

## Forest Carbon Partnership Facility (FCPF)

### Revision to the Monitoring and Evaluation Framework

July 2025

*This FMT note proposes a revision to the FCPF Monitoring and Evaluation (M&E) Framework. To better capture the distribution of carbon benefits, it is proposed to make changes to indicator 2.D to capture carbon benefits, which include both monetary and non-monetary benefits, rather than only monetary benefits, along with minor related changes, as explained in this note.*

#### Background

The FCPF last revised and updated its [M&E framework](#) in May 2019, following the second program-wide evaluation. The framework guides routine progress reporting by REDD Country Participants, Delivery Partners and the Facility Management Team (FMT), and informs the yearly updates published in FCPF annual reports. As a living document, the M&E framework can be updated periodically to more accurately measure program results as they evolve.

M&E framework indicator 2.D: “% of monetary benefits from CF programs shared with beneficiaries (disaggregated by gender, CSOs, IPs, Local Communities)” was established before the finalization of any Benefit-Sharing Plans<sup>1</sup> (BSPs). The M&E framework currently defines this indicator as follows:

*“Benefit sharing plans describe the arrangements within CF programs for sharing monetary and non-monetary benefits. While not comprehensive, monetary benefits are likely to be more tangible and easier to measure than non-monetary benefits, hence this indicator. In any case, non-monetary benefits will – to an extent – be measured through indicator 3.A (Extent to which FCPF processes support Participant country efforts to sustain and enhance livelihoods within REDD+ intervention areas) and indicator 3.B (Extent to which FCPF processes support Participant country efforts to conserve biodiversity within REDD+ intervention areas).”*

However, the FMT has identified several issues with this indicator:

- Many beneficiaries, especially communities, including IPs and traditional Local Communities, do not receive monetary benefits, but mostly non-monetary benefits, so the indicator would not capture benefits to these groups. Moreover, the distribution of non-monetary benefits would not be fully captured by indicators 3.A and 3.B, since these indicators also reflect benefits from the implementation of FCPF processes, beyond carbon benefits.
- This indicator does not fully capture the distribution of carbon benefits and disbursement through benefit sharing plans, as all Emission Reduction (ER) programs are designed to provide both monetary and non-monetary benefits after receiving Emission Reductions Payment Agreement (ERPA) payments.

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<sup>1</sup> Section 5.2 on FCPF Carbon Fund [Methodological Framework](#).

- This indicator does not align with the scope of beneficiaries in accordance with the FCPF [Methodological Framework](#), i.e. definition of beneficiaries contained in the [FCPF Glossary of Terms](#), defines beneficiaries as:

*“Recipients of monetary and non-monetary benefits identified in the Benefit Sharing Plan. Beneficiaries may include sub-entities and other relevant stakeholders (including, e.g., forest dependent indigenous peoples and other forest dwellers, affected communities or groups, local civil society organizations, etc.) and may have to be updated from time to time.”*

This note outlines FMT's proposed revisions to Indicator 2.D to ensure a more comprehensive measurement of carbon benefit distribution.

### **Proposed Revisions to the M&E Framework**

The FMT proposes to revise Indicator 2.D to:

“% of carbon benefits paid from CF programs shared with beneficiaries (disaggregated by gender, CSOs, IPs, Local Communities)”

### **Definition of the Revised Indicator**

The proposed definition of the revised indicator is: *“Benefit-sharing plans describe the arrangements within CF programs for sharing monetary and non-monetary carbon benefits. Carbon benefits refer to gross ER payments/impacts from CF programs. This indicator will measure the percentage (%) of total carbon benefits paid from CF programs to the Program Entities, both monetary and non-monetary benefits, that have been distributed to all beneficiaries, and will exclude operational costs such as Measurement, Reporting and Verification (MRV) costs, administrative and transaction costs, as well as performance buffer, if any. Beneficiaries refer to the recipients of monetary and non-monetary benefits identified in the Benefit-Sharing Plan.”*

### **Target and Timeline**

Based on the final BSPs and the latest reporting through ER Monitoring Reports across all 15 Carbon Fund ER programs, 85% of ERPA payments are expected to be distributed to beneficiaries over time. This reflects the weighted average of planned carbon benefits shared with beneficiaries across all 15 ER programs (see Annex for detailed estimates). Given that it is most likely that ERPA payments would continue to be distributed by the Program Entities after the FCPF closes, the assumption is made that around 85% of the benefits would be distributed by December 31, 2028 when the FCPF closes. Therefore, the target is set at 72% (85% of benefits distributed by December 31, 2028 from 85% of ERPA payments).

### **FMT Proposal**

The FMT recommends the CFPs to endorse the proposed revision to the Indicator 2.D on the M&E Framework to more comprehensively and accurately report on the distribution of carbon benefits and implementation of benefit sharing mechanisms.

**Annex: Estimates of Beneficiaries' Share in Gross ER Payments**

|                    | <b>100% Performance Scenario</b> |                                             | <b>50% Performance Scenario</b> |                                             |                                                                                                                                                                                                                                                                             |
|--------------------|----------------------------------|---------------------------------------------|---------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Country</b>     | <b>Total ER payment</b>          | <b>% gross ER payments to beneficiaries</b> | <b>Total ER payment</b>         | <b>% gross ER payments to beneficiaries</b> | <b>Notes</b>                                                                                                                                                                                                                                                                |
| Chile              | 26                               | 80.0%                                       | 13                              | 80.0%                                       | Results-based payments will be distributed as non-monetary benefits. Of the total, 20% will support national-level management and monitoring, while 80% will fund implementation activities, including technical support for beneficiaries. (Final BSP)                     |
| Costa Rica         | 60                               | 91.0%                                       | 30                              | 91.0%                                       | The net emissions reduction (ER) payment is 91% of the gross ER payment. The remaining 9% covers monitoring costs (1.12%), operating costs (2.88%), and a reversal buffer (5%). (Final BSP)                                                                                 |
| Cote d'Ivoire      | 50                               | 85.5%                                       | 25                              | 85.5%                                       | Beneficiaries receive the net ERPA payment after deducting 9.5% of the gross ER payment to cover operational costs—2.5% for FPRCI and 7% for SEP-REDD. Additionally, 5% of all ER payments is reserved to address poor performance or non-implementation risks. (Final BSP) |
| DRC                | 55                               | 91.8%                                       | 27.5                            | 83.6%                                       | The net ER payment is the gross ER payment deducted by the fixed operational costs of USD 2 million for provincial government and USD 2.5 million for Program Management Unit (PMU). (Final BSP)                                                                            |
| Dominican Republic | 25                               | 80.0%                                       | 12.5                            | 80.0%                                       | The net ER payment is the gross ER payment deducted by operational/transactional costs (up to 15%) and a performance buffer (5%). (Final BSP)                                                                                                                               |

|            | 100% Performance Scenario |                                      | 50% Performance Scenario |                                      |                                                                                                                                                                                                                                                                                                                                                              |
|------------|---------------------------|--------------------------------------|--------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Country    | Total ER payment          | % gross ER payments to beneficiaries | Total ER payment         | % gross ER payments to beneficiaries | Notes                                                                                                                                                                                                                                                                                                                                                        |
| Fiji       | 12.5                      | 85.0%                                | 6.25                     | 85.0%                                | Beneficiaries receive 85% of the gross ER payment after operational costs (10%) and performance buffer (5%) (Final BSP)                                                                                                                                                                                                                                      |
| Ghana      | 50                        | 84.8%                                | 25                       | 84.8%                                | The net ER payment is 84.84% of the gross ER payment, after deducting fixed costs (4%), administrative costs (2% of the 69% ER payment for HIAs), a performance buffer (3% of the 27% ER payment for government-level beneficiaries), and a contingency for market volatility (13% of the 69% ER payment for HIAs). (Final BSP and 2nd ER Monitoring Report) |
| Guatemala  | 52.5                      | 96.7%                                | 26.25                    | 94.4%                                | The net ER payment is the gross ER payment deducted by fixed costs of USD 1.2 million and a solidarity reserve of 1% of gross ER payments. (Final BSP)                                                                                                                                                                                                       |
| Indonesia  | 110                       | 87.0%                                | 55                       | 87.0%                                | Up to 13% of the gross ER payment is allocated for operational costs. (Final BSP)                                                                                                                                                                                                                                                                            |
| Lao PDR    | 42                        | 77.0%                                | 21                       | 77.0%                                | The gross ER payment is split into operational costs (18%), performance buffer (5%), performance-based allocation (77%). (Final BSP)                                                                                                                                                                                                                         |
| Madagascar | 50                        | 78.0%                                | 25                       | 78.0%                                | 20% of the ER payment goes to governance activities, and 2% is allocated for training Territorial Decentralized Collectives (CTD) technicians to perform operational monitoring. (Final BSP)                                                                                                                                                                 |

|                         | 100% Performance Scenario |                                      | 50% Performance Scenario |                                      |                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------|---------------------------|--------------------------------------|--------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Country                 | Total ER payment          | % gross ER payments to beneficiaries | Total ER payment         | % gross ER payments to beneficiaries | Notes                                                                                                                                                                                                                                                                                                                                                                  |
| Mozambique              | 50                        | 86.0%                                | 25                       | 81.0%                                | The net ER payment is calculated by deducting fixed operational costs of USD 500,000 per year for seven years (USD 3.5 million total) and a 5% performance buffer from the gross ER payment. (Final BSP)                                                                                                                                                               |
| Nepal                   | 45                        | 85.0%                                | 22.5                     | 85.0%                                | 15% of the gross ER payment is allocated to operational and transaction costs. (Final BSP)                                                                                                                                                                                                                                                                             |
| Republic of Congo       | 41.795                    | 87.0%                                | 20.8975                  | 81.0%                                | The net ER payment is the gross ER payment deducted by operational costs of USD 500,000 per year for five years (USD 2.5 million total), a 2% management fee for the Sangha Likouala ER program management bodies, and a 5% performance buffer. (Final BSP)                                                                                                            |
| Vietnam                 | 51.5                      | 81.0%                                | 25.75                    | 81.0%                                | The operational costs include management costs at center (3% of the gross ER payment), operational costs of VNFF (0.5%), 10% of the remaining 96.5% for operational costs at the province, and 10% management costs of the 58.4% gross ER payment allocated to forest owner organizations. As a result, 81% of the gross ER payment goes to beneficiaries. (Final BSP) |
| <b>Weighted Average</b> |                           | <b>85.8%</b>                         |                          | <b>84.3%</b>                         |                                                                                                                                                                                                                                                                                                                                                                        |