

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
SEVENTH PARTICIPANTS COMMITTEE MEETING
November 2-3, 2010
Washington, DC**

Resolution PC/7/2010/1

Tanzania's Readiness Preparation Proposal

Whereas:

1. Tanzania submitted a Readiness Preparation Proposal (R-PP) to the Facility Management Team (FMT) in August 2010 and a revised R-PP in October 2010, which were reviewed by a Technical Advisory Panel (TAP), a working group consisting of Participants Committee (PC) members established for this purpose, and the World Bank;
2. The PC reviewed the R-PP in accordance with Section 11.1 (b) of the Charter Establishing the FCPF (Charter) at its seventh meeting;
3. The PC acknowledged the extensive efforts made by Tanzania, and the high quality of its R-PP, and noted Tanzania's willingness to report to the PC on R-PP progress; and
4. The PC noted that Tanzania is not requesting funding from the FCPF at this time.

The Participants Committee,

1. Decides to support Tanzania's efforts to move ahead with preparation for readiness as outlined in its R-PP, and encourages:
 - i. Tanzania to submit a revised R-PP (Revised R-PP) to the FMT, reflecting the key issues in the summary report prepared by the FMT included in the annex to this resolution;
 - ii. The FMT to check the Revised R-PP for completeness, make it available on the FCPF website and notify the PC of its availability;
 - iii. Tanzania to consider the issues identified in the TAP's R-PP assessment as well as those raised by the FCPF PC at this meeting during readiness preparation; and
 - iv. Tanzania to report to the PC on progress made.

Annex

Summary Report Prepared by the FMT

The PC praised Tanzania for the substantial improvements that have been made to its R-PP since it presented a draft R-PP at the sixth meeting of the PC in Guyana in June 2010, and for producing a high quality R-PP.

The PC noted that the R-PP details an ambitious approach to establishing new and upgrading existing organizations to implement REDD+ activities, and provides a clear picture of how Tanzania intends to approach REDD+ readiness.

Key Issues

The following are the key issues that Tanzania should consider when revising its R-PP:

1. Give due consideration to the representation of and engagement with civil society, forest dependent people and associations of Wildlife Management Areas in the national and sub-national policy and decision making bodies on REDD+, including the national Task Force.
2. Elaborate how coordination between the REDD Task Force, Regional Secretariats, and Local Government Authorities will be ensured. It is recommended to include a representative of the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG) in the REDD Task Force.
3. Provide a clear coordination plan (between and among institutions) for what is intended and the role of the various institutions taking part in the proposed MRV system.
4. Elaborate on how to address capacity building across the Government of Tanzania required for effective delivery of REDD+.
5. Discuss how Tanzania's ongoing efforts of building capacity for public sector auditing and standardized management frameworks will be addressed in the R-PP activities.
6. Elaborate on how Tanzania intends to transition from the REDD Task Force to a national governance structure as proposed in the R-PP.
7. Identify and further elaborate on REDD+ strategies that might be used to address identified drivers of deforestation, including cross-sectoral linkages. Coordination with national agricultural initiatives holds particular potential for also increasing sequestration in agroforestry systems.
8. Further clarify and elaborate on land tenure and related rights, and how these will be incorporated into benefit-sharing systems, which have been identified as key issues for additional analysis.

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Resolution PC/7/2010/2

Lao PDR Readiness Preparation Proposal

Whereas:

1. Lao People's Democratic Republic (Lao PDR) submitted a Readiness Preparation Proposal (R-PP) to the Facility Management Team (FMT) in August 2010 and a revised R-PP in October 2010, which were reviewed by a Technical Advisory Panel (TAP), a working group consisting of Participants Committee (PC) members established for this purpose, and the World Bank;
2. The PC reviewed the R-PP in accordance with Section 1.1 (b) of the Charter establishing the FCPF (Charter) at its seventh meeting; and
3. The PC acknowledges the extensive efforts made by Lao PDR, and the high quality of the R-PP.

The Participants Committee

1. Decides to allocate funding to Lao PDR to enable it to move ahead with the preparation of readiness.
2. For this purpose, requests:
 - i. Lao PDR to submit a revised R-PP (Revised R-PP) to the FMT, reflecting the key issues in the summary report prepared by the FMT included in the annex of this resolution;
 - ii. The FMT to check on the Revised R-PP for completeness, make it available on the FCPF website and notify the PC of its availability;
 - iii. The World Bank as the Trustee of the Readiness Fund (Trustee), to complete its due diligence, in particular with regard to the World Bank's Operational Policies and Procedures, working closely with Lao PDR, in order to provide a grant of up to US\$ 3.4 million, in accordance to Resolution PC/3/2009/4;

- iv. Lao PDR to consider the issues identified in the TAP's R-PP assessment as well as those raised by the FCPF PC at this meeting during readiness preparation; and
- v. Lao PDR to report to the PC on progress made in accordance to Section 6.3 (b) of the Charter and to carry out its responsibilities in accordance with the Grant Agreement.

Annex
Summary Report prepared by the FMT

The PC praised Lao PDR for the substantial effort in preparing the Readiness Preparation Proposal, which provides a very complete view on the challenges of REDD+ in the country and describes a good level of understanding of the drivers of deforestation and forest degradation. The PC recognizes the in depth information on all 5 chapters of the R-PP and the well organized consultation process that lead to the R-PP and the plan moving forward. In particular, the PC praised the good work on non-carbon monitoring systems and early indication for reference scenarios.

Key issues:

1. The Budget section needed to be improved, indicating clearly the contributions sought from the FCPF and other donors to the activities indicated. The section should be more clearly organized in a way that it can be used to be a tool for coordinating the different contributions from donors and partners;
2. It is a high priority, that the R-PP should clearly elaborate how the preparation process for the FIP Investment Strategy and Investment programs would be integrated in the readiness process laid out in the R-PP;
3. The R-PP should elaborate on the risk of international leakage, cross border timber trade and describe ongoing and potential regional coordination to address these important issues;
4. The R-PP should prepare indicative TORs for a Strategic Environmental and Social Assessment (SESA), which will contribute to the development of an Environmental and Social Management Framework (ESMF) during readiness preparation. The TORs should be attached to the R-PP;
5. The R-PP should describe comments received from the consultation process and explain how they were used in R-PP;
6. The R-PP should include component 6, which will be assessed by the TAP; and
7. The PC notes the importance of further consultation that involve local communities during the readiness process

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Resolution PC/7/2010/3

Enhancing Grant Disbursement

Whereas,

1. The Participants Committee (PC), in its Resolution PC2008-3 on Budget for the Readiness Fund for FY09 and Grant Allocation for the REDD Country Participants, states that for a readiness preparation grant, with resources of up to US\$3.6 million (Readiness Preparation Grant), the REDD Country Participant will submit a progress report after the first US\$2 million is disbursed, which will be subject to assessment and review by the PC before any final disbursement above the US\$2 million is made.
2. The Facility Management Team presented the challenges of following the disbursement arrangement as described in paragraph 1 above.

The Participants Committee,

1. Endorses the proposal by the FMT that, in the context of Readiness Preparation Grant disbursements as specified in paragraphs 8 and 9 of Attachment II to PC2008-3, the Readiness Preparation Grant shall no longer be divided into two installments based on a progress report after the first US\$2 million is disbursed. The REDD Country Participant shall submit a mid-term progress report to the PC according to a timetable that shall be jointly agreed in the Readiness Preparation Grant Agreement between the World Bank or, where applicable, the other delivery partner referred to in Resolution PC7/2010/4, and the REDD Country Participant. The FMT, where appropriate, will develop a format for the reporting.
2. For the avoidance of doubt, this Resolution shall take precedence over the relevant provisions contained in paragraphs 8 and 9 of Attachment II to Resolution PC2008-3.

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Resolution PC/7/2010/4

Piloting Multiple Delivery Partners

Whereas,

1. The Participants Committee (PC), through its Resolution PC/6/2010/6 on Multiple Delivery Partners (Resolution), requested the Facility Management Team (FMT) to establish a working group (Working Group).
2. The Working Group met on September 15-16, 2010 and prepared draft recommendations for consideration by the PC, in which the Working Group requested the FMT to propose several pilots for the purpose of pioneering multiple delivery partners.

The Participants Committee,

I. Potential Delivery Partners

1. Decides that for the purpose of piloting the arrangement of multiple delivery partners, the following entities will be the potential delivery partners (Potential Delivery Partners) under the Readiness Fund alongside the World Bank:

The African Development Bank

The Asian Development Bank

The Inter-American Development Bank

The United Nations Development Programme

The United Nations Environment Programme

The Food and Agriculture Organization

The selection of those Potential Delivery Partners is based on the following considerations:

- (i) These entities are either the implementing entities or executing agencies under the GEF and either they meet, or their divisions handling FCPF activities will meet by 2012, the GEF minimum fiduciary standards; and they intend to apply at least the same level of standards that are being applied under GEF projects; and
 - (ii) These entities bring expertise and value added for REDD+.
2. Encourages entities, such as bilateral agencies, that provide similar REDD+ services as those from the Potential Delivery Partners and the World Bank, to coordinate, to the extent possible, with the FCPF and its framework and guidelines established under the FCPF's readiness process.

II. Pilots

3. Noting that at this meeting the FMT proposed two countries, namely Cambodia and Panama, for the purpose of piloting the multiple delivery partner arrangement (Pilot Countries), invites the FMT to submit up to five Pilot Countries, including Cambodia and Panama, by November 17, 2010, including justification and proposed delivery partner, for PC approval of each proposed Pilot Country by December 1, 2010. Every effort shall be made to reach a consensus on the proposed Pilot Countries. If all efforts to reach consensus have been exhausted, and no decision has been made, the Pilot Country is deemed approved by the PC unless one-third of the PC members object to a proposed Pilot Country.
4. Notes that the multiple delivery partners piloting arrangement is meant to apply to the formulation of Readiness Preparation Proposals (R-PP), with resources of US\$200,000 (R-PP Formulation Grant), and the preparation of Readiness Packages, with resources of US\$3.4 million (Readiness Preparation Grant).
5. Decides that the following elements should be taken into account for selecting Pilot Countries:
 - (i) Situations where other delivery partners are more effective than the World Bank to deliver REDD+ services to the relevant REDD Country Participants, with priority being given to countries in which the World Bank has no presence;
 - (ii) Requests and needs of the REDD Country Participants; and
 - (iii) Maximization of learning, such as utilizing different potential delivery partners;

III. Delivery Partners' policy and procedures

6. Recognizes that each delivery partner would follow its fiduciary framework and policies, guidelines and procedures in supervising the use of the funds transferred by the Trustee of the Readiness Fund.

IV. Common Approach

7. Recognizes that the R-PP template, which is being enhanced in collaboration with the UN-REDD Programme, and the Draft Guidelines on Stakeholder Engagement in REDD+ Readiness, prepared jointly with the UN-REDD Programme, together establish the basic framework to guide the formulation of R-PPs by REDD Country Participants, including by helping them factor in environmental and social considerations.
8. Requires REDD Country Participants and their delivery partners to use the R-PP template and follow the Draft Guidelines on Stakeholder Engagement in REDD+ Readiness for the purpose of R-PP Formulation Grants.
9. Decides to establish a Task Force (Task Force) to develop a common approach for the provision of readiness support for REDD countries, drawing on the ongoing work of the FCPF and its application of environmental and social safeguards, including strategic environmental and social assessments, as well as good practices on delivery of REDD services to REDD countries, including comparative analysis of the environmental and social policies of the Potential Delivery Partners.
10. Requests the FMT,
 - i. In consultation with the Bureau of the PC, to invite designated representatives of the PC members, including REDD Country Participants, Donor Country Participants, Carbon

Fund Participants and Observers, and designated representatives of potential delivery partners referred to in paragraph 1 above, to participate in the Task Force;

- ii. To convene the first meeting of the Task Force in November 2010, to elaborate, among other items, the terms of reference of the Task force (TOR) and its work program, taking into account the appendix to the draft recommendations of the Working Group in the draft report of the Working Group to the PC;
 - iii. To prepare a draft TOR and the work program and circulate to the members of the Task Force prior to the first meeting of the Task Force and submit the completed TOR to the PC for information.
11. Requests the Task Force to report to the PC at its eighth and completes its work prior to the ninth meeting of the PC with a view to approval of the common approach by the PC at its ninth meeting.
 12. Decides that Readiness Preparation Grants for the Pilot Countries shall follow the common approach referred to in paragraph 9, without prejudice to paragraph 6. However, if the common approach is not adopted at the ninth meeting of the PC and in the event that the PC has reviewed the R-PP and allocated the Readiness Preparation Grant to a Pilot Country, paragraph 6 shall apply in order to avoid the delay of execution of the Readiness Preparation Grant by a Pilot Country.

V. Review of Piloting Arrangement

13. Will review the lessons and experience gained through the pilots at each meeting with a view to making a decision, no later than its tenth meeting, on whether, how and under what circumstances to operationalize the arrangement of multiple delivery partners under the Readiness Fund, and determine whether it is necessary to arrange for an evaluation of the piloting arrangement by independent third party.

VI. Effectiveness of Piloting Arrangement

14. Notes that the piloting arrangement referred to in Section II will start only after:
 - (i) the PA Resolution on the Multiple Delivery Partners (PA3/2010/1) has entered into effect; and
 - (ii) The World Bank has completed its internal approval process.

VII. Budget

15. Requests the FMT to address financing need, including additional budget proposal to the PC, for the purpose of the work by the Task Force referred to in paragraph 9, and report to Task Force on such proposal at its first meeting.