

**Forest Carbon Partnership Facility
Sixteenth Meeting of the FCPF Participants Committee (PC16)
Sixth Meeting of the FCPF Participants Assembly (PA6)
Geneva, Switzerland, December 12-16, 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 sixteenth meeting (PC16) on December 12-15, 2013, in Geneva, Switzerland, followed by the sixth meeting of the Participants Assembly (PA6) on December 16, 2013.

More than 100 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 express our gratitude to the Government of Switzerland for the hospitality extended to the participants. We wish to acknowledge the participation of Minister Lisel Alamilla, Minister of Forestry, Fisheries and Sustainable Development, Belize, in the meetings.

Please be advised that all background materials, presentations, resolutions and this summary will be posted on the FCPF website at: <https://forestcarbonpartnership.org/pa6pc16-meetings-dec-12-16-geneva-switzerland>. All photos will be available at: www.flickr.com/photos/fcpf. Below you will find the main conclusions of the meeting, which will also be available in French and Spanish.

Sixteenth Meeting of the FCPF Participants Committee (PC16)

Announcement of new funding

- Norway announced additional funding of \$100 million to the FCPF Readiness Fund, bringing Norway's total contribution to the FCPF to more than \$300 million. At PC16, eleven candidate countries sought to be selected into the FCPF. Norway's financial boost made it possible to increase the number of candidate countries that could be selected into the FCPF to eight.
- The United Kingdom confirmed that it stands ready to contribute further to the Carbon Fund by supporting one additional large-scale Emission Reduction Program, if sufficient credible programmes are approved. This would enable the Carbon Fund to support about six large-scale programs of approximately \$70 million each.

Selection of new REDD Country Participants

- Eleven Countries – including Belize, Bhutan, Burkina Faso, Cote d'Ivoire, Dominican Republic, Fiji, Nigeria, Pakistan, Sudan, Togo, and Uruguay – presented their R-PPs for formal assessment by the TAP and PC, and consideration for selection into the FCPF. With the new contribution of Norway, sufficient funds were available to select eight Qualified Eligible REDD+ Countries into the FCPF at PC16.
- Based on [Resolution PC/14/2013/2, which](#) was adopted at PC14 in March 2013 and laid out the criteria and process by which Countries may be selected into the FCPF, the PC adopted Resolutions [PC/16/2013/1-10](#), selecting the following eight REDD Country Participants into the FCPF and allocating \$3.8 million to each to support Readiness preparation (for a total of \$30.4 million in new

grant allocations): Bhutan, Burkina Faso, Cote d'Ivoire, Dominican Republic, Fiji, Nigeria, Pakistan, and Togo.

- The [TAP](#) and PC noted that the eleven submissions presented a very strong set of R-PPs meeting the quality criteria expected by the FCPF. Accordingly, the PC invites the three REDD+ countries that were not selected into the FCPF at PC16 (Belize, Sudan, and Uruguay) to resubmit their R-PP at PC17, for possible selection into the FCPF should additional financial resources become available for new countries.

Follow up action:

- As per [Resolution PC/16/2013/1](#), the eight selected countries are invited to enter into Participation Agreements with the World Bank in order to become REDD Country Participants, and to move ahead with readiness preparation, with a view to entering into a grant agreement with the World Bank.
- The PC further encouraged Belize, Sudan, and Uruguay to take into account issues that were highlighted during the R-PP discussions at PC16 as further specified below:

Belize:

The PC requested Belize to take into account the results of the TAP and PC reviews. In addition, the PC requested Belize to address the following issues prior to resubmitting its R-PP for consideration:

- Provide additional information on the early dialogue with stakeholders, including Indigenous communities and organizations, in the preparation of the R-PP.
- Include in the Consultation and Participation Plan issues that have been identified in the early dialogue with stakeholders, including issues related to Indigenous Peoples' land tenure and rights, recognizing that the Government of Belize noted it will respect the decisions of the courts currently reviewing cases related to Indigenous Peoples' land tenure and rights.
- Review the budget to ensure all REDD+ consultation processes are adequately financed, and consider assigning resources to strengthen stakeholders' national representation and capacity to participate in consultations.
- Provide for the implementation, as part of the SESA, of special studies on gender issues and land tenure patterns, and for the identification and evaluation of legal and policy measures related to Indigenous Peoples' land tenure and rights.

Sudan

The TAP highlighted the nationally led process of R-PP preparation and excellent analysis of economic implications of REDD+ strategy options as key highlights. The PC also appreciated the efforts on setting up institutional arrangements and investing in a systematic approach to consultations in a country as large as Sudan.

The PC requested Sudan to take into account the results of the TAP and PC reviews. In addition, the PC requested Sudan to address the following issues, prior to resubmitting its R-PP for consideration:

- Review Component 1 and 3 of the R-PP with view to further improvements as suggested in both, the review from the TAP and from the PC working group. Key tasks include clarifying roles of governance bodies in national management arrangements and showing the functional relationships between federal and state bodies; further providing more details on the approach to consultations with Indigenous Peoples, and clarifying the identity and roles of NGOs, CSOs and private sector actors.

- Review the overall budget which appears to be modest given the overall R-PP requirements and the need to conduct awareness and outreach in all 15 provinces of the country.
- Build the Grievance Redress Mechanism on existing experience and ensure the mechanism's independence.

Uruguay

The PC requested Uruguay to take into account the results of the TAP and PC reviews. In addition, the PC requested Uruguay to address the following issues, prior to resubmitting its R-PP for the PC's consideration:

- Establish the REDD+ Steering Committee as soon as possible (related to component 1a).
- Begin early dialogue as soon as possible and include information about the events related to this issue (related to component 1b).
- Provide a work plan to identify and quantify forest degradation in the country (related to component 2a).
- Include a proposal to assess potential social and environmental risks of the REDD+ strategy options, focusing on vulnerable groups, in the R-PP (related to component 2d).
- Provide information about variables and indicators to monitor multiple socio economic and environmental REDD+ impacts (related to component 4b).

Mid-Term Progress Reports from Indonesia and Nepal

- [Indonesia](#) and [Nepal](#) presented their mid-term reports on the national REDD+ Readiness process. At this time, neither country submitted a request for additional funding.
- Participants congratulated Indonesia and Nepal on the progress made, the depth of the information provided, as well as the transparency, honesty and clarity of the mid-term reports.
- Participants welcomed the opportunity the mid-term reports provide to share lessons learned from early readiness implementation and the opportunities for other REDD+ countries to benefit from the practical experience gained by Indonesia and Nepal.

Follow up action:

Participants encouraged Indonesia to take into account issues that were highlighted in the very rich discussions on the mid-term reports, including:

- Outline key activities that remain to be carried out during the readiness phase;
- Reflect on the Warsaw package resulting from COP19 in report;
- Provide more information on Fund for REDD+ Indonesia (FREDDI);
- Provide more information on the SESA/ESMF process;
- Clarify which data sets were used for constructing Reference Levels and elaborate on the consistency of the datasets used;
- Harmonize the use of terms related to the National Forest Monitoring System (=broader system) and related to MRV (= REDD+ specific monitoring);
- Provide more specificity related to which activities were specifically financed by the FCPF.

Likewise, Participants encouraged Nepal to take into account issues highlighted, including:

- Distinguish clearly between IP and CSOs in the stakeholder engagement process;
- Begin the development of M&E for non-carbon benefits;
- Continue integration of the REDD+ strategy into the national low carbon development strategy;
- Maintain and enhance the openness and inclusiveness of the process, especially with respect to the development of an Emissions Reduction Program;
- Focus activities during the grant extension period more strategically on the development of the ER Program.

Progress update from Costa Rica

- Costa Rica presented overall [progress](#) with REDD+ Readiness achieved with FCPF funding as well as other sources of funding. Costa Rica expects to present a formal Mid-Term Progress Report and request for additional funding at PC17.
- Participants had a rich discussion on the progress presented thus far and the extensive experiences made by Costa Rica. Participants took particular interest in Costa Rica's advancements in applying Payment for Environmental Services (PES) schemes.
- Participants emphasized that Costa Rica's approach to engaging Indigenous Peoples and CSOs is a best practice and were impressed with Costa Rica's contributions to south-south exchange.

Follow up action:

- Participants suggested that Costa Rica may elaborate in more detail its adopted approach to complying with safeguard policies. Participants were also keen to learn more about Costa Rica's approach to engaging the private sector and fostering a national policy approach aimed at increasing demand for the use of plantation timber in the building sector in order to gradually substitute other carbon-intensive construction material, such as concrete. However, Participants also questioned the long-term environmental sustainability of this approach and suggested that Costa Rica add more information on how negative side effects, such as potential risk of logging of natural forests to meet national timber demand, would be controlled.

Certain implications of the Carbon Fund Methodological Framework on ERPA General Conditions

- The FMT presented the potential implications of the Methodological Framework (MF) on the FCPF ERPA General Conditions as well as the [results of the pre-PC16 Workshop](#) on this topic. The presentation focused on the MF requirement on 'Transfer of legal title to Emission Reductions' and 'Reversal Management Mechanism'.
- Some Participants raised concerns that REDD Country Participants with Delivery Partners other than the World Bank during the Readiness phase, may be disadvantaged to compete for the limited slots available in the Carbon Fund portfolio. In response, the FMT clarified that countries will be selected into the pipeline of the Carbon Fund based on the agreed criteria (see [Resolution CFM/4/2012/1: Selection Criteria for Emission Reductions Program Idea Notes \(ER-PINs\)](#) adopted by the Carbon Fund Participants (and regardless of whether a country is working with the World Bank or another Delivery Partner).

Follow up action:

- The FMT clarified that, under the rules of procedure for meetings of the Carbon Fund, 3 REDD+ countries may participate as observers in Carbon Fund meetings. Such observers are to be selected by the REDD Country Participant members of the PC Bureau.
- Recognizing the need for outreach and capacity building on the business process of the Carbon Fund as well as the details of the MF, the FMT will place an emphasis on outreach on the Carbon Fund and the MF over the next six months.
- The FMT will translate the final MF and revised ERPA General Conditions to French and Spanish and make them available to Participants on its website.

Status of the IP/CSO Capacity Building Programs

- The FMT presented the [status of the IP/CSO Capacity Building Programs](#). While there has been a large scaling-up of the program for FY12-15, current disbursements are still low. However, the Participants recognized that the main hurdles have now been overcome as new implementation modalities with regional intermediaries have been set up, project concepts have been developed and training on fiduciary/procurement/safeguards aspects has been carried out. Roughly \$3 million remain available for grants under the new implementation modalities.
- The FIP, which has seven countries in common with the FCPF, highlighted its parallel Development Grant Mechanism (DGM) with a volume of \$50 million, and requested reflections from the FMT on how the two programs can be best coordinated to ensure complementarity and mutual reinforcement, rather than duplication. The FMT responded that given the larger volume of the DGM, regional intermediaries for the FCPF's IP/CSO Capacity Building Program would consider prioritizing funds from the FCPF's program to countries that are not eligible for support from the DGM.

Follow up action:

- The PC reaffirms its commitment to the IP/CSO Capacity Building Programs and urges REDD+ Country focal points to liaise with finance ministries in their countries, as relevant, to facilitate timely signing of country no-objection letters for operation of the Programs in their countries.
- Key next steps for the IP/CSO Capacity Building Program:
 - Country no-objection from all 36 countries (Ministry of Finance) to ensure buy-in at the country level in December 2013/January 2014.
 - World Bank Due Diligence on implementing agencies in January 2014, and on the program in February 2014.
 - Drafting and signing of Grant Agreements with implementing agencies February/March 2014.

M&E reporting

- At PC16, the FMT [presented overall progress on the implementation of the program level M&E Framework](#), which was adopted by the PC in March 2013. [Ghana](#) and [Kenya](#) shared insights from their experience in piloting national level M&E Frameworks and with reporting using the revised country reporting template. Both countries provide a 'proof of concept', sharing experiences of

immediate benefits of applying M&E for REDD+ at the national level, e.g., benefits for tracking readiness progress, identifying bottlenecks, and preparing mid-term reports and R-Packages.

- The PC discussed harmonization of reporting and templates with UN-REDD. The FMT clarified that harmonization is possible but it was noted that reporting frequency as per UN-REDD may add additional burden (reporting 4 times a year).

Follow up action:

- Going forward, the FMT will place increased emphasis on supporting countries to roll out M&E and reporting, particularly as reporting can help track and move forward disbursements.
- The FMT will review whether FCPF and UN-REDD reporting can be further harmonized without creating additional burden to countries.

Discussion on use of virtual decision making

- After PC16, the FCPF will change from a schedule of three PC meetings per year to two. This decreases the number of in-person meetings at which decisions can be made, including decisions to allocate funds to countries.
- In order to minimize the impact of this change on countries' readiness progress, the FMT proposed [ideas for facilitating decision-making](#) between meetings, in particular increasing the use of the existing procedures for virtual decision-making.
- The PC agreed on what types of decisions and reviews can be done virtually, on a trial basis, namely:
 - R-PP review
 - Allocation of \$3.8 million Readiness preparation grants.
 - MTR review (if no additional funding is being requested).

Follow up action:

- The FMT was requested to present to PC17 in June 2014 a proposal for virtual decision-making.

Next meetings of the FCPF

- CF9: Week of April 7th, 2014. The venue will be announced.
- CF10: End of June 2014 prior to PC17.
- PC17: June 29 -July 2, 2014, in conjunction with the Policy Board meetings of the UN-REDD Programme. The venue will be announced.
- CF11 and PC18/PA9: Late October/Early November 2014. The venue will be announced.
- To avoid a bunching of meetings towards the end of the calendar year, Participants agreed that PC meetings will be gradually shifted to be held around April and October.

Sixth Meeting of the FCPF Participants Assembly (PA6)

Progress report from the FMT and the PC

- The FMT presented a [progress report](#) on FY13 (July 1, 2012-June 30, 2013) as well as Q1 and Q2 of FY14 (July 1, 2013 to date). The PC reported on key achievements since the last PA5 in Brazzaville. Subsequently, the Climate Investment Fund (CIF) Secretariat provided an [update](#) on the Forest Investment Program (FIP).
- Participants welcomed the FMT's new reporting format that is aligned with the FCPF's M&E Framework and provides for progress reporting against agreed impact, outcome, and output indicators. Some key FCPF achievements include:
 - Adoption of the Readiness Assessment Framework;
 - Approval of the Methodological Framework for the Carbon Fund;
 - Readiness Preparation Proposals from 40 countries formerly assessed and approved;
 - 13 Readiness Grants signed; number expected to double in FY14;
 - \$160.4 million in grants allocated to countries, \$61 million worth of grants signed, \$12.7 million in grants disbursed;
 - 15 small grants worth \$1.2 million approved to support IP and CSO capacity building;
 - Letter of Intent for an ER Program with a maximum value of \$63 million signed with Costa Rica;
 - Series of south-south knowledge sharing event across a range of topics held;
 - New FCPF website launched.

Participants also appreciated the honest and transparent [analysis](#) of issues and challenges and the proposed actions to overcome key challenges, in particular slow disbursement.

Remarks by Observers and Delivery Partners

Observers and Delivery Partners provided remarks, including on:

- IDB and UNDP's receipt of funds from the FCPF and status of signature of readiness grants.
- UN-REDD Programme's ambition for closer coordination and coherence with the FCPF at the global and at the country level as well as on a number of tasks, including a planned, joint review of experiences of five years of implementation of both programs.
- UNFCCC Secretariat reflections on the Warsaw Framework for REDD+ adopted at COP19, the fact that it opens the door for REDD+ countries to launch REDD+ activities under the UNFCCC, and the strong political signal it sends that all parties are committed to make REDD+ happen on the ground.
- Complementarity of the GEF's financing available for Sustainable Forest Management, in particular under its sixth replenishment period.
- Indigenous Peoples representatives' appreciation of last year's focus on IP engagement and increased efforts for capacity building and training for Indigenous Peoples, and the increased confidence Indigenous People place in the FCPF.
- CSO's appreciation of the FCPF's evolution and maturation over the years, in particular on stakeholder engagement, on grievance mechanisms, on the common approach and safeguards application, on monitoring and evaluation, and capacity building for CSOs and IPs, and the call to continuously expand capacity building efforts for civil society.
- The knowledge and experience on REDD+ implementation on the ground that the private sector can offer.

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 October/November 2014). Refer to [Resolution PA/6/2013/1](#) for the composition of the new PC and Bureau of the PC as well as the three REDD Country Participants selected to serve as observers of the Carbon Fund 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 PC16 and PA6. A record number of eleven Readiness Preparation Proposals was reviewed at PC16, demonstrating the high interest from countries to benefit from the FCPF's track-record of cross-country collaboration and capacity building and to participate in the partnership's inclusive governance structure.

The high quality of the set of new R-PPs presented demonstrates that new countries are able to build on the wealth of knowledge that has been generated by front-runner countries over the past years. The inclusion of eight new countries in the FCPF further strengthens the partnership's cooperative spirit and confirms its central role in the global REDD+ community.

As more countries are advancing with implementation of their readiness activities, we need to ensure that we offer expanded opportunities for knowledge sharing, in particular south-south learning exchange among REDD+ Country Participants, and look forward to a number of countries reaching the mid-term readiness preparation stage in 2014.

Please do not hesitate to contact the FMT at fcpfsecretariat@worldbank.org if you have questions or concerns.

Sincerely,

Harrison Karnwea, Interim Managing Director Forest Development Authority of Liberia, on behalf of
REDD Country Participants,

and

Duncan Marsh, The Nature Conservancy, on behalf of Financial Contributor Participants