



Forest Carbon Partnership Facility

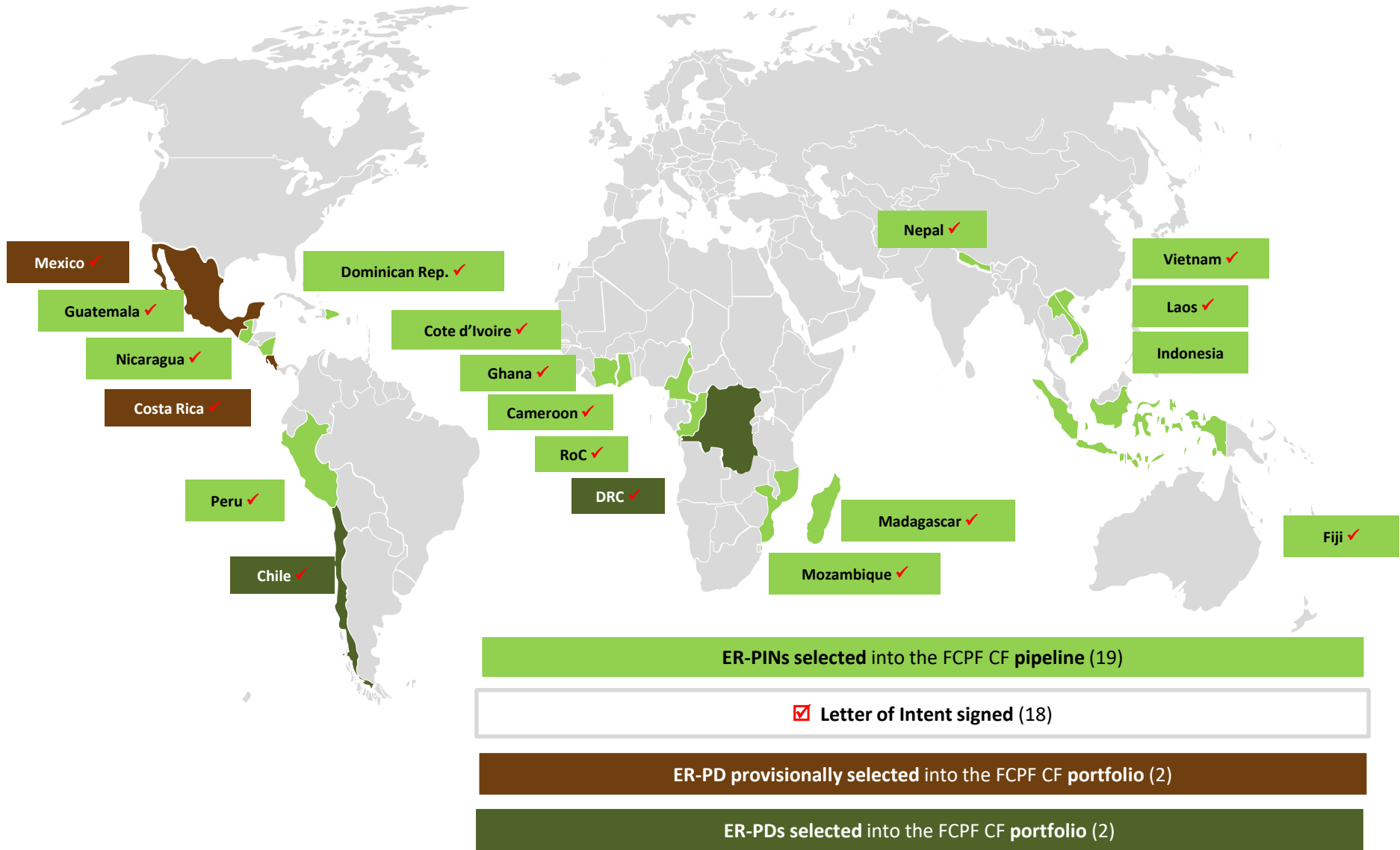
FMT's Update on Carbon Fund Progress made since CF15

Sixteenth Meeting of the Carbon Fund (CF16)

Paris, June 19-22, 2017

FCPF Carbon Fund Pipeline and Portfolio

as of June 1, 2017



Progress since CF15 in December 2016: Pipeline and Portfolio

Signature of LOIs:

- **Cameroon, Fiji, and Guatemala signed LOIs.** Total of 18 signed LOIs.

Updates on countries provisionally selected into the portfolio:

- **Costa Rica submitted a revised ER-PD by the given deadline of May 1, 2017** as per resolution [CFM14/2016/2](#). CFPs noted that several elements of the ERPD are still under development (including the reference period, analytical work on degradation related to barriers, emission factors, accuracy assessment, etc.). Accordingly, CFPs suggest to extend the deadline for submission of Costa Rica's ER-PD for non-objections.
- **Mexico is expected to submit its revised ER-PD** addressing the condition as per the resolution [CFM15/2016/2](#) related to the accuracy assessment of the activity data **within the next month.**

Progress since CF15 in December 2016: Extension of LOIs and interim milestones

Extension of LOIs:

- **CFPs agreed to the extension of LOI for 7 countries** that are currently in the process of the ERPD TAP review or are about to start the ERPA negotiation process: **Chile, Costa Rica, Guatemala, Mexico, Nepal, Rep of Congo, and Vietnam.**

Interim milestones agreed at CF13

- At CF13, CFPs adopted a [resolution](#) on milestones and deadlines for inter alia signature of LOI to encourage REDD countries to continue efforts to swiftly advance on ER Program development.
 - **All milestones and deadlines related to entering into an LOI have been met with the exception of the signature of Indonesia's LOI** (deadline was March 22, 2017).
 - **Indonesia is proposing a number of changes to the standard LOI template prior to signature.** We will discuss this in more detail as part of this CF16 meeting.

Progress since CF15 in December 2016: ERPA Negotiations

ERPA Preparations Workshops:

- **ERPA preparations workshops** have been held in **DRC in January**, in **Chile in March**, and in **Mexico in June** of this year.

Planned ERPA Negotiations:

- Upon finalization of World Bank due diligence, formal negotiations will commence in DRC, Chile, and Mexico. **Target dates to start formal negotiations are:**
 - **DRC:** August 2017
 - **Chile:** October 2017
 - **Mexico:** October/November 2017

Expected ERPA Signature:

- **On track to sign at least 2 ERPAs by end of 2017.**

Progress since CF15 in December 2016: ERPD Technical Assessments

Technical Assessments completed for 3rd batch of ER-PDs:

- **Ghana and Republic of Congo:** Assessments of ER-PDs by the TAP and by CFPs completed for presentation and potential selection at current CF16.

Technical Assessments underway for 4th batch of ER-PDs:

- **Mozambique, Madagascar, and Nepal:** ERPDs have been submitted for TAP review. Mozambique's advanced draft ER-PDs and respective initial TAP assessment report has already been posted. ER-PDs are expected to be presented for potential selection at CF17 (December 2017).

Expected 5th batch of ER-PDs:

- **Submission of 2-3 additional ER-PDs** is expected later in 2017 for presentation and potential selection at CF18 (June 2018).

Resubmission of ER-PDs:

- **Vietnam** expected to resubmit at CF17 (December 2017)

For planning purposes: ERPDP review periods in 2017/18

ER-PD review periods:

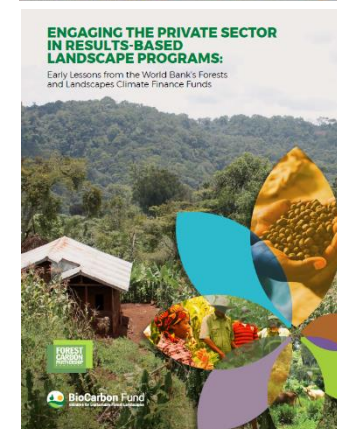
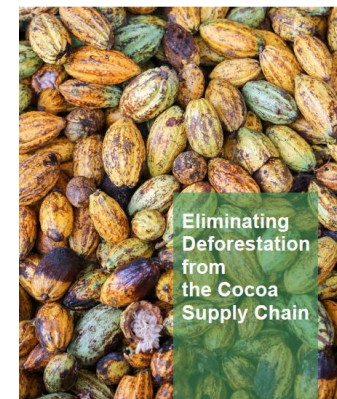
CFPs requested early heads-up on periods with intensive work loads in terms of document review.

- **July- September 2017**: virtual review of 'advanced draft ER-PDs' for **Mozambique, Madagascar, and Nepal**
- **Early November 2017**: review of **final ER-PDs from Mozambique, Madagascar, and Nepal** for potential selection at CF17 in December 2017
- **January-early March 2018**: virtual review of 'advanced draft ER-PDs' for **up to 3 countries**
- **Early May 2018**: review of **final ER-PDs** for potential selection at CF18 in June 2018

Progress since CF15 in December 2016: Knowledge Products

Publications, Technical Guidance and Training:

- Report on “[Eliminating Deforestation from the Cocoa Supply Chain](#)” was published in May 2017.
- Report on “**Engaging the Private Sector in Results-Based Landscape Programs**” was published this week (June 2017).
- Report on “**Lessons learned from application of the Methodological Framework in Emission Reductions programs: Carbon Accounting Issues**” based on findings from workshop held in Rome in April 2017 was sent to CFPs for initial feedback.
- Virtual webinar series on “[REDD+ Monitoring, and Measurement, Reporting and Verification - Training the Trainers](#)” is ongoing in coordination with GOFC-GOLD, Wageningen University and various other presenters. Webinar is running from April to June 2017.



Progress since CF15 in December 2016: Visual Communication Products

Increased use of video to engage audiences on WBG online and social media feeds:

- **Voices from the Heart of the Forest: [Indigenous and Civil Society Speak about REDD+](#)**
- **REDD+ Ghana: [Engaging People in Sustainable Forest Management and Bringing Community Benefits](#)**
- **REDD+ Mozambique: [Empowering Rural Communities Towards Sustainable Forest Management](#)**
- **REDD+ Republic of Congo: [Engaging Communities in Sustainable Forest Management Bring Benefits](#)**



Voices from the Heart of the Forest: Indigenous Peoples and Civil Society Speak About REDD+



245 views



REDD+ Mozambique: Empowering Rural Communities Towards Sustainable Forest Management



REDD+ Ghana: Engaging People in Sustainable Forest Management and Bringing Community Benefits



REDD+ Republic of Congo: Engaging Communities in Sustainable Forest Management Brings Benefits



Topics and Decisions for CF16

Resolutions

3 Resolutions to be considered at this meeting:

- **Decision on whether to proceed to negotiating an ERPA for proposed ER Programs from Ghana and Republic of Congo (i.e. potential selection of ERPDs from pipeline into portfolio of the Carbon Fund)**
- **Approval of FY18 Budget**



Topics and Decisions for CF16

Decisions for Chair's Summary

Decisions expected to be taken at this meeting (captured in the Chair's Summary):

- Endorsement of **proposed activities as per FMT Note on private sector engagement** (and related **additional allocation of ~\$600k in FY18 budget**) as part of follow up on the FCPF Second Evaluation Action Plan.
- Agreement on one of the options suggested for the **reporting and verification process of ER Programs**.
- Agreement on the **proposed due diligence approach for demonstrating the ability to transfer title to ERs**.
- Decision on whether, and under what conditions, the FCFP CF could **apply for eligibility of FCPF "emission units" as offsets under the ICAO's Carbon Offsetting Scheme for International Aviation (CORSIA)**.
- Agreement to some (or all) of the **proposed suggestions on practical application of the Methodological Framework in the context of carbon accounting**, including on potential update of Reference Levels based on improved data available since original establishment of RLs.

Focus areas of FMT for 2017/2018

- Continue support to countries in **ER Program development and implementation** (as applicable)
- Complete **due diligence** for countries selected into the portfolio
- **Continue to build country capacity for ERPA negotiations** (commercial terms, contract ERs vs option ERs, etc.)
- Support countries in **meeting remaining indicators of the Methodological Framework** (e.g., Benefit-Sharing-arrangements, ER title transfer ability, etc.), including through South-South Knowledge Exchange
- Leverage additional investment to finance/strengthen **financial viability of ER Programs**
- Strengthen **portfolio monitoring and management**

Ongoing staff hiring for FMT

**7 new staff are being recruited to join the FMT in 2017,
some are new positions and some are replacing colleagues
that have moved on:**

Replacement Positions

- Sr. Operations Officer
- Methodology Specialist
- Knowledge Management Officer
- Team Assistant

New Positions

- Sr. Private Sector Specialist
- Finance Officer
- Operations Officer

All positions have been advertised and are currently at different stages of the interview and hiring process. Some will be shared positions/costs with the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)

Expected topics for discussion with CFPs in 2017 (aside from ER Programs)

Expected discussion topics in 2017:

- Revisit **financing options** to address financing gaps in ER Programs
- Revisit progress made on **private sector engagement**
- Revisit progress made on **portfolio management**, including delivery risk management
- Follow-up on any open discussions related to **practical application of the MF**, as well as continued fine-tuning of related processes (TAP, etc.)
- Discussion on **options for “soft closure”** of CF tranches
- Capturing **early lessons from ERPA negotiations** to guide further negotiations
- Discussion on potential **development of a centralized generic transaction registry** for possible use by FCPF REDD+ countries.
- Conclude on options for countries to **use ERs sold to the FCPF while also considering the same ERs for meeting national contributions as per NDCs.**
- Discussion around **Article 5/6 of the Paris Agreement**. Consider potential workshop/training for negotiators

