

**Forest Carbon Partnership Facility  
Twenty-First Meeting of the Carbon Fund (CF21)  
Paris, France | January 22-23, 2020  
Chair's Summary**

Dear Carbon Fund Participants and Observers,

I would like to thank the Carbon Fund Participants (CFPs) and Observers—from REDD Country Participants, Indigenous Peoples' organizations, civil society, UNFCCC and the private sector—who took part in the twenty-first Forest Carbon Partnership Facility (FCPF) Carbon Fund meeting (CF21) held January 22-23, 2020 in Paris, France.

Please find below the main conclusions from the meeting. All relevant background materials, presentations, resolutions and this summary are available on the FCPF Website at <https://www.forestcarbonpartnership.org/meetings>.

### **Portfolio Management Update**

The FMT presented an [overview](#) of programs in the FCPF portfolio and the financial status of the Carbon Fund and expected ERPA commitments—including an update on negotiations, signed ERPAs, and upcoming verifications. It was recognized that due consideration needs to be given to ERPA contract volumes to allocate available funding in a fair and effective manner.

CFPs decided on setting November 30, 2020 as the deadline for ERPA signature. If ERPAs are not signed by the deadline the program will be cancelled, unless decided otherwise by CFPs.

### **Progress Update**

The FMT provided an [update on progress](#) made since the last meeting in July 2019. CFPs welcomed the comprehensive update that covered *inter alia* progress against interim milestones; Monitoring, Reporting and Verification (MRV); private sector engagement; registries, gender mainstreaming, new knowledge and communication products, and upcoming deliverables and decisions.

The FMT highlighted several areas of focus for 2020, including the following:

- Signing ERPAs.
- Completing first verifications and making payments.
- Completing due diligence and appraisal for countries selected into the portfolio.
- Supporting countries in meeting remaining indicators of the Methodological Framework (benefit-sharing plans, ER title transfer ability, etc.), including through South-South Knowledge Exchanges.
- Develop Phase two of the Carbon Assets Trading System (CATS) Registry.
- Helping countries strengthen their MRV capacity.
- Meeting the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) program requirements.

### **Revisions to the FCPF Methodological Framework and Buffer Guidelines**

The FMT [identified](#) a small number of issues that could limit the acceptability of FCPF ERs in carbon markets, including as a program under CORSA. In response, the FMT [proposed revisions](#) to the Methodological Framework and the ER Program Buffer Guidelines in order to address these issues.

CFPs agreed to adopt revisions to the Methodological Framework and ER Program Buffer Guidelines, as detailed in the Resolutions [CFM/21/2020/1](#) and [CFM/21/2020/2](#). The revised Methodological Framework and ER Program Buffer Guidelines will be submitted to the Carbon Fund Participants for a three-week no objection period.

CFPs anticipate these revisions will help, inter alia, ensure the long-term sustainability of FCPF programs by becoming more aligned with requirements in upcoming carbon markets such as CORSIA through changes like the requirement for a post-ERPA Reversal Management Mechanism to have periodic monitoring and a third-party verification mechanism for a period of at least 15 years following the end of the ERPA term.

### **Social Inclusion in Emission Reductions Programs**

CFPs appreciated the FMT's [presentation](#) on a proposed new Social Inclusion Program that builds on the work of the [FCPF Capacity Building Program for Forest-Dependent Indigenous Peoples and Southern Civil Society Organizations](#) and aims to amplify social inclusion and the meaningful engagement of forest-dependent IPs, Southern CSOs, local communities, and other relevant stakeholders in benefit-sharing plans and ER programs.

CFPs are encouraged to contact the Facility Management Team for further details regarding this proposed new Social Inclusion Program.

### **Safeguards Approach to Emission Reductions Programs**

The World Bank Legal Department provided an [update](#) on the safeguards approach to ER Programs. CFPs had no objections to the proposed approach, and the Bank will proceed with the next steps as outlined in the presentation.

### **Next Meetings**

The next [Carbon Fund meeting](#) (CF22) will be held in Paris from June 17-19, 2020. The FMT will advise on further details as soon as possible.

### **In Closing**

CF21 was another major step forward for the Carbon Fund: with all eighteen countries in the CF pipeline now entered into the portfolio, the content of this Carbon Fund meeting primarily focused on improving the framework of the Carbon Fund and providing welcome elaboration on areas such as registries, safeguards, and MRV.

In other [news](#), the Carbon Fund has signed its fourth ERPA—with Chile—with many more anticipated in the coming months. These agreements, the first of their kind globally, will provide important lessons and experiences for 'proving the concept' of jurisdictional REDD+ and catalyzing the realization of REDD+ at scale. We look forward to a busy 2020, as fourteen countries strive to sign their ERPAs and we can expect to see the first verifications and payments made for ERs.

If you have any questions or concerns, please feel free to contact the FCPF FMT at [fcpfsecretariat@worldbank.org](mailto:fcpfsecretariat@worldbank.org).

Sincerely,

Lisa Schindler Murray, The Nature Conservancy

CF21 Chair