

Forest Carbon Partnership Facility (FCPF)

Participants Committee

Eleventh Meeting (PC11)

March 28-30, 2012

Granados Park Hotel, Avenida 15 de Agosto y Estrella, Asunción, Paraguay

[\(http://www.granadospark.com.py/\)](http://www.granadospark.com.py/)

Wednesday, March 28

07:00	<i>Breakfast</i>
1. Opening	
08:30	1a. Welcome (Benoît Bosquet)
08:45	1b. Opening remarks (Minister of Environment Oscar Rivas, Paraguay and Rossana Polastri, World Bank)
09:15	1c. Review and approval of meeting agenda (Rodrigo Mussi, Paraguay and John Verdick, United States, as Co-chairs)
09:40	1d. Brief report on UN-REDD Policy Board meeting (PB8) (Yemi Katerere)
09:45	1e. Introduction of process for contact groups and working groups (see table below)
10:15	1f. Seeking feedback from PC on ways of engaging with REDD+ Country Participants going forward (TBC)
10:30	<i>Coffee break</i>
2. R-PP Assessment	
11:00	2a. Review of R-PP template v.6, and presentation of ad hoc TAPs for PC11 R-PPs (Ken Andrasko)
11:15	2b. TAP overview of R-PPs presented at PC11 (TAP)
11:45	2c. Guatemala (Marcel Oseida, Jennifer Lee Morales, TAP, PC, IDB)
13:00	<i>Lunch break, contact groups</i>
14:15	2d. Mozambique (Paula Panguene, TAP, PC, World Bank)

3. Multiple Delivery Partners	
15:30	3. Report on progress with Multiple Delivery Partners • Approved PC resolution on enhanced capacity for dispute resolution (Benoît Bosquet, Sachiko Morita) • Transfer Agreements with IDB and UNDP (Sachiko Morita, Hanna Uusimaa, Tim Clairs) • UNDP's proposal to set up an interim accountability mechanism (Tim Clairs) • FAO's consultation with Indigenous Peoples (Alberto Sandoval)
17:00	<i>1f Revisited - Engaging with REDD+ Country Participants going forward</i>
17:30	<i>Contact groups</i>
19:30	<i>Informal Q&A session on Readiness Package, followed by informal reception hosted by CSO Observers</i>

Thursday, March 29

07:00	<i>Breakfast, contact groups</i>
4. Readiness Package (R-Package)	
08:30	4. Discussion of feedback on the Concept Note on Readiness-Package Content and Assessment Approach and the way forward (Alexander Lotsch)
10:30	<i>Coffee break</i>
5. Strategic Direction of the FCPF	
11:00	5a. Update on the strategic direction and scope of work of the Readiness Fund, and enhancing support for REDD+ implementation (Neeta Hooda) • Ascertaining a REDD Country's participation status in the FCPF and its eligibility to access FCPF grant financing (Participation Agreements signed; Countries confirming intention to submit R-PPs) • Increasing readiness grant support to REDD+ Country Participants (top-up amount of up to \$5 million was virtually approved after 14 days after PC10)
11:45	5b. Possible reopening of the FCPF to new REDD+ Countries (for decision at PC12) (Neeta Hooda) • FMT presentation
12:15	<i>Lunch break, contact groups</i>
13:30	5b. Possible reopening of the FCPF to new REDD+ Countries (for decision at PC12) (continued) • Discussion

14:30	5c. Log frame (Neeta Hooda) Logical framework for setting FCPF priorities, and Monitoring and Evaluation
15:00	<i>Coffee break</i>
6. Carbon Fund	
15:30	6a. Building blocks of an Emission Reductions Payment Agreement, and Roadmap to ERPA General Conditions (Markus Pohlmann, Benoît Bosquet)
16:30	6b. Discussion of the methodological framework and pricing and valuation approach (Ken Andrasko, Marco van der Linden) Report on work of the Working Group on Methodology and Pricing for the Carbon Fund (Duncan Marsh, as Chair of the Working Group)
17:30	<i>Contact groups</i>

Friday, March 30

07:00	<i>Breakfast, contact groups</i>
7. Closing Business and Resolutions	
09:45	7a. Dates and locations of next meetings (Co-chairs)
10:00	7b. Adoption of PC Resolutions (Co-chairs)
11:00	7c. Co-chairs' conclusions
11:30	<i>End of meeting and Lunch</i>
13:00 TBC	<i>Departure for field visits</i>

FMT's Summary Proposal on Need for PC Resolutions and Contact Groups

Topic	Resolution	Group Facilitator from FMT/WB	Meeting Room	Time of First Meeting
Session 2c. Guatemala R-PP	✓	Peter Saile	Executive	March 28, lunch break
Session 2d. Mozambique R-pp	✓	André Aquino	Privado	March 28, 17:30
Session 3. Multiple Delivery Partners	✓	Benoît Bosquet	Privado vel lobby	March 28, 17:30
Session 4. Readiness Package	No	Alexander Lotsch	Executive	March 29, 12:15
Session 5. Strategic Directions	TBD	Neeta Hooda	Privado	March 29, 12:15

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Eleventh Meeting (PC11)

March 28-30, 2012

Annotated Agenda

The meeting will be held at Granados Park Hotel, Avenida 15 de Agosto y Estrella, Asunción, Paraguay (<http://www.granadospark.com.py>).

All background materials are being made available on the FCPF PC11 webpage at <http://www.forestcarbonpartnership.org/fcp/node/375> , unless otherwise indicated.

Session 1c (Review and approval of meeting agenda)

The Co-chairs will introduce and request approval for the agenda, focusing on the key topics and objectives and expected PC actions.

Session 1e (Introduction of process for contact groups and working groups)

The FMT will briefly introduce the topics and issues that require deliberations in the PC contact groups and working groups.

Session 2a (Review of R-PP template v.6 and presentation of ad hoc Technical Advisory Panels for PC11 R-PPs)

The FMT continues to manage the TAP process on the basis of the draft Program Document FMT 2009-1-Rev. 5, while working to ensure its efficiency. Accordingly, the reviews of R-PPs submitted for consideration at PC11 were conducted by (1) teams of TAP members who reviewed multiple R-PPs; and (2) groups of PC members who reviewed multiple R-PPs. The FMT will briefly update the PC on progress on Version 6 of the R-PP template, jointly revised with the UN-REDD Programme, though not yet finalized, which will be used for all R-PP submissions going forward, and introduce the TAPs that reviewed the R-PPs.

Background documentation: The R-PP template (*Draft R-PP Template v. 5: 12-22-10*) and *Program Document 2009-1-Rev.5 R-PP Assessment 01-10-2011* outlining the R-PP review process, and draft Version 6 of the R-PP template, which will be used for R-PP submissions going forward, are available in the “Templates and Guidance” section of the FCPF website at <http://www.forestcarbonpartnership.org/fcp/>. As soon as the final issue regarding Version 6 of the R-PP template is resolved, a revised version of it, will be made available on the FCPF website.

Expected PC action: To date, the TAP and PC review processes have been kept completely independent of

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each other, to ensure the independence of the TAP. Draft TAP comments have not been shared with PC members reviewing R-PPs until the TAP comments are finalized in the weeks prior to a PC meeting. However, PC members may find it useful to see the draft TAP comments early on, to feed into their own reviews. The PC is requested to provide guidance on whether draft TAP comments should be shared systematically with PC reviewers.

Session 2b (TAP's overview of R-PPs presented at PC11)

The TAP will offer a brief reflection on how to assess the sustainability of REDD+, building on its presentation at PC10 and experience in the R-PPs to date. Then it will give a single overview presentation of their assessments of the two R-PPs submitted for formal consideration at PC11 (Guatemala and Mozambique). Any additional country-specific comments will be provided by the TAP in the individual country R-PP sessions.

Background documentation: The TAP synthesis reviews for each R-PP will be available on the PC11 webpage.

Sessions 2c-2d (R-PP assessment)

Guatemala and Mozambique have submitted R-PPs for formal assessment by the PC. The country representatives will present their R-PPs, followed by brief comments by the TAP, the PC reviewers, and the respective delivery partner for each country. The PC will then discuss the R-PPs.

Background documentation: The R-PPs, TAP synthesis reviews, and preliminary PC synthesis reviews will be available on the PC11 webpage.

Expected PC action: The assessments of the R-PPs could conclude in Resolutions by the PC as to whether each R-PP provides a sufficient basis for funding to move ahead with preparation for readiness and to request the Delivery Partner to complete due diligence with a view to entering into a grant agreement.

Session 3 (Multiple Delivery Partners)

In Resolution PC/10/2011/4 on Multiple Delivery Partners, the PC requested a number of actions by the FMT, and by FAO as a newly approved Delivery Partner. This session will report on the status of these requested actions, and on other related activities that have taken place since PC10, including:

- responses to questions received from PC members and Observers;
- adoption of PC resolution on enhanced capacity for dispute resolution, on a no-objection basis on February 20, 2012;
- an update on the negotiation of Transfer Agreements with the IDB and UNDP;
- a discussion of UNDP's proposal for setting up an accountability mechanism;
- an update from FAO on its consultation with representatives of Indigenous Peoples concerning environmental social safeguards, its accountability mechanism and Environmental Impact Assessment guidelines, as committed to at PC10; and

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- an update on ADB's interest in participating in the MDP arrangement;

Background Information: FMT Note 2011-12 and the PC Resolution PC/Electronic/2012/1 on enhancing capacity for dispute resolution, and FMT Note 2012-1 on UNDP's accountability mechanism, will be available on the PC11 webpage. The ADB's provisional submission to become an FCPF Delivery Partner has been available on-line at <http://www.forestcarbonpartnership.org/fcp/node/304>.

Expected PC Action: Adoption of a PC Resolution on UNDP's accountability mechanism.

Informal Q&A session on Readiness Package

The FMT invites for an informal Q&A session on Wednesday (March 28) at 19:30 to facilitate an exchange of views on pertinent aspects of the R-Package among REDD countries, donors, and observers. The session will be followed by an informal cocktail reception sponsored by CSO Observers. The R-Package, notably its purpose, assessment and endorsement, will be formally discussed by the PC in session 4 on Thursday, March 29 (see below).

Session 4 (Readiness Package)

With readiness preparation sufficiently advanced, REDD Countries can elect to submit a Readiness-Package (R-Package) to the PC to have their REDD+ readiness assessed. In line with the objective of the FCPF Readiness Fund and the Charter, the R-Package is an important milestone in the overall REDD+ readiness process and follows a logical sequence and process that began with a country's initial Readiness Preparation Idea Note (R-PIN), followed the drafting of the R-PP (formulation phase), and the implementation of R-PP (preparation phase).

PC9 established an informal working group on the development of the R-Package consisting of REDD countries, donor countries and observers, and PC10 tasked the FMT to produce a Concept Note that defines the purpose, scope and the general assessment approach of the R-Package in more detail. The FMT circulated a draft Concept Note on the Readiness Package Content and Assessment Approach (FMT Note 2011-14) to the PC for comment on December 31, 2011 and, also in response to PC10 recommendations, set up an online Topics Forum on the FCPF website to transparently solicit and share comments. In addition, FMT organized several regional phone calls to get feedback from REDD country Participants in January 2012.

The feedback received indicates that views diverge on several important aspects of R-Package. A revision of the original Note (as originally anticipated at PC10) could not have resolved conflicting perspectives, and further discussion and guidance by the PC is required. A new FMT Note (FMT Note 2012-2) summarizes the feedback on the original Concept Note, and presents a number of points for the PC's consideration and discussion.

Background documentation: Draft FMT Note 2012-2 will be available on the PC11 webpage and includes the original Concept Note (FMT Note 2011-14) and the feedback matrix as annexes.

Expected PC action: On the basis of the feedback, the PC is to discuss (i) how the process and R-Package document can become more REDD country-owned, (ii) the role and purpose the PC's 'endorsement' of a

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country's R-Package (per FCPF's Charter), (iii) how the review and assessment process should be organized (within a REDD country and at the PC level), and (iv) how the assessment framework (standards) can be operationalized to be most useful for REDD countries.

Session 5a (Update on the strategic direction and scope of work of the Readiness Fund, and enhancing support for REDD+ implementation)

Resolution PC/10/2011/1-rev outlined a number of actions to be taken with regard to defining the strategic direction of the FCPF. Some actions (a mapping exercise of the activities being supported by existing IP and CSO capacity building programs; and regional and global dialogues with Indigenous Peoples) will be reported on at the joint FCPF/UN-REDD meeting on March 27, 2012. In this session, the FMT will report on progress made in other areas, including:

- Recent signatures of REDD Countries' Participation Agreements;
- Countries intending to submit R-PPs in the future; and
- Report on Resolution PC/10/2011/1-rev, which included a provision to increase readiness grant support to eligible REDD Country Participants up to \$5 million, and was virtually adopted by the PC 14 days after PC10.

Background documentation: FMT Note 2012-3 on the Strategic Direction of the FCPF and FMT Note 2012-5 on the Capacity Building Programs for Forest-Dependent Peoples and Southern CSOs will also be available on the PC11 webpage.

No expected action.

Session 5b (Possible reopening of the FCPF to new REDD+ Countries) (for decision at PC12)

Resolution PC/10/2011/1-rev requested the FMT to take actions in response to some REDD+ Countries' expression of interest in joining the FCPF. Since PC10, 11 countries have provided additional information on their interest in joining, plus two new expressions of interest from the Philippines and Sri Lanka. The FMT will present:

- information on the responses received;
- the implications of opening up the FCPF to new REDD Countries for costs, human resources, and support for REDD+ readiness to the existing REDD Country Participants;
- possible criteria and a process for approving such additional Eligible REDD Countries for possible inclusion into the FCPF; and
- the use of MDPs in the case that the FCPF is reopened to new countries

Background documentation: FMT Note 2012-3 will be available on the PC11 webpage.

Expected PC action: In accordance with Resolution PC/10/2011/1-rev, a decision on this subject by the PC is expected by PC12 in June 2012. The PC may wish to provide feedback on the background information

provided to the PC in FMT Note 2012-3 and outline next steps to be taken with an eye to making a decision at PC12. PC11 could already adopt a resolution setting the criteria to be used at PC12. Alternatively, a more tentative process could be discussed at PC11 and included in the co-chairs' summary.

Session 5c (Log frame)

At PC10 the FMT presented a draft logical framework (log frame), which was revised and circulated to the PC on January 29, 2012. This log frame attempts to present the priorities for the FCPF for the next three years. It could also serve as a potential framework for an FCPF monitoring and evaluation (M&E).

Background documentation: The logical framework will be available on the PC11 webpage. FMT Note 2012-4, which includes the comments received on the draft log frame and the FMT's responses, will also be available on the PC11 webpage.

Expected PC action: In view of these comments, the PC may wish to discuss and provide guidance to the FMT on the log frame and/or an M&E framework, and whether the indicators and outputs captured in the draft log frame could be included in an M&E framework, should the PC decide to do so. A formal Resolution is not expected at PC11 but the PC may wish to outline the next steps in the process.

Session 6a (Building blocks of an Emission Reductions Payment Agreement, and Roadmap to ERPA General Conditions)

The FMT will present an update on the development of general Conditions of an Emission Reductions Payment Agreement (ERPA), and will also present on the basic elements of an ERPA and potential ways to customize an ERPA for a REDD+ transaction under the FCPF Carbon Fund. This will build on experiences to date with performance-based payments, including ERPAs under other carbon funds managed by the World Bank. The presentation will be followed by a Q&A session.

Background documentation: Background presentations will be available on the PC11 webpage.

Expected PC action: No specific decision is expected.

Session 6b (Discussion of the methodological framework and pricing and valuation approach)

Resolution PC/10/2011/5 established the Working Group on the Methodological and Pricing Approach for the Carbon Fund of the FCPF. This session will report on the work of the working group, and the FMT will request feedback from the PC on the methodological and pricing/valuation approach of the Carbon Fund. The working group will also inform the PC of further work planned with the aim of moving towards PC approval of the methodological framework and pricing and valuation approach.

Background documentation: Technical discussions of the Working Group were held via telephone on January 11, February 14, March 1 and March 12, 2012, and a face-to-face meeting is scheduled for March 25, 2012. Materials from these discussions are available at <http://www.forestcarbonpartnership.org/fcp/node/369> and on the PC11 webpage.

Expected PC action: No PC action is expected.

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Session 7 (Closing Business and Adoption of PC Resolutions)

The FMT will present proposed dates and locations of the next PC meetings. The FMT will also present the draft resolutions that have been discussed and refined by contact groups throughout the PC11 meeting. The PC will formally discuss and adopt each PC resolution in plenary.

Background documentation: Draft resolutions will be circulated during the PC11 meeting for discussion and refinement by the PC.

Expected PC action: Adopt the resolutions, if necessary subject to changes.