



# Forest Carbon Partnership Facility

## Proposal of interim milestones and deadlines for Countries selected into the pipeline

Thirteenth Meeting of the Carbon Fund (CF13)

Brussels, Belgium

October 13-16, 2015

# Outline of Presentation

- Background
- Current situation
  - Current pipeline status
  - LOIs
- Proposals
- Timing

# Background

- Carbon Fund extended from December 2020 to December 2025 (CF12, April 2015)
- Concern that REDD Country participants may slow down development of ER Programs as a result of the extension
- Resolution on extension of the Carbon Fund therefore included the following clause:
  - CFPs request FMT to propose, for consideration by CFPs at CF13, certain interim milestones and associated deadlines to be met by REDD Country Participants whose ER-PINs have been selected into the pipeline of the Carbon Fund, to encourage such REDD Country Participants to continue their efforts to swiftly move through the Carbon Fund's ER Program development process

# Current Situation (1) – current pipeline status

**FOREST CARBON PARTNERSHIP FACILITY**

Revised: October 5, 2015

## FCPF Carbon Fund DASHBOARD

	Invited into CF Pipeline	LOI Date	HFLD	Draft ER-PD Submitted to FMT	ER-PD Due (LoI + 18 months)	ER-PD Presented to CF	ERPA Signed	Exclusivity Period End
Chile	06/19/14	08/22/14			02/22/16			08/22/16
Costa Rica	03/16/13	09/10/13			03/10/15			09/10/15
DR Congo	04/11/14	06/05/14	x		12/05/15			06/05/16
Ghana	04/11/14	09/29/14			03/29/16			09/29/16
Guatemala <sup>1</sup>	10/08/14							
Indonesia <sup>2</sup>	10/08/14							
Mexico	04/11/14	09/24/14			03/24/16			09/24/16
Nepal	04/11/14	06/03/15			12/03/16			06/03/17
Peru <sup>3</sup>	10/08/14		x					
Republic of Congo	06/19/14	09/25/14	x		03/25/16			09/25/16
Vietnam	06/19/14	12/10/14			06/10/15			12/10/16
<b>Totals:</b>	<b>11</b>	<b>8</b>	<b>3</b>					
<span style="color: yellow;">█</span> Countries that have submitted an ER-PIN and are to submit a revised ER-PIN to reflect the CFPs comments. <span style="color: yellow;">█</span> : Countries working towards signing a Letter of Intent <span style="color: green;">█</span> : Countries that have signed a Letter of Intent. 1. Awaiting outcome of elections 2. Invited to resubmit a revised ER-PIN before CF13 3. On hold								

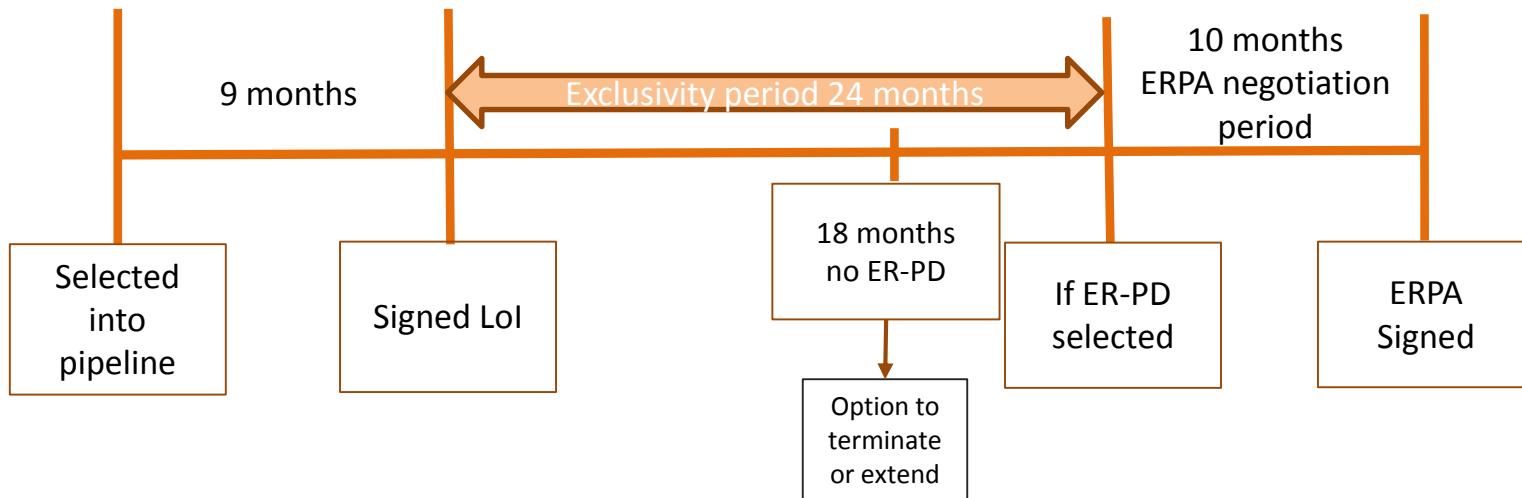
## Current Situation (2) –LOIs

- Signed LOIs (for 8 countries): Signed on average 6 months after selection into pipeline (range from 2 to 14 months)
- LOIs have 24 month Exclusivity Period (subject to potential automatic extension to allow for 10 month ERPA negotiation period). If no ERPA signed within Exclusivity Period LOIs automatically terminate. Exclusivity Periods for these 7 signed LOIs (excluding Costa Rica) currently end between July 2016 and June 2017
- LOIs allow 18 months from LOI signature to submission of ER-PD to CF Meeting. Trustee has option to terminate or extend. If no ER-PDs submitted, Trustee has option to terminate the 7 signed LOIs (excluding Costa Rica) between January 2016 and December 2016
- LOIs include maximum 10 month negotiation period so LOI automatically terminates if ERPA not signed within 10 months of selection of ER-PD into portfolio

# Proposals

- Possible new deadline for revised ER-PIN from Indonesia: no later than CF14 (possible earlier virtual decision)
- New deadline for Peru and Guatemala to sign LOIs by 8 April 2016 (18 months after selection into pipeline)
- New deadline for signature of LOIs: Propose 9 months after selection into pipeline or when funding is available to proceed with signing (will include Indonesia and any new countries selected into pipeline)
- All the above “unless the Carbon Fund Participants decide otherwise”
- Keep terms of LOIs the same
- After 18 months without an ER-PD do we extend or terminate? Proposal: Only terminate in exceptional cases and with no-objection from CFPs
- New proposal: Agree any extensions to Exclusivity Periods through no-objection from CFPs

# Timing (1) (Worst case timeline under LOI; not the default expected timeline)



## Timing (2) (Worst case timeline under LOI; Not the default expected timeline)

Pipeline	LoI Signed	Option to terminate or extend	24 month exclusivity period ends	Additional 10 months ERPA negotiation period ends	5-year ERPA term ends
7 signed LoIs		Jan – Dec 2016	July – Dec 2016	May – Oct 2017	May – Oct 2022
Guatemala and Peru	April 2016	Oct 2017	April 2018	Feb 2019	Feb 2024
Current ER-PINs October 2015	July 2016	Jan 2018	July 2018	May 2019	May 2024
CF14 April 2016	Jan 2017	July 2018	Jan 2019	Nov 2019	Nov 2024



# THANK YOU!

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