



Forest Carbon Partnership Facility

Setting the Stage for ER-PIN Reviews

Eleventh meeting of the Carbon Fund (CF11)

Washington, DC

October 6-8, 2014

Building the portfolio: ER-PINs in the pipeline/under consideration

	In the pipeline	CF11	Early ideas that did not become ER-PINs
Africa	DRC Ghana Republic of Congo		Madagascar
Asia	Nepal Vietnam	Indonesia	Cambodia
Latin America	Chile Costa Rica Mexico	Guatemala Peru*	Colombia

* Presented at CF10. Revised, and re-presenting at CF11.

- CFPs aim to finalize pipeline at CF11 → Any ER-PIN not selected at CF11 would not be able to re-present unless the pipeline is reopened.

How have these ER-PINs been developed?

- Countries made major effort to write ER-PINs.
- Facility Management Team (FMT) has provided close support: in-country missions, consultants, technical workshops.
- FMT checked completeness of each ER-PIN:
 - On quality: assessing ER-PINs at this stage. More detailed information required at ER-PD stage (many countries are at Readiness mid-term);
 - Not yet expected to meet every Methodological Framework standard;
 - Considered guidance to countries on what needs to be in an ER-PIN;
 - Considered 18 overarching questions;
 - Made judgment calls (e.g., work in progress on reference levels).
 - Objective: verify submissions were complete, consistent with Readiness information, and that proposed ER Program has potential to meet ER-PIN selection criteria **for selection into the pipeline.**

Task at CF11

- Two decision points to select ER programs:
 1. Selection into CF **pipeline** based on ER-PIN (**concept**-stage ideas)
→ signing of Letter of Intent (LOI)
 2. Selection into CF **portfolio** based on ER-Program Document (full proposal)
→ signing of Emission Reductions Payment Agreement (ERPA).
- Per CF9: Target of 10-12 LOIs, to eventually sign 8-9 ERPAs.
 - Indicative only; dependent on quality of programs.
 - LOIs $\geq$ expected ERPAs = manage risks
 - Experience: Some ER-PINs may not become ER-PDs at all, or ER-PDs that meet requirements or Carbon Fund Participants' needs.
 - If there is under-delivery or if more funds become available, there will be additional Programs under development to buy into.
 - Competitive process on quality and progress.
 - Countries may access other funding if not selected by the Carbon Fund.
 - Signing an LOI does not automatically mean an ERPA will be signed.

Options for Selection of ER-PINs

1. include ER-PIN in pipeline, allocate up to \$650,000 (subject to a signed Letter of Intent)
 - to support Country to develop ER-PIN into an ER Program Document
 - to support due diligence by World Bank
 - funds will be managed by World Bank and/or FMT
 - Gives green light to country to further develop concept. Not expected to answer all questions before signing an LOI.
 - ***LOI resolution requires setting a maximum volume (and possibly maximum value) to be contracted.***
2. allocate up to \$200,000 to support revisions to ER-PIN
 - ER-PIN to be considered for inclusion in pipeline at later stage.
 - funds will be managed by World Bank and/or FMT.
3. not include the ER-PIN
 - ER-PIN may be modified and presented again later.

Criteria for selection of ER-PINs into pipeline

7 formal criteria:

1. Progress towards Readiness
2. Political commitment
3. Methodological Framework
4. Scale
5. Technical soundness
6. Non-carbon benefits
7. Diversity and learning value

Other parameters raised by CFPs:

- Regional balance across portfolio
- Quality matters
- Goal of net emission reductions across portfolio
 - countries with high forest cover and low deforestation (HFLD) should not represent a disproportionately large share of the total ER volume or total financial value of the portfolio.

PC11 Agenda

- Deliberation and discussion of decisions in plenary and small groups built-in.



THANK YOU!

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