Version of April 10, 2014

Forest Carbon Partnership Facility (FCPF)

Carbon Fund

Ninth Meeting (CF9)

DRAFT AGENDA

Park Ballroom

The Hotel

Boulevard de Waterloo 38, 1000 Brussels, Belgium

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Tuesday, April 8, 2014

1. Opening	
18:30 - 19:30	Welcome cocktail hosted by Jos Delbeke, Director General for Climate Action, European Commission. Venue: 26th floor, The Hotel.

Wednesday, April 9, 2014

1. Opening	
08:00	1. Welcome, objectives and review of agenda (Duncan Marsh (TNC) as Chair; Ellysar Baroudy)
2. ER-PIN Reviews	
08:30	2a. Setting the stage for ER-PIN Reviews (selection criteria, guiding principles, etc.) (Stephanie Tam)
09:00	2b. Ghana (Robert Bamfo, Rebecca Asare)
10:45	*Coffee break*
11:15	2c. Chile (Roberto Lisboa, Angelo Sartori)
13:00	*Lunch break*
3. Sharing Early Ideas on ER-PINs	
14:00	3a. Peru (Kenneth Peralta)
15:15	*Coffee break*
(2. ER-PIN Reviews -- CONTINUED)	
15:45	2d. Republic of Congo (Georges Boundzanga, Jean Dominique Bescond)
17:30	*End of day*

Thursday, April 10, 2014

08:00	2e. Nepal (Narendra Chand, Tunga Rai)
09:45	*Coffee break*
10:15	2f. Mexico (Sergio Graf, Lucio Santos, Gustavo Sanchez)
12:00	*Lunch break*
13:15	2g. DRC (Victor Kabengele)
15:00	*Coffee break*
4. ER-PIN Selection	
15:30	4. Portfolio Management and Selection of ER-PINs (Stephanie Tam, Simon Whitehouse, Alex Lotsch)
5. Building the Pricing Approach	
17:00	5. Update on Pricing Approach (Marco van der Linden)
18:15	*End of day*

Friday, April 11, 2014

10:15	*Coffee available*
(4. ER-PIN Selection CONTINUED)	
10:30	4. Portfolio Management and Selection of ER-PINs (FMT)
6. From ER-PINs to ER-PDs	
12:30	6. Update on Draft ER-PD template (Alex Lotsch)
7. From ER-PINs to ERPAs	
12:45	7. Update on General Conditions of a future Emission Reductions Payment Agreement (ERPA) (Markus Pohlmann)
13:00	*Lunch*
8. Other Aspects	
14:15	8a. Update on Carbon Fund milestones (Neeta Hooda)
14:45	8b. Requests for additional observers (Stephanie Tam)
15:30	*Coffee break*

9. Closing	
16:00	9a. Next meetings (Stephanie Tam)
16:15	9b. Adoption of Resolutions (Chair, Sachiko Morita)
17:15	9c. Conclusions (Chair)
17:30	*End of meeting*

ANNOTATIONS

All background documents will be available on the CF9 page of the FCPF website at https://www.forestcarbonpartnership.org/node/3877 prior to the meeting.

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 CF9 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-g. ER-PIN Reviews

Background: Chile, DRC, Ghana, Mexico, Nepal and Republic of Congo have submitted ER-PINs for consideration by the Carbon Fund.

Background documentation: The ER-PINs are available on the CF9 page.

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.

Session 3. Sharing Early Ideas on ER-PINs

Background: Peru will present its early ideas on a potential ER Program.

Background documentation: The draft presentation is available on the CF9 website.

Expected CFP Action: Given that this will be an informal presentation, no formal decision is expected. However, the CFPs are requested to provide meaningful feedback to the country on how to improve its ER-PIN with a view to a formal presentation in the future.

Session 4. Portfolio Management and Selection of ER-PINs

Background: See Sessions 2a and 2b-g above.

Background documentation: See Sessions 2a and 2b-g 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

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 value and maximum volume 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 CF9.

Session 5. Update on pricing approach

Background: At CF8, the FMT provided an update on pricing issues that are relevant to the Carbon Fund. The FMT also facilitated a call among CFPs on the same topic on February 27, and will facilitate an in-person working session on April 8. This session will summarize the outcomes of the call and the working session and identify any remaining issues if applicable. The purpose of the session will be to finalize the discussion on this subject .

Background documentation: The presentation will be posted on the CF9 page before the meeting.

Expected CFP Action: The CFPs are invited to decide on a pricing approach based on the outcome of the working session and the presentation by the FMT.

Session 6. Draft ER-PD template

Background: In accordance with the processing guidelines discussed at CF4, the ER-Program Document (ER-PD) is required for signing an ERPA and selection of an ER-Program in portfolio of the Carbon Fund. At CF8, the FMT presented a first draft of the template for the ER-PD and discussed the differences between the type of information and level of detail that is requested in the early-stage ER-PIN versus the later-stage ER-PD. Following CF8, a slightly revised draft ER-PD template was made available to CFPs and REDD+ countries for written feedback. This session will present the comments received from CFPs and REDD+ countries and discuss how these have been incorporated in the template.

Background documentation: The presentation, as well as changes made to the template to take into accounts comments received (track changes version and clean version), are available on the CF9 page.

Expected CFP Action: Based on the experiences with reviewing ER-PINs, CFPs are invited to take a fresh look at the ER-PD template and provide additional guidance. The aim will be to agree at CF10 in June 2014, on the template to be used for ER-PD submissions.

Session 7. Draft General Conditions of a future Emission Reductions Payment Agreement (ERPA)

Background: The ERPA General Conditions are based on the ERPA Term Sheet that was endorsed by the PC at the fourteenth PC meeting (Resolution PC/14/2013/9). The Trustee will walk CFPs through the latest revision to the ERPA General Conditions following the adoption of the methodological framework in December 2013.

Background documentation: The draft General Conditions will be posted on the CF9 page before the meeting.

Expected CFP action: none.

Session 8a. Update on Carbon Fund milestones

Background: This session will present where the Carbon Fund stands with respect to objectives established by CFPs at CF1 in May-June 2011, and Carbon Fund relevant milestones of M&E framework. FMT will present an update on progress reported on this subject at CF6 in March 2013.

Expected CFP action: The CFPs are invited to provide feedback and guidance based on the information reported by the FMT.

Session 8b. Requests for additional observers

Background: The Carbon Fund Rules of Procedure allow for the following observers:

- 3 REDD Country representatives, selected by the REDD Country members of the PC Bureau and selected for a one year period. The selection criteria include progress towards Readiness and geographic balance among Africa, Asia and Latin America and, as such, the Bureau selected Cambodia, DRC and Mexico for this year. As per the Rules of Procedure, over time, the REDD Country Participants receiving funding from the Carbon Fund will have priority to be selected as Observers.
- 1 representative of each of the following categories: International Organizations, Northern NGOs, Southern NGOs, Forest-Dependent Indigenous Peoples and Forest Dwellers, Private Sector, UN-REDD, UNFCCC Secretariat.
- In addition to the 10 observers above, the FMT may invite other observers provided there has been at least seven days notice to and no objection by the Participants.

The FMT has received a request from the Latin America members of the PC Bureau, requesting that the number of REDD Country Participant observers be formally increased from three to four, to allow for two representatives from Latin America (one from Mesoamerica and one from South America, as is done on the PC Bureau).

Expected CFP Action: Decide whether to formally increase the number of REDD Country Participant observers to the Carbon Fund. This would require an amendment to the Rules of Procedure and have budget implications.