



Forest Carbon Partnership Facility

ERPA General Conditions

- Overview -

Overview

I. Roadmap to Endorsement of General Conditions for the Emission Reductions Payment Agreement (ERPA)

II. Structure of ERPA

- **Commercial Terms**
- **General Conditions**

III. Next Steps



I.

Roadmap to PC Endorsement of ERPA General Conditions

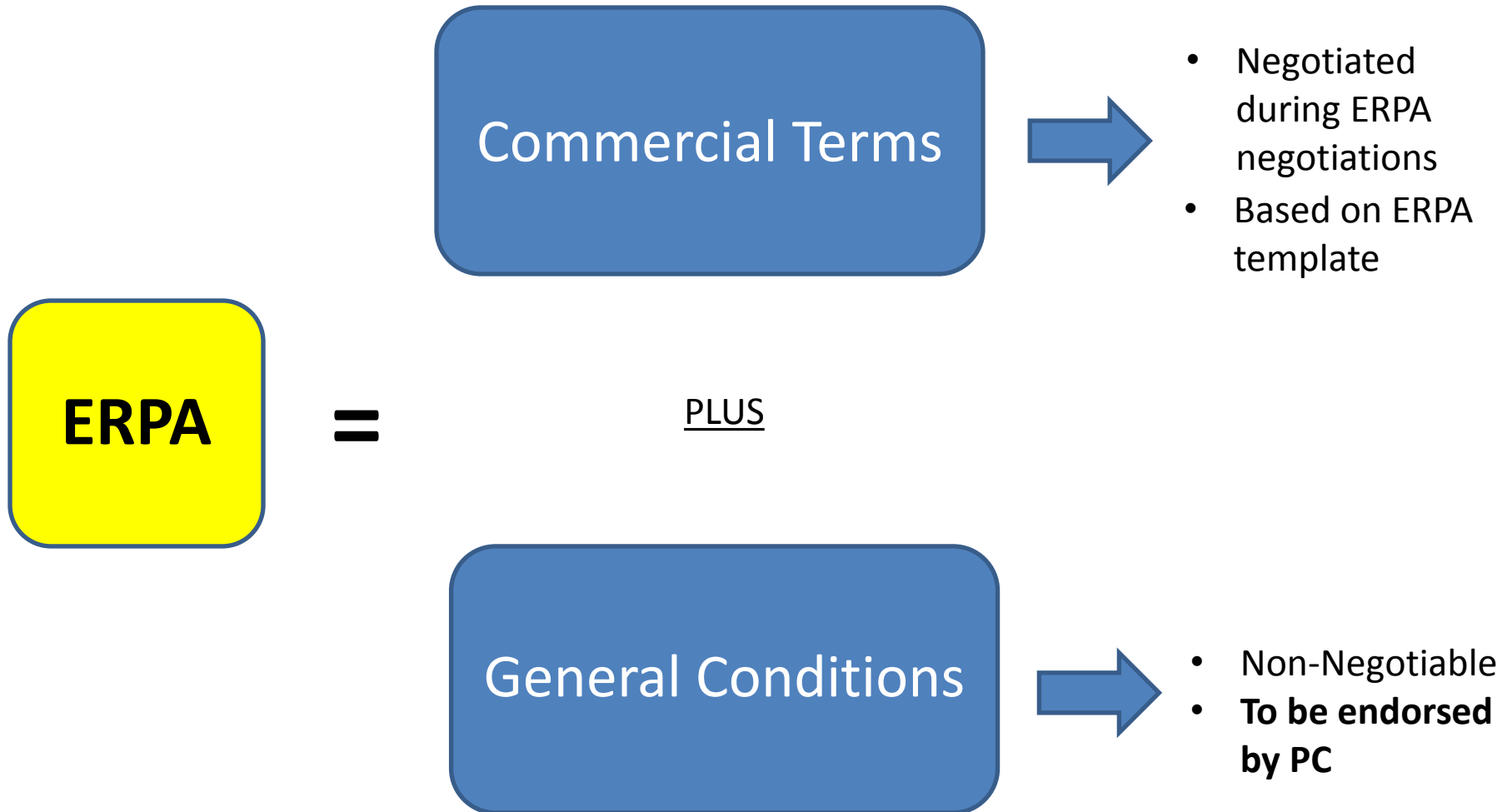
Time	Action
June 16-19, 2014	CF10 (Bonn, Germany)
July 1-4, 2014	PC17 (Lima, Peru); presentation of ERPA GCs
September 16, 2014	Circulation of revised ERPA GCs to all FCPF participants
September 16–October 10, 2014)	Review and Commenting Period
October 6-8, 2014	CF11 (Washington, DC)
October 20/21, 2014	Posting of final version of ERPA GCs on PC18 website (taking into account comments received)
October 31, 2014	Pre-PC18 workshop on ERPA GCs
October 31 - November 1, 2014	PC18 (Arusha, Tanzania); decision sought regarding endorsement of ERPA GCs by PC



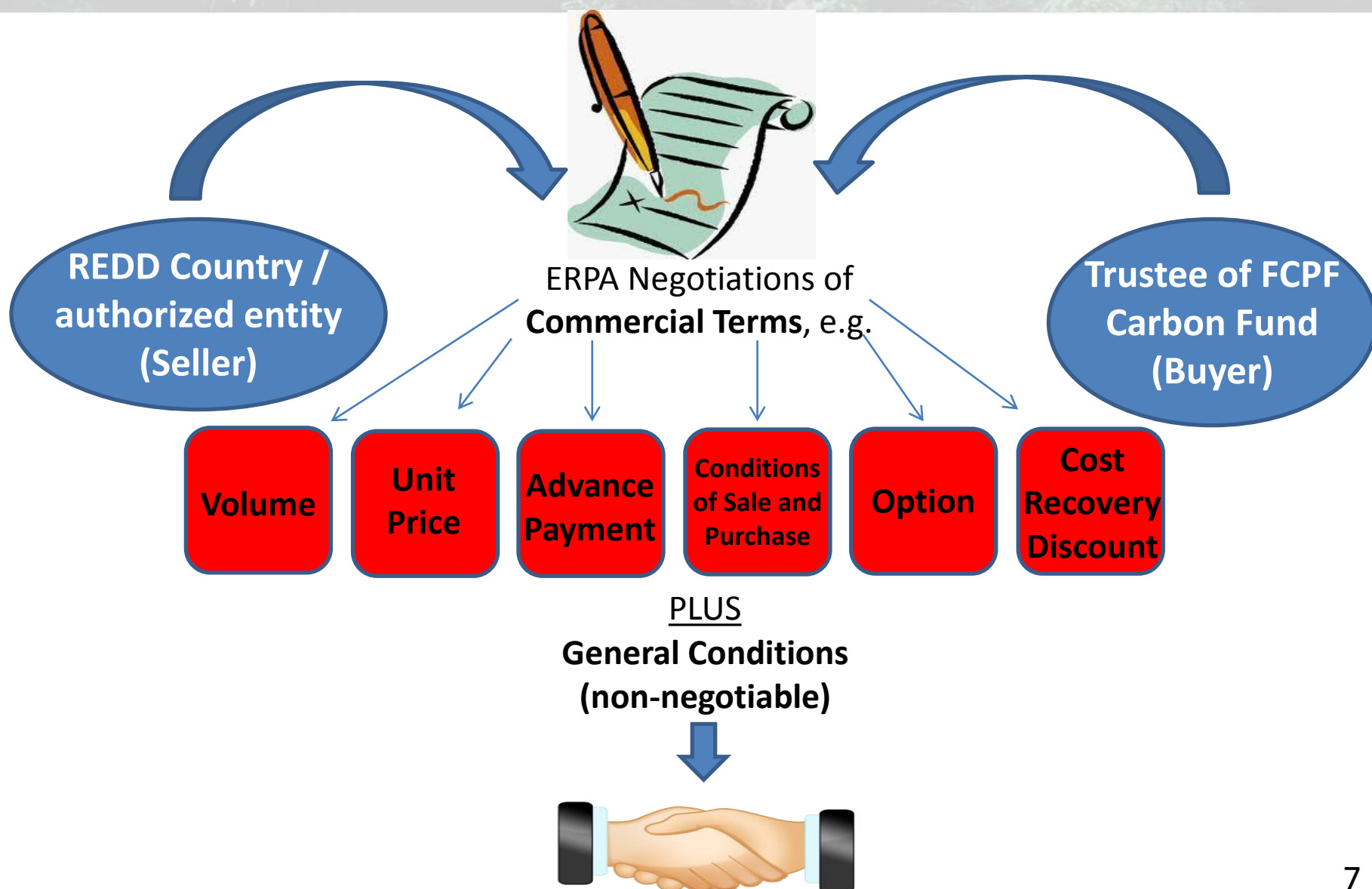
II.

Structure of ERPA

Structure of ERPA



ERPA Negotiations



Commercial Terms (negotiable)

- **Contract ER Volume**
- **Unit Price**
- **Advance Payment**
- **Conditions of Sale and Purchase**
- **Options**
- **Cost Recovery Discount**

General Conditions (non-negotiable)

- **Transfer & Payment**
- **Title to ERs**
- **ER Program Operation & Management**
- **Benefits & Benefit Sharing**
- **ER Program Buffer**
- **Events of Default & Remedies**
- **Dispute Resolution**
- **Governing Law**

General Conditions

- Transfer & Payment -



ER Program

ERs (generated
& measured)

ER Monitoring
Report

ERs (verified)

Verification
Report

Seller

ER Program
Buffer

Transfer
Buffer ERs
No \$\$

Transfer Form

Transfer

Contract ERs

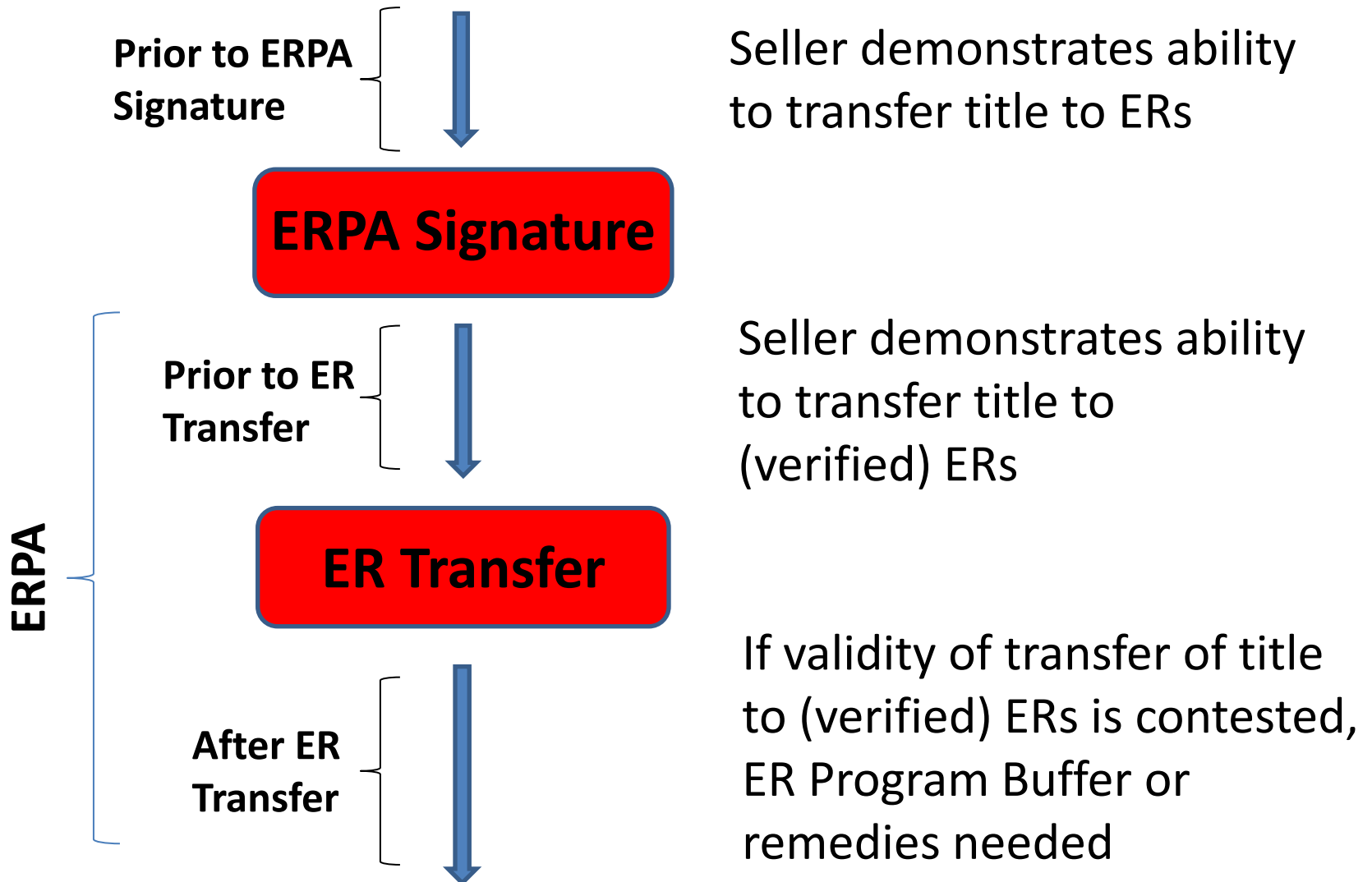
Buyer

\$\$ (Unit Price)

(minus Cost Recovery Discount
and Advance Payment(s), if any)

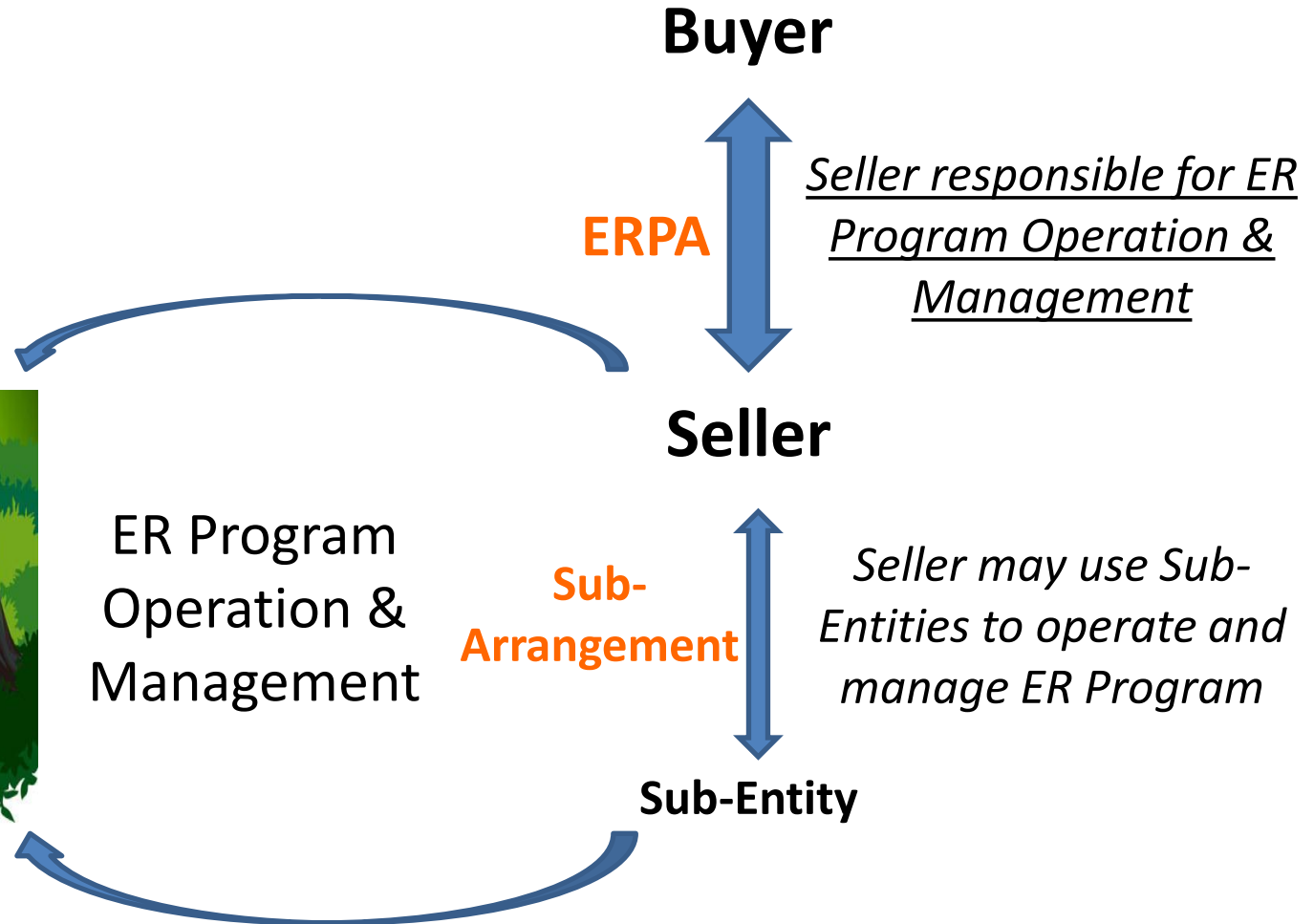
General Conditions

- Title to ERs -



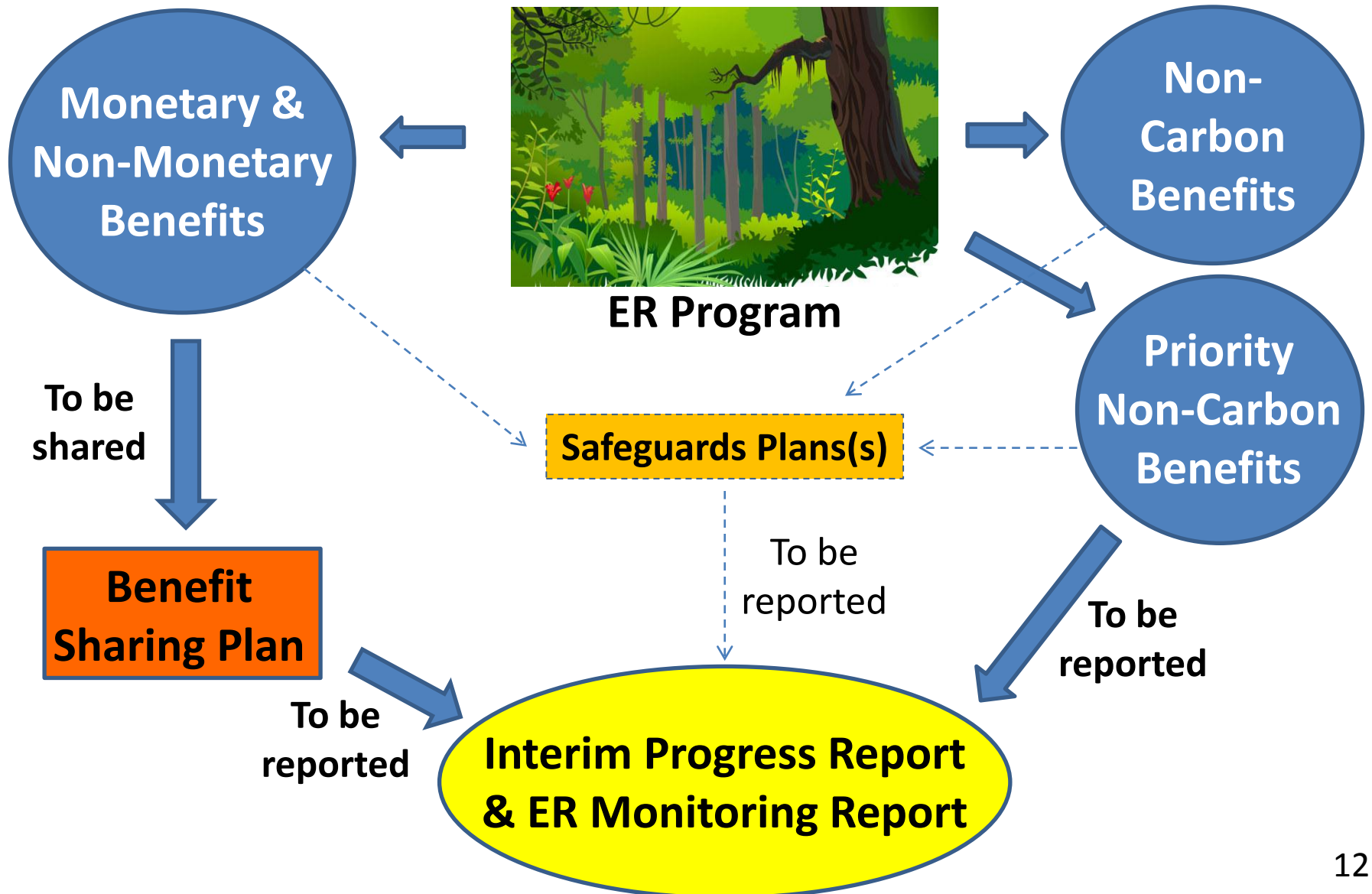
General Conditions

- ER Program Operation & Management -



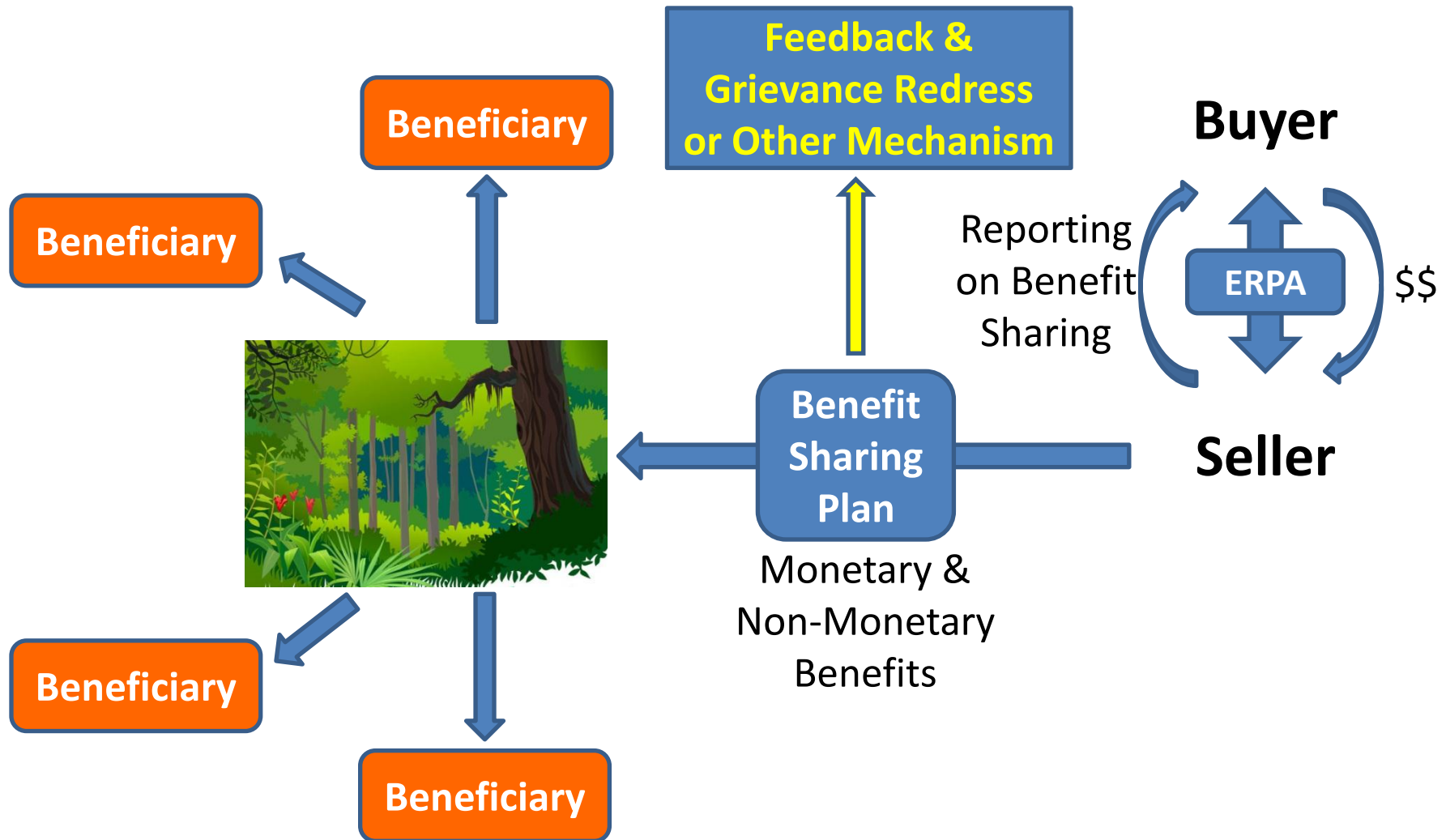
General Conditions

- Benefits -



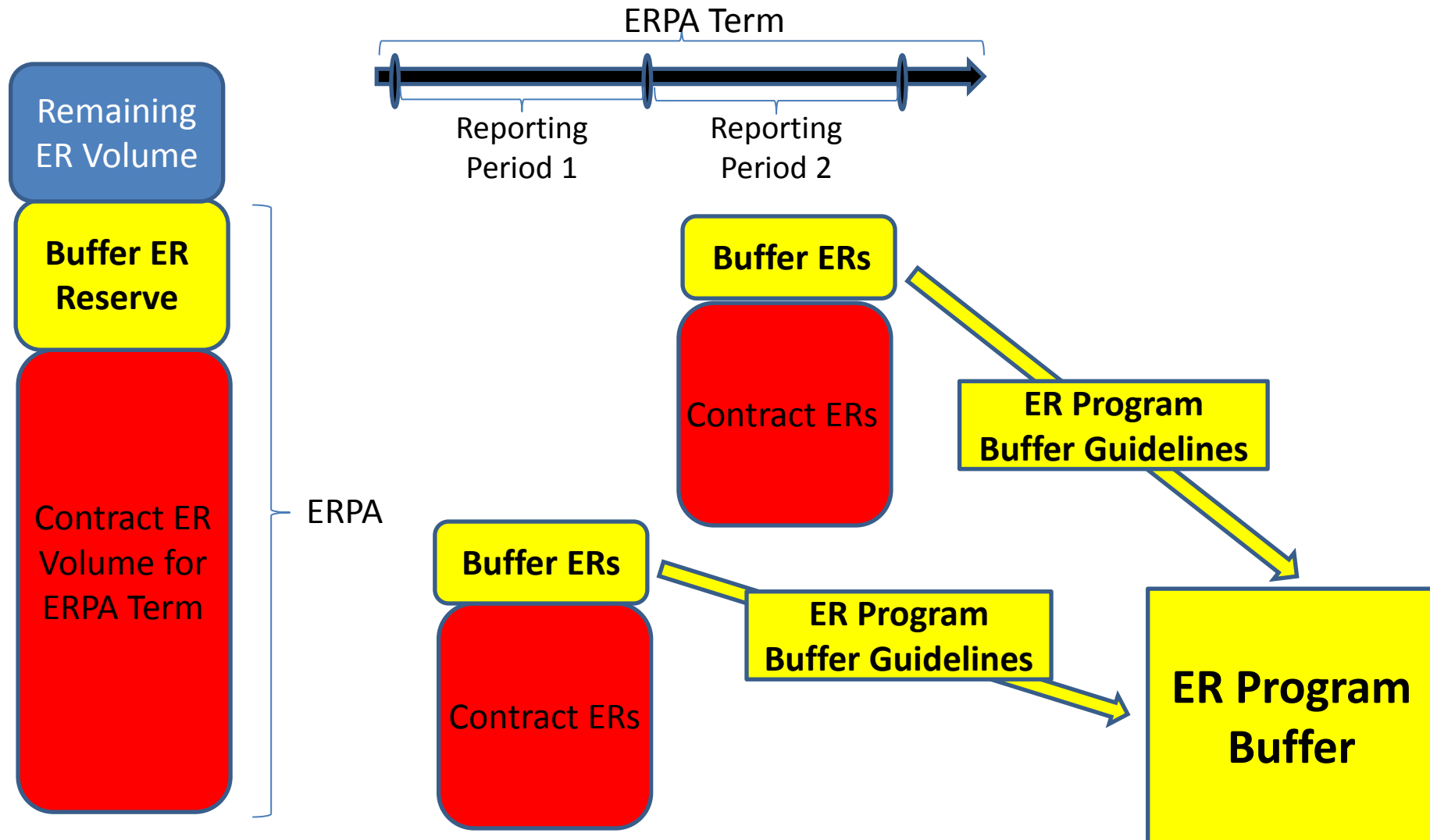
General Conditions

- Benefit Sharing (Example) -



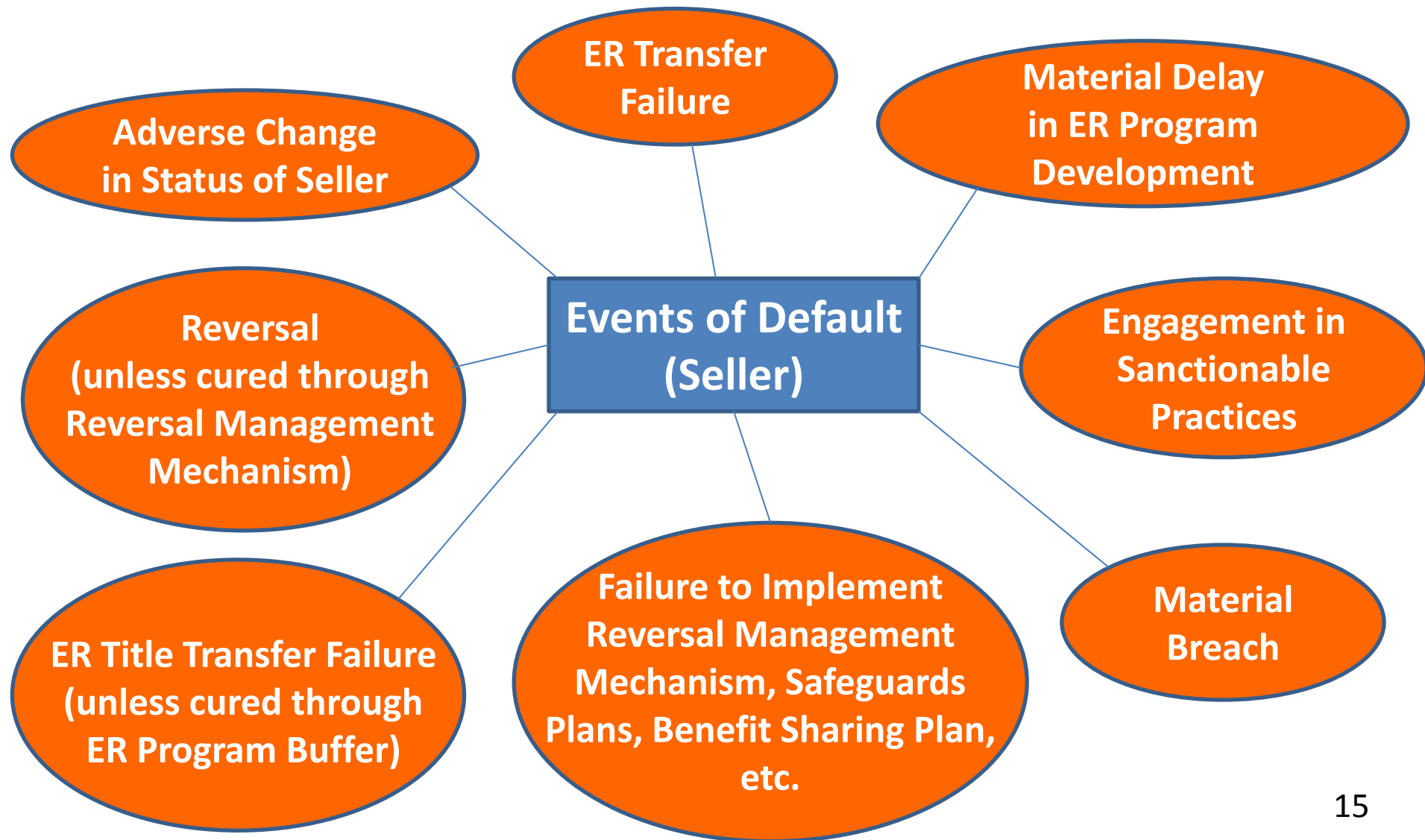
General Conditions

- ER Program Buffer -



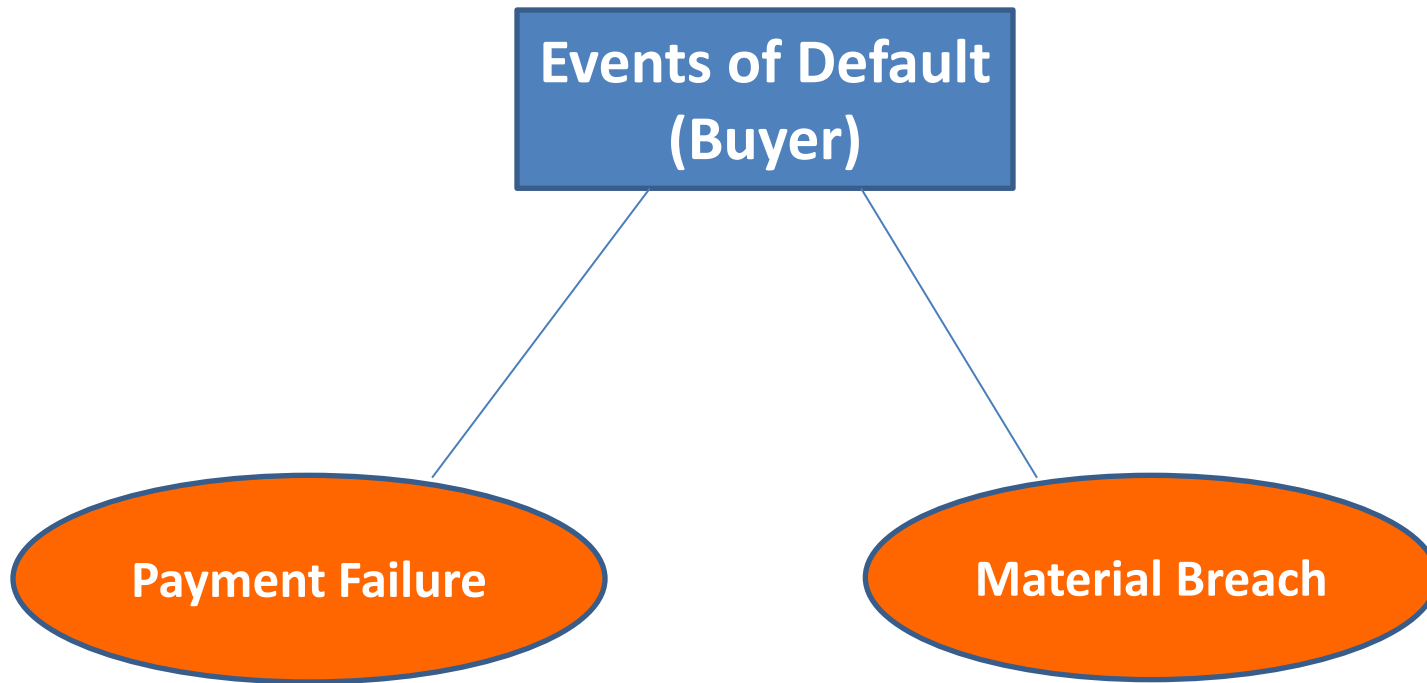
General Conditions

- Events of Default & Remedies (1) -



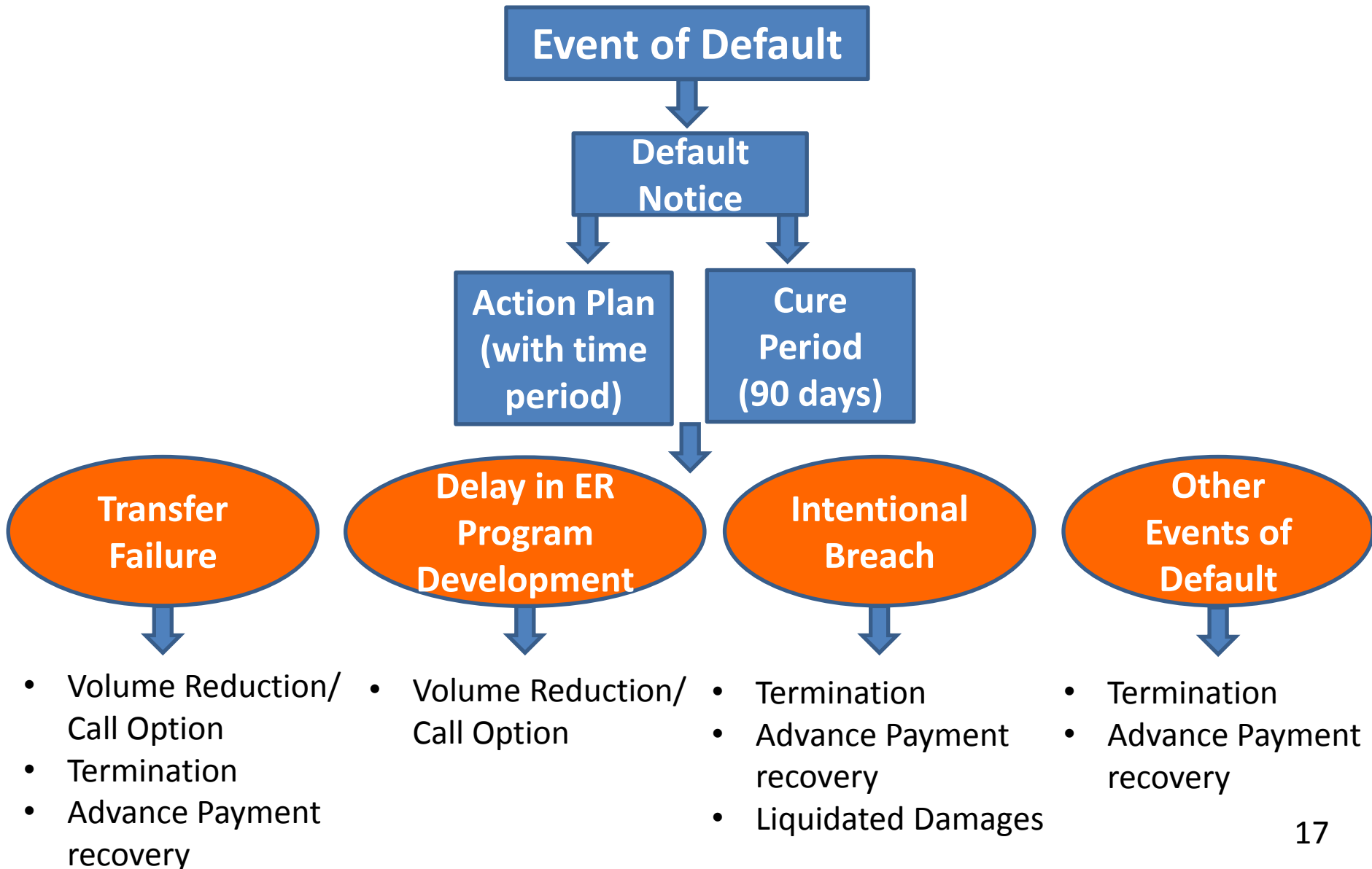
General Conditions

- Events of Default & Remedies (2) -



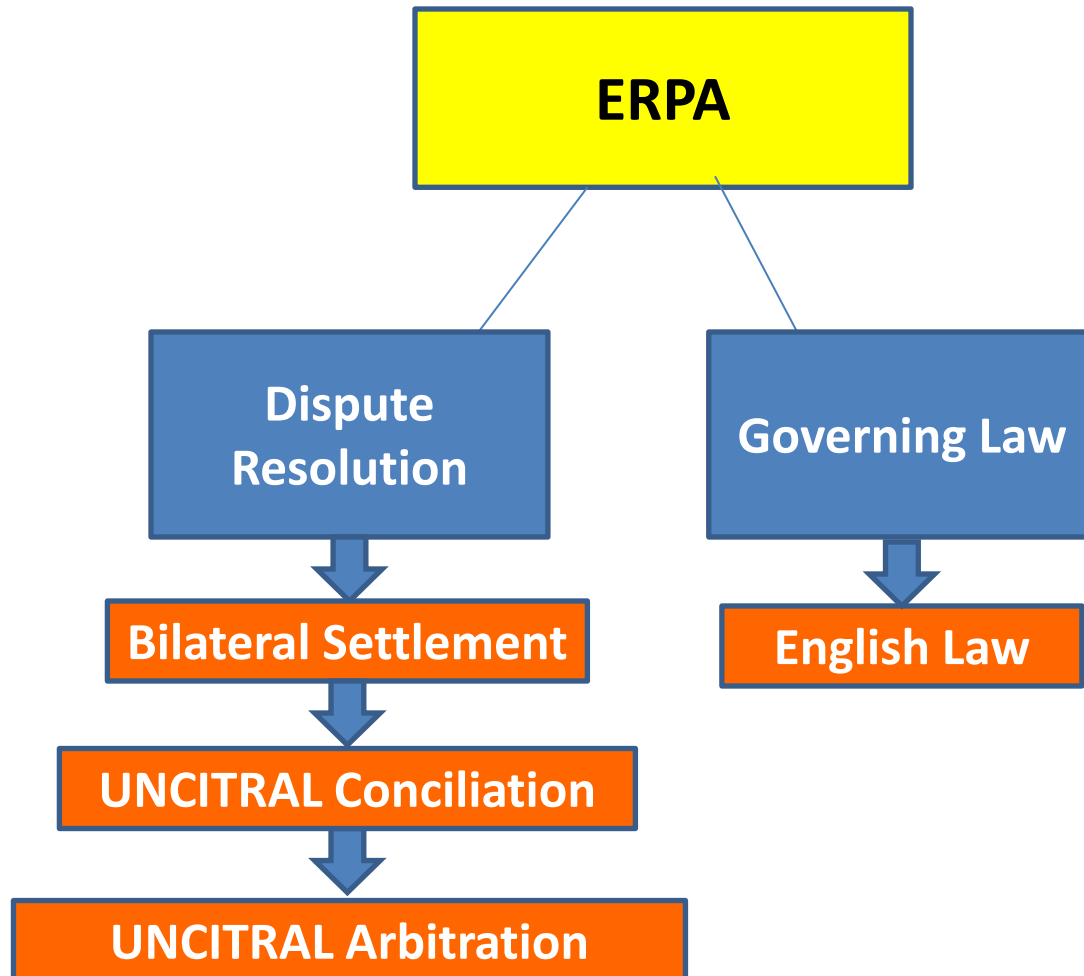
General Conditions

- Events of Default & Remedies (3) -



General Conditions

- Dispute Resolution & Governing Law -





III.

Next Steps

Next Steps

- Finalization of ERPA GCs (October 13-17, 2014) and posting of ERPA GCs on PC18 website soon thereafter
- Pre-PC18 workshop (October 31, 2014 in Arusha, Tanzania): Presentation of comments received and how such comments have been taken into account in the final version of the ERPA GCs
- PC18 (October 31-November 1, 2014 in Arusha, Tanzania): ERPA GC endorsement decision
 - Each PC member has one vote
 - If unanimous support by all PC members for ERPA GC endorsement cannot be obtained, decision can be taken by 2/3 majority of PC members present and voting at the meeting