

**Forest Carbon Partnership Facility**

# **PC PROGRESS UPDATE**

**May 2020**

**FOREST  
CARBON  
PARTNERSHIP**



# Presentation Outline

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A group of women are seated in a row, looking towards the right. The woman in the foreground is smiling and looking slightly away from the camera. She has grey hair and is wearing a dark grey top. Behind her, several other women are visible, some wearing wide-brimmed hats. The background is slightly blurred, suggesting an indoor setting with a red wall.

# 1. READINESS FUND EXTENSION UPDATE



# Readiness Fund Extension

- ❑ In November 2019, FCPF's Participants Assembly (PA12) approved a resolution **to extend the term of the FCPF Readiness Fund** by 2 years to December 31, 2022.
- ❑ Following the unanimous consent of all FCPF Country and Donor Participants, the Bank's Board of Executive Directors approved the extension.
- ❑ A **revised FCPF Charter** with the new closing date is available on the FCPF website.
- ❑ Country Participants who wish to extend their Readiness Grants will need to make a request to the appropriate Delivery Partner. The Delivery Partner will then review the request in consultation with the Trustee.



# 2. READINESS FUND



# Readiness Fund Portfolio



**47** Countries in  
the Readiness Fund

# Readiness Grants Signed

- ❑ Number of Preparation Grants signed in FY20 to date = 1
  - Gabon
- ❑ Number of signed Preparation Grants anticipated in FY20 = 0
- ❑ Total number of Preparation Grants signed = 45
- ❑ Number of Additional Grants signed in FY20 to date = 0
- ❑ Number of signed Additional Grants anticipated in FY20 = 1
  - Burkina Faso\*
- ❑ Number of signed Additional Grants anticipated by close of Readiness Fund = 34

\* The package for this grant is being finalized and signing is expected in June.

# Milestones: Mid-Term Reports

- ❑ Number of Mid-Term Reports (MTRs) submitted in FY20 to date = 2
  - Argentina and Belize
- ❑ Total number of MTRs = 40
- ❑ Number of MTRs anticipated in FY21 = 3
  - Thailand, CAR, Gabon
- ❑ Number of MTRs anticipated by close of Readiness Fund = 45



What is a Mid-Term Report (MTR)?

An MTR provides an update on progress made in the implementation of the R-PP.



# Milestones: Readiness Packages

- ❑ Number of R-Packages endorsed in FY20 to date = 0
- ❑ Total number of R-Packages = 24
- ❑ Number of R-Packages anticipated in FY21 = 7
  - Belize, Bhutan, Burkina Faso, CAR, Pakistan, Uruguay, Vanuatu
- ❑ Number of R-Packages anticipated by close of Readiness Fund = 34



## What is an R-Package?

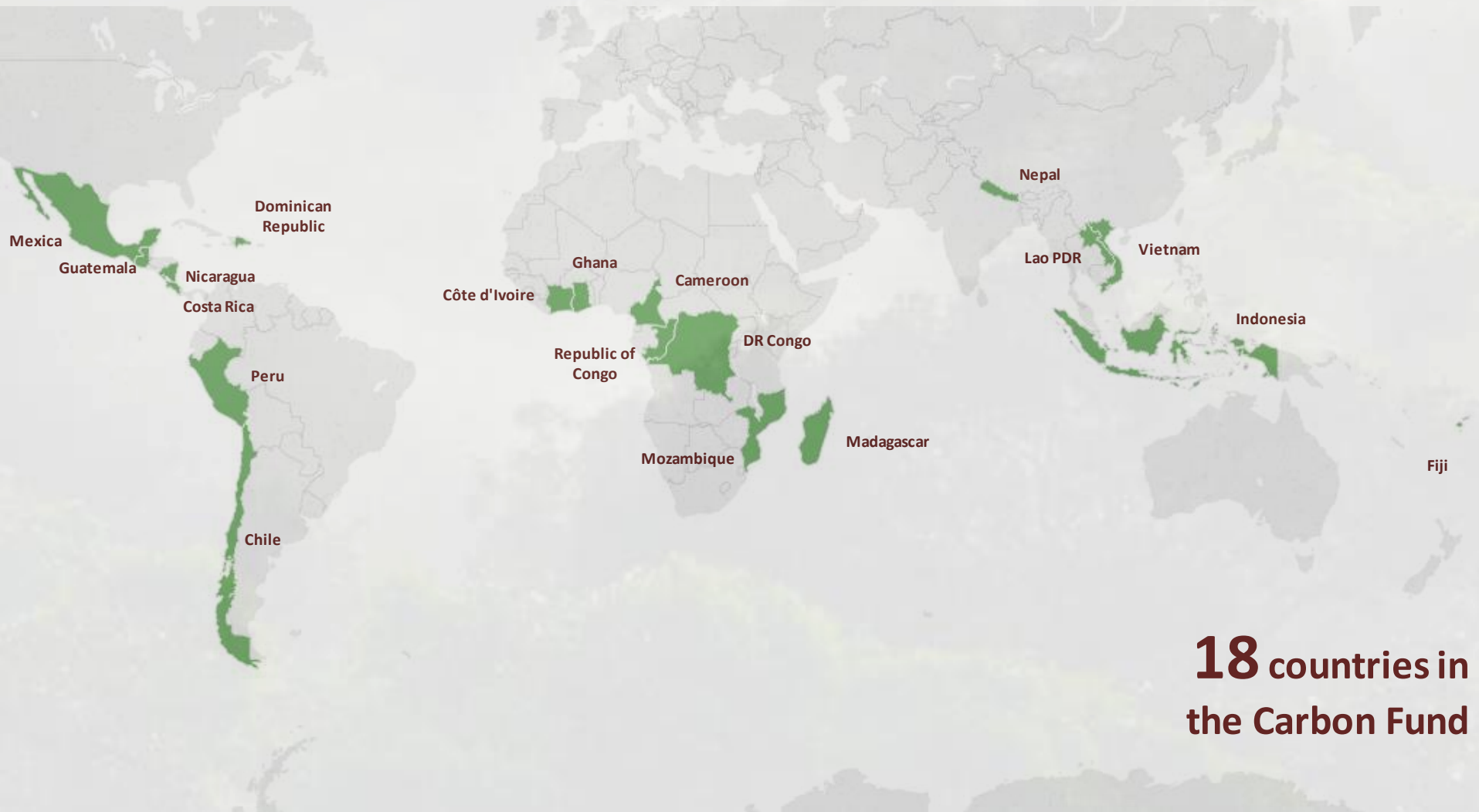
An R-Package describes the activities designed to support a REDD Country Participant's capacity to participate in future systems of positive incentives for REDD+, which include a reference scenario, a REDD+ Strategy and a monitoring system.



# 3. CARBON FUND



# Carbon Fund Portfolio



**18** countries in  
the Carbon Fund

# Milestones: Emission Reductions Payment Agreements

- ❑ Total number of ERPAs signed to date = 4
  - Chile, DRC, Ghana, and Mozambique (contract value \$181 million)
- ❑ Number of additional signed ERPAs anticipated by November 2020 deadline = 14
  - Costa Rica, Cote d'Ivoire, Dominican Republic, Fiji, Guatemala, Indonesia, Lao PDR, Madagascar, Mexico, Nepal, Nicaragua, Peru, RoC, Vietnam
- ❑ Total number of ERPAs anticipated by November 2020 deadline = 18



## What is an ERPA?

An ERPA is an agreement signed between Country Participants and the World Bank (acting as trustee of the FCPF Carbon Fund) for the sale, transfer of, and payment for emission reductions (ERs) generated from the ER Program.



# Conditions of Effectiveness

- ❑ Number of countries that have met ERPA Conditions of effectiveness = 2
  - Mozambique and Ghana



## What are Conditions of Effectiveness?

Conditions of Effectiveness are requirements which must be fulfilled by a program entity as part of its obligations under the ERPA before it can sell, transfer, and receive payment for emission reductions.

# Benefit Sharing Plans

- ❑ Number of country participants with published final Benefit Sharing Plans (BSPs) = 2
  - Ghana, Mozambique
- ❑ Number of country participants with published advanced draft BSPs = 5
  - Chile, DRC, Fiji, Madagascar, Vietnam



## What is a Benefit Sharing Plan (BSP)?

A BSP is a document that summarizes benefit sharing arrangements for an ER Program, including beneficiaries, benefits, and benefit sharing mechanism(s) for the distribution of results-based payments for verified emission reductions.





**4. CAPACITY BUILDING PROGRAM FOR  
INDIGENOUS PEOPLES, LOCAL COMMUNITIES  
AND SOUTHERN CIVIL SOCIETY  
ORGANIZATIONS**

# Capacity-Building Program for IPs and CSOs

- ❑ The FCPF has **extended the CBP until December 2022**, with an additional allocation of \$5m to the program. The final phase of the CBP will continue the small grants programs to CSOs and IPs in FCPF countries, focused on consolidating knowledge, results, and good practices on REDD+.
- ❑ Conservation International conducted a **learning review** of the CBP to ensure that good practices are replicated in future programming, and that less successful elements are addressed.
- ❑ The Rights and Resources Initiative has been contracted to undertake a study on challenges and opportunities in securing **collective land tenure** in FCPF countries. The study will be completed in December 2020.
- ❑ The WB is setting up a **new Multi-Donor Trust Fund (MDTF) to address issues of social inclusion and gender** in emission reductions programs under the new Climate Emission Reduction Facility Umbrella Trust Fund. The MDTF will run from 2020 to 2030.





A woman is walking through a wooded area, carrying a large bundle of sticks on her head. She is wearing a patterned shirt and a skirt. She is also carrying a bowl in her hand. The background is filled with green trees and foliage.

# 5. GENDER



# Mainstreaming Gender in REDD+: Status of Country Studies

- ❑ Conducting a **review of gender mainstreaming** in Benefit Sharing Plans and Emission Reductions Programs.
- ❑ Conducting a **review of good practices of gender in forestry**, using example from the Dedicated Grant Mechanism program.
- ❑ Launched a **gender analysis project**, which brings a behavioral science lens to the challenges of integrating women into REDD+-related activities or other natural resource management projects.
- ❑ Conducting a **review of gender and land tenure security** in Carbon Fund countries, with a focus on issues related to access to land, ability to manage land rights, indigenous women and collective forest land tenure.



# Mainstreaming Gender in REDD+

- ❑ Conducting a **study on the impact of REDD+ on women's economic activities and livelihoods in Carbon Fund countries**, while developing pilots to support gender-sensitive value chains in ER programs.
- ❑ Developing **gender responsive strategies and plans** and targeted interventions and analytics to support mainstreaming in ERPAs and BSP implementation in five countries.
- ❑ Planning to host a **regional Gender and REDD+ workshop** in Latin America and the Caribbean.
- ❑ Designing the **FCPF Gender Strategy and Action Plan 2020-2025**.







# 6. PRIVATE SECTOR ENGAGEMENT



# Private Sector Engagement

- ❑ The FCPF is assessing gaps and developing strategies to overcome barriers that hinder private sector engagement in selected jurisdictions. These strategies aim to increase private sector investment, as well as the number of zero deforestation pledges in **commercial agriculture sectors** (cocoa, livestock, rubber, nuts, and spices) and **smart-mining value chains**.
- ❑ Targeted CF countries include **Colombia, Côte d'Ivoire, DRC, Dominican Republic, Ghana, Indonesia, Madagascar, Mozambique, and Peru**



# Private Sector Engagement



- Activities under **livestock, cacao, vanilla** and **mining** are underway, with those for **cashew** and **rubber** to follow in FY21. These include:
  - A guide for implementation of different **cocoa agroforestry systems** and South-South knowledge exchanges between West Africa and Latin America.
  - Blueprints for agreements between relevant private sector entities and national governments on the **deforestation-free, low-emission intensity production of animal-sourced food commodities**.
  - An analysis on prospects and options for the application of forest carbon tools to **promote forest-smart mining** by the large-scale mining sector, and proposals to integrate forest considerations in existing artisanal and small-scale mining standards and certification systems.
  - A manual for **sustainable vanilla practices** in the Sava region of Madagascar.



# Private Sector Engagement

- ❑ A new **private sector observer** for commodity value chains has been selected: The **Carbon Disclosure Project (CDP)** is an environmental NGO that provides a reporting platform for companies, cities and states globally to report GHG data.
- ❑ Moving forward, the FCPF continues **developing tools for private sector engagement** across a variety of sectors, with a range of analytical work, workshops, South-South Knowledge Exchanges, and technical assistance arranged for in the coming year.
  - A **carbon forum** is being developed with IETA and CDP to help supply chain companies better understand how carbon finance can support sustainable commodity production.
  - A **guidance note on options for nesting**, as well as a **decision support tool** for designing and implementing nested REDD+ initiatives are being developed.







# 7. TECHNICAL CAPACITY BUILDING

# Measurement, Reporting, and Verification

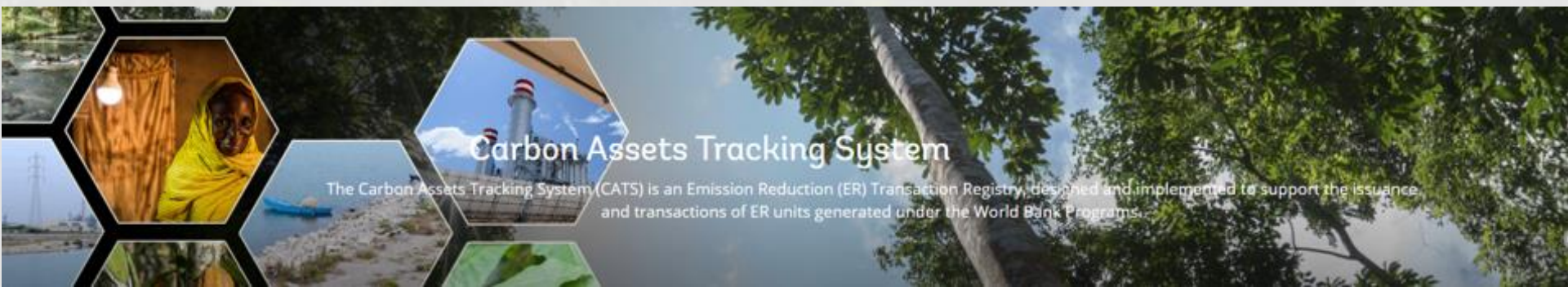
- ❑ The WB's Land Use Climate **MRV Support Program** is in full implementation, with \$3 million allocated to implement Work Packages in 18 REDD+ countries.
- ❑ The MRV Support Program is also developing several global analytical and technical assistance activities that seek to improve the enabling environment for MRV operationalization, including:
  - Guidance on **nesting**;
  - Options for **carbon stock conservation accounting**;
  - **MRV readiness lessons learned** from the past 10 y
  - Support on the **estimation of activity data** and use of planet data (with FAO)
  - A **repository of tools for MRV** (MRV-TIME)





# Registries

- ❑ Significant progress has been made on the development of Phase 1 of the Central Transaction Registry, **Carbon Assets Tracking System (CATS)**.
- ❑ Initially released in November 2019, CATS offered a platform solution to **issue, record, and transfer emissions reduction** units generated under the FCPF CF and BioCF ISFL ER Programs.
- ❑ A second release in February 2020 added major improvements, including **dashboard and reporting capabilities, multi-level workflows, document virus scan, user interface and performance tuning**.
- ❑ A third release in May 2020 will include the implementation of a robust **integrity due Diligence (IDD) process**, and a **sanctions screening function through LexisNexis**.



## Carbon Assets Tracking System

The Carbon Assets Tracking System (CATS) is an Emission Reduction (ER) Transaction Registry, designed and implemented to support the issuance and transactions of ER units generated under the World Bank Programs.



# Registries

- ❑ **Operational guidelines, User manual and terms & conditions** have been developed and updated to incorporate improvements.
- ❑ **A communication plan** including webinars, workshops, and an onboarding process will be launched in June 2020.



# Financing of ER Programs



A study on **Results-Based Finance in Scaling Up REDD+ Investment**, which analyses Carbon Fund emission reduction programs, is under development.

- ❑ Results-based finance from FCPF Carbon Fund for emission reductions catalyzes four to five times as much public and private investment in REDD+ programs
- ❑ The primary sources of funding to Emission Reduction programs are public, meaning there is significant opportunity to catalyze funding from private sources.
- ❑ Addressing financing gaps is necessary to ensure effective program implementation and achieve emission reductions.

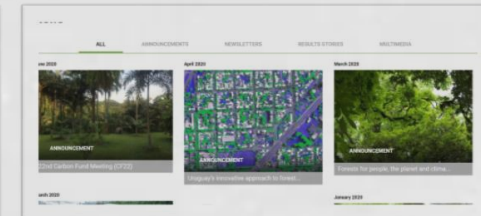
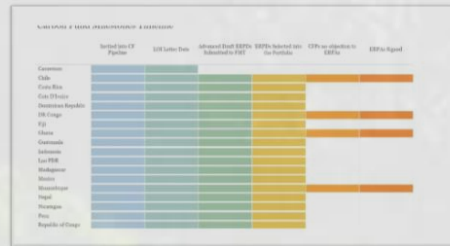




## 8. SHARING KNOWLEDGE AND RAISING VISIBILITY

# Communications and Knowledge Sharing

- ❑ Over the past year, the FCPF supported REDD+ Readiness and ER Program design through new **technical publications, workshops, and knowledge exchanges.**
- ❑ Held **seminars** and knowledge sessions on topics such as MRV, benefit-sharing plans, social inclusion and gender.
- ❑ Continued publishing **strategic feature articles and blogs** to keep forests and REDD+ highly visible online.
- ❑ Continued expanding and refining online content for the **FCPF website.**





# Benefit-Sharing Resources

**Benefit Sharing at Scale: Good Practices from Results-Based Land Use Programs** is available in English, French, and Spanish.

- ❑ The study synthesizes **good practices for benefit sharing** from existing jurisdictional-level, results-based, land-use programs.
- ❑ An **online platform** serves as a step-wise resource providing countries with guidance and lessons learned on developing benefit-sharing arrangements.
- ❑ An April 2020 **webinar** highlighting benefit sharing resources brought together 250 attendees from 85 countries.

## ≡ Benefit Sharing

### Designing Benefit Sharing Arrangements: A Resource for Countries

This platform provides a comprehensive set of tools, resources and case studies for the design and implementation of benefit sharing arrangements for emission reductions programs, as well as other results-based land use initiatives. The different sections of this platform are designed to break down the complex concept of benefit sharing into distinct steps to enable a logical approach to developing arrangements that help achieve programs' objectives and promote equity and efficiency.

This resource was created by the World Bank's Forest Carbon Partnership Facility and

BioCarbon Fund Initiative for Sustainable Forest Landscapes.



## Case Studies

Addressing land tenure barriers and opportunities for participation in benefit sharing



Peru's Alto Mayo Protected Forest (AMPF)



Madagascar's Makira Project



Guatemala's National Forestry Incentive Program (PINFOR) and Small Landowner Incentive Program (PINPEP)

# Country Forest Notes

- ❑ The FCPF is funding Country Forest Notes in 10 countries:
  - **Africa:** Burkina Faso and Côte d'Ivoire (ongoing)
  - **Asia:** Bhutan and Vietnam (completed) and Lao PDR (ongoing)
  - **Latin America:** Chile, the Dominican Republic, and El Salvador (ongoing); Paraguay (commencing FY21); and Guatemala (proposal under progress).
  
- ❑ PROFOR is funding 5 other Notes, of which 3 have been completed: Zambia, Benin, and Dominica.







# 9. MONITORING AND EVALUATION





# Monitoring and Evaluation

## Current and ongoing work:

- ❑ Launch of the "**Case Studies for Baseline Data Collection**" exercise in December 2019.
  - A firm Baastel was selected through a competitive process to undertake the exercise.
  - Work has commenced with some delay due to the COVID-19 pandemic; a revised timeline will be agreed upon when travel is possible.
  - Selected case study countries include **Côte d'Ivoire, El Salvador, Ghana, Indonesia, and Peru.**

## Upcoming work:

- ❑ Launch of 2020 Annual Progress Reports
- ❑ Review of the MEF Evaluation Plan based on recent extension of the Readiness Fund.







# 10. CORSIA AND ICAO

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# CORSIA Conditional Approval of FCPF

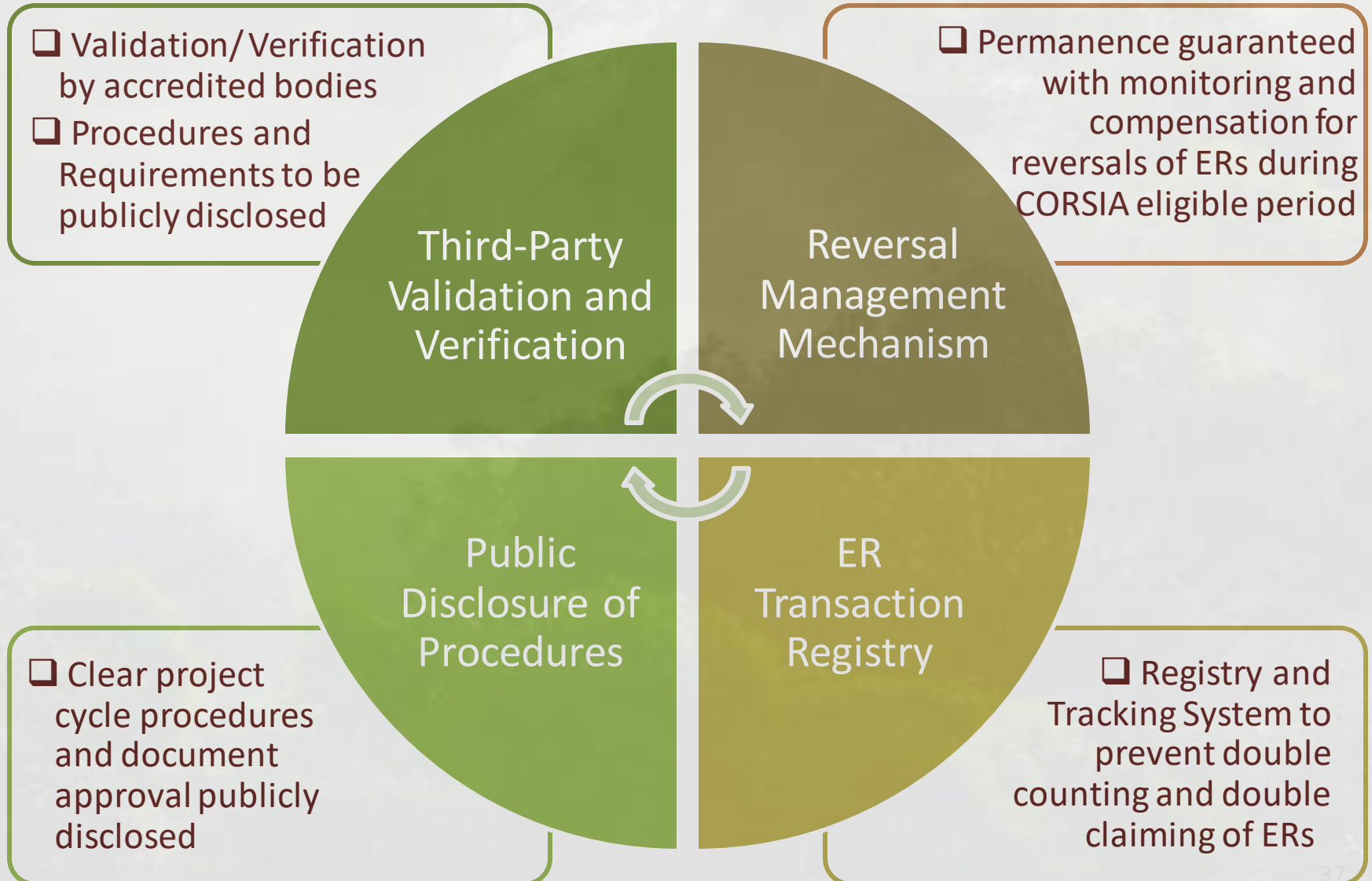
- ❑ In November 2019 (at PC28), the FMT shared an update on the Carbon Fund's application to be accredited as a CORSIA Eligible Emissions Unit Programme.
- ❑ Based on their assessment, the **ICAO Council provided conditional approval**, subject to the following conditions being met:
  - Inclusion of **validation procedures**;
  - Procedures for monitoring and compensating for **reversals** at the end of the ERPA.
- ❑ To address these conditions, the FMT developed validation and verification guidelines; updated process guidelines, buffer guidelines and the glossary of terms, and presented clarifications on post-ERPA reversal management.



ICAO

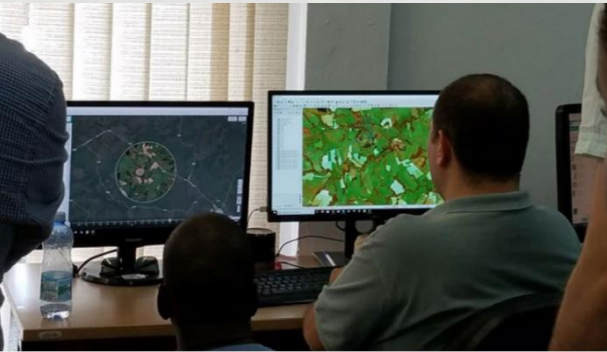


# Key CORSIA Eligibility Requirements



# Validation and Verification Guidelines

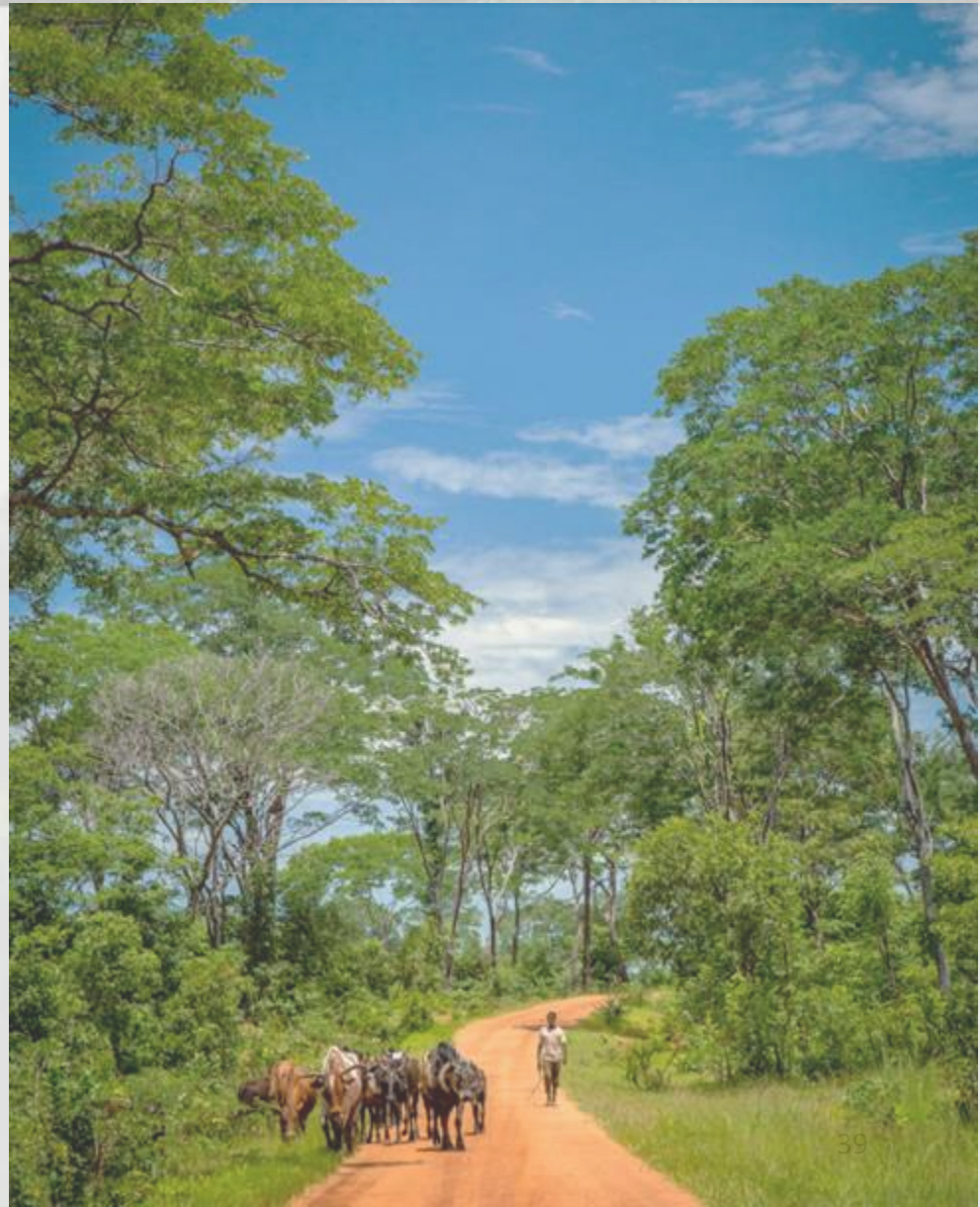
- ❑ Combined Validation and Verification Guidelines developed in consultation with the American National Standards Institute (ANSI).
- ❑ Validation is mandatory for programs that plan to generate CORSIA eligible units.
- ❑ Validation is an independent assessment to determine if an ER Program conforms to the FCPF Methodological Framework and Guidelines in terms of the following:
  - Sources, sinks and carbon pools
  - Use of IPCC guidelines
  - Assessment of the reference level
  - Correctness of presented information
- ❑ Validation will occur concurrently with the first verification.





# Reversal Management

- ❑ Revised FCPF Buffer Guidelines and Process Guidelines clarify the requirements for the **post-CF ERPA Reversal Management Mechanism (RMM)**, including specific criteria for ER Programs wishing to generate CORSIA-compliant units.
- ❑ The post-CF ERPA RMM shall be equivalent to the ER Program Buffer and a definition of "equivalent" is provided.
- ❑ ER Programs wishing to generate CORSIA-compliant units will need to meet certain additional requirements, including transitioning to another GHG program.







# 11. COMMITMENTS AND DISBURSEMENTS



# Commitments and Disbursements for Readiness Fund

| <b>Commitments and Disbursements as of April 30, 2020</b> | <b>Total</b> | <b>WB<br/>(36 countries<br/>+25 Additional<br/>Funding Grants</b> | <b>UNDP<br/>(Cambodia,<br/>Honduras, Kenya,<br/>Panama,<br/>Paraguay, PNG,<br/>Suriname)</b> | <b>IDB<br/>(Guatemala,<br/>Guyana, Peru)</b> |
|---|--------------|---|--|--|
| Grant Allocations by the PC                               | \$314.3 m    | \$251.6   | \$41.3 m   | \$21.4 m                                     |
| Change since PA12 PC28                                    | \$0 m        | \$0 m   | \$0 m  | \$0 m  |
| Commitments per Signed Legal Agreements                   | \$311.2 m    | \$248.5 m   | \$41.3 m   | \$21.4 m                                     |
| Change since PA12 PC28                                    | \$0 m        | \$0 m   | \$0 m  | \$0 m  |
| Disbursements   | \$239.2 m    | \$189.1 m   | \$34.3 m   | \$15.8 m                                     |
| Change since PA12 PC28                                    | \$39 m       | \$26.8 m  | \$8.2 m  | \$4 m  |

# Readiness Fund Countries with Low Disbursement Rates (<50%)

| Country                           | % of overall Grant Disbursements |
|-----------------------------------|----------------------------------|
| Argentina, Gabon                  | 20% - 30%                        |
| Kenya                             | 31% - 40%                        |
| Cameroon, CAR, Pakistan, Thailand | 41% - 49%                        |





# Bank-Executed Additional Financing for Readiness Fund (US\$ thousands)

| Bank-Executed Additional Activities | Committed as of April 30, 2020 | Total         |
|-------------------------------------|--------------------------------|---------------|
| MRV                                 | 4,922                          | 6,000         |
| Private Sector Engagement           | 2,457                          | 3,000         |
| IP/CSO                              | 1,305                          | 1,305         |
| Country Forest Notes                | 1,078                          | 3,000         |
| <b>TOTAL</b>                        | <b>9,762</b>                   | <b>13,305</b> |



# Carbon Fund Commitments



| Country      | ERPA Contract Value |
|--------------|---------------------|
| Chile        | \$26 m              |
| DR Congo     | \$55 m              |
| Ghana        | \$50 m              |
| Mozambique   | \$50 m              |
| <b>TOTAL</b> | <b>\$181 m</b>      |

\* Total commitments \$181 million, plus call options in all 4 signed ERPAs





## 12. CONCLUDING MESSAGES



# Concluding Messages

- ❑ **Four ERPAs have been signed**, reflecting the progress we have made together and the growing momentum as we move forward. We expect as many as 13 more signed in the coming months, before the November 2020 deadline.
- ❑ The next important goal after ERPA signings is to make **results-based payments**. Mozambique has begun conducting **first verifications**, with a **first payment** expected in December 2020.
- ❑ The FMT will continue to emphasize establishing the remaining **building blocks** for Emission Reductions programs, including an operational registry, and providing **bespoke tools and knowledge for country programs**, building on its growing body of experience and evidence.





# Concluding Messages

- ❑ The FCPF will **continue to work closely with other actors and initiatives** to make sure that financing and technical modalities are aligned, providing countries with the support they need to drive the REDD+ agenda forward.
- ❑ With available resources in the Readiness Fund almost entirely allocated and the current term of the fund ending in December 2022, countries must **proactively manage limited resources** within the remaining term of the fund.
- ❑ Given the diminishing number of opportunities to **present MTRs and R-Packages**, countries must continue to closely **monitor deadlines, disbursements, and risks** to ensure they are able to deliver programs and products in time.





Programa de  
Pago por Servicios  
Ambientales

**REDD+**  
República Dominicana

*"Más bosques,  
más vida"*

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609-840-0000

**THANK YOU**

**forestcarbonpartnership.org**

FOREST CARBON PARTNERSHIP

11th Participants Committee  
&  
12th Participants Assembly

2018

WORLD BANK GROUP