



Forest Carbon Partnership Facility

ER-PD Assessment process

Eleventh Meeting of the Carbon Fund (CF11)

Washington DC, USA

October 6-8, 2014

ER-PD assessment: process so far

- **CF4:** Carbon Fund process guidelines discussed
- **CF8:** Suggestion to include a step for the submission of a draft ER-PD
- **CF10:** Review of final draft of the ER-PD template and discussion on issues to be considered in ER-PD assessment. As agreed:
 - ER-PD template was circulated for 2-week review and no-objection period. No objections received and template has been made publicly available.
 - July 8: Questionnaire was sent to CFPs, CF Observers and REDD+ Countries to receive feedback on issues related to the ER-PD assessment process.

ER-PD assessment questionnaire

- Feedback was received from: Canada, Chile, Costa Rica, DRC, EC, Germany, Mexico, NCSO, Norway, Olam (entity in RoC program), Peru, Private sector, UK, US.
- Questionnaire and feedback organized around 3 topics:
 1. Role and scope of the TAP;
 2. Streamlining the ER-PD assessment process (including virtual review and phased approach to meeting the requirements of the Methodological Framework);
 3. Use of other GHG accounting standards.



Role and scope of the TAP

Feedback received

- Different opinions but there seems to be convergence around:
 - TAP to highlight strengths and weaknesses of the ER Program based on MF requirements;
 - TAP to review all sections of the ER-PD;
 - Review of carbon accounting sections as much as possible consistent with Warsaw Framework;
 - TAP to be organized around thematic issues with in-country expertise included where possible;
 - Country visit by relevant TAP members only if necessary.
- FMT would start drafting ToRs for the TAP based on the understanding that the above is the envisioned role for the TAP
- During the drafting, the FMT will take into account the due diligence work that will be performed by the World Bank to ensure there is no duplication (for example on World Bank safeguards)

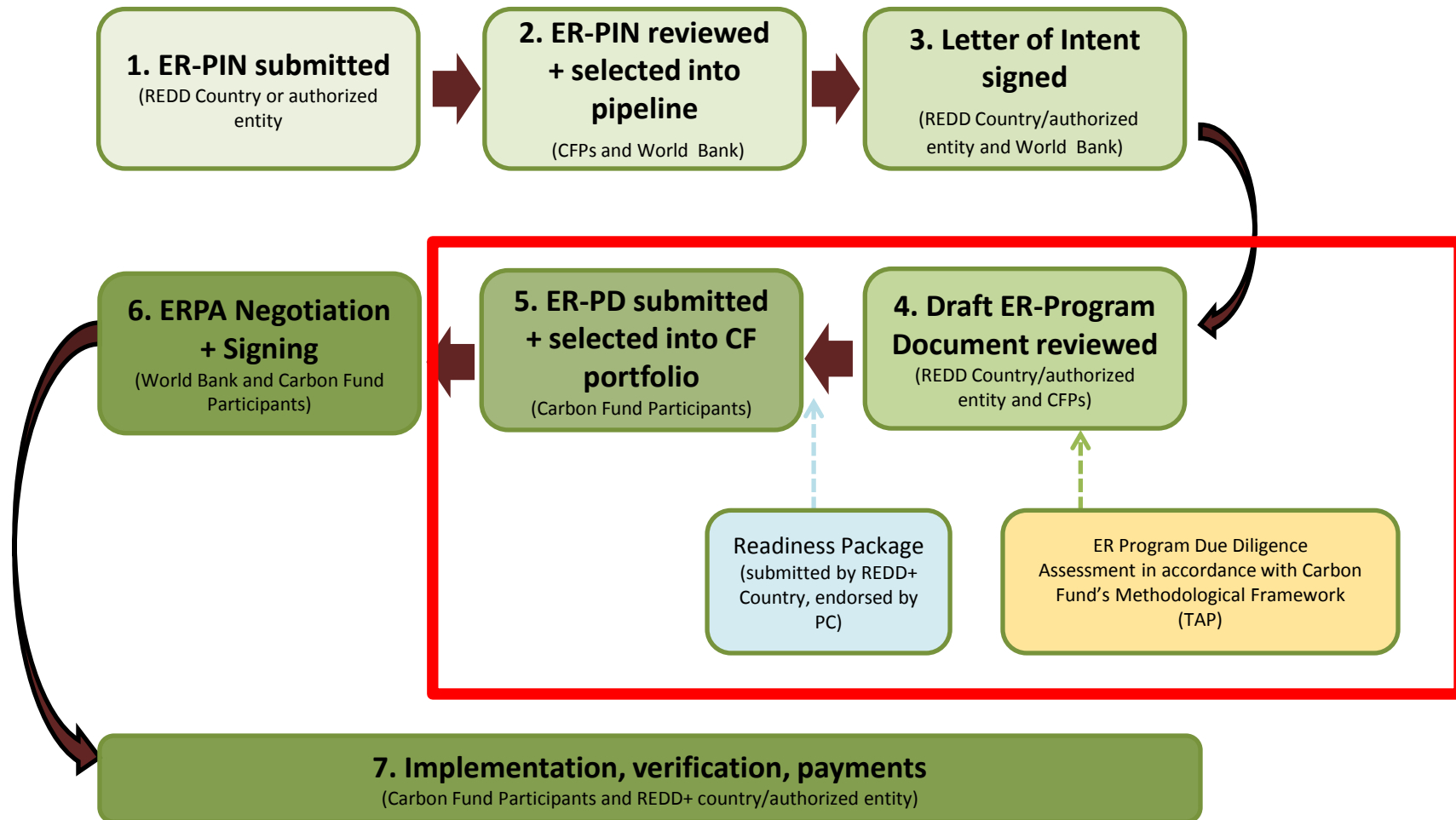


Streamlining the ER-PD assessment process

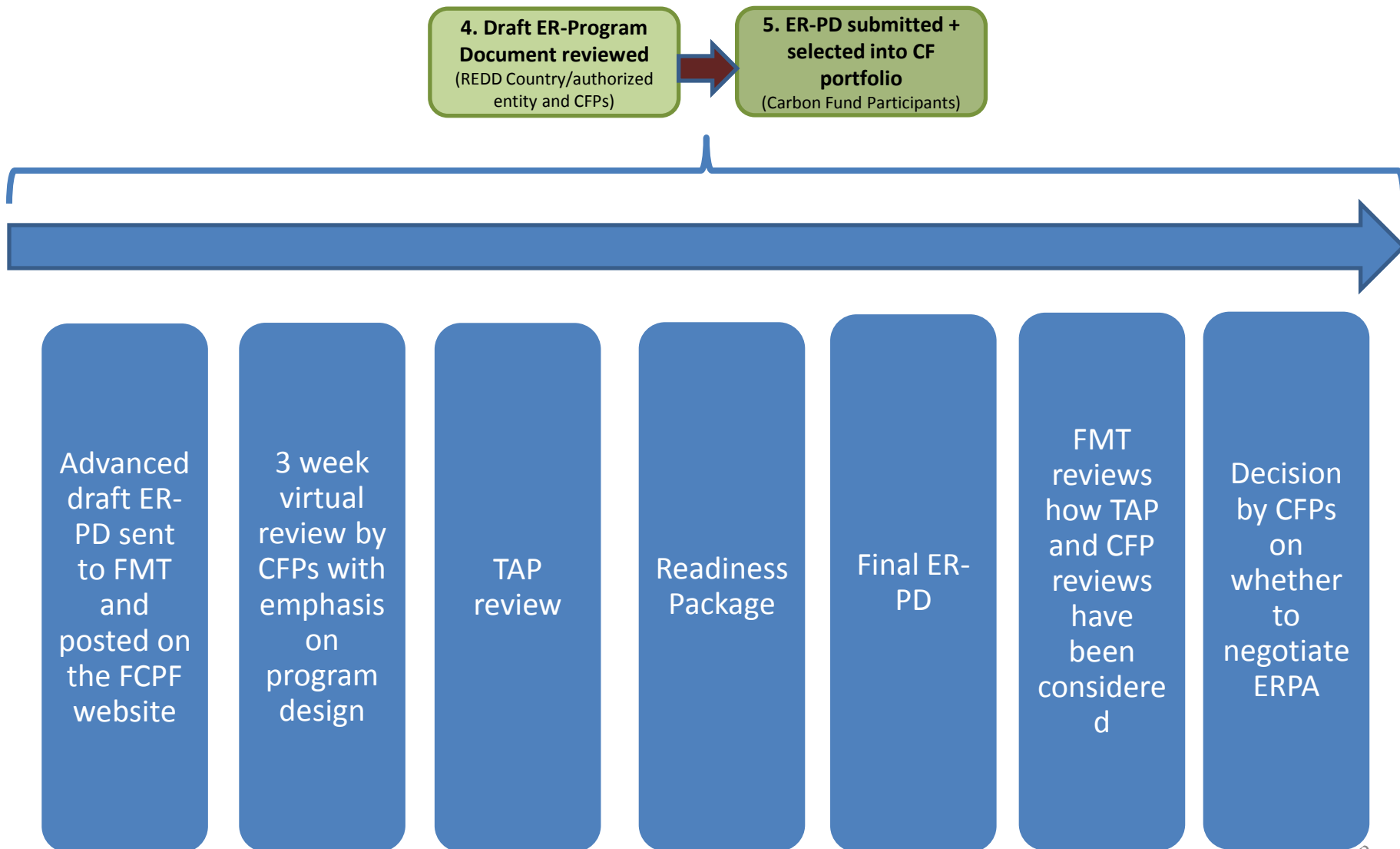
Feedback received

- Majority endorses virtual review but not for final decision making
- Many CFPs expressed their limited time and capacity to review documents
- Different opinions on allowing 'phased approach' beyond what is already defined in the MF
 - FMT proposes to possibly revisit this as part of a future review of the Methodological Framework

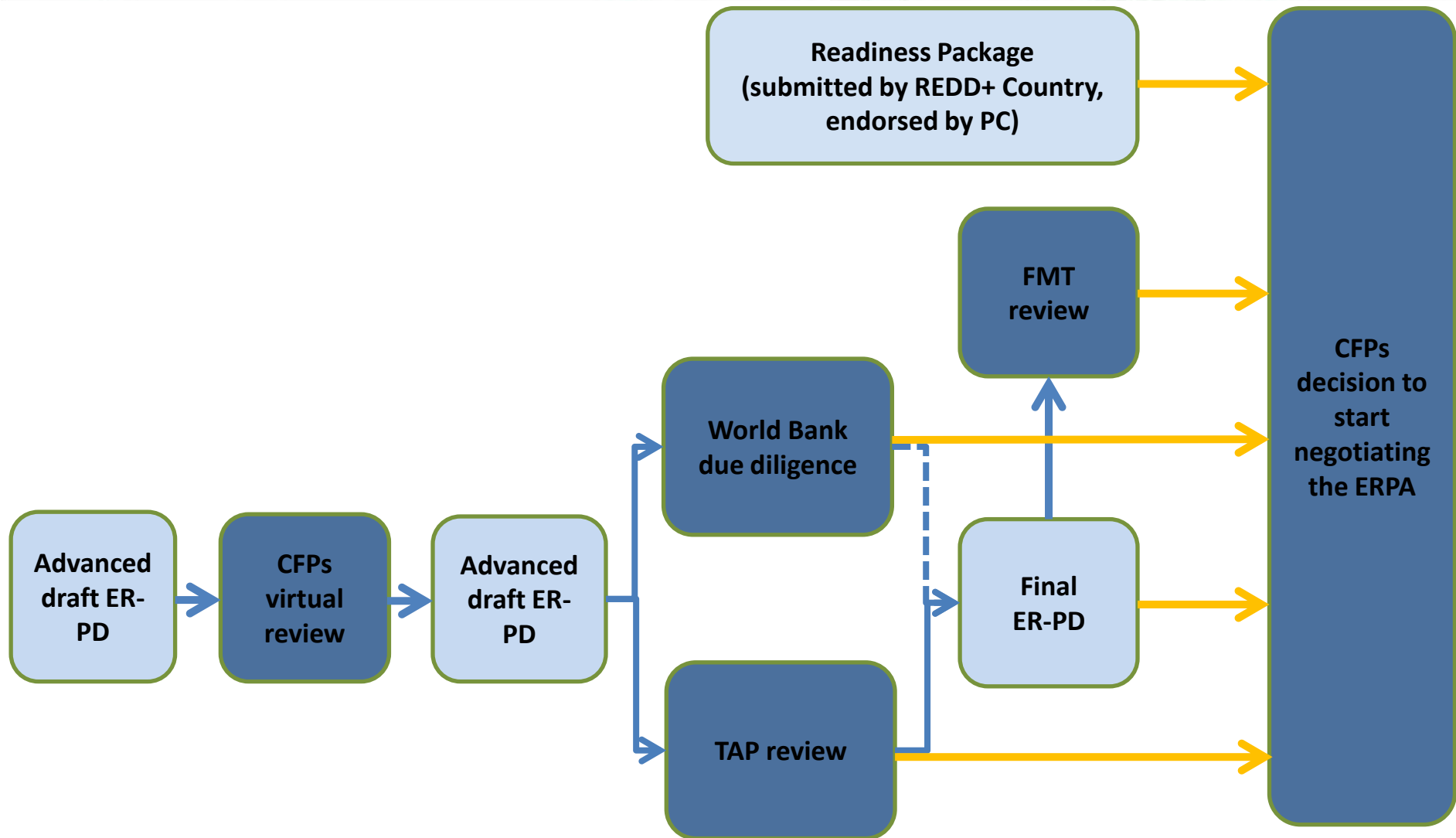
Suggested changes in the process guidelines



Suggested changes in the process guidelines (cont')



Inputs into decision making process



Major decision points for CFPs

- Virtual review of the advanced draft ER-PD with emphasis on the design of the ER Program and the proposed ER Program measures
 - Green light for TAP work and World Bank due diligence to start
- Review of formal ER-PD submission is final decision to negotiate ERPA or not. This is a final 'go'/'no go' decision. It is not envisioned that the CFPs would request further significant changes to the ER-PD.
- Based on:
 - R-package;
 - World Bank due diligence;
 - Final ER Program Document;
 - TAP report on the strengths and weaknesses of the advanced draft ER-PD and FMT review of how this is reflected in the final ER-PD.

Expected implications on timetables

Milestones	Sample Country A (optimistic)	Sample Country B (realistic)
ER-PIN selected	April 2014	April 2014
LOI signed	June/July 2014	September 2014
WB Due diligence		
Country shares advanced ER-Program Document (approx. 12-18 months to develop)	By July 2015	By January 2016
CFP virtual review (4 weeks?)	August 2015	February 2016
TAP review (approx. 3-6 months?)	September - January 2016	March – August 2016
Self-assessment process of R-Package	By January 2016	By September 2016
WB Due Diligence		
R-Package endorsed by PC	April 2016	November 2016
ER-PD submitted	May 2016	December 2016
WB Due Diligence		
FMT review (approx. 1 month)	June 2016	January 2017
ER-PD selected (approx. 2 months for CFPs to review before making decision)	September 2016	April 2017
ERPA negotiated and signed (approx. 3-6 month process)	October 2016 - March 2017	May - October 2017
Implementation, Verification, Payments	~3.75-4 years (~2.75-3 implement.)	~3.25-3.5 years (~2.25-2.5 implement.)



Use of other GHG accounting standards

Feedback received and next steps

- Divergent views on the need to streamline processes
- Many CFPs are reluctant to adjust the CF processes while REDD countries are asking for more streamlining in particular with VCS JNR, including allowing use of VCS Leakage Tool and buffer approach

FMT is requesting further guidance on how to take this discussion forward



THANK YOU!

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