



Forest Carbon Partnership Facility

Draft ER-PD template and ER-PD Assessment process

Tenth Meeting of the Carbon Fund (CF10)

Bonn, Germany

June 16-19, 2014

Sample Timetables from ER-PIN to ERPA

Milestones	Sample Country A (optimistic)	Sample Country B (realistic)	Potential for streamlining (and delay)
ER-PIN selected	Apr 2014	Apr 2014	
LOI signed	June/Jul 2014	June/Jul 2014	
WB Due diligence			
Country advances ER-Program design (approx. 12-18 months)	Completed by July 2015	Completed by Jan 2016	CFPs allow flexibility on <i>when</i> MF Criteria & Indicators need to be met (phased approach)
TAP review (approx. 2-3 months)	July-August 2015	Jan-March 2016	CFPs agree on scope (e.g., only on carbon accounting and legal opinion) and depth of TAP review (i.e., desk-based and/or country-visit)
CFPs comment on final draft ER-PD (approx. 1 month)	September 2015	April 2016	CFPs agree <i>virtual</i> review of quasi final ER-PD; CFPs could begin own review in parallel to TAP (but with TAP informing final CFP comments)
Self-assessment process of R-Package	Completed by August 2015	Completed by August 2016	
WB Due Diligence			
R-Package endorsed by PC (must happen prior to CF meeting)	by latest October 2015	by latest October 2016	Virtual review of Mid-Term Progress Reports, requests for additional funding, and R-Packages
ER-PD selected	March 2016	March 2017	CFPs review ER-PD against previous comments only, and directly select ER-PD for ERPA negotiations (Potential for delay: CFPs introduce additional comments and/or require additional iterations of the final ER-PD for review in subsequent meetings)
WB Due Diligence			
ERPA negotiated and signed (Approx. 3-6 month process)	April – June 2016	Mar - Aug 2017	
Implementation, Verification, Payments	~ 4.5 years (~ 3.5 implement.)	~ 3.5 years (~ 2.5 implement.)	Implementation to “end” ~12 months prior to end of the Facility (i.e., Jan 2020) to allow time for final monitoring, verification, and payment.

Carbon Fund process	WB Due Diligence process	Readiness process	Country process
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Issues to consider when defining the assessment process

- R-Package must be endorsed by PC before an ER-PD is submitted.
 - Readiness and PC review/endorsement processes impact ER program process.
 - Consider maximizing use of virtual review/decision-making.
- Trade-off:
 - level of detail required at each stage and number of iterations requested
 - vs. time for program implementation.
 - Objective: Streamline process while ensuring quality.
- Depending on the verification process agreed, implementation may need to “end” one year prior to the FCPF’s end-date to allow for monitoring, verification and payment.
- In optimistic scenario, current timeline allows for 3.5-4.5 years after ERPA signing (i.e., 2.5-3.5 years of implementation).
- Should the lifetime of the Carbon Fund be extended beyond 2020? E.g., to 2021 to allow for program implementation through end-2020, or to 2025 to allow for more years of program implementation?

Opportunities to streamline the process

Potential for streamlining (and delay)	
Country advances ER-Program design (approx. 12-18 months)	CFPs allow flexibility on <i>when</i> MF Criteria & Indicators need to be met (phased approach)
TAP review (approx. 2-3 months)	CFPs agree on scope (e.g., only on carbon accounting and legal opinion) and depth of TAP review (i.e., desk-based and/or country-visit)
CFPs comment on final draft ER-PD (approx. 1 month)	CFPs agree <i>virtual</i> review of quasi final ER-PD CFPs could begin own review in parallel to TAP (but with TAP informing final CFP comments)
R-Package endorsed by PC (must happen prior to CF meeting)	Virtual review of Mid-Term Progress Reports, requests for additional funding, and R-Packages
ER-PD selected	CFPs review ER-PD against previous comments only, and directly select ER-PD for ERPA negotiations (Potential for delay: CFPs introduce additional comments and/or require additional iterations of the final ER-PD for review in subsequent meetings)



Draft ER-PD template

ER-PD template: process so far

- **CF 8:** zero draft of the template was discussed for first feedback
- **January 15:** Revised draft was shared with CFPs and REDD Countries that have shown interest in the FCPF Carbon Fund for written feedback by February 15
 - Comments received from: Costa Rica, Canada, EC, Germany and team members in the FMT
- **CF 9:** Short discussion on the revised template. Based on the experiences with reviewing ER-PINs, CFPs, REDD countries and observers were invited to take a fresh look at the ER-PD template and provide additional guidance.
 - Comments received from: Germany, UK, Canada, Mexico, CSO Observers and UN-REDD
- **CF 10:** Revised version of the ER-PD template based on comments received. If there are no objections, the FMT will finalize the ER-PD template and make this version available for use by REDD+ Countries selected in the pipeline.



ER-PD assessment process

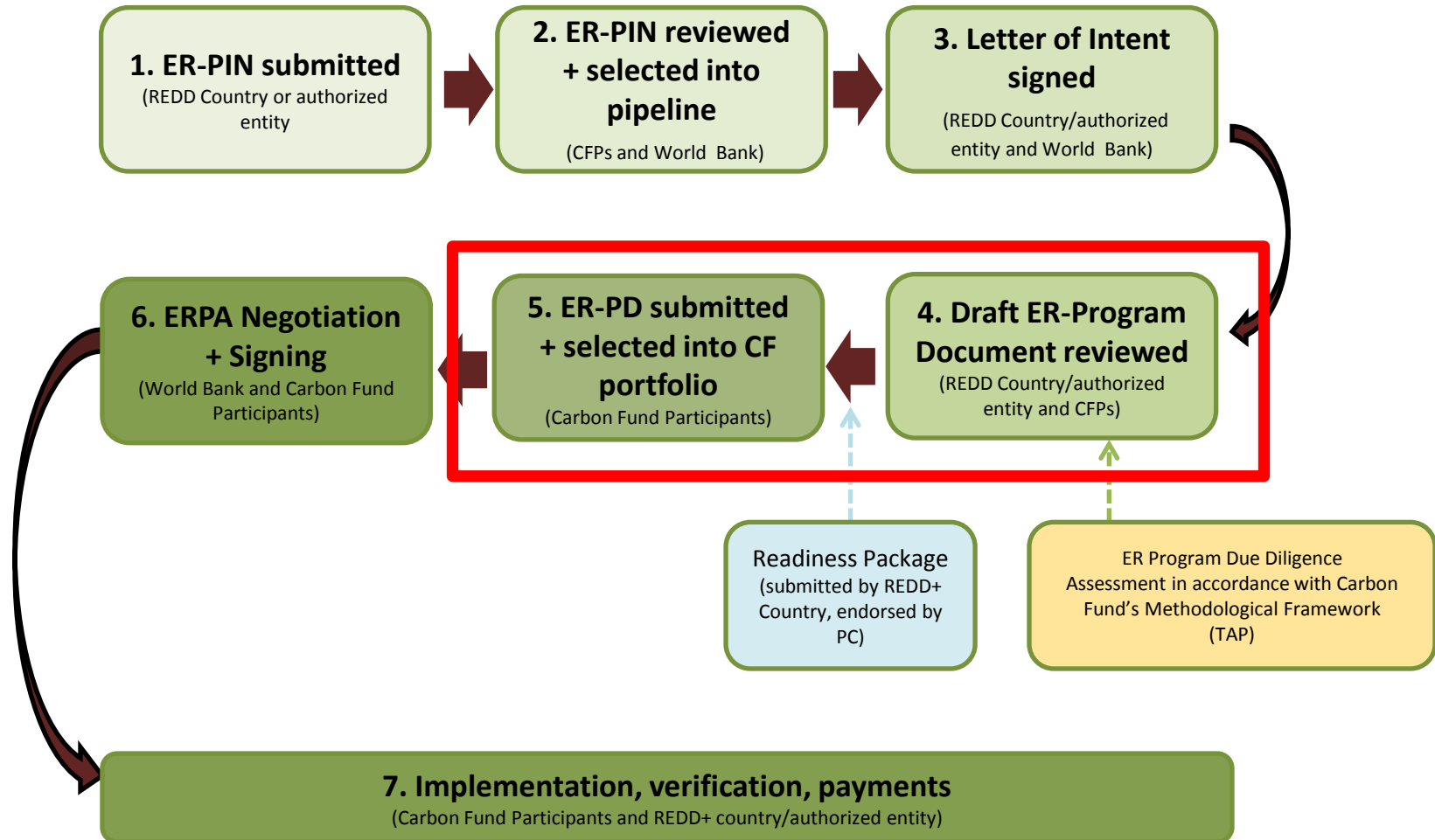
Language in process guidelines (CF4)

- Final ER-PD to be submitted after endorsement of the R-Package
- The FMT posts the ER-PD on the FCPF website, forwards it to the CFPs, and arranges for its translation into English if necessary
 - Based on earlier discussions, it is suggested to revise this and require submission in English (Rules of Procedure: official CF language is English). The FMT can arrange for translations to French and Spanish as needed for learning purposes, e.g., final ER-PDs.
- The CFPs may request the FMT or an Ad Hoc TAP to assist them in reviewing specific aspects of the ER Program Document
- These aspects would be specified in the Terms of Reference for the TAP.
 - Language in process guidelines: TORs may include, “for example: i) consistency with Readiness progress; ii) consistency of the ER Program with the selection criteria as determined by the CFPs; iii) consistency of the ER Program with the Carbon Fund methodological framework; iv) feasibility/risk assessment of the ER Program; and v) estimate of the emission reduction potential”
 - FMT proposal: carbon accounting and programmatic aspects.

Suggested steps at CF8

- At CF8 the FMT suggested to streamline the process by:
 - Including a step for the submission of a draft ER-PD
 - This draft ER-PD would be the document to be assessed by a TAP
 - The final ER-PD would still be submitted after the endorsement of the country's Readiness Package by the PC

Suggested steps at CF8 (cont')



Questions related to ER-PD assessment process

Main questions:

- Who will do the assessment?
- What needs to be assessed?
- How will the assessment take place?
- Who will pay for the costs of the assessment?

Follow up/related questions:

- Verification of monitored and reported emission reductions

Questions related to ER-PD assessment process: Who will do the assessment?

Question:

What are the different roles of the Carbon Fund Participants and the TAP?

FMT proposal:

- Carbon Fund Participants to review the ER-PD and decide if all requirements are met.
- If required, TAP input to assist in this process through providing expert review and opinion if information provided was transparent, complete, consistent and accurate (so not act as independent validators along the lines of the CDM) focusing on a subset of the MF, particularly:
 1. Carbon Accounting, including methodological information, description of data sets, approaches, methods, and assumptions used;
 2. Programmatic: Legal and social expert review and opinion on the extent to which the information provided on the FGRM, Transfer of Title and Benefit sharing arrangements was transparent, complete, consistent and accurate

Questions related to ER-PD assessment process:

What needs to be assessed? (cont')

Question:

When do the different criteria need to be assessed? For example, the MF details that some have to be met at ERPA signature. Do all criteria have to be met to enter into an ERPA? Is a phased approach possible to make improvements before ERPA signature or even first issuance?

FMT proposal:

- These are pilots, not everything might be clear-cut at the time of the ER-PD.
- A phased approach (beyond what is already clarified in the MF) could apply to some C&I but might specifically be relevant for those C&I that are important at the time of verification, for example those related to MRV can have made progress at the time of the ER-PD but should be “fully met” at the time of measuring, reporting and verifying emissions by sources and removals by sinks
- These C&I could be included as "conditions of ERPA effectiveness"

Questions related to ER-PD assessment process:

How will the assessment take place?

Question:

Desk based and /or country visits?

FMT proposal:

- Mainly desk-based with possible country visit by one of the TAP experts. Process should build as much as possible on other sources of in country information such as World Bank missions, World Bank country offices, and the R-Package self assessment process.

Questions related to ER-PD assessment process: How will the assessment take place? (cont')

Question:

Use the existing TAP that has been reviewing the R-PPs? New roster of experts potentially including UN roster of experts that will review Reference Levels? Is there a need to have specific teams around specific topics (reviewing for example the RL of all ER-PDs) or teams around each ER-PD (R-PP approach)?

FMT proposal:

- Mainly use existing TAP members, including the TAP that helped with the development of the MF but also do a call for expert nominations.
- As far as possible (and TAP members are available), teams would be organized around specific topics and review all ER-PDs to ensure consistency

Questions related to ER-PD assessment process: How will the assessment take place? (cont')

Question:

The MF allows for the use of other GHG accounting standards (for example VCS JNR) as long as the ER Program can show that the requirements of the MF have been met. So if other GHG accounting standard are used, how to assess that the MF requirements are met using the other standard; can this be a one off comparison or is this done on a case-by-case basis? Will the process and documents from that GHG accounting standard be accepted or need to repeat processes?

FMT proposal:

- Assess case-by-case.
- As much as possible, processes should be streamlined and double work should be avoided.

Questions related to ER-PD assessment process:

Who will pay for the costs of the assessment?

Question:

Who will pay for the costs of the assessment? Costs covered by the Carbon Fund or recovered through the ERPA?

FMT proposal:

- To be discussed as part of session 9.b on the ERPA general conditions

Follow up/related questions:

Question:

Verification of monitored and reported emission reductions:

- Is more than one verification mandatory?
- Who will cover verification costs?
- Who will do verification?
- Relation with UNFCCC ICA process?

FMT proposal:

- To be discussed at a next meeting

Next steps

- FMT to revise the “Process Guidelines for the Carbon Fund of the Forest Carbon Partnership Facility’ (CF4) to reflect the discussions on the assessment process



THANK YOU!

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