

**Forest Carbon Partnership Facility  
Twenty-Second Meeting of the Carbon Fund (CF22)  
Virtual | November 17-18, 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, International Organizations and the private sector—who took part in the twenty-second Forest Carbon Partnership Facility (FCPF) Carbon Fund meeting (CF22) held virtually from November 17-18, 2020. I would also like to acknowledge the participation of the Honorable Javier Gutierrez, Vice-Minister, Ministry of Environment and Natural Resources, Nicaragua.

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>.

**Progress Update**

The FMT provided an [update on progress](#) made since the last meeting in January 2020. 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.

**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. In order to take into account delays primarily as a consequence of the COVID-19 pandemic, CFPs agreed to extend the ERPA signing deadline to January 31, 2021. If ERPAs are not signed by the deadline the program will be cancelled, unless decided otherwise by CFPs.

**Crediting Period Start Date**

Several REDD+ countries have requested the possibility of generating pre-ERPA FCPF units resulting from the implementation of their ER Programs prior to the first Reporting Period under the Carbon Fund ERPA. The FMT [presented](#) an analysis of the current situation in comparison with other standards and proposed two possible options aligned to other standards. These options will recognize the efforts made by REDD+ countries while maintaining the highest level of environmental integrity.

CFPs generally support the option to clarify that the crediting period start date begins on the ER Program Start Date under the FCPF, which corresponds to Option 2 in the [FMT Note 2020-3](#).

**Follow-up Actions**

CFPs requested the FMT to revise the FMT Note with information on the countries to which the revised definition could apply and the associated volume of potential additional ERs, as well as to send the revised FMT Note to CFPs for a three-week no-objection to a decision with respect to Option 2. If Option 2 is agreed upon, the FCPF Glossary of Terms will be

revised accordingly.

## **Nesting**

CFPs appreciated the [presentation](#) by Climate Focus on an update on the analysis of REDD+ nesting approaches and the elements catalyzing REDD+ implementation and scale-up in REDD+ countries. The presentation covered four models of REDD+ nesting and emphasized that though nesting is at an early stage of development, designs should be adapted to national circumstances. In addition, the presentation discussed the types of nested systems in the context of MRV and accounting; land tenure and carbon rights; benefit sharing; and others.

## **Follow-up Actions**

The FMT will share the draft version of the REDD+ nesting manual and decision support tool with CFPs. Any key issues raised by CFPs will be considered inputs into the World Bank's decision review process, prior to the finalization and publication of the deliverable.

## **Next Meeting**

The next [Carbon Fund meeting](#) (CF23) will be held in late May or early June 2021. The location and format of the meeting will be determined in consideration of the COVID-19 situation at the time. The FMT will provide further information as soon as possible.

## **In Closing**

CF22 was another major step forward for the Carbon Fund: the signing of additional Emission Reductions Payment Agreements (ERPAs) with Vietnam, Indonesia, and Costa Rica—the latter two between the meeting and the time of publication of this Chair's Summary—is testament to the extent of that progress. These agreements have unlocked up to \$450 million in performance-based payments from verified emission reductions through large-scale jurisdictional landscape programs, which will provide important lessons and experiences for 'proving the concept' of jurisdictional REDD+ and catalyzing the realization of REDD+ at scale. In the next few months, we expect as many as eight more ERPAs to be signed.

We look forward to a busy 2021, where the focus will shift to assisting countries in meeting the ERPA Conditions of Effectiveness, supporting implementation of programs, and moving into verification and payment for emission reductions. Mozambique has begun conducting its first verification, with a first payment expected between April and June 2021.

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

Sincerely,

Nicolas Duval-Mace

Canada

CF22 Chair