Forest Carbon Partnership Facility

Setting the Stage for ER-PIN Reviews

Ninth meeting of the Carbon Fund (CF9)

Brussels

April 9-11, 2014

Building the portfolio: What ER-PINs were received (and are expected)

	Existing	CF9	CF10 (expressions of interest)
Africa		DRC Ghana Republic of Congo	Madagascar Mozambique
Asia		Nepal	Indonesia Vietnam
Latin America	Costa Rica (LOI)	Chile Mexico	Argentina Colombia Guatemala Peru

How have these ER-PINs been developed?

- Countries made major, largely unfunded, effort to write ER-PINs.
- FMT has provided close support: in-country missions, consultants, technical workshops.
- FMT checked completeness of each ER-PIN:
  - Regarding quality: assessing ER-PINs at this stage. More detailed information required at ER-PD stage (most countries are at Readiness mid-term);
  - Took into account guidance to countries on what needs to be in an ER-PIN;
  - Not yet expected to meet every Methodological Framework standard. Considered 18 overarching questions;
  - Objective: verify submissions were complete, consistent with Readiness information, and that the proposed ER Program has potential to meet ER-PIN selection criteria **for selection into the pipeline.**
- No TAP review at this stage.

Task at CF9

- 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-PD (full proposal) → signing of Emission Reductions Payment Agreement (ERPA).

- CFP discussions: Target of 8-9 +/- LOIs, to eventually sign 5-6 ERPAs.
  - Indicative only; dependent on quality of programs.
  - LOIs ≥ expected ERPAs = manage risks
    - →Experience: Some ER-PINs may not become ER-PDs at all, or ER-PDs that meet requirements or CFPs' needs.
    - →If there is under-delivery or if more CF 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 CF.
  - 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 develop ER-PIN into an ER Program Document
   - to support due diligence by World Bank and/or FMT
   - funds will be managed by World Bank and/or FMT
   - ***LOI resolution requires setting a maximum value and maximum volume 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.

CFPs agreed on 7 criteria for selection of ER-PINs into pipeline

1. **Progress towards Readiness:** The ER Program must be located in a REDD Country Participant that has signed a Readiness Preparation grant agreement (or the equivalent) with a Delivery Partner under the Readiness Fund, and that has prepared a reasonable and credible timeline to submit a Readiness Package to the Participants Committee.

2. **Political commitment:** The REDD Country Participant demonstrates a high-level and cross-sectoral political commitment to the ER Program, and to implementing REDD+.

3. **Methodological Framework:** The ER Program must be consistent with the emerging Methodological Framework, including the PC's guiding principles on the methodological framework.

4. **Scale:** The ER Program will be implemented either at the national level or at a significant sub-national scale, and generate a large volume of Emission Reductions.

5. **Technical soundness:** All the sections of the ER-PIN template are adequately addressed.

6. **Non-carbon benefits:** The ER Program will generate substantial non-carbon benefits.

7. **Diversity and learning value:** The ER Program contains innovative features, such that its inclusion in the portfolio would add diversity and generate learning value for the Carbon Fund.

Conflict of Interest

- Charter: CFPs disclose involvement in ER-PINs, FMT determines whether CFP should recuse from:
  - discussion = discussion during plenary
  - deliberation = formulation of resolution
  - decision = adoption of resolution

Notifications Received	Countries Involved in	FMT Determination
Canada	Mexico	No conflict of interest
EC	Chile, DRC, Ghana, Mexico, ROC	DRC: Technical support to ER-PIN. Do not recuse from discussion, deliberation; recuse from decision if by vote.
Germany	Chile, DRC, Ghana, Mexico, Nepal, ROC	No conflict of interest
Norway	DRC, Mexico	No conflict of interest
TNC	Chile, Mexico	Chile: Own/operate a reserve within the accounting area. Do not recuse from discussion; recuse from deliberation, decision.
US	Chile, DRC, Ghana, Mexico, Nepal, ROC	No conflict of interest

THANK YOU!

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