

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)  
FIFTEENTH PARTICIPANTS COMMITTEE MEETING  
June 30-July 1, 2013  
Lombok, Indonesia**

**Resolution PC/15/2013/1  
Potential Conflict of Interests**

**Whereas:**

1. Sections 8.3 and 11.6 of the Charter Establishing the FCPF (Charter) include provisions on potential conflict of interest;
2. The Facility Management Team (FMT) was requested by the Carbon Fund Participants to provide clarity on the aforementioned provisions; and
3. Section 21.1 of the Charter Establishing the FCPF provides that the Bank may amend the Charter, with unanimous consent of all members of the Participants Committee (PC), provided that all other Participants that are not members of the PC at the time the amendment is adopted are notified and there is no objection from any such Participant within thirty (30) days after the notification is issued by the FMT.

**The Participants Committee,**

1. Decides to amend Section 8.3 of the Charter as follows:

**“Section 8.3 Disclosure of Potential Conflicts of Interest**

- (a) Prior to the meetings of the Carbon Fund Participants to review the relevant Emission Reductions Program of a REDD Country Participant for a decision, if a Carbon Fund Participant or its affiliate or employee is engaging in the following activities, the Carbon Fund Participant shall disclose such involvement to the Facility Management Team through an email or other written means and the Facility Management Team will accordingly inform other Carbon Fund Participants and the Observers:
  - 1) direct involvement in preparing and/or implementing the Emission Reductions Program which is under consideration by the Carbon Fund Participants, including the preparation of the Emission Reductions Program Idea Note and Emission Reductions Program Document for the Emission Reductions Program concerned; and/or
  - 2) engagement in a separate transaction for Emission Reductions from the same Emission Reductions Program which is under consideration by the Carbon Fund Participants.

If the Carbon Fund Participant fails to disclose the relevant involvement, the Facility Management Team will determine what appropriate action to take after consultation with the other Carbon Fund Participants.

- (b) The Facility Management Team determines whether the involvement of the Carbon Fund Participant referred to in subparagraph (a) above is such that the Carbon Fund Participant making the disclosure should recuse itself from the deliberation, discussion and/or decision by Carbon Fund Participants with respect to the Emission Reductions Program concerned, and will advise such Carbon Fund Participant and inform the other Carbon Fund Participants and the Observers accordingly. If the disclosing Carbon Fund Participant or any other Carbon Fund Participant disagrees with the Facility Management Team's determination, the Carbon Fund Participants (excluding the disclosing Carbon Fund Participant) will decide whether the disclosing Carbon Fund Participant should be permitted to participate in the deliberation, discussion and/or decision related to the Emission Reductions Program concerned.
- (c) The Facility Management Team may further develop guidelines on process and procedure on conflict of interest in accordance with Section 14.1(g)."

2. Decides to amend Section 11.6 of the Charter as follows:

**"Section 11.6 Disclosure of Potential Conflicts of Interest**

- (a) If a member of the Participants Committee who is a Donor Participant or a Carbon Fund Participant or that member's affiliate or employee, is directly involved in the preparation and/or implementation of the Readiness Preparation Proposal and/or the Readiness Package (together "**REDD Activities**") of the REDD Country Participant whose application or REDD Activities are under consideration by the Participants Committee, such member of the Participants Committee shall disclose such involvement to the Facility Management Team through an email or other written means and the Facility Management Team will accordingly inform the Participants Committee and the Observers. If such member of the Participants Committee fails to disclose the relevant involvement, the Facility Management Team will determine what appropriate action to take after consultation with the other members of the Participants Committee.
- (b) The Facility Management Team determines whether the REDD Activities referred to subparagraph (a) above are such that the member of the Participants Committee making the disclosure should recuse itself from the deliberation, discussion, and/or decision related to the REDD Country Participant's REDD Activities, and will advise such member of the Participants Committee and inform the other Participants Committee members and the Observers accordingly. If the disclosing member of the Participants Committee or any other member of the Participants Committee disagrees with the Facility Management Team's determination, the Participants Committee (excluding the disclosing member of the Participants Committee) will decide whether the disclosing member of the Participants Committee should be permitted to participate in the deliberation, discussion and/or decision related to the REDD Country Participant's REDD Activities.
- (c) A member of the Participants Committee from a REDD Country Participant shall recuse itself from taking part in any decisions related to that country's activities undertaken pursuant to relevant provisions of this Charter, including, without limitation, matters related to its Readiness Preparation Proposal and grant allocation referred to in Section 11.1(b) and (c) and endorsement of some or all elements of its Readiness Package referred to in Section 11.1 (d).
- (d) The Facility Management Team may further develop guidelines on the process and procedures on conflict of interest for considerations by the Participants Committee in accordance with Section 14.1(g)."

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3. Instructs the FMT to notify the other Participants that are not members of the PC of this Resolution for a no-objection 30 day period.