

**Forest Carbon Partnership Facility (FCPF)**  
**Carbon Fund**  
**Thirteenth Meeting (CF13)**  
**AGENDA**

**Hotel Metropole  
Brussels, Belgium**

**Tuesday, October 13, 2015**

<b>1. Opening</b>	
08:00	1a. Welcome, objectives and review of agenda (Morten Nordskag, Norway, as Chair; Ellysar Baroudy)
08:15	1b. Update on progress made since CF12 (Ellysar Baroudy)
<b>2. ER-PIN Reviews (Presentations of additional information since CF12)</b>	
08:45	2a. Setting the stage for ER-PIN Reviews (selection criteria, guiding principles, etc.) (Stephanie Tam, Alex Lotsch)
09:30	2b. Madagascar
11:00	<i>Coffee break</i>
11:30	2c. Argentina (TBC subject to Readiness Grant Agreement signature and receipt of government endorsement letter, both of which are expected soon)
13:00	<i>Lunch break</i>
14:15	2d. Cote d'Ivoire
15:45	<i>Coffee break</i>
16:15	2e. Cameroon
17:45	<i>End of day</i>

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### Wednesday, October 14, 2015

2. ER-PINs - CONTINUED	
08:00	2f. Dominican Republic
09:30	2g. Fiji (Samuela Lagataki)
11:00	<i>Coffee break</i>
11:30	2h. Guyana
13:00	<i>Lunch break</i>
14:15	2i. Lao PDR (Inthavy Akkharath)
15:45	<i>Coffee break</i>
16:15	2j. Mozambique (Momede Abdurramane Nemane)
17:45	<i>End of day</i>

### Thursday, October 15, 2015

2. ER-PINs - CONTINUED	
08:00	2k. Nicaragua
09:30	<i>Coffee break</i>
3. Updates on ER-PINs Provisionally Selected at Previous Meetings	
10:00	3. Indonesia
4. ER-PIN Selection	
11:00	4. Portfolio Management and Selection of ER-PINs (Stephanie Tam, Simon Whitehouse, Alex Lotsch)
12:15	<i>Lunch break</i>
5. Other Aspects	
13:30	5a. Update on developing guidelines on modalities and procedures for ER Program buffers (Marco van der Linden)
15:30	<i>Coffee break</i>
16:00	5b. Proposal of interim milestones and deadlines for Countries selected into the pipeline (Simon Whitehouse)
17:00	<i>End of day; contact groups on selection of ER-PINs as needed</i>

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**Friday, October 16, 2015**

<b>(4. ER-PIN Selection - CONTINUED)</b>	
08:00	4. cont'd. Portfolio Management and Selection of ER-PINs
08:45	<i>Contact groups on selection of ER-PINs</i>
10:00	<i>Coffee break</i>
10:30	<i>Contact groups on selection of ER-PINs</i>
<b>5. Other Aspects (CONTINUED)</b>	
11:45	5c. Guarantee Option for Addressing Financing Gap in the Emission Reductions Programs of the Carbon Fund Portfolio (Alex Lotsch)
12:30	<i>Lunch</i>
14:00	5d. Bond Option for Addressing Financing Gap in the Emission Reductions Programs of the Carbon Fund Portfolio (Alex Lotsch)
15:00	5e. Emerging Issues in ER-PD Development: Proposed Process to Address Issues
15:30	<i>Coffee break</i>
<b>6. Closing</b>	
16:00	6a. Next meetings (Stephanie Tam)
16:15	6b. Adoption of Resolutions (Chair, Sachiko Morita)
17:00	6c. Conclusions (Chair)
17:15	<i>End of meeting</i>

## ANNOTATIONS

All background documents are available on the CF13 page of the FCPF website at <https://www.forestcarbonpartnership.org/CF13> unless otherwise indicated.

### **Session 1b. Update on progress made since CF12**

**Background:** The FMT will present progress made since CF12 in April 2015.

**Background documentation:** Presentation.

**Expected action:** None.

### **Session 2a. Setting the stage for ER-PIN Reviews (selection criteria, guiding principles, etc.)**

**Background:** FCPF REDD Country Participants were invited to submit Emission Reductions Program Idea Notes (ER-PINs) for consideration by Carbon Fund Participants (CFPs), for potential selection into the Carbon Fund pipeline. At CF4 in June 2012, CFPs agreed on seven criteria for review and selection of ER-PINs into the pipeline:

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

When reviewing ER-PINs against the above selection criteria, it is important to recall that ER-PINs are concept-stage ideas, and not yet full-fledged proposals, and that there are two decision points related to selection of ER programs into the Carbon Fund:

- i) Selection into the pipeline for of the Carbon Fund based on the ER-PIN;
- ii) Selection into the portfolio of the Carbon Fund based on the ER-PD.

The quality of and level of detail provided in the ER-PINs should be reviewed with this in mind.

**Background documentation:** The draft presentation will be available on the CF13 website.

**Expected CFP action:** No action is expected during this session. The selection of which ER-PINs will be included in the Carbon Fund pipeline will take place in Session 4 (Portfolio Management and Selection of ER-PINs). See annotations for Session 4 below.

### **Sessions 2b-k. ER-PIN Reviews**

**Background:** Argentina, Cameroon, Cote d'Ivoire, Dominican Republic, Fiji, Guyana, Lao PDR, Madagascar, Mozambique and Nicaragua have submitted ER-PINs for consideration by the Carbon Fund.

**Background documentation:** The ER-PINs are available on the CF13 page.

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**Expected CFP action:** No action is expected during these sessions. The selection of which ER-PINs will be included in the Carbon Fund pipeline will take place in Session 4 (Portfolio Management and Selection of ER-PINs). See annotations for Session 4 below.

### **Sessions 3. Updates on ER-PINs Provisionally Selected at Previous Meetings**

**Background:** Indonesia submitted an ER-PIN for consideration by the Carbon Fund at CF11 in October 2014, and was provisionally selected into the pipeline through resolution CFM/11/2014/2. The provisional inclusion is subject to the revision of the ER-PIN as follows:

“(i) Revision of the ER-PIN: Revision by Indonesia of the ER-PIN and submission of such revised ER-PIN to the FMT 1) preferably at least 14 calendar days prior to the thirteenth meeting of the Carbon Fund (indicatively scheduled for October or November 2015), and 2) in substance satisfactory to the Trustee, with the consent of the Carbon Fund Participants, preferably at or before the thirteenth meeting of the Carbon Fund.”

as well as the signing of a Letter of Intent (LOI).

Indonesia has submitted a letter to the FMT informing that the revised ER-PIN will not be available for CF13, but instead within the coming months, to allow for consultations with relevant stakeholders. At CF13, a delegation from Indonesia will present how it proposes to revise its ER-PIN to address the issues raised in resolution CFM/11/2014/2.

**Background documentation:** Resolution CFM/11/2014/2 is available on the CF11 page at <https://www.forestcarbonpartnership.org/sites/fcp/files/2014/october/Resolution%202014%20Indonesia%20ER-PIN%20provisional%20rev.pdf>. Indonesia's presentation on proposed revisions will be made available on the CF13 page.

**Expected CFP action:** Because Indonesia's ER-PIN has already been provisionally selected into the pipeline, their ER-PIN will not be considered alongside the other ER-PINs up for new selection into the pipeline at CF13. Instead, CFPs may provide feedback on Indonesia's proposed revisions and whether the issues laid out in resolution CFM/11/2014/2 are addressed by these proposals. CFPs are also requested to agree on a process for reviewing, providing feedback on, and consenting to the revised ER-PIN, once it is submitted by Indonesia.

### **Session 4a. Portfolio Management and Selection of ER-PINs**

**Background:** See Session 2a above.

**Background documentation:** See Sessions 2a, 2b-k, and 3 above.

**Expected CFP Action:** For each ER-PIN, decide on whether:

- 1) to include the ER-PIN in the pipeline, allocate a \$650,000 budget for development of an ER Program Document and sign a Letter of Intent;
- 2) to allocate budget of up to \$200,000 to support revisions to the ER-PIN, with a view to the ER-PIN being considered for inclusion in the pipeline at a later stage; or

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3) not to include the ER-PIN. ER-PINs not included may still be modified and presented again in a subsequent batch.

If CFPs decide to select an ER-PIN into the pipeline (option 1), CFPs are asked to also decide on a maximum volume and, if possible, a maximum value for a potential ERPA, to be included in the Letter of Intent with the Country. These would need to be specified in the resolution for each ER-PIN, to be adopted at CF13.

A contact group will be formed on each ER-PIN selected into the pipeline, in order to further discuss issues in the respective ER-PIN and agree on the text of the resolution selecting the ER-PIN into the pipeline.

#### **Session 5a. Update on developing guidelines on modalities and procedures for ER Program buffers**

**Background:** At PC18, the Participants Committee (PC) adopted the FCPF General Conditions Applicable to Emission Reductions Payment Agreements (Resolution PC/18/2014/2). These General Conditions refer to Buffer Guidelines that will lay out the guidelines and risk assessment tools for the buffers identified in the Methodological Framework. As part of the resolution, the PC further requested the Carbon Fund to establish a review group to review and provide feedback to the FMT on the Buffer Guidelines during the preparation of these Guidelines. The Guidelines will need to be approved by the Carbon Fund.

During this session, the FMT will present an update on the discussions in the review group and the latest draft of the Buffer Guidelines if these have been endorsed by the review group prior to the meeting. Carbon Fund Participants will be requested to agree on a process for approving the Buffer Guidelines, which could include action without a meeting.

**Background documentation:** Presentation and, if available, the draft Guidelines as endorsed by the review group.

**Expected Action:** Agree to a process for virtual adoption of the Guidelines through a resolution, in accordance with the Carbon Fund rules of procedure.

#### **5b. Proposal of interim milestones and deadlines for Countries selected into the pipeline**

**Background:** In order to encourage REDD Country Participants to continue their efforts to swiftly move through the ER Program development process, CFPs at CF12 requested the FMT to propose certain interim milestones and associated deadlines, potentially including a deadline for ERPA signature, to be met by REDD Country Participants whose ER-PINs have been selected into the pipeline of the Carbon Fund. The FMT was requested to make this proposal for consideration by CFPs at CF13.

**Background documentation:** Presentation outlining the FMT's proposal.

**Expected Action:** CFPs are requested to provide feedback on the FMT's proposal. Agreed deadlines could be applied to ER-PINs selected at previous meetings and/or at CF13.

**Session 5c. Guarantee Option for Addressing Financing Gap in the Emission Reductions Programs of the Carbon Fund Portfolio.**

**Background:** Implementation of ER programs requires significant upfront investment. Financing gaps in ER programs can be a major risk to achieving results anticipated from the ER programs. Possible approaches for addressing the financing gap of ER programs were presented at CF12 in April 2015. Details related to the option of using guarantees to address financing gaps of ER programs will be discussed at CF13.

**Background documentation:** Presentation outlining the guarantee option for addressing financing gaps of ER Programs.

**Expected Action:** Views and guidance of the CFPs are sought on the guarantee option for meeting financing needs of ER programs, including the possible use of Carbon Fund capital in implementing the guarantee option to help address gap in financing of the ER programs in the Carbon Fund Portfolio.

**Session 5d. Bond Option for Addressing Financing Gap in the Emission Reductions Programs of the Carbon Fund Portfolio**

**Background:** Following on session 5c, the FMT will present details related to the option of using bonds to address financing gaps of ER programs.

**Background documentation:** Presentation outlining the bond option for addressing the financing gaps of ER Programs.

**Expected Action:** Views and guidance of the CFPs are sought on the bond option for meeting financing needs of ER programs, including the possible use of Carbon Fund capital in implementing the bond option to help address gaps in financing of ER programs in the Carbon Fund Portfolio.