

Forest Carbon Partnership Facility
Fifteenth Meeting of the FCPF Participants Committee (PC15)
Lombok, Indonesia, June 30-July 1, 2013

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 fifteenth meeting (PC15) on June 30-July 1, 2013, in Lombok, Indonesia.

More than 110 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 thank Dr. Iman Santoso, Director General of Forestry Research and Development Agency, Indonesia, Pak Abdul Haris, Deputy Governor of West Nusa Tenggara province, Indonesia, and Mr. James Brumby, Sector Manager of East Asia Region Poverty Reduction and Economic Management, World Bank, for their opening remarks and for welcoming participants.

The Participants Committee, having met in Lombok, Indonesia, wishes to express its gratitude to the Government of the Republic of Indonesia and the people of the Republic of Indonesia for the hospitality and warmth extended to the participants.

Please be advised that all background materials, presentations, resolutions and this summary will be posted on the FCPF website at: <https://www.forestcarbonpartnership.org/pc15-june-30-july-1-2013-lombok-indonesia> . All photos will be available at: www.flickr.com/photos/fcpf

Session 1d. Update on request to invite a Women's Observer to PC meetings

- The Facility Management Team (FMT) updated the PC on the request received from Ms. Cecil Njebet, President of the Network of African Women for Community Forest Management and founder of the Global Women's Tenure Network, to have a representative of the Network attend the PC meetings as an observer. As an observer, Ms. Njebet attended PC13 and PC14.
- As per Section 8.01 of the Rules of Procedure, the FMT, in consultation with the PC Bureau, has invited a representative for the Network from Asia, Ms. Eleanor Dictaan-Bang-Oa, to come join PC15.
- A representative of the Global Women's Tenure Network from the respective region will be invited to attend future PC meetings.

Session 1e. FMT's update on progress made since PC14

- The FMT presented an [update of progress](#) made since the previous meeting (PC14) and targets for PC16.
- The United Nations Development Programme (UNDP) provided an update to the PC on the status of the countries for which they are a Delivery Partner under the FCPF, i.e., Cambodia, Honduras,

Suriname and Papua New Guinea. UNDP further clarified that they are still in discussions with the Central African Republic (CAR) and have not yet committed to working with CAR due to the current unstable political situation. UNDP also noted that they have been providing support to the preparation of the Readiness Preparation Proposal (RPP) for Bhutan.

- The Inter-American Development Bank (IDB) provided an update to the PC on the status of the countries for which they are a Delivery Partner under the FCPF, i.e., Guatemala, Guyana and Peru.
- Participants appreciated the progress made on the revision and final submission of R-PPs and subsequent completeness checks by the FMT. Participants also noted the usefulness of the FCPF's dashboard as a tool for monitoring progress in the FCPF Readiness Fund.
- However, they also noted the ongoing bottlenecks related to procurement, disbursement and financial management and voiced their concern over the slow progress made on this reoccurring issue. Participants requested the FMT to provide an analysis of the bottlenecks experienced and suggestions on how to resolve them.

Follow up action:

- The FMT will in future incorporate updates from the Delivery Partners into the overall update on progress from the FMT to the PC.
- For PC 16, the FMT will prepare a short report with key recommendations to overcome disbursement bottlenecks.
- The FMT and UN-REDD will explore organizing a shared Knowledge Session and Technical Workshop in conjunction with the next FCPF PC and UN-REDD Policy Board meetings.

Session 2. Update on progress in Indonesia, including progress in FCPF grant and overall progress in REDD+

- The Government of Indonesia presented the [overall progress on REDD+ Readiness](#) achieved in the country with both FCPF funding as well as other sources of funding. Indonesia expects to present a formal Mid-Term Progress Report at PC16.
- Participants had a rich discussion on the impressive progress presented and the experiences made by Indonesia and took particular interest in Indonesia's advancements in determining Reference Emission Levels (REL) and building capacity for Measurement, Reporting and Verification (MRV), as well as in efforts for stakeholder engagement to support national REDD+ strategy formulation. In this context, Participants also discussed progress with the development of a national information system for multiple benefits, other impacts, governance, and safeguards.
- Participants suggested that Indonesia may elaborate its approach for engaging the private sector given the dominant role it plays as a driver for deforestation in the country. It was also suggested that Indonesia consolidate various websites that had been developed for national REDD+ efforts with different sources of funding to provide a consistent information source on national progress with REDD+.

Session 3. Status of the Capacity Building Programs for Indigenous Peoples, and CSOs and Local Communities

- The FMT provided a short overview on the ongoing engagements and dialogues related to Indigenous Peoples (IP), including: i) the mainstreaming of FCPF engagement into broader processes and platforms, ii) the recent side event at the 12th session of the UN Permanent Forum on Indigenous Issues that showcased the FCPF's capacity building program, and iii) the integration of ongoing work into the World Bank's processes on Indigenous Peoples, led by World Bank Advisor for Indigenous Peoples.
- The FMT provided an [update on the status of the capacity building programs](#) for Forest-dependent Indigenous Peoples and Forest Dwellers and for southern CSOs that will be switching from a "vendor system" to a small grants program in FY14. The Indigenous Peoples and civil society organizations to serve as the six regional intermediaries to manage the grant mechanisms have now been identified and next steps for operationalizing the new system include: project concept development, due diligence (including fiduciary and safeguard capacity of intermediaries), and possible country no-objections.
- Participants requested some clarifications on the program and the CSO Observer voiced concern over the low disbursement rate of the Capacity Building Program for IPs, CSOs, and Local Communities, and requested a clear timeline for disbursements of small grants to intended beneficiaries.
- In response, the FMT explained the various steps involved in processing contracts and operationalizing the new system, and confirmed that it is placing high priority on enhancing disbursement rates in FY14.

Follow up action:

- Based on consultations with Indigenous Peoples and civil society organizations a workshop with the regional intermediary organizations has been tentatively planned for August 2013. The workshop will allow the FMT to develop the project concepts in a participatory manner, and help to clarify any operational issues in relation to the implementation of the small grants programs.

Update from Indigenous Peoples organizations

- Following session 3, IP organizations [reported on the first ever meeting of observers from all three multilateral REDD+ initiatives](#) (UN-REDD Programme, FCPF and the FIP) that was held in Lombok prior to the PC meetings. IP organizations identified three priority areas to concentrate their efforts on: stakeholder engagements, M&E, and inclusion of land tenure and livelihoods concerns.

Session 4. Potential conflicts of interest in the Readiness Fund and Carbon Fund

- [Resolution PC/15/2013/1](#) on Potential Conflicts of Interest was adopted, which clarifies and amends the conflicts of interest provisions of the FCPF Charter.

Follow up action:

- Whenever an R-PP or R-Package is presented to the PC, or an ER Program to the CF Participants, respectively, the FMT will request Participants to disclose potential conflicts of interest. The amended Charter has been circulated to all the Participants that are not members of the PC at this

meeting for a 30 day no-objection period, in accordance with Section 21.1 of the Charter. The amended Charter will be posted on the FCPF website after this 30 day period. FMT will develop further guidance on potential conflict of interest.

Session 5. Draft General Conditions of a future Emission Reductions Payment Agreement (ERPA)

- The Trustee presented a first draft of the [ERPA General Conditions](#) with the aim that the PC will endorse them at the sixteenth PC meeting. The ERPA General Conditions are based on the ERPA Term Sheet that was endorsed at PC14. The Trustee walked PC participants through the structure of the first draft of the ERPA General Conditions and answered questions from PC participants. Elements that were discussed in particular details related to the question on the legal title of ERs and the introduction of Reversal Event Mitigation Plans. Participants further discussed how reversal events that happen after the closure of the ERPA/FCPF should be handled.

Follow up action:

- The ERPA General Conditions will be submitted for approval at PC16.

Session 6. Presentation of FY14 budget proposal (including report on implementation of additional activities approved in FY13 budget)

- The FMT presented its [Fiscal Year 2014 \(FY14\) budget proposal](#) to the PC for approval as well as a review of estimated expenditures through FY13. Also provided was an [update on the implementation of additional activities](#) approved as part of the FY13 budget.
- The PC adopted a [Resolution PC/15/2013/2](#) approving the FY14 annual budget.

Follow up action:

- The final accounts for Fiscal Year 2013 will be provided as part of the FY13 Annual Report before PA6/PC16.
- The FMT will prepare an FMT Note on the budget proposal in the future and will make the note available two weeks prior to the respective PC meeting.

Session 7a. Links between country-level M&E frameworks and the FCPF's program-level M&E framework

- [Liberia](#) and [Nepal](#) presented their national level monitoring and evaluation (M&E) Frameworks, which were aligned with readiness progress reporting. As such, the two countries will use the revised country reporting template (approved as part of the FCPF Program level M&E framework) to report on readiness.
- Countries reported that the exercise was extremely useful and also helped to determine key readiness milestones and outcomes to be achieved within a short timeframe while also assessing feasibility. Additional challenges still remain to move from activity-based to results-based reporting.
- Participants suggested that the FMT explore how to assist additional countries with the development of national M&E frameworks including alignment with readiness reporting and with FCPF program-level indicators.

- CSOs suggested that separate CSO-authored satellite reports should be issued to accompany annual M&E reports and MTR reports.
- Participants discussed how information resulting from M&E reporting can be integrated for purposes of the Mid Term Report. Participants further emphasized the importance of trying to realize linkages between REDD+ M&E as well as other ongoing monitoring initiatives, e.g., for the purposes of FLEGT.

Follow up actions:

- The FMT is aiming to support additional REDD Countries with alignment of their M&E reporting to the FCPF and their readiness progress monitoring and reporting by means of Global Distant Learning Sessions.
- The FCPF and UN-REDD Programme will explore ways to coordinate M&E reporting under the two initiatives for those countries, in which both are active.

Session 7b. Presentation of framework strategy for knowledge management and communication at the global level

- The FMT presented a [draft framework strategy for knowledge management and communications](#), including a draft workplan of activities planned for FY 2014.
- Participants provided rich feedback and a number of comments and suggestions which the FMT will take into consideration for the finalization of the framework strategy while keeping in mind the FMT's staff capacity for communications and knowledge management.

Follow up actions:

- The FMT will finalize the framework strategy taking into account the feedback received from the Participants and circulate it to the Participants.

Sessions 8a-b. Updates from UN-REDD and the Forest Investment Program

- Representatives of the UN-REDD Programme and the Forest Investment Program (FIP) presented updates on their respective initiatives, including recent meetings.
- The [UN-REDD Programme](#) noted the new head of the programme, Mr. Mario Bocucci. It was further reported that Norway, Spain and Luxembourg provided generous contributions and total funds now amount to US\$169 million. An important change is the number of donor seats on the UN-REDD Policy Board, which has been increased to up to nine, whereas the number of seats for other constituencies remains the same.
- The [FIP](#) provided a detailed overview on the status of the program activities and reported amongst other, that the FIP Sub-Committee requested the Administration Unit (AU) of the Climate Investment Funds (CIFs) to suggest options and criteria for inclusion of new countries into the FIP if new resources become available to the FIP. The CIF AU noted that the FCPF Readiness Assessment Framework may serve as guidance to identify potential FIP candidate countries.
- Participants acknowledged the improved coordination between the three international initiatives for REDD+, yet urged that continuous efforts are needed to further improve coordination, in particular on cross-cutting issues.

- IP Observers emphasized the important lessons that should be learned from the experience around the withdrawal of COONAPIP, Panama’s Indigenous Peoples Coordinating Body, from the UN-REDD Programme in Panama. UNDP acknowledged the importance of the process and pointed to the findings that will result from the ongoing independent investigation into the matter.

Follow up:

- Participants requested the FMT to report on improved coordination among three international initiatives for REDD+, in particular on joint activities undertaken, as part of its progress update report to the PC. The FMT was further requested to update the Dashboard with regard to references on countries status in the UN-REDD Programme (as applicable).

Session 9a. Knowledge Sharing Panel on Mechanisms for Managing REDD+ Funds at the National Level

- A panel explored how a number of countries (Indonesia, Ethiopia) are designing national mechanisms to manage REDD+ funds at the national level.
- Indonesia presented the innovative design of its [national Trust Fund for REDD+, FREDDI](#), including its three sequencing modalities of REDD+ funding instruments (i.e., grants, trade intermediary, and investments), its governing structure, fund mobilization strategy, and funding targets, with an increasing role foreseen for the domestic private sector in Indonesia.
- Ethiopia presented the [Climate Resilient Green Economy Facility \(CRGE Facility\)](#), which was created to finance the implementation of Ethiopia’s ambitious green economy strategy with the aim of leading the country to middle income status by 2025. As per the strategy, REDD+ has been identified as one of the four fast-track initiatives to be implemented. The presentation included details on the structure, governance arrangements, functions of existing national institutions involved, funding and disbursement arrangements, and current status of the CRGE Facility.
- Building on experiences and lessons that are being learned in Indonesia and Ethiopia as well as other countries that have created national trust funds for REDD+, the UN-REDD Programme and the FCPF are planning a joint [South-South Knowledge Exchange on National REDD+ Fund Design](#) with the aim to identify solutions and provide just-in-time-knowledge. Other countries involved in the exchange are Brazil, Colombia, DRC, and Vietnam, and more countries are invited to join. An initial planning meeting was held in Bonn in May 2013 to identify key topics, which include: fund governance, fund disbursement modalities, alignment of national funds and strategic goals, funding sources, and safeguards.

Session 9b. Knowledge Sharing Panel on Moving from REDD+ projects to Programs and Policies

- A panel discussed how countries are attempting to link REDD+ activities at the local level to the national REDD+ framework, showcasing experiences from Indonesia in more depth.
- The Nature Conservancy (TNC) presented [lessons on jurisdictional REDD+ from the Berau District in East Kalimantan](#), including incentives to integrate REDD+ into development planning and licensing at jurisdictional level and benefits of avoiding project-level crediting within a jurisdictional program. The presentation further elaborated the role of a jurisdictional program within the context of a national REDD+ strategy and strategies and challenges for linking jurisdictional efforts with national level REDD+ frameworks.

- Indonesia presented its [emerging implementation framework for REDD+](#) with a focus on the integration of sub-national initiatives to a national approach, the diversity of sub-national and local REDD+ activities as well as national standards for REDD+ demonstration activities that were released in 2013. The presentation emphasized the importance of consistency in forest carbon accounting across different REDD+ demonstration activities to support establishment of REL/RL and BAU.
- Following the in-depth experience from Indonesia, the FMT presented findings from an ongoing knowledge exchange between REDD countries on the [linkages of local initiatives and REDD+ Strategy formulation](#). The exchange has thus far involved policy makers and practitioners from twelve countries and findings have been summarized in a [comprehensive report](#), that provides interesting findings on the constraints that practitioners face in project implementation at local levels and the challenges that countries face with “nesting” projects into national REDD+ frameworks.

Session 10a. Next meetings

- Participants indicated their general preference to hold FCPF PC meetings back-to-back with UN-REDD Policy Board meetings whenever possible. Accordingly, it was agreed to hold the next meeting during the first week of December 2013 in Geneva, Switzerland. Exact dates will be announced shortly. Honduras and Tanzania generously extended an invitation to host future FCPF PC meetings.

Sincerely,

Dr. Iman Santoso, on behalf of the REDD Country Participants

Valérie Reboud, France, on behalf of the financial contributors