

**Forest Carbon Partnership Facility
Eighteenth Meeting of the FCPF Participants Committee (PC18)
Seventh Meeting of the FCPF Participants Assembly (PA7)
Arusha, Tanzania, October 31-November 2, 2014
Co-Chairs' Summary**

Dear Participants and Observers,

We are pleased to report that the Participants Committee (PC) of the Forest Carbon Partnership Facility (FCPF) held its eighteenth meeting (PC18) on October 31 – November 1, 2014, in Arusha, Tanzania, followed by the seventh meeting of the Participants Assembly (PA7) on November 2, 2014.

More than 70 representatives of governments, Forest-Dependent Indigenous Peoples and Forest Dwellers organizations, international and non-governmental organizations and the private sector participated in the meetings. We wish to express our gratitude to the Government of Tanzania for the hospitality extended to participants. We wish to acknowledge the participation of the Honorable Deputy Minister Mahmoud H. Mgemwa, Ministry of Natural Resources and Tourism, Tanzania, in the meetings.

All meeting materials are available at <https://www.forestcarbonpartnership.org/PA7/PC18> and photos at <https://www.flickr.com/photos/fcpf>.

Below are the main conclusions of the meeting, which will also be available in French and Spanish.

Eighteenth Meeting of the FCPF Participants Committee (PC18)

Announcement of new funding

The European Commission announced additional funding of Euro 12 million (about \$15 million) to the FCPF Readiness Fund, acknowledging the good progress made by REDD Countries over the last year.

Liberia's MTR and request for additional funding

Liberia presented its [mid-term progress report](#) on its national REDD+ readiness progress and a request for additional funding. Liberia is now the fifth country that has reached this important interim milestone.

Participants congratulated Liberia on the progress made, the depth of the information provided, as well as the clarity of the [mid-term report](#). The PC adopted a [resolution](#) allocating funds of \$5 million to support the further readiness process, and encouraged Liberia to take into account key issues during its further readiness preparation:

- In view of expected additional funding to support national REDD+ efforts, ensure that there would not be a duplication of funding allocation to various readiness components, while also ensuring there would be sufficient funding for various activities so as to maintain progress under readiness.
- Recognizing that external expertise may be required to support the development of a national REDD+ strategy, encourage that national ownership be strengthened in steering this process.
- Ensure that consultancies related to developing the reference level and MRV system enhance capacities in-country and foster sustainability of REDD+ instruments and strategy implementation.
- Further strengthen stakeholder engagement platforms at decentralized levels (i.e., national, district and community levels).

ERPA General Conditions

The PC adopted a [resolution](#) approving the [General Conditions for a future Emission Reductions Payment Agreement \(ERPA\)](#).

The approval was reached after a collaborative and inclusive 2½ year process that included several informal and formal sessions and workshops, outreach to countries by the Facility Management Team (FMT), and informal discussion groups. A thorough and inclusive process was followed, due to the many critical, complex and sensitive technical, environmental, social, cultural, and legal issues involved in large-scale REDD+ finance, and the lack of UNFCCC regulatory guidance on many issues.

Based on additional comments received during the meeting, a number of revisions were made to the ERPA General Conditions during the meeting before they were adopted. Key changes related to:

- The possibility for a country to use ERs sold to the Carbon Fund for domestic compliance purposes if Carbon Fund Participants have expressed consent.
- Clarification on reporting needs, clarifying that the Trustee does not request an overburden in reporting, but requests notification only in case of material delays or complication in development, operation, and implementation of Emission Reductions (ER) Programs.

The approval of the General Conditions at PC18 closes a long, yet important chapter on the technical and legal underpinning of future ERPAs. It represents the final major foundation requiring PC approval and now allows the relevant REDD Countries to focus on ER Program development.

Follow-up action:

- The World Bank's legal counsel will circulate a definition of the term "material" (related to Section 6.01 of the ERPA General Conditions).
- The FMT will consider a FAQ section on its website elaborating how different available REDD+ frameworks and decisions guiding FCPF operations interrelate.
- The PC urged the Carbon Fund Participants to request the FMT to develop the ER Program Buffer Guidelines and to establish a review group, which will review and provide feedback to the FMT on the Buffer Guidelines.

Terms of Reference (ToR) for the upcoming evaluation of the FCPF

The FCPF Charter provides for periodic evaluations of the FCPF. A first evaluation was completed in 2012 and a second evaluation is due in 2015. As such, the FMT presented [draft Terms of Reference](#) for the upcoming evaluation of the FCPF and elaborated on the coordination of the evaluation process.

The PC confirmed that undertaking the evaluation in 2015 is timely and in line with the M&E Framework. The PC also converged on the constitution of a committee to provide oversight for finalization of the Terms of Reference and for the evaluation itself.

While Participants generally agreed with the scope of the evaluation following the five criteria defined by the OECD Development Assistance Committee to assess relevance, effectiveness, efficiency, impact and sustainability in program achievements, several Participants suggested that it would be good to better define the overall purpose of the evaluation. It was suggested that the purpose may include a review of the FCPF's impact at the country level. These comments were based on the fact that the first evaluation took place at a time when impact evaluation at the country level was considered premature and therefore not included in the scope of the first evaluation. Some Participants also suggested including gender and anti-corruption aspects into the evaluation.

Other initial feedback on the scope of the evaluation suggested considering reviews of, *inter alia*: collaboration among different REDD+ initiatives, progress made by countries including those with Delivery Partners other than the World Bank, and the FCPF's relation to the frameworks of the Green Climate Fund and UNFCCC.

Several Participants noted that further comments would be provided in writing.

Follow-up action:

- The PC will establish an oversight committee for the evaluation. The oversight committee will constitute representatives from 3 REDD+ Countries, 3 Financial Contributors, 3 Observers, and 1 Delivery Partner. Constituencies are to inform the FMT of selected representatives.
- Participants are encouraged to submit their comments on the scope and substance of the ToR to the FMT by December 15, 2014. The oversight committee would take into account the comments and advise the FMT on the scope of the evaluation and necessary revisions of the TOR accordingly.

R-Package assessment process

The FMT presented [key elements of the FCPF's Readiness Assessment Framework](#), which was approved by the PC in March 2013 (Resolution PC/14/2013/1) – the core of which is a country-led assessment, building on process and outputs established during the readiness phase.

In light of Readiness Package (R-Package) submissions expected in 2015, the discussion focused on the R-Package review process and the role of the Technical Advisory Panel (TAP) in this context. The PC provided feedback on the R-package review process and supported the FMT's recommendations, for:

- A small and focused TAP process, considering that:
 - The R-Package and associated products are comprehensively reviewed by national governments, multiple stakeholders, and the Delivery Partner;
 - REDD Countries progressing to the Carbon Fund will undergo a detailed assessment by the World Bank, TAP and Carbon Fund Participants; and
 - Many REDD Countries undertake their own independently commissioned assessments.
- Hiring a small TAP (1-2 experts) to:
 - Perform an independent desk review of countries' progress (guided by the Assessment Framework for consistency across countries); and
 - Provide targeted feedback, highlight strengths and weaknesses in subcomponents, and propose actions going forward.
- A submission deadline for R-Packages (8 weeks prior to PC meetings), and a review process consisting of a completeness check (1 week) and desk-based TAP review (3 weeks). All documents (R-Package with country self-assessment, TAP review and Delivery Partner annual/completion report) will be made available on the FCPF website 4 weeks prior to PC meeting.

Next meetings

The 12th Carbon Fund meeting will be held April 28-30, 2015 in Paris.

The 19th Participants Committee meeting will likely be held during the week of May 18, 2015 in Washington, DC. The FMT will advise on further details as soon as possible.

Seventh Meeting of the FCPF Participants Assembly (PA7)

Progress report from the FMT and the PC

The FMT presented a [progress report](#) on Fiscal Year (FY) 2014 (July 1, 2013-June 30, 2014) and key achievements since PA6 in December 2013, and disseminated the [FCPF Annual Report FY14](#).

Participants appreciated the FMT's reporting format that is aligned with the FCPF's Monitoring and Evaluation Framework and provides for progress reporting against agreed impact, outcome, and output indicators. Some reflections on significant developments in the past year include:

- 11 new countries (Belize, Bhutan, Burkina Faso, Cote d'Ivoire, Dominican Republic, Fiji, Nigeria, Pakistan, Sudan, Togo, and Uruguay) were selected into the FCPF, bringing the number of REDD Countries in the FCPF to 47: 18 in Africa, 18 in Latin America and the Caribbean, and 11 in Asia.
- Considerable progress was made under the Readiness Fund confirming the partnership's cooperative spirit and central role in the REDD+ community.
- \$191 million has now been allocated for Readiness Grants and more than \$90 million is available for REDD+ readiness through 24 signed grant agreements.
- 6 countries (Costa Rica, DRC, Ghana, Indonesia, Liberia, Nepal) reached the mid-term of Readiness.
- Administrative costs over the lifetime of the Readiness Fund represent less than 3% of total disbursements.
- The approval of the Methodological Framework for the Carbon Fund in December 2013 unlocked financing and prompted momentum as countries competed to present their ideas for land-based emission reduction programs at scale.
- 11 country proposals (Chile, Costa Rica, DRC, Ghana, Guatemala, Indonesia, Mexico, Nepal, Peru, Republic of Congo, Vietnam) have been selected into the Carbon Fund pipeline, marking a shift as these countries move on to develop their proposals into full-fledged Emission Reductions Programs.

Participants appreciated the FCPF's pioneering work to develop policy guidance for REDD+ and strengthened focus on leveraging private sector partnerships for REDD+ program design and implementation.

Participants noted that FMT staffing needs to be aligned with the increasing workload that the FMT faces over the next few years as the Facility focuses on ER Program development in 11 countries and continued readiness support in 47 REDD+ Countries.

Participants took note of improved disbursement figures, but emphasized the importance to maintain focus on addressing bottlenecks that may slow signature and disbursement of grant agreements.

Participants also appreciated the honest and transparent reporting and feedback on the status of the Civil Society Organization and Indigenous Peoples Capacity Building Program.

Possible Extension of the Term of the Funds

Participants considered the possible extension of the term of the Carbon Fund and the Readiness Fund beyond their current termination date of 31 December 2020. The FMT informed the PA about discussions of Carbon Fund Participants on the possibility of extending the term of the Carbon Fund and [elaborated current terms and provisions as per the FCPF Charter](#).

While no decision or resolution was expected at this meeting, the discussion was intended to give Participants the opportunity to provide inputs to the discussion on the possible extension of the Carbon Fund and to initiate a discussion on the possibility of extending the term of the Readiness Fund.

Participants were supportive of an extension of the Carbon Fund taking into account the limited remaining time available for ER Program development and implementation, and related implications on pipeline and portfolio

management for the Carbon Fund. The term of the Carbon Fund can be extended by unanimous consent of the Carbon Fund Participants and will be considered by them in early 2015.

The term of the Readiness Fund can be extended by unanimous consent of all REDD Country Participants and all Donor Participants to the Readiness Fund. However, Participants had mixed views on the need to extend the Readiness Fund at this point in time. Considerations in favor of an extension related mostly to ensuring sufficient timelines for new REDD+ Countries to conclude readiness and reach the Readiness Package stage.

Considerations for maintaining the current term until 2020 related to the fact that there is no immediate need for an extension and that the decision could be revisited at a later stage, when there is greater clarity on readiness progress as well as on the global context for REDD+.

Remarks by Observers and Delivery Partners

Observers and Delivery Partners provided remarks, including on:

- IDB's and [UNDP's](#) reports on progress made in countries where IDB and UNDP are Delivery Partners.
- UN-REDD Programme's ambition for closer coordination and coherence with the FCPF at the global and at the country level as also outlined in the UN-REDD's draft Strategic Framework for 2016-2020.
- [Indigenous Peoples](#) representatives' appreciation of the FCPF's focus on inclusiveness.
- CSOs' appreciation of the FCPF's unique platform for discussion and its ability to adapt quickly to changes in the global context. CSOs called for replication of this platform for other international thematic spaces, and for additional efforts and resources to further strengthen CSO participation.
- Private Sector's advice to increase efforts to reach out to private sector audiences and to use commonly used language and concepts tailored to audiences without prior REDD+ knowledge.
- International Organizations' recommendation to leverage the depth and breadth of expertise available in international organizations as the FCPF is going forward into implementation of ER Programs and to mobilize and operationalize additional investment funding available for forest landscapes.

The Climate Investment Fund Secretariat also provided an [update](#) on the Forest Investment Program.

Election of the new Participants Committee

The Participants Assembly adopted a [resolution](#) electing the Participants Committee, Bureau and three REDD Country Participants to serve as observers of the Carbon Fund meetings, to serve until the next meeting of the Participants Assembly (expected to be held in October/November 2015).

In closing, we would like to express our appreciation for the hard work and collaboration of Participants and Observers at PC18 and PA7. Remarkable progress was made under the FCPF over the last year and the growing number of REDD+ Participant Countries confirms the FCPF's important role in the global REDD+ space. Going forward, the next major milestone for countries will be the Readiness Assessment, which will allow countries to demonstrate the progress they have made to be "ready for REDD+". We look forward to learning about success stories from the ground in the next few meetings.

Please do not hesitate to contact the FMT at fcpfsecretariat@worldbank.org if you have questions.

Sincerely,

Juma S. Mgoo, Chief Executive, Tanzania Forest Services Agency, on behalf of REDD Country Participants,

and

Iven Schad, Federal Ministry for Economic Cooperation and Development, Germany, on behalf of Financial Contributor Participants