

**Forest Carbon Partnership Facility
Thirteenth Meeting of the FCPF Participants Committee (PC13)
Fifth Meeting of the FCPF Participants Assembly (PA5)
Brazzaville, Republic of Congo, October 21-23, 2012
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 thirteenth meeting (PC13) on October 21-22, in Brazzaville, Republic of Congo, followed by the fifth meeting of the Participants Assembly (PA) on October 23.

More than 150 representatives of governments, Forest-Dependent Indigenous Peoples and Forest Dwellers organizations, international and non-governmental organizations and the private sector contributed to very rich discussions. We wish to thank the Government of the Republic of Congo for hosting us, in particular H.E. Henri Djombo, Minister of Forest Economy and Sustainable Development, and Mr. Eustache Ouayoro, World Bank Country Director for the Republic of Congo, for welcoming participants. We would also like to acknowledge the participation of a large number of observers from the Republic of Congo and other countries of the Congo Basin, reflecting the commitment of many stakeholders in the region to REDD+.

Please be advised that all the background materials, presentations, Resolutions and this summary will be posted on the FCPF website at <http://www.forestcarbonpartnership.org/fcp/node/619>. Below you will find the main conclusions from the meeting, which are also being translated in French and Spanish.

Thirteenth Meeting of the Participants Committee (PC13)

Update of progress made since PC12 and targets for PC14

- Participants appreciated the increases in funds committed and disbursed, with a total of US\$30 million now committed to REDD+ Countries in signed grant agreements and US\$29.2 million disbursed in direct support to countries as well as other support (e.g., REDD+ methodology support), including US\$5.8 million in grants disbursed to countries. Participants encouraged the FMT to continue its efforts to speed up funding flows, and the FMT noted that now that the foundations are in place, including the Multiple Delivery Partner arrangement, flows are expected to increase more quickly going forward.
- Some key achievements since PC12 include:
 - Transfer Agreements have been signed with UNDP and the IDB to be Delivery Partners;
 - Regional dialogues of Indigenous Peoples on the FCPF were held in Latin American and Asia-Pacific. Incoming PC members are invited to attend the global dialogue to be held in Doha, Qatar, on December 9-11, 2012;
 - Costa Rica became the first country to present an Emission Reductions Program Idea Note (ER-PIN) to the FCPF Carbon Fund. Carbon Fund Participants decided to allocate funds to Costa Rica to further develop its ER-PIN, and provided for a conditional inclusion of Costa Rica's ER-PIN in the Carbon Fund pipeline;
 - DRC became the first country to present its mid-term progress report.

Readiness Preparation Proposals (R-PPs)

- The PC allocated US\$3.6 million to El Salvador (see Resolution PC/13/2012/1) and provisionally allocated US\$3.6 million to Cameroon (see Resolution PC/13/2012/2) to support Readiness preparation, based on their R-PPs.
- Honduras, Chile and Papua New Guinea presented draft R-PPs. The government representatives appreciated the constructive feedback received from the ad hoc Technical Advisory Panel (TAP) and PC that can contribute to strengthening Readiness, and expressed commitment to revising the R-PPs taking into consideration the comments received, with an eye to presenting R-PPs for formal consideration at PC14.
- Following up on decision PC/8/2011/7, Peru reported back to the PC on the progress in REDD+ Readiness preparation made and plans for the way forward.

Democratic Republic of Congo's mid-term progress report

- DRC presented its mid-term report on the national REDD+ Readiness process, complemented by an independent evaluation and the mid-term report by the World Bank, and submitted a request for additional funding. The PC adopted a resolution allocating up to an additional US\$5 million to further support the Readiness process in DRC (see Resolution PC/13/2012/3).
- PC members congratulated DRC on its coordination of different sources of REDD+ funding; the use of an independent reviewer at mid-term; adoption of regulations on pilot projects and the design of the national registry; the early ideas on a potential grievance mechanism; and the continued dialogue with CSOs as part of the Readiness process.
- The Resolution lists the key issues that must be addressed before the supplementary grant agreement of US\$5 million can be signed.
- The PC also encouraged DRC to take into account issues that were highlighted during the discussion, but not included in the Resolution:
 - Explanation on activities that were to be implemented with FCPF funding, but were not achieved;
 - Indication of when DRC expects to have a first version of the strategy prepared;
 - Further information on the remaining financial gap and activities to be financed;
 - Better prioritization of Readiness activities to ensure delivery of key outputs and outcomes;
 - Additional information on ongoing pilot REDD+ projects;
 - Status of plans for a new composition of the National REDD+ Committee and for strengthening the National REDD+ Coordination Unit. The importance of building capacity, to replace international with national expertise;
 - The importance of high-level political commitment to REDD+, including the implementation of key policy reforms, such as land use planning, addressing illegal logging, and implementing community forestry, among others;
 - Analysis of links between broader governance issues in the country and REDD+ Readiness.
- In response to questions raised during the discussion, the World Bank offered to provide additional written explanation of why it determined that significant progress has been made in the implementation of the FCPF-financed activities.

FY13 Readiness Fund Budget Addendum: Activities to be supported through the Readiness Fund

- Following up on the request from PC12, the FMT presented a detailed proposal and budget estimate for analytical work, knowledge management, and centrally sourced activities to be undertaken in FY13. The proposal takes into account the findings from the Country Needs Assessment prepared jointly by the UN-REDD Programme and the FCPF, similar activities undertaken by other donors and initiatives, and the available capacities in the FMT.

- The PC approved the budget allocation of US\$1,323,000 for FY13 (see Resolution PC/3/2012/4). This is additional to the budget previously approved at PC12.
 - Several PC members repeated their concern regarding the impact of the additional activities on the FMT's capacity and ability to focus on existing priority activities. As such, they requested the FMT to report on implementation progress of the additional activities as per the regular reporting arrangements;
 - The PC requested the FMT to continue to take into consideration its capacity as well as similar activities by other initiatives, when planning and implementing additional activities, to ensure that additional activities are not carried out at the expense of existing priority activities (e.g., the Methodological Framework for the Carbon Fund).
- In the above context, it was also confirmed that there will be only two PC meetings per year starting in July 2013, thus freeing up more time for the FMT to work on additional activities.

Carbon Fund: Discussion of draft Term Sheet setting out the general principles of a future ERPA

- A pre-PC13 workshop on the draft ERPA Term Sheet was held for information-sharing purposes only, and the key points raised during discussions were presented at the PC meeting. Participants emphasized that any information provided at PC13 and the pre-PC13 workshop do not yet reflect a consensus among Participants but is still subject to further discussions among Participants.
- We had very fruitful group discussions, and went in-depth into what terms could be included in future ERPAs. Discussions focused on (advance) payments, monitoring and reporting, as well as non-carbon benefits and Benefit-Sharing Plans.
- **Participants are invited to provide written comments on the draft Term Sheet to the FMT by November 23, 2012.** The FMT will revise the draft Term Sheet based on comments received, with an aim of obtaining approval of the Term Sheet by the PC before or at PC14.

Monitoring and Evaluation Framework

- The PC expressed support for the conceptual basis and proposed structure and approach of the draft framework presented by the FMT and its consultants. There were some questions as to whether semi-annual reporting is too burdensome on the FMT, or even feasible. In addition, there was a suggestion to consider if some of the proposed indicators could be more ambitious, and that there may be room to further clarify indicators that measure impact, not just outputs.
- **Written feedback on the draft framework from Participants is invited by November 23, 2012.** The consultants will revise the draft based on the feedback received at PC13 and the written comments. Revised draft will be made available for PC review and indication if the revised version of the draft could be approved on non-objection basis by mid to late January 2013. Based on the feedback received the FMT will proceed to either seek PC approval on non-objection basis or include it on agenda for presentation and approval at PC14.

Assessment Framework for the Readiness Package

- The FMT updated Participants and Observers on progress in developing a draft assessment framework for the Readiness Package, and sought further feedback and guidance on the proposed approach (contained in FMT Note 2012-10). There was general support for the draft assessment framework and assessment process, which was discussed in detail at an informal pre-PC workshop.
- **Participants and Observers are invited to provide immediate or draft feedback by November 23, 2012 on the assessment framework's proposed criteria, progress indicators and guidance notes as well as the process of country self-assessment. Detailed feedback can be submitted by January 31,**

2013 to allow Participants to solicit further feedback from experts and stakeholders in their country.

- The PC requested the FMT to undertake country feasibility testing and solicit feedback from technical experts on the draft assessment framework, develop a knowledge management product to explain the role of the Readiness Package, and provide a revised draft assessment framework for review and approval at PC14.

Other Business

- A recommendation was made that the FMT strive to increase regional representation when hiring new staff and consultants.
- The PC also noted that the pre-PC workshops allowed very productive discussions and were an important opportunity for countries to exchange information and opinions.
- A key agenda item at the PC14 meeting in March 2013 will be whether or not to open the Readiness Fund to new countries. To effectively prepare for this discussion, the FMT will contact the newly elected PC Bureau, and determine the goals of the discussion, any preparatory steps needed to achieve the goal(s), the type of preparatory documentation needed, etc.

Next meetings of the FCPF

- Global IP Dialogue: December 9-11, 2012 in Doha, Qatar.
- PC14 and CF6: Week of March 17-23, 2013, in Washington, DC (to be confirmed).
- PC15 and CF7: Week of June 24-July 1, 2013, in Lombok, Indonesia (to be confirmed), in conjunction with the tenth meeting of the UN-REDD Programme Policy Board and the Forest Investment Program's Pilot Countries meeting.

Fifth Meeting of the Participants Assembly Meeting (PA5)

Two knowledge sharing panels allowed Participants, Observers and others invited to share their experiences and foster dialogue on key issues related to REDD+

A panel organized jointly by the FCPF, European Forest Institute, UN-REDD Programme and Model Forest Network shared experiences and debated issues related to governance reforms for REDD+:

- Country perspectives on governance were shared by speakers from Colombia (highlighting tenure and law enforcement), Indonesia (highlighting anti-corruption efforts and participatory assessment), and the Republic of Congo (highlighting how governance issues intersected with the FLEGT VPA process, and larger social and economic development issues). The subsequent discussion covered issues related to: legislative reform, land tenure and carbon rights, benefit sharing, non-carbon benefits, grievance processes, stakeholder participation, transparency and accountability, involvement of parliaments, and integration of traditional governance with formal legal systems, amongst others. Participants encouraged further knowledge exchange and discussion on the topic.
- The key take-away message was that governance issues related to REDD+ not only present challenges, but also opportunities for change and that change needs to be driven from the bottom up. The role of the PC/PA in this context is to support governments in building capacity on governance issues, to encourage broad participation, to foster knowledge sharing and to seek synergies with other ongoing international efforts, including EU REDD Facility, FLEGT, and UN-REDD.

A second knowledge sharing session looked at deforestation trends in the Congo Basin and opportunities to reconcile economic growth and forest protection:

- Findings from a two-year study looking at deforestation trends in the Congo Basin were presented. The study was based on economic modeling (GLOBIOM) and in-depth review of key sectors that have impact on forests in the Congo Basin (agriculture, wood-based biomass energy, transportation, logging, and mining).
- The panel discussed the challenges of multi-sectoral responses to REDD+, looking in more detail at the trade-offs between mining development and forest protection. The key take away message was that the Congo Basin countries still have the opportunity to seek an economic development path that would not come at a high cost to forests if emphasis is placed on participatory land use planning, improved land tenure schemes, and “climate-smart” development of the key sectors that otherwise drive deforestation.

Remarks by Observers and Delivery Partners

Observers and Delivery Partners provided remarks, including on:

- IDB and UNDP’s signature of Transfer Agreements, and preliminary support to countries.
- The UN-REDD Programme’s closer collaboration with the FCPF on a number of tasks this year, including the joint Country Needs Assessment.
- The main outcomes of UNFCCC discussions and a technical paper on modalities and procedures for financing results-based REDD+ actions.
- Indigenous Peoples representatives’ appreciation of their inclusion in the FCPF process, in particular the global dialogue that started in Guna Yala and will conclude in Doha, and the importance of continued engagement.
- CSOs’ appreciation of the FCPF’s progress over the years, in particular on stakeholder engagement, safeguards, and capacity building for CSOs and IPs. However, concern was raised that there continues to be a gap between agreements made on paper and actions on the ground, and a number of recommendations were offered to this effect.
- The importance, highlighted by the private sector observer, of moving on to REDD+ at scale now or risk losing interest from private investors.

Election of the new Participants Committee

- The Participants Assembly elected the Participants Committee and Bureau to serve until the next meeting of the Participants Assembly (expected to be held in November 2013). See Resolution PA/5/2012/1 for the composition of the new PC and Bureau of the PC. The meeting requested that REPAR (the Parliamentary network for the sustainable management of Central African forest ecosystems) be invited as an observer to future PC meetings.

In closing, we would like to express our appreciation for the hard work and collaboration of all Participants and observers in the run-up to and at PC13 and PA5. Significant progress was made on a number of important issues, and we look forward to continuing this progress at PC14. The FMT will liaise with the PC Bureau in preparing the PC14 agenda. Please do not hesitate to contact the FMT at fcfsecretariat@worldbank.org if you have any questions or concerns.

Sincerely,

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