



# Forest Carbon Partnership Facility

## **Carbon Fund: Draft Rules of Procedure**

Carbon Fund Videoconference  
September 1-2, 2011

# Background

- Draft Rules of Procedure were discussed at the First Organizational Meeting of the Carbon Fund in Barcelona in May, 2011
- Draft Rules of Procedure were shared with the PC in Oslo, in June 2011 at PC9
- Follow up teleconference with the CF Participants on August 8, 2011

# Draft Rules of Procedure

- Change introduced –CF participant of one tranche as an observer to another tranche's meeting
  - Section 8.06
    - Participation in a Tranche Meeting shall normally be limited to ~~only the Carbon Fund Participants in the relevant Tranche.~~ **Only the Carbon Fund Participants in the** relevant Tranche **have voting rights.** ~~However, unless otherwise decided by~~ **The Chairperson of the Tranche Meeting may, in consultation with the Carbon Fund Participants of that in the Tranche, decide to close parts of the Tranche Meeting to include only the Carbon Fund Participants of that Tranche.** The Chairperson may **also,** in consultation with **and following** ~~by consensus~~ **consensus by** the Carbon Fund participants in the **relevant** Tranche, determine whether to invite ~~the Carbon Fund Participants from the other Tranche and,~~ as appropriate, Observers to attend **that** Tranche Meeting.

# Draft Rules of Procedure

- Change introduced –REDD Country observers
  - Section 8.01
    - Three (3) representatives of REDD Country Participants, selected by the REDD Country Participants that are members of the Bureau of the Participants Committee, will be invited to attend the Carbon Fund Meetings as Observers. Selection criteria ~~will be as follows~~ **will include**: (1) progress by the REDD Country Participant towards REDD+ Readiness, ~~including~~ **such as** formal assessment by the Participants Committee of the REDD Country Participant's Readiness Preparation Proposal and allocation of a Readiness Preparation Grant by the Participants Committee to the REDD Country Participant, signature of the Readiness Preparation Grant agreement, and progress towards the Readiness Package; **and** (2) geographic balance among Africa, Asia and Latin America.; ~~and (3) inclusion of~~ **Over time**, the REDD Country Participants **receiving funding from** ~~into~~ the Carbon Fund **will have priority to be selected as Observers**. ~~Over time, the third criterion will take priority over the first two.~~ The three representatives will be selected for a period of one year at the time of the Participants Committee election.

# Draft Rules of Procedure

- Observers listed in Section 11.7 of the FCPF Charter
  - Sections 8.02 -8.03
  - 1 representative of each category of Observers listed in Section 11.7 of the FCPF Charter
  - In consultation with the Carbon Fund Participants, FMT may invite any other entities, provided at least 7 days notice to the Participants and no objection

# Draft Rules of Procedure

- Role of Observers and closed sessions
  - Sections 8.04-8.05
    - Observers can express their views but have no voting rights
    - Closed session:
      - Portions of the Carbon Fund Meeting involving confidential deliberations (inclusion of ER Programs in the tranche portfolio; entry into Emission Reductions Payment Agreements (ERPAs) or whether to revise, extend or cancel these ERPAs; approval of annual business plans and budgets; and whether to establish ad hoc Technical Advisory Panels for the Tranche-specific ER Programs or ERPAs.)
      - Any other portion of the Carbon Fund Meetings determined by Chairperson, in consultation with the Carbon Fund Participants
      - Tranche Meetings normally limited to only the Carbon Fund Participants

# Next Steps

- Draft Rules will be shared with the Indigenous Peoples representatives at the Global Consultation with IP in Panama (Sept 27-29)
- Final discussion and adoption of the Rules at the CF Meeting in Berlin (Oct, 2011)
  - Section 12.8 (Charter): Rules shall be adopted by consensus of the Carbon Fund Participants