

An aerial photograph of a lush, dense tropical forest. The canopy is a vibrant green, with various tree species visible, including palm trees. A semi-transparent white rectangular box is overlaid on the center of the image, containing text. The text is arranged in four lines, with the first line in green and the others in dark red. The date 'November 2020' is at the bottom in green.

**Forest Carbon Partnership Facility**

**22nd Carbon Fund Meeting  
(CF22)  
Progress Update**

**November 2020**



# Presentation Outline

**01** **CF Portfolio**

**02** **Social Inclusion**

**03** **Gender**

**04** **Private Sector  
Engagement**

**05** **Technical  
Capacity Building**

**06** **Sharing Knowledge  
and Raising Visibility**

**07** **Commitments**

**08** **Concluding  
Messages**





# 1. CF PORTFOLIO

# Carbon Fund Portfolio



**18** countries  
in the Carbon  
Fund

# Milestones: Emission Reductions Payment Agreements

- ❑ Total number of ERPAs signed to date = 6
  - Chile, Côte d'Ivoire, DRC, Ghana, Mozambique, and Vietnam (contract value \$282.5 million)
- ❑ Number of additional signed ERPAs anticipated by November 2020 deadline = 4\*
  - Costa Rica, Fiji, Indonesia, Lao PDR
- ❑ Total number of ERPAs anticipated by November 2020 deadline = 10



## What is an ERPA?

An ERPA is an agreement signed between Country Participants and the World Bank (acting as trustee of the FCPF Carbon Fund) for the sale, transfer of, and payment for emission reductions (ERs) generated from the ER Program.

\* More ERPA signings are anticipated by the end of December 2020.



# Milestones: No Objection to ERPA

- ❑ Number of countries that have gone through the three-week no objection period and awaiting signing = 4
  - Costa Rica, Fiji, Indonesia, Lao PDR
  
- ❑ Number of countries are with the Carbon Fund Participants for no objection = 2
  - Dominican Republic, Nepal
  
- ❑ Number of countries for which no objection is anticipated = 6
  - Guatemala, Madagascar, Mexico, Nicaragua, Peru, RoC

## What is 3-Week No Objection to ERPA?

3-week no objection to ERPA refers to the 3-week period during which Carbon Fund Participants have the opportunity to review the final draft ERPAs and confirm their objection or no-objection to the ERPAs. Following the no-objection from Carbon Fund Participants, the ERPAs are cleared internally by the World Bank and signed.

# Conditions of Effectiveness

- ❑ Number of countries that have met ERPA Conditions of effectiveness = 2
  - Mozambique and Ghana



## What are Conditions of Effectiveness?

Conditions of Effectiveness are requirements which must be fulfilled by a program entity as part of its obligations under the ERPA before it can sell, transfer, and receive payment for emission reductions.

# Benefit Sharing Plans

- ❑ Number of country participants with published final Benefit Sharing Plans (BSPs) = 2
  - Ghana, Mozambique
- ❑ Number of country participants with published advanced draft BSPs = 12
  - Chile, Costa Rica, Cote d'Ivoire, DRC, Dominican Republic, Fiji, Guatemala, Indonesia, Lao PDR, Madagascar, Nepal, Vietnam



## What is a Benefit Sharing Plan (BSP)?

A BSP is a document that summarizes benefit sharing arrangements for an ER Program, including beneficiaries, benefits, and benefit sharing mechanism(s) for the distribution of results-based payments for verified emission reductions.



A woman with a colorful headscarf stands in a cornfield. The background is slightly blurred, showing more corn plants and a bird in flight. The overall tone is green and natural.

## 2.SOCIAL INCLUSION

# Updates on Enable

- ❑ Setting up a **new Multi-Donor Trust Fund (MDTF) EnABLE to address issues of social inclusion** in implementation of the FCPF ER programs and Benefit Sharing Plans. The MDTF will also support social inclusion in other Result-Base Climate Finance programs of the Bank. It will run from 2020 to 2030. Capitalization is aimed at \$200 million, with about \$22 million pledged.
- ❑ **Objective:** To enhance the inclusion of beneficiary marginalized communities and their disadvantaged groups in ERPs to maximize their carbon and non-carbon benefits;
- ❑ **Beneficiaries:** marginalized and disadvantaged communities and groups, including Indigenous Peoples, local communities, women, youth, and people with disabilities.





# Ongoing Activities

- ❑ Conducting a study by Rights and Resources Initiative (RRI) in 18 FCPF Carbon Fund countries:
  - ❑ Objectives: Identifying challenges and opportunities in securing collective land tenure in CF countries;
  - ❑ The study will be completed in Q1 2021;
  - ❑ Tentative countries for in-depth study: Ghana, Guatemala, Indonesia, Mexico, Mozambique, Vietnam, and Peru
  - ❑ The study to be finalized by March 30, 2021





# 3. GENDER





# Mainstreaming Gender in REDD+: Finalized and Ongoing Work

- ❑ Launched a **gender analysis project**, bringing a behavioral science lens to the challenges of integrating women into forest resource management;
- ❑ Developing a course to pilot the **introduction of results-based gender considerations** by WOCAN in FCPF investment plans;
- ❑ Conducting a **good practices of gender in forestry** review, using examples from the Dedicated Grant Mechanism program;
- ❑ Conducting a study on **Gender and land tenure security** by Resource Equity in Carbon Fund countries to identify constraints and opportunities for strengthening gender equity in emission reductions programs.



# Mainstreaming Gender in REDD+: Upcoming Work

- ❑ Conducting a **gender mainstreaming** review in benefit-sharing plans and ER programs;
- ❑ Studying the **impact of REDD+ on women's economic activities and livelihoods** in Carbon Fund countries while developing pilots to support gender-sensitive value chains in ER programs;
- ❑ Designing the **FCPF Gender Strategy and Action Plan 2020–2025** (focusing on identifying the level of required support and exploring new funding modalities).







# 4. PRIVATE SECTOR ENGAGEMENT

# Private Sector Engagement

- ❑ In the **cocoa sector**, the FCPF continued its work with the Cocoa & Forest Initiative and with the Rainforest Alliance. The facility also partnered with Kinomé and Alisos to produce a cocoa agroforestry guide and to engage cocoa stakeholders in virtual South-South Knowledge Exchange workshops.
- ❑ In the **livestock sector**, the FCPF is developing investment opportunities to operationalize climate finance and transform livestock production, starting with creating a commercial credit line in Kenya and supporting zero-deforestation pledges in Latin America
- ❑ In the **smart mining sector**, the FCPF is conducting an analysis on Nature-based Solutions to promote forest-smart mining in large-scale operations. In parallel, it is developing proposals to integrate forest considerations in existing artisanal and small-scale mining standards and certification systems.
- ❑ In the **vanilla sector**, the FCPF is developing a sustainable vanilla practice manual with economic analysis to support sustainable vanilla practices in Madagascar's Sava Region.
- ❑ In the **cashew sector**, the FCPF will propose agroforestry systems to attract private investments while improving resilience and revenues for smallholders.<sup>16</sup>



# Private Sector Engagement

- ❑ The FCPF continued to work with the **Tropical Forest Alliance**, via their “commodity first” approach, and are exploring opportunities with the **Earthworm Foundation**, via their "landscapes programme", **Partnerships for Forests**, and **Solidaridad** to take advantage of synergies in overlapping jurisdictions.
- ❑ A new **private sector observer** for commodity value chains has been selected. CDP is an environmental NGO that provides a reporting platform for companies, cities and states globally to report GHG data.
- ❑ Moving forward, the **FCPF aims to organize workshops** on beef with the Global Roundtable of Sustainable Beef, on cocoa with the World Cocoa Foundation, and on mining with the International Council on Mining and Metals. In addition:
  - A **carbon forum** is being developed with IETA and CDP to help supply chain companies better understand how carbon finance can support sustainable commodity production.
  - A **guidance note on options for nesting**, as well as a **decision support tool** for designing and implementing nested REDD+ initiatives are being developed.





# 5. TECHNICAL CAPACITY BUILDING



# Measurement, Reporting, and Verification

- ❑ The WB's Land Use Climate **MRV Support Program** is in full implementation, with \$6 million allocated to develop global goods and provide country support.
- ❑ Global analytical studies related to lessons learned from MRV, nesting and conservation of carbon stocks are in the last phases of completion.
- ❑ The development of a Knowledge Management Portal (OpenMRV), templates of SOPs (FAO) and tools for uncertainty analysis are underway.
- ❑ Implementation of MRV Work packages in 17 countries is also underway, being these instrumental in supporting countries to apply technical corrections and report to the FCPF Carbon Fund



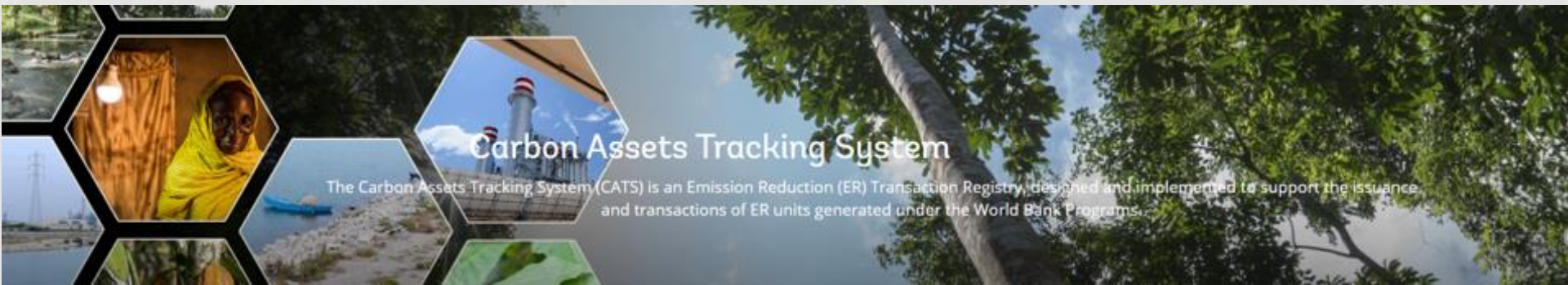
# Measurement, Reporting, and Verification

- ❑ The FMT has selected Aster Global to conduct the validation/1<sup>st</sup> verification of Mozambique's ER Program and is in the process of rolling-out the validation/verification with support of the **American National Standards Institute**.
- ❑ The FMT has organized a series of regional webinars with countries to introduce them to the monitoring and verification requirements under the FCPF Carbon Fund
- ❑ In response to ANSI's gap assessment the FMT has developed and publish the **Guidelines on Uncertainty Analysis of Emission Reductions** which will help countries to undertake the uncertainty analysis in a standardize manner
- ❑ Based on lessons learned, the FMT has revised the **Guidelines on Technical Corrections** which will support countries in improving the uncertainty of their reference levels and overall environmental integrity
- ❑ The report '**Choices in Quantifying Carbon for Jurisdictional REDD+ Overview from the Forest Carbon Partnership Facility**' has been made publicly available. It shows how the FCPF MF has served to improve standardization in comparison to the UNFCCC.



# Registries

- ❑ **The third version** of the World Bank ER transaction registry, referred to as the **Carbon Assets Tracking System (CATS)**, was released in June 2020.
- ❑ CATS is ready to support the first ER transactions as they commence under the FCPF Carbon Fund and BioCarbon Fund (BioCF) Initiative for Sustainable Forest Landscapes ERPAs.
- ❑ This third release of CATS is a fully operational version of the registry, including an application to connect to the World Bank's LexisNexis service for sanctions screening of external users and entities.
- ❑ A communications and training plan to facilitate the **onboarding process** and the platform operation was launched, which includes both brown bag lunches as well as webinars.



# CORSIA Conditional Approval of FCPF

- ❑ The **Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)** under the **International Civil Aviation Organization (ICAO)** expects to offset 2.5 billion tons in CO<sub>2</sub>e over the entirety of the scheme (2021-2035)
- ❑ In FY20, the **FCPF was conditionally approved** as an Eligible Emissions Unit Program under CORSIA, subject to the following conditions being met:
  - Inclusion of **validation procedures**;
  - Procedures for monitoring and compensating for **reversals** at the end of the ERPA.
- ❑ To address these conditions, the FMT updated the validation and verification guidelines; updated process guidelines, buffer guidelines and the glossary of terms, and presented clarifications on post-ERPA reversal management.
  - These are now under assessment by the CORSIA Technical Advisory Body.

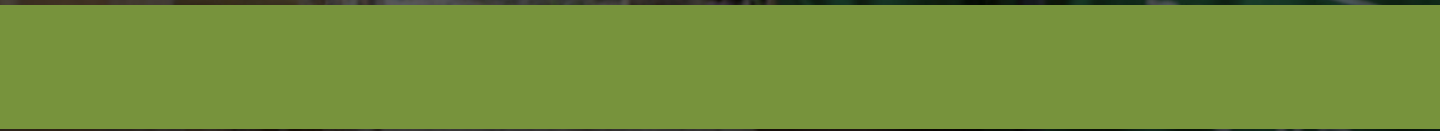


ICAO






# 6. SHARING KNOWLEDGE AND RAISING VISIBILITY





# Communications and Knowledge Sharing

- Over FY20 the FCPF supported REDD+ Readiness and ER Program design through new **technical publications, workshops, and knowledge exchanges.**


## OUTREACH


 **13** Knowledge Seminars

 **17** Knowledge Products

 **12** Stories/Blogs

**4** Quarterly Newsletters

 **1,300** Newsletter Subscribers

 **3,000** FCPF Facebook Page Followers

 **120K** World Bank Group Climate Twitter Followers

FEATURE STORY | AUGUST 26, 2020  
Reaping the Rewards of Sustainable Land Use



Photo: Binyan Teshome / World Bank

### STORY HIGHLIGHTS

- Results-based land use programs reward stakeholders for their efforts in reducing emissions, managing land sustainably, and protecting ecosystems.



We need innovative tools for a resilient recovery; luckily, we have them and know how to use them

SEARCH REPORT | AUGUST 21, 2020  
The Japan-IBR



Photo: Petrakos Coates - ICB

The COVID-19 crisis continues to demand our immediate attention in healthcare and basic services, but planning the next phase of recovery is also underway to cushion the economic fallout and ensure climate change is central as we rebuild. The task is daunting, but we do not have to start from scratch. To construct a more resilient, sustainable, and prosperous future, the groundwork is already laid within countries' national or sectoral masterplans, climate change adaptation plans, and Nationally Determined Contributions (NDCs) of the Paris Agreement. Countries' climate ambitions can support a sustainable recovery from COVID-19, and the World Bank has climate finance tools to help make it happen.



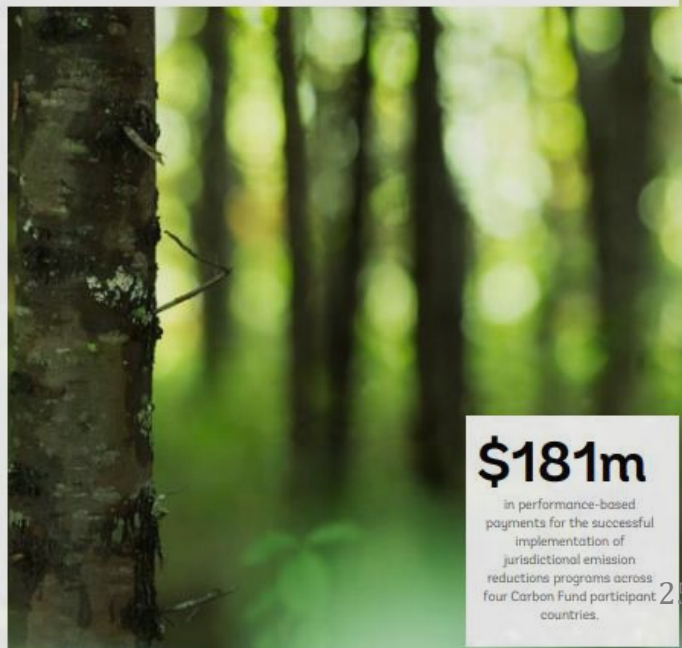
# FCPF Annual Report for FY20

❑ FCPF Annual Report for FY20 now available: [click to view online](#)



## THE CARBON FUND

Over the past year, the FCPF Carbon Fund signed an Emission Reductions Payment Agreement with Chile, unlocking a total of \$181 million in performance-based payments for the successful implementation of jurisdictional emission reductions programs across four Carbon Fund participant countries (Chile, the Democratic Republic of Congo, Ghana, and Mozambique). The Carbon Fund also accepted five new ER programs into its portfolio (the Dominican Republic, Fiji, Guatemala, Nicaragua, and Peru), bringing the total number to 18.



**\$181m**  
in performance-based payments for the successful implementation of jurisdictional emission reductions programs across four Carbon Fund participant countries.



# Benefit-Sharing Resources

**Benefit Sharing at Scale: Good Practices from Results-Based Land Use Programs** is available in English, French, and Spanish.

- ❑ The study synthesizes **good practices for benefit sharing** from existing jurisdictional-level, results-based, land-use programs.
- ❑ An **online platform** serves as a step-wise resource providing countries with guidance and lessons learned on developing benefit-sharing arrangements.
- ❑ An April 2020 **webinar** highlighting benefit sharing resources brought together 250 attendees from 85 countries.

## ≡ Benefit Sharing

### Designing Benefit Sharing Arrangements: A Resource for Countries

This platform provides a comprehensive set of tools, resources and case studies for the design and implementation of benefit sharing arrangements for emission reductions programs, as well as other results-based land use initiatives. The different sections of this platform are designed to break down the complex concept of benefit sharing into distinct steps to enable a logical approach to developing arrangements that help achieve programs' objectives and promote equity and efficiency.

This resource was created by the World Bank's Forest Carbon Partnership Facility and

BioCarbon Fund Initiative for Sustainable Forest Landscapes.



## Case Studies

Addressing land tenure barriers and opportunities for participation in benefit sharing



Peru's Alto Mayo Protected Forest (AMPF)



Madagascar's Makira Project



Guatemala's National Forestry Incentive Program (PINFOR) and Small Landowner Incentive Program (PINPEP)





# 7. COMMITMENTS

# Carbon Fund Commitments



Country	ERPA Contract Value
Chile	\$26 m
Côte d'Ivoire	\$50 m
DR Congo	\$55 m
Ghana	\$50 m
Mozambique	\$50 m
Vietnam	\$51.5 m
<b>TOTAL</b>	<b>\$282.5 m</b>

\* Total commitments \$282.5 million, plus call options in all 6 signed ERPAs





# 8. CONCLUDING MESSAGES



# Concluding Messages

- ❑ **Six ERPAs have been signed**, reflecting the progress we have made together and the growing momentum as we move forward. We expect as many as 12 more signed in the coming months, many before the November 2020 deadline.
- ❑ The next important goal after ERPA signings is to make **results-based payments**. Mozambique has begun conducting its **first verification**, with a **first payment** expected between April and June 2021.
- ❑ The FMT will continue to emphasize establishing the remaining **building blocks** for Emission Reductions programs, including an operational registry, and providing **bespoke tools and knowledge for country programs**, building on its growing body of experience and evidence.





# Concluding Messages

- ❑ The FCPF will **continue to work closely with other actors and initiatives** to make sure that financing and technical modalities are aligned, providing countries with the support they need to drive the REDD+ agenda forward.
- ❑ Once the expected ERPAs have been signed, the focus will shift to assisting countries with meeting the ERPA Conditions of Effectiveness, supporting implementation of programs, and moving into verification and payment for emission reductions.







**THANK YOU**

**forestcarbonpartnership.org**