

From: FCPF Secretariat/Service/World Bank  
To:  
Date: 11/09/2010 06:24 PM  
Subject: FCPF: Summaries of third meeting of the Participants Assembly (PA3) and seventh meeting of the Participants Committee  
Sent by: Ranjith Ranjith  
33190

Dear Participants, Observers and Colleagues,

I am pleased to report that the third meeting of the Participants Assembly (PA3) and the seventh meeting of the Participants Committee (PC7) of the Forest Carbon Partnership Facility (FCPF) took place in Washington, DC on November 1-3, 2010, back-to-back with the fifth meeting of the UN-REDD Policy Board.

Firstly, I would like to thank the 120+ meeting representatives of governments, indigenous peoples' organizations, international and non-governmental organizations and the private sector for their time and the constructive spirit. In keeping with the recent practice of selecting co-chairs (one REDD Country Participant and one Donor Participant) to chair meetings, we were fortunate to have the very able chairmanship of the PA meeting by Ms. Kushla Munro of Australia and Mr. Vincent Kasulu of the Democratic Republic of Congo, and of the PC meeting by Ms. Kushla Munro of Australia and Mr. Rodrigo Mussi of Paraguay. We are grateful for their willingness to commit so much time to the task.

Please be advised that all the background materials, presentations, Resolutions and Additional Decisions have been posted on the FCPF website at <http://www.forestcarbonpartnership.org/fcp/node/291>. Currently only the English version of the Resolutions and Additional Decisions is available, but, as agreed, the French and Spanish version will be prepared in the next week or so.

Secondly, this message provides some highlights from the meetings:

- New Participants Committee (PC) elected:* A new 28-member PC was elected with representatives from 14 REDD Country Participants and 14 Donor and Carbon Fund Participants. For the REDD Country Participants, the following PC members were selected: Argentina, Cambodia, Colombia, Costa Rica, Democratic Republic of Congo, Ethiopia, Gabon, Guatemala, Kenya, Mexico, Nepal, Paraguay, Thailand and Uganda. For the Donor Participants and Carbon Fund Participants, the following PC members were selected: Agence Française de Développement, Australia, Denmark, European Commission, Finland, Germany, Japan, Norway, Spain, Switzerland, The Netherlands, The Nature Conservancy, the United Kingdom and the United States. Of these PC members, six were elected as the Bureau of the PC (Argentina, Australia, Cambodia, the Democratic Republic of Congo, Germany, and the United States) to liaise with and provide guidance to the FMT in-between PC meetings.
- Information exchange and knowledge sharing:* The PA co-chairs reported to the PA on the decisions made by the PC at the last two meetings of the PC and the FMT provided an overview of the 2010 Annual Report. The 2010 Annual Report is available on the FCPF website at <http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Nov2010/2010FCPF-annual%2007.pdf>. The FMT also presented a document on early lessons learned from countries' experiences and the first two years of FCPF operations, which is available at <http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Oct2010/PA3%20b%20FCPF%20Harvesting%20Knowledge%2010-30-10.pdf>. In addition, two knowledge-sharing panels discussed "National preparations for REDD+ financing" and "National systems, sub-national implementation and the potential role of the private sector."
- Grant allocations:* The PC recognized the high quality of the Readiness Preparation Proposals (R-PPs) submitted by Lao PDR and Tanzania and reviewed by ad hoc Technical Advisory Panels (TAP) and the PC. The PC authorized a readiness preparation grant allocation to Lao PDR of USD 3.4

million. Subject to revision of the R-PP to address a few key issues and completion of due diligence by the World Bank acting as Trustee of the Readiness Fund, Lao PDR will enter into a readiness preparation grant agreement to assist it in preparing their Readiness Package. The PC noted that Tanzania is not requesting funding from the FCPF at this time, but acknowledged the high quality of its R-PP, agreed to support Tanzania's efforts to move ahead with its preparation for readiness, and encouraged Tanzania to report on progress.

4. *Draft R-PP presentations:* Vietnam and Ethiopia presented their draft R-PPs, which were reviewed by ad hoc TAPs and discussed by the PC. The FMT will produce informal summary reports of the PC discussions of these draft R-PPs, which will be sent to the countries for comments and then posted on the FCPF website. In addition, Madagascar and Peru presented progress reports on the preparation of their R-PPs.
5. *Additional funding:* Substantial new funding commitments were made in the course of the meeting. Norway announced that, subject to Parliamentary approval, it will make an additional sum of USD 50 million available for the Carbon Fund. Canada announced that, subject to final approvals, it will contribute CAD 40 million to the Readiness Fund and become a new Participant to the FCPF in the coming weeks. Germany also announced increased amounts beyond its earlier pledge of EUR 40 million to both the Readiness and Carbon Funds – which will bring its total contributions to EUR 20 million and EUR 34 million respectively. In the meeting, Finland announced its second supplemental pledge of EUR 4 million to the Readiness Fund, subject also to Parliamentary approval. It was noted that Italy is in the process of becoming a new Donor Participant to the Readiness Fund, with a USD 5 million contribution. In addition, meeting participants recognized the Participation Agreement recently signed by the United States, for a new USD 10 million contribution to the Carbon Fund. Both the committed and pledged funds now amount to more than USD 200 million for the Readiness Fund and almost USD 50 million for the Carbon Fund. These compare with capitalization targets of USD 185 million and USD 200 million respectively.
6. *Multiple Delivery Partners:* The PC agreed to a resolution to move forward with up to five pilot countries, each to be approved by the PC, for the purpose of piloting the reliance on Multiple Delivery Partners under the Readiness Fund. The PC accepted the three regional multilateral development banks (African Development Bank, Asian Development Bank and the Inter-American Development Bank) and the three UN-REDD agencies (the Food and Agriculture Organization, the United Nations Development Programme and the United Nations Environment Programme) as potential delivery partners alongside the World Bank. The PC recognized that the R-PP template and the Draft Guidelines on Stakeholder Engagement in REDD+ Readiness together establish the basic framework to guide the formulation of R-PPs by REDD Country Participants, including by helping them factor in environmental and social considerations. The PC also decided to establish a task force, including PC members, observers and potential delivery partners, to develop a common approach to environmental and social aspects for the provision of readiness support to REDD countries by delivery partners, with a view to approval of the common approach by the PC at its ninth meeting. In the meantime, and in order to create the legal basis for piloting the use of Multiple Delivery Partners, the FMT has drafted a PA Resolution. This draft was circulated prior to PA3 and discussed during the meeting. As agreed, it will be re-circulated to all Participants for approval on a no-objection basis within 30 days.
7. *Carbon Fund:* The PC was updated on progress towards capitalization of the Carbon Fund, clarifying additional elements of its design and beginning work on the many technical issues of REDD+ carbon finance that need to be further developed over time. The FMT agreed to make the updated Issues Note available to Participants and observers by November 15.
8. *R-PP template enhancement process:* The PC was updated on the R-PP template enhancement process being carried out in cooperation with the UN-REDD Programme. The revised draft template (version 5) is accessible on the FCPF website (<http://www.forestcarbonpartnership.org/>) for comments by November 15. Please address any comments to the FMT at

[fcpfsecretariat@worldbank.org](mailto:fcpfsecretariat@worldbank.org). A revised version incorporating comments should be available in a few weeks for use by countries for R-PP submissions in January 2011.

9. *R-PP submissions*: We wish to remind countries interested in submitting their R-PPs for review at either PC8 or PC9 to advise the FMT of their intentions by November 20, 2010. R-PPs for consideration at PC8 should be submitted by January 10, 2011 and R-PPs for consideration at PC9 should be submitted by April 11, 2011. Countries submitting their R-PP for consideration at PC8 have the choice of using either the previous version of the R-PP template (version 4) or the latest version (version 5).
10. *Next meetings*: Confirmation of dates and venues will be sent in due course. Tentative dates are: PC8, March 21-25, 2011 in Vietnam (in conjunction with the sixth UN-REDD Policy Board meeting); PC9, June 20-22, 2011, in Oslo, Norway; and PA4/PC10, October, 2011, in Germany.

Thirdly, I would also like to note the continuing improvement within the FCPF Partnership in four key areas – substantive progress by countries in their preparation for REDD+ readiness, evidenced by the increasing quality of R-PPs; increased inclusion and participation in the FCPF and also in the broader REDD+ community; and the increasing involvement of Participants in many aspects of FCPF operations, including R-PP review and working groups.

Fourthly and finally, Participants pointed to a few areas in need of improvements, in particular the speed at which FCPF Readiness funds are committed and disbursed. The FMT reported on initiatives to accelerate fund commitments and disbursements, including the reliance on multiple delivery partners (please see item 6 above), the production of processing guidelines for treatment of FCPF activities in the Bank, and increased flexibility for continuing disbursements beyond mid-term progress to facilitate preparation of Readiness Packages.

Please do not hesitate to contact the FMT at [fcpfsecretariat@worldbank.org](mailto:fcpfsecretariat@worldbank.org) if you have any questions or concerns.

Once again, thank you for your contributions, and see you next time!

Sincerely,

Joëlle Chassard