RP) (\$35M) was made in June 2024. • Benefits have started reaching beneficiaries with a total of \$10.3m reaching beneficiaries to date. The BSP Implementation Report is published on the FCPF website as Annex 2 of the 2nd ER MR. • Verification of 2nd RP completed, fulfilling the contract volume of 10 million ERs. Corresponding payment of \$14.9m was made in June 2025. • 9.2m Excess ERs in the RP2. WB supporting the government through ongoing discussions and technical support on how to monetize these Excess ERs in carbon markets. Potential for 1m Additional ERs.
Ghana	• ER MR for the 3rd RP submitted in November and completeness check is ongoing. Start of verification delayed but expected to start in June 2025. • Distribution of the benefits from the first payment (\$3.5m) has been completed, with over 200,000 beneficiaries reached. Distribution of the benefits from the second payment (\$16.9m) is ongoing. • TPM assessment of the BSP implementation has concluded and summary report to be published shortly.
Republic of Congo	• Completion of the VV of the first RP is pending the demonstration of ER Title. • ER title transfer process is pending signature of one sub-agreement. • Second ERPA amendment was signed in May 2025 and includes an intermediary bank account to transfer the ERPA payments in USD. • Upfront advance payment, necessary to update BSP and receive regular payment, paid on 30 May 2025.

ER Program Updates

Asia Pacific

ER Program	Key issues
Fiji	- VV for 1st RP remains ongoing and expected to be completed within FY25. - Work also ongoing related to legal and administrative procedures to ensure readiness for ER title transfer and payment after VV concludes. - Transfer of title not expected to reach 100%
Indonesia	- VV for 1st RP is yet to conclude. Findings related to the assessment of the reversal risk set-aside are yet to be closed due to ongoing internal government processes. Several ERPA compliance aspects also need to be addressed before the payment can be made. - BSP implementation of the US\$ 20.9 million is ongoing. Distribution to sub-national government has been completed and distribution to communities is now ongoing.
Lao PDR	Payment for 1st RP (\$16M) was made in July 2024 and distribution of benefits is ongoing.
Viet Nam	- Viet Nam has fulfilled the entire 10.3 million Contract ERs and payment for the 1st RP was made in March 2024. BSP implementation is ongoing and progressing well. - Funds have been disbursed to all the six provinces, and distribution to the beneficiaries within the provinces is ongoing. The first BSP Implementation Report has been received and is posted on the FCPF website.
Nepal	- VV for 1st RP currently ongoing and expected to complete in Q1 FY26. - Options to change the ER Payment recipient entity are under consideration.

ER Program Updates

Latin America

ER Program	Key issues
Chile	• Payment of \$5.1m for combined 1st and 2nd RP was made in December 2024 for over 1m ERs. • Updated BSP was submitted to CFPs in March and published in April 2025. • Monitoring report for 3rd RP submitted in March, showing promising results of just over 3 million ERs.
Dominican Republic	• VV of the 1st RP has been completed. • Payment may be delayed as legal and administrative processes related to ER title transfer are still ongoing.



Thank you!

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