



2b

Portfolio Management Update

**FOREST
CARBON
PARTNERSHIP
FACILITY**

FCPF Carbon Fund – Contributions to date

FCPF Carbon Fund

Donor Contributions as of November 30, 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	996.3
Number of ER Programs	15
Uses	888.5
Signed ERPAs	721.3
Additional ERs	10.0
Costs over Fund Lifetime	157.2
Fixed Costs (FY10 to FY29)	46.4
ER Program Costs	100.8
ER Program's Reversal Management Mechanism	10.0

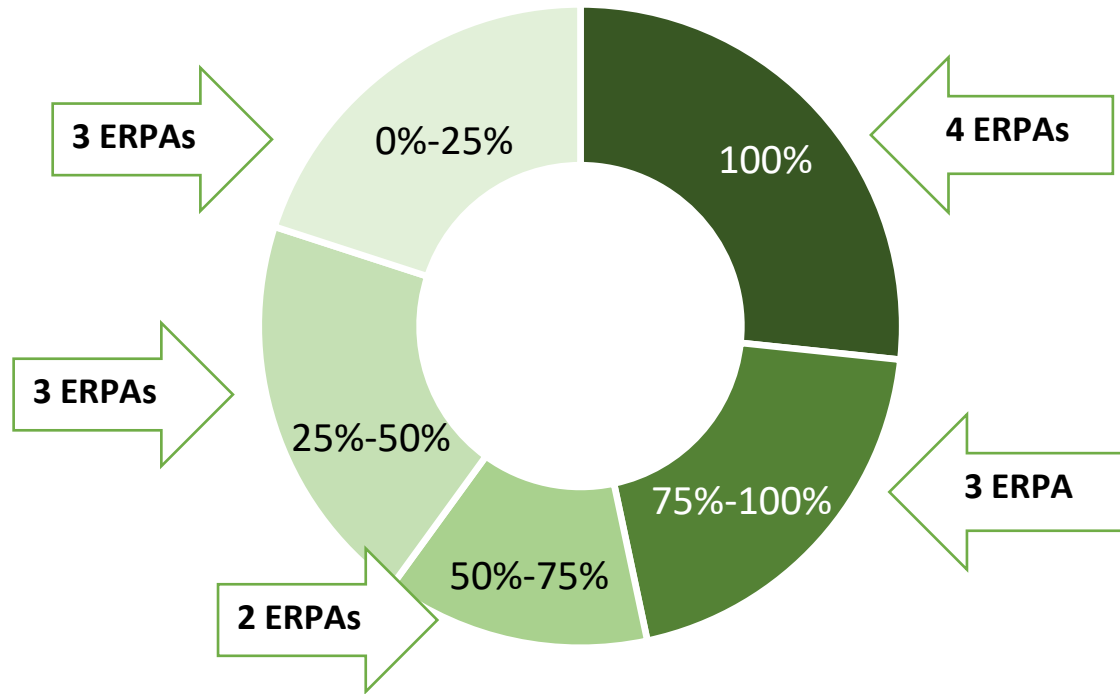
Total uncommitted funds \$107.8 million

* The above figures do not yet include one CFP's transfer of funds (minus ~38M) or the reduction in ERPA volumes per the ERPA amendments (\$100.8M) for the Dominican Republic (plus \$18M), Mozambique (plus ~\$41.2M), and Republic of Congo (plus \$41.8M).

ER MR submission – Validation & Verification Status

ER MR#	Status	# of countries	Countries
1st RP	Validation & Verification (VV) completed	13	Chile, Costa Rica, Côte d'Ivoire, DRC, DR, Ghana, Guatemala, Indonesia, Lao PDR, Madagascar, Mozambique, Nepal, Viet Nam
	VV ongoing and expected to complete within FY26	1	Fiji
	ERPA canceled	1	ROC
2nd RP	Verification completed	6	Chile, Costa Rica, Côte d'Ivoire, Ghana, Madagascar, Mozambique
	Verification ongoing and expected to complete within FY26	2	DRC, Lao PDR
	ER MR not submitted	4	Dominican Republic, Nepal, Fiji, Guatemala
	No further ER MRs	3	Indonesia, ROC, Viet Nam
3rd RP	Verification ongoing and expected to complete within FY26	4	Chile, Côte d'Ivoire, Ghana, Mozambique
4th RP	ER MR submitted	1	Ghana

ER Program and Portfolio Delivery – Reported and delivered



% ERPA delivery*	Countries	# countries	# of RPs left
100%	Côte d'Ivoire, Ghana, Indonesia, Viet Nam	4	0
75% - 100%	Chile, DRC, Madagascar	3	1
50% - 75%	Costa Rica	2	1
	Lao PDR		0
25% - 50%	DR, Fiji, Guatemala	3	1
0% - 25%	Nepal, Mozambique	3	1
	ROC		0

- **ER MRs submitted to date account for 73% Contract ERs***, though not all have been verified yet.
- **Nine out of fifteen countries** have reported an ER delivery of more than 50% of their ERPA Contract volumes (Contract ERs only).
- **7 countries** reported Excess ERs (Costa Rica, Côte d'Ivoire, DR Congo, Ghana, Indonesia, Madagascar, and Viet Nam).

* based on submitted ERMRS and Verification Reports

ERPA Extensions

Region	Country	New closing date	Note
LAC	Chile	Dec. 2027	4 th Reporting Period added (1 Jan – 31 Dec 2024)
	Costa Rica	Dec. 2027	Cancellation of 100k monetized ERs. ERPA flexibility included for 3 rd Reporting Period.
	DR	Dec. 2027	2 nd & 3 rd Reporting Periods merged (1 Jan 2022 – 31 Dec 2024). Contract volume reduced.
	Guatemala	Dec. 2027	2 nd & 3 rd Reporting Periods merged (1 Jan 2021 – 31 Dec 2024).
Africa	Côte d'Ivoire	Jun. 2027	
	DRC	Jun. 2027	
	Ghana	Dec. 2027	
	Madagascar	Jun. 2026	
	Mozambique	Mar. 2026	Contract volume reduced.
	ROC	Closed	
SAR	Nepal	Dec. 2026	
EAP	Fiji	Jun. 2026	2 nd & 3 rd Reporting Periods merged (1 Jan 2021 – 31 Dec 2024).
	Lao PDR	Jun. 2027	
	Indonesia	Closed	
	Viet Nam	Closed	



Côte d'Ivoire

ER Program Update-Country

- **Total contract volume:** tCO₂eq 10,000,000
- **Payment received:** USD 50 M.
+ USD 5 M (Call option)
+ up to USD 23 M signed deal with Emergent (payment in progress)
- **Key drivers of deforestation:**
 - **Agriculture** is the most significant factor, with the expansion of cocoa plantations... destroying natural forests
 - **Wood energy:** demand for firewood and charcoal for daily cooking
 - **Logging:** Illegal logging, industrial logging for timber, and the export of logs



PRE

Projet de Paiement
des Réductions d'Émissions
autour du Parc National de Taï



NOTRE OBJECTIF

Mettre en œuvre **un modèle de développement** vert qui propose des alternatives et des incitations basées sur les résultats afin de **lutter contre le changement climatique, diversifier les sources de revenus des agriculteurs**, promouvoir une agriculture sans déforestation, protéger les ressources naturelles, restaurer le couvert forestier et préserver la biodiversité.

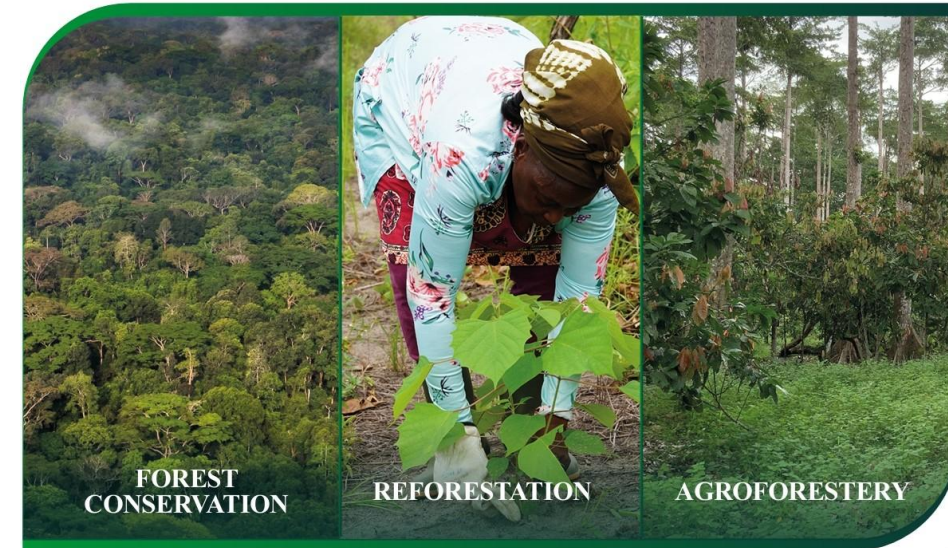


NOTRE ACTION

Nous prévoyons verser aux bénéficiaires du projet jusqu'à **50 millions de dollars US** pour la livraison effective d'un minimum de **10 millions de tCO₂eq** sur les Réductions d'Émissions qui résulteront de la mise en œuvre des activités du projet.

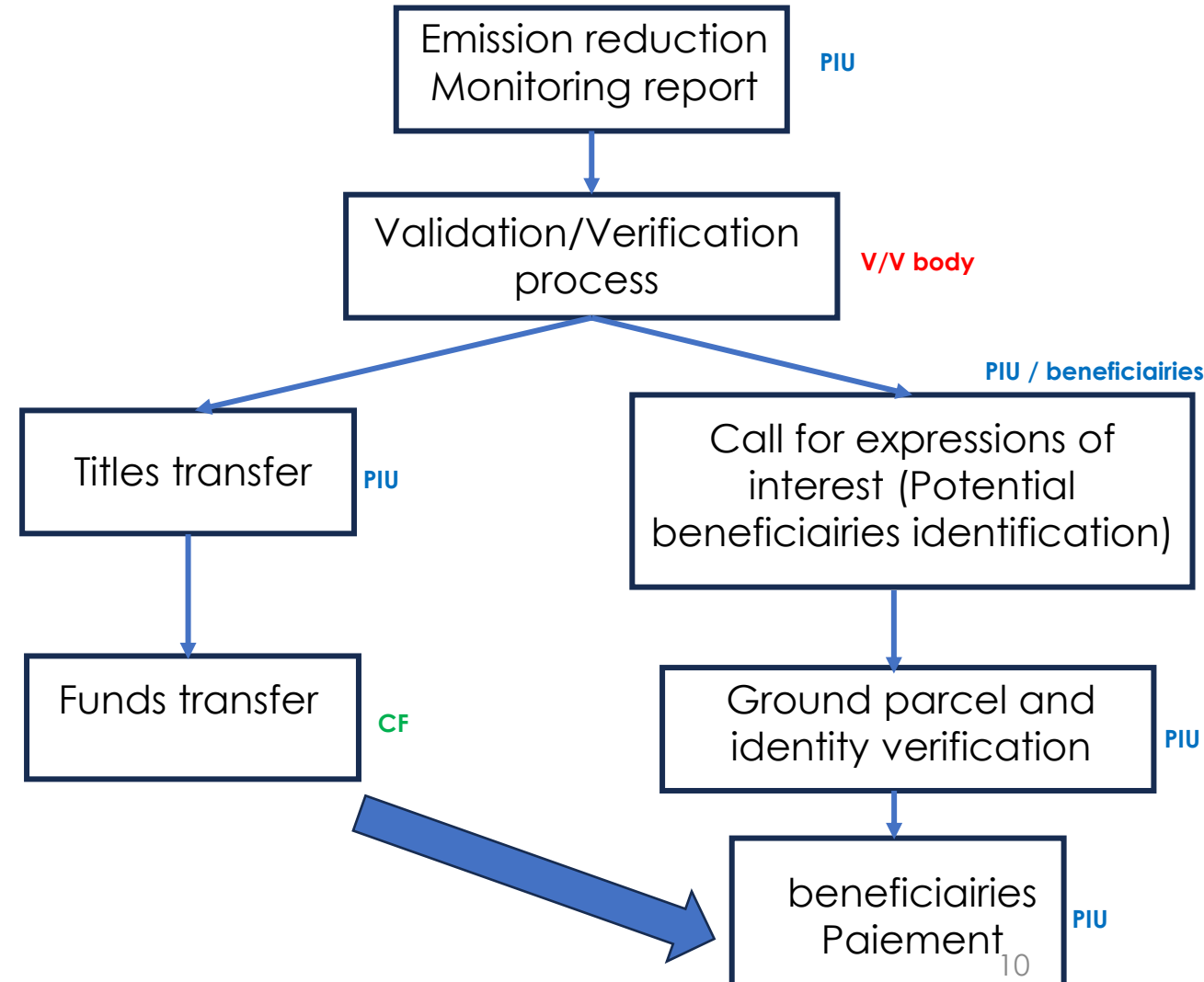
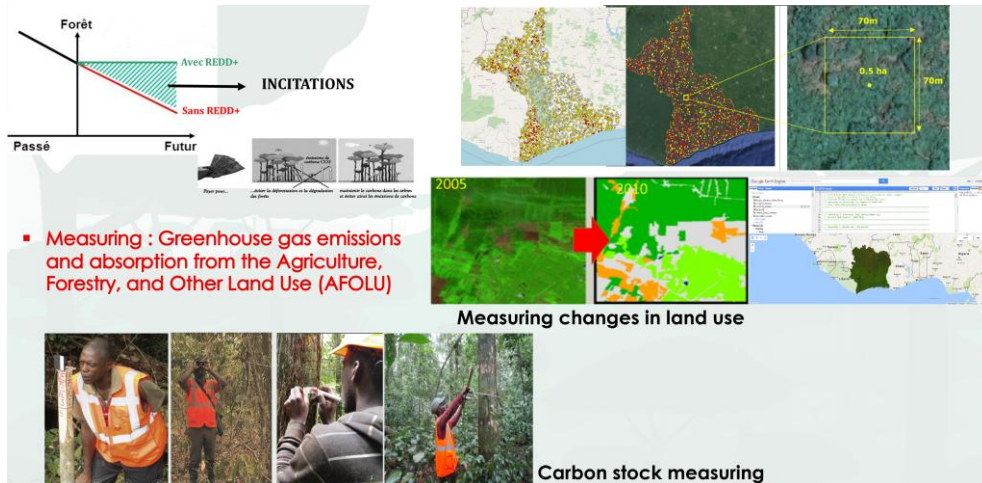
ER Program Update-Country (cont)

- **Key activities of program:**
 - Preparation and submission of emission reduction notification reports
 - Performance-based evaluation and payments to institutions that contribute, directly or indirectly, to emission reductions
 - Performance-based evaluation and payments to communities for their contributions to emission reductions through agroforestry, conservation, and reforestation activities.
- **Noteworthy issues, challenges, unexpected developments:**
 1. The absence of valid identification documents for many producers hinders their ability to open mobile money accounts and receive payments.
 2. A significant number of producers could not be reached
 3. Adaptive approach to fill gaps from key stakeholders that underperformed in the verification of plot GPS mapping or beneficiary eligibility.



ER Program Update-Country (cont)

- Monitoring, reporting and verification process (MRV)



ER Program Update-Country (cont)

- BSP implementation



Benefit Sharing Plan



- Benefit Sharing Plan characteristics:
 - **Performance-based allocation:** Benefits are linked to measurable and verified contributions to emission reductions.
 - **Equity and fairness :** Shares are distributed transparently and fairly among stakeholders (communities, producers, institutions), with attention to vulnerable groups.
 - **Clear eligibility criteria:** Rules specify who qualifies for benefits (e.g., land users, community groups, public institutions) and under what conditions
 - **Consistency with safeguards:** Alignment with environmental and social safeguards (e.g., respect for land tenure, gender considerations).

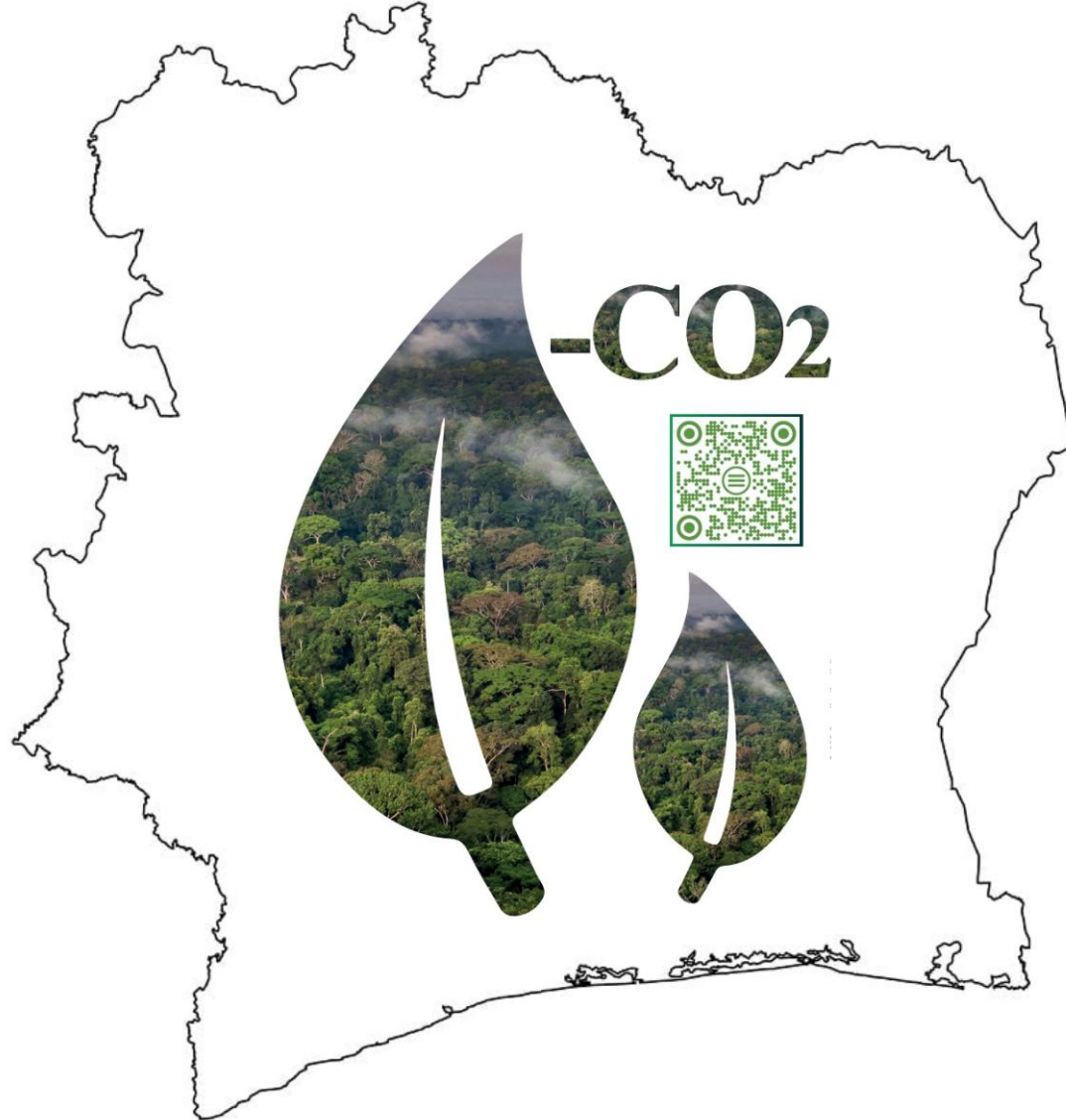
ER Program Update-Country (cont)

- BSP implementation
 - **Number of expected direct beneficiaries:** 52,788 plots selected as eligible following the first call for expressions of interest.
- **Experiences to date**
 - 14,871 paid plots belonging to 13,025 paid individuals
 - On average, USD 270 was paid per individual, exceeding the poverty line (USD 3 per day (PPP 2021))
 - Several measures have been taken to speed up payments, including the establishment of a call center, a special operation conducted by the National Identification Office for the production of identity documents, and the distribution of sim cards for the creation of registered mobile accounts...



Symbolic handover of payment by check and mobile money transfer to ERP beneficiaries

ER Program Update-Country (cont)



Transition plan for the FCPF ER Program after ERPA closure

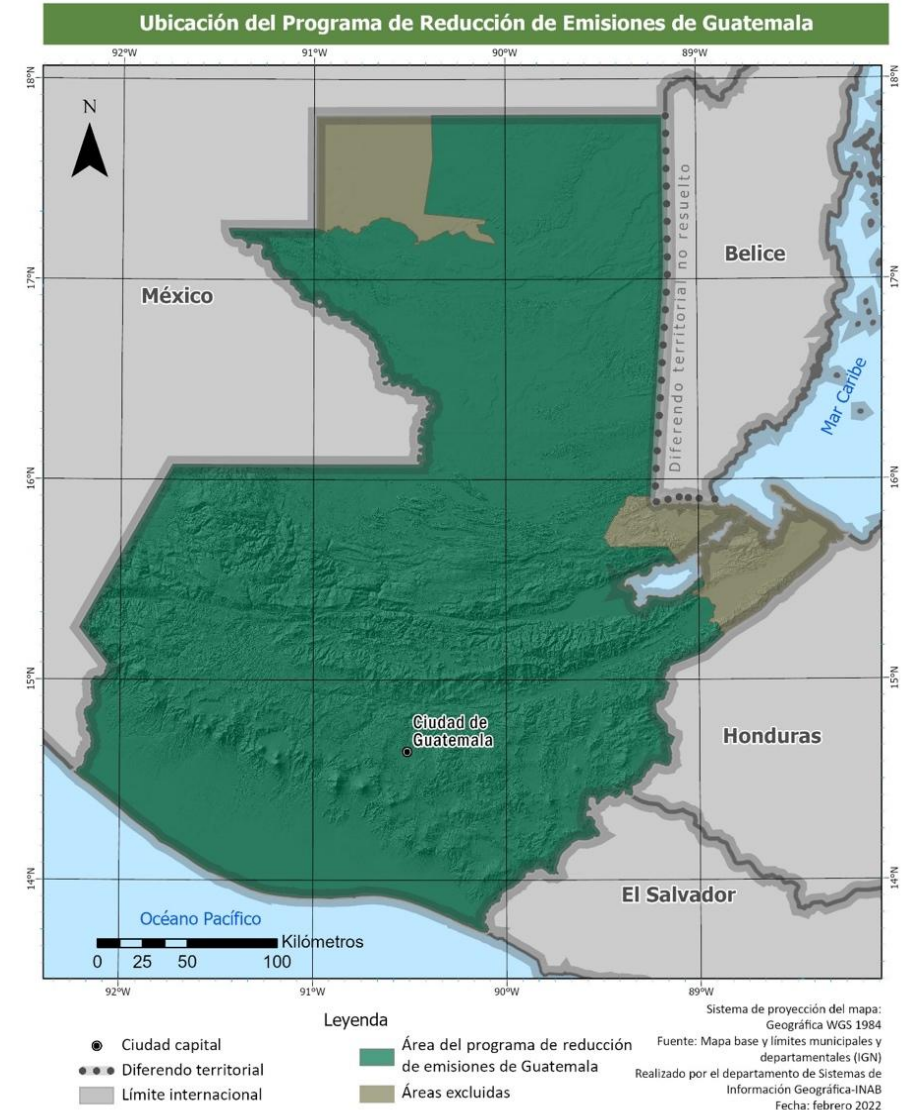
- **Development and implementation of a program under ART-Tree to capitalize on and strengthen the achievements of the FCPF ERP program**
 - Ensuring the continuity of payments and thus improving community livelihoods
 - Ensuring the continuity of activities and their permanence.



Guatemala

ER Program Update - Guatemala

- **Total contract volume and payment amount:** 10.5 million TCO₂e / \$ 52.5 million.
- **Key drivers of deforestation:** extensive livestock farming (73%), agriculture (21%).
- **Key activities of the jurisdictional program:**
 1. Forest incentive projects, early REDD+ project activities.
 2. Protection and conservation of protected areas and biological diversity.
- **Noteworthy issues, challenges, unexpected developments:**
 - Guatemala has successfully transitioned **from preparation to the first disbursement phase.**
 - **4,842,708 FCPF ER Units** issued and purchased by the Carbon Fund for \$24,213,540.
 - ERPA closing date **extended by 24 months** to allow for full implementation.



ER Program Update – Guatemala (cont)



Monitoring and reporting process:

- MR1 (2020): Completed with **strong support from the World Bank.**
- Reaching 100% of forestry sector mitigation goals in the NDC.
- MR2 (2021-2024): Is ongoing, first draft expected to complete within February, 2026.

Validation and verification process:

- Establishing a **permanent inter-institutional team** to develop monitoring reports and oversee validation and verification would significantly optimizing the process.
- Future V&V process is expected to be completed more efficiently.

ER Monetization opportunities:

- **Strong interest from the country in monetizing the excess ER generated in the second monitoring report.**
- The ERPA already includes flexibility for selling the excess ER.

ER Program Update – Guatemala (cont)



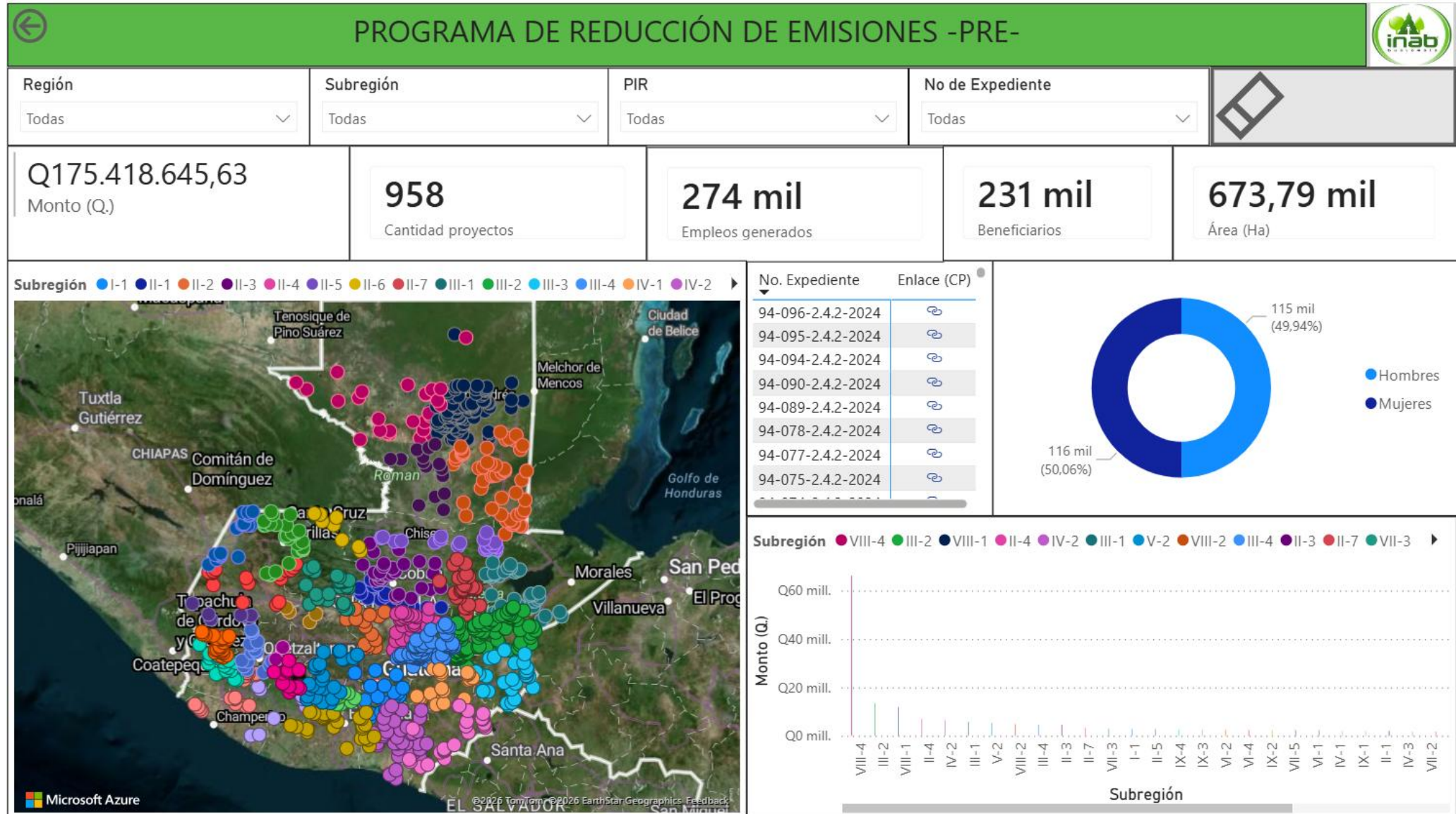
BSP implementation

- **Benefit Sharing Plan characteristics:**
 - Equitable Distribution, Transparency, and Social Inclusion
 - Broad Beneficiary Base
 - Nested Approach
 - Legally defined institutional roles

- **Number of people expected to benefit:**
 - 230,000 direct and indirect beneficiaries
 - 76,646 indigenous people benefited
 - 117,722 women benefited
 - 42 municipal projects
 - Over 50,000 direct jobs generated

- **Experiences to date**
 - The **World Bank Mission** conducted in November 2025 served as **the catalyst for the current disbursement of funds.**
 - The country **began the payment process** to beneficiaries in December 2025, which is expected to be completed by the first quarter of 2026.
 - **Full alignment with the National Benefit Distribution Committee (CNDB)** and updated prioritization criteria for beneficiaries.
 - Specific "Strengthening Plans" developed for **new or vulnerable group projects.**

ER Program Update – Guatemala (cont)





Indonesia

ER Program Update – Indonesia

East Kalimantan Provincial Area

12,747,924 hectares (ha)

Performance Measurement Area

6,508,998 ha (54%)

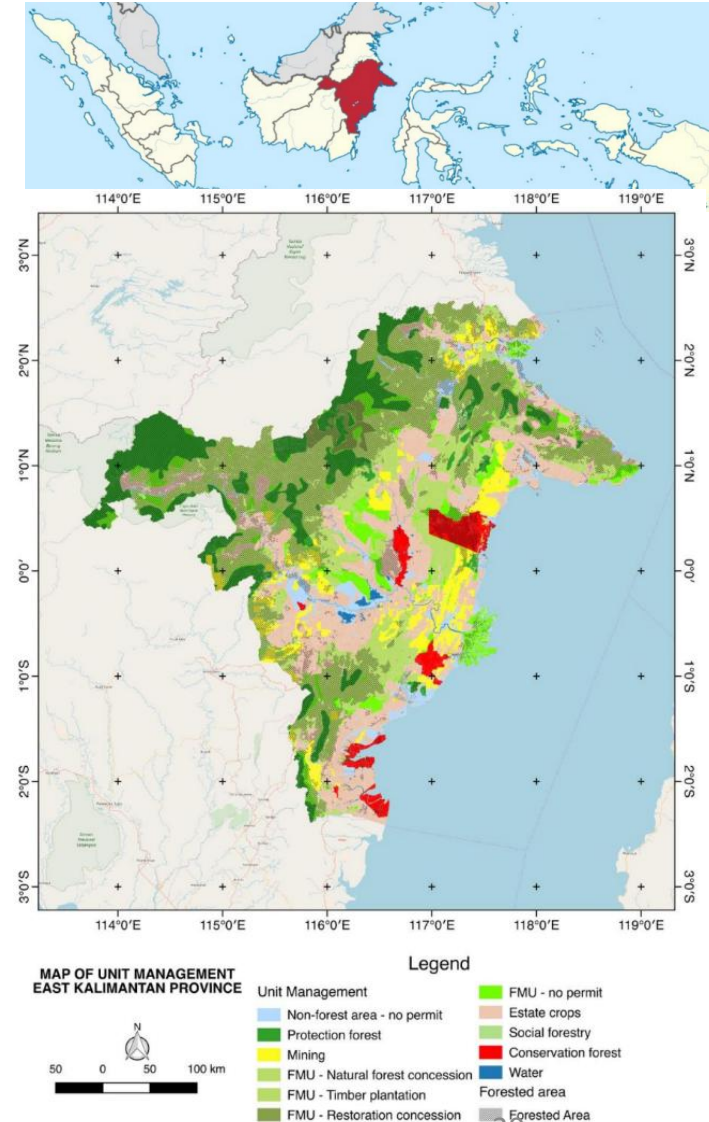
Emissions Reduction Target

22 million tons CO₂e

Contract Volume

US\$ 110 million

- Total contract volume and payment received: 22 million tons CO₂, US \$ 110 million received
- Key drivers of deforestation: conversion of forest to timber and palm oil plantation and mining; gaps in forest governance; forest fire; and limited alternative livelihoods
- Key activities of program: strengthening forest and land governance, strengthening capacity for forest administration, reducing deforestation and degradation; and providing sustainable alternative livelihoods for communities
- Noteworthy issues, challenges, unexpected developments:
 1. Spatial plan changes proposed by the provincial government delayed verification process
 2. Grievance received through the World Bank's Grievance system results in strengthening of safeguards documents and revision to the Benefit Sharing Plan
 3. Split of Ministry of Environment and Forestry into two ministries and regulatory changes require updating of legal documents



ER Program Update – Indonesia (cont)

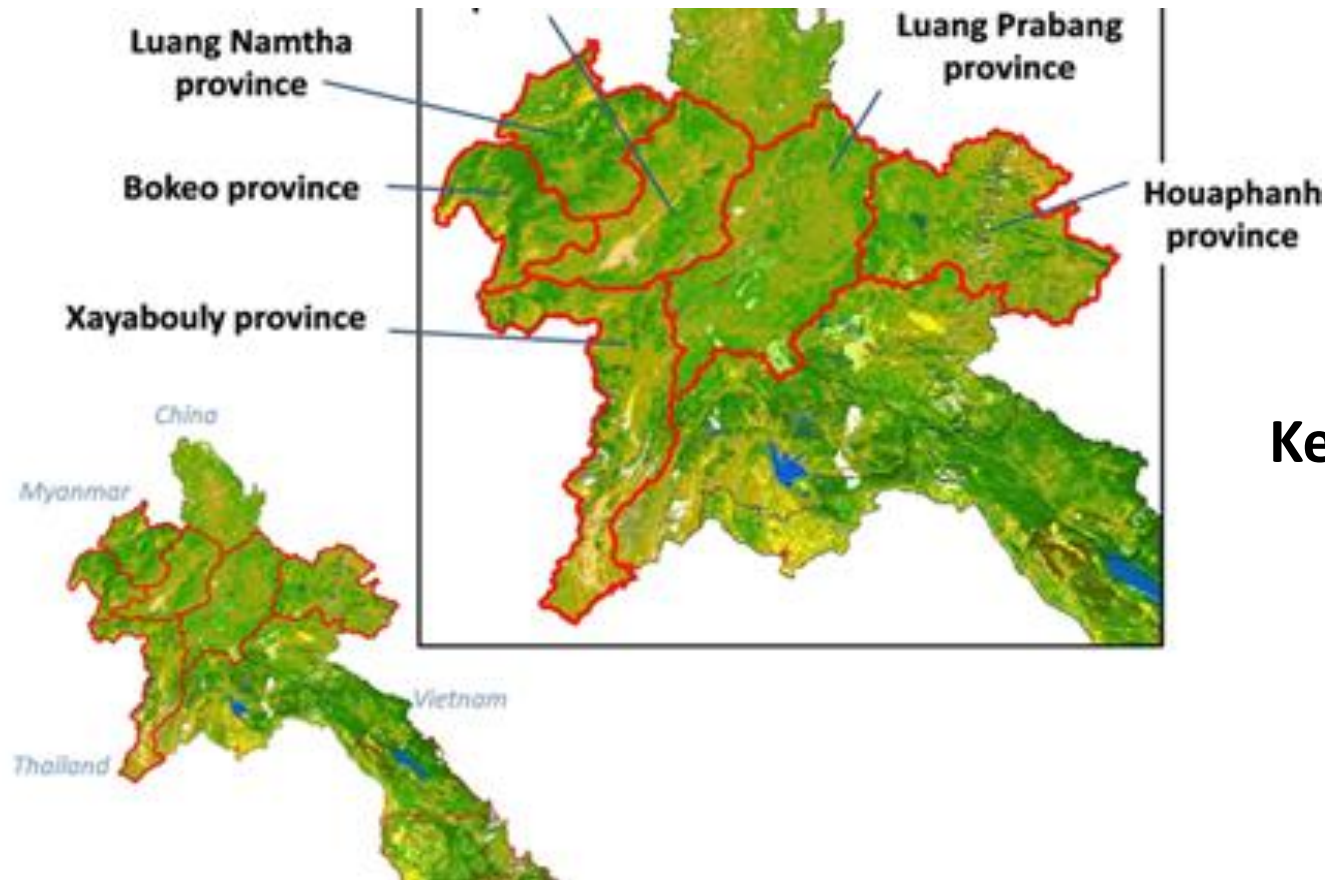


- Monitoring, reporting and verification process – there were back and forth discussions on the spatial plan revision which affected the buffer
- BSP implementation
 - Benefit Sharing Plan characteristics: has Responsibility, Performance and Reward Allocations
 - Number of people expected to benefit: more than 400 villages, and 250 adat communities
 - Experiences to date: 2026 will be the first year for implementing the revised BSP
- Transition plan for the FCPF ER Program after ERPA closure:
 - Excess ER to be monetized
 - Joint monitoring and evaluation mechanism to be discussed between the World Bank and Government of Indonesia



Lao PDR

ER Program Update – Program Area



The program area covers:

- Six northern provinces
- About 8.1 million hectares (35% of national territory, 32% forest cover)

Key drivers of deforestation:

- shifting cultivation
- agriculture expansion
- plantation agriculture
- infrastructures (road, settlements, buildings, etc.)

The program emphasizes upland and forest-dependent communities

Key Program Activities

Components	Activities
Policies-Institutions- Planning	Addresses underlying governance drivers: Legal and policy reforms, Community Action Plans, participatory Land Use Planning (PLUP), forest monitoring and safeguards systems
CSA & Livelihoods	Changes land-use behavior at community level: Climate-smart agriculture, NTFPs & value chains, village investment funds
Sustainable Forest Management	Changes land-use behavior at community level: Village forest management & patrolling Forest restoration & fire prevention
Cross-cutting	Ensures credibility, sustainability, and scalability beyond ERPA: National–provincial–district coordination, Safeguards, MRV, fiduciary systems, benefit sharing, transparency & eligibility

Community Activities

Community Action Plans (CAP)

A core mechanism for translating carbon finance into sustained reductions in deforestation and forest degradation

MANUAL

PARTICIPATORY AGRICULTURE AND FOREST LAND USE PLANNING AT VILLAGE AND VILLAGE CLUSTER LEVEL



1. Sustainable Forest Management & Protection



2. Participatory Land Use Planning (PLUP)



3. Climate-Smart Agriculture &



4. Local Governance, Capacity & Safeguards

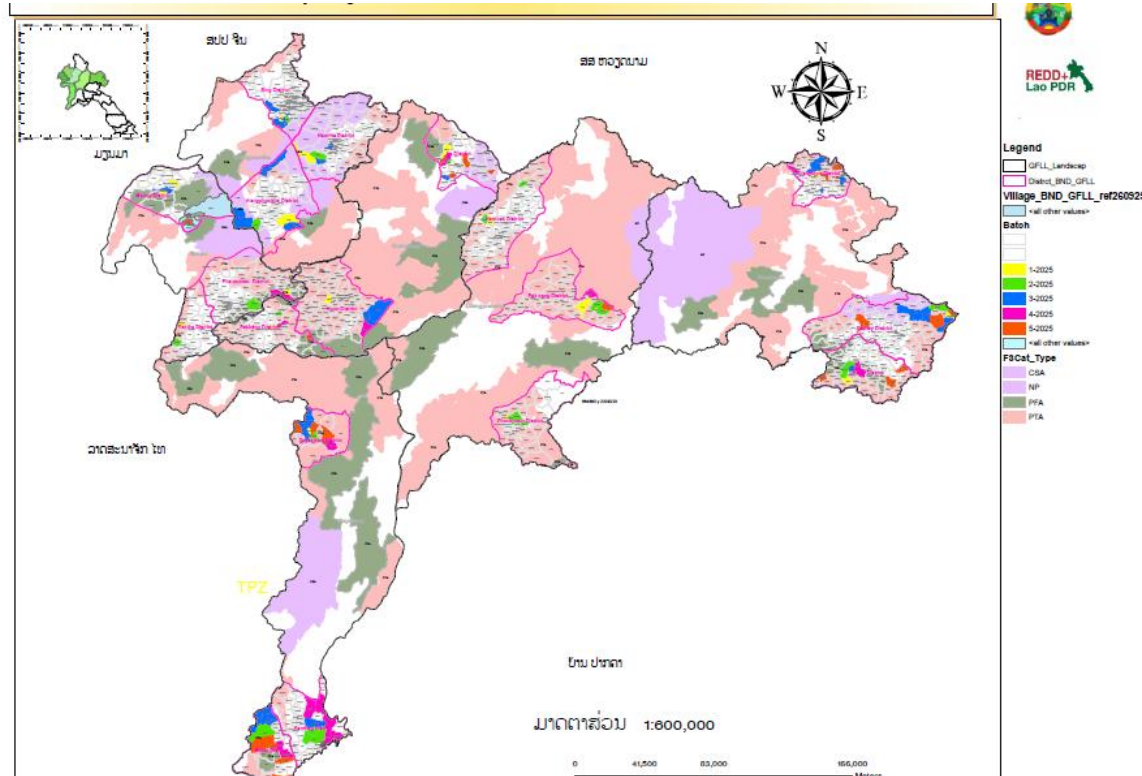
ERP Delivery Status Update

Total contract volume and payment received

Reporting Period	Contracted ERs.	Actual ERs	Expected Payment (\$5/tCO ₂ e)	Actual Payment (\$5/tCO ₂ e)	Emission Reduction Monitoring Report	Expected Time of Payment	Time of Payment
1 Jan 2019 – 31 Dec 2021	3.4 M tCO ₂ e	3.4 M tCO ₂ e	\$17 M	\$16 M	Dec 2022	Sep 2023	July 2024
1 Jan 2022 – 31 Dec 2024	5.0 M tCO ₂	1.8 M tCO ₂ e*	\$25 M	\$9 M**	Nov 2025	July 2026	July 2026***
Total	8.4 M tCO ₂ e	5.2 M tCO ₂ e*	\$42 M	\$ 25 M**			

- **Not verified yet;
- *** estimation of 2nd ER Payment to be received by Laos

RBP Distribution and Allocation



ER Payments:

- 1st: US\$16 Million for 247 Villages
- 2nd: US\$9 Million (estimation) for 139 Villages

Out of total ER Payments,

- 25-30%: maintain and protect the forest
- 25-30%: improve livelihoods through climate-smart agriculture practices
- 10-15%: increase capacity building, agriculture and forest extension
- 10-25%: renovate or build village facilities/small infrastructure (such as clean water supply, renovation of village office/schools, etc.)

Pilot initiatives being discussed and consulted

Allocation adjustments: Adapting to changing scenarios



The transition from readiness to full-scale community delivery has been complex, requiring careful sequencing between national systems and sub-national action.



To safeguard coordination, MRV quality, and social and environmental integrity, the Government strengthened national oversight and sustained field facilitation—raising operational demands.



Following broad consultation and agreement with the World Bank, a limited and targeted adjustment was adopted to protect timely ER delivery and benefit transfers, while **preserving the core principle that most ER proceeds flow directly to communities.**

These adjustments demonstrate proactive Government leadership—protecting results, communities, and donor confidence.

BSP Adjustments: – Government Action



These adjustments reflect active Government stewardship to ensure timely, transparent, and scalable benefit sharing.

BSP Allocation approach:

After meeting ERPA requirements, ERs are generated at jurisdiction level. The Government applies activity data to ensure fair, performance-based allocation across provinces.

Operational Costs:

Early implementation revealed the full complexity of safeguards, community engagement, and inter-ministerial processes. In response, the Government revised the BSP to streamline procedures, optimize costs, and accelerate delivery. The revised BSP has been submitted to the World Bank.

ERPA Extension:

Lao PDR secured approval to extend the ERPA to June 2027, enabling delivery from the second monitoring period and expansion to more villages.

BSP Implementation Status– Government-Led Delivery



- As of December 2025, the BSP is fully operational and delivering at scale: **163 of 247 villages reached, with US\$ 4.86 million disbursed.**
- This reflects a decisive transition from system-building to accelerated national delivery—driven by:
 - Government-owned institutions and mandates;
 - Clarified procedures across MAE and MOF;
 - Strengthened provincial and district implementation capacity.
- The BSP is now functioning as a national results-based finance system—demonstrating Lao PDR’s commitment to transparent, efficient, and accountable benefit sharing at scale.

BSP Implementation

Lessons & Government Action



Early BSP implementation demonstrated the importance of clear policy, operational procedures, and management continuity. Initial challenges included:

- Alignment of MAE–MOF approval systems with results-based finance;
- Limited availability of dedicated senior and technical staff for a first-of-its-kind national mechanism.

These experiences triggered decisive Government action. The BSP became a catalyst for institutional reform—clarifying mandates, streamlining inter-ministerial procedures, and strengthening continuity and capacity.

By prioritizing national systems, safeguards, and legal integrity, the Government ensured that benefit sharing is transparent, compliant, and sustainable—not project-dependent.

These lessons now enable Lao PDR to accelerate BSP delivery during the ERPA extension and establish a permanent national results-based finance platform for the post-ERPA era.



Regional updates

ER Program Update – LAC region

Country	Status
Chile	<ul style="list-style-type: none"> • 3rd ER MR undergoing verification, reporting 3M ERs. • ERPA amendment <ul style="list-style-type: none"> • Extension until Dec. 2027. • 4th Reporting Period added (January-December 2024).
Costa Rica	<ul style="list-style-type: none"> • 3rd ERM MR expected to be submitted by March 2026. • ERPA amendment <ul style="list-style-type: none"> • Extension until Dec. 2027. • Cancellation of the 100k ERs as part of the monetization pilot. • ERPA flexibility for 3rd RP (flexibility available for all ERs beyond 500k).
DR	<ul style="list-style-type: none"> • 1st ER MR verification completed and \$4.18M was paid to the country in October 2025 for around 840k ERs. • ERPA amendment <ul style="list-style-type: none"> • Extension until Dec. 2027. • Merging of 2nd and 3rd RP. • Reduction of Contract ER volume from 5 million to 1.4 million.
Guatemala	<ul style="list-style-type: none"> • 1st ER MR verification completed and \$24.2M was paid to the country in November 2025 for around 4.8M ERs. • ERPA amendment: <ul style="list-style-type: none"> • Extension until Dec. 2027. • Merging of 2nd and 3rd RP.

ER Program Update – Asia-Pacific region

Country	Status
Indonesia	<ul style="list-style-type: none"> 1st ER MR verification completed and \$89.1M was paid to the country in December 2025 for 22M ERs. Together with the \$20.9M advance payment, this combines to a total payment of \$110M. ERPA has closed with 100% of contract volume delivered. Due to ERPA closure, no legal agreement exists to allow for payment for Additional ERs.
Nepal	<ul style="list-style-type: none"> 1st ER MR verification completed and \$9.4M was paid to the country in November 2025 for around 1.9M ERs. BSP updated and published on the website, reflecting changes in fund flow arrangement. ERPA extension until Dec. 2026.
Fiji	<ul style="list-style-type: none"> Legal opinion, required to establish ability to Transfer ER Title, issued by Solicitor General’s Office and approved by Cabinet. ERPA extension until June 2026. Additional extension to June 2027 condition upon country progress on payment and implementation of benefit sharing arrangements.
Lao PDR	<ul style="list-style-type: none"> 2nd ERM under verification. ERPA extension until June 2027.
Viet Nam	<ul style="list-style-type: none"> Additional ERs paid by FCPF in September 2025 (1 million ERs; US\$5 million). ERPA has closed with 100% of contract volume delivered.

ER Program Update – Africa region

Country	Status
Côte d'Ivoire	<ul style="list-style-type: none"> 3rd ER MR, reporting nearly 9 million Additional/Excess ERs, under verification. ERPA extension to June 2027.
DRC	<ul style="list-style-type: none"> DRC in discussion with Emergent for 30% Excess ERs from 1st ERM. DRC will receive only units labelled as non-HFLD units, if requested. 2nd ER MR, reporting 8M ERs (5.6M Contract ERs; 2.4M Excess ERs), under verification. ERPA extension to June 2027.
Madagascar	<ul style="list-style-type: none"> BSP is being revised based on the government's new regulations (which introduced improvements to the flow of funds). A foundation has been selected for the distribution of benefits. 2nd ER MR, reporting a revised 6.4M ERs (5.8M Contract ERs; 1.1M Excess ERs), under verification. ERPA extension to June 2026.
Ghana	<ul style="list-style-type: none"> The government was informed of the CFPs' decision not to move forward with the ERPA flexibility retroactively. 3rd ER MR, reporting 3.8M ERs, under verification. 4th ER MR, reporting 2.4M ERs (1.9M Contract ERs; 0.5M Excess ERs), submitted and undergoing completeness check.
Mozambique	<ul style="list-style-type: none"> ERPA extended to March 2026 and government has been requested to address issues related to BSP implementation. US\$1.8 million withheld by MOF have been returned and are ready for disbursement. WB working with country to ensure quick disbursement to beneficiaries and to enable the remaining payment of US\$1.8 million as part of the 2nd RP.
ROC	<ul style="list-style-type: none"> ERPA closed. Task team conducting closing procedures.



Thank you!

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Lunch

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