



Forest Carbon Partnership Facility

**25th Carbon Fund Meeting
(CF25)
Progress Update**

September 2022

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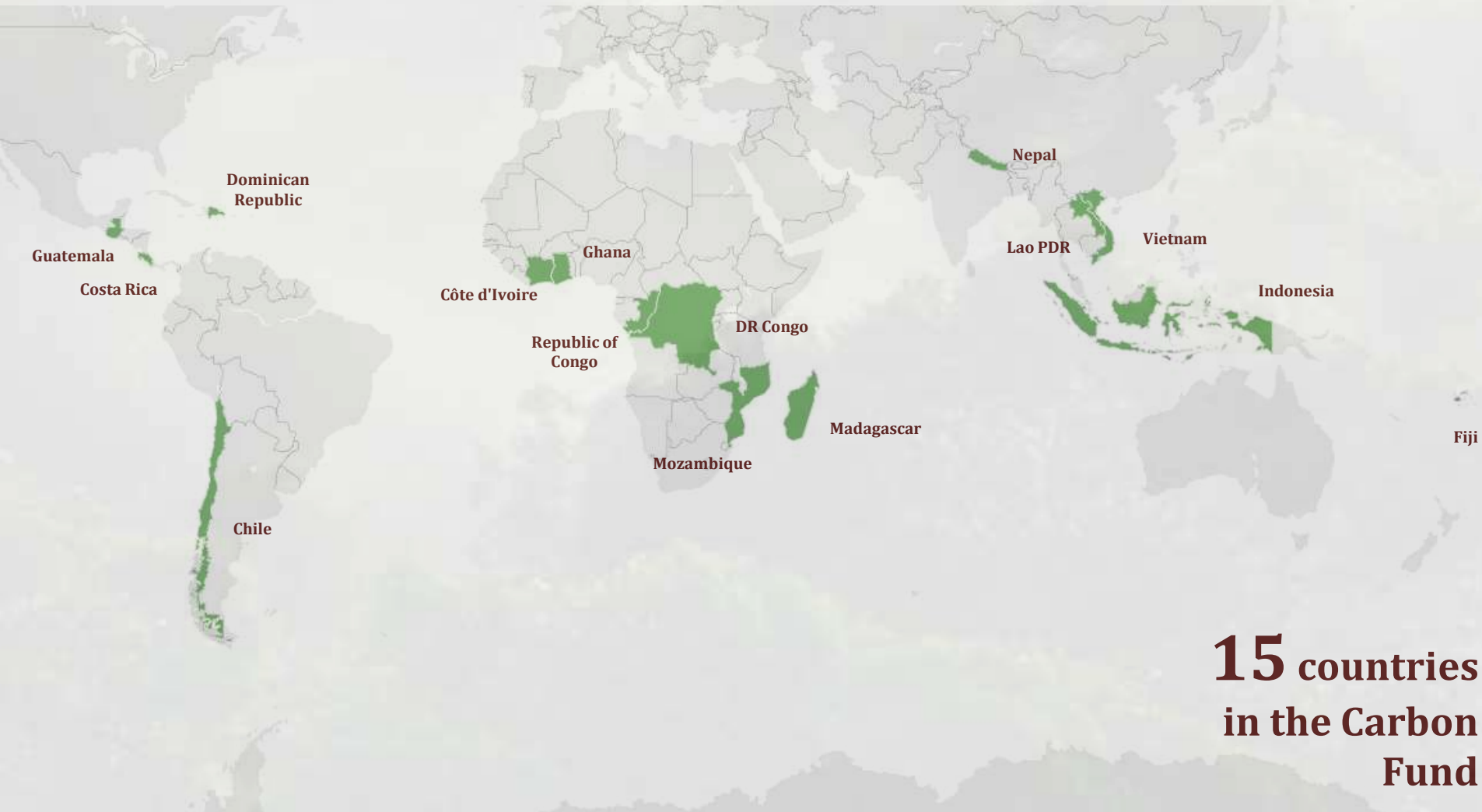
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Concluding Messages



1. CF PORTFOLIO

Carbon Fund Portfolio



15 countries
in the Carbon
Fund

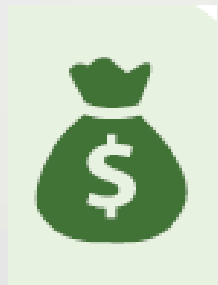
Milestones: Emission Reductions Payment Agreements

- ❑ ERPAs signed in FY22 = 1
 - Guatemala
- ❑ Total number of ERPAs signed to date = 15
 - Chile, Costa Rica, Cote d'Ivoire, DRC, Dominican Republic, Fiji, Ghana, Guatemala, Indonesia, Lao PDR, Madagascar, Mozambique, Nepal, RoC, Vietnam
- ❑ Total ER Contract Value of the 15 ERPA signed Countries: \$721.3 million

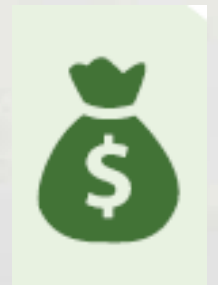
What is an ERPA?

An ERPA is an agreement signed between Country Participants and the World Bank (acting as trustee of the FCPF Carbon Fund) for the sale, transfer of, and payment for emission reductions (ERs) generated from the ER Program.

Carbon Fund Commitments



Country	ERPA Contract Value
Chile	\$26 m
Costa Rica	\$60 m
Cote D'Ivoire	\$50 m
Dominican Republic	\$25 m
DR Congo	\$55 m
Fiji	\$12.5 m
Ghana	\$50 m
Guatemala	\$52.5 m
Indonesia	\$110 m
Lao PDR	\$42 m
Madagascar	\$50 m
Mozambique	\$50 m
Nepal	\$45 m
Republic of Congo	\$41.8 m
Vietnam	\$51.5 m
Total	\$721.3 m



Conditions of Effectiveness

- ❑ Number of countries that have met ERPA Conditions of effectiveness in FY22 = 8
 - Costa Rica, Cote d'Ivoire, Dominican Republic, Fiji, Indonesia, Lao PDR, Madagascar, Nepal
- ❑ Number of countries that have met ERPA Conditions of effectiveness in FY23 = 1
 - DRC
- ❑ Total number of countries that have met ERPA Conditions of effectiveness to date = 12
 - Chile, Costa Rica, Cote d'Ivoire, DRC, Dominican Republic, Fiji, Ghana, Indonesia, Lao PDR, Madagascar, Mozambique, Nepal

What are Conditions of Effectiveness?

Conditions of Effectiveness are requirements which must be fulfilled by a program entity as part of its obligations under the ERPA before it can sell, transfer, and receive payment for emission reductions.

ER Monitoring Report

- ❑ Number of countries that have their 1st ER Monitoring Report available = 6
 - Costa Rica, Ghana, Mozambique, Vietnam, Indonesia, Madagascar
- ❑ Number of countries that have their 1st ER Monitoring Report submitted, yet to be published online = 4
 - Chile, Dominican Republic, Fiji, Guatemala
- ❑ Number of countries that have their 2nd ER Monitoring Report available = 1
 - Mozambique

What is an ER Monitoring Report?

The ER Monitoring Report is a report submitted by the Program Entity to report on ERs generated in a given Reporting Period; the occurrence of any Reversal event/s and the mitigation measures; any inability to transfer Title to ERs or any Title Contest by any party and the measures taken to address such contest/s; the implementation of the Benefit Sharing Plan, Safeguards plans, reporting on any Non-Carbon Benefits generated, as required to be reported per the ER Monitoring Plan.

Benefit Sharing Plans

- ❑ Number of country participants with published Final Benefit Sharing Plans (BSPs) in FY22 = 7
 - Costa Rica, Cote d'Ivoire, Dominican Republic, Indonesia, Lao PDR, Madagascar, Nepal
- ❑ Number of country participants with published Final Benefit Sharing Plans (BSPs) in FY23 = 2
 - DRC, Republic of Congo
- ❑ Total number of country participants with published Final Benefit Sharing Plans (BSPs) to date = 13
 - Chile, Costa Rica, Cote d'Ivoire, DRC, Dominican Republic, Fiji, Ghana, Indonesia, Lao PDR, Mozambique, Madagascar, Republic of Congo, Nepal

What is a Benefit Sharing Plan (BSP)?

A BSP is a document that summarizes benefit sharing arrangements for an ER Program, including beneficiaries, benefits, and benefit sharing mechanism(s) for the distribution of results-based payments for verified emission reductions.

Validation/Verification and Payment

- ❑ Number of countries with their 1st Validation/Verification Reports available = 3
 - Costa Rica, Ghana, Mozambique
- ❑ Number of countries that the Validation and Verification for the 1st ER Monitoring Report have been initiated = 2
 - Vietnam, Indonesia
- ❑ Number of countries with their 2nd Verification Report available = 1
 - Mozambique
- ❑ Number of countries that have received ERPA Payment = 2
 - Costa Rica, Mozambique

What is Validation and Verification?

Validation is a procedure to assess the integrity of the reference level. Verification is a periodic assessment of the amount of ERs generated by an ER program since the last Verification Report or, in the case of the first Verification, since the Crediting Period Start Date.

What is ERPA Payment?

ERPA payment is a payment for verified emission reductions that have been monitored and reported in the Emission Reductions Monitoring Report for a given Reporting Period under the ERPA.



2. ER PRICE DISCUSSION

ER Price Discussion

- ❑ At CF24, a request was made by one of the observers to reconsider revising the \$5/tCO₂e for Contract Volumes in the FCPF ERPAs. It was agreed to have an informal discussion between FMT and Carbon Fund Participants (CFPs) on implications and feasibility of a potential price change at this stage of the program.
- ❑ FMT and CFPs met and discussed options of a price adjustment and the pros and cons. Careful considerations included but were not limited to:
 - ❑ The FCPF Carbon Fund is a pilot program with the intention to show proof of concept to facilitate the development of future market prices. Despite latest developments in the carbon market, we are yet to see an established market price for jurisdictional scale REDD+ ER credits
 - ❑ Financing that has already been and still is being provided to CF countries (Readiness Grants, verification costs, World Bank technical assistance during preparation and implementation, FIP, GCF, etc.)
- ❑ Conclusions reached
 - ❑ Unit price of \$5/ tCO₂e for Contract ERs for all ERPAs will remain unchanged
 - ❑ Considerations can potentially be made under the ERPAs with regards to the Exercise Price for Additional ERs (ERs beyond the Contract ER volume) under the Call Option provision
 - ❑ Such considerations will be made at the time of ER Monitoring Report submission when there are indications of the generation of Additional ERs under an ERPA.

A man with a beard and short hair, wearing a light blue button-down shirt, is smiling and looking down at a branch of vanilla pods. The background is a lush green field of vanilla plants. The text "3. PRIVATE SECTOR ENGAGEMENT" is overlaid in white on the left side of the image.

3. PRIVATE SECTOR ENGAGEMENT

Private Sector Engagement



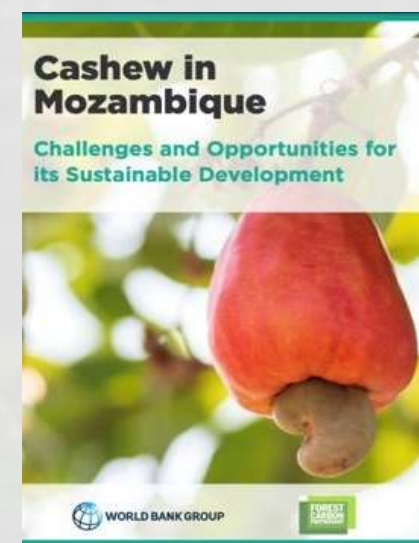
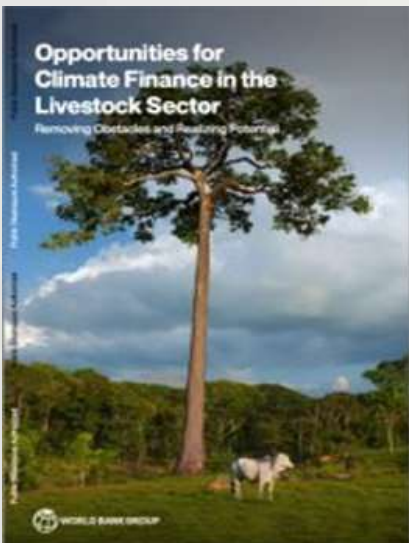
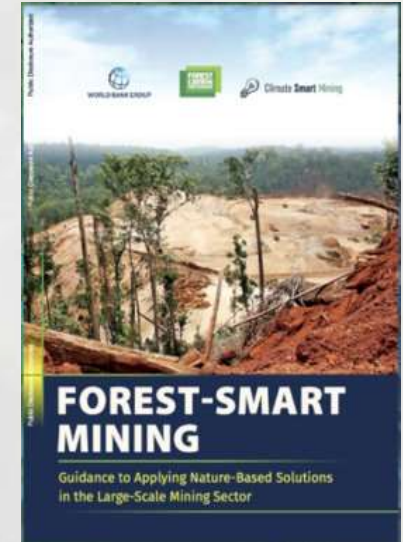
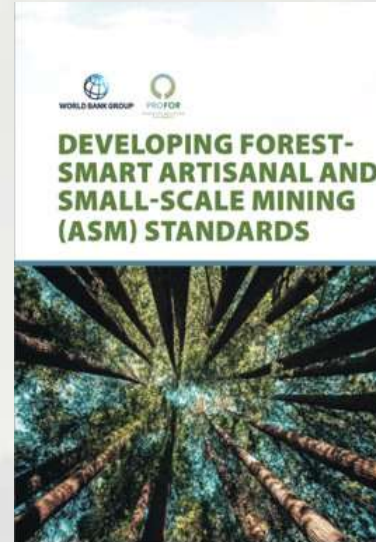
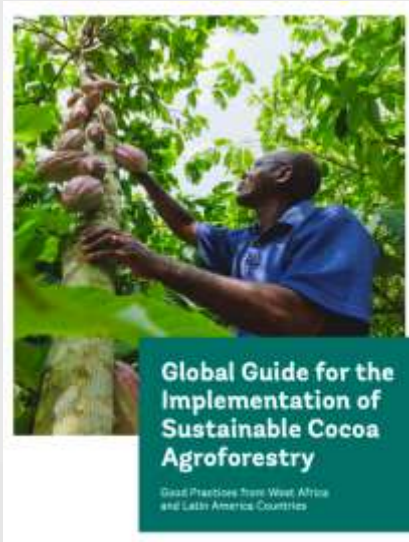
- ❑ The FCPF looks for **innovative entry points** for the Private Sector to help **scale up** the potential of REDD+. FCPF's Private Sector cross-sectoral work and programmatic approach **filled knowledge gaps and facilitated effective on-the ground activities** aiming to mitigate climate change while increasing PS involvement in sustainable practices.
- ❑ In the **cocoa sector**, the FCPF finalized its *Global guide for the implementation of sustainable cocoa agroforestry* and cost-benefit simulator. A dissemination event will be organized with participants of the *Cocoa & Forest Knowledge Exchange program*, including key stakeholders from Colombia, Brazil, Peru, Dominican Republic, Ghana and Cote d'Ivoire.
- ❑ In the **mining sector**, the FCPF published and launched the reports on Large-Scale and Artisanal Small-Scale Mining. (ASM) Additionally, ASM products were raised during this year's Global Forum Artisanal and Smart-Scale Gold Mining.

Private Sector Engagement

- ❑ In the **livestock sector**, after the finalization of the blueprints and the MRV framework, the FCPF continues to explore potential uptake and further development of key findings and work under other WB funded projects and partners.
- ❑ In the **vanilla sector**, the FCPF developed a set of illustrated guidelines based on the *Guide for Sustainable Vanilla Production and cost-benefit analysis in Madagascar's*.
- ❑ In the **cashew sector**, the FCPF fully finalized the report *Cashew in Mozambique: Challenges and Opportunities for its Sustainable Development*.
- ❑ In the **ecotourism and timber sector**, the FCPF continues to develop its activities. So far, a needs analysis of key stakeholders for ecotourism was held and a report on Timber Supply gap in under final review.
- ❑ The **FCPF** in partnership with ISFL, and co-organized with IETA and CDP, held a **Global Virtual Private Sector Workshop** in May 2022, attracting **+500 stakeholders** from **70 countries** around the globe.

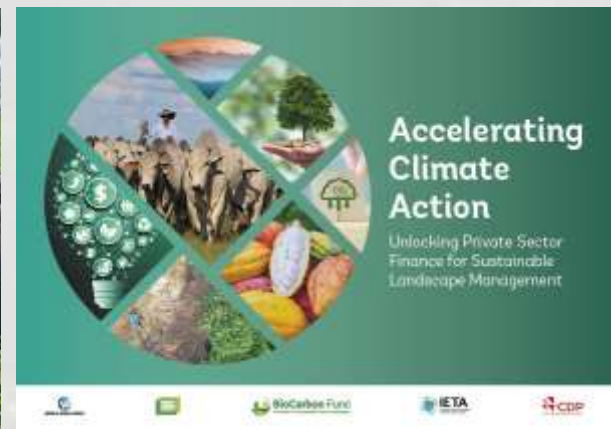


Private Sector Engagement



Private Sector Engagement: Upcoming work

- ❑ **2022 Global Private Sector Workshop Report:** publication of 2022's FCPF-ISFL Global Private Sector Workshop Report and ES.
- ❑ **Cocoa sector:** Final publication and dissemination event of the *Global guide for the implementation of sustainable cocoa agroforestry* and its cost-benefit simulator.
- ❑ **Ecotourism and Timber:** development of a regional demand analysis for Ecotourism, publication of Timber Supply GAP report and development of policy note with recommendations.
- ❑ Continue to **work and engage** with different public and private key stakeholders and platforms for the development of PS activities, promoting sustainable practices and unlocking further climate finance





4. FOREST-DEPENDENT INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

Capacity Building Program

Consolidation phase

- ❑ **\$5 million to support IPOs and CSOs**, focusing on consolidating knowledge, results, and good practices on REDD+, primarily in Carbon Fund countries.
- ❑ In **Africa**, the CBP focuses on designing activities to facilitate access of marginalized communities to climate finance and implementation of emission reduction activities on the ground.
- ❑ In **Asia and the Pacific**, the final phase of the CBP aims to strengthen the engagement of targeted forest-dependent beneficiaries in REDD+ processes and decision making at the country and regional levels.
- ❑ In **Latin America**, efforts focus on consolidating results from previous phases, including enhancing participation of women and youth in decision making processes, and the use of ICT based tools in light of the COVID pandemic.



Social Inclusion Analytics and Outreach



- ❑ Development of **Social Inclusion Framework Note** supporting the development of the social inclusion strategy for EnABLE Program.
- ❑ Publication of Opportunity Assessment to **Strengthen Collective Land Tenure Rights** in FCPF Countries. This study provides both country-specific profiles for all CF countries as well as overarching challenges and opportunities to enhancing land tenure security for IPLCs.
- ❑ Launch of **Get REDDY**, an outreach activity for and by IPLCs on REDD+. Radio, podcast, and video episodes are available in English, French, and Spanish. A pilot phase reached over 42 million people and will be followed up with a full series in late 2022.

Country/region specific work

- ❑ Lao PDR – Securing customary land tenure in Lao PDR with upcoming conference in November 2022
- ❑ Vietnam – Vulnerabilities of marginalized communities in light of climate change
- ❑ Dominican Republic – Migration, livelihoods and climate change
- ❑ Indonesia – socio-economic and environmental effectiveness of Adat forest concessions in Indonesia





5. GENDER

Mainstreaming Gender in REDD+

- ❑ Analysis of **Gender and land tenure security** in Carbon Fund countries by Resource Equity that aims to strengthen gender equity in ER programs.
- ❑ Learning from efforts to promote **gender empowerment in the Dedicated Grant Mechanism**, and on how these lessons can be replicated.
- ❑ Identification of opportunities to promote **gender inclusion and empowerment in green value chains**, a study by A2F that also presented feasibility studies for the Republic of Congo, Costa Rica, and Lao PDR.
- ❑ Examination of the perceived and actual **gender differences in the use and management of natural resources**, and the challenges of integrating women into REDD+ related activities through a behavioral study.
- ❑ Analysis of the availability of financing for rural women and the existing opportunities to **enhance the inclusion of women in financing programs**, focused on Mexico.





6. MRV (+CATS + CORSIA + ICROA)

MRV – MRV Support Program



- ❑ The WB's Land Use Climate **MRV Support Program**, which has had significant deliveries, has secured additional \$1.25 million from the PC
- ❑ **17 REDD Countries** continue receiving **technical assistance** which is being instrumental to report to the Carbon Fund and other fora
- ❑ More than **20 global and cross-country actions** were implemented to support country's MRV systems:
 - REDD+ Nesting manual → [Available](#) in English, French and Spanish
 - Analysis of potential and options for conserving stable forests → [Published](#) and disseminated
- ❑ FCPF working to provide funding to the GFOI to continue its support to FCPF Countries
- ❑ FCPF working on a next-generation MRV prototype and Proof of Concept

MRV – Requirements and Verifications

- ❑ The French and Spanish versions of the *Guidance note on estimating the uncertainty of ERs using Monte Carlo simulation* were published providing greater guidance to REDD Countries in order to meet the FCPF requirements
- ❑ The **Glossary of Terms** was updated to clarify the definition of total Emission Reductions and ensure that total ERs exclude contested or unclear ERs or ERs separately accounted.
- ❑ **Minor improvements were made to MR, validation and verification templates and Validation and Verification Guidelines** following the identification of lessons learned
- ❑ An example template was posted on the FCPF website to assist Programs in completing **section 8 of the Monitoring Report** template.
- ❑ During the FY, the FMT has provided **training sessions** on Validation/Verification to Guatemala, Dominican Republic, Indonesia, and CIV,

CATS Registry

- ❑ The World Bank ER transaction registry, referred to as the **Carbon Assets Tracking System (CATS)**, is fully operational since June 2020. The stabilization phase has already finished.
- ❑ The training plan and the onboarding process of external users and entities (including the WB LexisNexis sanction screening process), is being implemented for those countries whose monitoring reports complete their validation and verification processes.
- ❑ CATS supported the first ER transactions under the FCPF CF ERPAs (Mozambique Zambézia ILMP), with a transfer of 1.28 million tons of carbon emissions reductions to the FCPF CF. The payment to Mozambique of \$6.4 million for reducing emissions since 2019 was announced on October 15th, 2021.



CATS Registry – Phase 2

- Accommodation of new mechanisms to adapt to the new accounting and market framework designed under the Paris Agreement.
- Incorporation of a MRV data integration interface to generate a simple geodatabase with basic information by GHG category.
- Communication with other third-party and national registries; to connect CATS to the Climate Warehouse prototype (meta registry) and Climate Portal prototype (tokenization platform).
- Provide support and capacity building to host-countries on transaction registries.






CORSIA Conditional Approval of FCPF

- ❑ The **Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)** under the **International Civil Aviation Organization (ICAO)** expects to offset more than 2 billion tons in CO₂e over the entirety of the scheme (2021-2035)
- ❑ In FY20, the **FCPF was conditionally approved** as an Eligible Emissions Unit Program under CORSIA, subject to the following conditions being met:
 - Inclusion of **validation procedures**;
 - Procedures for monitoring and compensating for **reversals** at the end of the ERPA.
- ❑ In FY22, the FMT submitted to CORSIA a proposal of post-ERPA reversal management mechanism to meet CORSIA requirements.
- ❑ In FY23, the FMT held an exchange with CORSIA TAB regarding the submission, along with other issues related to Article 6 implementation
- ❑ A final decision on FCPF's eligibility is expected from ICAO CORSIA by December 2022



ICAO

International Carbon Reduction & Offset Alliance (ICROA) - Application

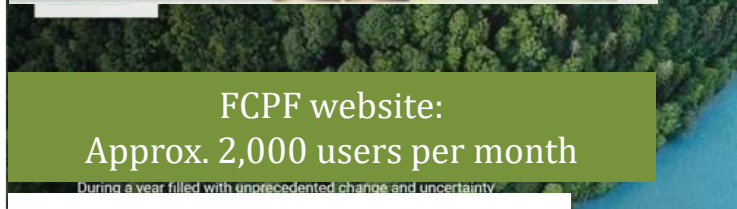
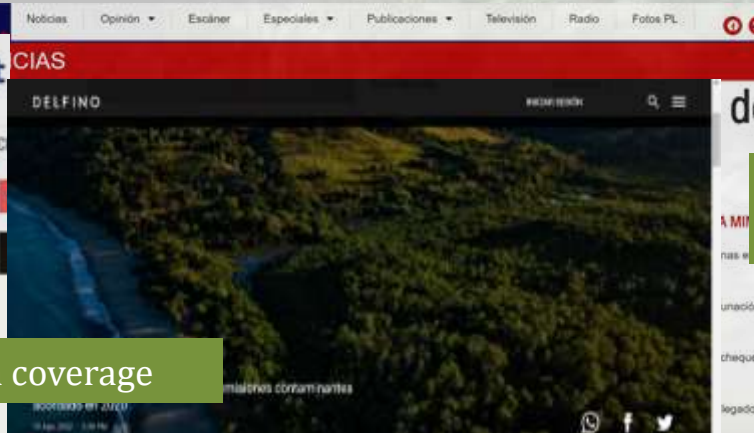
- ❑ ICROA provides quality assurance and guidance to enhance the market's integrity by setting the standard for ERs and offsetting to deliver Paris-aligned reduction pathways and enhance best practice.
- ❑ ICROA endorses Voluntary Carbon Standards that comply with certain criteria and principles that are laid out in the ICROA Code of Best Practice.
- ❑ Endorsed Independent Standards include  and conditionally endorsed include 
- ❑ ICROA-endorsement of the FCPF 
 - serves as a recognition of the quality of ERs, enabling access to markets and achieving higher prices.
 - could represent a benefit for REDD Countries who may want to transact their Excess ERs in carbon markets.
- ❑ Application would entail minimal costs (<15,000 USD) as the application could build on documentation prepared for other processes (CORSIA).
- ❑ After an initial review of ICROA criteria the FMT is confident the FCPF can meet the criteria.
- ❑ FMT seeks approval from CFPs to proceed with the application.





7. SHARING KNOWLEDGE AND RAISING VISIBILITY

Communications Highlights



World Bank website: 121,000+ users

World Bank Climate & Environment
Twitter: 178,000+ followers



Communications Overview FY23

Fall 2022

Ghana first payment announcement
COP27

Explainers on social inclusion and BSPs
Private Sector Workshop final report

Winter
2022/23

ERPA payment announcements
Auction mechanism

Country feature stories and video
ASA support

Spring 2023

ERPA payment announcements
Innovate4Climate conference

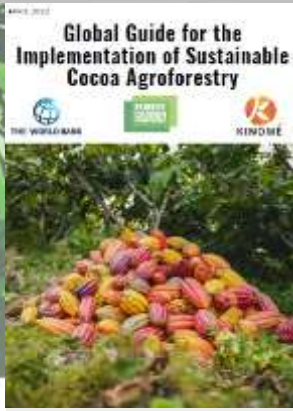
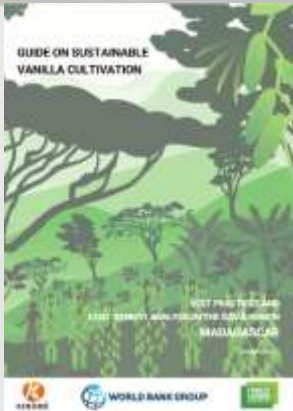
Private Sector Workshop
Explainer on CATS Registry

Summer 2023

Annual report
ERPA comms activity

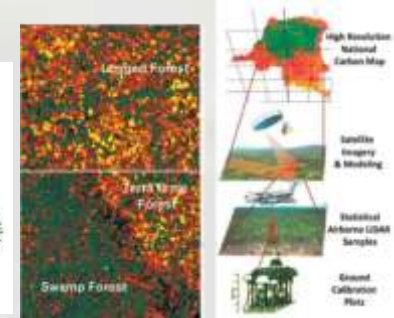
Video/photography mission - TBD
Country feature stories and video

Knowledge Management



← PRIVATE SECTOR

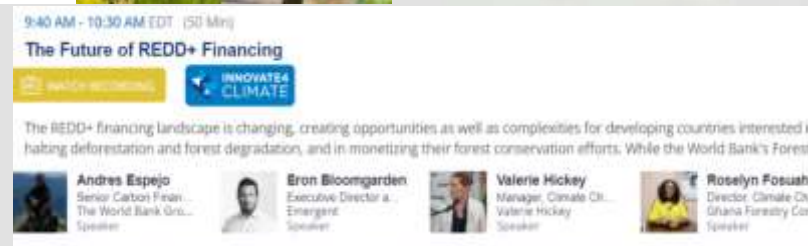
→ MRV



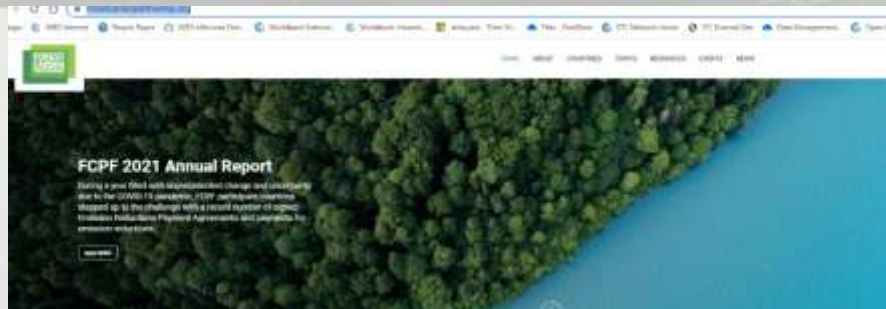
← SOCIAL INCLUSION



→ SUSTAINABLE FINANCING



Revised FCPF Website



Annual Report

Dashboards




ANNUAL REPORT | NOVEMBER, 2021
FCPF 2021 Annual Report

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Readiness Fund Dashboard Dashboard

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Carbon Fund Dashboard Dashboard

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Featured Resources



DECEMBER, 2021
Options for Conserving Stable Forests (Vol. 2): Execut...



ANNUAL REPORT | NOVEMBER, 2021
FCPF 2021 Annual Report



NOVEMBER, 2020
Choices in Quantifying Carbon for Jurisdictional REDD+ ...



ANNUAL REPORT | OCTOBER, 2020
FCPF 2020 Annual Report

About

The Forest Carbon Partnership Facility (FCPF) is a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks in developing countries, activities commonly referred to as REDD+.

The FCPF works with 47 developing countries across Africa, Asia, and Latin America and the Caribbean, along with 17 donors that have made contributions and commitments totaling \$1.2 billion. The FCPF supports REDD+ efforts through its Readiness and Carbon Funds.

[READ MORE](#)



THE READINESS FUND



THE CARBON FUND



WHAT IS REDD+?

News



JANUARY, 2022
Quarterly Newsletter January 2022

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Expanding Financing to Sustainable Farmers in Africa

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NOVEMBER, 2021
Indigenous Land Rights: a Critical Pillar of Climate...

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Important Dates



FEBRUARY 15 - 16, 2022 | VIRTUAL
Carbon Fund Twenty-fourth Meeting (CF24)

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DECEMBER 14 - 17, 2021 | VIRTUAL
Participants Assembly Fourteenth Meeting (PA14)/Participants...

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NOVEMBER 23, 2021 | VIRTUAL
Strengthening Land Tenure of Indigenous People and Local...

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8. CONCLUDING MESSAGES

Concluding Messages

- ❑ The **second payment** has been made to **Costa Rica** in the amount of **\$16.4 million** for reducing **3.28 million** tons of carbon emissions during 2018 and 2019;
- ❑ **12 ERPAs** (out of 15) have met all their **COEs**; **13** final BSP's published, **6 first** ER monitoring reports available, **1 second** ER Monitoring Report available, and **4 more** 1st ER reports have been submitted;
- ❑ Almost all countries have met **their CoEs** and after making 2 payments already, we can **possibly make up to 90 million in FCPF ER payments this calendar year**;
- ❑ What's more: The FMT will continue to support the countries on the implementation of **Emission Reductions programs, including studies and guidance covering MRV, safeguards, BSP, etc.**;
- ❑ Working closely with our colleagues and partners on the **CERF Natural Climate Solutions Pillar developments** (Pillar 1) to ensure it will build and expand on the momentum and lessons learned from the FCPF.
- ❑ The FCPF will **continue to work closely with other actors and initiatives** to make sure that financing and technical modalities are aligned, providing countries with the support they need to drive the REDD+ agenda forward.



THANK YOU
forestcarbonpartnership.org

