

Forest Carbon Partnership Facility (FCPF)

Revisions to the frequency and modality of meetings of the FCPF Participants Assembly, Participants Committee and Carbon Fund Meeting

October 2020

This FMT note analyzes the role of the FCPF Participants Assembly (PA) and Participants Committee (PC) and proposes a revision to the frequency and modality of meetings of the FCPF PA and PC through December 2022 based on the progress to date of the FCPF Readiness Fund and Carbon Fund. The note also briefly proposes options for future Knowledge Day workshops to ensure relevant knowledge is adequately shared amongst the REDD+ community and to allow for the continued engagement of REDD countries, IPs & CSOs and private sector observers beyond the close of the Readiness Fund.

Background

As per the FCPF Charter (section 10.1), an annual meeting of the PA shall be held once a year at a time determined by the Facility Management Team (FMT). The PC on the other hand, shall meet, at least twice a year, or at any other frequency as may be deemed necessary by the PC (section 11.3 of the Charter). Under section 12.2 (c) of the Charter the Carbon Fund Meeting shall meet at least once a year, or at any other frequency as may be deemed necessary by the Trustee.

As of the Twelfth meeting of the PA and Twenty Eighth meeting of the PC, there have been one annual PA meeting and two PC meetings each year, with the annual PA and one PC being held jointly. There have also been two Carbon Fund Meetings per year on average since the Carbon Fund became fully operational in May 2011.

Participation of all 47 REDD countries in the FCPF has been approved and Readiness Grants have been fully allocated. No additional REDD country will be added and there will not be any new grant allocations or additional grant allocations to the existing REDD countries before the close of the FCPF Readiness Fund in December 2022 (closing date as approved by the PA during the 12th PA meeting in November 2019). Similarly, almost all of the architecture/framework of the Carbon Fund has been agreed during this time and the Carbon Fund does not currently intend to select any further countries into the portfolio of the Carbon Fund.

The following note provides a summary of the roles of the PA, PC and Carbon Fund Meetings and the relevance of these roles to date and proposes a way of reducing the frequency of meetings of all three governance bodies, particularly face-to-face meetings.

1. Participants Assembly

The PA is the overarching governance body for the Facility as a whole and comprises all REDD countries, all donors to the Readiness Fund, all Carbon Fund Participants and all official observers. As per the FCPF Charter, the PA shall provide general guidelines to the PC; review specific decisions made by the PC on

pricing of Emission Reductions Payment Agreements (ERPAs), ERPA General Conditions, guidelines on Additional Benefits, evaluation of the FCPF; and elect members of the PC. It shall also serve as a forum for exchanging knowledge among Participants and observers of the FCPF. An update on progress of the FCPF activities, including on the Carbon Fund programs, is provided during the annual meeting of the PA.

While it is not expected that there will be any change to the current pricing on ERPAs, and ERPA General Conditions before December 2022, there will still be ongoing progress on the Readiness grants, Carbon Fund Programs, IP & CSO program, etc. Election of the members of the PC will also still be required. Since there are no provisions in the Charter for electronic or virtual PA meetings, it is proposed that the annual meeting of the PA should continue to be held each year.

2. Participants Committee

The PC, which comprises of up to 14 REDD countries and 14 financial contributors (to either the Readiness or Carbon Funds or both) is selected by the PA. All official observers also attend PC meetings. There are provisions in the Charter for virtual meetings of the PC. Table 1 below shows the list of roles of the PC as set out in the Charter, and the relevance of those roles as per current status of the FCPF Readiness Fund and Carbon Fund. If the roles have not yet been completed, the table also indicates whether the functions can be served virtually.

Table 1 – Status of the roles of the PC (Article 11.1 Participants Committee)

Roles per the Charter Section 11.1 - The Participants Committee shall be responsible for:	Relevance of the role as per current status of FCPF Readiness Fund and Carbon Fund
a) Selecting, in accordance with the Criteria for Selection of the REDD Participant Countries, set out in the Annex to this Charter and taking into account the recommendations by the Ad Hoc Technical Advisory Panel, an Eligible REDD Country to participate in the Facility by approving the Readiness preparation proposal Readiness Idea Note proposed by such Eligible REDD Country;	Completed. All 47 REDD countries have been selected and no new REDD countries will be added to the FCPF.
b) Taking into account the findings and recommendations of the Ad Hoc Technical Advisory Panel that may be established for this purpose in accordance with Article 13, reviewing the Readiness Preparation Proposal submitted by a REDD Country Participant, and providing guidance to the relevant components of the Readiness Preparation proposal.	Completed. All Readiness Preparation Proposals (R-PP) have been submitted and approved for the 47 REDD countries.
c) Developing the criteria and procedures for grant allocation for Readiness preparation proposals and the criteria and procedures for review of the Readiness Preparation Proposals.	Completed. Criteria and procedures for grant allocation for and review of R-PPs was developed and all R-PPs have been approved.

d) Making a decision on the grant allocation for preparing the Readiness Package by a REDD Country Participant.	Completed. All grant allocations and additional grants have been allocated and no new grant allocations will be made before the close of the FCPF Readiness Fund in December 2022.
e) Upon request by a REDD Country Participant, taking into account the recommendations of the Ad Hoc Technical Advisory Panel that may be established for this purpose in accordance with Article 13, endorsing some or all elements of the REDD Country Participant's Readiness Package;	Some REDD countries are still expected to submit Readiness Packages to the PC before December 2022. The FMT anticipates approximately 10 R-Packages to be submitted for endorsement before December 2022 and this should ideally be done at face-to-face meetings.
f) Adopting policy guidance on pricing methodologies for Emission Reductions Payment Agreements pursuant to Section 3.1(b);	Completed. Price for ERPAs is currently set at \$5/ton and this is not expected to change before December 2022.
g) In the absence of relevant UNFCCC Guidance on REDD, advising on modalities for determining how to attribute Emission Reductions generated from REDD activities to the provision of REDD incentives;	This role can continue virtually but also within the Carbon Fund.
h) In the absence of relevant UNFCCC Guidance on REDD, establishing a list of Independent Third Parties to deliver services related to Emission Reductions Programs and/or other activities undertaken under the Facility;	A list of Independent Third Parties (verification entities) has been presented to and approved by the PC. Any revisions to the list of Independent Third Party verifiers (which are likely) will need to be approved by the PC, but this could be done virtually.
i) On the basis of the recommendations from the Facility Management Team, providing guiding principles on the key methodological framework on REDD;	Completed. The PC has provided guiding principles on the key methodological framework on REDD. FCPF Methodological Framework including the ER Program Buffer Guidelines are expected to be revised and approved by the Carbon Fund.
j) Approving the General Conditions of the Emission Reductions Payment Agreements, which set out general rights and obligations of the parties to the agreement;	Completed. ERPA General Conditions are not expected to be revised before December 2022.
k) On the basis of recommendations from an Ad Hoc Technical Advisory Panel that may be established for this purpose, adopting guidelines on achieving Additional Benefits;	Completed. Criterion 34 and 35 of section 5.3 of the FCPF Methodological Framework include guidelines on Additional Benefits/Non-Carbon Benefits.
l) Evaluating the operation of the Facility in accordance with Section 17.1;	Two independent third party evaluations of the FCPF were conducted in 2010 and 2016, reports of both have been presented to the PC. The PC will need to be involved in decisions around the frequency and scope of future independent third-party evaluations in accordance with

	section 17.1 of the Charter and in accordance with the evaluation plan agreed in May 2019 as part of the FCPF Monitoring and Evaluation Framework. Historically the PC has taken an active role in evaluations, but it is not clear how active a role the PC wishes to take in future evaluations.
m) Approving the establishment of Ad Hoc Technical Advisory Panel(s), to provide technical advice and findings in order to fulfill its functions set out in this Section, including, without limitation, subparagraphs (b) and (d) above;	Completed. No future TAPs are envisaged beyond those currently approved.
n) Addressing defaults referred to in Sections 6.5, 7.3 and 8.4;	Addressing defaults related to REDD Country Participant implementation of a grant or default in making payment by Carbon Fund Participants can be done virtually. All contributions to the Readiness Fund have been received in full.
o) Approving the Annual Budget of the Readiness Fund and the Shared Costs;	There are two remaining fiscal years for which approval by the PC of the Annual Budget of the Readiness Fund and Shared Costs will be required. Budgets can be approved virtually.
p) Reporting to the Participants Assembly at each Annual Meeting on the decisions made by the Participants Committee and, where appropriate, other issues discussed by the Participants Committee; and	Reporting of the PC to the PA can continue at the proposed annual meetings of the PA or virtually.
q) Performing any other functions necessary to facilitate operation of the Facility.	When such functions have been identified, these can be communicated virtually and can be updated during the annual meeting of the PA.

Based on the details in Table 1, the following have been identified as the main roles that the PC would still be actively engaged in.

- Review and approval of the FCPF Readiness Fund budget and Shared Costs
- Review and endorsement of R-Packages
- Reporting to the PA on decisions made and, where appropriate, other issues discussed by the PC.

It is proposed that some of these roles be managed through virtual communication by email and when necessary by video conference. In-person updates or discussions related to R-Packages can be accommodated in a PC meeting held annually in conjunction with the annual meeting of the PA. This proposal is also in line with section 11.3 of the Charter which states that the meeting of the PC can be as frequent as may be deemed necessary. The PC could therefore be held once a year, back-to-back with the PA meeting.

3. Carbon Fund Meetings

Carbon Fund Meetings makes decisions on issues related to the Carbon Fund (Charter section 12.2 (a)). Under section 12.2 (c) of the Charter the Carbon Fund Meeting shall meet at least once a year, or at any other frequency as may be deemed necessary by the Trustee. The Charter allows for virtual (electronic) meetings. Many Carbon Fund decisions can be made either virtually or through the no-objection process (see Action Without Meeting in section 12.5 of the Charter) but it can be useful to meet face-to-face on occasion or where difficult decisions need to be taken.

4. Knowledge Day options

As noted above, the PC could be held once a year through 2022 in conjunction with the PA meeting which would allow for REDD countries, IP & CSO observers, private sector, and donors to continue to engage on FCPF and related issues, especially at the Knowledge Day. As noted above, the PA has the specific responsibility to “serve as a forum for exchanging information and sharing knowledge among Participants and observers.” Below are three options where the Knowledge Day can continue and the pros and cons for each.

Option 1 (current status): Keep Knowledge Day as part of the PA/PC annual meeting. This will include bringing in experts, additional FMT staff including focal points for thematic areas to participate in the meeting.

Pros – The meeting has a target audience, i.e. all participants of the PA/PC in attendance with specific expertise for the sessions.

Cons – Not all the experts for Knowledge Day may have a major role during the formal PA/PC meeting, hence, this results in additional travel (and costs/logistical challenges) for some participants.

Option 2: Keep Knowledge Day as part of the PA/PC annual meeting, however, attendees will only include REDD+ country participants/donors/FMT staff who are already coming as participants in the formal PA/PC, so a limited number of attendees.

Pros – The meeting still maintains a target audience, i.e. all participants of the PA/PC and does not involve additional travel.

Cons – Some technical or specific expertise, especially specific expertise within the FMT or the broader World Bank, may not be available to participants during sessions if such experts are not part of the formal PA/PC.

Option 3: Integrate Knowledge Day into other events or larger World Bank conferences.

Pros – Synergies on similar issues and exposure to a wider network. If participants are already participants of the larger event, no additional travel will be needed.

Cons – Integrating with larger events or other events can take away the FCPF-specific focus and therefore, it is no longer an FCPF Knowledge Day. FCPF participants may not be present as a group as not all of them are likely to attend the same events. As a result, sessions at such Knowledge Day workshops may lose focus on specific issues related to delivery of FCPF Programs.

Option 4: Hold virtual Knowledge Sessions, especially during the Covid-19 pandemic

Pros – All PC/PA participants with access to strong wi-fi will be able to participate and experts can be brought in at no additional cost.

Cons – Virtual sessions are less successful at facilitating learning and knowledge-sharing than in person events and identifying a time that works for such a geographically-dispersed set of participants is very difficult.

The Knowledge Day was designed to serve partly as a South-South Knowledge Exchange forum for all FCPF countries, so they can learn from one another to better help design and deliver their programs. At present there is no other forum that brings all the FCPF clients together, hence, separating it from the PC/PA, i.e. Option 3, would not only change the target audience but a major purpose of the Knowledge Day itself. Option 2 is a feasible option if costs and attendee numbers are a concern since the Knowledge Day focus and target audience is maintained while at the same time limiting any additional travel and costs. If reasonable costs and numbers can be maintained under Option 1, this is preferable in terms of providing expert knowledge and guidance.

5. FMT Proposal

1. Maintain annual Participants Assembly meeting in person, in conjunction with PC, when necessary, a Carbon Fund meeting and a Knowledge Day through 2024. If costs and attendee numbers are a concern, Knowledge Day participants could be limited as per option 2 above. A decision will need to be made regarding the 2025 annual meeting nearer the time, depending on if any decisions are necessary.
2. Make any other required PC decisions outside of annual PA meetings virtually, wherever possible.
3. Make other Carbon Fund decisions through either no objection or through virtual meetings, wherever possible.

This FMT proposal entails one physical meeting per year from 2021 to 2024 covering all Facility requirements and a Knowledge Day, a total of 4 physical meetings over the remaining 5 years of the Facility. The PC meetings have previously been held twice a year, as have Carbon Fund meetings on average (a total of 4 meetings a year). Reducing the frequency to once a year will save more than \$150,000 annually. All other decisions/meetings could be virtual. Bearing in mind the plan to hold this year's annual meeting virtually to avoid any complications related to COVID-19, these proposed future annual meetings could be held every 2 years in regional locations in Africa and Asia-Pacific (2021 and 2023) and in Washington DC in the other years (2022 and 2024).