



Forest Carbon Partnership Facility

Update on Registry

Twenty-Seventh Meeting of the Participants Committee (PC27)

Washington DC

March 18-20, 2019

OBJECTIVE OF THIS SESSION

FMT to present the advance, results so far and the implementation road map for the **Central Transaction Registry** (FCPF CF/BioCF ISFL):

- the results from the consultancies on the **Architecture** of the Central Transaction Registry System and the **Analysis on Risks and Legal Issues**.
- the preparation of the **Business Requirements Document** of the Central Transaction Registry System and an **Implementation road map to have the registry fully operational in time for both ER programs**.

CONSULTANCIES ON TRANSACTION REGISTRIES

Nº	Consultancy	Modality	Timeline
1	Study on the architecture of an WB Central Registry System: key functions, operational processes and rules. Analysis of alternatives (operational, technical and cost)	STC	May 12 - November 9 2018
2	Supporting analysis on risks and legal issues related to the operations of the WB Central Registry System	STC	May 12 – November 9 2018
3	Business Requirements Document preparation and Program Plan (Feb. 12, 2019)	(2) STC	Dec. 1 – Feb. 12 2019
4	Develop a System Blue Print for Country Registries (DRC and ROC)	STC	Dec. 31 2018
5	CATS program: Pre-trade Registry (Aug 31 2019 delivery and Go live, change management, and training Sept. 30 2019) and Trade (TBD) (starts in May, 2019)	STC -WB -Vendor	Aug. 31 2019 Sept. 30 2019

CONSULTANCIES ON TRANSACTION REGISTRIES

*STUDY ON THE **ARCHITECTURE** OF AN WB CENTRAL REGISTRY SYSTEM: KEY FUNCTIONS, OPERATIONAL PROCESSES AND RULES. ANALYSIS OF ALTERNATIVES (OPERATIONAL, TECHNICAL AND COST)*

N	DELIVERABLES
1	Inception report
2	ER Transactions Registry Core Design and CARS first analysis
3	Operational Design and Elements for the Central Transaction Registry under REDD+ Emission Reduction Scenarios
4	Business & Functional Requirements
5	Risk Analysis & Mitigation Design Measures
6	Business Requirements Document
7	Final report as a comprehensive compilation of the elaborated chapters

3 Internal Workshops (WB Working Groups): May 15th-16th, 2018 / August 3rd-6th, 2018 / September 20th-21st

CONSULTANCIES ON TRANSACTION REGISTRIES

SUPPORTING ANALYSIS ON RISKS AND LEGAL ISSUES RELATED TO THE OPERATIONS OF THE WB CENTRAL REGISTRY SYSTEM

N	DELIVERABLES
	Inception report
1	Market mechanism laws
2	Immediate legal framework
3	Legal framework necessary to support the functions and transactions of the centralized transaction registry
4,6	Authority and functions of the registry administrator and security, responsibility and confidence legal related issues
5,7	Extended legal framework necessary to support the functions and transactions of the centralized transaction registry - country specific legal framework

3 Internal Workshops (WB Working Groups): May 15th-16th, 2018 / August 3rd-6th, 2018 / September 20th-21st

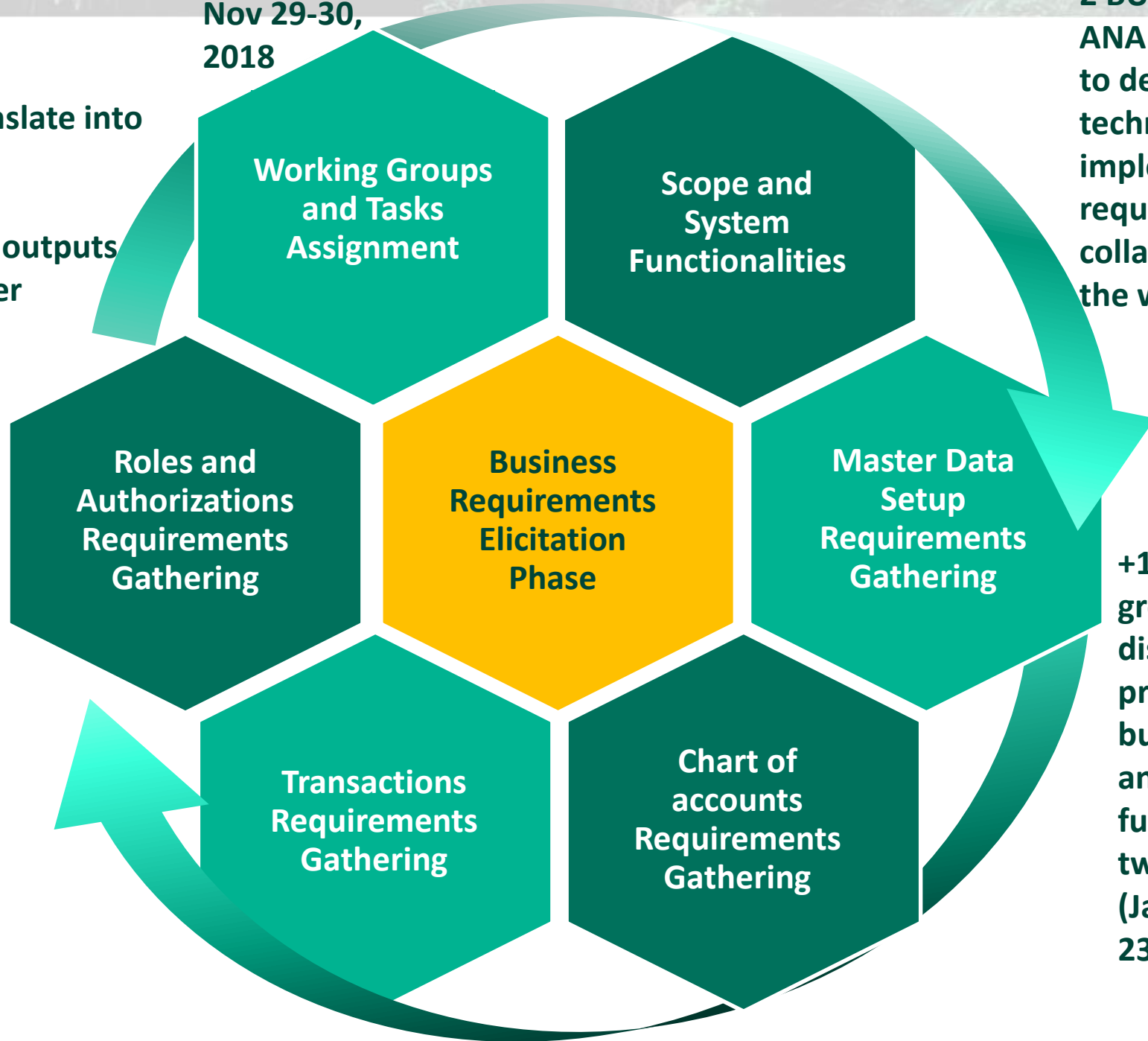
BUSINESS REQUIREMENTS DOCUMENT FOR A CENTRAL TRANSACTION

REGISTRY

Project kick-off workshop
Nov 29-30,
2018

2 BUSINESS ANALYSTS on-board to develop the technical implementation requirements in collaboration with the working group

Objective: Translate into a Business Requirements Document the outputs from the former consultancies.



+15 working group discussions with project team on business rules and functionalities, two workshops (Jan 17 and Jan 23, 2019)

CARBON ASSETS TRADING SYSTEM (CATS) PROGRAM

A STRATEGIC PRIORITY DRIVEN MULTI-PHASE PROGRAM SPONSORED BY FCPF CF AND BIOCF ISFL

Multi-phase program sponsored by FCPF CF and BioCF ISFL to Implement FinTech solution for Registry and Trading Assets

Business Goals

- **Register ER Units generated under the FCPF CF and Bio Carbon Fund ISFL ER Programs**
- **Mitigate double counting, double claiming & double selling risks**
- **Support National or jurisdictional program's ERU issuance of REDD+ participating countries:** Issue, track and manage all transactions of ERUs under both ER Programs (FCPF CF and Bio Carbon Fund ISFL) and in compliance with Paris Agreement methodology (NDC)
- **Manage risks mitigation mechanisms** (uncertainty, reversal and pooled reversal buffers)
- Maintain **compliance** with MFs and ERPA, **transparency, auditability**; reporting to all stakeholders
- Establish **data governance** and **security framework** of ER Units integrity
- Enable integration and facilitate **ER Units trade** with external national/third party registries (e.g. CORSIA); support ER Units trade, retirement (NDC), cancel or transfer (internally or externally).

CARBON ASSETS TRADING SYSTEM (CATS) PROGRAM

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Phase 1 Pre-Trade

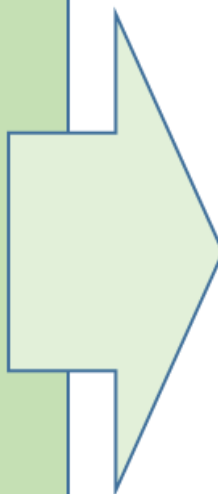
Core Components

- Central Registry for FCPF & BioISFL Fund
- ERUs Issuance and Serialization
- Buffer Management
- ERU Transactions: Fund, Participants, Program, Country, Third party buyers
- Audit and Reporting

Timeline

Kick-off Date: **March-April 2019**

Delivery Date: **Sept 2019**



Phase 2 Trade Phase

Core Components

- Connectivity with country registries
- Multi-lingual
- New/Emerging Fund Support
- ERU trading and transactions

Timeline

Kick-off Date: TBD

Delivery: TBD

CARBON ASSETS TRADING SYSTEM (CATS) PROGRAM

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A stand-alone **Central Registry** with following key functions:

Phase 1 Pre-Trade

Account Management: Fund, Participants, Countries, Program

- Ledger and chart of accounts
- Registration management process (Participant, Counties and third party buyers)
- Transaction and workflow
- AML/CFT check

ERU Issuance & Serialization

- ERU registration and issuance
- Serialization of Carbon Ticker Code (GCTC)
- Traceability of ERU
- Logs and audit of ERU

Buffer Management

- ERU allocation to buffer accounts
- Release and disposal buffered ER
- Fund and Program buffer
- Adjustment and Reconciliations

ERU Transactions

- Multi-level allocations
- ERU conversions
- Transfer/Forward
- Cancellation
- Retirement

Reporting and Messaging

- Documents management
- Reports
- Alerts and Notifications

Security and Authorization

- Access and authorizations
- Roles and Profiles
- Audit and Logs
- Data integrity and archives

Key Assumptions:

All parties will maintain certified ERU in CATS central registry
MRV systems and project/program database are out of scope

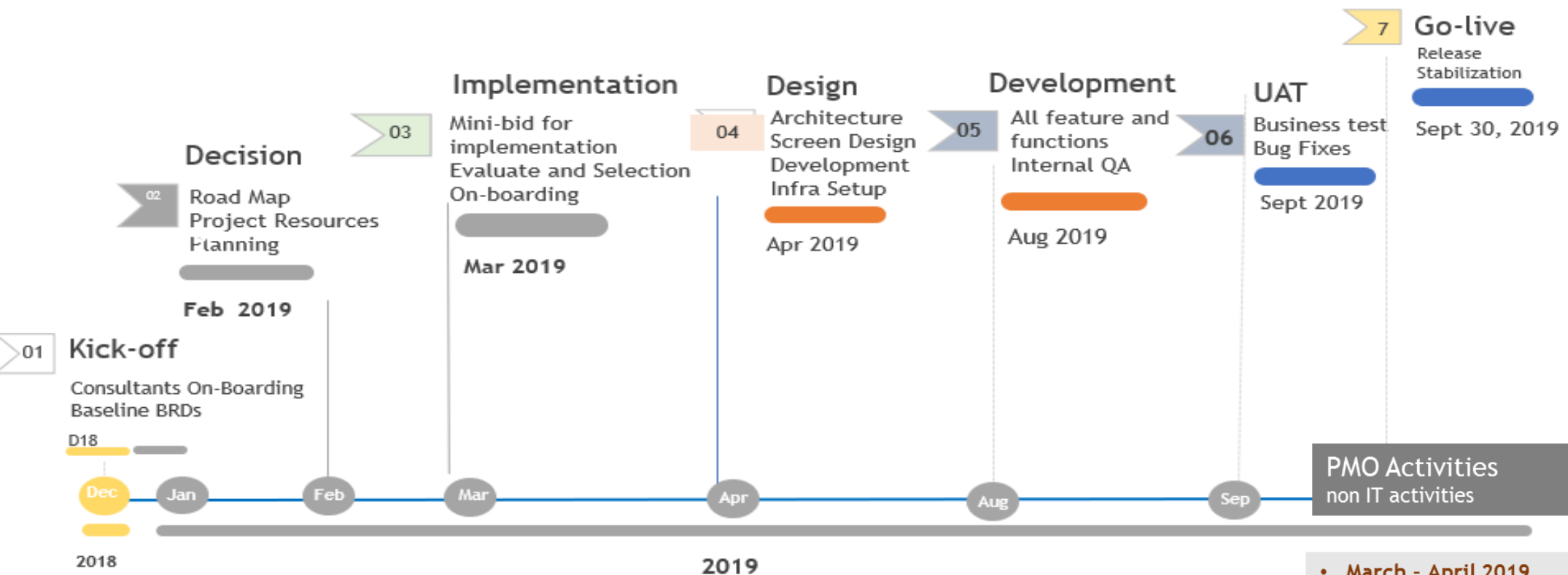
CARBON ASSETS TRADING SYSTEM (CATS) PROGRAM

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N	Phase 1 ACTIVITIES	START	FINISH
1	PHASE 1 Business Requirement Document	Dec 1 st , 2018	Feb 11 th , 2019
2	Steering Committee Meeting (Go decision In-house development)		Feb 12 th , 2019
2	Mini BID and Implementation Team on-board	March 9 th , 2019	March, 29 th , 2019
3	Design and Solution Architecture	March, 2019	April, 2019
4	Development and QA	May, 2019	August, 2019
5	UAT – User Acceptance Testing	Sept, 2019	Sept, 2019
6	PHASE 1. Go live, roll-out and stabilization	Sept, 2019	Oct, 2019
7	PHASE 2. CATS Requirements (parallel BA Track)	May, 2019	Oct, 2019

CARBON ASSETS TRADING SYSTEM (CATS) PROGRAM

A STRATEGIC PRIORITY DRIVEN MULTI-PHASE PROGRAM SPONSORED BY FCPF AND BIOCF ISFL



• **March - April 2019**
Country and donor regional workshops

• **Sept- Nov 2019**
Operation Manual, Training and Roll-out workshops

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THANK YOU!

www.forestcarbonpartnership.org